

# The Effect of Price Perceptions and Product Quality on Interest and its Impact on Purchase Decision Fabric Glove Sikka Motive in Maumere

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## ABSTRACT

*The purpose of this study to analyze the effect of price perception and product quality of the interest, analyze the impact of price and product quality perceptions on purchasing decisions, analyze the effect of interest on purchase decisions, and analyzed the buying interest as an intervening variable for the perception of price and quality of their products to the Purchase decision. The study population was purchased at the same time Cain users Gloves Sikka motives Maumere. Mechanical determination of non-probability samples using a technique, defined by 100 samples. The technique of data analysis is the description and structural equation model using linear regression techniques. Research shows that perception of price and product quality influence on interest. Price perceptions and product quality influence on purchase decisions. Interests may mediate the effect of the price perceptions and quality of products on the purchase decision.*

**Keywords:** Price Perceptions, Product quality, Interests, Purchase Decision.

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## 1. INTRODUCTION

Marketing is very important in line with the higher and increasing needs of the community for quality products that make competition increasingly fierce in a growing business environment. A company is releasing products that should be adjusted to the needs and desires of consumers. In the current era of globalization, consumers are free to determine products that are relevant to their desires, consumers are more oriented to the level of product quality and affordable prices [1]. Thus, the product can compete in the market, thus making consumers have many alternative product choices before making a choice to buy a product offered. The advantages of the product can be known by consumers and can make consumers interested and interested to try which will then take the decision to buy a product.

Purchasing decision making by consumers in Maumere to buy a Sikka motif sarong varies depending on the type of product and the needs to be bought because in addition to consumers it requires its function as well because the price is quite expensive balanced with good product quality. Price has an influence on purchasing decisions. Prices offered to vary according to quality. Price is considered one of the factors that can influence purchasing decisions. Affordability of prices, the suitability of prices for goods, makes consumers take the decision to buy.

The perception of the overall quality of a product or service can determine the value of the product or service and directly influences consumer purchasing decisions and their loyalty to the brand [2]. A positive perception of quality will encourage interest in making a purchase of the product. Furthermore, given the predictable consumer perceptions, if the product quality is negative, the product will not be liked and will not last long in the market. Conversely, if the quality of the customer's product is positive then the product will be liked. In essence, someone buys goods or services to satisfy their needs or desires. Someone buys goods not only merely physical but the benefits arising from the goods or services purchased. Therefore, entrepreneurs are required to always be creative, dynamic, and broad-minded. So that new benefits can be added to their products and have advantages over competing products..

## 2. THEORETICAL REVIEW

### 2.1 Purchase Decision

Kotler defines "the stages undertaken by consumers before making a purchasing decision for a product [3]." Furthermore Amirullah states the purchase decision is "a process of valuation and selection of various alternatives in accordance with certain interests by determining a choice that is considered the most profitable [4]."

### 2.2 Interest

According to Ferdinand, interest is a mental statement from consumers that reflects the plan to purchase a number of products with a particular brand [5]. According to Durianto, buying interest is something that is related to consumers' plans to buy certain products, as well as how many units of product are needed in a certain period [2]. Interest is a behavior that appears as a response to an object that shows the desire of customers to make purchases [3].

### 2.3 Price Perception

Peter and Olson define "price perception related to how price information is understood entirely by consumers and gives a deep meaning to them [6]." Price perception according to Kotler and Keller is that consumers assume some current prices that consumers consider, not marketers' stated prices [7].

### 2.4 Product Quality

Product quality is the totality of features and characteristics of a product or service that depends on its ability to satisfy expressed or implied needs [7]. According to Kotler and Armstrong product quality is one of the main means of the main positioning of marketing [8]. Product quality according to Tjiptono is excellence to meet customer expectations [9]. In evaluating it, customers will use their expectations as a standard or reference.

## 3 METHOD

### 3.1. Population and Sampling Techniques

The population in this study are all users Gloves Motive Fabric in Maumere Sikka whose numbers are not known with certainty. The number of indicators in this study was 18 indicators, the number of samples that can be taken between 90 samples up to 180 samples. Technique sampling in this study using simple random sampling. The number of samples in this study was 100 respondents.

