The Influence Of Product Quality And Price On The Purchase Decision At Kedai Coffe "Abraham And Smith" Bandung

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Abstract: Improved product quality and prices are basically aimed at the interests of companies, consumers. While the purpose of improving product quality is done by the company so that consumers are satisfied, thus increasing sales. For consumers, improving product quality is so that consumers can feel good quality so that consumers meet their needs and desires. And the purpose of the appropriate pricing is so that the company gets a profit that is in accordance with what is given, the price aims so that consumers can get their needs at prices that match what they want. This study aims to determine and analyze the effect of product quality and price on the purchasing decision. This analysis uses independent variables, namely product quality and price, and the dependent variable is the purchasing decision. Samples are carried out using the Slovin formula. Data collection was conducted with questionnaires distributed to consumers as many as 88 people. The magnitude of the influence of product quality and price on the purchasing decision is 70.38%. So the suggestion that product quality and price have a significant effect on the purchasing decision so that the company must be able to pay attention to the two variables.

Keywords: product quality, price, and purchasing decision.

1.   Introduction

The city of Bandung is considered to have attractiveness as well as a large market potential. With the large number of tourists who go to Bandung every day, this makes business in the city of Bandung believed to be very profitable and potential, this has an impact on the many business actors who continue to innovate and create creative ideas that have their own characteristics that can attract consumers to buy. visiting or shopping. This can be seen from the data on the contribution of the creative industry sector in the city of Bandung. Due to the large number of tourists who are hunting for culinary, companies must be able to compete so that they can develop their business so that it continues, one of which is selling what is being sought now, in Bandung currently there is a coffee shop trend, we can see the number of coffee shops in Bandung which can be found in almost every corner of the city in Bandung, maybe because of the following.

Because the habit of drinking coffee in Indonesia is currently very trendy, from teenagers to adults, this habit of drinking coffee is not only done at home, it can be seen from the number of coffee shops that exist today. The habit of drinking coffee in the morning is very typical for people to hear, but now drinking coffee is not only done in the morning before activities, but can also be done during lunch breaks or relaxing in the afternoon.

The number of companies engaged in the culinary field, namely coffee shops, one of which is Abraham And Smith Bandung is a coffee shop company that provides various kinds of coffee drinks in the city of Bandung. Different from the packaging with most other coffee shops Abraham and Smith located on Jl. South warehouse No.22, Merdeka, Sumur Bandung, Bandung city. Offers coffee drinks that can be taken anywhere in bottles. This is very concerned about people who want to drink coffee more easily can be drunk anywhere.

Figure 1. *Coffe shop* **Abraham and Smith Bandung**

Abraham and Smith's coffee shop is quiet and away from the crowd of people who are active and at a relatively affordable price according to the quality of the products offered, this could be an opportunity for Abraham and Smith to attract all consumers. According to Kotler and Armstrong (2014) product quality is the ability of a product to carry out its functions, including reliability, durability, permanence, ease of operation, and

product improvement, as well as other valuable attributes. Therefore, the quality of the product is a determining factor for the level of satisfaction that the buyer gets after making a purchase and use of a product owned by Abraham and Smith's coffee shop or coffee shop which is quiet and away from the crowd of people who are active at relatively affordable prices in accordance with the quality of the products that are offered, it could be an opportunity for Abraham and Smith to attract consumers to buy their products. According to Kotler and Armstrong (2014: 47; Matthews & Mokoena, 2020; Chipeta et al., 2020; Antelm et al., 2020; Chena et al., 2020; Dubrovina & Serova, 2020) product quality is the ability of a product to carry out its function, including reliability, durability, permanence, ease of operation, and product improvement, as well as other valuable attributes. Therefore, the quality of the product is a determining factor for the level of satisfaction that the buyer gets after making a purchase and use of a product.

