



The Influence of Price and Product Quality on Purchase Decisions at Meimei Plaza Marelán

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Abstract

The main study of this study is to analyze the effect of price and product quality on the purchasing decision of Meimei Plaza Marelán. The research approach is quantitative. The population in the study are customers who have used Vivo cellphones as many as 100 respondents. The sources of data in this study are primary data and secondary data. Where the primary data is from observations, interviews, and questionnaires. The results of the t test show that the price has a positive and significant effect on consumer purchasing decisions and the product quality variable also has a positive and significant effect on purchasing decisions. The most powerful variable in influencing purchasing decisions is price. The results of the coefficient of determination with a correlation regression value of 0.760, meaning that together the price and quality of the product on the purchasing decision of Vivo Mobile at Meimei Plaza Marelán have a close and positive contribution. Then the coefficient of determination (R²) is 0.760 (76%). So it can be said that 76% of the variation in the dependent variable, namely price and product quality in the model, can explain the purchasing decision variables at Meimei Plaza Marelán, while the remaining 24% is influenced by other variables outside the model.

Keywords: Price; Product quality; Buying decision.

A. Pendahuluan

In this day and age, mobile phones are very much needed to launch relationships with family, friends, friends, or other people for urgent purposes. Mobile is a very sophisticated connection or connection tool now even from children, teenagers to adults have personal cellphones. In the past, cellphones were a luxury item but nowadays, cellphones are no longer a luxury item for everyone. Everyone's dream to get a cellphone is not only to meet the need for communication, but increasingly modern developments today make many people want to use cellphones because of the many features and of course, they can support appearance when in the community and the surrounding environment. Cellphones that used to be categorized as tertiary needs because they were only owned by some people with a high level of the economy, but now turned into primary needs because their functions are very much needed in the current era because they help us communicate with others (Rombon, 2021).

Smartphones, or smartphones, cannot be denied a primary need for the global community, because society, especially in the era of the industrial revolution 4.0, is very dependent on communication. Indonesia is one of the countries with the largest smartphone users in the world occupying the fourth position with 160.23 million smartphone users after China, India, and America. The smartphone market share in

Indonesia is dominated by Xiaomi, Vivo, OPPO, Samsung and realme (Darmastuti, 2022). In the development of the mobile phone, the business world retaining existing customers is much more difficult than getting new customers. Because new customers are not necessarily a source of steady income for the company, usually the new customers are only price-oriented customers. So the company must be able to become all potential customers for the financial resources that exist within the company (Nurtantiono, 2022)

The decision to purchase cellphones will of course continue to be studied by the company in maintaining the quality desired by the market (Melati, 2020). In addition, the ability to understand consumer buying decision models will be able to increase the company's product market share (Pramuditha, 2021). The purchase decision is a process of assessing and selecting from various alternatives according to the interests in determining an option that is considered the most profitable. If there are two or more choices, and from the two choices, the consumer must choose one of the existing alternatives, which is nothing but a decision-making process. Purchase decisions are influenced by factors that are then used as a reference in choosing a product.

Many factors influence a consumer's purchase decision, including price (Novirsari & Tricom, 2019). According to (F. Tjiptono, 2014) explain that a price is a monetary unit or another measure that is exchanged to obtain ownership rights or use of an item or service. As one of the big cities in Indonesia, Medan has a relatively high number of cellphone users, this makes the city of Medan the city with the most people using cell phones after the capital city of Jakarta and Surabaya. This condition is an opportunity for every individual or company to get a business opportunity. The mobile phone industry is one of the many types of industries that are quite promising.

Based on a survey conducted at several cellphone sales centers in the city of Medan, there are many brands of cellphones being sold, one of which is the Vivo brand cellphone. There are many types of mobile phones in Indonesia, such as Samsung, Apple, Oppo, Vivo, Lenovo, Huawei, LG, Sony, Nokia, and so on. Vivo is one of the most sought-after mobile phones by market segments ranging from teenagers, parents, women, and men.

Vivo has again maintained its position as the top 5 smartphone brands in Indonesia thanks to the various innovations it has made. In this case, Vivo continues to innovate on its products. The market segment that is Vivo's market share is teenagers, especially teenagers who have a lifestyle that continues to demand a modern lifestyle. In addition, this market segment which has a high level of need for mobile phones that continues to have various variants also has a quality that meets consumer expectations. This is done so that consumers feel satisfied and comfortable when using Vivo and then these consumers are expected to make repeat purchases. The following is a list of the mobile phone market share in the city of Medan.

Table 1. Vivo Medan Share List

Year	Market share %
2016	33
2017	28
2018	27

Source:<http://www.h.terkini.com/2019/02/harga-hp-tablet-vivo-terbaru.html>

From the table above, it is known that Vivo branded mobile phones in 2016 had a market share of 33%, then decreased in 2017 to 28%, and in 2018 also decreased to 27%. So this is a problem for Vivo in the face of increasingly competitive competition. The decline in Vivo's market share is inseparable from the high level of competition among other mobile phone brands. The high level of competition in the mobile phone industry requires Vivo to continue to increase its market share by increasing the quantity purchased by its customers. It is undeniable that the marketing strategy of each smartphone product will use various methods as long as its customers do not move to competitors. The high level of competition in the mobile phone industry requires Vivo to continue to increase its market share by increasing the quantity purchased by its customers. It is undeniable that the marketing strategy of each smartphone product will use various methods as long as its customers do not move to competitors.

