Price Effectiveness and Product Quality on Purchase Decisions by Printing Companies

Tri Angreni[1]*, Georgius Listen[2], Adrian Hidayat[3]

[1][2][3]*Universitas Buddhi Dharma*
Jl. Imam Bonjol No. 41 Karawaci Ilir, Tangerang, Indonesia

[1]tri.angreni@ubd.ac.id

[2]georgius.listen@ubd.a.id

[3]adrian.hidayat@ubd.ac.id

Abstract

The purpose of writing this thesis is to determine the effect of screen-printing paint quality and printing prices on consumer purchasing decisions by printing companies. The study was conducted on 60 respondents through the distribution of questionnaires. The method used in this research is descriptive method and qualitative method. Based on the answers to the questionnaire, raw data has been obtained which is then processed using SPSS version 23 so that it becomes useful data for this research.

In addition to calculating the relationship between the independent variable and the dependent variable, this study also calculated the relationship between variables. The correlation of the effect of paint quality on purchasing decisions is 0.721 the correlation of the effect of price on purchasing decisions is 0.529 and so it can be said that the relationship between the three variables is quite strong, thus Ho is rejected, and Ha is accepted. In the t-test, the results of t-count paint quality are 7.143, t-count prices are 6.896 and t-count when compared with t-table of 2.001 then there is a significant relationship is significant between paint quality and price on purchasing decisions by Printing Companies.

I. INTRODUCTION

Every company has a goal to realize the growth and development of its survival in the long term. In an increasingly advanced global era marked by increasingly sharp and complex competition, entrepreneurs are required to have strategic capabilities in the field of marketing management so that they are able to adapt to a dynamic environment. The business world cannot be separated from the term competition in the manufacturing and service industries. This term resulted in every producer or trader in the business world can achieve success that can gain market share or failure.

In addition, business competition is a natural and healthy thing that can be done and observed in making a decision. Because of that, not a few who do product development in order to attract consumer interest and the resulting product can be attached to the hearts of consumers. There are so many companies that offer products or services, so consumers have more and more choices, thus the bargaining power of consumers is getting bigger. Customer expectations are believed to have a major role in determining product quality (goods and services) and customer satisfaction. By evaluating it, customers will use their expectations as a standard or reference in the context of customer satisfaction.

Marketing has an important role in a free market, where every company competes to show the advantages of its products to consumers. Marketing strategy is a fundamental tool that is planned to achieve company goals by developing a sustainable competitive advantage through the market entered and the marketing program used to serve the target market. However, many companies are also forced to stop their company activities, because their products are not selling well as a result of the consumer's lack of liking for these products. This could be because the company paid less attention to consumer wants and demands, besides that the company also paid less attention to product development in terms of production and promotion.

In this case, marketing has an important role to arouse and attract consumers. Marketing is a part of human activity which is directed to fulfill and satisfy needs and wants through exchange process.

As quoted by Kotler and Susanto, a company's marketing strategy must be able to be described in each marketing program. This can be done by determining how much marketing expenditure is, using the marketing mix or not, determining marketing allocations.

Marketing strategies are designed to increase the chances that consumers will have positive perceptions and feelings about certain products, services and brands, will try these products, services and then buy them again and again. In this case the company must pay attention to segmentation analysis, targeting, and positioning. The company will determine which consumers will be selected to serve, then group the market into smaller groups and serve the profitable ones. In this decade the wave of competition is increasing. Competitors are increasingly difficult to predict and anticipate. This situation increases the competitive strategy to support the organization's ability to survive in the market. Marketing activities are the key that will be able to support all company activities.

II. Related Works/Literature Review (Optional)

For consumers, price is a form of monetary cost that is sacrificed to obtain, own, utilize a number of combinations of goods and services from a product. For companies, pricing is a way to differentiate their offering from the competition.

According to Fandy Tjiptono in his book Service Marketing Management (2012: 151), states that:

"Price is the amount of money charged for a product or service or the sum of the value that consumers exchange for the benefits of owning or using the product.

"According to Michael J. Etzel by Danang Suntoyo in his book Basics of Marketing Management (2012: 130), states that:

"Price is the value stated in a currency or other monetary medium as an exchange rate. "

According to Basu Swastha (2012: 150) in his book on the pricing stage, states that: "Price is the amount of money (plus some goods if possible) needed to get a number of combinations of goods and services. "

From the definition of the experts above can be concluded that the price is the exchange value set by the seller or buyer to get a product or service that can meet the needs and desires of consumers.

