



**A STUDY OF HERBAL DRINK PURCHASE DECISION IN
INDONESIA**

UNDERGRADUATE THESIS

**Submitted as one of the requirements to obtain
Sarjana Administrasi Bisnis**

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FACULTY OF BUSINESS

BUSINESS ADMINISTRATION STUDY PROGRAM

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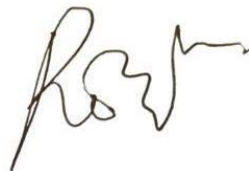
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ABSTRACT

Purpose – Herbal drink is an Indonesian heritage culture with a focus on a healthy way of living. Herbal drinks have a long history of being used for people's medical treatment and are based in local medicinal planting customs. This study aims to determine the effect of social media marketing, product quality, price, packaging, and halal certification on the purchasing decision of MSME's Karawang herbal drink (Raturatus, jamu annur, curcumaclara, jamu bekti, sinok, and anakmama) in Indonesia as an herbal drink traded in the Indonesian market in the era of post-COVID 2019.

Design/methodology/approach - This study used a quantitative method and distributed questionnaires via Google Forms. Targeting herbal drink customers at MSME's Karawang (Raturatus, Jamu annur, Jamu bekti, Sinok, Curcumaclara, and Anakmama) who have made purchases in the last six months. Respondents were selected in Indonesia, and a total of 300 people participated in this survey using purposive sampling. Data analysis used a structural equation model (SEM) through AMOSS SPSS 24 and Smart SPSS.

Findings – The findings revealed that the factors influencing a purchase decision for herbal drinks are product quality, price, packaging, and halal certification. However, social media marketing did not influence purchase decisions.

Practical implications -Awareness of herbal drink consumption is still low in Indonesia. Therefore, it is important to understand purchasing decisions regarding herbal drinks. The findings of this study can be used to develop a strategy to attract more herbal drink consumption for MSME's Karawang (Raturatus, jamu annur, Curcumaclara, jamu bekti, and sinok) and survive in a competitive industry.

Originality/value – This study is the first to combine social media marketing, product quality, price, packaging and halal certification to increase the decision to buy herbal drinks in Indonesia.

Keywords: Social media marketing, product quality, price, packaging, halal certification, and purchase decision.