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The Influence of Product Quality and Promotional Strategies on Indomie Product Business Performance

Asep Supriadi^{1*}, Mustika Ayu Cahaya Lintang², Septi Andrayani³, Nadzwa Safana⁴, Narita Maulidya Putri⁵

Universitas Sultan Ageng Tirtayasa

Corresponding Author: Asep Supriadi asep.research@untirta.ac.id

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ABSTRACT

This study aims to analyze the effect of product quality and promotional strategies on the business performance of Indomie products in Serang City. The method used is a quantitative approach with a descriptive correlational research design, which involves 75 respondents who consume Indomie products. The results showed that product quality has a more dominant influence on business performance with a regression coefficient of 0.383, which means the better the quality of the product, the higher the business performance achieved. On the other hand, the promotional strategy also has proven to have a positive effect with a coefficient of 0.252, which shows that effective promotion is capable. Increase brand visibility and expand market share. This finding confirms the importance of the company to maintain product quality while strengthening promotional strategies to maintain and improve business performance in increasingly fierce market competition. This study provides recommendations for PT Indofood CBP Sukses Makmur Tbk to continue to innovate in both aspects in order to maintain its position in the market

INTRODUCTION

In the era of globalization and increasingly fierce market competition, every company is required to be able to maintain and improve its business performance in order to remain competitive and relevant in the midst of dynamic market changes. This is very crucial, especially for companies engaged in the Fast Moving Consumer Goods (FMCG) sector, such as PT Indofood CBP Sukses Makmur Tbk, Indomie producer - one of the most famous instant noodle brands in Indonesia. Business performance of a product greatly influenced by various factors, both from within and outside the company, such as the quality of the products and promotional strategies applied (Suryani and Nurfadillah, 2020). Product quality is an important factor in modern marketing. This quality includes various aspects that are able to fulfill even exceed consumer expectations, ranging from raw materials, flavors, packaging, nutritional content, product resilience, to consumption safety aspects. According to Kotler and Keller (2016), high quality products can increase customer satisfaction, which in turn encourages consumer loyalty and strengthen brand imagery. In the Indomie context, the success of this brand is closely related to its consistency in maintaining a distinctive taste, diversity of flavors, and the selection of quality raw materials.

Previous research also proves that product quality has a positive and significant effect on business performance, both in terms of increasing sales, customer loyalty, and company competitiveness (Pratiwi and Haryono, 2021). Therefore, it is important to know how consumers in Serang City view the quality of Indomie products as a basis for assessing their contribution to business performance at the local level. In addition to quality, promotional strategies are also an important component in the success of a product in the market.

Promotion is not only conveying messages, but also functions as a strategic approach to attract consumer attention, form brand images, and influence purchasing decisions. According to Lupiyoadi and Hamdani (2019), effective promotional strategies involve various elements of marketing communication, such as advertising, sales promotion, direct marketing, public relations, to digital marketing. PT Indofood CBP actively utilizes a variety of promotional channels, ranging from television, social media, to sponsorship activities in various major events. Indomie is also known to be innovative in carrying out a promotional campaign targeting young people, for example through the use of memes on social media and collaboration with celebrities and influencers. Yulianti and Wijayanti's research (2022) shows that consistent digital promotion and in harmony with market trends can significantly increase brand awareness and consumer purchasing intentions.

In the city of Serang, Indomie's promotion strategy is feasible to be investigated more deeply, considering that this city experiences rapid economic growth and urbanization in Banten Province. Analyzing the effectiveness of promotions in this region will provide an overview of the extent to which the strategy supports the achievement of the company's business goals. Business performance is the final result of various managerial and operational activities carried out by the company. This performance can be measured through several indicators, such as sales volume, market growth, profits, and customer satisfaction. In this study, business performance is seen from how product quality and promotion can encourage growth and The success of Indomie's sales in the local market of Serang City. Kaplan and Norton (1996) state that performance measurements are not only limited to financial aspects, but also include non-financial

indicators. In practice, increasing the volume of sales and consumer loyalty is often used as a major indicator in assessing the success of the strategy applied. Therefore, it is important to assess the extent of product quality and promotion can have a real impact on Indomie's business performance in Serang City.

