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**EFFECT OF PRODUCT QUALITY, PRICES AND PLACES ON
PURCHASE DECISIONS**

Case Study of Consumers Ikhtiar Meatballs Tofu Cikarang Region

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Abstract

The purpose of this study was to determine the effect of product quality, price, and place on the purchase decision of Meatballs Ikhtiar. The research method used was quantitative research in the form of a survey. The research sample of 100 consumers Meatballs Tofu Ikhtiar. The data collection method uses a questionnaire. Data analysis techniques using multiple linear regression tests, partial hypothesis testing using t-test and simultaneous test using the F test. The results of this study are that there is a significant influence on product quality on purchasing decisions. There is a significant effect on price decisions. There is a significant influence of place influence on purchasing decisions. There is a significant influence on product quality, price and place simultaneously on the decision. The magnitude of the effect of product quality, price and place simultaneously on purchasing decisions. The conclusion of the study is that there is a significant influence on product quality, price, and place on the purchasing decision of Ikhtiar Meatballs Tofu.

Keywords: Product Quality, Price, Place, Purchase Decision.

1. Introduction

Each Consumer needs that continue to increase from time to time will become a very profitable business opportunity. This has become the rationale for business actors to meet the needs, desires, and expectations of consumers so that they do not turn to competitors despite changes. Many companies are trying to win the competition by utilizing existing business opportunities and trying to apply the right corporate strategy in order to dominate the market. One of the company's goals is to maintain the existence of its performance to reach a certain level. The company will try to dominate the market share with a variety of marketing strategies and services. With the ultimate goal of getting maximum profit with an optimal level of performance efficiency. The tight competition will position marketers to always develop and win market share. So only companies with the best quality products will grow rapidly, and in the long run the company will be more successful than other companies. One of the Small and Medium Enterprises engaged in food in Cikarang is Tofu Ikhtiar Meatballs. Knowing meatballs is a typical food Ungaran city and has been very attached to the tongue of the community. All people really like this food both parents, teenagers, children, grandparents and again this food does not know the time, can be morning, afternoon, evening or night. This food also does not care about hot or cold weather, always suitable for eating. Meatball tofu products generally use the raw material of tofu and the filling is beef or chicken. Meatball tofu is usually served as a snack food as a friend to drink tea. Many factors are considered by consumers before deciding to buy a product.

Therefore entrepreneurs must be observant in seeing what factors must be considered to attract consumers. A very important factor that can influence purchasing decisions is the first factor of product quality. Quality is a combination of properties and characteristics that determine the extent to which outputs can meet customer requirements. The second, very important factor that can influence purchasing decisions is the price factor. Pricing strategy (pricing) is very significant in giving value to consumers and influencing product image, as well as consumer decisions to buy. The third factor that also influences purchasing decisions is place. In marketing which includes four marketing components one of which is the element of place or in several books many are mentioned as distribution aspects. Hurriyati explained that place manufacturing products are defined as distribution channels, whereas for the production of place services are defined as service places. Location / place is the position of a place, object, event or symptom on the surface of the earth in relation to places, objects, symptoms of other events. (Maryani; 2009). Based on this phenomenon, the authors are interested in conducting research with the title Effect Of Product Quality, Prices And Places on Purchase Decisions Case Study of Consumers Ikhtiar Meatballs Tofu Cikarang Region.

2. Literature Review

Product Quality

According to the American Society for Quality Control cited by Dewi and Hidayat (2015), quality is the overall characteristics and characteristics of a product or service, in terms of its ability to meet predetermined or latent needs. According to Prawirosentono in Sigit (2017) that product quality is the physical reliability, function and nature of the product concerned that can satisfy the tastes and needs of consumers satisfactorily according to the value of money spent. According to Prawirosentono in Sigit Winardi (2014) states that consumer purchasing decisions are a point of purchase from the evaluation process. Peter and Olson (2014) state that purchasing decisions are an integrated integration process to evaluate two or more alternative behaviors and choose one of them. Schiffman and Kanuk (2014) define a decision as the choice of an action from two or more alternative choices. A consumer who wants to vote must have alternative choices. Kotler and Keler (2016: 192) explain "in the evaluation stage, the consumer forms preferences among the brands in the choice and also the form in intention to buy the most preferred brands." Purchasing decisions are consumer decisions regarding preferences for brands in a collection of choices (2017) that product quality is the physical reliability, function and nature of the product concerned that can satisfy the tastes and needs of consumers satisfactorily according to the value of money spent.

