# The Influence Of Price And Quality Of Kopi Borong On The Purchase Decision At CV Bekat Asia Sinjai Borong

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#### **ABSTRACT**

This study aims to determine how the price and quality of the product Kopi Borong influence purchasing decisions at CV Berkat Asia Sinjai Borong. Respondents in this study are consumers who have purchased Kopi Borong products from CV Berkat Asia who are domiciled in Sinjai Borong District with a total sample of 130 respondents. The sampling technique used the Accidental Sampling technique with data collection using a questionnaire. The data obtained were processed using SPSS 26 which consisted of multiple regression analysis which was first tested using validity tests, reliability tests, and normality tests. The results showed that the price variable had a significant effect on purchasing decisions with a value of  $T_{count}$  6,490 >  $T_{table}$  1,978 with a significance value of 0.000 <0.05, Product quality had a significant effect on purchasing decisions with a value of  $T_{count}$  11.373 >  $T_{table}$  1.978 with a significance value of 0.000 < 0.05, and there is a simultaneous effect of price and product quality on the purchasing decision of Kopi Borong products at CV Berkat Asia Sinjai Borong with  $T_{count}$  174,013 >  $T_{table}$  3,07. The value of the coefficient of determination (Adjusted  $T_{count}$  2) obtained is 0.728, this means that purchasing decisions are influenced by price and product quality as much as 72.8% while the rest is influenced by other factors.

Keywords: Price, Purchase Decision, Kopi Borong, Product Quality, Sinjai Borong.

# INTRODUCTION

Indonesia is an agrarian country, where the agricultural sector plays an important role for the economy in Indonesia. This can be shown from the large number of people who live and work in the agricultural sector and many national products come from the

agricultural sector. Soekartawi (1999) suggests that agriculture in a broad sense consists of five sectors, namely food crops, plantations, livestock, fisheries and forestry. The five agricultural sectors are able to make a major contribution to the development of the Indonesian economy. One of the agricultural products in the plantation sector is coffee. Coffee is a natural source of caffeine, a substance that can stimulate the brain, improve cognitive abilities and memory. Rahardjo (2012) stated that coffee is a plantation plant that has long been a cultivated plant. Zaini (2009) stated that coffee is a plantation commodity which includes a refreshing ingredient, but can also be classified as an annual plantation commodity

CV Berkat Asia is a coffee producing company that cannot be separated from competition in the business world and never stops to issue innovations in its production so that it can increase the attractiveness of consumers to buy their products, so as to be able to provide profits and benefits for the company and be able to compete with its competitors, that sell the same product, including purchasing decisions.

The era of globalization promises a business opportunity and challenge for companies in running their business, this situation raises increasingly fierce competition. Competition between companies like this results in the success of the company being largely determined by the accuracy in taking advantage of opportunities and identifying activities in the business to obtain and use goods or services which are included in the purchasing decision process. The company's goal is to maintain the existence of controlling market share by carrying out various marketing strategies with the ultimate goal of maintaining survival in business competition.

Purchasing decisions become an important thing to note because this will be a consideration of the marketing strategy that will be carried out by the company. The company's success in influencing customers in purchasing is strongly supported through efforts to build communication to customers about the brand to consumers with marketing strategies and innovate new variants of the product. Lamb Hair, McDaniel suggests that there are factors that influence purchasing decisions, namely cultural influences, social influences, individual influences, and psychological influences (Kitananda, 2009)

Kotler & Armstrong (2008) suggest that consumer purchasing decisions are to buy the most preferred brand from various alternatives, but two factors can be between purchase intentions and purchase decisions. The first factor is the attitude of others and the second factor is the situational factor. Therefore, preferences and purchase intentions do not always result in an actual purchase. Purchasing decisions are problemsolving activities carried out by individuals in selecting appropriate behavioral alternatives from two or more behavioral alternatives and is considered the most

appropriate action in buying by first going through the stages of the decision-making process. Kotler & Armstrong (2008) suggest indicators that characterize purchasing decisions, namely: a. Stability to buy after knowing product information. b. Decided to buy because of the most preferred brand. c. Buy it because it fits your wants and needs. d. Bought because of someone else's recommendation.

