

The Influence of Price and Product Quality on Batik Purchasing Decisions: Evidence from Sumenep Regency, Indonesia



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ABSTRACT: The purpose of this research is to find out the effect of Price and Product Quality on Batik Purchasing Decisions, partially and simultaneously. This research is classified as Explanatory Research with a quantitative approach. The sample used was 100 Customer of Batik Sumenep Regency, with purposive sampling technique. The type of data used is primary data, namely data collection using a questionnaire. Analysis of the data used is Multiple Linear Regression with SPSS. The results of this study indicate that Price has a negative effect on Batik Purchasing Decisions. And, Product Quality has a Positive effect on Batik Purchasing Decisions. Simultaneously Price and Product Quality have an significant effect on Batik Purchasing Decisions.

KEYWORDS: Price, Product Quality, Batik Purchasing Decisions.

I. INTRODUCTION

The current development of technology and information, capabilities Companies are required to be more careful in business competition (Aker and Sultana, 2020). If a company wants to continue to exist in competition, the company must Pay attention to one of its main functions, namely marketing (Ali and Anwar, 2021). Phenomenon Competition in the era of globalization will increasingly direct the economic system any country to market mechanisms that ultimately position marketers to always develop and capture market share (Budiono *et al.*, 2021). In To carry out good marketing, producers must know first what which become the needs and desires of consumers, so that the product offered will be in accordance with consumer demand (Darajat, 2020). The free market causes the world of trade to experience competition tighter business (De and Zaccour, 2023). Companies that are unable to compete will eventually collapse defeated by its competitors (Diputra *et al.*, 2021). To achieve these goals, the company requires various efforts in order to achieve these goals what had been planned was achieved (Driscoll *et al.*, 2022).

Consumer needs and desires are always changing even tends to increase over time, then the company needs to conducting marketing research in an effort to find out the product what consumers actually need and want (Driscoll *et al.*, 2022). In this case, the purchasing decision of consumers to buy something the product is part no inseparable from production results a company (Drozd and Wolniak, 2021). Consumer decision to buy something product will be affected by several underlying factors, including product quality, price and promotion of the product (Goel and Diwan, 2022). Consumers have that perception variety of products, it encourages marketers to establish a marketing strategy right to gain share the market (Huang and Suo, 2021). Marketing ability Success depends strategy from the company combines all four elements important in the marketing mix, namely product, price, promotion and distribution precisely and optimally (Lin *et al.*, 2020).

The product is Which important in element mix marketing, then in marketing important production results are selling the core of the product, namely the benefits of the product (Lina, 2022). Benefits or The essence of the product is a service the essence that is truly desired by consumers (Mahaputra and Saputra, 2021). Meanwhile, Price is for company produce income from sales and is also a determinant for request market (Omar and Atteya, 2020). In determine the price of the product, the company has to look at the situation market and quality of goods to be for sale (Pavlović-Höck, 2022). And To attract consumers and improve purchasing decisions, then Batik SMEs make improvements to product quality and price adjustments in a way innovate on both. To influence purchase consumer to batik products.

II. THEORETICAL REVIEW AND HYPOTHESIS

THE RELATIONSHIP BETWEEN PRICE AND BATIK PURCHASING DECISIONS.

Price is an important element in a company where with the price the company will get income for the sustainability of the company. Apart from that, price is also a tool that will later be used as an exchange process for goods or services by customers. According to Omar and Atteya (2020), price is the amount of money (plus some goods if possible) needed to get a number of combinations of

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goods and their services. According to Budiono *et al.*, (2021), defines price indicators as consisting of: a. Price affordability where consumers can reach the prices set by the company. Product pricing seems to be the only direct element that generates revenue and indicates the success or failure of a product or service. As a result, the researchers in this study chose to emphasize this aspect. Sharma *at al.*,(2023), carried out research into the theoretical dimensions of consumer purchasing behavior and the factors that affect it. He analyzed the relationship between consumer buying behavior and factors affecting the buying process and decisions of the consumers. His research provides enough evidence to show that the internal and external influences of a consumer have a major relationship with their purchasing behavior. According to Peña-García *et al.*, 2020), good prices of well-known brands negatively affect the purchasing process. Young people are eager to buy brands, but their low income hinders them from doing so. The only aspect of the marketing mix that generates revenue is price, whereas the others generate costs. The authors also noted that the purchasing decisions of consumers focus on their price perception and what they think about the actual price of a product. The main goal of marketing is to understand how customers move toward their price perception. We are all customers, no matter how old, educated, wealthy, or talented. Understanding customer behavior thus becomes a critical challenge for advertisers, distributors, and salespeople.

