

Product Quality and Price on the Purchase Decision of Hawaii Bakery Agents Merauke Products

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ABSTRACT

This study aims to determine the effect of product quality on consumer purchasing decisions at Merauke Hawaiian Bread Agent outlets. (2) To determine the effect of price on consumer purchasing decisions at Merauke Hawaii Bread Agent outlets. (3) To determine product quality and price have a joint influence on consumer purchasing decisions at Hawaii Bakery Agent outlets in Merauke. The approach taken in this study using a quantitative research approach and the population in this study was 4,757 people with a study sample of 94 people. The results showed that product quality partially has a positive and significant effect on purchasing decisions, price partially has a positive and significant effect on purchasing decisions. Simultaneously, the variables of product quality and price have a positive and significant effect on purchasing decisions.

Keywords:

Product Quality, Price, Service Quality

Abstrak : Penelitian ini bertujuan untuk mengetahui pengaruh kualitas produk terhadap keputusan pembelian konsumen pada gerai Agen Roti Hawaii Merauke (2) Untuk mengetahui pengaruh harga terhadap keputusan pembelian konsumen pada gerai Agen Roti Merauke Hawaii. (3) Untuk mengetahui kualitas produk dan harga memiliki pengaruh bersama terhadap keputusan pembelian konsumen pada gerai Hawaii Bakery Agent di Merauke. Pendekatan yang dilakukan dalam penelitian ini menggunakan pendekatan penelitian kuantitatif dan populasi dalam penelitian ini adalah 4.757 orang dengan sampel penelitian 94 orang. Hasil penelitian menunjukkan bahwa kualitas produk secara parsial berpengaruh positif dan signifikan terhadap keputusan pembelian, harga secara parsial berpengaruh positif dan signifikan terhadap keputusan pembelian. Secara simultan variabel kualitas produk dan harga berpengaruh positif dan signifikan terhadap keputusan pembelian.

Kata Kunci : Kualitas Produk, Harga, Kualitas Layanan

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1. Introduction

In marketing its products the company uses a variety of ways to attract consumers and influence consumers in deciding to purchase goods and services. Many companies have the same market segmentation, making the company always innovate in terms of product quality, competitive prices to attract consumers. This competition also occurs in the bakery business sector in the Merauke area. (Kotler and A., Hendra, 2002) say product quality is showing ability that makes consumers feel satisfied when using it. Quality has a direct impact on product or service performance, so quality is closely related to customer value and satisfaction. Factors that also influence consumer purchasing decisions are price. Price is a sensitive factor for consumers because consumers always make various considerations when making purchasing decisions. After consumers observe the promotion of the products offered, by itself consumers will try to choose and compare prices offered by other similar products before the consumer decides to buy the product. Price is one of the determinants of a company's success because the price determines how much profit the company will get from selling its products in the form of goods or services.

Throughout history, price has been a major factor influencing buyers' choices. In recent years, several factors outside prices have become increasingly important. However, price remains one of the most important elements in determining a company's market share and profits (Kotler and Armstrong, 2008). In the city of Merauke there are many culinary companies that sell food products similar to Abon Gulung Cakes such as Lisa bakery at a selling price of Rp. 80,000, hadi bakery at 140,000, Fiona cakes at 90,000. from these data shows intense competition between companies engaged in the bakery. The price and quality they have is also very competitive in order to get consumers. As a company in the same field, Hawai Bakery has superior products namely original roll floss, tuna, cheese, chicken, sausage, and almond. The distinct advantage of Hawai Bakery is that the quality of its products is guaranteed to be satisfactory and the price is also affordable. These advantages are expected to make consumers feel satisfied. Hawai Bakery comes from the city of Manokwari which was founded in 1983. The consistency held by the company is able to make it more and more attractive to consumers to become a typical culinary from the famous Land of Papua throughout Indonesia and become a mandatory souvenir for tourists visiting the area in Papua.

On the other hand, Hawai Bakery raises the price of its products every year and prices vary in some places. This might affect consumer purchasing decisions. Even so, the price set by Hawai Bakery is comparable to the quality of the products offered. the purpose of this study is (1) To determine the effect of product quality on consumer purchasing decisions at the Merauke Agent Hawaii outlet. (2) To determine the effect of prices on consumer purchasing decisions at the Merauke Agent Hawaii outlet. (3) To find out product quality and price have a joint influence on consumer purchasing decisions at the Hawai Bakery Agent dealer in Merauke.

