

The Influence of Brand Image, Product Quality, And Price on Purchase Intention for Milo Products

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ABSTRACT

Focusing on prospective consumers located within DKI Jakarta, this academic inquiry applied a causal-quantitative framework to determine the extent to which corporate reputation, merchandise excellence, and monetary expense dictate the willingness of buyers to acquire Milo goods. To gather the requisite insights, exactly 160 participants were enlisted through a purposeful, non-random selection strategy, with distributed polling forms functioning as the chief mechanism for extracting their inputs. Subsequently, the information was computationally evaluated using SmartPLS iteration 4.0, facilitating the execution of Partial Least Squares Structural Equation Modeling (PLS-SEM). The resulting statistical evidence definitively confirms a meaningful, favorable correlation linking all three examined factors to the shoppers' readiness to purchase. Among these drivers, the caliber of the commodities stood out as the most dominant predictor, succeeded in magnitude by the public's perception of the trademark, while the financial cost exerted the smallest yet still relevant effect.

INTRODUCTION

Food and beverages are among the most fundamental human needs, serving not only to satisfy basic physiological needs but also to improve the quality of life. A nutritious diet is essential for creating healthy, dynamic, and productive individuals, making food security an ongoing national priority (Ansori, 2021). Along with the shift toward more practical and convenient lifestyles among Indonesians, the packaged beverage industry has grown steadily; the Indonesian Soft Drink Industry Association (ASRIM) reported an annual growth of 3.1% in 2023, driven mainly by bottled drinking water. Within the dairy segment, a 2024 survey by GoodStats found that 82% of Indonesian consumers prefer UHT milk for its long shelf life, followed by full-cream (71%), powdered (66%), and fresh milk (64%), with taste, nutritional content, and practicality cited as the main purchase drivers.

One of the long-established brands in this category is Milo, a chocolate malt beverage produced by Nestlé and positioned as an energy drink for active children. According to Top Brand Index data for 2021–2025, Milo's brand index fluctuated between 4.8% and 7.6%, trailing well behind market leaders such as Ultra Milk, Frisian Flag, and Indomilk, and even behind Bear Brand, a new entrant that immediately captured an 18.5% index upon its 2025 launch. This pattern suggests that, despite its long history, Milo faces mounting pressure to sustain consumer purchase intention amid intensifying competition and evolving consumer preferences.

Brand image issues have further complicated Milo's position. Toward the end of 2023, social media campaigns linking several Nestlé products, including Milo, to the Israel–Palestine conflict triggered boycott calls among segments of Indonesian consumers. Prior research indicates that such socio-political sentiment can shape consumer animosity and boycott intention toward brands perceived as affiliated with the conflict (Husaeni & Ayoob, 2025), illustrating how external issues can influence brand perception and, in turn, purchase intention.

Results from an early survey of 30 Milo buyers confirmed that brand image, product quality, and price strongly dictate their purchase intention. Past literature presents conflicting evidence on how these elements work in different product sectors which creates a distinct need for new empirical research. Consequently, the current study investigates the impact of brand image, product quality, and price on purchase intention specifically for Milo consumers located in DKI Jakarta. This work ultimately seeks to guide functional marketing strategies for the brand and provide fresh theoretical perspectives on the packaged dairy beverage market in Indonesia.

LITERATURE REVIEW

Purchase Intention

Consumer behavior demonstrating an active willingness to acquire an item due to prior selection usage or inherent preference represents the core concept of purchase intention (Kotler & Keller, 2022). To effectively measure purchase intention this study adopts the perspective of Armaijn et al. (2024) which comprises four main dimensions covering transactional interest, referential interest, preferential interest, and exploratory interest.

Brand Image

The mental perception and overall impression that people associate with an item stem from their direct experiences and acquired knowledge (Effendi et al., 2022). Sampe and Tahalele (2023) further emphasize that companies must actively promote this ingrained perception to secure powerful brand recognition among target buyers. To assess brand image this study relies on three main dimensions introduced by Liana (2020) comprising product superiority, brand strength, and brand uniqueness).

Product Quality

Product quality refers to everything a producer offers that can be noticed, used, purchased, and consumed by consumers to meet their specific needs (Astuti et al., 2021). Product quality in this study is measured through five dimensions: performance, features, reliability and durability, aesthetics, and service (Aji & Nurlinda, 2024).

Price

The financial sacrifice consumers make to obtain items or services reflects the core concept of price typically calculated by combining production expenses with the target profit margin of a business (Fahriani et al., 2023). To properly evaluate price this study applies the measurement framework from Aji and Nurlinda (2024) which includes affordability, price quality ratio, competitiveness, and price benefit suitability.