Price and product quality is one of the things that can be a determining factor in purchasing decisions from consumers. Agustin suggests that price is one of the important variables in marketing, where price can influence consumers in making decisions to buy a product (Dinawan, 2010). Meanwhile, Kotler & Armstrong (2008) suggest that price is the amount of money charged for a product or service or the amount of value exchanged by customers to obtain the benefits of owning or using a product or service. Tjiptono (2002) suggests that basically there are four types of pricing objectives, namely profit-oriented goals, volume-oriented goals, image-oriented goals, and price stabilization goals.

The price indicators according to Kotler & Armstrong (2008) suggest that there are four indicators that characterize prices, namely: a. Price affordability. b. Price match with product quality. c. Price match with benefits. d. Price according to ability or price competitiveness. According to Kotler and Kotler, translated by Bob Sabran, the methods in pricing are broadly grouped into four categories, namely, demand-based pricing methods, profit-based pricing methods, and competition-based pricing methods (Indrasari, 2019).

In addition to price, product quality is also a consideration for consumers to buy a product. The quality of a product is one of the factors that support in attracting consumers to make a purchase. Kotler & Armstrong (2007) suggest that product quality is a potential strategic weapon to beat competitors. Product quality is one of the factors that consumers consider in deciding to purchase, therefore companies must pay attention to the quality of the products produced. Kotler argues that product quality is the characteristics and characteristics of a product or service that affect its ability to satisfy stated or implied needs (Fernando & Aksari, 2018).

The product quality indicators (Kotler & Armstrong, 2012) suggest that there are four indicators in measuring product quality, namely: a. Strength. b. Uniqueness. c. Ability. d. Product appearance. According to Tjiptono (2008), product classification can be done from various points of view. Based on whether they are tangible or not, products can be classified into two main groups, namely goods and services. In terms of durability, there are two kinds of products, namely non-durable goods and durable goods.

Companies that have good prices and product quality in the eyes of consumers will generally attract more consumer attention because of the belief that the company has good quality and can be trusted. There is a tendency for consumers to choose quality products, according to their tastes and desires and have relatively affordable prices. If consumers feel comfortable with a product and the product can meet their needs, then consumers will take the decision to buy the product continuously. The higher the quality of the products produced by the company, the more customer satisfaction will be fulfilled and consumers will not hesitate to make a purchase.

Some consumers of wholesale coffee products argue that low prices and good product quality are the reasons people in Sinjai Borong District buy wholesale coffee products produced by CV Berkat Asia. Based on this, the researcher raised the research theme entitled The Effect of Price and Quality of Wholesale Coffee Products on Purchase Decisions at CV Berkat Asia Sinjai Borong.

## RESEARCH METHODS

The approach used in this research is quantitative research. According to Sugiyono (2005), it is said to be quantitative because the research data is in the form of numbers and analysis using statistics, starting from data collection, interpretation of the data and the appearance of the results. The type of research used in this research is descriptive quantitative research. Sugiyono (2005) suggests that descriptive research is research conducted for the value of independent variables, both one variable or more (independent) without making comparisons or connecting variables with one another.

In this study, the variables studied were the influence of price and product quality on purchasing decisions, the population of this study were consumers who had bought Borong Coffee products at CV Berkat Asia in Sinjai Borong District. Determination of the sample in this study using accidental sampling technique. (Hadi, 2015) suggests that accidental sampling is a subject that meets the research criteria who coincidentally met with the researcher. Determination of the number of samples used in this study using Gpower software version 3.1.9.2 (Faul et al., 2009). So get the number of samples as much as 130 samples.