2. Literature Review

Product quality is an important factor that influences customer satisfaction creation (Pahlawan, 2019). According to (Kotler, 2001) the definition of a product is: "A product is anything that can be offered to a market to satisfy a want or need". Price is the amount of money needed to obtain goods. purchasing decisions are activities of individuals who are directly involved in making decisions to make purchases of products offered by sellers (Ardiansyah, 2013). Decision-making behavior by consumers to purchase products or services begins with awareness of meeting their needs or desires and realizing the next problem, then consumers will take several stages which eventually arrive at the post-buyer evaluation stage (Naninsih, Hardiyono 2019).

It is important to note that the quality of the product is not reviewed by the company standpoint, it is seen from the perspective of the customer (Ismail Razak, 2016). If people think the product specification fits their need, they will be more likely to think the transaction is worthy (Dhanya Alex, 2013). A product that has a quality that meets the standards of quality that have been determined, and quality is a continually changing condition as the consumer's taste, or expectation of a product is always changing (Juwita Magdalena Sitanggang, Sukaria Sinulingga, and Khaira Amalia Fachruddin, 2019). Product quality is product capability including product durability, in easy product packaging and also product usage (Septhani Rebeka Larosa, I Made Sukresna, H.Mudiantono, 2017).

If the product quality meets their expectation, customers tend to regard the online shop as useful and continue to visit it (Laras Putri Handoko, 2016). Product quality is a product or service characteristic that provides the ability to meet customer needs (Tubagus Agus Khoironi, Hidayat Syah, Parlindungan Dongoran, 2018). If a product fulfills the customer's expectations,

the customer will be pleased and consider that the product is of acceptable or even high quality (Olise, Moses Chigbata and Ojiaku, Obinna Christian, 2018). The quality of products that are perceived global ratings ranging from bad to good, marked by a high level of abstraction and refers to setting a specific consumption (Neni Oxtafiani and Sri Yuni Widowati, 2017). In value based approach, quality is being defined as the product or services meet the consumers need and wants or expectation (Shaharudin Jakpar Angelyn Goh Sze Na, 2012).

Product quality means that a product meets customer needs leading to customer satisfaction, and quality also means all of the activities in which business engages in, to ensure that the product meets customer needs (Priscillia Helena Maria Hidayat, 2015). The product quality is the key issue for the customers - they believe in purchasing a product that will last long (Lawrence Mpele Lekhanya, Henry Lucky Dlamini, 2017).

3. Method

The place of this research was carried out on Abon Gulung Hawai Bakery Agent Merauke located at Mopah Airport and the research process took place starting in January-April 2019. The approach taken in this study used a quantitative research approach and the population in this study amounted to 4,757 with samples research amounted to 94 people. As for the operational definition of product quality is a set of characteristics and characteristics of goods and services that have the ability to meet the needs, which is a combined understanding of the reliability, density, convenience, maintenance and other attributes of a product with its indicators 1) Appearance 2) Servings 3) Shape 4) Texture 5) Aroma 6) Taste.

Price is the amount of money distributed for a product or service, or the amount of value spent by customers to get the benefits of owning or using a product or service, with indicators 1) Price set 2) Affordability of prices 3) Price match with quality 4) Price competitiveness.

Purchasing decisions are activities of individuals who are directly involved in making decisions to make a purchase of a product offered by the seller. Stability on a product. with its indicators 1) The habit of buying products. 2) Give recommendations to others. 3) Repurchase As a support in this research, data collection was done by interviewing and distributing questionnaires to respondents, then the data were processed and analyzed using multiple regression analysis methods with the help of SPSS V.20.0 which was operated by computer media.

4. Result and Discussion

Validity test shows the items of each question all the variables $r_{count} > r_{table} = 0.30$. according to (Sugiyono, 2016) if $r_{arithmetic} > r_{table} = 0.30$; then the statement is valid. So the results of the validity test all questions from each variable are valid.

Reability test show that each variable between the variables of product quality, price, and purchasing decisions turned out to be obtained a Cronbach Alpha value ≥ 0.60 . Thus, the reliability test results for all variables are reliable.

From the results of hypothesis testing shows that the value of the regression coefficient of the independent variables of each independent variable that influences the purchase decision are respectively for product quality of 0.216, the price of 0.579 while the value of the constant parameter (Constante parameter) of 1,308. Based on these values, the estimated regression model can be formulated in a multiple regression equation as follows:

$$Y = 1,308 + 0,216 X_1 + 0,579 X_2$$

To find out the influence of product quality, price and on purchasing decisions can be seen from the value of adjusted R^2 .

