

Analysis of Variables of Price and Quality Product to Influencing a Consumer's Decision to Buy Tenggiri Crackers in Mojokerto City

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Abstract

Many crackers are used as alternative food before eating by consumers. Crackers themselves have their own appeal for consumers to determine purchasing decisions. Two important factors that can influence purchasing decisions are price and product quality. Producers must be able to set prices in accordance with the value and quality of existing products, because quality affects the selling price of mackerel crackers and can win competition between other mackerel cracker producers. Respondents are set at 100 consumers. Non probability sampling method with accidental sampling technique will be used to take the sample. Tests carried out using SPSS 24 for windows. Multiple linear regression will be used for the analysis tool. The conditions set as respondents are all consumers who consume mackerel crackers. Researchers conducted a survey with the aim of obtaining how each respondent thinks of the price and quality of the product against the decision to purchase mackerel crackers. The results showed that the price and quality of the product had a significant positive effect on the decision to purchase mackerel crackers.

Key Words: *price, product quality and purchasing decisions*

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I. Introduction

The potential of natural resources owned by the Indonesian state, especially it's natural fishery resources, is quite large. Indonesia is rich in abundant marine products. In every part of the region in Indonesia, they have their own steps or ways to utilized these marine products. Some are consumed directly and some are processed by utilizing basic materials from the sea to become processed food products. Crackers are one of the many snacks that are not the main menu to meet consumer needs but if consumed, hunger can be reduced by several. When, the body will get a little energy supply that consumers feel such as shredded mackerel fish, mackerel fish crackers and many more.

Market demand continues to increase every day, especially for snacks such as crackers, in line with the increase in human needs and wants which are quite significant and unlimited. This can be indicated by the existence of stiff competition in the food industry, especially in the mackerel fish cracker business. These business actors continue to compete to create unique and quality products by determining the right target market share to market the products they offer with the aim of being able to meet the needs and desires of their consumers. These business actors must be able to get consumers' attention by offering economical prices along with quality products. Efforts to understand consumer behavior have been made by all industries, one of which is the food industry such as crackers.

Of the many things that influence consumer purchasing decisions, one that can influence consumers to make purchasing decisions is price. Consumers are looking for products that match their purchasing power to meet their needs. The price itself is very important and can influence the purchasing decision to buy a food product. One of the problems faced is the determination of the selling price of mackerel fish crackers. The large number of competitors who produce other similar crackers, set prices that are relatively the same as a result of which consumers are becoming increasingly critical in determining their decision to purchase mackerel fish crackers. The number of mackerel fish cracker sellers around their environment, consumers will first evaluate the price in each mackerel fish cracker industry. Not only evaluating the price, they will compare the quality of mackerel fish cracker products from one business to other similar businesses to be able to determine purchasing decisions.

Prices are economical, consumers will also see the quality of existing products, consumers are looking for good quality mackerel fish crackers because the crackers will not be consumed for one time only, they will definitely be consumed for a long time. So, in addition to the quality of mackerel crackers to determine the purchase decision, consumers will see the durability of the crackers and their taste. If the price is high but the

quality of the product in terms of taste and durability is poor, consumers will lower their purchasing decision, but if the price is economical with the quality of the product in terms of taste and durability of the crackers, they will immediately determine the decision to buy the mackerel fish crackers.

The Problem from This Case

The determination of the problem in this study is based on the background described earlier so that there are two problem formulations, namely: (a) does the price have a significant effect on the decision to buy mackerel fish crackers? (b) Does the quality of the product have a significant effect on purchasing decisions for fish crackers in mackerel?

Research Purposes

From the determination of the problem formulation mentioned by the author, this study has the following objectives: (a) to find out how respondents think about the effect of price on mackerel fish cracker purchasing decisions; (b) to find out how respondents think about the effect of product quality on purchasing decisions for fish crackers.

II. Literature Review

Price

According to Gregorius (2012), price is the amount of money that has a certain use value and is needed to own a product. Price is the main thing that consumers pay attention to before making a purchase decision. Most consumers will identify the price with the value of a product. Consumers will decide to buy a product, if the benefits that are felt are greater than what has been sacrificed or spent to obtain it. Tunis and Sopa (2016), say that price is the first thing to be a factor for buying products offered by producers so that it can occur or lead to purchasing decisions by consumers. There are three indicators, namely, (1) affordable prices; (2) prices commensurate with the quality of the product; and (3) price comparisons with competitors (Amrullah, 2016).