Price is one of the marketing mixes that generates revenue, other elements generate costs (Yucha *et al.*, 2020) . Consumers in making decisions to buy a product offered is largely influenced by perceptions of price, product, promotion, place (marketing mix) that have been implemented by the company during this (Driscoll, *et al.*, 2022). The relationship between price and purchasing decisions, namely price influences consumer decisions in making purchases, increasingly The higher the price, the lower the purchasing decision, vice versa if Low price purchasing decisions change the higher Ali *et al.*, (2021) . Research on prices, one of which was conducted by Lin *et al.*,(2020), the better the consumer's acceptance of price, the greater purchasing decisions given by consumers and explains that however potential consumers will consider how much money which will be issued with the needs and satisfaction of the product to be bought it. Meanwhile, research conducted by Goel and Diwan (2022), explains in his research shows that the price variable is in the good category. Then the price has a very positive and significant influence on purchasing decisions.

H1: Price has a negative effect on Batik Purchase Decisions

The Relationship between Product Quality and Batik Purchasing Decisions

According to Siwec and Pacana (2021) , product quality is the ability of an item to provide results or performance that match or even exceed what customers want. Meanwhile, according to Mahaputra and saputra (2021) , product quality is an overall evaluation process for customers to improve the performance of a product. Product quality plays a very important role in improving Batik Purchasing Decisions , if product (Batik) quality is met it will influence consumer purchasing decisions . They will feel valued as consumers because the company pays attention and is responsible for the products they sell. The impact will be seen in increased consumer purchasing decisions for products sold by the company. The influence of product quality on purchasing decisions is supported by De and Zaccour (2023), opinion which was translated by Wallace *et al.*, (2021) that most buyers consider several product qualities in their purchasing decisions. One of the objectives of implementing product quality is to influence consumers in determining their choice of using their products, making it easier for consumers to make purchasing decisions. And reinforced by Zaman and Ikhwan (2021), that understanding consumer behavior regarding product quality can be used as a basis for consumer purchasing decisions. Not just a model, technology and quality considerations are always the strongest reasons before reaching a consumer purchasing decision. Turakhodjaev, *et al.*, (2020), Product quality plays a very important role in improving purchasing decisions, if product quality is met it will influence consumer purchasing decisions. They will feel valued as consumers because the company pays attention and is responsible for the products they sell. The impact will be seen in increased consumer purchasing decisions for products sold by the company. Based on the theories put forward by the experts above, it is implied that in making the purchasing decision process, a consumer will pay attention to the quality of the product. One component that is part of the product is product quality. So, it can be concluded that product quality can influence the purchasing decision process.

H2: Product quality has a positive effect on Batik purchasing decisions .

III.METHODOLOGY

Measurement

The variables in this study were measured using a Likert scale with a range of 1 to 5 which means "Agree". The variables studied consist of independent variables and dependent variables. Independent variables include price and product quality. Prices adopted from Huang, Y. (2021) and Product Quality adopted from (Diputra, 2021), while the dependent variable is Batik Purchase Decision adopted from Zaman and Ikhwan, (2021). This research uses Multiple Linear Regression with SPSS tools.

Sample

The sample in this study were Customers of Batik SMEs in Sumenep Regency as many as 100 Customers, the sampling technique is purposive sampling technique. Namely by giving a questionnaire to Customers of Batik SMEs in Sumenep Regency. This research includes Explanatory Research.

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Research Framework

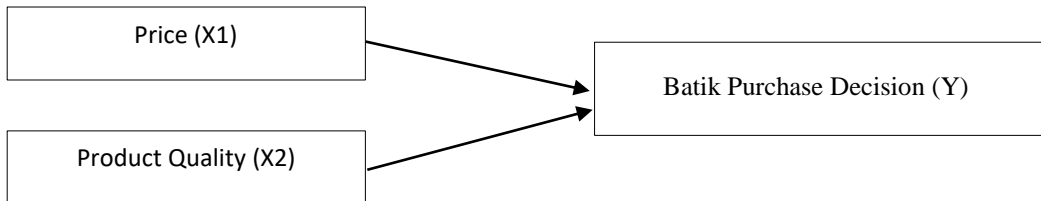


Figure 1. Research Framework

RESULTS

Multiple Linear Regression Analysis.