Price

Sukirno (2015) states that price is one of the important attributes evaluated by consumers so that company managers need to really understand the role in influencing consumer attitudes. Well-designed and marketed products can be sold at high prices and generate high profits. big. Price as an attribute can be interpreted that price is a concept of diversity that has different meanings for each consumer, depending on the characteristics of consumers, the situation and the product. According to Kottler and Armstrong (2015) what is meant by price is "The amount of money changed for a product or service, the value of the values that customers exchange for the benefits of having or using the product or service." The amount of money changes for products and services, the amount of value exchanged for the customers owning or using the product or service. According to (Kotler and Armstrong, 2016) price is the amount of money charged for a product or service or the amount of value exchanged by consumers for the benefits of owning or using the product or service.

Place

Place is the position of a place, object, event or symptom on the surface of the earth in relation to a place, object, symptom of another event. (Maryani; 2009). The location component consists of direction and distance. Direction indicates the position of a place compared to other places, while distance is the size of the distance or proximity of the two objects / symptoms. The direction of a place is relative, so is the relative distance. The

direction and distance determine the intensity of the relationship between the two places. According to Heizer and Render (2006) the goal of a location strategy is to maximize location profit for the company.

Purchase Decision

Winardi (2014) states that consumer purchasing decisions are the point of a purchase from the evaluation process. Peter and Olson (2014) state that purchasing decisions are a process of integration combined to evaluate two or more alternative behaviors and choose one of them. Schiffman and Kanuk (2014) define a decision as the choice of an action from two or more alternative choices. A consumer who wants to choose must have an alternative choice. Kotler and Keler (2016) explain "in the evaluation stage, the consumer forms preferences for the brands in the choice and also the form in intention to buy the most preferred brands." Purchasing decisions are consumer decisions regarding preferences for brands in a collection of choices.

Framework

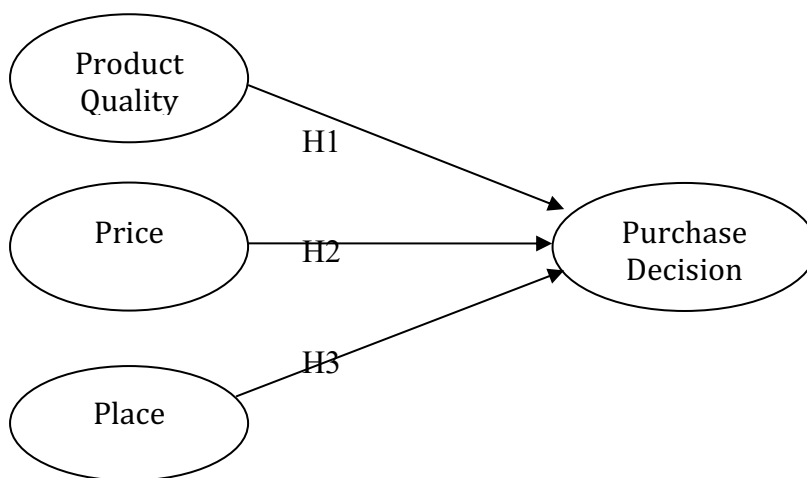


Figure 1. Framework

Source: Reseracher data, 2019.

