The Effect of Price and Product Quality on Purchasing Decision (Case Study from Soto Sokoraja Bu Anah)

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Abstract: The development of the culinary business is getting tougher day by day. This can be seen from the number of people who open culinary businesses. In this research, the case studied was Soto Sokaraja owned by Bu Anah. The purposes of this research are: 1) To determine the effect of product quality variables on purchasing decisions at Soto Sokaraja Bu Anah. 2.) To determine the effect of price variables on purchasing decisions at Soto Sokaraja Bu Anah. 3.) To determine the effect of product quality and price variables on purchasing decisions at Soto Sokaraja Bu Anah. The analysis technique used in this study is quantitative by using statistics. The sample population used here are consumers who bought Soto Sokaraja bu Anah and calculated using the Rao Purba formula, with 96 consumers as respondents. The results of this study indicate that the result of f arithmetic sig is 0.000. Sig value <0.05 or 0.000<0.05, meaning the price and product quality simultaneously positively and significantly affect purchasing decisions.
Keywords: Price, Product Quality, Purchasing Decisions

INTRODUCTION

The development of the culinary business is getting tougher day by day. This can be seen from the number of people who open culinary businesses. One is a culinary business focusing its menu on regional specialities. An example of this is Soto. For example, in the South Tangerang area, you can find various types of Soto, such as Soto Boyolali, Soto Lamongan, and so on. Each region has a different, unique taste of Soto in accordance with the typical area of origin.

In this research, the case studied was Soto Sokaraja owned by Bu Anah. Soto Sokaraja Bu Anah is located in a strategic area, close to residential areas, schools, and the mayor's office, and is supported by adequate facilities so that it helps in promoting its products.

In selling Soto, there are various factors that influence the dynamics of sales and customer decisions in buying similar products, especially in today's fierce competition. Some of these factors are price and product quality.

We chose these two indicators to see their effect on customer decisions to buy products. Prices that are not too expensive can attract customers to buy the product. Combined with good product quality, the product will be able to compete with other similar products in terms of price or type of food.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT
Product Quality
According to Kotler and Armstrong (2015:224), product quality is how the product has a value that can satisfy consumers both physically and psychologically which shows the attributes or properties contained in an item or result.

According to Assauri (2016: 90) said that product quality is the factors contained in an item or result that causes the goods or results to be in accordance with the purpose for which the goods or results are intended.

Price
According to Buchari Alma (2013:169) "Price is the value of an item expressed in the money". Meanwhile, according to Kotler and Armstrong (2015: 312) "The amount of money charged for a product or service, the sum of the values that customers exchange for the benefit of having or using the product or service".

Purchasing Decision
According to Assauri (2015:139) purchasing decisions made by consumers or buyers are also influenced by habits. Buyer habits include when the purchase is made, in what quantity the purchase is made, and where the purchase is made.

According to Tjiptono (2016: 22) "purchase decisions are one part of consumer behavior. Consumer behavior is an action that is directly involved in obtaining, and determining products and services, including the decision-making processes that precede and follow these actions.

The Influence of Product Quality on Purchase Decisions
According to Tjiptono (2018: 25), quality reflects all dimensions of product offerings that generate benefits for customers. Therefore, the lower the quality of the product, the smaller the benefit that consumers get, then the consumers will be more reluctant to buy the product. Conversely, the better the quality of a product, the more benefits that consumers receive, so consumers will decide to buy the product.

The Influence of Price on Purchase Decision
The price set must cover all costs, or even more in order to make a profit. However, if the price is set too high then this can keep consumers away from the products offered. But if the price offered is too cheap, even though the customer is interested, the seller can suffer losses.

The Influence of Product Quality and Price on Purchase Decisions
In the food business, product quality is important because the product will be consumed by humans, therefore the quality needs to be considered in order to maintain the health of the consumer and the taste. Price is also important because of intense competition. If the price is set too hightoo high,r will prefer the cheaper one. However, if the quality of the product is good, then even if the price is slightly higher than that, it will still allow customers to choose the product. However, if the quality of tproduct's quality is poor,ow cheap the price is, it will allow customers to avoid the product.

METHODS
The study method used in this research is quantitative. Quantitative research methods, as stated by Sugiyono (2017:13), are: "Research methods based on the philosophy of positivism, are used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative/statistical, with the aim of testing established hypothesis. The population studied in this study were 96 respondents. Tests were carried out using the SPSS 26 program.