### 3.2. Data Analysis Technique

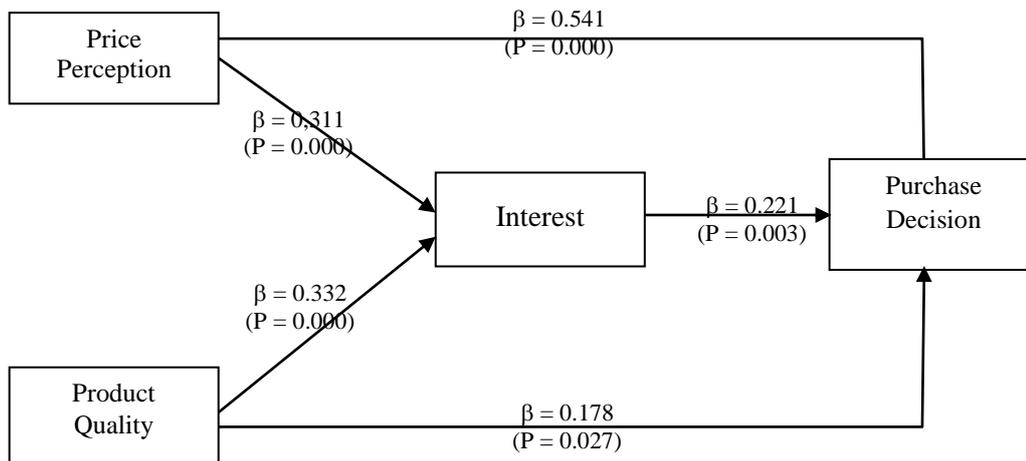
A method of analyzing the data in this study was conducted with the following techniques:

1. Descriptive analysis
2. Analysis of Structural Equation Model
$$Y1 = b1x1 + b2X2 + e1$$
$$Y2 = b3X1 + b4X2 + b5Y1 + e2$$
3. Classic assumption test
4. Hypothesis test

## 4 ANALYSIS OF RESULTS

### 4.1. Structural Equation Model

Based on the results of the path analysis, the models of the path in the path analysis presented Figure 1 follow.



Picture 1 The Result Path Analysis

Sources: Primary data is processed, 2020.

The results of the path analysis study variables are presented in Table 1 below.

Table 1 Variable Path Analysis Research

Variables	Direct Effects	Prob	Indirect Effects	Total Effects
Price perception → Interest	0.311	0.000 *	-	-
Product quality → Interest	0.332	0.000 *	-	-
Price perception → Purchase decision	0.541	0.000 *	-	-
Product quality → Purchase decision	0.178	0.027 *	-	-
Interest → Purchase decision	0.221	0,003 *	-	-
Price perception → Interest → Purchase decision	0.541	-	0.311 X 0.221 = 0.069	0.610
Product quality → Interest → Purchase decision	0.178	-	0.332 X 0.221 = 0.073	0.251

\* Significant (p) at level ( $\alpha = 0.05$ )

4.2. Hypothesis Test Results

a. Hypothesis H1

Based on Table 1 obtained value price perception beta coefficient of 0.311 and t value of 2.987 and p-value of 0.000 is smaller than  $p = 0.05$  ( $\alpha = 5\%$ ), which means that the perception of price significant effect on the interest. Score product quality beta coefficient of 0.332 and t value of 3.184 and p-value of 0.000 is smaller than  $p = 0.05$  ( $\alpha = 5\%$ ), which means that the quality of the product significant effect on the interest. Thus the first hypothesis states that perceptions price and product quality affect the interests statistically proven.

b. Hypothesis H2

Based on Table 1, obtained by the beta coefficient of 0.541 and the price perception t value of 6.855 and p-value of 0.000 is smaller than  $p = 0.05$  ( $\alpha = 5\%$ ), which means that the perception of price significantly influences purchasing decisions. Product quality beta coefficient of 0.178 and t value of 2.246 and p-value of 0.027 is smaller than  $p = 0.05$  ( $\alpha = 5\%$ ), which means that the quality of products significantly influences purchasing decisions. Thus the second hypothesis states that the perception of price and product quality influence purchase decisions are statistically tested.

c. Hypothesis H3

Based on Table 1, obtained by beta coefficient interests amounted to 0.221 and t value of 3.007 and p-value of 0.003 is smaller than  $p = 0.05$  ( $\alpha = 5\%$ ), which means that interest significant influence on purchasing decisions, so the third hypothesis which states that interest influences on purchasing decisions are statistically tested.

d. Hypothesis H4

Based on the analysis results Table 1 shows that interest existed as an intervening variable that can mediate perception variable price since the value of the total effect (0.363) is greater than the direct effect (0.541). Working interest status as intervening variables that may mediate the variable quality of the product to the purchasing decision,

because the total effect (0.610) is greater than the direct effect (0.251). With the fourth hypothesis, this is the perception of price and product quality influence on purchase decisions through interest statistically tested.

