Analysis of The Influence of Product Quality, Price, and Location on Consumer's Decision To Buy Peanuts at UD. Berkah Alam

Alfian Nurhuda[1*], Basthoumi Muslih[2], Edy Joko Soeprayitno[3]

[1,2,3] University of Nusantara PGRI Kediri, Jl. KH. Ahmad Dahlan No.76, Mojoroto, Kota Kediri, East Java, 64112, Indonesia

alfiannurhuda830@gmail.com[1*], basthoumi@unpkediri.ac.id[2], edydjoko.s@gmail.com[3]

*corresponding author

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Abstract

Research Aim : The purpose of this study was to analyze whether there is a significant influence between the variables of product quality, price, and location simultaneously or partially on purchasing decisions at UD. Berkah Alam.

Research Method : The approach used in this study is a quantitative approach and the type of causal research, the sampling technique uses multivariate analysis, the sample size used is 40 consumers, and the data analysis technique uses descriptive statistics, classical assumption test, multiple linear regression, coefficient of determination, and test hypothesis with SPSSv25 tools.

Research Finding : The results showed that product quality, price, and location had a significant effect both partially and simultaneously on purchasing decisions at UD. Berkah Alam.

Keywords : Purchase Decision, Product Quality, Price, Location

1. Introduction

The rapid development of today's business world has made competition even tougher, thus demanding producers to be more sensitive, critical and reactive to various changes in the business environment. Companies must work hard to create new strategic policies in selling products and services. Every company must try to produce goods and services that consumers want at a reasonable price. To make consumers interested in our products, of course we have to provide good product quality, so consumers will consider which product to choose.

Purchasing decisions are part of consumer behavior, namely individuals, groups and organizations to choose, buy, use and how goods, services, ideas or experiences to satisfy needs and wants [1]. Factors that must be considered to increase sales is product quality. Product quality is an assessment of an item and service according to what consumers want is the definition of product quality [2]. Another factor is price, price is the income generated from the main components of the marketing mix, while the other components are only cost components, the level of sales is influenced by product prices, profits and market share in the achievement of a company [3]. In addition, location can also influence purchasing decisions. Choosing the right location will be more successful than choosing a less strategic location [4].

The author chose UD Berkah Alam as the research object which is located in Ds.

Plosoharjo Kec. Pace Kab. Nganjuk. In this study the authors found several problems, namely the quality factor must be very concerned because if there is a decrease in quality, later it will cause consumer complaints, prices generally affect purchasing decisions at UD. Berkah Alam, what if the price offered does not match the quality it will greatly affect the purchasing decision, strategic location will affect the purchasing decision at UD. Berkah Alam because it is close to consumers and cities.

Previous research entitled The Effect of Product Quality, Price, Promotion, and Distribution on Purchasing Decisions of Toto Sanitary Ware Products in Denpasar City [5] stated that product quality has a significant effect on purchasing decisions. The study entitled Analysis of the Influence of Product Quality, Price, Promotion on Purchase Decisions of Bottled Drinking Water (AMDK) Brand Aicos Production of Pt. Bumi Sarimas Indonesia [6] states that price has a significant effect on purchasing decisions. The research entitled Analysis of the Influence of Price, Service, Location on Ticket Purchase Decisions at Jaya Mulya Transport [7] states that location has a significant effect on purchasing decisions.

1.1. Statement of Problem

Based on the background that has been described, several problems can be identified, namely the quality factor that must be very concerned because if there is a decrease in quality, it will later cause consumer complaints, prices generally affect purchasing decisions at UD. Berkah Alam, what if the price offered does not match the quality it will greatly affect the purchasing decision, strategic location will affect the purchasing decision at UD. Berkah Alam Nature because it is close to consumers and cities.

1.2. Research Objectives

The purpose of this study is to analyze product quality, price, and location on purchasing decisions both partially and simultaneously at UD Berkah Alam.

