

THE EFFECT OF PRODCUT QUALITY AND PRICE ON THE PURCHASE DECISION OF MOLTO PEWANGI IN ALFAMART PEMURUS DALAM REGION OF BANJARMASIN

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ABSTRACT

The purpose of this study was to determine the effect of product quality and price partially and simultaneously on the purchase decision of Molto Pewangi at Alfamart Pemurus of Banjarmasin. The population in this study was 247 consumers of Molto Pewangi products who bought Molto products in 2021. Samples could be taken from 10% to 20% if the population is large or more than 100 (Arikunto, 1998: 120). Hence, the number of samples taken in this study was 50 people with the calculation, namely: $F = 20\% \times 247 = 49.4$ rounded to 50. The results of the study are based on the t-test that the product quality variable has a significant value of $0.001 < 0, 05$ means that the hypothesis is accepted that product quality has a partial effect on purchasing decisions. Meanwhile, the price variable based on the t-test obtained a value of $0.33 > 0.001$ which means the hypothesis is rejected that the price has no partial effect on purchasing decisions. Based on the results of the f test above, it shows a significance value of $0.001 < 0.05$. and the regression model can be used for decision making or it can be said that product quality and price have a simultaneous effect on purchase decisions.

Keywords: product quality; price; purchase decision.

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INTRODUCTION

In Indonesia, companies engaged in fragrances and fabric softeners, namely PT Unilever Tbk, PT Wings Group, and Procter & Gamble compete in attracting the attention of their consumers to choose the products they offer with the best quality and at relatively affordable prices. The level of business competition that occurs today is very competitive, so that every fragrance and fabric softener company tried hard with all its tips and policies in order to attract and win the sympathy of potential consumers so that they want to buy perfumes and fabric softeners of certain brands. Therefore, in an effort to attract consumers, fragrance and fabric softener companies need to determine the positioning and selection of the right market segments, so that it is easier for companies to implement marketing strategies and reduce increasingly sharp competition in an industry. Molto Pewangi products have a relatively more expensive price than similar products such as Downy and So Klin, so that Molto Pewangi products are not able to

compete with other similar products and in terms of quality, they are still lacking compared to other similar products. Table 1 below is the list of Molto Pewangi variance:

Table 1. Molto Pewangi Variance Products

No	Molto Pewangi
1	Molto Pewangi Floral Bliss (Blue)
2	Molto Pewangi Flower Shower (Pink)
3	Molto Pewangi Fruity Passion (Orange)
4	Molto Pewangi Luxurious Pleasure (Purple)
5	Molto Softener Spring Blue
6.	Molto Softener Blossom Pink
7.	Molto Softener Pure (White)
8.	Molto Softener Aloe Vera & Avocado (Green)
9.	Molto Ultra Blue
10.	Molto Ultra Pink
11.	Molto Ultra Green
12.	Molto Ultra Sekali Bilas Blue
13.	Molto Ultra Sekali Bilas Pink
14.	Molto Ultra Sekali Bilas Green
15.	Molto Ultra Sekali Bilas Anti-Bakteri (Green)
16.	Molto Ultra Sekali Bilas Aroma Essence Energizing (Black)
17.	Molto Ultra Sekali Bilas Aroma Essence Inspiring (Red)
18.	Molto Ultra Sekali Bilas Aroma Essence Refreshing (Gold)
19.	Molto Ultra Sekali Bilas Aroma Essence Indulging (Purple)

Source: topbrand-award.com (2022)

The following can be seen the percentage of sales of clothing fragrance products can be seen in the following table 2.

