

Impact of Product Quality, Price, and Promotion on Purchase Decision of Dinda Fashion Products in Denpasar

I Wayan Gede Antok Setiawan Jodi¹, Tiksnayana Vipraprastha², Bagus Nyoman Kusuma Putra³, I Made Surya Prayoga⁴, Made Santana Putra Adiyadnya⁵

^{1,2,3,4,5}Faculty of Economics and Business, Universitas Mahasaraswati Denpasar, Indonesia
gedejadi@unmas.ac.id

Abstract

The purpose of this study was to determine impact of product quality, price, and promotion on purchase decision of Dinda Fashion Products in Denpasar. The sample in this study used 80 people who were the respondents of Dinda Fashion consumers in Denpasar City. The data analysis technique used in this research is multiple regression analysis. The results showed that: (a) there was a significant and positive effect between product quality and purchase decision with a coefficient value of 4.484 and a significance value of 0.000, (b) there was a significant and positive effect between price and purchase decision with a coefficient value of 3.958 and a significance value of 0.001, and (c) there was a significant and positive effect between promotion and purchase decision with a coefficient value of 4.721 and a significance value of 0.000.

Keywords

product quality; price; promotion; purchase decision



I. Introduction

The increasing intensity of competition and the number of competitors requires companies to always pay attention to the needs and desires of consumers and try to meet consumer expectations by providing products, prices and promotions that are more satisfying than those carried out by competitors. Today's increasingly fierce business competition is marked by the emergence of various kinds of businesses that are growing rapidly at this time, namely the business in the fashion sector. Fashion companies are required to create strategies that can attract consumers in making purchasing decisions on the products and services offered in order to be able to compete and have an advantage. Dinda Fashion is one of the special women's fashion stores in Denpasar which has several advantages, namely a simple and up-to-date design and prioritizes the quality of the materials used. The products sold at Dinda Fashion are t-shirts, pants, hats, jackets, shirts, bags, and various kinds of women's accessories.

The purchase decision according to Kotler and Keller (2012:167) is the decision to continue or not to continue the purchase. The purchase decision is also a process of making a purchase decision which includes determining what to buy or not to buy and the decision is obtained from previous activities. Factors that can influence consumer purchasing decisions include product, price, promotion and place or what is known as the marketing mix. Marketing mix is the process of combining in a marketing strategy that is tailored to the conditions of each company which is standardized by product, low price, promotion, and place.

One of the advantages in this competition, especially the quality of products that can meet consumer desires. Product quality according to Kotler and Armstrong (2008) is the ability of a product to perform its functions, this includes overall durability, reliability, accuracy, ease of operation, and product repair, as well as other product attributes. In

general, product quality is one way for companies to dominate the market. Meanwhile, for the community, quality is a measuring tool as well as a person's way of achieving satisfaction.

Price has a strong influence on consumer decisions in buying products. According to Kotler and Armstrong (2008) price can be defined narrowly as the amount of money charged for a product or service. When consumers perceive that the price of a product or service is reasonable, this allows them to exhibit repeat buying behavior. On the other hand, if consumers do not feel their sacrifice is worthwhile, they may not buy again, as when they are satisfied or dissatisfied with the quality of the product or service.

Promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product (Kotler and Armstrong, 2008). Promotion is one of the determining factors for the success of a marketing program. No matter how good a product is, if consumers have never heard of it and are not sure that the product will be useful to them, then they will never buy it. The advantages of the product can be known by consumers and can make them interested in trying and then will make a decision to buy a product.

The purpose of this study was to determine impact of product quality, price, and promotion on purchase decision of Dinda Fashion Products in Denpasar.

II. Review of Literature

2.1 Product Quality and Purchase Decision

Product is anything that is offered in the market to get attention, demand, use or consumption that can fulfill human wants or needs. According to Kotler and Keller (2012) product quality is a feature of a product or service to meet customer needs stated or implied in accordance with its capabilities. Principles of business pricing. By gaining customer attractiveness and gaining the market, it is also one of the goals of a company in determining the costs to be released. The company must be able to map the target and the purchasing power of the market. Even though your goal is to make a profit. but the company must also look at the market's ability to buy your product at a predetermined price. So that way the company can attract the attention of the real market. The indicators used to measure product quality in this study use the indicators used by Kotler and Keller (2012) as follows: (1)reliability, (2)conformance to specifications, (3)durability, (4)aesthetic. Some of the findings put forward by Amron (2018), Brata et al. (2017), Suhaily and Darmoyo (2017) state that product quality has an influence on purchasing decisions, while research conducted by Wahyuni and Ginting (2017), Weenas (2015) found that product quality has no effect on purchasing decisions.

2.2 Price and Purchase Decision

Price is one of the important variables in marketing, where price can influence customers in making decisions to buy a product, for various reasons (Ghozali, 2009). Price is a monetary value determined by the company in exchange for goods or services traded and something else held by a company to satisfy customer desires. The indicators used to measure product quality in this study use the indicators used by Kotler and Armstrong (2008) as follows: (1)price affordability, (2)price competitiveness, (3)price compatibility with product quality. Some of the findings put forward by Amron (2018), Hermiyenti and Wardi (2019), Suhaily and Darmoyo (2017) stated that price had an effect on purchasing decisions, while research conducted by Mulyana (2021), Suratmiyati and Anggoro (2020) found that price had no effect on purchasing decisions.

