eCo-Fin

Vol.2, No.3, Oktober 2020
Available online at: https://jurnal.kdi.or.id/index.php/ef

The Influence of Price and Quality of Products on The Purchase Decision of Bread Products

Devi Natalia[1)*], Nana Sutisna [2)], Canggih Gumanky Farunik[3)]

[1)23)]University Buddhi Dharma
Jl. Imam Bonjol No. 41 Karawaci Ilir, Tangerang, Indonesia

[1)]devi.natalia@gmail.com
[2)] nana.sutisna@ubd.ac.id
[3)]canggih.farunik@ubd.ac.id

Article history:

Received 16 September 2020;
Revised 3 October 2020;
Accepted 8 October 2020;
Available online 10 October 2020

Keywords:

Price
Product Quality
Purchase Decision

Abstract

The purpose of this study was to determine how big the influence between product quality and price on purchasing decisions at Roti. The study was conducted on 100 consumers of bread through the distribution of questionnaires. The method used in this research is descriptive method and qualitative method. In addition to calculating the relationship between the independent variable and the dependent variable, this study also calculated the relationship between variables. The correlation between product prices and purchasing decisions is 0.539, while the correlation between product quality and purchasing decisions is 0.296, so it can be said that the relationship between the three variables is quite strong and the product price variable has a positive relationship, while the product quality variable has a positive relationship. to purchasing decisions. From the results of the F test of model 1, the value of 81.846 was obtained and model 2 was found to be rated at 53.589, where the value is greater than the F table of 3.09, thus Ho is rejected and Ha is accepted. In the t-test, the results of t-count product quality are 5.924, and t-count prices are 3.776 when compared to t-table of 1

I. INTRODUCTION

A company in issuing products should be adjusted to the needs and desires of consumers. That way, the product can compete in the market, thus making consumers have many alternative product choices before making a decision to buy a product offered. Companies use promotions to trigger transactions, so that consumers are willing to buy a certain brand and encourage salespeople to aggressively sell it. In addition, prices are able to stimulate demand for a product. With this price, it is expected that consumers will buy the product and encourage consumers who have already bought it to buy the product more often, so that repeat purchases will occur and the sales volume of a company's products will increase. Price is an important factor in realizing a company's sales goals so that consumers are willing to become customers. They must first be able to try or research the goods produced by the company, but they will not do this if they are not sure about the goods.

Based on the monitoring carried out on several things that influence consumer purchasing decisions in buying bread, among them, consumers see whether the product is of good quality and whether it is good for consumption because many breads use chemicals that are harmful to the body. And the fact is that the quality of the bread is very well maintained, very delicious, soft and safe for consumption, because the bread is directly made in the factory and directly sold by the seller from the factory. This bread is not sold in supermarkets or in stalls, because the quality of this product is highly maintained, namely the period of time the bread is sold is not long because the company wants consumers to get fresh or delicious bread for consumption.

* Corresponding author

ISSN xxxxxx (online) xxxxxx (print)
doi:

II. RELATED WORKS/LITERATURE REVIEW (OPTIONAL)

PRICE

Based on the understanding of price according to the experts above, it can be concluded that price is a globally determined value of money that must be issued by someone to get a desired product or service.

According to Husein Umar (2013:65) in his book entitled Marketing Research and Consumer Behavior, states that:

1. List Price: List Price is the price that is notified or published from this price usually the buyer can get a discount.
2. Discount: Discounts are attractive discounts, so the actual price is lower than the general price.
3. As Expected: Price is an important aspect, but the most important in determining quality in order to achieve consumer satisfaction so that the price given by consumers is in accordance with what consumers expect that the product is of high quality.
4. Low Price: Low price where the company can offer a cheaper price than competitors or outside competitors so that the company can still maintain sales.
5. Competitive Prices: Competitive prices are the company's ability to adjust the price of its products to the general price in the market, it is not easy to find which means a rare existence in the current competition.
6. Affordable Prices: Affordable prices can be a powerful weapon in the face of market competition, price is the attribute benefit that is most noticed when facing the market by making affordable product prices.
7. Easy Transactions: In conducting transactions, consumers feel that it is easier and not complicated by various payment terms.
8. Price Change Information: Provides information on every price change raised by the company so that consumers will always get the latest information.