Quality Of Product

Products are products that will be sold to consumers, will be distributed and utilized by consumers to fulfill their needs (Mc Charty and Perreault, 2003; Darmawan, 2009). If a product has been able to function properly, it can be said that a product has good quality. Nabhan and Enlik (2005) explain that quality, taste that can meet consumer desires, economical prices will be preferred by consumers when choosing food products. In addition, if the perceived quality of the product is in accordance with what is perceived, then consumer purchasing decisions will emerge, because consumers will no longer hesitate to spend money if consumers' perceptions of the quality they will consume are fulfilled. There are six indicators, namely, (1) Performance; (2) Range and type of features; (3) Reliability and durability; (4) Maintainability and service abilities; (5) Sensory characteristic; and (6) Ethical profile and image (Martinich, 1997).

Purchasing Decisions

The decision in purchasing is considered as a solution to a problem in human activities to buy an item offered by the producer to meet the wants and needs of consumers. There are four indicators, namely, (1) products that become needs and wants; (2) there is a desire to do something; (3) feel confident in the quality of the product; and (4) a decision to buy back (Martini, 2015). According to Machfoedz (2013), purchasing decisions are a process of selecting from various information that consumers have obtained according to the need to determine them as one of the choices that are considered beneficial for themselves. Before making a purchase decision, consumers first look for information about mackerel crackers. When consumers have obtained what they are looking for through printed media or promotional media that is in accordance with what is perceived, a decision will be made to buy the product. According to Darmawan (2009), the factors of price and product quality are factors that are often considered before making a purchase decision.

Conceptual Framework

This research will study the analysis of price and product quality variables that affect consumer decisions in Mojokerto City to buy mackerel crackers. For more details, this research can be described as follows:

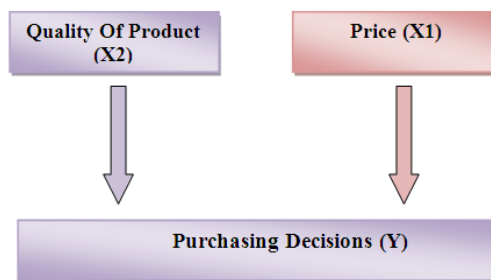


Figure 1. Conceptual Framework

Research Hypothesis

In this study, there will be two established hypotheses including:

H1: There is a significant effect of the price variable on the purchasing decision for mackerel crackers.

H2: There is a significant effect of product quality variables on purchasing decisions for mackerel crackers.

III. Research Methods

In this study, researchers chose explanatory research with qualitative descriptive analysis as the type of research. The data to be collected in this study is relatively limited from several large cases, so the researchers used a survey method. Total consumers were 100 respondents. The sampling method of non-probability sampling with accidental sampling technique will be used to take the sample. Tests were carried out using SPSS 24 for windows. Multiple linear regression will be used for the analysis tool. The conditions set as respondents are all consumers who consume mackerel crackers. Researchers conducted a survey with the aim of obtaining the opinion of each respondent on the price and quality of the product on the decision to buy mackerel crackers.

Operational Variabel

- Price is money that consumers pay in a certain amount due to their own willingness to obtain a desired mackerel cracker product. There are three indicators, namely, (1) affordable prices; (2) prices commensurate with the quality of the product; and (3) price comparisons with competitors.
- Product quality is the overall advantage of a mackerel cracker product in accordance with consumer perceptions. The indicators are (1) Performance; (2) Range and type of features; (3) Reliability and durability; (4) Maintainability and service abilities; (5) Sensory characteristic; and (6) Ethical profile and image.
- The purchase decision is a behavior of consumers when they are about to make choices from various sources of information to make them an option that benefits themselves. The indicators are (1) products that become needs and wants; (2) there is a desire to do something; (3) feel confident in the quality of the product; and (4) a decision to buy back.

Technical Data Analysis

Sources and data collection used are library research and field research. The theoretical grid is a guide for constructing a number of questions or questionnaires that will later be used to measure the data in this study. The 1-6 Likert scale model is used to construct a number of questions and each option given achieves the following score:

1. Strongly Agree	= 6
2. Agree	= 5
3. Doubters May Agree	= 4
4. Doubters May Disagree	= 3
5. Disagree	= 2
6. Totally Disagree	= 1

The benefits of validity and reliability testing tools in data analysis methods will be described by the authors. In addition, it also uses the normality test so that we can find out whether there is a normal distribution or not in a regression model of the independent and dependent variables. The results of the regression model whose graphs are near and in the direction of the diagonal line, show that the regression model is good. The effect of the independent variable on the dependent variable can be determined using simple regression analysis and the formula used is written in the following equation:

$$Y = a + b_1.X_1 + b_2.X_2 + e$$

Explanation:

- Y : Purchasing Decision
- a : Constant
- b : Independent Variable Regression Coefficient
- X1 : Price
- X2 : Quality of Product
- e : Error

IV. Results And Discussion

Based on the distribution of questionnaires to users of mackerel crackers, it is then processed using SPSS in stages which are described as follows. Validity test to test the validity of the questionnaire given to 100 respondents, namely users of mackerel fish crackers. The results of the validity test of the research instrument are shown in Table 1.

