

## The Influence of Product Quality and Promotion on The Purchasing Decision Process for Consumers of Karyabera Perdana MSME Products

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### Abstract

This study aims to determine the effect of product quality and promotion Regarding Purchase Decision Process for Consumers of Karyabera Perdana UMKM Products Depok West Java. This research is associative with a quantitative approach. The sample of this study was determined using the Slovin formula as many as 62 respondents. Data collection techniques by means of questionnaires, data analysis techniques with SPSS software version 25. Research results show that: (1) Product quality influences decisions purchases with the regression equation  $Y = 6.796 + 0.821X_1$ . Coefficient value correlation of 0.808. The coefficient of determination of 0.652 has a significant effect on purchasing decisions with the result  $t_{count} > t_{table}$  or  $(10.611 > 2.000)$  with a significant value  $t_{table}$  or  $(10.2221 > 2.000)$  with a significance  $< 0.050$  or  $(0.000 < 0.050)$ . (3) Quality Products and Promotions affect purchasing decisions with a regression value of  $Y = 2.359 + 0.491X_1 + 0.448X_2$ . The correlation coefficient value is 0.862. The coefficient of determination is 0.742. Significant influence on purchase decision with the result  $F_{count} > F_{table}$  or  $(85,025 > 3,150)$ . Significance value  $< 0.050$  or  $(0.000 < 0.050)$  so in this study  $H_a$  can be accepted.

**Keywords:** Product Quality, Promotion, Purchase Decision Process

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**INTRODUCTION**

Tight competition in the business world requires every company to take effective steps and strategies to win the competition with competitors in order to maintain its existence and of course maintain it in order to increase profits or profits generated. Without an effective strategy, the company will not be able to survive for long because over time competitors will continue to appear along with increasing consumer demand. In the competition to market products with the aim of creating customers, companies need to develop a good marketing strategy.

In facing the complexity and intensity of increasingly difficult challenges, company or organization leaders are required to develop their business to think creatively to find various new strategic breakthroughs that are able to create synergies that provide optimal contributions to achieving company goals. For this reason, companies are required to be able to implement strategic policies regarding promotion and product quality in order to anticipate a competitive climate.

In recent years, many MSMEs have produced frozen food. In Indonesia, frozen food is quite well known and is increasingly in demand by the public because current trends are different from the past, people's style is increasingly tending to choose things that are practical and affordable. Everything is so fast and easy; this demand is due to the unlimited human nature and character forcing the human brain to think hard to carry out continuous innovation in order to process and utilize unlimited natural resources. Marketing that has greater opportunities for a company that can be enjoyed by the lower middle class and upper middle class is a company that operates in the frozen food sector.

Frozen food is food that is processed and then packaged in half-cooked packaging and when consumed it must go through a re-processing process by heating it in a frying pan. Frozen food can be a solution for people who don't want to bother cooking or making snacks. Many people choose frozen food because it is practical and ready to eat.

One example is *cireng kriwil* with *rujak* seasoning and melted banana which is popular and can be consumed by all groups. Not only that, marketing must pay attention to product quality, promotions and purchasing decisions. There are lots of instant foods that only take a little time to prepare and enjoy. Every manufacturer is competing to present products that people want, packaged with various displays and additions that can attract customer interest. So that consumers feel satisfied with the products they want to buy, buyer interest is also taken into account so that a company is able to compete with other similar companies.

If a company is unable to compete in terms of quality and taste, this will affect the sales intensity of that company. *UMKM Karyabera Perdana* is a company operating in the frozen food sector. Founded by H. Rachmat Setiawan and his late wife. *Hj Elih So* seen which provides various kinds of frozen processed products (Frozen Food) with various flavors. For *Cireng Frozen Food Products*, there are original and cheese flavor variants. Meanwhile, for melted banana, there are chocolate and chocolate cheese flavors. Starting from selling in school canteens, close relatives and neighbors. Now it is distributed to supermarkets and all *Karyabera Perdana* products have a Halal Certificate.