III. Methods

The research variable consists of two kinds, namely: the dependent variable (dependent variable) is Price (X1) and Product Quality (X2), and the independent variable (independent variable) is Purchase Decision (Y). Definition of Operational Variables The operational definitions of variables and their indicators in this study are as follows:

- Price Indicators of the price variable are: mark up pricing, perceived value of price suitability and benefits, price affordability, discount.
- Product Quality Indicators of product quality variables are: performance, features, durability, suitability/specifications, aesthetics
- Buying decision. The indicators of the purchasing decision variables are:Needs, Seeking Information, Evaluation of Alternatives, Purchase Decisions, Behavior After Buying.

This study describes the effectiveness of price and product quality on purchasing decisions. It aims to find out how much effective the price and quality of screen printing paint on purchasing decisions in this study were taken as many as 60 people who made purchases or who visited the printing company. Characteristics of respondents, namely outlining a description of the identity of the respondent according to the research sample that was determined. This study uses a quantitative approach with a survey method. The survey method was chosen as the primary data source using a questionnaire.

IV. RESULTS

Price Variable Validity and Reliability Test (X1)

Table 1. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,865	,865	10

Table 2. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
X1,P1	35.02	32,830	,594	,584	,851
X1,P2	34.95	35.574	,386	,499	,867
X1,P3	34.87	34,456	,435	,482	,864
X1,P4	34.82	33,000	,591	,532	,851
X1,P5	34.80	32,773	,669	,548	,845
X1,P6	34.80	33,892	,566	,447	,854
X1,P7	34.97	31,151	,761	,642	,837
X1,P8	34.77	32.555	,599	,576	,851
X1,P9	34.73	32,029	,651	,505	,846
X1,P10	35.03	33,829	,533	,545	,856

Validity test can be done by looking at the correlation between the scores of each item in the questionnaire with the total score to be measured, using the Pearson Coefficient Correlation in SPSS. If the significance value (P. Value) > 0.05 then there is no significant relationship. Meanwhile, if the significance value (P. Value) < 0.05, there is a significant relationship. This study uses an analytical tool in the form of SPSS 23.00. It can be explained that:

1. The Item-Total Statistics table shows the results of the validity calculations for 10 .
2. Determining the value of rtable with the provision of the level of confidence (degree of freedom = df) the number of respondents is reduced by 2 or 60 – 2 = 58 with a significant level of 5%, then the value of r table is 0.2542.
3. Comparing r table with each item r count statement by comparing the Corrected Item Total Correlation output with 0.2542 (rtable).
4. When compared to r tables in the Corrected Item Total Correlation column, the value of r counts all statements about paint quality greater than r tables, meaning that all statements are valid.

Test the Validity and Reliability of Product Quality Variables (X2)

Table 3. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,739	,744	10

In the Reliability Statistics table above, it can be seen that the value of Cronbach's Alpha is 0.739 with 10 statements. When compared with the alpha value according to Yuni Sugiarti (2011: 94) in his book entitled Research Methods in the Field of Computers and Information Technology, the value of = 0.60. So it can be concluded that all statements about prices are proven to be reliable.

Table 4. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
X2,P1	31.85	22.401	,485	,418	,708
X2,P2	31.90	23,210	,359	,279	,724
X2,P3	32.07	20.979	,457	,352	,709
X2,P4	31.75	22,326	,417	,367	,715
X2,P5	31.73	21.487	,451	,343	,710
X2,P6	31.77	22,114	,418	,252	,715
X2,P7	31.77	24,080	,368	,294	,725
X2,P8	32.02	21,949	,384	,423	,721
X2,P9	32.03	22,134	,383	,414	,721
X2,P10	31.72	22.579	,311	,287	,733

From the table above it can be explained that:
1. Table Item-Total Statistics shows the results of the calculation of validity for 10 statements.
2. Determine the value of rtable with the provision of the level of confidence (degree of freedom = df) the number of respondents is reduced by 2 or 60 – 2 = 58 with a significant level of 5%, then the value of r table is 0.2542.
3. Comparing r tables with each item r count statement by comparing the Corrected Item Total Correlation output with 0.2542(r table).
4. When compared with r tables in the Corrected Item Total Correlation column, the value of r counts all statements about prices greater than r tables, meaning that all statements are valid.

Test the Validity and Reliability of the Purchase Decision Variable (Y)

Table 5. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,769	,774	10

In the Reliability Statistics table above, it can be seen that the value of Cronbach's Alpha is 0.769 with 10 statements. When compared with the alpha value according to Yuni Sugiarti (2011: 94) in his book entitled Research Methods in the Field of Computers and Information Technology, the value of = 0.60. So it can be concluded that all statements about purchasing decisions are proven to be reliable.