Table 1 Validity Test Results

Item	Pearson Correlation	Sig	Label
X1.1	0,574	0,007	Valid
X1.2	0,695	0,000	Valid
X1.3	0,876	0,000	Valid
X2.1	0,811	0,000	Valid
X2.2	0,668	0,000	Valid
X2.3	0,744	0,000	Valid
X2.4	0,613	0,001	Valid
X2.5	0,602	0,002	Valid
X2.6	0,691	0,000	Valid
Y.1	0,792	0,000	Valid
Y.2	0,834	0,000	Valid
Y.3	0,789	0,000	Valid
Y.4	0,601	0,002	Valid

*) Source of SPSS results

Table 1 shows the calculated sig value for the research instrument below 0.05. Thus it can be stated that all question items in the questionnaire are declared valid. To test the reliability of the instruments in the questionnaire, the results are as shown in Table 2 below.

Table 2 Reliability Test Results

Variabel	Cronbach's Alpha Value	Critical Value	Label
Price (X1)	0,792	0,6	Reliabel
Quality Of Product (X2)	0,833	0,6	Reliabel
Purchasing Decision (Y)	0,885	0,6	Reliabel

*) Source of SPSS results

Reliability test results are in Table 2 for the cronbach's alpha value above 0.60. Thus it can be stated that the research instrument is declared reliable or reliable. The process is continued at the classical assumption test stage. The results of the normality test are shown in Table 3.

Table 3 Normalit One-Sample Kolmogorov-Smirnov Test Result

		Y
N		100
Normal Parameters ^{a,b}	Mean	73.47
	Std. Deviation	2.447
Most Extreme Differences	Absolute	.096

	Positive	.096
	Negative	-.094
Test Statistic		.096
Asymp. Sig. (2-tailed)		.074 ^c

*) Source of SPSS results

a. Test distribution is Normal.

The Kolmogorov Smirnov Z values in Table 3 of 0.96 and 0.074 are the values for Asymp. Sig, then 0.074 is greater than 0.05, so it can be concluded that the normality test is fulfilled.

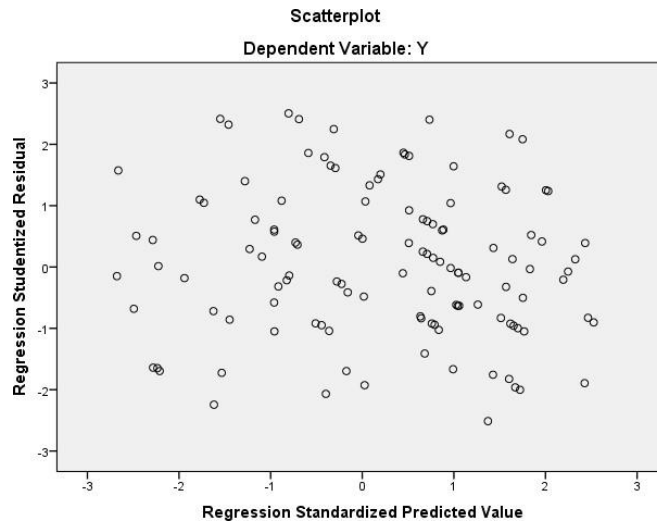


Figure.2 Scatterplot Dependent Variable Y (Source of SPSS results)

The independent variables (price and product quality) for the multicollinearity test in Table 4 show a tolerance value ($0.896 > 0.10$) and a VIF value ($1.876 < 10$), so the independent variable does not show any problems in the multicollinearity test because it is proven that the tolerance value is more than 0, 10 and a VIF value less than 10. The results of the heteroscedasticity test will be shown in Figure 2. As in the previous figure shows the dots spread randomly so that the regression model is sufficient to estimate the dependent variable (purchase decision) based on the independent variables (price and product quality). In the autocorrelation test, the Durbin-Watson number (DW test) was obtained for 1,668. This shows that there is no autocorrelation. In the regression model there is no correlation between confounding errors in period t with errors in period t -1 (previous).