## **5 DISCUSSION**

### **5.1 Description of Price Perception, Product Quality, Interest and Purchase Decision**

Price perception is formed by affordability, compatibility with products and price competitiveness. The main thing that forms the perception prices is the suitability of the product reflected in the Sikka motif sarong has a good shape. As Kotler and Keller state that the price perception is that consumers assume that some of the actual prices currently consumers consider, not marketers' stated prices [8]. Customers may have a lower price limit where prices lower than that limit are of poor quality, and where prices higher than that limit are considered too excessive or not worth the money spent.

The quality of products is formed by the performance, characteristics or additional privileges, compliance with specifications, reliability, durability, aesthetics and perceived quality. The main thing that supports the quality of the product is the additional characteristics or features that are reflected in the motive, Sikka has the characteristic of regional motifs. Opinions Tjiptono states that the quality of the product is advantages to meet customer expectations [9]. In evaluating these hopes customers will use as a standard or reference.

Buying interest was formed by interest transactional referential interest, interest preferential and exploratory interest. The main thing that can support buying interest is reflected in the referential interest of respondents who are interested in referring to Sikka knit fabrics to others. As the opinion of Ferdinand states that interest is a statement of a consumer purchase plan that reflects the mentality of several products with a particular brand [5].

Purchasing decisions are formed by stability in a product, in the habit of buying the product, provide recommendations to others and repeat purchases. The main thing that can enhance the purchasing decision is to provide recommendations to others is reflected in the respondents willing to recommend to others to buy a fabric glove Sikka motive. As said Kotler states that purchasing decisions are steps being taken by consumers before making a purchasing decision of a product [3].

### **5.2 Influence of Perceptions Price and Product Quality on Interest**

Price perception influences interest, which means that the better price perception of Sikka motif sarong can increase interest. Price is an extrinsic factor as a substitute function for quality when customers do not have enough information about intrinsic attributes so customers use prices to guess quality when only prices that are known so that the price plays an important role in showing the quality of a product. If consumers perceive a product has a high price, so consumers will view the product as a quality product because it is natural to require higher financial sacrifice so that ultimately the price affects the interesting buy. Pricing that is too cheap and far below the competitor's price will impress the product of low quality. The results of this study are consistent with Noerchoidah which proves that price perception influences interest [10]. The results of the study are also consistent with Satria where price perceptions affect interest [11].

Product quality affects interest, which means the better the quality of the product can increase interest. Interest is a very important factor and determines the success of the company. Product quality is the overall product related to the desires of consumers who are superior products are sold according to customer expectations. Consumers always make an assessment of the performance of the product, this can be seen from the product's ability to create quality products with all its specifications so that it can attract consumer interest. This is in line with the findings of Noerchoidah which proves that product quality influences interest [10]. The results of this study also support Satria which states that product quality influences interest [11].

### **5.3 Influence of Price Perception and Product Quality on Purchase Decision**

Price perception has a significant effect on purchasing decisions. When viewed from the regression coefficient that is positive, it shows that the better in determining price perceptions, the purchase decision will also be higher. Product prices that match between product quality and consumer expectations will provide encouragement to a consumer to make a purchase. The results of this study are in line with Pardede and Haryadi which prove that price perception influences purchasing decisions [12]. This is in line with Harwani and Pradita that price perception influences purchasing decisions [13]. The results of this study also support Rommy and Nur who state that price perception influences purchasing decisions [14]. However, the results of this study do not support Mandey [15] and Pardede and Haryadi [12] which states that price does not affect purchasing decisions.

Product quality influences purchasing decisions, which means that the better quality of Sikka motif sarong products can improve purchasing decisions. Product quality is very important in determining the desire of consumers to make purchases. If the quality of the product offered is good so the purchasing decision increases, because the quality of a product is one of the considerations of consumers in buying, other than that the quality can provide benefits for consumers. The results of this study are consistent with Pardede and Haryadi [12]) Situmorang [16], Brata et al. [17] which states that product quality influences

purchasing decisions. However, the results of this study do not support Pardede and Haryadi [12] which states that product quality has no effect on purchasing decisions.