LITERATURE REVIEW

1. Product Quality

Every company needs to ensure that the products they produce have superior quality to be able to survive and compete in competitive markets. The interaction that exists between the company and its consumers is an important bridge to explore insight into the desires, needs, and expectations of consumers of a product. Through this understanding, companies can improve product performance through provisionThe experience of using satisfactory and positive memorable use, as well as reducing the potential negative experience that may be experienced by consumers while using the product. This is a strategic step in creating customer loyalty and satisfaction in a sustainable manner. (Tamon et al, 2021) The value of a product is very dependent on the customer's view, so that if the services or products offered succeed in fulfilling even exceeding consumer expectations, then it reflects that the product has good quality. In the context of the ISO 9000 standard, product quality is explained as the overall characteristics and attributes of an item or service that determines the extent to which the product is able to meet the specific needs of consumers. In other words, the quality is reflected in the ability of the product in

providing satisfaction in accordance with the user's expectations.

The quality of the product is one of the crucial aspects considered by consumers before doingPurchases, both for physical and service products. Therefore, companies are required to present products with superior quality standards to be able to compete and be more prominent than products from competitors. If the products offered are able to answer the needs and expectations of consumers, then this will affect the purchasing decisions positively. In order to maintain and improve this quality, companies need to make sustainable efforts through improvement of quality and relevant innovation development so that products remain in demand and be able to attract prospective buyers (Sari and Prihartono, 2021).

The quality of the product is strongly influenced by several important aspects or indicators, one of which is the suitability of expectations, namely the extent to which the product is able to meet or exceed consumer expectations. Products in accordance with expectations will provide satisfaction and encourage re -purchase. Product consistency is also important, especially in terms of taste and texture, agarConsumer experience remains the same every time consuming these products. The product display, especially the design and information on the packaging, also determines the attractiveness and clarity of the information conveyed to consumers. In addition, the product durability is added value, because it shows how long the product can be stored without reducing its quality. Finally, consumption security is a major factor, which includes aspects of hygiene and guarantees that products are safe for consumption. All these

aspects are interrelated and form consumer perceptions of the overall quality of the product.

2. Basic Concepts of Promotion Strategy

Promotion strategy as the most important part of the marketing mix that functions as a strategic tool to develop brand awareness (brand awareness), strengthen the image of the product, and encourage consumer purchasing decisions. Promotion also functions as a means of communication and as a strategic tool to inform, persuade, and remind consumers related to goods or services offered (Kotler and Keller, 2016). With changes in consumer behavior and technological advances, contemporary marketing promotion strategies have developed rapidly. According to Lupiyoadi and Hamdani, (2014), that effective promotion consists of various components of marketing communication mix, including advertising, sales promotion, direct marketing, public relations, and digital marketing. So that the promotion strategy has a big effect, the five components can be integrated (Asrita and Riofita, 2024).

Promotional campaigns that are relevant, interesting, and easy to remember, companies must understand the characteristics and preferences of target markets. The success of promotional campaigns is strongly influenced by the selection of appropriate promotional media, such as television, print media, and social media, as well as collaboration with influencers (Paramita, N.D.). An important factor in attracting the attention of the audience is creativity in creating promotional content, especially in the midst of information competition getting tighter. Business can increase customer loyalty, gain competitive advantage, and expand market reach by using a

planned and consistent promotional strategy. Therefore, it is very important to conduct periodic evaluations of the effectiveness of the promotional strategy used. To create an innovative and adaptive promotional strategy, adjustments to trends and technology are also important.

3. Basic Concepts of Business Performance

Business performance can be defined as a result of the overall effectiveness and efficiency of the company in achieving strategic and operational targets. In the food and beverage sector, this success is not only seen from the financial aspects, but also involves the application of standards such as SA8000 which emphasizes corporate social responsibility. In addition, factors such as production capacity, resource management efficiency, agency costs, and the utilization of intellectual capital are important components. In forming a brand reputation and increasing income.

In the context of the food and beverage industry, a number of indicators are used to assess the company's performance, including: 1. Sales: indicates the company's ability to create income from marketed products. 2. Market share: shows the relative position of the company to competitors in the same industry, although not always measured explicitly in each study. 3. Profitability: Usually measured through financial ratios such as Net Profit Margin (NPM), Return on Investment (ROI), and Return on Assets (ROA), which shows how effective the company converts sales and assets into profits. 4. Growth: measured through increased income, net profit, and company assets over a certain period of time.

