THE INFLUENCE OF PRODUCTS' QUALITY AND PRICE ON THE PURCHASING DECISION OF SHANYA PRODUCT

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ABSTRACT

This study aims to determine the effect of price and product quality on product purchasing decisions of Shanya. The variable in this study is the Product Quality variable (X_1) and Price Variable (X_2). The product quality has seven indicators, namely Performance, Feature, Reliability, Conformance, Durability, Aesthetic, and Fit and Finish. While the price has the indicator which are an affordable price with the purchasing power of customers, the price competitiveness of products with competitors of similar products, discounted price, and the correspondence between the price and quality of products. The population in this study is the population of female Moslem in Kotabaru, Driyorejo in Gresik. The sample of 100 respondents who are a Shanya customers who purchase one time or more.

Based on the analysis that has been done, it is known that the variable quality of the product has no effect on product purchasing decisions Shanya. This is because customers Shanya located in Kotabaru, Driyorejo, does not consider the product quality as their choice in buying a product Shanya. While the price variable influence on consumer purchasing decisions. Where Shanya's customers are more likely to focus on the price of a product, especially for the price Shanya products that reach the level of their income.

Keywords: APA, Product Quality, Price, and Purchasing Decision.

INTRODUCTION

Indonesia is a country with a population of Muslims that is quite numerous. The increase in population each year, will be followed by the level of needs of the population. Clothing is one of three requirements become staples of everyone. Clothing is a necessity for clothing needed people in general. Fashion trends are always evolving and updated every day. East Java has some counties and cities are quite large in scope. With a population of 38,610,202 inhabitants in 2014, it is possible to go on a business opportunity in terms of clothing that would be a necessity for some of the population in the province.

Textile and garment industry is a promising business and have the potential for economic development in Indonesia. Which is an increase of 5 per cent higher than the previous year. As a result, the market of industrial textiles and textile products (TPT) Indonesia was ready to compete with the international market. The textile industry itself has a part to play in building the country's GDP in Indonesia. In this case, researchers identified potential business opportunities for both present and future. The first opportunity is the main requirement, apparel for men who never ending. Both are required Muslim Clothing Muslim women's rule in accordance with the teachings of Islam. The third is the development of fashion trends which increasingly larger. Fashion world changed almost every day, detail by detail to create a new fashion design and embellish an outfit.

Indo Mitra Persada (IMP) is a convection business that produce Muslim Women's clothing. IMP's products namely Shanya, with a good quality that follows fashion trends and maintain the quality products with excellent ingredients to aim at the middle-class society. The main market share is a retail store that is Business to Business (B2B), where the product is distributed to Pusat Grosir Surabaya (PGS), International Trade Center (ITC) and Pakuwon Trade Center (PTC). Second is Business to Consumer (B2C), in the form of an online shop and Social Media to support the development of product sales of Shanya, namely Instagram, Tokopedia, and bukalapak.com. The online shop is expected to boost the Shanay products' sales turnover become more rapid. In addition, direct sales to consumers who are located in Pasar Baru City of Driyorejo, is conducted every Sunday morning. The sales turnover of Rp.10,000,000.00 gone through in one day, on the day before Hari Raya Aidilfitri in August 2015.

The advantages possessed by IMP on a competitor that is affordable and competitive prices as well as the distribution made easier with a range of customer to the product that can be distributed directly to retail stores or end-user consumers. Besides, there are obstacles that hinder the speed of business development of IMP, including the system of introduction from IMP to the stores that use the Consignment system, due to the brand name product Shanya are still new fpor customer, and IMP wants more Trust of customers to be able to do a repeat-order in the future. This hampers the development of IMP business because the income is erratic. Since it was established in April to December 2015, IMP has reached a turnover of Rp. 195,908,000.00. Estimated annual turnover obtained in the second and subsequent years based on the Cost of Goods Sold and Sales Price is Rp. 288,000,000.00 per year. With accumulated production of approximately 200 pieces of clothes per month with a monthly turnover of Rp. 24,000,000.00. Based on earnings estimates obtained, the implementation of distribution and sales are still experiencing problems. The problems that occur during targeting the omzet are in the distribution of the product and how the product will reach consumers need of this product.