Data collection techniques used are observation and questionnaires (questionnaire). The data obtained from the research results were processed using SPSS 26 which consisted of validity test, reliability test, descriptive analysis, normality test, multiple regression analysis, partial significant test (T test), simultaneous significant test (F test), and coefficient of determination analysis.

# RESEARCH RESULTS

The results of the research instrument test and data analysis techniques in this study are as follows:

# **Validity Test**

Algifari (2015) suggests that the partial test aims to test the hypothesis about the effect of the independent variable on the dependent From the results of testing the validity of the questionnaire which consists of three variables with the number of statement items as many as 24 and filled in by 130 respondents. To find out whether the questionnaire in this study is valid or not, first determine the value of the r table. To determine the value of r table using the formula r table that is df = N-2 (130-2 = 128) so that the value of r table = 0.172. From the results of the calculation of validity using SPSS 26, it was found that the 24 statement items on the questionnaire in this study were declared valid because the value of r count > r table.

# **Reliability Test**

The reliability test in this study was carried out with the criteria if the Cronbach alpha value > 0.6 then the questionnaire was declared reliable and if the Cronbach alpha value < 0.6 then the questionnaire was declared unreliable. Based on the results of the reliability test on the three variables in this study using SPSS 26, the Cronbach value without the price variable (X1) was 0.957, the product quality variable was 0.933, and the purchase decision variable (Y) was 0.872, so it can be concluded that each statement item on the variable declared reliable/consistent.

# **Descriptive Analysis**

- a. Based on the results of the calculation of the percentage and category of respondents' achievement, the wholesale price of CV Berkat Asia's coffee products is in the good category with a percentage of 79.48 percent which is measured using four indicators according to Kotler & Armstrong (2008), namely: the first indicator of price affordability (79.92%) good category, the second indicator of price suitability with quality (7.46%) in good category, the third indicator of price suitability with benefits (77.46%) in good category, and the fourth indicator of price according to ability or price competitiveness (81.07%) very good category.
- b. Based on the results of the calculation of the percentage and category of respondents' achievement, the quality of CV Berkat Asia's wholesale coffee products is in the good category with a percentage of 72.3 percent which is measured using four indicators according to (Kotler & Armstrong, 2012), namely: the first indicator is strength (73.07%) good category, the second indicator of uniqueness (66.84%) is good category, the third indicator of ability (80.23%) is

- good category, and the fourth indicator of product appearance (68.00%) is good category.
- c. Based on the results of the calculation of the percentage and category of respondents' achievement, the decision to purchase wholesale coffee products from CV Berkat Asia is in the good category with a percentage of 72.3 percent which is measured using four indicators according to Kotler & Armstrong (2008), namely: the first indicator of buying stability after knowing the information product (76.76%) in good category, the second indicator decides to buy because the most preferred brand (72.84%) is in good category, the third indicator buys because it fits the desires and needs (76.53%) in good category, and the fourth indicator buys because received recommendations from other people (79.15) in good category. The results showed that the price and product quality simultaneously had a significant positive effect on the purchase decision of CV Berkat Asia's wholesale coffee products.

# **Normality test**

The normality test was conducted to determine whether the distribution of each variable was normally distributed or not. The normality test of the data was carried out using the Kolmogorov-Smirnov test with the criteria that if the residual value had a significance value > 0.05 then it was declared normally distributed and vice versa if the residual value had a significance value < 0.05 then it was declared not normally distributed. Based on the results of data processing obtained a significant value of Asymp. Sig. (2-tailed) has a value of 0.200 greater than 0.05. So it can be concluded that the data is normally distributed.