2. Literature Review

• Product quality

According to Kotler and Armstrong (2014: 145) "product quality is the characteristic of a product or service that bear on its ability to satisfy stated or implied customer needs" when interpreted in Indonesian, namely: "product quality is the character of a product. which has the ability to meet customer needs. product quality indicators : form, feature, performance quality, durability, realibility, repairability, style, design,

• Price

The price must reflect the value consumers are willing to pay the price rather than having to reflect only the costs of making the product or providing a service. This means that the price is an amount of money needed or exchanged for consumers to obtain or own an item that has the benefit of its use, according to Kotler and Keller (2016), Price affordability, Price competitiveness, Price suitability with product quality, Price suitability with product benefits,

.• Purchase Decision

According to purchasing decisions are behaviors that arise because of stimuli or relationships from other parties. The process begins with the stage of paying attention to goods or services, which then, if it impresses, will step into the interest stage to find out more about the features of the product or service, which if the intensity of the attraction is strong then continues to the desire stage. because goods or services are offered according to their needs. If the desires and interests are so good because of internal encouragement or external persuasive stimulation, the consumer or buyer will make a decision to buy (action to buy) the goods or services offered.
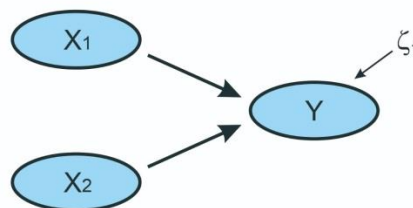
Framework and Hypothesis

Figure 2. Relationship Flow Framework between Latent Variables

X_1 =   Product quality (variabel laten eksogen)
X_2 =   Price (variabel laten eksogen)
Y   =   Purchase Decision (variabel laten endogen)
ζ =   Faktor residu
- Hypothesis
    H1: product quality has an influence on purchasing decisions
    H2: Price has an influence on purchasing decisions.
    H3: product quality and price has an influence on purchasing decisions

3. Research Methodology

The object of research in the preparation of this thesis is coffee in Abraham and Smith Bandung. With the variables examined are the effects of price and product quality on purchasing decisions.The design research used

in this research is exploratory, descriptive, verifiative, and causal, which aims to find views or insights into the problem in general, to clarify emerging phenomena and to clarify the priority of the problem in research. Descriptive research is research that aims to obtain variable characteristics or provide a more accurate description of the variable or segment. Hypothesis testing with Multiple Linear Regression Analysis.. So in determining the research sample 88 is carried out by using probability sampling techniques,.

4.   Research Finding and Argument

- **Model test Goodness fit (Test- F)**

Table 1
Model Test Goodness fit (Test F)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	679.549	2	339.775	70.395	.000[b]
	Residual	410.269	85	4.827		
	Total	1089.818	87			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Model test Goodness fit (Test- F), it can be seen that the Fcount value is 70,385. This value will be compared with the Ftable value in the distribution table F. with $\alpha = 0.1$. Df2 = n-k = 88-3 = 85 obtained Ftable of 2.37. thus Fcount 70.385. > F table 2.37 so that Ha is accepted and H0 is rejected. This shows that there is a significant influence between product quality (X_1) and price (X_2) on the purchase decision (Y).

- **Multiple Linear Regression Analysis.** Aims to determine whether or not the influence of two independent variables (X) on the dependent variable (Y), or in this study Product Quality (X_1) Price (X_2) Purchase decision (Y). This analysis was obtained from the results of the IBM SPSS 20 with the results of multiple linear regression analysis as follows:

Table 2. Multiple Linear Regression Test Results
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	2.371	1.352	
	Kualitas Produk	.359	.043	.622
	Harga	.316	.083	.282

a. Dependent Variable: The purchasing decision

a.   A constant of 2.371 states that the product quality and price = 0 (equal to zero) and there is no change, the purchase decision is 2.371

b.   Product quality (X_1) has a positive value of 0.395 This shows that an increase in training by 1 unit will increase the purchasing decision by 0.395.

c.   Price (X_2) has a positive value of 0.316. This shows that an increase in price of 1 unit will increase the purchasing decision 0.316

- **Correlation Coefficient Analysis .**

Table 3. Correlation Coefficient Test Results

Correlations

		Y	X1	X2
Pearson Correlation	Y	1.000	.748	.561
	X1	.748	1.000	.449
	X2	.561	.449	1.000
Sig. (1-tailed)	Y	.	.000	.000
	X1	.000	.	.000
	X2	.000	.000	.
N	Y	88	88	88
	X1	88	88	88
	X2	88	88	88

Source: Results of SPSS (Statistic Program for Socialscience) data processing 22

a.   The relationship between the product quality variable (X_1) to the Purchasing Decision (Y) is (0.748), in other words the score interpretation of the relationship between the two variables is strong.

b.   The relationship between the variable price (X_2) to the purchase decision (Y) is (0.561), in other words the interpretation of the relationship between the two variables is moderate.