Hypothesis:

1. First Hypothesis. Product quality will influence the purchasing decision of Tofu Meatballs Ikhtiar.
2. Second Hypothesis. Price will influence the purchase decision of Meatball Ikhtiar
3. Third Hypothesis. It is determined that the more appropriate the place will affect the purchase decision of Meatball Ikhtiar

3. Methods

This type of research is quantitative research, a method that emphasizes aspects of measurement objectively to social phenomena (Sugiyono, 2014). Quantitative is to do statistical testing specifically to measure how much the relationship or strength of influence between the variables studied. The population of this research is the consumers of Tofu Meatballs Ikhtiar in the Cikarang region in the period of July 2019. The sampling technique uses non-probability sampling that is incidental sampling technique. Incidental sampling technique is a technique of determining samples based on coincidence, ie anyone who incidentally meets the researcher can be used as a sample, if it is deemed that the person met by chance is suitable as a source of data. This technique was considered suitable in this study because the respondents were the buyers of Tofu Meatballs Ikhtiar, chosen because of the limitations and ease in the process of collecting data. The sample of this research was taken as many as 100 buyers in July 2019.

4. Results and Discussion

Table 1. Test Results of the Questionnaire Validity of Product Quality Variables

No. Item	r value	r table	Information
1	0,638	0,195	Valid
2	0,679	0,195	Valid
3	0,619	0,195	Valid
4	0,440	0,195	Valid
5	0,405	0,195	Valid
6	0,472	0,195	Valid
7	0,422	0,195	Valid
8	0,521	0,195	Valid

Source: Output SPSS (2019).

Based on the results of the analysis of the product quality validity, it is known from the 8 statements that all of them obtained r value > 0.195 (n = 100) so that it can be concluded that the product quality variable instruments are all valid.

Table 2. Test Results of Price Variable Questionnaire Validity Tests

No. Item	r value	r table	Information
1	0,473	0,195	Valid
2	0,492	0,195	Valid
3	0,450	0,195	Valid
4	0,367	0,195	Valid
5	0,303	0,195	Valid
6	0,370	0,195	Valid
7	0,332	0,195	Valid
8	0,482	0,195	Valid

Source: Output SPSS (2019).

Based on the results of the analysis of the validity of the price variable (X2) it is known that from the 8 items of all statements obtained r value > 0.195 (N = 100) so that it can be concluded that the variable price instruments are all valid.

Table 3. Test Results Validity Questionnaire Place Variables

No. Item	r value	r table	Information
1	0,622	0,195	Valid
2	0,657	0,195	Valid
3	0,651	0,195	Valid
4	0,800	0,195	Valid
5	0,724	0,195	Valid
6	0,640	0,195	Valid
7	0,705	0,195	Valid
8	0,602	0,195	Valid
9	0,654	0,195	Valid
10	0,726	0,195	Valid

Source: Output SPSS (2019).

Based on the results of the analysis of the validity of promotional variables (X3), it is known that from the 10 statement items all obtained r table > 0.195 ($n = 100$) so that it can be concluded that the promotional variable instruments are all valid.

Table 4. Test Results of Variable Questionnaire Validity of Purchase Decision

No. Item	r value	r table	Information
1	0,573	0,195	Valid
2	0,631	0,195	Valid
3	0,630	0,195	Valid
4	0,649	0,195	Valid
5	0,665	0,195	Valid
6	0,504	0,195	Valid
7	0,597	0,195	Valid
8	0,486	0,195	Valid
9	0,657	0,195	Valid
10	0,616	0,195	Valid

Source: Output SPSS (2019).

Based on the results of the analysis of the validity of the purchase decision variables, it is known that of the 10 items all obtained r value > 0.195 ($n = 100$) so that it can be concluded that the purchase decision variable instruments are all valid.

Table 5. Reliability Test Results

Variable	Alpha Cronbach's	Criteria	Information
Product Quality	0,811	Alpha Cronbach $> 0,60$ then reliable	Reliable
Price	0,719		Reliable
Place	0,912		Reliable
Purchase Decision	0,877		Reliable

Source: Output SPSS (2019).