2.3 Promotion and Purchase Decision

Promotion is one of the important aspects in marketing management and is often said to be a continuous process. With promotions, people who were previously not interested in buying a product will become interested and try the product so that consumers make a purchase. The indicators used to measure promotion in this study use the indicators used by Kotler and Armstrong (2008) as follows: (1) advertising, (2) personal selling, (3) sales promotion, (4) public relations, (5) direct marketing. Some of the findings put forward by Brata et al. (2017), Hermiyenti and Wardi (2019), Kivetz and Zheng (2017) stated that promotions had an effect on purchasing decisions, while research conducted by Hanaysha (2018) and Firmansyah (2021) found that promotions had no effect on purchasing decisions purchase.

III. Research Method

The population is a generalization area consisting of objects or subjects that have the qualities and characteristics determined by the researchers to be studied and then drawn conclusions (Asyraini et al., 2022; Octiva et al., 2018; Pandiangan et al., 2018). The population in this study were all consumers of Dinda Fashion in Denpasar, whose number is unknown and can be said to be in the infinite category. The sample is part of the number and characteristics possessed by the population (Octiva et al., 2021; Pandia et al., 2018; Pandiangan, 2015). A good sample size for filling out questionnaires is based on 5-10 times the number of variables or indicators. The number of indicators in this study was 16, so the appropriate number of samples used in this study ranged from 80 to 160 respondents (Octiva, 2018; Pandiangan, 2018). The number of samples analyzed in this study at least met the guidelines for determining the sample, so that the sample in this study used 80 people who were the respondents of Dinda Fashion consumers in Denpasar City.

The data analysis technique used in this research is multiple regression analysis. Multiple regression analysis is a statistical technique that can be used to analyze the relationship between a single dependent variable and several independent variables (Pandiangan et al., 2021; Tobing et al., 2018). The objective of multiple regression analysis is to use the independent variables whose values are known to predict the value of the single dependent value (Pandiangan, 2022; Pandiangan et al., 2022).

IV. Results and Discussion

The respondents' assessment of operational variables that can be used in this study are product quality, price, promotion, and purchase decision. Based on the following results, it can be explained that each indicator in the form of a variable statement has a pearson correlation value that is greater than the minimum R table value of 0.30 and is positive, then the indicator in the form of a statement is feasible to use because it is declared valid and has met the validation requirements data and for the distribution in each category are presented in Table 1:

Table1. Score Each Research Indicator

Variable	Symbol	Score	Information
Product Quality (X ₁)	X1.1	0.932	Good
	X1.2	0.839	Good
	X1.3	0.850	Good
	X1.4	0.853	Good

Price (X ₂)	X2.1	0.823	Good
	X2.2	0.830	Good
	X2.3	0.723	Good
Promotion (X ₃)	X3.1	0.771	Good
	X3.2	0.797	Good
	X3.3	0.779	Good
	X4.4	0.811	Good
	X4.5	0.743	Good
Purchase Decision (Y)	Y.1	0.957	Good
	Y.2	0.955	Good
	Y.3	0.906	Good
	Y.4	0.826	Good

Testing this hypothesis is done by using t-statistics, by sorting to test the direct effect. In the following sections, the results of the direct influence test can be described successively.

Table 2. Hypothesis Test Results

Variable	Significance	T-Statistics	Conclusion
Product Quality → Purchase Decision	0.000	4.484	H ₁ Accepted
Price → Purchase Decision	0.001	3.958	H ₂ Accepted
Promotion → Purchase Decision	0.000	4.721	H ₃ Accepted

The analysis test results show that product quality has a positive and significant effect on purchase decision. This result is seen from the significance value of 0.000 with a t-statistic value of 4.484. This research is in line with research conducted by Amron (2018), Brata et al. (2017), Suhaily and Darmoyo (2017). This means that product quality is closely related to purchase decision, where product quality is one aspect of consumer considerations in deciding purchases. Good quality will lead to consumer satisfaction which in turn will make the consumer loyal to the product.

Furthermore, the results of data analysis show that price has a positive and significant effect on purchase decision. This result can be seen from the significance value of 0.001 with a t-statistic value of 3.958. This research is in line with research conducted by Amron (2018), Hermiyenti and Wardi (2019), Suhaily and Darmoyo (2017). This means that price is the most important decision variable, which is taken by customers for various reasons. The higher the price, the lower the purchase decision, on the contrary if the price is low, the purchase decision becomes higher. Consumers themselves have a perception of price, that the higher the price of a product, the higher the quality of the product. This occurs when consumers have no other clue of product quality other than price.

Furthermore, the results of data analysis show that promotion has a positive and significant effect on purchase decision. This result can be seen from the significance value of 0.000 with a t-statistic value of 4.721. This research is in line with research conducted by Brata et al. (2017), Hermiyenti and Wardi (2019), Kivetz and Zheng (2017). This means that promotion is very important in an effort to seize an increasingly competitive market share. By doing promotions through interesting print/electronic media, it will influence consumers in making purchasing decisions. Promotional activities carried out by Dinda Fashion play an important role in increasing the number of sales because after all, the

quality possessed by a product produced, will not be able to find its own market without being promoted to the buyer first. Thus the promotion must be more intensively carried out so that it can influence consumers to buy in the future.

V. Conclusion

The results showed that: (a) there was a significant and positive effect between product quality and purchase decision with a coefficient value of 4.484 and a significance value of 0.000, (b) there was a significant and positive effect between price and purchase decision with a coefficient value of 3.958 and a significance value of 0.001, and (c) there was a significant and positive effect between promotion and purchase decision with a coefficient value of 4.721 and a significance value of 0.000.

This research also has weaknesses. First, this study was only conducted on 80 respondents, so it is possible that if the number of respondents does not represent the number of consumers who have made a purchase at Dinda Fashion, further research is recommended to increase the number of respondents in order to further generalize the results of the study. Second, further research is expected to add other variables to get more interesting results, such as service quality variables, social media marketing, and many more.

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