LITERATURE REVIEW
Purchasing Decisions
Purchasing decisions are the stages where consumers make a choice from a variety of alternatives to buying products are most favored. According to Kotler & Armstrong (2010), the purchase decision is a process for consumers to choose products that are actually selected. There are five stages in the consumer purchase process, namely the recognition process needs, information search, evaluation of alternatives, purchase decision and post-purchase behavior. (Figure 1)

Figure 1. Five Stages of the Purchasing Process

1. Introduction Needs
The introduction of the needs in the beginning of the process where the consumer is aware of the need for the necessary goods or services. According to Setyaningrum, et al. (2013), their awareness of fulfilling the needs and desires of a product is the beginning of the customer purchase decision.

2. Information Search
Recognizing the needs, consumers will seek more information about the product to be purchased. A search for information is an activity which is motivated by the knowledge that is stored in the memory and the acquisition of information from the environment.

3. Evaluation of Alternatives
A process by which alternative options and have a customized product to meet consumer needs. According to Grewal and Levy (2012), the evaluation can occur if the consumer is involved in the search for information.

4. Consumers who have different characteristics in view attributes that are relevant and important than the product. On products that have great attributes, consumers will pay more attention on the benefits of these products.

4. Purchase Decision
In the fourth phase, consumers will find the existence of some unexpected situational factors, such as declining in revenue, unstable prices, and even the quality or the benefits of a given product may not satisfying consumers. Therefore, preference and purchase intention are not the only thing that could be a factor in consumer purchasing decisions for a product

5. Post-Purchase Behavior
After introducing the product of marketers to include some of the attributes and benefits, marketers do not stop at that stage. Marketers will see two consumer behaviors will affect the behavior of your next purchase after the purchase decision stages do. The time when consumers will feel satisfied with the product, the consumer will indicate the presence of higher buying opportunities in the next opportunity. While consumers are not satisfied with the product bought, the consumer will not make repeat purchases and consumers to search for information that will confirm his decision to no proceedings in the purchases of products due to dissatisfaction in the previous stage.

Product's Quality
According to Kotler and Keller (2012), quality is the totality of characteristics of a product or service based on its ability to satisfy customer needs. As presented by Kotler and Armstrong (2008), regarding to product quality as potential strategic weapon in beating the competitors. Poor product quality will affect the performance of the organization in terms of loss of reputation, loss of income, loss of profits, the cost of labor, cost of perbaikanm cost of warranty and replacement costs (Iwarere, 2010).

The quality of products according to Husein Umar written by Purwati, et al., (2012) visits from:
1. Performance (Performance)
2. Excess (Feature)
3. Reliability (Reliability)
4. Compliance (Conformance)
5. Durability (Durability)
6. Usability (Serviceability)
7. The beauty (Aesthetic)
8. Response (Fit and Finish)

Price

According to Hawkin and Mothersbaugh (2010), the price is a value that must be paid in product use. In addition, the price can also be a guideline of a quality product. Products that have a low price, usually considered the product has the quality that is also low, and vice versa. Prices also became one of the dominant factors that influence consumer decision in buying the product. According Tjiptono (2008), the price is the monetary unit or other units of measure (including goods and services) that are exchanged in order to acquire ownership or use of goods or services.

Kotle & Armstrong (2009) stated that the price is one of the factors that influence consumer choice in the purchasing decision. In general, the lower prices offered on a product or service, the higher the consumer demand. Conversely, the higher the price offered, the lower the level of consumer demand. However, Grewal and Levy (2012: 283), adds that the rebates on a product that must be adjusted to the benefits and quality of a given product.