Hypothesis Development

Constructing the upcoming theoretical premise for this current inquiry relies heavily on recent scholarly validations. A notably constructive and meaningful sway of corporate identity over shoppers' readiness to acquire tin-packaged Starbucks goods was confirmed through the academic observations of Putra and Fatimah (2023). An equivalent dynamic was subsequently documented by Andini and Shiratina (2024), who identified an identical pattern governing the recurring buying motivation of patrons concerning Es Teh Indonesia commodities:

H1: Brand Image has a positive effect on Purchase Intention.

The subsequent academic postulate formulated within this manuscript is anchored entirely in multiple corroborating scientific observations. A highly constructive and crucial sway of merchandise caliber over consumer willingness to acquire items has been thoroughly authenticated across various beverage sectors. Specifically, the scholarly investigations executed by Ginting et al. (2023) confirmed this favorable dynamic among patrons of Chatime tapioca beverages. Corroborating this phenomenon, Salsabila (2026) independently verified an

identical correlation concerning Be Rych Water, while parallel affirmations were documented by Sari and Alie (2024) regarding dairy commodities produced by Bear Brand.

H2: Product Quality has a positive effect on Purchase Intention.

The subsequent theoretical postulate advanced within this manuscript is anchored deeply in multiple corroborated scholarly investigations. Monetary expenditure acts as a fundamental determinant, wielding a highly constructive and substantial influence over shoppers' motivation to transact repeatedly. This exact financial phenomenon was rigorously authenticated among buyers of Es Teh Indonesia merchandise through the scientific efforts of Andini and Shiratina (2024). Corroborating such dynamics, Jaya and Hasyim (2024) registered identical correlations during their evaluation of Menantea goods, whereas Wardani et al. (2022) documented corresponding behavioral trends among patrons purchasing tapioca pearl drinks.

H3: Price has a positive effect on Purchase Intention.

As visually mapped out within Figure 1, the structural blueprint of this scholarly work positions the endogenous construct, identified as Purchase Intention (Y), under the immediate sway of three distinct exogenous constructs. Serving as the independent drivers, Brand Image (X1), Product Quality (X2), alongside Price (X3) are firmly anchored in the previously synthesized academic background and the ensuing conjectural postulations

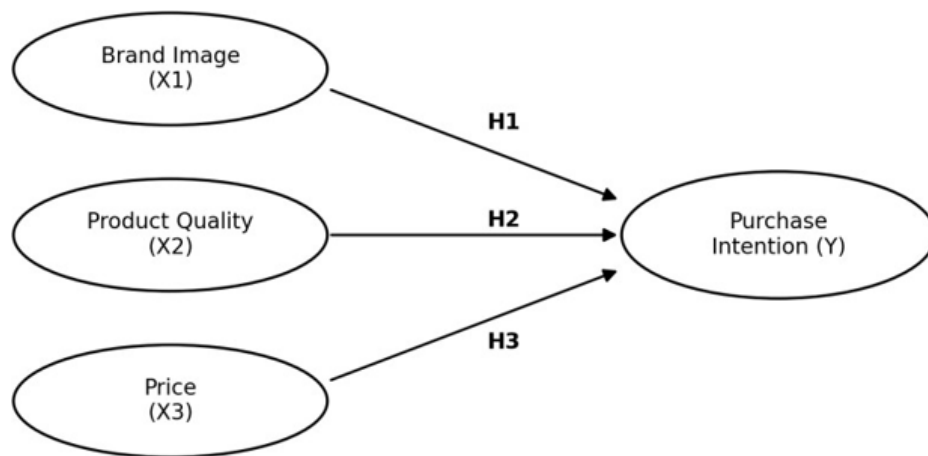


Figure 1. Conceptual Framework

METHODOLOGY

Spanning a timeframe from June 2025 until May 2026, the data collection phase targeted prospective Milo consumers domiciled across DKI Jakarta. To gauge how the dependent variable identified as Purchase Intention is dictated by three independent variables (Brand Image, Product Quality, and Price), this academic endeavor implemented a quantitative causal methodology. Aligning perfectly with the theoretical principles outlined by Sihotang (2023), the investigators refrained entirely from altering any contextual conditions during the observational process.

By executing an a priori power analysis computed through G*Power, a mandatory threshold of 77 participants was established. However, the final cohort substantially exceeded this floor, assembling exactly 160 individuals. This optimal headcount was determined by adhering to the guidelines of Hair et al. (2021), which mandates taking the 32 measured parameters and scaling them by five. The recruitment tactic utilized non-probability purposive sampling, strictly screening for inhabitants of DKI Jakarta possessing a distinct interest in acquiring Milo merchandise.

