The Influence of Product Quality and Price on Purchasing Decisions

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Abstract
In an effort to win business competition, companies must have the right marketing strategy for their products. This study aims to analyze the Effect of Product Quality and Price on Purchasing Decisions at Juice Time Dalung, Badung. Data collection techniques by conducting surveys and interviews. Sampling using the purposive sampling method, namely consumers who have purchased Juice Time products with an age range of 15-45 years and a large sample of 90 respondents. The variables used are product quality variables (X1) and price variables (X2), as well as purchase decision variables (Y). The research method uses multiple linear regression analysis, namely t test and f test with the help of SPSS version 24 for windows. Based on the results of the study, the regression equation Y = -0.508 + 0.484X1 + 0.030X2 was obtained. The hypothetical decision obtained states that partially the product quality variable has a significant effect on the purchase decision, the price variable does not have a significant influence on the purchase decision. However, simultaneously these two variables have a significant influence on the purchase decision of Juice Time Dalung, Badung products.

Keywords: Product Quality (X1), Price (X2), Purchase Decision (Y).
INTRODUCTION

Basically, business people are always profit-oriented, so the strategies designed are expected to create good product sales. Sales of a product will occur if potential customers make a purchase decision on the product. Purchasing decision is the consumer’s decision on the selected product among a selection of existing products (Kotler and Keller, 2009). Badung Regency is the city of Bali Province with the densest number of migrants, namely BPS (Central Statistics Agency) Badung Regency in 2017 recorded a population of 468,346 people with an area of 418.62 km².

The beauty of the beach and hangout place for the hall, young, children, to adults so that Badung Regency becomes one of the tourist destinations both locally and abroad. The number of tourists who come, has an impact on the increasing number of business people who continue to innovate and make new ideas that aim to attract consumers, especially in the culinary field. This makes Badung Regency, especially Dalung Village, North Kuta District as a potential area to establish a culinary business. The culinary business is indeed a favorite for many business people ranging from types of shops, cafes or coffee shops, food courts, warteg (tegal stalls) to street vendors can be found throughout the Badung Regency area, especially in Dalung Village. One type of restaurant that is popular among young people in Badung Regency lately is Juice Time is indeed a suitable place for young people. Juice Time has become a popular place for at least the last 5 years. This can be seen from the emergence of various cafes, as well as shops that sell various kinds of juice, coffee, and food in Dalung Village. Until now, Juice Time already has 3 (three) branches, namely Dalung, Batubulan, and Renon. The menu offered by Juice Time itself is very diverse ranging from juices, cocktails, local to foreign foods such as steak, pasta, and burgers. The taste of steak, pasta, and burger is very suitable for the Indonesian tongue. But Juice Time itself emphasizes the juice menu because it lives up to its name. Its unique and simple presentation makes consumers, especially young people, interested in visiting and enjoying food and drinks at Juice Time. Based on sales data for the last 1 (one) year, there were fluctuations in sales turnover, namely in August there was a drastic increase in sales turnover up to 76.96%, but the worst condition occurred in September a significant decrease in turnover of -48.51%.
One of the key elements in competition among business actors is the availability of quality products provided and offered to consumers. According to (Kotler & Armstrong, 2008), product quality is the ability of a product to perform its functions, those abilities include durability, reliability, accuracy produced, ease of operation and repair, and other valuable attributes of the product as a whole. Product quality can determine customer satisfaction where customer satisfaction depends on how consumers respond to the perceived product quality. Business actors must make the right decisions about the quality of the products sold. With the existence of product quality in the sense of a complete product with the size, quality, and availability of products at any time. Based on the results of research (Faisal, Akbar, 2019) product quality has a significant effect on purchasing decisions with a correlation value of 0.635 or with a strong contribution of 40.3 percent. In addition to product quality, price is also one of the factors that influence the level of consumer purchasing decisions. According to (Kotler, 2012), price is the amount of money that must be paid by the customer to acquire the product. Strategizing must look at prices well that are profitable for buyers both in the long and short term, because competitors can copy price changes easily, because well-designed and marketed products can be sold at high prices and generate large profits (Kotler & Keller, 2009). Dedhy Pradana (2017) in his research shows that price has a positive influence on the variable purchase decision (Y) of Honda Beat Matic Motorcycles in Samarinda City which means that prices are affordable by consumer purchasing power, price suitability with quality and prices have competitiveness with other similar products have been able to increase purchasing decisions of Honda Beat