## **Multiple Regression Analysis**

Based on the results of the multiple regression analysis carried out, the calculation of the equation

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$
  

$$Y = 1,836 + 0,357 X_1 + 0,541 X_2 + e$$

From the equation above, the constant value is 1.836, meaning that if the price and product quality variables are equal to zero, then the purchase decision is 1.836. The beta coefficient value for the price variable (X1) is 0.357, which means that if the price increases by one unit, the purchase decision will be made. will increase by 0.357 units. And vice versa if the price decreases by one unit, it will reduce the purchasing decision by 0.357 assuming the other independent variables are fixed. The value of the beta coefficient on the Product Quality variable (X2) is 0.541, which means that if the quality of the product increases by one unit, the purchasing decision will increase by 0.541. On the other hand, if the quality of the product

decreases by one unit, it will reduce the purchasing decision by 0.541 with the assumption that the other independent variables are fixed.

# **Partial Significance Test (T Test)**

T-test was conducted to determine whether the independent variables, namely price (X1) and Product Quality (X2) had a partial influence (on their own) on the dependent variable, namely Purchase Decision (Y). The results of the T test can be seen as follows:

- a. Price (X1), obtained Tcount value of 6.490 > Ttable of 1.978 with a significance value of 0.000 > 0.05 This indicates that partially the price (X1) has a significant positive effect on purchasing decisions (Y). Then Ho is rejected and H1 is accepted. So the hypothesis which states "There is an influence of wholesale coffee product prices on purchasing decisions at CV Berkat Asia Sinjai Borong" is accepted.
- b. Product quality (X2), obtained a Tcount of 11.373 > Ttable of 1.978 with a significance level of 0.000 > 0.05. This shows that partially the product quality variable (X2) has a significant positive effect on purchasing decisions (Y). then Ho is rejected and H1 is accepted. So the hypothesis which states "There is an influence of wholesale coffee product quality on purchasing decisions at CV Berkat Asia Sinjai Borong" is accepted.

# Simultaneous Significant Test (Ui F)

Simultaneous Significant Test (F Test) was conducted to determine whether there was an effect of the independent variables simultaneously (together) on the dependent variable. Based on the results of the F test, the value of Fcount is 174.013 > Ftable of 3.07 and a significance value of 0.000 <0.05. This shows that the price and product quality simultaneously have a significant positive effect on the purchase decision of CV Berkat Asia's wholesale coffee products. Then Ho is rejected and H1 is accepted. So the hypothesis which states "There is a simultaneous influence of price and product quality on the purchasing decision of wholesale coffee products at CV Berkat Asia Sinjai Borong" is accepted.

## **Coefficient of Determination (R2)**

The coefficient of determination (R2) was conducted to find out how big the contribution of the influence between the independent variables, namely price (X1) and product quality (X2) on the dependent variable, namely purchasing decisions (Y). Based on the results of the Coefficient of Determination (R2), the R square value of 0.728 indicates that purchasing decisions are influenced by price and

product quality variables of 0.728 or 72.8% while the remaining 27.2% is influenced by other factors not examined in this study.

#### **CONCLUSION**

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

- 1. The price of wholesale coffee products at CV Berkat Asia is in the good category. This can be seen from the results of the study that most consumers choose to agree with the statement categorized in four indicators including price affordability, price suitability with quality, price suitability with benefits, and price according to ability or price competitiveness. In this study, the price has a significant positive effect on the purchase decision of CV Berkat Asia Sinjai Borong's wholesale coffee products. This can be seen from the value of Tcount which is greater than the value of Ttable with a significance value of 0.000 greater than 0.05.
- 2. The quality of wholesale coffee products at CV Berkat Asia is in the good category. it can be seen from the results of research that consumers mostly choose the category agree to the statement categorized into five indicators including strength (strength), uniqueness (uniqueness), ability (favorable), and product appearance. In this study, product quality has a significant positive effect on the purchase decision of CV Berkat Asia Sinjai Borong's wholesale coffee products. This can be seen from the value of Tcount which is greater than the value of Ttable with a significance value of 0.000 which is greater than 0.05.
- 3. The price and quality of the product simultaneously affect the purchasing decision of CV Berkat Asia Sinjai Borong's wholesale coffee. It is obtained from the F test results that the Fcount value is greater than the Ftable value with a significance value of 0.000 greater than 0.05.

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