

The Effect of Price and Quality on The Decision to Purchase Onion Seeds at Ud Parewa Mulia

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ABSTRACT

Satisfying consumer needs is every company's dream. Apart from being an important factor for a company's survival, fulfilling consumer needs can increase its superiority over the competition. Consumers who are satisfied with price and quality tend to repurchase the product and reuse the product when the same need arises again in the future. This research aims to determine the influence of price and quality on the decision to purchase onion seeds at Ud Parewa Mulia. This research uses a quantitative approach with survey methods, while this type of research is included in associative research. The population in this study were consumers who had shopped for onion seeds at UD Parewa Mulia. The number of samples taken in this study was 50 respondents. The sample used in this research was purposive sampling. The research instrument used a questionnaire with a Likert scale. Data analysis uses multiple linear regression, correlation, determination test, partial analysis test with t test and f test (simultaneous). To test the influence between variables, use SPSS (Statistical Service Product Solutions) version 23.00. The research results based on the t test (partial) show that price influences purchasing decisions, quality influences purchasing decisions, and price and quality together influence purchasing decisions..

Keywords: Price, Quality, Purchase Decision

INTRODUCTION

Indonesia is an agricultural country where the agricultural sector plays a vital role in the national economy. This is demonstrated by the large population living or working in the agricultural sector, where agricultural production influences farmers' incomes and the prices they receive during peak harvests. When crops are abundant, prices are low, and when prices are high, prices are high.

Price is one of the main factors influencing consumers' purchasing decisions. According to Mangifera et al. (2018), price is one of the attributes that influences consumer purchasing decisions for food products. If the price offered aligns with consumer preferences, consumers are likely to make repeat purchases. This indicates that more affordable prices will increase consumer purchasing decisions. However, besides price, quality is another factor that influences purchasing decisions.

Quality is an important factor in both the business and non-business worlds, where the good or bad performance of a company can be measured by the quality of the goods and services produced. According to Kotler and Keller (2016), product quality is the product's ability to perform its functions, this ability includes durability, reliability, and accuracy, which are obtained by the product as a whole.



Purchasing decisions are one of the stages of consumer behavior that underlie consumers in making purchasing decisions before post-purchase behavior and how individuals, groups, and organizations choose, buy, use, and how goods or services satisfy their needs and desires. According to Kotler & Armstrong (2018) consumer purchasing decisions are decisions to buy the most preferred brand, but two factors can arise between purchasing intentions and purchasing decisions.

In Indonesia, one of the regions producing horticultural crops is West Nusa Tenggara, specifically in the Sakuru Village area of Bima Regency. This horticultural crop is widely cultivated and utilized in the community's daily lives. The horticultural crop cultivated is the shallot. Shallots contribute significantly to improving the economic level of farmers. Therefore, it is not uncommon for some Bima residents to consider shallots as a superior vegetable, possessing significance for the farming community and beyond, as evidenced by their high economic value and nutritional content.

UD Parewa Mulia is a shallot seed warehouse established in 2015. UD Parewa Mulia is located in Sakuru Village, Monta District, Bima Regency. UD Parewa Mulia has strategic potential for shallot farming, as shallots are a popular spice among Indonesians. Its customers range from the lower to the upper classes.

Based on the results of observations on UD Parewa Mulia There are several things that need to be considered which are important points that influence purchasing decisions, namely price, this factor greatly influences consumer purchasing decisions because the price of shallots in 2024 increased so that shallot exports decreased or were delayed so that shallot farmers had to wait for the price of shallots to stabilize and this greatly influenced purchasing decision factors, and besides that the price of shallot seeds sold by UD Parewa Mulia sometimes it is so expensive that consumers move elsewhere, besides that shallots are generally harvested three to four times a year, or seasonally, which causes price fluctuations. Besides price, quality also significantly influences purchasing decisions. The problem with UD Parewa Mulia's onion quality is the small onion harvest, which influences purchasing decisions, as consumers want healthy seeds. Onions that rot quickly also significantly influence purchasing decisions and significantly impact the profitability of a business. Based on the results of research conducted on consumers who shop at UD Parewa Mulia and from the problems explained above, the researcher is interested in raising the title "The Influence of Price and Quality on Purchasing Decisions at UD Parewa Mulia".