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Monthly Sales Turnover</th>
<th>Growth</th>
</tr>
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<tbody>
<tr>
<td>Januari</td>
<td>Rp. 94,788,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Februari</td>
<td>Rp. 108,500,000</td>
<td>14.47%</td>
</tr>
<tr>
<td>Maret</td>
<td>Rp. 100,136,000</td>
<td>-7.71%</td>
</tr>
<tr>
<td>April</td>
<td>Rp. 121,719,000</td>
<td>21.55%</td>
</tr>
<tr>
<td>Mei</td>
<td>Rp. 141,732,000</td>
<td>16.44%</td>
</tr>
<tr>
<td>Juni</td>
<td>Rp. 93,679,000</td>
<td>-33.90%</td>
</tr>
<tr>
<td>Juli</td>
<td>Rp. 104,844,000</td>
<td>11.92%</td>
</tr>
<tr>
<td>Agustus</td>
<td>Rp. 185,533,000</td>
<td>76.96%</td>
</tr>
<tr>
<td>September</td>
<td>Rp. 95,522,000</td>
<td>-48.51%</td>
</tr>
<tr>
<td>Oktober</td>
<td>Rp. 128,269,000</td>
<td>34.28%</td>
</tr>
<tr>
<td>November</td>
<td>Rp. 134,965,000</td>
<td>5.22%</td>
</tr>
<tr>
<td>Desember</td>
<td>Rp. 160,956,000</td>
<td>19.26%</td>
</tr>
</tbody>
</table>

Source: Juice Time Dalung, 2019
Matic Motorcycles in Samarinda City. Price is the most important part of purchasing, after considering the quality of the product because it will affect the purchase decision. From this explanation, it can be concluded that prices can provide information that attracts the attention of consumers (Laussel, Long, & Resende, 2020; Li, Nagurney, & Yu, 2018; Nair, 2019). Companies need to continue to improve the quality of products or services and provide variations in product prices because increasing product quality and product price variations can make consumers feel satisfied with the products or services they buy and will influence consumers to make repeat purchases (Dinopoulos, Kalyvitis, & Katsimi, 2020; Ferrara, Missios, & Yildiz, 2019; Narwal & Nayak, 2020). This study aims to determine how the influence of product quality and price on consumer decisions to buy Time Juice products in Dalung Badung Regency, Bali