To extract firsthand inputs, digital questionnaires were distributed utilizing Google Form. These polling instruments featured a five-point Likert scale, anchoring 1 for extreme dissent and up to 5 for absolute consensus. Subsequent computational evaluation was processed using SmartPLS version 4.0, which enabled the deployment of Partial Least Squares Structural Equation Modeling (PLS-SEM).

During the initial statistical scrutiny, the outer model was thoroughly validated. By confirming that both the Average Variance Extracted (AVE) eclipsed 0.50 and the outer loading coefficients broke the 0.70 barrier, convergent validity was definitively established. Furthermore, the researchers authenticated discriminant validity via the Fornell-Larcker criterion, while simultaneously securing metric dependability by ensuring both Composite Reliability and Cronbach's Alpha coefficients registered above the 0.70 mark.

In the concluding analytical stage, checking the inner model involved a rigorous appraisal of the Q-Square, F-Square, and R-Square metrics. This paved the way for scrutinizing the theoretical propositions through a bootstrapping procedure. Based on the academic parameters set by Hair et al. (2021), an association is deemed mathematically meaningful strictly when the associated p-value drops under 0.05 concurrently with a T-statistic climbing higher than 1.96.

RESEARCH RESULT

Overview of the Research Object

Thomas Mayne successfully formulated the Nestlé chocolate malt beverage known as Milo in Australia during 1934 aiming to support child nutrition throughout the Great Depression. Indonesian consumers first experienced this imported commodity in 1974 before local production officially commenced in 1980 at the Nestlé factory situated in Karawang West Java. The core market positioning highlights a vitamin and mineral fortified chocolate malt drink tailored specifically for energetic children and adolescents. Recent brand developments introduce strategic sugar-reduction initiatives alongside plant-based alternatives and the higher-protein variant called Milo Pro.

Descriptive Analysis of Respondents

The study involved 160 respondents domiciled in DKI Jakarta who had purchased or were interested in purchasing Milo products. Female respondents comprised 53.8% (86 people) and male respondents 46.3% (74 people). By age, the 21–25 age group dominated with 70.6% (113 people), followed by 15–20 years (27.5%), and above 26 years (1.8% combined). By education, 51.2% held an undergraduate (S1) degree and 47.5% had completed senior high school. By occupation, 77.5% were students, 15% private employees, 2.5% entrepreneurs, and 5% held other occupations. By monthly income, 48.8% earned less than IDR 1,500,000, reflecting the relatively young, student-dominated composition of the sample.

Descriptive Analysis of Research Variables

For the Brand Image variable, the highest mean score was recorded on the indicator regarding Milo's distinctive characteristics compared to competing products (mean = 4.169), while the lowest was on brand recall (mean = 3.712). For the Product Quality variable, the highest mean was on the ease of serving and using the product (mean = 4.169), while the lowest was on the consistency of product quality during storage (mean = 3.725). For the Price variable, the highest mean was on price competitiveness relative to competing products (mean = 4.175), while the lowest was on the perceived correspondence between price and the value received (mean = 3.719). For the Purchase Intention variable, the highest mean was on respondents' desire to purchase Milo (mean = 4.169), while the lowest was on the intention to purchase Milo in the near future (mean = 3.725).

Measurement Model Evaluation (Outer Model)

Statistical results perfectly validate the convergent validity of this current research model. The initial outer loading examination proves that every measurement item for Brand Image, Product Quality, Price, and Purchase Intention scores well above the required 0.70 threshold thereby preventing any indicator removal. Furthermore Table 1 reveals that the Average Variance Extracted (AVE) numbers consistently surpass the 0.50 minimum boundary offering solid empirical support for the constructs.

Variable	AVE
Brand Image	0.629
Product Quality	0.618
Price	0.678

Variable	AVE
Purchase Intention	0.695

Table 1. Average Variance Extracted (AVE)
Source: Output of SmartPLS 4.0 (2026)

Data reliability testing produced excellent internal consistency outcomes for all measured variables within the structural model. Table 3 perfectly illustrates these results where the calculated Cronbach's Alpha and Composite Reliability values comfortably exceed the required 0.70 baseline.

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Description
Brand Image	0.882	0.884	0.910	Reliable
Product Quality	0.931	0.934	0.942	Reliable
Price	0.932	0.935	0.944	Reliable
Purchase Intention	0.937	0.938	0.948	Reliable

Table 3. Reliability Test Results
Source: Output of SmartPLS 4.0 (2026)

Structural Model Evaluation (Inner Model)

Evaluating the inner model begins with the R-Square result where Purchase Intention achieved 0.684 with an adjusted R-Square standing at 0.678. These statistical figures illustrate that Brand Image, Product Quality, and Price jointly cover 68.4% of the variance regarding Purchase Intention indicating a moderate level of predictability. External variables excluded from this study explain the leftover 31.6% variance. The subsequent Q-Square test yielded 0.668 for Purchase Intention which easily surpasses zero and officially verifies the strong predictive relevance of the model. Finally, the F-Square effect size data outlined in Table 4 confirms that Product Quality delivers the greatest influence on Purchase Intention followed sequentially by Brand Image and Price.