After the data has been valid and reliable and meets the requirements of classical assumptions, then a hypothesis is tested. To determine the effect of independent variables, quantitative analysis with regression method is used. In the regression analysis, the t test is carried out to prove the truth of the hypothesis. The first hypothesis is that price has a significant effect on purchasing decisions and the second hypothesis is that product quality has a significant effect on purchasing decisions. Based on the results of calculations using SPSS, the results are shown in Table 4 below.

Table 4 t-test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	10.954	3.218		5.673	.000		
	X.1	.089	.033	.263	4.404	.006	.896	1.876
	X.2	.036	.017	.201	3.789	.009	.896	1.876

*) Source of SPSS results

From Table 4 it can be seen that the independent variable has a significant effect on the dependent variable. The regression equation formed based on Table 4 is $Y = 10,954 + 0.089 (X_1) + 0.036 (X_2)$. By doing the t test, the hypothesis in this study which states that the price and quality of the product have a partially significant effect on purchasing decisions for mackerel crackers can be proven.

Table 5 F- Test ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	109.469	2	54.734	7.314	.001 ^b
	Residual	725.921	97	7.484		
	Total	835.390	99			

*) Source of SPSS results

To support the results of the research hypothesis testing, the F test was carried out by looking at the results of the calculation in Table 5. The value of 7.314 is the calculated F value and the probability value is 0.001 so that the results of these calculations can provide an explanation that the independent variables have a significant effect simultaneously. against the dependent variable. Next look for the coefficient of determination (R²) shown in Table 6 and the value between zero and one is the value of the coefficient of determination.

Table 6 Determination of Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.362 ^a	.131	.113	2.73564	1.668

*) Source of SPSS results

Table 6 explains that the calculation results for R = 0.362, R² = 0.131 and adjusted R² = 0.113 so it is concluded that the two independent variables in this study of 13.1% have contributed to the purchase decision variable and other variables can contribute 86.9%

V. Discussion

From the results of data analysis previously described, it will be adjusted to the predetermined research hypothesis. The following is the explanation. The first hypothesis states that price has a significant effect on purchasing decisions. The results of this study support the results of previous studies from Kristian and Rita (2016); Sinambela (2017); Darmawan (2017); and Arifin et al. (2018) which states that the price variable has a significant effect on purchasing decisions. Price is the most important and most important factor than other factors before determining the decision to buy mackerel crackers. Consumers before making a purchase decision, they will look for information about the price set, they will compare one cracker seller with another.

Like previous research from Purwanati and Rohmawati (2012) which states that consumers who feel the price set is balanced with the benefits received causes consumers to buy it. On the other hand, if the benefits are lower than the predetermined price, consumers will discourage buying and even eliminate their decision to buy the mackerel fish crackers. The implication is to set a selling price that is balanced with the value or benefits that consumers will receive. The second hypothesis states that product quality has a significant effect on purchasing decisions. These results are in accordance with the results of research from Kristian and Rita (2016). Product quality is the next factor that consumers see before making a purchase decision. In line with previous research, namely research from Wibowo et al. (2013) which states that consumers will evaluate the quality of the mackerel fish cracker products, starting from the durability of the products and ingredients listed on the cracker packaging, they will evaluate them carefully.

Product quality was first perceived by consumers through the packaging media for the product. The strength of packaging design is proven to have a significant influence on purchasing decisions because it reflects product quality. If the product is of a good quality as what consumers perceive it to be, they will decide to buy it and will consume it sustainably and will not switch to other similar mackerel crackers. It is best if the price has been set in the market, if the quality of the product is low, this will eliminate the consumer's decision to buy it and will choose to buy other fish-based crackers. The implication is by paying more attention to the selection of higher quality raw materials and the balance of the ingredients.

VI. Conclusion

Based on the results of data analysis and previous discussion, the conclusions that can be determined are (a) the price has a significant positive effect on the decision to buy mackerel crackers; (b) product quality has a significant positive effect on purchasing decisions for mackerel crackers. The results suggest that industrial owners maintain the stability of the price of mackerel fish crackers so that they are affordable and can compete with other processed marine fish crackers. Second, to further improve the quality of the mackerel cracker products, so that the product quality is in accordance with the price set in the market. Thus, if the price is affordable and in accordance with the target market and has guaranteed product quality, consumers will be interested in buying so that the sales level increases, then the decision to purchase mackerel crackers is high.

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