



Effect of Price and Product Quality on Purchasing Decisions Onions in Bima Regency

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ABSTRACT

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Onions are one of the leading vegetable commodities in Indonesia which have been intensively cultivated by farmers for a long time. This vegetable commodity belongs to the group of non-substituted spices that function as food seasonings as well as ingredients for traditional medicines. This study aims to determine the effect of price and product quality on the decision to purchase onions in Bima Regency. This study uses a quantitative approach with a survey method. While this type of research is categorized as causal research with the number of samples in this study amounting to 100 people with the research instrument using a questionnaire with a Likert scale. Data collection techniques using questionnaires, observations and literature studies. Data analysis used multiple linear regression and hypothesis testing using t test and f test. The results of hypothesis testing state that partially the price has an effect on purchasing decisions where the tcount value is 4.477 with a t table value of 1.66071 ($4,477 > 1,66071$), product quality has no effect on purchasing decisions where the t count value is 1,428 with a t table value of 1, 66071 ($1,428 < 1,66071$), and simultaneously it can be stated that the price and product quality affect the decision to purchase onions in Bima Regency where the fcount value is 40,097 with the f table value 3,09 ($40,097 > 3,09$)

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1. Introduction

The era of globalization has a considerable influence on marketing and fosters new challenges in today's marketing profession. Marketers are required to be able to understand how events in the world affect the domestic market and new breakthrough search opportunities, and of course how these developments will affect the company's marketing patterns. With the variety of consumer demand, entrepreneurs are vying for sympathy and loyalty from their prospective customers. If the consumer has decided to become a customer then it is certain that they will return to buy products produced from the company because they are satisfied with the products used. (Habibah, 2016)

To be able to increase market share and reach new consumers, the company must be able to determine the right marketing strategy so that its business can survive and win the competition, so that the goals of the company can be achieved. Basically, the more competitors, the more choices for customers to be able to choose products that match their expectations. So the consequence of these changes is that customers become more careful and smart to face every product launched. (Igir et al., 2018).

Product quality is an important thing that must be worked on by every company if you want the resulting can compete in the market to satisfy the needs and desires of consumers. Quality is the main requirement for the acceptance of a product in the market. A product is said to be of quality if the product is able to meet customer expectations. Various efforts are taken by the company to produce quality products, among others by applying strict controls on every process ranging from the preparation of raw materials to the storage of finished product.

In addition, price is also an important component of a product, because it will affect the manufacturer's profits. Price is also a special consideration to determine the price. Price is one of the determinants of a company's success because the price determines how much profit the company will get from the sale of its products in the form of goods and services set the price too high will cause sales will decrease, but if the price is too low will reduce the profits that can be obtained by the company organization.

Onions are one of the high-value horticultural commodities (high value commodity) so many farmers are working on it. The average productivity of onions in Indonesia in 2014 only reached 10.23 tons / ha, while the potential productivity can reach 20 tons / ha. The supply of onions is also not available all the time because onion cultivation is carried out seasonally, namely in the dry season between April-September (on season). (Aldila et al., 2017)

As one of the national onion production centers, the development of onions in Bima Regency is very important to meet the needs of onions that continue to increase nationally. For this reason, a strategy is needed in its development. Related to this, the purpose of this study is to find out the factors that affect the development of onions in Bima Regency and their development strategies. (Setiani, 2019).

With the establishment of Bima regency as a red onion area development area by the government, a strategy from upstream to downstream is needed. The success of onion development is influenced by the application of cultivation technology, namely the use of suitable superior varieties, quality seeds, fertilization, pest and disease control and weeds, and improvement of post-harvest technology, (Simatupang et al., 2017). Marketing and trade that includes the development of joint business units (cooperatives or other incorporated businesses) as well as the development of information systems (product supply and demand prices) must synergize with each other to support efforts to capture market opportunities.