Table 2. Sales of Clothing Fragrance Products

Year	Downy		So Klin		Molto	
	Total	%	Total	%	Total	%
2018	7,490	74.9	2,120	21,2	110	1,1
2019	7,440	74,4	1,750	17,5	570	5,7
2020	7,270	72,7	1,650	16,5	790	7,9
2021	6,210	62.1	2,700	27,0	970	9,7

Source: Alfamart Pemurus Dalam (2022)

According to the table 2, it shows that Molto Pewangi was ranked 3rd out of a percentage of 1.1% in 2018, then it was ranked 3rd out of a percentage of 5.7% in 2019, after that it was ranked 3rd out of a percentage of 7.9%, next it was ranked 3rd out of a percentage of 9.7% in 2021 and in terms of price, Downy Pewangi products have cheaper prices than Molto and So Klin, in terms of product quality, Molto Pewangi are good and competitive and in terms of promotion has also done a pretty good promotion in attracting consumers. Based on the

description and data above, the purpose of this study is to determine the effect of product quality and price on the purchase decision to buy fragrance product of Molto Pewangi in Alfamart Pemurus Banjarmasin.

LITERATURE REVIEW

Product Quality

Kotler (2016: 91) states that, "Product quality is the ability of a product to perform its functions; this includes overall durability, reliability, accuracy, convenience, product operation and repair as well as other product attributes". According to Tjiptono (2016: 59) "Product quality is quality which includes efforts to meet or exceed customer expectations; quality includes products, services, people, processes, and the environment; quality is an ever-changing condition (e.g. what is considered quality today may be perceived as less quality in the future)".

Price

According to Swasta (2010:147), The price is a sum of money plus some goods and services. Price is often used as an indicator of value when the price is related to the perceived benefits of a good or service. In determining the value of goods and services, consumers compare the ability of goods and services to meet their needs with the ability of substitute goods and services.

Purchase Decision

The purchase decision itself according to Kotler (2019: 56) is an act of consumers to form references between brands in the choice group and buy the most preferred product.

Previous Studies

Adriana (2019). The Influence of Product Quality and Price on the Purchase Decision of Attack Laundry Soap at PT Kao Indonesia Makassar Branch. The results showed that: (1) partially product quality had a significant effect on purchasing decisions; (2) partially the price has a significant effect on purchasing decisions; (3) simultaneously product quality and price have a significant effect on purchasing decisions.

Asriyah and Frianto (2021). The Influence of Price and Product Quality on the Purchase Decision of Lifebuoy Bath Soap (Consumer Study at Islamic Boarding School Salafiyah Syafi'iyah Al-Khoiriyah Hasyim Seblak Diwek Jombang). The results showed that: (1) Price had a partial effect on the purchasing decision of Lifebuoy bath soap at the female Islamic boarding

school student Salafiyah Syafi'iyah Al-Khoiriyah Hasyim. (2) Product quality partially influenced the purchasing decision of Lifebuoy bath soap for the Islamic boarding school student. Putri Salafiyah Syafi'iyah Al-Khoiriyah Hasyim. (3) Price and product quality have a simultaneous and significant effect on the purchase decision of Lifebuoy bath soap for students of the Putri Salafiyah Syafi'iyah Al-Khoiriyah Hasyim Islamic Boarding School.

Listighfaroh (2021). The Influence of Product Quality, Price and Promotion on Purchase Decisions for Feira White Shower Cream Liquid Soap in Surabaya. Based on the results of data analysis using the t test, it is known that partially product quality and promotion have a significant influence on purchasing decisions. While the price variable has no significant effect on purchasing decisions. Meanwhile, based on the results of the data with the F-test, it is known that product quality, price, and promotion simultaneously have a significant effect on purchasing decisions.

Research Hypotheses

H1: Product quality has a significant effect on purchase decision of Molto Pewangi at Alfamart Pemurus Dalam Banjarmasin,

H2: Price has a significant effect on purchase decision of Molto Pewangi at Alfamart Pemurus Dalam Banjarmasin,

H3: Product quality and price have a simultaneous effect on purchase decision of Molto Pewangi at Alfamart Pemurus Dalam Banjarmasin