Table 6. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Y,P1	33.12	26,376	,425	,281	,751
y,p2	33.37	26,101	,321	,196	,766
Y,P3	33.50	25.712	,391	,186	,755
Y,P4	32.88	24,749	,501	,427	,740
Y,P5	33.12	25,427	,396	,187	,755
Y,P6	33.48	25.576	,385	,318	,757
Y,P7	32.95	25,235	,473	,444	,744
Y,P8	33.30	25.536	,438	,307	,749
Y,P9	33.13	25,304	,525	,453	,739
Y,P10	32.95	25,269	,523	,489	,739

From the table above it can be explained that:
1. Table Item-Total Statistics shows the results of the calculation of validity for 10 statements.

2. Determine the value of rtable with the provision of the level of confidence (degree of freedom = df) the number of respondents is reduced by 2 or 60 – 2 = 58 with a significant level of 5%, then the value of r table is 0.2542.
3. Comparing r table with each item r count statement by comparing the output of Corrected Item Total Correlation with 0.2542 (r table).
4. When compared with the r table in the Corrected Item Total Correlation column, the value of r count for all purchase decision statements is greater than r table, meaning that all statements are valid.

V. Conclusions

From the results of the study the effect of price (x1) and product quality (x2) on purchasing decisions (y) at the printing company by using correlation coefficient analysis obtained by 0.721. For the price, and 0.529 for the price which means it has a positive effectiveness. r square (r2) shows the coefficient of determination, which means the percentage contribution of the effectiveness of the independent variable. the r2 value of the price variable on purchasing decisions is 68.3%, while the remaining 31.7% is influenced by other factors. the r2 value of the product quality variable is 82.7%, while the remaining 17.3% is influenced by other factors. based on the hypothesis test for the product quality variable, the results of the t count are 7143, the hypothesis test for the price variable is obtained the t count is 6.896., and the t-table test is 2.001, so that it can be concluded that t count is greater than t table which means ho is rejected, ha is accepted. this shows that there is an effectiveness of product quality and price on purchasing decisions.

Based on the answers to the questionnaire, raw data was obtained and then processed using the SPSS 23 application, so that it becomes data that can be useful in this study. the results of the regression equation show y = 8.933 + 0.721 x1 + 0.529 x2. This means that for every 1-point increase or decrease in price, the price at the printing company will increase or decrease by 0.721, while an increase or decrease in price of 1 point means that the purchase decision at the printing company will increase or decrease by 0.529. significant influence means an increase or decrease in price and product quality can improve purchasing decisions at the printing company.

References

Daryono. 2011. Sari Lecture on Management, Jakarta, Salemba Empat
Deliyanti.2012, Modern Marketing Management, Jakarta
Danang Suyanto (2013), Fundamentals of Marketing Management, Department
Philip Kotler And Armstrong (2011) Buchari Alma Marketing And .Marketing Services
Thamrin Abdulah {2012) Management/Marketing.Jurnal, Main Library Jakarta,
Tony Wijaya (2011) Service Quality Management, Jakarta
Vincent Gosprez, 2012, Total Quality / Management of Ghalia Indonesia Publisher Jakarta,
Stevenson,2012,Marketing Management,Liberty Publishers,Jakarta
W Stanton,2012,Marketing Principles,Marketing Management
Michael J. Etzel, 2012, Fundamentals of Management, Hall Jakarta
Sugiono, 2012, Quantitative, Qualitative Research Methods, Bandung Alphabeta
Anonym, 2011 ,Www,Arebyne.Wordspress.Com/2012/01/06/297/ .Accessed On 18 July 2017
Husein Umar, 2013, Marketing Research and Consumer Behavior, Jakarta
Prasetijo Dan Ihalaw, 2012, Purchase Decision, Introduction to Management,
Nurdiansyah. Moch Dani 2012,The Influence of Quality And Price.Purchase Decision,(Thesis)
Budi Susetyo.2010 Statistics for Research Data Analysis Pt. Refika. Aditama. Bandung
Amirulah, 2015, Introduction to Management, Central Jakarta,
Prasetijo And Ihlaw Jhon, 2012, Purchasing Decisions in Marketing Management, Bandung, Java, West
Grifin And Ebert, 2012, Introduction to Business Management,
Nurdiansyah, Moch Dani. (2012). The Influence of Product Quality and Price on Purchase Decisions. Thesis
Riduwan, (Dkk).2010. Basic Statistics. Alphabetha Bandung
Kotler Philip, 1997, Marketing Management, Analysis Volume 2,