Framework of thinking

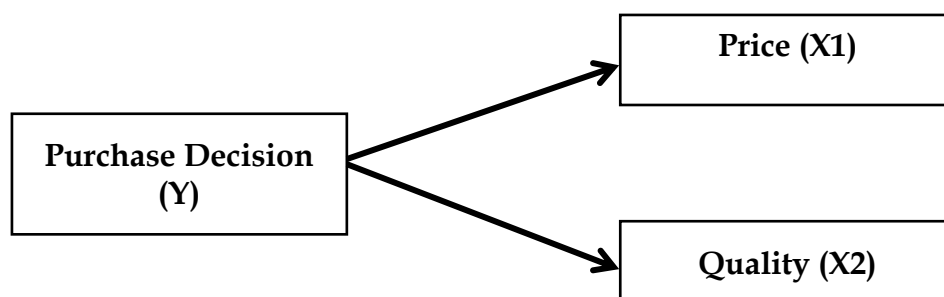


Figure 1. Thinking Framework

The formulation of the research hypothesis is as follows:

H1 : It is suspected that price has a significant partial influence on the decision to purchase onion seeds. UD Parewa Mulia

- H2 : It is suspected that quality has a significant partial influence on the decision to purchase onion seeds.UD Parewa Mulia
- H3 : It is suspected that price and quality have a significant simultaneous influence on the decision to purchase onion seeds.UD Parewa Mulia

METHODS

This research uses a quantitative survey method. The type of research is categorized as associative research. According to (Sugiyono, 2012), associative research is a statement that shows an assumption about the relationship between two variables. Namely the influence of price and quality on Decision to Purchase Onion Seeds from Ud Parewa Mulia. The population in this study is The sample size was 50 respondents, including consumers who had purchased onion seeds at UD Parewa Mulia. The sampling technique used in this study was purposive sampling, which is a technique for drawing samples from the population based on certain criteria (Sugiyono, 2016). The sample size for this study was 50 respondents. The research instrument used a questionnaire with a Likert scale. Data testing using validity tests with valid standards A variable is said to be valid if it has a calculated r value $> 0,300$, Reliability Test with consistency or stability over time to measure Reliability with the Cronbach Alpha Statistical Test. A variable is said to be reliable if it has a Cronbach Alpha value > 0.600 (Ghozali, 2016). Classical Assumption Test, Data analysis using Multiple linear regression, Correlation Analysis, Determination coefficient test, This partial t-test aims to determine the magnitude of the influence of each independent variable individually (partially) on the dependent variable. The t-test is carried out by comparing the calculated t with the t-table. If the calculated t is greater than the t-table at a 95% confidence level or (p-value < 0.05), then H_a is accepted, which means that the independent variable being tested partially has an influence on the dependent variable, and the f-test (simultaneous). Data analysis using simple linear regression with the following equation:

$$Y = a + b_1X_1 + b_2X_2$$

Where :

Y = Purchase Decision

X_1 = Price

X_2 = Quality

a = Constant

b_1, b_2 = Regression coefficient.

RESULTS AND DISCUSSION

1. Validity Test and Reliability Test

a. Validity Test

Table 1. Validity Test Results

No	Variables	Item	R count	R table	Information
1	Price	X1.1	0.867	0.300	Valid
		X1.2	0.846	0.300	Valid
		X1.3	0.861	0.300	Valid
		X1.4	0.843	0.300	Valid
		X1.5	0.821	0.300	Valid
		X1.6	0.816	0.300	Valid

		X1.7	0.829	0.300	Valid
		X1.8	0.841	0.300	Valid
2	Quality	X2.1	0.591	0.300	Valid
		X2.2	0.655	0.300	Valid
		X2.3	0.641	0.300	Valid
		X2.4	0.615	0.300	Valid
		X2.5	0.621	0.300	Valid
		X2.6	0.648	0.300	Valid
		X2.7	0.696	0.300	Valid
		X2.8	0.620	0.300	Valid
		X2.9	0.680	0.300	Valid
		X2.10	0.615	0.300	Valid
3	Buying decision	Y.1	0.562	0.300	Valid
		Y.2	0.626	0.300	Valid
		Y.3	0.691	0.300	Valid
		Y.4	0.721	0.300	Valid
		Y.5	0.532	0.300	Valid
		Y.6	0.533	0.300	Valid
		Y.7	0.411	0.300	Valid
		Y.8	0.684	0.300	Valid
		Y.9	0.641	0.300	Valid
		Y.10	0.622	0.300	Valid

Source: Primary Data processed 2023

Based on Table 1 above, the results of the validity test of the Price and Quality variables on Purchasing Decisions can be said to be valid with a Corrected item-total correlation of >0.300 . These validity test results indicate that the questionnaire statements in this study are valid.

b. Reliability Test

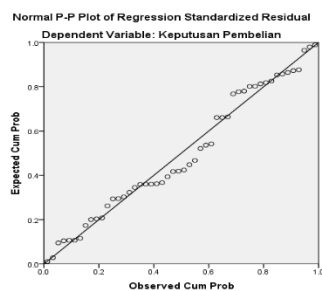
Variables and Indicators	Cronbach's Alpha	Reliability Standards	Information
Price Variable (X1)	0.941	> 0.600	Reliable
Quality Variable (X2)	0.855	> 0.600	Reliable
Purchase Decision Variable (Y)	0.845	> 0.600	Reliable

Source: Primary Data processed 2023

The results of the research test using this measurement can be said to be reliable at Cronbach's alpha > 0.600 . The results of this reliability test indicate that the questionnaire statements in this study are reliable.