RESULT AND DISCUSSION
Analysis of Correlation Coefficient (R) and Coefficient of Determination (R^2)

Table 1. Output of Correlation Coefficient (R) and Coefficient of Determination (R^2)

			Model Summary[b]		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,694[a]	,481	,470	4,79546	2,266

a. Predictors: (Constant), Price, Product Quality
b. Dependent Variable: Purchasing Decision
Source: primary data processed with SPSS version 26.2022

Based on Table 1 above, it is known that the correlation coefficient (R) of 0.694 means that the three variables of price and product quality have a strong relationship to purchasing decisions. The percentage of the influence of the two independent variables can be proven by the value of the coefficient of determination (R^2) of 0.481, this means that 48.1% of purchasing decisions are influenced by price and product quality, while the remaining 51.9% is influenced by other variables.

Simultaneous Hypothesis Testing (F Test)

Table 2. Output of Simultaneous Hypothesis Testing Output (F Test)

			ANOVA[a]			
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1982,324	2	991,162	43,101	,000[b]
	Residual	2138,665	93	22,996		
	Total	4120,990	95			

a. Dependent Variable: Purchasing Decision
b. Predictors: (Constant), Price, Product Quality
Source: primary data processed with SPSS version 26. 2022

From table 2. above, the result of F count Sig is 0.000. This means that simultaneously the effect of Price (X_1), and Product Quality (X_2) on Purchasing Decisions (Y) is very significant.

Partial Hypothesis Testing (t-test) Variable Price (X_1), and Product Quality (X_2) on Purchasing Decision (Y).

Table 3. Partial Hypothesis Testing (t Test)

		Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-5,519	3,694		-1,494	,139		
	Product Quality	1,094	,162	,583	6,754	,000	,748	1,337
	Price	,455	,215	,183	2,118	,037	,748	1,337

a. Dependent Variable: Purchasing Decision
Source: primary data processed with SPSS version 26. 2022

From Table 3, the results of the t-test are known that the t-count results for the price variable (X_1) are Sig 0.000. This means that partially the price (X_1) has a positive and significant effect on purchasing decisions. This can be seen from the significance value of 0.000 or below 0.05. As for the product quality variable (X_2), the Sig is 0.037. This means that partially, product quality has a positive and significant effect on purchasing decisions. This can be seen from the significance value of 0.037 or below 0.05.

From the results of the regression output in Table 3, there is a regression research equation as follows:

$Y = a + b_1X_1 + b_2X_2 + e$

$Y = -5.519 + 1.094 X_1 + 0.455 X_2$

Y = Purchasing Decision, X_1 = Price, X_2 = Product Quality

a = Constant, b = Regression Coefficient

The interpretation of the regression equation is as follows:

1. The negative constant value (5.519) can be interpreted that the average contribution of other variables outside the model having a positive impact on Purchasing Decision at Soto Sokaraja Bu Anah.
2. The value of the price predictor coefficient (b_1) is 1.094. If there is a change in the price predictor (X_1) of one unit, it causes a change in the average purchase decision of 1.094 units with the assumption that the other predictors are fixed.
3. The value of the predictor coefficient of product quality (b_2) is -0.499. If there is a change in the product quality predictor (X_2) by one unit, it causes a change in the average purchase decision of -0.499 units with the assumption that the other predictors are fixed.

CONCLUSIONS

The results of this study indicate that the F result for Sig is 0.000. The value of sig < 0.05 or 0.000 < 0.05. It means that Price (X_1) and Product Quality (X_2) have a positive and significant effect simultaneously on Purchasing Decision (Y). The results of the t-test have shown that the t-count results for the price variable (X_1) are Sig 0.000. This means that partially the price (X_1) has a positive and significant effect on purchasing decisions. This can be seen from the significant value of 0.000 or below 0.05. As for the product quality variable (X_2), the Sig is 0.037. This means that partially product quality has a positive and significant effect on purchasing decisions. This can be seen from the significant value of 0.037 or below 0.05. It is known that the correlation coefficient (R) of 0.694 means that both price and product quality variables have a strong relationship with purchasing decisions. The large percentage of the influence of the two independent variables can be proven by the coefficient of determination (R^2) of 0.481, this means that 48.1% of consumers' purchasing decisions at Soto Sokaraja Bu Anah are influenced by price and product quality variables, while the remaining 51.9% is influenced by other variables.

Based on the results of the data analysis test, it is known that according to the distribution of respondents' answers for the price variable (X_1), it finds that the weakest indicator is if the price is equal to the product quality of Soto Sokaraja. This means Soto Sokarja must strengthen the taste of its Soto so that consumers or customers are satisfied with the quality of the taste. Therefore, the researcher gives advice to the business owners in the hope they can improve more often in terms of taste quality by daring to add spices. Referring to the distribution of respondents' answers for the product quality variable (X_2), it finds that the weakest indicator is the impression of quality. This means consumers expect neater packaging to attract consumers' attention to buy continuously. Therefore, researchers give advice to business owners to be able to open a suggestion box or WhatsApp number that is easily contacted by consumers so that consumers can easily submit complaints and suggestions to business owners so that business owners can respond to consumer complaints quickly.

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