*UMKM Karyabera Perdana* is a small and medium business that was built with the aim of reducing unemployment for several local communities. Apart from that, *Karyabera Perdana* *UMKM* was built with the aim that its production could develop and be known by many people.

According to Kottler and Armstrong (2017: 235), purchasing decisions are part of consumer behavior, namely the study of how individuals, groups and organizations choose, buy, use and how goods, services, ideas or experiences satisfy their needs and desires. A purchasing decision is an action taken by a consumer to purchase a product. The decision may consist of choosing or not choosing one of the available alternatives. The purchasing decision process begins when consumers realize a problem or need for a desired product.

The purchasing process describes the reasons why someone prefers, chooses, and buys a particular product. Marketers must explore the various influences on buyers and develop an understanding of how consumers actually make purchasing decisions. Marketers must identify who makes purchasing decisions, the types of purchasing decisions, and the steps in the purchasing process.

## RESEARCH METHODS

The type of research in this research is associative quantitative research. Quantitative research is systematic scientific research on parts and phenomena and their relationships. Quantitative research methods use numerical data and emphasize the research process on measuring objective results using statistical analysis. The focus of quantitative methods is collecting data sets and making generalizations to explain specific phenomena experienced by the population. Quantitative research methods can be interpreted as research methods that are based on the philosophy of positivism, used to research certain populations or samples, collecting data using research instruments, quantitative/statistical data analysis, with the aim of establishing predetermined hypotheses (Sugiyono, 2019:16).

Meanwhile, the method used in this research uses the associative method, according to Sugiyono (2015:11), namely "Associative research is research that aims to determine the influence or relationship between two or more variables". In this research, the associative method is used to determine product quality and promotion on purchasing decisions and this research is also an empirical study which aims to examine the influence of product quality and promotion on the purchasing decision process for consumers of Karyabera Perdana MSME products, Depok, West Java.

## RESULT AND DISCUSSION

With multiple linear regression, it can be seen how much product quality and promotion, which are independent variables, influence the process

Purchase Decision as the dependent variable. The following are the results of multiple linear regression testing.

**Table 1. Multiple Regression Test Results Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	Q	Sig.
1	(Constant)	2,359		1,111	,271
	Product quality	,491	,483	4,956	,000
	Promotion	,448	,442	4,542	,000

a. Dependent Variable: Purchasing Decision Process  
Source: Processed data, 2023

Based on the test results in the table above, the regression equation  $Y = 2.359 + 0.491X_1 + 0.448X_2$  can be obtained. From the equation above it can be concluded as follows:

- A constant value of 2,359 means that if the product quality (X1) and promotion (X2) variables are not considered then the purchasing decision process (Y) will only be worth 2,359 points.
- A product quality value (X1) of 0.491 means that if the constant remains and there is no

- change in the promotion variable (X2), then every 1 unit change in the product quality variable (X1) will result in a change in the purchasing decision process (Y) of 0.491 points.
- c. The promotion value (X2) of 0.448 means that if the constant remains and there is no change in the product quality variable (X1), then every 1 unit change in the promotion variable (X2) will result in a change in the purchasing decision process (Y) of 0.448 points.

### Multiple Correlation Coefficient Test (r)

Correlation coefficient analysis is intended to determine the level of strength of the relationship between the independent variable and the dependent variable. In providing an interpretation of the correlation coefficient results, you can be guided by the following table:

**Table 2.** Correlation Coefficient Interpretation Guidelines

Correlation Coefficient Value Interval	Relationship Level
0.000 to 0.199	Very low
0.200 to 0.399	Low
0.400 to 0.599	Currently
0.600 to 0.799	Strong
0,800 to 1,000	Very strong

Source: Sugiyono (2017:184)

### Correlation Test X1 and X2 against Y

The results of correlation testing of the Product Quality (X1) and Promotion (X2) variables on the Purchasing Decision Process (Y) can be seen in the following table:

**Table 3.** Test the Correlation Coefficient X1 and X2 Against Y

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862a	,742	,734	5,425

a. Predictors: (Constant), Promotion, Product Quality

Source: Processed data, 2023

Based on the test results in the table above, a correlation coefficient value of 0.862 was obtained, where this value is in the interval 0.800-1.000, meaning that the product quality and promotion variables have a very strong level of relationship to purchasing decisions.