Meanwhile, to find out simultaneously, it can be seen from the Summery Model table by looking at the R value in the following table:

Table 4. Simultaneous Correlation Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.624	.615	2.197

a. Predictors (constant), product quality

b. Dependent variable Purchasing Decision

Based on the correlation coefficient interpretation criteria, the correlation value of 0.790 is included in the strong relationship category, in the interval 0.600 - 0.799.

- **Analysis of the coefficient determination**

The coefficient of determination (Kd) is 31.5%, which means that the level of influence of Price (X_2) on the Purchasing Decision (Y). while the remaining 69.5% is influenced by other variables not examined in this study. The simultaneous calculation to calculate how much influence (contribution) is given by Product Quality (X_1) and Price (X_2) to the purchasing decision (Y) can be seen by looking at the R square value in the summery model table.

Based on the results of the SPSS output, the simultaneous effect is 0.624 or 62.4%. Simultaneously, the influence (contribution) between product quality (X_1) and price (X_2) on the purchasing decision (Y) together is 62.4%. While the remaining 47.6% is influenced by other variables not examined in this study.

- **Hypothetical Testing (t test)**

Table 5.

Hypothesis Results (t test) Partially Variable Product Quality and Price on the Purchasing Decision

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.371	1.352		1.754	.083
	Kualitas Produk	.359	.043	.622	8.351	.000
	Harga	.316	.083	.282	3.785	.000

a. Dependent variable: Purchasing Decision

1. Partial Hypoteric Test (t-test X_1)

H01 $\leq$: There is no significant influence between Product Quality on the purchasing decision.

Ha1> 0: There is a significant influence between product quality on the Purchasing Decision.

With a significance level of 0.1

Criteria: Reject H0 if tcount> ttable, accept in other cases.

From the table 4.15 above, it can be seen that the tcount obtained by the training variable (X_1) is 8.351. This value will be compared with the t table in the t distribution table. With $\alpha = 0.1$ df = n-k = 88-3 = 85, the t table for one-party test is 1.662. From the above values, it can be seen that the t-count value obtained by the product quality variable (X_1) is 8.351> t table 1.662, in accordance with the hypothesis testing criteria that H0 is rejected and Ha is accepted. Thus it can be concluded that there is a significant influence between Product Quality (X_1) on the purchase decision (Y).

5. Conclusion and Suggestion

- **Conclusion**

1. Product Quality and Price simultaneously have different effects.significant to the purchase decision in Abraham and Smith. Then the accepted hypothesis is that H0 is rejected, Ha is accepted because the results of testing the hypothesis Fcount> Ftable, namely 70.385> 2.37. This means that good product quality and appropriate prices will improve the consumer purchasing decision in Abraham and Smith..

2. It shows that the product quality partially has a significant influence on the purchasing decision of Abraham and Smith Bandung consumers. Then the accepted hypothesis is Ha, because the results of testing the hypothesis tcount> ttable is 8.351> 1.662. This means that the purchasing decision at Abraham and Smith is influenced by product quality.

3. That partially has a significant influence on the purchase decision in Abraham and Smith. Then the accepted hypothesis is Ha, because the test results show tcount> ttable, namely 3,785> 1,662. This means that the purchase decision at Abraham and Smith is influenced by price.

- **Suggestion**

1. Abraham and Smith companies should improve the quality of their products again so that they are in line with the price policy offered. For example, by making new innovations and developing existing products in Abraham and Smith's coffee shop. By checking the products that will be marketed so that no defective products are accepted by consumers. Therefore, it is likely to increase consumer attractiveness and increase company sales. Abraham and Smith should approach consumers to provide information about how to make and drink good coffee or just provide knowledge about coffee itself.

2. To improve the purchasing decision going forward, Abraham and Smith should set prices in accordance with the quality of their products and also according to the purchasing power of consumers. So that consumers will be more interested in buying coffee products at Abraham and Smith.

3. Purchasing decisions at Abraham and Smith's coffee are still below the average value, because consumers who have made purchases at Abraham and Smith emphasize that the quality of the product is not in accordance with the price offered, so the lower the frequency of consumer purchases of Abraham and Smith's coffee. More affordable prices are expected to increase coffee sales in Abraham and Smith.

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