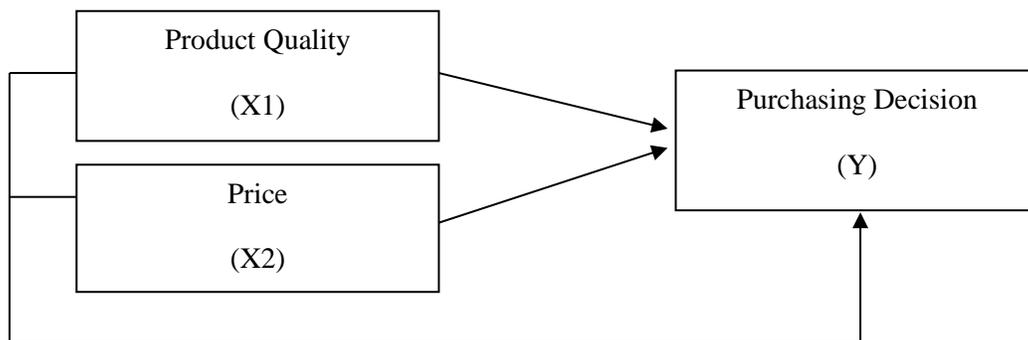


Figure 1. Research Framework

METHODS

Research Design

This research is an explanatory research which is research on the relationship or causality between variables through hypothesis testing developed from theoretical studies. In this study, the variable used is the independent variable, namely product quality (X1) is the respondent's response to the good or bad of a product that is seen by customers before deciding to make a purchase. Price (X2) is the respondent's response to the price given to customers to buy a product. While the dependent variable used in this study is the purchase decision (Y) is the process that consumers go through before deciding to buy.

Population and Sample

The population in this study were consumers who buy Molto Pewangi products at AlfaMart Pemurus Dalam Banjarmasin totaling 247 people who bought Molto products in 2021. Samples can be taken between 10% to 20% if the population is large or more than 100 (Arikunto, 1998: 120). The number of samples taken in this study was 50 people with the calculation, namely: $F = 20\% \times 247 = 49.4$ rounded up to 50.

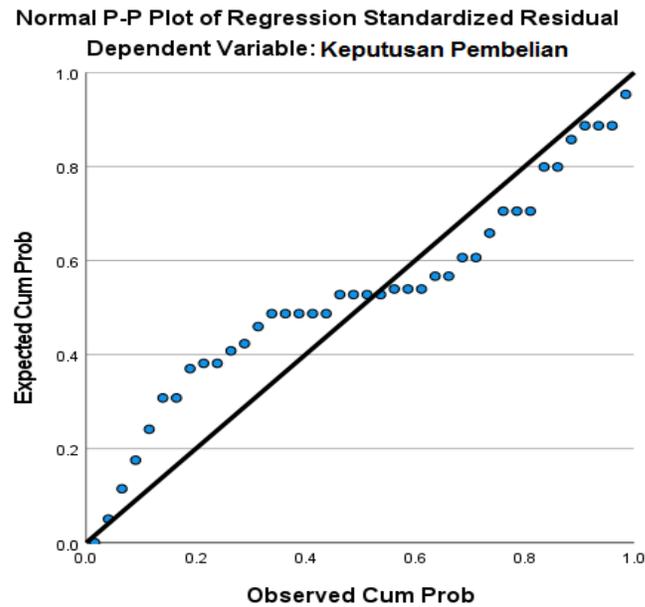
Data Collection and Analysis Techniques

The data collection techniques were using observation, distributing questionnaires, interviews and documentation. Some steps conducted in multiple regression analysis are as follows:

1. Classical assumption test
2. Multiple linear regression analysis
3. Hypothesis testing (partial and simultaneous)
4. Coefficient determination