2. Method

This research uses a quantitative approach and a type of causal research. The research data is primary data from the opinions of respondents based on a questionnaire distributed by researchers to consumers UD. Berkah Alam. The variables used are product quality, price, location, and purchasing decisions. The analysis technique uses descriptive statistics, classical assumption test, multiple linear regression, coefficient of determination, and hypothesis testing.

3. Results and Discussion

3.1. Descriptive Analysis

Based on the results of the questionnaire distributed by the researcher to consumers at UD. Berkah Alam, the following is the respondent's data based on gender and age.

Table 1. Characteristics of Respondents Based on Gender

Gender	Number of Respondents	Percentage
Man	34	57,5%
Woman	6	22,5%

Gender	Number of Respondents	Percentage
Total	40	100%

Source: Output SPSSv25

Based on table 1, the number of men is 34 people (57,5%), women are 6 people (22,5%) out of a total of 40 respondents.

Table 2. Characteristics of Respondents by Age

Age	Number of Respondents	Percentage
<30 years	6	20%
30-40 years	21	52,5%
>40 years	13	27,5%
Total	40	100%

Source: Output SPSSv25

Based on table 2, 6 (20%) aged <30 years, 21 (52,5%) 30-40 years old, and 13 > 40 years old (27,5%) of the total 40 respondents.

The following is a descriptive explanation of the respondents' responses tied to the research variables, namely product quality, price, and location on purchasing decisions.

Table 3. Description of Purchasing Decision Variables

Grain	Respondent's Response									
	5		**4**		**3**		**2**		**1**	
	F	%	F	%	F	%	F	%	F	%
Y1.1	17	42,5	21	52,5	2	5	0	0	0	0
Y1.2	13	32,5	21	52,5	5	12,5	1	2,5	0	0
Y1.3	21	52,5	15	37,5	4	10	0	0	0	0
Y1.4	14	35	26	65	0	0	0	0	0	0
Y1.5	14	35	21	52,5	5	12,5	0	0	0	0
Y1.6	21	52,5	18	45	0	0	0	0	1	2,5
Y1.7	20	50	19	47,5	0	0	1	2,5	0	0
Y1.8	19	47,5	18	45	2	5	1	2,5	0	0

Source: Output SPSSv25

Based on table 3, it can be seen from the 40 respondents that the answers regarding the purchasing decision variable which includes Y1.1 are the most dominant giving an agreeing assessment with a percentage of 52.5%. Respondents' answers regarding Y1.2 were the most dominant, giving an assessment of agreeing with a percentage of 52.5%. Respondents' answers regarding Y1.3 were the most dominant giving an assessment of strongly agreeing with a percentage of 52.5%. Respondents' answers regarding Y1.4 were the most dominant, giving an assessment of agreeing with a percentage of 65.0%. Respondents' answers regarding Y1.5 were the most dominant, giving an assessment of agreeing with a percentage of 52.5%. Respondents' answers regarding Y1.6 were the most dominant giving an assessment of strongly agreeing with a percentage of 52.5%. Respondents' answers regarding Y1.7 were the most dominant

giving an assessment of strongly agreeing with a percentage of 50%. Respondents' answers regarding Y1.8 were the most dominant giving an assessment of strongly agreeing with a percentage of 47.5%.

Table 4. Product Quality Variable Description

Grain	Respondent's Response									
	5		4		3		2		1	
	F	%	F	%	F	%	F	%	F	%
X1.1	4	10	18	45	10	25.0	8	20	0	0
X1.2	5	12,5	20	50	11	27,5	4	10	0	0
X1.3	7	17,5	15	37,5	15	37,5	3	7,5	0	0
X1.4	3	7,5	18	45	13	32,5	6	15	0	0
X1.5	3	7,5	18	45	12	30	6	15	1	2,5
X1.6	4	10	19	47,5	10	25	7	17,5	0	0

Source: Output SPSSv25

Based on table 4, it can be seen from the 40 respondents that the answers regarding the variable product quality to purchasing decisions, which include X1.1, are the most dominant in giving an agreement rating with a percentage of 45.5%. Respondents' answers regarding X1.2 were the most dominant, giving an assessment of agreeing with a percentage of 50.0%. Respondents' answers regarding X1.3 were the most dominant, giving an assessment of agreeing with the percentage of 37.5% and 37.5% neutral. Respondents' answers regarding the most dominant X1.4 gave an assessment of agreeing with a percentage of 45.0%. Respondents' answers regarding the most dominant X1.5 gave an assessment of agreeing with a percentage of 45.0%. Respondents' answers regarding the most dominant X1.6 gave an assessment of agreeing with a percentage of 47.5%.