Data processing uses multiple linear regression analysis which aims to measure the strength of the relationship between two or more variables. The variables used in this research are Price (X1), Batik Purchase Decision (X2), as independent variables that influence Batik Purchase Decisions (Y) as the dependent variable. Based on the results of data processing using SPSS, the results obtained are as in table 1 below:

Table 1. Results of Multiple Linear Regression Analysis

Variable	Regression Coefficient	t-test	Sig.	Information
Constant	85 . 885			
Price (X1)	-0,660	-6,750	0,000	Significant
Product quality (X2)	0,450	4,550	0,000	Significant

Source: Processed Data (2023)

Based on the multiple regression equation above, the following conclusions can be seen:

Based on the multiple regression equation above, the following conclusions can be seen:

1. The constant value is 85.885, which means that if the Price and Product Quality variables together do not change or are equal to zero, then the Batik Purchase Decision variable is 85.885 is not influenced by any variables.
2. The regression coefficient value for the Price variable is -0.660, which means that the Price variable (X1) has a negative effect on Batik Purchase Decisions (Y). This means that if Price decreases, Batik Purchase Decisions will increase.
3. The Product Quality coefficient value is 0.450 which means Product Quality (X2) has a positive effect on Batik Purchasing Decisions (Y). This means quality the product is getting higher. So, the level of Batik Purchase Decision will also be higher.

Coefficient of Determination (R) The coefficient of determination is a value that indicates the effect of the independent variable on the dependent variable. The value of the coefficient of determination can be seen in Table 2.

Table 2. Determination Coefficient Test Results

R	R square	Customized R Square	St. Estimation Error
0.950	0.840	0.805	1930

Source: Processed Data (2023)

Table 2 shows the R Square value of 0.840 which means the problem of decreasing purchases is determined by the variables price and product quality 84%, while the remaining 16% is influenced by other influencing factors that not included in independence variables of this research. This means that the selection of the Price and Product Quality variables is correct in predicting Batik Purchasing Decisions.

Hypothesis testing

T Test (Partial Test)

The t test is used to test whether independent variables individually influence the dependent variable. The t test results for coefficients 1 and 2 can be seen in Table 3.

Table 3. Summary of Partial Test Results

Variable	Regression Coefficient	t-test	Sig.	Information
Constant	85 . 885			
Price (X1)	-0,660	-6,750	0,000	Significant
Product quality (X2)	0,450	4,550	0,000	Significant

Source: Processed Data (2023)

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1. Price variable (X1) is $-6,750 > t$ table is 1.98447 with a significance value of 0.000 less than 0.05 ($0.000 < 0.05$), and the regression coefficient is negative, so the first hypothesis states that " Price has a negative effect on Batik Purchase Decisions is accepted.
2. Product Quality variable (X2) has a value of 4.550 $> t$ table of 1.98447 with a significance value of 0.000 less than 0.05 ($0.000 < 0.05$), and the regression coefficient is positive, so the second hypothesis states that " Product Quality Have a Positive effect on Product Purchasing Decisions is accepted.

F Test (Simultaneous Testing)

The F test is used to test whether price and product quality influence the decision to purchase batik simultaneously by comparing the F test value with F table with the test criteria if $F_{test} > F_{table}$ then H_0 is rejected and H_a is accepted. The F test calculation can be seen in Table 4.

Table 4.F Significance Test Results

Variable	F-test	F-Table	Sig.	Information
Price (X1), Product Quality (X2)	62.550	3.09	0,000	Important

Source: Processed Data (2023)

From Table 4 it is known that the results of the F test between Price and Product Quality simultaneously have a significant effect on Batik Purchasing Decisions with a critical value in the F distribution at a significance level of 95 %. So degrees of freedom/df = $(nk-1) = 90 - 2 - 1 = 87$, then F table 3.09 and F test 62.550 with a significance level of 0.000. Thus it can be said that the second hypothesis is accepted which states that " Price and Product Quality simultaneously effect on Batik Purchase Decisions ".

DISCUSSION

Price has a negative and significant effect on Batik Purchase Decisions (H1 Accepted).