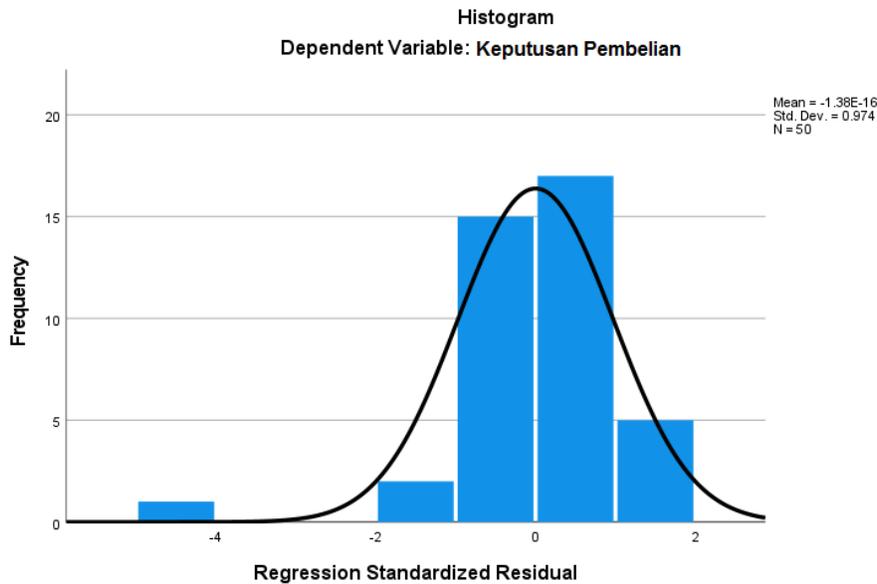
RESULTS**Normality Test**

The normality test tool used to test data that is normally distributed is the One Sample Kolmogorov-Smirnov (KS). In normality testing using the Kolmogorov-Smirnov test, if the probability value > 0.05 then H_0 is accepted while if the probability value is < 0.05 then H_0 is rejected (Ghozali, 2016). Based on the picture above, the normality test shows points around the diagonal line and in the direction of the line, so that the model in the regression in this study meets normality, namely all data are normally distributed.



Source: output of data analysis (2022)

Figure 2. Plot of Normality Test



Source: output of data analysis (2022)

Figure 3. Histogram Graphic

Based on the image above, the histogram graph shows that the bell-shaped curve does not deviate to the left or right, meaning that the data is normally distributed.

Multicollinearity Test

Multicollinearity aims to test whether there is a correlation between the independent variables in the regression model. To detect the multicollinearity problem in this study, the Tolerance and Variance Inflation Factor (VIF) values were used. Regression that is free from multicollinearity problems if the VIF value is < 10 and the tolerance value is > 0.10 , then the data does not have multicollinearity (Ghozali, 2016).

Table 3. Multicollinearity Test

Model	Unstandardized Coefficients		Coefficients ^a			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	5.356	2.485		2.155	.038		
Product quality	.701	.124	.705	5.636	.001	.753	1.328
Price	.343	.498	.086	.689	.495	.753	1.328

a. Dependent Variable: Purchase Decision

Source: output of data analysis (2022)

The table above shows that the tolerance value of PT $0.753 > 0.1$ and VIF $1.328 < 10$ means that there is no multicollinearity.

Heteroscedasticity Test

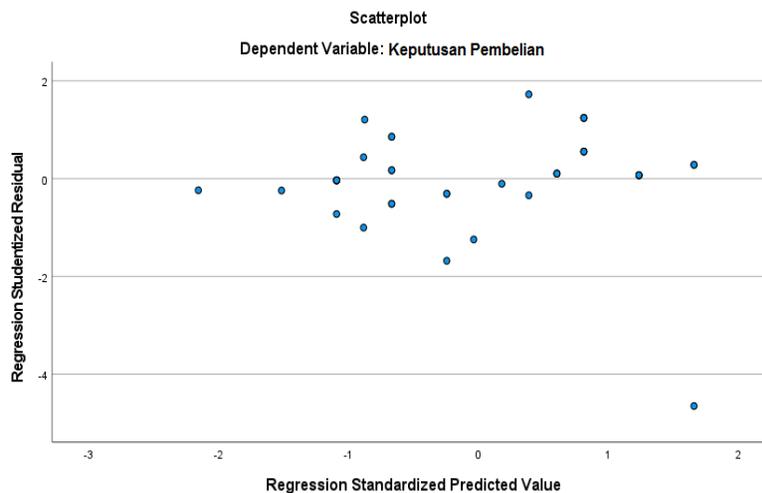


Figure 4. Scatterplot

The picture above shows that the data is spread out and does not accumulate meaning that there is no heteroscedasticity.

T-Test

This test aims to determine how far the influence of one independent variable individually in explaining the variation of the dependent variable (Ghozali, 2016). The significance value, the criteria are: If the significance is > 0.05 then Ho is rejected, if the significance is < 0.05 then Ho is accepted.