The state of the price and production of onions in Bima regency according to an excerpt from the statement of the Regent of Bima during the visit of the Minister of Agriculture of the Republic of Indonesia in Kabupaten Bima stated that the Regent of Bima Indah Dhamayanti Putri expressed his gratitude to the President of the Republic of Indonesia Joko Widodo for his policy in closing onion imports so that the price of onions produced by West Nusa Tenggara farmers, especially Bima County, soaring from the previous price. "We are grateful to the policies of Mr. President Jokowi and Minister of Agriculture Syahrul Yasin Limpo so that the price of onions we produce jumps from the previous price

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and the welfare of onion farmers increases," indah said in the onion harvest with Agriculture Minister Syahrul Yasin Limpo in Bima, .

This has not proven that with the termination of onion imports by the government so that the price of onions rises can have a good impact on the people of Bima Regency who make purchases of onions, because the increase in the price of onions, the strength of the community in buying onions will decrease. The quality of onions in the market, especially in Bima Regency, is leftover shallots after sorting to be sold outside the area, this can result in the quality of onion products in Bima Regency low at a high price so that the decision to buy onions by the community will decrease. From this Phenomenon so that researchers are interested in conducting research on product quality and price on the decision to buy onions in Bima Regency.

2. Method

This research uses quantitative research methods with survey methods. While this type of research is categorized as associational research. According to (Sugiyono, 2016) associative research is a statement that shows conjecture about the relationship and influence between independent variables (price and product quality) on dependent variables (purchasing decisions). The population in this study is the entire community who purchase onions from Bima Regency and the sample number of 100 people with research instruments is a kusioner with a likert scale. The data analysis used in this probe is multiple linear regression, t test and f test. Hypothesis in this study:

H1 = Price affects the decision to buy onions in Bima Regency.

H2 = Product Quality affects the decision to purchase onions in Bima Regency.

H3 = Price and product quality affect the decision to purchase onions in Bima Regency.

3. Result and Discussion

3.1 Multiple Linear Regersi Test Results

Multiple regression analysis in this study. The test was conducted using the SPSS 20.00 for Windows program.

Table 1
Multiple Linear Regersi Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	7.263	3.831		1.896	.061
1 Harga	.752	.168	.532	4.477	.000
Kualitas Produk	.213	.149	.170	1.428	.156

a. Dependent Variable: Keputusan Pembelian

From the table it was created a formula of multiple linear regression equations as below

$$Y = 7.263 + 0,752 X_1 + 0,213 X_2$$

- a. Konstant = a = 7,263 means that if the price and quality of the product or equal to zero then the decision to buy onions will increase by 7,263.
- b. Variable coefficient b1 = 0.752 means that if the price increases by one unit where the price is constant then the decision to buy onions will increase by 0,752
- c. Variable coefficient b2 = 0.213 means that if the quality of the product increases by one unit where the price is constant then the decision to buy onions will increase by 0, 213

3.2 Hypothesis Test Results

Furthermore, to find out whether the hypothesis proposed in this study is accepted or rejected, hypothesis testing will be carried out using the t test and the F test.:

a. Partial hypothesis test

This T-test aims to test the H1 and H2 hypotheses, where prices affect onion purchase decisions in Bima Regency and product quality affects onion purchase decisions in Bima Regency, as seen in table 2 below:

Table 2.

Test results t

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
(Constant)	7.263	3.831			1.896	.061
1 Harga	.752	.168		.532	4.477	.000
Kualitas Produk	.213	.149		.170	1.428	.156

a. Dependent Variable: Keputusan Pembelian

H1: Price affects the decision to purchase onions in Bima Regency

The statistical results of the t test for the price variable obtained a thitung value of 4.477 with a ttabel value of 1.66071 (4.477>1.66071) with a significance value of 0.000 smaller than 0.05 (0.00<0.05), hence the hypothesis that the price affects the decision to purchase onions in Bima Regency "**Accepted**". This research is the same as the results of research conducted by (Putranto & Kartoni, 2020) which stated that the price of tupperware purchase decisions (case study of housewives in Kunciran Housing - Tangerang)