PRODUCT QUALITY

Quality is subjectively reviewed is something that matches your taste (Fitness for Use) so a product can be said to be of quality if the product has a suitable use for itself. From the producer's point of view, quality can be interpreted as conformity to specifications, both according to the physical, the producer is also in accordance with the sound.

There are several experts who define quality differently: From the above understanding it can be concluded that good quality must be customer-oriented, in this case quality begins with customer needs and ends with customer satisfaction. This quality is complex, which includes products, services, people, processes, and the environment in an effort to meet or exceed customer expectations so that they feel satisfied even very satisfied after buying the product. In addition, quality is an ever-changing condition, what should be considered quality today may be considered less quality in the future. Therefore, the company as a producer must be able to provide, maintain and improve the quality of its products to consumers. If good quality is maintained or even improved,

BUYING DECISION

Understanding purchasing decisions is the stage in the buyer decision-making process where consumers actually buy. Decision making is an individual activity that is directly involved in obtaining and using the goods offered.

Manufacturers must understand that consumers have their own way of handling the information they get by limiting the alternatives that must be selected or evaluated to determine which product to buy.

III. METHODS

In this study, the author uses multiple linear regression, which is a statistical method used to determine the relationship between the independent and dependent variables. Multiple linear regression analysis makes it easy for users to enter more than one variable. The population in this study were consumers in the last year, 2019 totaling 560 people. The sample is part of the number and characteristics possessed by the population. The sample in this study was determined to be 100 consumers of Buddhi Dharma University in the past year.

1. Price is the first independent variable (X1).
2. Product Quality is the second independent variable (X2)

Purchase Decision is the dependent variable (Y)

IV. RESULTS

Price Variable Validity and Reliability Test (X1)

From the Reliability Statistics table above, it can be seen that the Cronbach's Alpha value is 0.580 with 10 statements. When compared with the Alpha value according to V. Wiratna Sujarweni (2015: 110) in his book entitled "Business and Economic Research Methodology", the acceptable value of Cronbach's Alpha is 0.60. So it can be concluded that all statements about the recruitment process in the questionnaire are proven to be reliable.

Product Quality Variable Validity and Reliability Test (X2)

From the Reliability Statistics table above, it can be seen that Cronbach's Alpha is 0.719 with 10 statements. When compared with the Alpha value according to V. Wiratna Sujarweni (2015: 110) in his book entitled "Business and Economic Research Methodology", the acceptable value of Cronbach's Alpha is 0.60. So it can be concluded that all statements about product quality in the questionnaire are proven to be reliable.

Purchasing Decision Validity and Reliability Test (Y)

From the Reliability Statistics table above, it can be seen that Croanbach's Alpha is 0.672 with a total of 10 (ten) statements. When compared with the Alpha value according to V. Wiratna Sujarweni (2015: 110) in his book entitled "Business and Economic Research Methodology", the acceptable value of Croanbach's Alpha is 0.60. So it can be concluded that all statements about purchasing decisions on the questionnaire are proven to be reliable.

Hypothesis test

Influence of product quality and price on purchasing decisions for "Bread" products

To determine whether there is an influence between product price (variable X1) and product quality (variable X2) on purchasing decisions (variable Y) on bread and to measure the strength of this influence, multiple linear regression analysis was used using SPSS (Statical Package for Service) calculations. Softition). The results of multiple linear regression analysis for this study are as follows:

Table 1. Correlations

		Y	X1	X2
Pearson Correlation	Y	1,000	,675	,594
	X1	,675	1,000	,555
	X2	,594	,555	1,000
Sig. (1-tailed)	Y	.	,000	,000
	X1	,000	.	,000
	X2	,000	,000	.
N	Y	100	100	100
	X1	100	100	100
	X2	100	100	100

Source: Processed Results SPSS 21.0

Product price (variable X1)
Product quality (Variable X2), Purchase decision (variable Y)
From the table above it can be seen that:

1. The correlation between the product price variable (variable X1) and purchasing decisions (variable Y) is indicated by the correlation coefficient value of 0.675 close to 1, which means the correlation has a positive effect.
2. The correlation between product quality (X2) and purchasing decisions (variable Y) obtained a coefficient of 0.594 close to 1, which means the relationship is strong. Where this correlation has a positive direction.
3. The correlation between the product price variable (variable X1) and product quality (variable X2) with purchasing decisions (variable Y) is indicated by the correlation coefficient value of 0.675 and 0.594, which is close to 1, which means the correlation has a positive effect.