**METHOD**

This research design is in the form of a survey, which is research that describes a symptom or event that occurs at the present time (actual). The variable used is an independent variable (Independent) with the name X, consisting of product quality (X1), and price (X2). The dependent variable named Y is the purchase decision. The data analysis technique uses multiple linear regression analysis where in collecting primary data obtained from questionnaires distributed to respondents. The respondents of this study were taken from samples using the purposive sampling method, namely the determination of respondents based on certain criteria (Siregar, 2013) the criteria in question are that Juice Time consumers have made a purchase decision, always consume products available at Juice Time Dalug, with an age range of 15 - 45 years because they are considered able to provide information in accordance with facts in the field. The sample size is done by multiplying by 5 or 10 the number of statement items in the questionnaire, so that as many as 16 x 5 to 10 statement items are 80 to 160 respondents. In the study, 90 respondents from Juice Time Dalung consumers were used. The data descriptive test assesses respondents' characteristics based on gender, age, and occupation. Validity can be done by correlating factor scores with total scores. If the correlation of each factor is positive (r)>0.3, then the instrument is valid. Reliability tests are carried out to determine the extent to which questionnaire measuring instruments which are indicators of these variables are reliable (Gozali, 2013). In questionnaire research, it is said to be reliable or unreliable if it is α>0.60 and unreliable if it is equal to or below 0.60. The normality test aims to find out whether the
regression model, confounding or residual variables have a normal distribution. The normal distribution will form one diagonal straight line, and the residual data plotting will be compared with the diagonal line. If the residual data is normal then the line describing the actual data will follow its diagonal line. The multicollinearity test aims to test whether the regression model found a correlation between independent variables. The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another. To be able to perform multiple linear regression tests, classical assumption tests must be carried out first, classical assumption tests against regression models used to find out whether the regression model is a good regression model or not. T-test analysis is used to test the significance of the constants of each independent variable, whether the variables product quality (X1) and price (X2) have a partial (separate) and simultaneous influence on the dependent variable, namely purchasing decisions (Y).

RESULT AND DISCUSSION

Juice Time Dalung branch located on Jl. Raya Padang Luwih No. 2B, Dalung, North Kuta District, Badung Regency, Bali 80351. This company is engaged in services which was established in January 2017. The interesting thing about Juice Time Dalung is not like most cafes or shops that serve a lot of coffee dishes as a mainstay menu. Juice Time highlights various types of fruit and vegetable juices. The owner of Juice Time, I Wayan Darmayasa, called his place of business a shop with a coffee shop concept with its own characteristics. The vision set by Juice Time Dalung is to create jobs for the surrounding community to reduce unemployment. To realize the vision that has been set, the mission of Juice Time Dalung is to meet customer needs for consumption of juices that are highly nutritious, hygienic, safe for consumer health, and increase public interest in drinking juices made from various processed fruits and vegetables. Based on the survey results, that of the 90 respondents who participated, 52 respondents were male (57.8%) and 38 female (42.2%). Based on age, respondents aged 26-36 years are the most respondents compared to other groups, namely as many as 34 people (37.8%) and the least is the age group over 45 years as many as 5 people (5.6%). It is known that most respondents are self-employed as many as 27 people (30.0%), and the lowest civil servants as many as 15 people (16.7%).
Instrument Test

The results of the statistical table 2 test, that the correlation value is greater than the moment product correlation value ($r > 0.2$) (Sugiyono, 2014). Thus all research instruments used are valid then these instruments can be used to analyze statistics further. All variables have a Cronbach Alpha value of more than 0.6 (Sugiyono, 2013). So it can be concluded that all variables used in this study are reliable and the research can continue.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Alpha Cronbach</th>
<th>Alpha Critical Standards</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality (X1)</td>
<td>0.781</td>
<td>0.60</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Price (X2)</td>
<td>0.615</td>
<td>0.60</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Purchase Decision (Y)</td>
<td>0.709</td>
<td>0.60</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

In Table 3 the Product Quality variable (X1) has a tolerance value of 0.679, the Price variable (X2) has a tolerance value of 0.679. The VIF value of the Product Quality variable (X1) is 1.473, the Price variable (X2) is 1.473 because both independent variables have a VIF coefficient smaller than 10 and a tolerance greater than 0.1, which means that all independent variables in the study are free from the symptoms of multicollinearity.
Figure 1
Test Result Heteroskedastisitas Using Scatterplot

It can be seen that the points spread randomly, do not form a certain clear pattern, and are scattered both above and below the number 0 on the Y axis. This means that there is no heteroscedasticity in the regression model.