Table 4. Hypothesis Test (T-Test)

Model	Coefficients ^a		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
(Constant)	5.025	2.497		2.013	.051
Product quality	.659	.137	.663	4.769	.001
Price	.126	.129	.136	.981	.333

a. Dependent variable: Purchase decision

Source: output of data analysis (2022)

Based on the table above, the variable obtained a significant value of 0.001 < 0.05, meaning that the hypothesis is accepted so that it can be said that product quality has an effect on purchasing decisions while the price has a significant value of 0.333 > 0.05, meaning the hypothesis is not accepted because it is more than so it can be said that the price is not influence on purchasing decisions.

F-Test

Table 5. Simultaneous Effect (F-Test)

Model	ANOVA ^a					
		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	106.721	2	53.360	23.966	<.001 ^b
	Residual	82.379	37	2.226		
	Total	189.100	39			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Product quality, Price

Source: output of data analysis (2022)

Based on the output results above, it shows a significance value of 0.001 <0.05. So the regression model can be used for decision making or it can be said that product quality and price have a simultaneous effect on purchasing decisions.

Coefficient of Determination Test

The coefficient of determination (R²) is used to show how much percentage of the independent variables (product quality and price) together explain the variance of the dependent variable (purchase decisions). Based on the output results in table 6, it shows that the adjusted R²value is 0.541 or 54%, the variation in purchasing decisions can be explained by variations in the two independent variables of product quality and price. While the rest (100% - 54% = 46%)

explained by other variables outside the model. This means that product quality and price have an effect of 54% on purchasing decisions while the remaining 46% are influenced by other variables outside of this study.

Table 6. Coefficient of Determination Test

Model	R	R Square	Model Summary ^b		Durbin-Watson
			Adjusted R Square	Std. Error of the Estimate	
1	.751 ^a	.564	.541	1.492	2.360

a. Predictors: (Constant), Product Quality, Price

b. Dependent Variable: Purchase Decision

Source: output of data analysis (2022)

DISCUSSION

Product quality affects purchasing decisions

The first proposed hypothesis is accepted with product quality and price variables obtaining a significant value of $0.001 < 0.05$, meaning that the hypothesis is accepted that product quality affects purchasing decisions compared to price where the significant value is $0.333 > 0.05$. It shows that H1 is accepted, which means that product quality has a significant effect on purchasing decisions. This is because if the quality is good, it will have a positive impact on purchasing decisions.

Price has no effect on purchasing decisions

The second hypothesis that the price variable has a significant value of $0.333 > 0.05$ means that the hypothesis is not accepted that the price has no effect on purchasing decisions where the significant value is $0.333 > 0.05$, the results of price analysis have no significant effect on purchasing decisions.

Product quality and price have a simultaneous effect on purchasing decisions

The third hypothesis proposed shows that simultaneously obtained a significant value of $0.001 < 0.05$ which indicates that H3 is accepted. Based on the output results above, it shows that the adjusted R² value is 0.541 or 54%, the variation in purchasing decisions can be explained by variations in the two independent variables of product quality and price. While the rest ($100\% - 54\% = 46\%$) explained by other variables outside the model. This means that product quality and

price have an effect of 54% on purchasing decisions while the remaining 46% are influenced by other variables outside of this

CONCLUSION

1. Based on the T-test above, it shows that the product quality and price variables have a significant value of $0.001 < 0.05$, meaning that the hypothesis is accepted that product quality has an effect on purchasing decisions.
2. Based on the results of the F-test above, it shows a significance value of $0.001 < 0.05$. So the regression model can be used for decision making or it can be said that product quality and price have a simultaneous effect on purchasing decisions.
3. Based on the output results above, it shows that the adjusted R² value is 0.541 or 54%, the variation in purchasing decisions can be explained by variations of the two independent variables of product quality. While the rest ($100\% - 54\% = 46\%$) explained by other variables outside the model. This means that product quality and price have an effect of 54% on purchasing decisions while the remaining 46% are influenced by other variables outside of this study.

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