Table 2. ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	417,312	1	417,312	81,846	,000b
	Residual	499,678	98	5.099		
	Total	916,990	99			
2	Regression	481.352	2	240.676	53,589	,000c
	Residual	435,638	97	4,491		
	Total	916,990	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X1

Source: Processed Results SPSS 21.0

From the table above it can be seen that:

1. From the ANOVA test, Fcount for model 1 is 81,846 with a significance level of 0.000 where the number 0.000 <0.05 and also Fcount > Ftable or81,846>3.09. Thus Ho is rejected and Ha is accepted, meaning that there is a linear relationship between the product quality variable and the purchasing decision variable, so the regression model is feasible and appropriate.
2. From the ANOVA test, the Fcount for model 2 is 53.589 with a significance level of 0.000 where the number is 0.000 <0.05 and also Fcount > Ftable or 53.589> 3.09. Thus Ho is rejected and Ha is accepted, meaning that there is a linear relationship between the product price variable and the purchasing decision variable, so the regression model is feasible and appropriate.
3. How to determine Ftable:

   df1 = k-1 = 3-1 = 2
   df2 = nk = 100-3 = 97
   Ftable = 2,245
   Description :
   k = Number of variables (independent and dependent).
   n = Number of respondents.

Table 3. Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	11,862	3,448		3,440	,001					
	X1	,730	,081	,675	9,047	,000	,675	,675	,675	1,000	1,000
2	(Constant)	7,205	3,463		2,080	0.040					
	X1	,539	,091	,498	5,924	,000	,675	,515	,415	,692	1,445
	X2	,296	,078	,318	3,776	,000	,594	,358	,264	,692	1,445

a. Dependent Variable: Y

Source: Processed Results SPSS 21.0

From the table above it can be seen that:

1. To compile the regression equation, the numbers in column B, namely the Unstandardized Coefficients column, can be used with a constant value of 7,205 while the product price coefficient (X1) is 0.539 and product quality (X2) is 0.296.
2. From the coefficient values above, the regression equation is obtained as follows:

   Y = a+b1X1+b2X2
   Description :
   Y = Purchase Decision

A = Constant
X1= Product Quality
X2= Product Price
b1 b2= Regression Coefficient
Then we get the equation,
Y =7,205 +0.539X1+0.296X2
Y = Purchase Decision
X1= Product Quality
X2= Product Price

3. When the product price (X1) increases or decreases by 1 point, the purchase decision (Y) will increase or decrease by 0.539.
4. When the product quality (X2) increases or decreases by 1 point, the purchasing decision (Y) will increase or decrease by 0.296.
5. For multiple linear regression, the product price correlation number of 0.498 and the product quality correlation number of 0.078 are the results obtained in the Standardized Coefficients (Beta) column.
6. In column t, t-test is used to test the truth of the existing hypothesis, it is done by comparing the value of tcount with ttable. The calculation criteria are as follows:
   If tcount < ttable then Ho is rejected and Ha is accepted.
   If tcount > ttable then Ho is accepted and Ha is rejected.
7. In column t it is known that tcount for the product price (X1) is5,924 and the value of tcount for the product price (X2) is3,776. By using the normal distribution table t and using the test confidence level (1 -) of 95% and the error rate (α) of 5% and the degree of freedom (df) n – 2 = 100– 2 = 98, it is obtained the distribution value of the t table is 1984. Therefore, tcount of product price (X1) and product quality (X2) is smaller than ttable(3,776<1.984 means that this condition indicates that Ha is accepted with a 95% confidence level and Ho is rejected at an error rate of 5%.
8. In the column Sig. used probability testing. The test criteria are as follows:
   If probability < 0.05, then Ho is rejected and Ha is accepted.
   If the probability > 0.05, then Ho is accepted and Ha is rejected.