Multiple Linear Regression Analysis

Based on table 4, there is a regression coefficient value by looking at the results in the coefficient table in the unstandardized column in column B. there is a constant value, with a constant value of -0.508 while the regression coefficient value for product quality (X1) = 0.484 and price (X2) = 0.030. Based on these results, a multiple regression equation model can be formulated which will then interpret the meaning of the regression equation model. The regression equation model is as follows:

\[ Y = -0.508 + 0.484X_1 + 0.030X_2 \]
The interpretation of the regression equation model above is as follows:
A constant of -0.508 states that if product quality and price are constant or equal to zero, then the purchase decision is -0.508. The regression coefficient of product quality is 0.484, meaning that for every increase in product quality by one point, consumer decisions will increase by 0.484. Vice versa, if the quality of the product decreases by one point, the purchase decision will decrease by 0.484. The regression coefficient of price is 0.030, meaning that for every increase in the price variable by one point, the purchase decision will increase by 0.030. Vice versa, if the price variable decreases by one point, the purchase decision will decrease by 0.030.

The effect of product quality (X1) on purchasing decisions (Y).
Ho : Product quality does not significantly affect purchasing decisions.
Ha : Product quality has a significant effect on purchasing decisions.
It is known that the calculated t value of product quality (X1) is 8.103 with a sig value. 0.000 < 0.05 which means Ho is rejected and accepts Ha, then product quality has a significant effect on purchasing decisions at Juice Time Dalung Branch, Badung. This shows that product quality has a significant effect on purchasing decisions. This shows that product quality has a significant effect on purchasing decisions. Product quality in the form of, Performance, Durability, Features, Reliability, Aesthetics, Serviceability, and Perceived Quality. The value of the product quality coefficient (X1) on the purchase decision (Y) is obtained a positive Beta value of 0.484 or 48.4% which means that, if the quality of the product (X1) increases by one point, the purchase decision (Y) will increase by 48.49%, and vice versa if the quality of the product (X1) decreases by one point, then the purchase decision (Y) will also decrease by 48.4%.

The effect of price (X2) on purchasing decisions (Y)
H0 : Price has no significant effect on purchasing decisions.
Ha : Price has a significant effect on purchasing decisions.
The results of the t-test on the price variable X2 obtained a Sig probability of 0.796. The Sig value > 0.05 (0.796 > 0.05), then the decision is that H0 is accepted and rejected Ha, which means that price (X2) has no significant effect on the purchase decision (Y). The value of the price variable coefficient (X2) to the purchase decision (Y) is a Beta value of 0.030 or 3%. The magnitude of the influence of price (X2) on the purchase decision (Y) is 3%, the value shows a positive and insignificant value which means that price (X2) does not have a significant effect on the purchase decision (Y).
Based on the results of the analysis in Table 5, it is known that the F test value is 50.177 with a significance level of 0.000 smaller than 0.05 (0.000 < 0.05), then the regression model used is appropriate or fit, which means product quality and price, simultaneously or together affect purchasing decisions at Juice Time Dalung.

The results of the determination test obtained a determination value of 0.536, meaning that product quality and price simultaneously contributed 53.6% influence on purchasing decisions, while the remaining 46.4% was influenced by other factors.

**CONCLUSION**

Based on the results of the t test related to the influence of product quality variables (X1) on purchasing decisions (Y), it is known that product quality has a positive and significant effect on purchasing decisions. The result is obtained from the results of the t test, where the Sig value is 0.000 which is smaller than 0.05 (0.000 < 0.05). So it can be concluded that H0 is rejected and Ha is accepted, which means that product quality has a positive and significant
effect on the purchase decision of Time Dalung Juice, Badung. The result of the t test on the price variable (X2) obtained a Sig probability of 0.796. The Sig value > 0.05 (0.796 > 0.05), then the decision is H0 accepted and rejected Ha, which means the price (X2) has no significant effect on the purchase decision of Time Dalun Juice, Badung. F test value of 50.177 with a significance level of 0.000 less than 0.05 (0.000 < 0.05) then, product quality and price, simultaneously or together influence the purchase decision at Juice Time Dalung with an influence contribution of 53.6%.

REFERENCES