Table 5. Price Variable Description

Grain	Respondent's Response									
	5		4		3		2		1	
	F	%	F	%	F	%	F	%	F	%
X2.1	17	42,5	21	52,5	2	5	0	0	0	0
X2.2	19	47,5	19	47,5	0	0	2	5	0	0
X2.3	17	42,5	18	45	4	10	1	2,5	0	0
X2.4	18	45	17	42,5	4	10	1	2,5	0	0
X2.5	16	40.0	21	52,5	2	5	1	2,5	0	0
X2.6	13	32,5	25	62,5	1	2,5	1	2,5	0	0
X2.7	16	40,5	18	45	5	12,5	1	2,5	0	0
X2.8	22	55	17	42,5	0	0	1	2,5	0	0

Source: Output SPSSv25

Based on table 5, it can be seen from the 40 respondents that the answers regarding the price variable to purchasing decisions, which include the answers from respondent X2.1, are the most dominant in giving an assessment of agreeing with a percentage of 52.5%. Respondents' answers regarding X2.2 were the most dominant giving an assessment of strongly

agreeing 47.5% and agreeing 47.5%. Respondents' answers to X2.3 are the most dominant giving an assessment of agreeing with a percentage of 45.0%. Respondents' answers to X2.4 were the most dominant giving an assessment of strongly agreeing with a percentage of 45.0%. Respondents' answers regarding the most dominant X2.5 gave an assessment of agreeing with a percentage of 52.5%. Respondents' answers regarding the most dominant X2.6 gave an assessment of agreeing with a percentage of 62.5%. Respondents' answers regarding the most dominant X2.7 gave an assessment of agreeing with a percentage of 45.0%. Respondents' answers regarding the most dominant X2.8 gave an assessment of strongly agreeing with a percentage of 55.0%.

Table 6. Location Variable Description

Grain	Respondent's Response									
	5		4		3		2		1	
	F	%	F	%	F	%	F	%	F	%
X3.1	7	17,5	22	55	4	10	5	12,5	2	5
X3.2	7	17,5	24	60	5	12,5	4	10	0	0
X3.3	9	22,5	17	42,5	11	27,5	3	7,5	0	0
X3.4	17	42,5	12	30	9	22,5	2	5	0	0
X3.5	11	27,5	21	52,5	7	17,5	1	2,5	0	0
X3.6	14	35	17	42,5	6	15	3	7,5	0	0
X3.7	13	32,5	18	45	7	17,5	2	5	0	0
X3.8	12	30	17	42,5	7	17,5	4	10	0	0

Source: Output SPSSv25

Based on table 6, it can be seen from the 40 respondents that the answers regarding the location variable to purchasing decisions, which include X3.1, are the most dominant in giving an agreement rating with a percentage of 55.0%. Respondents' answers regarding X3.2 were the most dominant, giving an assessment of agreeing with a percentage of 60.0%. Respondents' answers regarding X3.3 were the most dominant, giving an assessment of agreeing with a percentage of 42.3%. Respondents' answers regarding the most dominant X3.4 gave an assessment of strongly agreeing with a percentage of 42.5%. Respondents' answers regarding the most dominant X3.5 gave an assessment of agreeing with a percentage of 52.5%. Respondents' answers regarding the most dominant X3.6 gave an assessment of agreeing with a percentage of 42.5%. Respondents' answers regarding the most dominant X3.7 gave an assessment of agreeing with a percentage of 45.0%. Respondents' answers regarding the most dominant X3.8 gave an assessment of agreeing with a percentage of 42.5%.