The results of the calculation of the reliability test of the product quality instrument obtained a reliability coefficient of 0.811, which means the product quality instrument is included in the high category. The results of the calculation of the reliability test of the price instrument obtained the reliability coefficient of 0.719, which means that the price instrument was included in the high category. The results of the calculation of the instrument reliability test obtained a reliability coefficient of 0.912, which means the instrument was included in the very high category. The results of the calculation of the reliability test of the purchase decision instrument obtained a reliability coefficient of 0.877, which means the purchase decision is in the very high category.

Test Results F

Table 6. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	813,298	3	271,099	31,103	,000 ^b
	Residual	836,742	96	8,716		
	Total	1650,040	99			

Source: Output SPSS (2019).

F test results obtained by the value of Sig. = 0,000 and F count = 31.103, while F table = 3.99. Because the value of Sig. <0.05 and F value > F table, then there is a significant influence of product quality, price, and place variables simultaneously on purchasing decisions.

DISCUSSION

Effect of Product Quality on Purchasing Decisions

Hypothesis testing obtained that the value of Sig. = 0,000 and t value = 6,278 while t table = 1.66. Because the value of Sig. <0.05 and t arithmetic > t table then Ha1 is accepted which means there is a significant positive effect of independent variable X1 (product quality) on the dependent variable Y (purchasing decision). So the research hypothesis of product quality has a positive effect on purchasing decisions, proved. The results of the coefficient of determination obtained R Square value of 0.287, which shows that the magnitude of the coefficient of determination of 28.7%. This means that the magnitude of the influence of product quality on purchasing decisions can be percentage ed at 28.7%. The results of this study reinforce the results of research conducted by Sunarto (2015) research with the title: "Effect of Product Quality on Purchasing Decisions at the Kartika Magetan Leather Craft Shop", published in the Journal of Empibrium, Vol. 3, No.2, July 2015. The research results obtained data F test results obtained F value 21.735 > F table 4.41, meaning that there is an overall effect on product quality with purchasing decisions. T test results obtained t value 6.927 > t table 1.725, meaning that there are differences in the effect of product quality on purchasing decisions. The conclusion of the study is that there is a significant overall effect between product quality on purchasing decisions. Research by Denny Kristian (2016), research with the title: "The Effect of Product Quality and Price on Purchasing Decisions of Honda Motorcycles in Campus Students of Krida Wacana Christian University", published in the Scientific Journal of Business Management, Vol.16, No.1, January-June 2016. The research concludes that there is an effect of product quality on purchasing decisions, there is an effect of prices on purchasing decisions.

Effect of Prices on Purchase Decisions

Hypothesis testing is obtained that the value of Sig. = 0,000 and t value = 5.588 while t table = 1.66. Because the value of Sig. <0.05 and t value > t table then Ha2 is accepted which means there is a significant positive influence of the independent variable X2 (price) on the dependent variable Y (purchase decision). So the price research hypothesis has a positive effect on purchasing decisions, it is proven, the results of the coefficient of determination test obtained R Square value of 0.242, which shows that the magnitude of the coefficient of determination of 24.2%. This means that the price contribution to purchasing decisions is 24.2%. The results of this study reinforce the results of research conducted by Santri Zulaicha (2016), research with the title: "The Effect of Products and Prices on Consumer Purchasing Decisions in Morning Bakery Batam", published in Journal of Innovation and Business, Vol.4 No.2, December 2016. Research concludes that product variables have a coefficient of regression of 0.617 (positive sign) with a significance value of 0,000 (<0.05), which indicates that the product has a positive and significant effect on purchasing decisions. The price variable has a regression coefficient of 0.379 (positive sign) with a significance value of 0,000 (<0.05), which indicates that the price has a positive and significant effect on purchasing decisions. Products and prices have a large influence, seen from the regression coefficient for products amounting to 61.7% and prices 37.9%, which indicates that product variables have a greater influence than price on purchasing decisions at Morning Bakery Batam. Carunia Mulya Firdausy's research (2017) entitled: "Effects of Service Quality, Price and Promotion of Customers' Purchase Decision of Travel Online Airline Tickets in Jakarta, Indonesia," published in Journal of Management Science and Business Administration, Vol. 3 Issue 2, Period January 2017. The study concluded that service quality and ticket prices have positive and significant effects on purchase decisions, promotion of variables has non-significant effects on purchase decision.