In the food and beverage sector, business performance evaluation uses financial indicators such as the current ratio, debt to asset ratio, total asset turnover, and net profit margin has proven to have a significant impact on the company's financial results. Saputera Research, (2021) shows that the use of the combination of the ratios contributes simultaneously in determining the amount of profits obtained by the company-a major indicator in assessing business success. That is, the better the score from the measurement of the financial ratios, the higher the potential achievement of profit and profitability by the company. Furthermore, previous research underlines that the achievement of profit does not only indicate short-term operational success, but also becomes an important foundation for strategic decision making by management. Therefore, the implementation of systematic and accurate performance measurements is very crucial to help food and beverage companies maintain competitiveness while facilitating sustainable growth in the midst of rigorous industrial competition.

4. Product Quality Relationship and Business Performance

Product quality is one of the fundamental elements in modern company strategies to compete and survive in the market. Quality products not only create customer satisfaction, but also support operational efficiency and company image, which in turn has an impact on overall business performance. Business performance includes indicators such as sales growth, profitability, market share, and customer loyalty. Product quality has a significant influence on the business performance of a company. Research shows

that companies that are able to maintain consistent and high product quality tend to have better business performance. Good product quality can increase customer satisfaction, strengthen loyalty, and increase sales. Thus, good business performance is very dependent on the quality of the products offered.

Several studies show that product quality does not only affect satisfaction customers but also on company profitability. Products that have superior quality can reduce the cost of returning goods, increasing brand reputation, and expanding market share. Therefore, companies need to invest in controlling quality and product innovation to maintain competitiveness in competitive markets. Andre's research (2022) shows that product quality has a significant influence on the MSME business performance. Furthermore, Halijah and Fitriah's research (2024) stressed that product innovation is important to improve financial performance in the MSME sector.

5. Product Quality Relationships, Promotion Strategies and Business Performance

The promotion strategy has a significant relationship with business performance. Promotional strategies that are well designed can increase brand visibility, attract consumer attention, and encourage purchasing decisions, which ultimately contribute to increasing business sales and growth. Salindeho and researchMandey (2018) shows that the promotion strategy has a significant effect on marketing performance, with a coefficient value of 0.502 and a T-Statistic value of 3,759, which shows positive promotion and marketing performance. Furthermore, an effective promotion strategy can strengthen customer

relationships and increase loyalty. Thus, companies can maintain market share and achieve sustainable competitive advantages. It is very important to note that the effectiveness of promotional strategies depends on understanding the target market, consumer preferences, and industrial trends. So that the company is important to conduct an ongoing evaluation of the relevant, effective and efficient promotional strategy in achieving company goals and business performance.

METHODS

This study uses a quantitative approach to the type of correlational descriptive research, which aims to describe the relationship between the independent variables and the dependent variable. The independent variable in this study is product quality and promotional strategy, while the business performance of Indomie products by PT Indofood CBP Sukses Makmur Tbk is the dependent variable. Correlational descriptive design was chosen to measure the effect of the two independent variables on business performance based on consumer perceptions. This study was conducted with a cross-sectional approach, where data was collected at a certain time through the distribution of online questionnaires using Google Forms, which allowed researchers to gain a more in-depth understanding of the contribution of product quality and promotional strategies to business performance.

The data collection method uses a quantitative survey, with a questionnaire compiled to collect respondents' opinions about Indomie products. This survey was conducted voluntarily, with a friendly approach to encouraging respondents' participation. The instrument used in the form of a closed questionnaire with a 1–5 Likert scale to measure consumer perception on product quality and promotional strategies. This method was chosen because it was effective in collecting time -saving data and cost, and could reach many respondents at once, in accordance with Hartono's view (2018).

The population in this study is consumers who consume Indomie products, with samples specified based on the number of populations that can be accessed and the desired level of trust. A total of 75 respondents were chosen as samples, and the data obtained were analyzed using SPSS (Statistical Package for the Social Sciences) version 27. This quantitative approach is expected to provide a clear insight into the influence of product quality and promotion strategies on business performance in the local market.

RESULTS AND DISCUSSION

The results of this study were processed using SPSS Version 27 software, which included: testing validity, reliability, multiple linear regression tests, t tests, to test the hypothesis received or not.