The results of this research prove that the hypothesis developed is that price influences the decision to purchase batik . The contribution of both influences is negative, meaning that the price offered is more appropriate. So , the level of consumer purchasing decisions regarding batik will be higher, and vice versa. The results of this research also show that the statement that received the highest score on the Price variable was the consumer satisfied with the price offered , because there is a match between the price and the quality of the Batik product . This result is in line with research conducted by Ali and Anwar (2021), which states that price is a very important strategy in marketing, if the price set by a company is right and in accordance with the purchasing power of consumers, it will get greater attention from consumers. The. If the product price is low, the demand for a product offered will increase, but on the other hand, if the product price is high, the demand will decrease. Based on this, he concluded that that price has a positive and significant influence on purchasing decisions.

Product quality has a positive and significant effect on Batik Purchase Decisions (H2 Accepted).

The results of this research prove that the Product Quality variable influences Batik Purchase Decisions . The influence of both is positive, meaning that the higher the product quality of batik, the higher the level of Batik Purchase Decision. Many factors influence the Batik Purchasing Decision , because the purchasing decision is one of the stages in the purchasing decision process before post-purchase behavior. In entering the purchasing decision stage, consumers have previously been faced with several alternative choices, so that at this stage consumers will take action to decide to buy the product based on the choices determined. Purchasing decisions are part of consumer behavior consumer behavior, namely the study of how individuals, groups and organizations choose, buy, use and how goods, services, ideas or experiences satisfy their needs and desires (Akter and Sultana, 2020). Meanwhile Pavlović-Höck, (2022) suggests that the purchasing decision is a consumer decision which is influenced by: financial economics, technology, politics, culture, product, price, location, promotion, physical evidence, people and process. So that all of the things above form an attitude in the minds of consumers to process all information and draw conclusions in the form of responses that arise regarding the choice of what product they will buy.

According to Xakimov *et al.*, (2020), product quality is a combination of properties and characteristics that determine the extent to which the output can meet the prerequisites of customer needs or assess the extent to which the properties and characteristics meet their needs. Product quality has eight factors, namely Performance, Durability, Conformance to specifications (conformity to specifications), Features (reliability), (features), Reliability Aesthetics (aesthetics), Perceived quality (impression of quality), and Serviceability (service capability). According to De and Zaccour (2023), one of the seven components is the purchasing decision regarding product type. Consumers can make a decision to buy a good or service when the consumer thinks the product is needed. The quality of the products provided by the company is the right strategy to attract consumer attention. This is supported by research conducted by Ren *et al.*, (2020), which shows that product quality influences purchasing decisions. Product quality is an action taken by a company to win competition in the market by establishing a set of meaningful differences in the products or services

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offered to differentiate the company's products from those of its competitors, so that consumers can see or perceive that quality products have added value. what consumers expect. Companies that have products that always have innovation will make consumers not bored and have alternatives in making purchasing decisions and using a product (Lina,2022). This opinion is also supported by research conducted by Drozd et al. 2021 which revealed that product quality that is considered good by consumers will create purchasing decisions. Purchasing decisions will be made when consumers have chosen a product that is suitable to meet their needs. The purchasing decision is a stage in the buyer's decision-making process where consumers actually bought (Drozd and Wolniak, 2021). Thus it can be concluded that there is a relationship between product quality and purchasing decisions.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out, it can be concluded that:

1. Price has a negative and significant effect on Batik Purchase Decisions.
This means that relatively cheap prices will increase consumer purchasing decisions regarding batik . This means that the first hypothesis is accepted.
2. Product quality has a positive and significant effect on Batik Purchase Decisions.
This means, the higher the quality of the product of batik, the increasing consumer purchasing decisions regarding batik. This means that the second hypothesis is accepted.

SUGGESTION

The results of this research indicate that the level of batik purchasing decisions is in the high category. So that the company can provide appropriate prices and product quality, Involvement of producers and consumers in determining price approval for a product of batik. Companies can also carry out other (better) strategies to determine price and product quality so that consumer purchasing decisions for products of batik are easy to obtain . This research can be used as reference material and add to studies related to price and product quality on batik purchasing decisions. Future researchers are expected to be able to add research variables, because it is not only price and product quality that influence batik purchasing decisions. so that it can support and complete this research.

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