Effect of Place on Purchase Decisions

Hypothesis testing obtained that the value of Sig. = 0,000 and t value = 6,052 while t table = 1.66. Because the value of Sig. <0.05 and t value > t table then Ha2 is accepted, which means there is a significant influence of the independent variable (place) on the dependent variable, namely the purchase decision. So the research hypothesis places a significant effect on purchasing decisions. The determination coefficient test results obtained R Square value of 0.272, which shows that the magnitude of the coefficient of determination of 27.2%. This means that place contributions to purchasing decisions amount to 27.2%. This study corroborates the results of research conducted by Deny Indra Permana (2017), research with the title: "The influence of place on the Purchasing Decision of PT. Piji Wood and Door Flooring Products in Central Java", published in the Journal of Business Management and Strat-Up, Vol.2, No.1, April 2017. Research concludes that there is a place effect on purchasing decisions, where the place variable has a dominant effect of 5.88 and based on the results of a simple linear regression analysis shows that the place has a positive impact on increasing purchasing decisions. concluded that the place variable has a significant influence on consumer purchasing decision variables. Mega Setiawati Research (2017), research entitled: "Effect of Place and Packaging on Purchasing Decisions of Chicato Products Mediated by Brand Awareness", published in the Journal of Business Management, Vol.12, No.1, January-June 2017. The study concluded the place significant positive effect on brand awareness, and promotion significantly positive effect on purchasing decisions. The positive effect of place and packaging on the purchasing decision of Chitato products will be more positive when brand awareness in the minds of customers is increasing.

Effect of Product Quality, Price and Simultaneous Place on Purchasing Decisions

F test results obtained by the value of Sig. = 0,000 and F value = 31.103, while F table = 3.99. Because the value of Sig. <0.05 and F value > Mean table can have a significant influence on product quality, price and place variables simultaneously on purchasing decisions. The results of the calculation of the coefficient of determination obtained R Square value of 0.493, which shows that the magnitude of the coefficient of determination is 49.3%. This means that the contribution of product quality, price and place simultaneously to the decision.

5. Conclusion

Based on the results of data analysis described in the previous chapter, it can be concluded that there is a significant influence on the quality of the product on the purchase decision of Ikhtiar Meatballs Tofu, meaning that the higher the quality of the product, the higher the purchase decision and vice versa the lower the quality of the product, the lower the purchasing decision of Meatballs Ikhtiar. The magnitude of the influence of product quality on purchasing decisions can be percentage of 28.7%. There is a significant price effect on the decision to buy Tofu Meatballs, meaning that the more precise the price policy, the higher the purchase decision and vice versa, the more inaccurate the pricing policy, the lower the buying decision Tofu Meatballs Ikhtiar. The magnitude of the effect of prices on purchasing decisions can be percentage of 24.2%. There is a significant influence of place on the buying decision of Ikhtiar Meatball Tofu, meaning that the more a place strategy, the higher the purchase decision and vice versa the less strategic place, the lower the decision to purchase Tofu Meatballs. The magnitude of the influence of the place on purchasing decisions can be assessed by 27.2%. There is a simultaneous influence between product quality, price and place on purchasing decisions. Tofu Meatballs Ikhtiar, meaning that the higher the quality, the more appropriate the pricing policy and the more strategic place, the higher the purchase decision. The magnitude of the effect of product quality, price and place simultaneously on purchasing decisions can be prosthetic by 49.3%.

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