2. Classical Assumption Test

a. Normality Test



Based on the Normality Test image, this regression model is normally distributed because the plotted data (dots) depict the actual data following a diagonal line. Based on the image above, there are no symptoms of normality.

Table 2 Kolmogorov Smirnov Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	.0000000
	Standard Deviation	5.00267487
Most Extreme Differences	Absolute	.102
	Positive	.057
	Negative	-.102
Test Statistics		.102
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

(Data Source Spss Version, 23)

From Table 5 above, it can be seen that the asymp. Sig. (2-tailed) value is 0.200 > 0.05. Therefore, it can be concluded that the residual values are normally distributed, so the normality test is met.

b. Multicollinearity Test

Coefficients^a

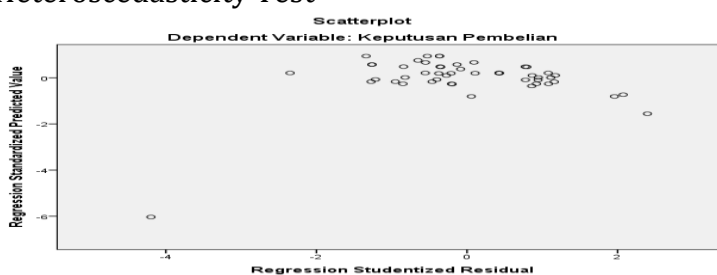
Model		Collinearity Statistics	
		Tolerance	VIF
1	Price (X1)	.672	1,489
	Quality (X2)	.672	1,489

a. Dependent Variable: Purchase Decision (Y)

Source: Primary Data processed 2023

The table shows that each variable has a tolerance value of at least 0.10 and a variance inflation factor (VIF) of at least 10. This analysis indicates that there are no signs of multicollinearity in the research variables, making them suitable for use in further testing. The multicollinearity test above shows that there are no symptoms of multicollinearity, if the tolerance value is $0.672 > 0.100$ and the VIF value is $1.489 < 10.00$.

c. Heteroscedasticity Test



Based on the heteroscedasticity test above, there are no symptoms of heteroscedasticity because there are no clear patterns (waves, widening then narrowing) in the scatterplot image, and the points are spread above and below the number 0 on the Y axis.

d. Autocorrelation Test

Model Summary			
Model	Change Statistics		Durbin-Watson
	df2	Sig. F Change	
1	47a	.000	1,294

From the table above, it is known that the Durbin-Wiston value is 1.445. To determine the value of the Durbin-Wiston table, it can be seen based on the DW table with an error rate of 5% for the variable (k) = 2 and the number of samples (n) = 50. Then the lower limit of the value (dL) is obtained =1,4500 and table value limit (DU) =1.6231. If we look at the Durbin-Wiston value test table, we get DU (1.6231) > DW (1.294) < 4 – DU (2.3769). So it can be concluded that the regression model shows autocorrelation symptoms. Therefore, to meet the criteria in the autocorrelation test, the Run Test can be used.

Test Runs Test Table

Runs Test	
	Unstandardized Residual
Test Value ^a	.55060
Cases < Test Value	25
Cases >= Test Value	25
Total Cases	50
Number of Runs	23
Z	-.857
Asymp. Sig. (2-tailed)	.391

a. Median
(Data Source Spss Version, 23)

From table 8 above, it can be seen that the Asymp. Sig. (2 tailed) value of 1,000 is greater than the alpha value (α) is 0.05 (0.391 > 0.05), so it can be stated that there is no autocorrelation.

3. Multiple Linear Regression

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9,725	7,171		1,356	.182
1 Price	.607	.203	.362	2,987	.003
Quality	.623	.163	.462	3,815	.000

a. Dependent Variable: Purchasing Decision

Source: Primary Data processed 2023

Multiple linear regression equation:

$$Y = 9.725 + 0.607 X_1 + 0.623 X_2$$

- Constant = a = 9.725 means that if the Price and Quality are constant or equal to zero, then the Decision to Purchase Onion Seeds at Ud Parewa Muliawill increase by 9,725.
- Variable coefficient = b1 = 0.607 means that if the price increases by 1% where the quality is constant, the decision to purchase onion seeds will increase. Ud Parewa Muliawill increase by 0.607.
- Variable coefficient = b2 = 0.623 means that if the quality increases by 1% while the price is constant, the decision to purchase onion seeds will increase. Ud Parewa Muliawill increase by 0.623.