H2: Product quality affects the decision to purchase onions in Bima Regency

The results of the t test statistics for product quality variables were obtained a thitung value of 1.428 with a ttabel value of 1.66071 (1,428<1.66071) with a significance value of 0.156 less than 0.05 (0.156>0.05), hence the hypothesis that product quality affects the decision to purchase onions in Bima Regency "**Rejected**". This research is the same as the research conducted by (Rawung et al., 2015) which stated that the quality of the product has no effect on the purchase decision of Suzuki Motorcycles on PT. Sinar Galesong Pratama Manado.

b. Simultaneous hypothesis test

This F-test aims to test the H3 hypothesis, where the price and quality of products affect the decision to buy onions in Bima Regency, as seen in the following table 3:

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Table. 3
Test results t
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1504.960	2	752.480	40.097	.000 ^b
	Residual	1820.350	97	18.766		
	Total	3325.310	99			

a. Dependent Variable: Keputusan Pembelian

b. Predictors: (Constant), Kualitas Produk, Harga

H3: Price and quality of products affect the decision to purchase onions in Bima Regency

The results of the F test statistics for the price and product quality variables were obtained an Fhitung value of 40,097 with an Ftabel value of 3.09 ($40,097 > 3.09$) with a significance value of 0.000 smaller than 0.05 ($0.00 < 0.05$), hence the hypothesis that product prices and quality affect the decision to purchase onions in Bima Regency "**Accepted**". This research is in line with research conducted by (Nurul Kumala & Anwar, 2020) which states that simultaneously the price and quality of products affect purchasing decisions at PT. Hasanah Mulia Investama.

3.3 Discussion

Many consider that price as the key activity of the free trading system, the market price of a product affects wages, rent, interest, and profit, meaning that the price of a product affects the cost of factors of labor production, land, capital and entrepreneurship. So price is the basic gauge of an economic system because price affects the allocation of factors of production. Errors in determining prices can have various consequences and impacts, relatively expensive pricing actions will be able to cause business actors to dislike buyers. Even buyers can do a reaction that can bring down the good name of the seller, if the price authority is not in the business actor but is at the policy of the government, then the pricing that is not desired by consumers, in this case some people of Bima Regency can cause a rejection reaction by many people or some circles, the rejection reaction can be expressed in various actions that sometimes lead to anarchist actions or violence so that pricing must be able to provide benefits to farmers but not burdensome for consumers. In this study it can be stated that the price of onions affects the purchasing decisions made by consumers.

Product quality is a dynamic condition related to products, services, people, processes, and environments that meet or exceed expectations. Consumers in making purchasing decisions, always consider the quality of the product to be purchased. Whether the product is of good quality or not. Consumers' perception of product quality will shape preferences and attitudes that will in turn influence the decision to buy or not. If a product has good quality in accordance with the wants and needs of consumers, then the consumer will decide to buy the product. As the results of this study state that the quality of the product does not affect the decision to buy onions, this is because consumers are more concerned with the adequacy of the needs of onions without paying too much attention to quality, consumers assume that the presence of onions for needs is more important than the quality of onions themselves, even though the size of the onion is small they will still buy it because of necessity.

The starting point of understanding purchases is the stimulus model of four elements, namely: product, price, place, and promotion. In this study only discusses the price and quality of the product.

Purchasing decisions are actions of consumers to be willing to buy or not against the product. Of the various factors that affect consumers in making a purchase of a product or service, usually consumers always consider the price and quality of products that are already known by the public. Consumers assume a positive relationship between the price and quality of a product, then they will compare one product with another, and then the consumer makes the decision to buy a product. As in this study which states together that the price and quality of products affect the decision to buy onions, this shows that these two factors are the determinants of people's purchasing decisions in addition to other factors such as promotions, locations, reference groups and others.

4. Conclusion

From the results of the study can be concluded that partially price has a significant effect on purchasing decisions, product quality does not have a significant effect on purchasing decisions and simultaneously it can be stated that the price and quality of products have a significant effect on onion purchase decisions in Bima Regency. Advice that can be given from the results of research that has been done such as the role of the Bima Regency Regional Government must play an active role in determining the price of onions that favor farmers but do not burden the community as consumers, find new marketing areas for onion products, conduct research for the development of onion quality that can quickly grow and disease pest soil.

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