Variable	F-Square	Description
Brand Image	0.324	Medium
Product Quality	0.427	Large
Price	0.314	Medium

Table 4. F-Square Test Results
Source: Output of SmartPLS 4.0 (2026)

Statistical verification for multicollinearity demonstrates that all measurement items maintain Variance Inflation Factor (VIF) values significantly lower than the standard baseline of 5. Consequently, these figures prove that the structural model operates securely without suffering from any multicollinearity complications.

Hypothesis Testing

The study utilized a bootstrapping method to test the research hypotheses. A path relationship is considered significant if its T-statistic is higher than 1.96 and its p-value is strictly below 0.05. The complete findings from this evaluation are displayed in Table 5.

Path	Original Sample (O)	T-Statistics	P-Values	Result
Brand Image → Purchase Intention	0.352	6.249	0.000	Accepted
Price → Purchase Intention	0.339	6.474	0.000	Accepted
Product Quality → Purchase Intention	0.415	7.534	0.000	Accepted

Table 5. Hypothesis Testing Results (Bootstrapping)
Source: Output of SmartPLS 4.0 (2026)

DISCUSSION

The Effect of Brand Image on Purchase Intention

The data confirms that brand image positively and significantly impacts purchase intention among Milo consumers, leading to the acceptance of H1. Descriptively, buyers gave the highest scores to Milo's unique traits compared to competitors. This highlights how Milo's long-established identity, flavor, and packaging consistently make it stand out. These findings match Awalya et al. (2023), who found a similar effect on Gen Z's intention to buy sunscreen, as well as Putra and Fatimah (2023), who reported the same positive influence for canned Starbucks drinks.

The Effect of Product Quality on Purchase Intention

Statistical results identify product quality as the paramount predictor among the tested variables, demonstrating a highly significant and positive impact on consumer purchase intention, which consequently validates H2. Respondents rated the ease of serving and using Milo the highest among product quality indicators, while quality consistency during storage received the lowest rating, suggesting an area for improvement. This finding aligns with Susanti and Geraldine (2021), who found that product quality positively and significantly affects purchase intention among dairy-based beverage consumers.

The Effect of Price on Purchase Intention

The analysis confirms that price positively and significantly drives purchase intention, fully supporting H3. Descriptively, Milo's price competitiveness scored the highest among respondents, whereas the match between price and received value scored the lowest. This highlights that while Milo's consumers are highly price-sensitive, they still consider the brand to be competitively priced against its rivals. These results parallel the findings of Jaya and Hasyim (2024) regarding Menantea products, and Wardani et al. (2022), both

of which emphasize that affordable and competitive pricing is crucial for increasing purchase intention in the beverage market.

CONCLUSIONS AND RECOMMENDATIONS

This research investigated the impact of brand image, product quality, and pricing on consumer purchase intention regarding Milo products within the DKI Jakarta region. The empirical findings establish that all three independent constructs exert a positive and statistically significant influence on buying intent. Notably, product quality emerges as the most dominant predictor, succeeded by brand image and price. Collectively, these three dimensions account for 68.4% of the variance in purchase intention, reflecting a structural model with robust, moderate predictive power.

Nestlé is recommended to strengthen Milo's brand recall through consistent marketing communication, distinctive packaging, and creative social media campaigns; to improve quality control so that product quality remains consistent throughout the storage period; and to reinforce consumers' perceived value for money through appropriate product sizing, variant options, and attractive promotions. Future researchers are encouraged to incorporate additional variables such as trust, promotion, or brand awareness, and to extend the study to more diverse respondent groups or regions to improve generalizability.

ADVANCED RESEARCH

Subsequent academic endeavors are strongly advised to broaden their polling territories and integrate novel independent predictors to counteract the inherent constraints characterizing this current scholarly investigation. Tracking the dynamic evolution of buyer motivations concerning packaged dairy commodities would also significantly benefit from executing a longitudinal approach as time progresses. This methodological shift is crucial because the present reliance on a cross-sectional design merely captures public sentiment during a singular temporal snapshot. Additionally, potential selection bias remains a genuine risk due to the deployment of purposive sampling. Furthermore, generalizing the present insights to alternative geographic territories proves unfeasible, primarily since the participant cohort was exclusively anchored in DKI Jakarta. Finally, the statistical framework fails to account for exactly 31.6% of the variance associated with purchase intention, definitively proving that highly influential, yet entirely unassessed, external determinants are currently absent from the constructed model.

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