### Coefficient of Determination Test

The analysis of the coefficient of determination is intended to determine the percentage strength of influence between the independent variables on the dependent variable either partially or simultaneously, in this research the variables product quality (X1) and promotion (X2) on the purchasing decision process (Y).

### Test the Coefficient of Determination X1 and X2 against Y

The results of the coefficient of determination test for Product Quality (X1) and Promotion (X2) on the Purchasing Decision Process (Y) can be seen as follows:

**Table 4.** Test the Coefficient of Determination X1 and X2 Against Y

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862a	.742	.734	5,425

a. Predictors: (Constant), Promotion, Product Quality  
 Source: Processed data, 2023

Based on the test results in the table above, the coefficient of determination value obtained is 0.742, so it can be concluded that the product quality and promotion variables influence the purchasing decision process variables by 74.2% while the remaining amount is (100-74.2%) = 25.8% influenced by other factors that are not research was carried out.

### Partial Hypothesis Test (t Test)

Hypothesis testing of product quality (X1) and promotion (X2) variables on purchasing decisions (Y) is carried out using the t test (partial test). In this study, a significance criterion of 5% (0.05) was used by comparing the calculated t value with the t table, namely with the following criteria:

- If the calculated t value < t table: it means that H0 is accepted and H1 is rejected
- If the calculated t value > t table: it means that H0 is rejected and H1 is accepted

Hypothesis testing can also be done by comparing the significance value with 0.05, with the following conditions:

- If the significance value is > 0.05, it means that H0 is accepted and H1 is rejected
- If the significance value is < 0.05, it means that H0 is rejected and H1 is accepted

As for to determine the size mark ttable searching forusing the following formula:  $t_{table} = t_{\alpha,df}$  (Alpha Rate x Degree of Freedom)  $\alpha =$  real rate 5%  $df = (n-2)$ , then we get  $(62-2) = 60$ , then  $t_{table} = 2,000$  The criteria are said to be significant if the calculated t value > t table or significance < 0.05

The Influence of Product Quality (X1) on the Purchasing Decision Process (Y). Determining the hypothesis formulation is:

H0:  $\rho_1 = 0$  There is no significant influence of product quality on the purchasing decision process

H1:  $\rho_1 \neq 0$  There is a significant influence of product quality on the purchasing decision process

The results of data processing using the SPSS Version 25 program, with the following results:

a. Test Hypothesis X1 against Y

The partial hypothesis test results of Product Quality (X1) on the Purchasing Decision Process (Y) can be seen as follows:

**Table 5.** Partial t Test Results X1 against Y

Model	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	t	Sig.	
1	(Constant)	6,796	2,173		3,128	,003
	Product quality	,821	,077	,808	10,611	,000

a. Dependent Variable: Purchasing Decision Process  
 Source: Processed data, 2023

Based on the test results in the table above, the calculated t value > t table or (10,611 > 2,000) is obtained. This is also reinforced by the significance value

<0.050 or (0.000 < 0.050). Thus, H0 is rejected and H1 is accepted, this shows that there is a significant influence between product quality on the purchasing decision process.

Influence of Promotion (X2) on the Purchasing Decision Process (Y).