Validity Test

Table 1. Validity Test Results

Indicator	r calculate	r table	Information
KP_1	0,761	0,50	Valid
KP_2	0,677	0,50	Valid
KP_3	0,716	0,50	Valid
KP_4	0,694	0,50	Valid
KP_5	0,787	0,50	Valid
SP_1	0,697	0,50	Valid
SP_2	0,628	0,50	Valid
SP_3	0,654	0,50	Valid
SP_4	0,805	0,50	Valid
SP_5	0,763	0,50	Valid
KB_1	0,851	0,50	Valid
KB_2	0,790	0,50	Valid
KB_3	0,837	0,50	Valid
KB_4	0,784	0,50	Valid
KB_5	0,790	0,50	Valid

Source: Primary Data, Processed 2025

Based on Table 1 the results of testing the (2021), so that all indicator variables are declared validity of each statement item has a R count valid. (correlation) value greater than 0.50 (Hair et al, **Reliability test**

Table 2. Reliability Test Results

Variable	Cronbach's Alpha calculate	Cronbach's Alpha table	Information
Kualitas Produk	0,777	0,7	Valid
Strategi Promosi	0,749	0,7	Valid
Kinerja Bisnis	0,869	0,7	Valid

Source: Primary Data, Processed 2025

Based on Table 1 data, the Cronbach's Alpha value is obtained for all variables greater than 0.7, which means that variables are declared reliable.

Multiple Linear Regression Test

Table 3. Multiple Linear Regression Test Results

Coefficients ^a		
Model	Unstandardized Coefficients	
KP_2	B	
1	(Constant)	8.145
KP_4	X1	.383
KP_5	X2	.252

a. Dependent Variable: Y

Source: Primary Data, Processed 2025

Based on table 3, the regression equation is: $y = a + bx_1 + bx_2 + e$, with a written number: $y = 8.145 + 0.383x_1 + 0.252x_2$. With the explanation as follows:

1. The 8,145 constant illustrates that the value of Y when the independent variable is zero, is 8,145. In results like this can't is also said that the overall value of product quality variables, and promotional strategies affect purchasing decisions.
2. At the coefficient value of 0.383, it contains the understanding that each increase in a unit of product quality, it will increase the value of Y (Business Performance) by 0.383 units.
3. Then the coefficient of the promotion strategy coefficient is 0.252, meaning that if the promotion strategy variable has increased by 1% while the product quality is assumed to be fixed, it will increase the Y (business performance) variable by 0.252. The coefficient value shows that the value of promotional strategies has a positive effect on business performance.

The results showed that product quality and promotional strategies have a positive influence on Indomie's business performance in Serang City. Product quality, with a regression coefficient of

0.383, has a greater impact on business performance compared to promotional strategies. This shows that consumers in the Serang City is very concerned about product quality, especially in terms of taste, packaging, and consumption safety, which directly increases their satisfaction and loyalty to Indomie products. On the other hand, the promotion strategy also plays an important role, although with a smaller contribution, with a coefficient of 0.252. Promotion campaigns carried out through digital media and collaboration with influencers have proven effective in strengthening brand image and expanding market reach. Therefore, companies must continue to improve product quality while strengthening adaptive promotional strategies with market trends and consumer preferences. This finding also shows the importance of integration between the two factors in creating sustainable and competitive business performance in the FMCG market.

CONCLUSION

The conclusions of the results of this study are:

1. Based on the results of the study, it can be concluded that product quality and promotional strategies have a positive effect on performance Indomie product business in Serang City. The quality of the product makes a more dominant contribution with a regression coefficient of 0.383, which

shows that the higher the consumer perception of the quality of Indomie products - in terms of taste, packaging, and consumption security - the higher the increase in the company's business performance. This is in line with the findings that consumers are very concerned about aspects of the suitability of product expectations and consistency, which if met, will encourage loyalty and re-purchase decisions, thereby increasing the growth of sales and competitiveness of the product.

2. On the other hand, the promotion strategy also proved a positive effect on business performance with a coefficient of 0.252. Promotion carried out consistently through digital media, television, and collaborative campaigns with influencers, helps strengthen brand imagery and expand the reach of Indomie Market in Serang City. This finding confirms that the marketing communication strategy is adaptive to Consumer trends and social media -based can increase product visibility and influence consumer purchasing decisions effectively. Therefore, companies are advised to continue to maintain the quality of their products while strengthening innovations in promotional strategies in order to maintain and improve business performance in a sustainable manner in the midst of increasingly dynamic market competitions.

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