3.2. Classic Assumption Test

The results of the normality test from the SPSSv25 output, the data spreads in a diagonal direction and around it. It means that these variables are normally distributed.

Table 7. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product Quality	.935	1.070
	Price	.966	1.035
	Location	.974	1.094

Source: Output SPSSv25

Based on the SPSSv25 test, it shows a tolerance value of 0.935 > 0.1 and VIF 1.070 <10 for the product quality variable, a tolerance value of 0.966 > 0.1 and a VIF value of 1.035 <10 for the price variable, a tolerance value of 0.974 > 0.1 and a VIF value 1.094 <10 on the location variable. Then the regression model is free from multicollinearity errors.

The results of the heteroscedasticity test from the SPSS v25 output show that the points spread below and above the y-axis, meaning that the regression model does not have heteroscedasticity.

3.3. Multiple Linear Regression

Table 8. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	4.186	2.387	
	Product Quality	.664	.078	.827
	Price	.429	.084	.329
	Location	.572	.076	.612

Source: Output SPSSv25

Based on table 8, a constant of 4.186 is obtained, meaning that all independent variables have a positive relationship with the dependent variable. The regression coefficient X1 is 0.664 meaning that for every increase in product quality 1 unit of the X1 variable will affect the purchase decision by 0.664 if the other variables are constant. The regression coefficient X2 is 0.429, meaning that every 1 unit increase in the price of the X2 variable affects the purchase decision by 0.429 if the other variables are constant. The X3 regression coefficient is 0.572, meaning that for every 1 location unit increase, the X3 variable affects the purchase decision by 0.572 if the other variables are constant.

3.4. Coefficient Of Determination

Table 9. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988[a]	.743	.786	110.465

Source: Output SPSSv25

Based on table 9, the Adjusted R Square value is 0.786. This means that the magnitude of product quality, price, and location on purchasing decisions is 78.6%, there are other variables that influence purchasing decisions by 21.4%, but not examined in this study.

3.5. Partial Test

Table 10. Partial Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.186	2.387		2.383	.023
	Product Quality	.664	.078	.827	8.487	.000
	Price	.429	.084	.329	4.343	.034
	Location	.572	.076	.612	6.653	.000

Source: Output SPSSv25

The results from table 10 show sig. product quality variable $0.000 < 0.05$ means H0 is rejected. That is, product quality has a significant effect on purchasing decisions, sig. the price variable is $0.034 < 0.05$ meaning H0 is rejected. This means that price has a significant effect on purchasing decisions, the sig. location variable, namely $0.000 < 0.05$ means H0 is rejected. That is, location has a significant effect on purchasing decisions.

3.6. Simultaneous Test

Table 11. Simultaneous Test Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	569.217	3	101.239	49.761	.000[a]
	Residual	225.426	36	4.436		
	Total	794.643	39			

Source: Output SPSSv25

Results from table 11, sig. $0.000 < 0.05$. This means that H0 is rejected, then the product quality, price, and location variables have a significant effect on purchasing decisions.

4. Conclusion

The test results above can be concluded that product quality, price, and location have a significant effect on purchasing decisions either partially or simultaneously. This means the quality of the beans offered by UD. Berkah Alam is very good, the price offered is comparable to product quality, and the strategic location of UD Berkah Alam can influence purchasing decisions. It is hoped that UD Berkah Alam will continue to make the latest innovations related to product quality, price and location by improving production performance and supervision to get the best product prices, providing superior and educative socialization and maintaining good relations with customers to maintain purchasing decisions for peanut consumers at UD. Berkah Alam. The results of this study can be a bridge for further research, especially in the same field of study, namely product quality, price, and location. For further research, it is hoped that it will be able to find new problems and expand variables so that they are even more

accurate. Other variables that can be used for further research are promotions, service quality, and so on because these variables are related to purchasing decisions.

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