Based on table 4.4 above, it can be seen that the magnitude of the coefficient of determination is indicated by the R Square value of 0.425 which means that the variation of all independent variables namely product quality, price can explain the purchase decision variable by 42.5% the remaining 57.5% explained in other variables not proposed in this study. The results of data processing summarized in the results above can then be discussed to determine the effect of the independent variables on the purchase decision variable, which will then be linked to the theory or hypothesis compiled.

4.1.Effect of Product Quality on Purchasing Decisions at the Merauke Hawaii Bakery Outlet agent

Product quality variables are formed by six indicators, namely Performance, Durability, Conformance to specification, Features (additional privileges), Reliability, Aesthetics. Based on the results of the multiple regression test for the t test for Product Quality variables, it was concluded that Product Quality partially has a positive and significant influence on purchasing decisions.

Based on the results of the t test for product quality variables, it was concluded that partially Product quality t had a positive and significant influence on purchasing decisions. Based on these results, this study is in line with (Kotler's, 2001) theory which states that product quality is a consumer's perception of the quality or excellence of a product or service in terms of its function relative to other products and supported by research by (Weenas JR., 2013) with the title Effect of product quality, price, promotion and service quality on Spring Bed Comforta purchasing decisions. The analytical tool used in this study is multiple linear regression analysis. The analysis shows that product quality has a positive and significant effect on purchasing decisions.

4.2. Effect of Prices on Purchasing Decisions on Hawaiian Bakery Outlet Merauke agents

Price variables are formed by four indicators, namely Price Affordability, Price Conformity with Product Quality, Price Competitiveness, Price Conformity with Benefits. Based on the results of the multiple regression test for the t test for the Price variable, it is concluded that the price partially has a positive and significant influence on purchasing decisions.

Based on these results, this research is in line with the theory stated by Tjiptono in (Weenas, 2013), namely price is one of the determining factors of buyers in determining a purchase decision for a product or service. Price is something that is given in exchange for getting goods or services. Price is a monetary unit or other measure (including other goods or services) exchanged in order to obtain ownership or use rights of an item or service. Price is often used as an indicator of value when the price is associated with perceived benefits or an item or service. It is also supported by research of Hesti Martina Tina (2015) with the title Effect of Analysis of the Influence of Price, Product Quality, and Design on Purchasing Decisions of Honda Motorized Skutermatic Types. The analytical tool used in this study is multiple linear regression analysis. The results of the analysis show that the price variable has a positive and significant influence on purchasing decisions for Honda Motorized Skutermatic Types.

4.3. The Effect of Product Quality on Prices Together Against Purchasing Decisions at the Merauke Hawai Bakery Outlet agent

Based on these results, this research is in line with the theory. This finding is in line with the opinion expressed by Kotler, 2001 which states that product quality is the overall characteristics and characteristics of a product or service on the ability to satisfy expressed or implied needs. Product quality reflects the product's ability to carry out its duties including durability, reliability, advancement, strength, ease of packaging, and product separation and other

characteristics. (Kotler and Armstrong, 2008) also said that the high quality of goods can affect the selling price of an item. Product quality is an identifier for the quality of products that can affect consumers when buying a product. The effect of product quality on consumers when buying products. In addition, this research is in line with the research of (Hesti Ghanimata, F., & Kamal, M., 2012) with the title Analysis of the influence of price, product quality, and location on purchasing decisions (a study of buyers of milkfish juwana elrina semarang). The analytical tool used in this study is multiple linear regression analysis. The results of the analysis show that the price, product quality and location variables together have a positive and significant influence on purchasing decisions (a study of buyers of milkfish juwana elrina semarang products).

5. Conclusion

- 1) Product quality is partially positive and significant effect on Purchasing Decisions. This is evidenced by the calculated t value greater than the value of the table that is $3.708 > 1.985$ with a significant level of $0.000 < 0.05$. Thus H_0 is rejected and H_a is accepted.
- 2) Price is partially positive and significant effect on purchasing decisions. This is evidenced by the calculated t value greater than the t table value of $6.673 > 1.985$ with a significant level of $0.000 < 0.05$. Thus H_a is accepted and H_0 is rejected.
- 3) Simultaneously the product quality and price variables have a positive and significant influence on purchasing decisions. This is evidenced by the calculated F value greater than the f table $35.158 > 2.70$ and with a significance level of $0.000 < 0.05$. Thus H_0 is rejected and H_a is accepted.

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