B. Literature review

1. Buying decision

The purchase decision has several stages of the process including problem recognition, information search, evaluation of alternatives, purchase decisions, and finally post-purchase behavior (Keller, 2016). The purchase decision is one of the decisions made by consumers who are influenced by culture, social class, family, and reference groups which will form an attitude in the individual and then make a purchase (Amalia, 2022). The purchase decision is a person's attitude to buy or use a product in the form of goods or services that are believed to satisfy him/herself and the willingness to bear the risks that may arise (E. H. S. Nasib, 2020). The purchase decision taken by the buyer is a collection of several organized decisions (Chaniago, 2018).

2. Price

Price is the amount of money charged for a product or service or the amount of value exchanged for the benefits of having or using the product or service. while according to (F. G. C. Tjiptono, 2011) Price is a monetary unit or another measure (including other goods and services) that is exchanged to obtain ownership rights or use of an item or service. Price is the sum of all the values that customers give up to benefit from owning or using a product or service (Kotler & Amstrong, 2012). Price is the value (usually expressed in money) that must be sacrificed to be able to own, use or consume goods and services to get satisfaction (R. A. I. L. Nasib, 2019). According to (Dharmmesta, 2014) means that "price is the amount of money (plus some goods if possible) required to add several combinations of goods and services.

3. Product quality

Product quality is an important thing that every company must strive for if they want their products to be able to compete in the market (Lestari, 2019). Product quality is the factors contained in an item or result that cause the item or result to be by the purpose for which the item or result is intended (Nasuka, 2022). According to (Keller, 2016) 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 the American Society for Quality Control, product quality is the totality of features and characteristics of a

product or service that affect its ability to satisfy stated or implied needs (Kotler & Armstrong, 2012).

C. Research Methods

This study uses the quantitative type of data. Quantitative research is a type of research that is related to numbers and emphasizes testing theories that can be done by measuring variables (Sugiono, 2012). The population of this research is consumers who have bought HP Vivo at Meimei Plaza Marelan. The sampling technique used side accidental, where the researcher selected 100 customers.

The variables contained in this study consisted of independent variables, namely price and product quality, and the dependent variable, namely purchasing decisions. The questionnaire in this study had five answer choices from the highest to the lowest gradation (Likert scale). The answer choices for the questionnaire in this study are: strongly agree (ss) = 5, agree (s) = 4, disagree (ks) = 3, disagree (ts) = 2, strongly disagree (sts) = 1.

Data collection was carried out in this study using a questionnaire. The data analysis technique in this study used multiple linear regression to determine the dependence or attachment of the dependent variable to one or more of the independent variables.

D. Result And Discussion

1. Influence of Price on Purchase Decision

From the results of data processing, it was found that there was a positive effect of the price variable on the VIVO cellphone purchase decision variable at Meimei Plaza Marelan. This can be seen from the results of the t-test, the significance value is $0.000 < 0.05$, and the tcount (4.312) > 1.987 . It can be explained that the price variable partially has a significant influence on purchasing decisions. This means that if the price is adjusted, the level of the purchase decision will be high. This research supports previous research conducted by (Amelia, 2018)(Effendi, 2019)(M. Nasib, 2022)(Martin, 2021) that competitive prices have a significant effect on consumer purchasing decisions. Companies must of course pay attention to how to determine the price of each product variable (Sari, 2020). This will have an impact on building consumer loyalty (Wasiman, 2021). The findings in this study indicate that when the company provides a discount package that causes a reduction in the normal price of a product, this will have an impact on increasing consumer interest in making purchases.

2. Effect of product quality on purchasing decisions

From the results of data processing, it was found that there was a positive influence of the product quality variable on the VIVO cellphone purchase decision variable at Meimei Plaza Marelan. Where the results of the t-test indicate that the t-count value is $2.911 > t\text{-table } 2.025$ and the significant value is $0.004 > 0.05$. This research accepts the research conducted (S. Nasib, 2021)(I. L. Nasib, 2021)(R. A. I. L. Nasib, 2019) states that when developing a product, marketers must first select a quality level that supports the product's position in the target market. Thus, it can be said that product quality has an effect on increasing the purchase decision of VIVO

Mobile at Meimei Plaza Marelán, meaning that if the quality of employee products is carried out well, purchasing decisions will also increase.

E. Conclusion

Based on the results of the analysis and discussion, the conclusions that can be drawn are:

1. Price has a significant effect on purchasing decisions for VIVO Mobile at Meimei Plaza Marelán.
2. Product quality significantly influences the purchase decision of VIVO Mobile at Meimei Plaza Marelán.
3. Price and product quality significantly influence the purchase decision of VIVO Mobile at Meimei Plaza Marelán.

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