**Determining the hypothesis formulation is:**

H0:  $\rho_2 = 0$  There is no significant influence of promotion on the purchasing decision process

H2:  $\rho_2 \neq 0$  There is a significant influence of promotion on the purchasing decision process

The results of data processing using the SPSS Version 25 program, with the following results:

Test Hypothesis X2 against Y

The results of the partial hypothesis test Promotion (X2) on the Purchasing Decision Process (Y) can be seen as follows:

**Table 6.** Hypothesis Test Results (t Test) Promotion Variables (X2) on the Purchasing Decision Process (Y)

Unstandardized Coefficients			Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	4,705		1,925	,059
	Promotion	,808	,797	10,221	,000

a. Dependent Variable: Purchasing Decision Process

Source: Processed data, 2023

Based on the test results in the table above, the calculated t value is obtained

> *t* table or (10,221 > 2,000). This is also reinforced by a significance value < 0.050 or (0.000 < 0.050). Thus, H0 is rejected and H2 is accepted, this shows that there is a significant influence between promotion on the purchasing decision process Simultaneous Hypothesis Testing (F Test)

**Simultaneous Hypothesis Test (F Test)**

To test the influence of product quality and promotion variables simultaneously on the purchasing decision process, the F statistical test (simultaneous test) was carried out with a significance of 5%. In this study, a significance criterion of 5% (0.05) was used, namely comparing the calculated F value with the F table with the following conditions:

If the calculated F value < F table: it means that H0 is accepted and H3 is rejected

If the calculated F value > F table: it means that H0 is rejected and H3 is accepted. Hypothesis testing can also be done by comparing the significance value with 0.05, with the following conditions:

If the significance value is > 0.05, it means that H0 is accepted and H1 is rejected

If the significance value is <0.05, it means that H0 is rejected and H1 is accepted

To determine the size of the Ftable, look for it using the condition  $df = (nk - 1)$ , then you get  $(62 - 2 - 1) = 59$ , so  $F_{table} = 3,150$ . The criteria are said to be significant if the calculated F value is > F table or the significance is < 0.050. The formulation of the hypothesis is as follows:

H0:  $\rho_{1.2} = 0$  There is no significant simultaneous influence of product quality and promotion on the purchasing decision process

H3:  $\rho_{1.2} \neq 0$  There is a significant simultaneous influence of product quality and promotion on the decision process

**Table 7.** Simultaneous F Test Results

Model		Sum of Squares	ANOVAa			
			Df	Mean Square	F	Sig.
1	Regression	5003.780	2	2501,890	85,025	,000b
	Residual	1736.091	59	29,425		
	Total	6739.871	61			

a. Dependent Variable: Purchasing Decision Process

b. Predictors: (Constant), Promotion, Product Quality  
Source: Processed data, 2023

Based on the test results in the table above, the calculated F value > F table or (85.025 > 3.150) is obtained. This is also reinforced by the significance < 0.050 or (0.000 < 0.050). Thus, H0 is rejected and H3 is accepted, this shows that there is a significant simultaneous influence between product quality and promotion on the purchasing decision process.

## CONCLUSIONS

Based on the data obtained and tests that have been carried out on problems at Karyabera Perdana MSMEs, it can be concluded that there is an influence between product quality and promotion on the process.

Purchasing decisions for consumers of Karyabera Perdana UMKM products, Depok, West Java, this can be proven from the multiple linear regression equation  $Y = 2.359 + 0.491X_1 + 0.448X_2$ . The correlation coefficient value obtained is 0.862, meaning that the independent variable and the dependent variable have a very strong relationship with a coefficient of determination or simultaneous influence of 74.2% while the remaining 25.8% is influenced by other factors. The statistical test results of the F test have a probability of sig  $0.000 < 0.05$  or with a value of  $F_{count} > F_{table}$  ( $85.025 > 3.150$ ). Thus  $H_0$  is rejected and  $H_3$  is accepted. From these results it can be concluded that the two variables of product quality and promotion together have a positive and significant effect on the purchasing decision process for consumers of Karyabera Perdana Depok, West Java MSME products.

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