#### **5.4 Influences of Interest on Purchasing Decision**

Interest has a significant effect on purchasing decisions, which means that the higher buying interest of consumers can increase purchasing decisions. Buying interest can create a motivation that continues to be recorded in the minds of consumers, which in the end when a consumer must meet the needs of consumers will actualize what is in the minds of consumers by making purchases that consumers need. The results of this study are in line with research Rahmawati which states that interest influences purchasing decisions [18].

#### **5.5 Influence of Perceptions Price and Product Quality the Purchase Decision Through Interests**

Interest capable of mediating influence price perceptions on purchasing decisions, which means that the price perception can improve purchasing decisions if the consumer has the perception of a good price. In making purchasing decisions, consumers will consider matters relating to the price that will be purchased. The role of the allocation of the price, ie the price function in helping the buyer to decide how to obtain benefits or the highest expected utility based on purchasing power. Thus the prices can help the buyers to decide how to allocate their purchasing power in the various types of products.

Interest capable of mediating influence on purchase decisions of product quality, which means that purchasing decisions can be improved if the company has a good product quality. High buying interest can be realized by their perception of the price offered by the provider of the product. In making purchasing decisions, consumers may consider matters relating to the quality of the product to be purchased. The quality of products is one of the main positionings that means marketers. The quality has a direct impact on product performance, therefore the quality is closely related to the purchase decision. In making purchasing decisions, consumers may consider matters relating to the quality of the product to be purchased. The quality of products is one of the main positionings that means marketers. The quality has a direct impact on product performance, therefore the quality is closely related to the purchase decision.

## **6 CONCLUSION AND SUGGESTION**

### **6.1 Conclusion**

- 1) Descriptive statistical results show that price perception is formed by affordability, conformity to products and price competitiveness. The main thing that forms the perception of prices is the suitability of the product reflected in the a fabric glove Sikka motive has a good shape. Product quality is formed by the performance, features or additional features, conformity to specifications, reliability, durability, aesthetics and perceived quality. The main thing that supports product quality is the additional features or features reflected in the Sikka motif sarong which has regional characteristics. Buying interest is formed by transactional interest, referential interest, preferential interest, and explorative interest. The main thing that can support buying interest is that the referential interest is reflected in the respondents' interest in referring to the a fabric glove Sikka motive to others. Purchasing decisions are formed by the stability of a product, habits in buying products, giving recommendations to others and repurchasing. The main thing that can improve purchasing decisions is to provide recommendations to others reflected by respondents willing to recommend others to buy a fabric glove Sikka motive.
- 2) Descriptive statistical results show that price perception is formed by affordability, compliance with product and price competitiveness. The main thing that shape perception is conformity to product prices reflected fabric glove Sikka motive has a nice shape. The quality of products is formed by the performance, characteristics or additional privileges, compliance with specifications, reliability, durability, aesthetics and perceived quality. The main things that support the quality of the products are the characteristics or additional privileges fabric glove motive reflected Sikka has regional characteristics. Buying interest was formed by interest transactional referential interest, interest preferential and exploratory interest. The main thing that can support buying interest is reflected in the referential interest of the respondents is interested in referencing fabric glove Sikka motives to others. Purchasing decisions are formed by stability in a product, in the habit of buying the product, provide recommendations to others and repeat purchases. The main thing that can enhance the purchasing decision is to provide recommendations to others is reflected in the respondents willing to recommend to others to buy a fabric glove Sikka motive.
- 3) Perceptions of price and product quality affect the interest, which means that the better the perception of price and supported by good product quality may increase interest.
- 4) Perceptions of price and product quality influence on purchase decisions. This means that purchasing decisions can be built through the perception of a good price and quality of products offered.
- 5) Interest influence on purchasing decisions, which means that the higher the interest can increase purchasing decisions.

- 6) Interests mediate perception influences the price and quality of products on the purchase decision. This means the better the perception of good prices on products and product quality can enhance the purchasing decision if consumers have a high interest in the product fabric glove Sikka motive.

## 6.2 Suggestion

- 1) Price fabric glove Sikka motive adapted to the quality of products to attract consumers to purchase.
- 2) Employers' fabric glove maintains the quality of existing products, to increase consumer interest which increased purchasing decisions.
- 3) For subsequent researchers, it needs a broader development with variables that not only the perception of price, product quality that can influence purchasing decisions, such as promotion, brand image, service quality, and lifestyle.

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