In the column Sig. It is known that the probability value for product quality is 0.000 and product price is 0.000. The probability of the two variables is far below 0.05, thus Ho is rejected and Ha is accepted, meaning that there is a significant influence between product quality and product price at PT. Sari Roti.

V. CONCLUSIONS

Conclusion

Based on the results of research and discussions that have been carried out in previous chapters, the authors draw some conclusions and provide some suggestions as a contribution of thought that might be useful regarding "The Influence of Product Quality and Price on Product Purchase Decisions of PT Sari Roti".

1. From the results of research on Product Price (X1) and Product Quality (X2) Purchasing Decisions (Y) at the Bread Company showed a correlation coefficient value of 0.539 for Product Price (X1) and for Product Quality (X2) of 0.296, which means it has a significant effect. positive.
2. The results of the coefficient model 1 obtained by 64.9% it can be interpreted that the price of the product affects purchasing decisions and the remaining 35.1% is influenced by other factors. As for the results of the coefficient model 2 obtained at 67.5%, it can be interpreted that the price of the product affects purchasing decisions and the remaining 32.5% is influenced by other factors. So this proves that the three factors (price, product quality, purchasing decisions) .
3. products, and purchasing decisions) influence each other.
4. Based on the hypothesis test for the product price variable, the t-count result is5,924, while for the product quality variable, the results of the t count of 3.776 with a t table of 1.984 were obtained from the distribution results for degrees of freedom (df) 100-2 = 98 and with a significant level of 0.05 (t count > t table) then Ho rejected and Ha accepted. So this shows that there is a product price and product quality on purchasing decisions.
5. Based on the results of the questionnaire answers, raw data has been obtained which is then processed using the SPSS 21 application so that it becomes data that can be used.

Suggestion

Based on the conclusions above, there are several suggestions that the author can put forward, namely:

1. Current product prices meet good product quality standards, because product quality is an important thing for the company. Therefore, the organization must expand the source of materials so that there are more opportunities for profit. Evaluation for product prices must also be carried out because the effectiveness of recruitment is not only measured by increased company productivity, but also must be seen in terms of the time required for recruitment until the product is suitable.
2. Companies are also expected to always pay attention to product quality because product quality affects the increase or decrease in company profits. Product quality must be more stringent in order to obtain qualified and competent human resources.
3. In purchasing decisions, one must pay attention to the results of the analysis of how many levels of consumers are, so that a number that meets the needs of the company will be obtained, and also refers to the element of professionalism by paying attention to competence, product form, and number of products. Improvement of human resources is also needed to meet the requirements required by the company through training and education.

REFERENCES

Abdullah, Thamrin and Francis Tantri. 2012. Marketing Management. Depok : PT Raja Grafindo Persada.
Daryanto. 2011. Sari Lecture on Marketing Management. Bandung: PT Sarana Tutorial Conscience Prosperity.
Kotler, Philip. 2012. Marketing Management. Jakarta: Erlangga.
Oentoro, Deliyanti. 2012. Modern Marketing Management. Yogyakarta. LaksBang Pressindo.
Sugiono. 2012. Qualitative Quantitative Research Methods and R&D. Bandung : Alphabeta.
Sunyoto, Danang. 2012. Fundamentals of Marketing Management. Yogyakarta: CAPS.
Supranto and Nandan Limakrisna. 2011. Consumer Behavior and Marketing Strategy. Jakarta: Media Discourse Partners.
Suryono, Danang. 2012. Fundamentals of Marketing Management. Yogyakarta: CAPS.
Tjiptono, Fandi and Gregory Chandra. 2012. Strategic Marketing. Yogyakarta: ANDI.
Umar, Hussein. 2013. Research on Marketing and Consumer Behavior. Jakarta: Gramedia Pustaka Utama.
Wijaya, Tony. 2011. Service Quality Management. Jakarta: PT Index.
WIJAYANTO, DIAN. 2012. MARKETING MANAGEMENT. JAKARTA: GRAMEDIA PUSTAKA UTAMA.