4. Correlation Coefficient

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.732a	.536	.517	6,289	1,294

a. Predictors: (Constant), Quality, Price

b. Dependent Variable: Purchase Decision

The multiple correlation coefficient value is 0.732, meaning that the level of closeness of the relationship between Price and Quality on Purchasing Decisions is strong at 0.732..

5. Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.732a	.536	.517	6,289	1,294

a. Predictors: (Constant), Quality, Price

b. Dependent Variable: Purchase Decision

From the data above, it can be seen that the coefficient of determination (R Square) which is 0.536 or 53.60%. This means that the influence of Price (X1) and Quality (X2) on the Decision to Purchase Onion Seeds at Ud Parewa is 53.60%, while the remaining 46.40% is influenced by other factors not examined in the study.

6. t-test (Partial Test)

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9,725	7,171		1,356	.182
1 Price	.607	.203	.362	2,987	.003
Quality	.623	.163	.462	3,815	.000

a. Dependent Variable: Purchasing Decision

Source: Primary Data processed 2023

- First Hypothesis Testing Price (X1)

From table 11 above, the sig. value for Digital Marketing (X1) is 0.003, which is smaller than the alpha value ($\alpha = 0.05$), ($0.003 < 0.05$) and the calculated t value is 2,987 greater than the t-table value of 2.011 ($2.987 < 2.011$). So it can be concluded that there is a significant influence between Price and Purchasing

Decisions (H1 is accepted). This research is in line with observing previous research (Ummu Habibah & Sumiati, 2016) the price variable has a significant influence on purchasing decisions. This is supported by research (Asrizal & Muhammad, 2018), which shows that price has a significant influence on purchasing decisions. Price is one of the determining factors for buyers in making a purchase decision regarding a product. Pricing a product is a measure of its value, ensuring that the price is affordable and meets expectations. Research shows that price influences purchasing decisions because respondents believe that if the price is commensurate with the benefits and quality, consumers will be more likely to purchase.

b. Testing the second hypothesis of Quality (X2)

From table 11 above, it can be seen that the sig. value for the Quality model (X2) is 0.000, which is smaller than the alpha value ($\alpha = 0.05$), ($0.000 < 0.05$) and the calculated t value of 3.815 is greater than the t table value of 2.011 ($3.815 > 2.011$). This means that there is a significant influence between Quality on Purchasing Decisions (H2 is accepted). This research is in line with study (Ernawati, 2019) states that quality influences purchasing decisions. This is supported by research (Linda & Andreyan, 2019) which states that quality influences purchasing decisions. Product quality is a form of assessment of a product to be purchased, determining whether it meets consumer expectations. If companies want to grow, especially to achieve profits, they have no choice but to adopt the concept of quality. This demonstrates the influence quality has on consumers. Consumers will certainly not purchase a product that fails to meet their expectations. The higher the quality of a product, the higher the consumer's decision to purchase it.

7. F Test (Simultaneous Test)

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2150.951	2	1075.476	27.190	.000b
Residual	1859.049	47	39.554		
Total	4010.000	49			

a. Dependent Variable: Purchasing Decision

b. Predictors: (Constant), Quality, Price

The results of simultaneous testing in the table above. The F count value is 27.190. The formula for finding the F table value is as follows $df_1 = k - 1$ and $df_2 = nk$. so $df_1 = 2 - 1 = 2$, and $df_2 = 50 - 2 = 48$. From the formula, the F table value is 3.19, so the F count value of F table, which is $27.190 > 3.19$, means that H_0 is rejected and H_a is accepted with a significant value of 0.0000.05. So, together or simultaneously, the Price and Quality variables Simultaneously Influence Purchasing Decisions. Thus, it shows that H_3 is accepted. This is in accordance with the results carried out by (Ummu Habibah & Sumiati, 2016) that the simultaneous test (F test) shows that all independent variables consisting of Price (X1) and Quality (X2) have a significant effect on the Purchasing Decision variable. $> <$.

CONCLUSIONS

Based on the results of the research and data analysis on the influence of price and quality on onion seed purchase decisions at Ud Parewa, several conclusions can be drawn. First, the results of the partial test indicate that price has a significant partial influence on the decision to purchase onion seeds at Ud Parewa. Second, the partial test also shows that special quality has a significant partial influence on the purchase decision. Finally, the simultaneous test reveals that both price and quality together have a significant combined effect on the decision to purchase onion seeds at Ud Parewa

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