There are factors considered in pricing (Tjiptono, 2008: 89):
1. Pricing based on the value

Pricing of a product based on the perceived value of the buyer, not the seller's costs. Prices are calculated together with other marketing mix variables before the marketing program is set. The important thing to remember is not the same as a good value at a cheap price. Companies that use pricing based on value must find the values that consumers give to different competitive offerings.

Pricing is based on the value divided by 2 is pricing based on good value and pricing with value added. Pricing and good value offers the right combination of quality and good service at a reasonable price. While pricing by attaching value added features and value-added services to differentiate the company's offering and to support a higher pricing.
2. Cost of companies and products

Pricing is based on the cost of the product, distribution, and sale of products along with reasonable rate of return as a reward for the effort and risk. These types of costs consist of fixed costs, variable costs and total costs.
3. Consideration of other internal and external affecting pricing decisions.
a. Internal factors relating to prices include:
i. The overall marketing strategy, the company's goals, and marketing mix.
ii. Consideration of other organizations.
b. External factors affecting price include:
i. Natural conditions and market demand
ii. Pricing strategies of competitors
iii. Environmental and other external factors

Hypothesis

Based on previous research and theories above, the hypothesis of this study are:

H1: The product quality influence on purchase decisions.

H2: Price influence on purchase decisions

RESEARCH METHODS

The study written by Sunyoto (2013), quantitative research is used to explain the causal relationships between variables under study and test the theory. In this study, using a quantitative approach with the type of explanation to explain the causal relationship between the variable quality of the product, the price variable to variable purchase decisions by gathering information from a number of samples with questions.

This research is conducted at the morning market in Kotabaru Driyorejo, Gresik. According to Kuncoro (2009), the population is a group of complete element, which we are keen to learn or become the object of research. Total population that will be examined in this study as many as 290 people. The population is a visitor / customer products in the market Shanya Kotabaru Driyorejo, Gresik. According Martono (2010: 46), the samples are part of the population that has the characteristics or specific circumstances to be studied. These samples can be defined as the majority population members are selected based on specific procedures that will be representative of the population. According Kuncoro (2009: 24), a non-probability sample selected individually by the investigators.

Sample is the most important in quantitative research in order to determine the validity of a study.

Based on the population of an unknown number, the researchers used a sample of non-probability (non-probability sampling), the sampling technique that does not give the same opportunities to each member being drawn as samples, or non-random sampling (how sampling not random. this study used a purposive sample as the sampling technique. According to Sugiono (2004: 122) which is written by Santoso, et al. (2013), using purposive sampling based on the characteristics or specific properties deemed to have bearing on tightly with the characteristics of the population that have been previously defined. the purpose of the use of purposive sample of this is that the criteria of the samples obtained completely in accordance with the objectives of this study. the criteria samples used in this study is a consumer product Shanya which is female adolescence to adulthood, Shanya who purchase products as much as one or more time.

Data Analysis Techniques

In this study, there are four kinds of methods of data analysis, namely:

1. Test Validity and Reliability

Validity test is done by calculating the correlation between each item score instrument with a total score (Adi, 2012). Test the validity concerned about accuracy. Test the validity of using the Pearson correlation analysis between indicators of the total indicator with a tolerable error rate of 5%. According to Siregar (2010: 173), Reliability test is a test that can determine the consistency of measurement results if the measurements were twice or more the same symptoms using the same gauge as well. Reliability tests performed on the questions that have met the test of validity, if it does not meet the test of validity, it is not necessary to test the reliability (Noor, 2011).

2. Regression Analysis

Analaisis Linear conducted to find out how far the influence of the independent variable (dependent), Quality Products (X1) and Price (X2). the dependent variable (independent), Purchase Decision (Y),

Multiple linear analysis in this study was formulated as follows:

$Y = \alpha + \beta1X1 + \beta2X2 + \varepsilon$

3. Statistic Test

Contains some tests such as: Test F-Statistics (Test F), Individual Parameter Significance (t test), the coefficient of determination (R ^{2}).

4. Classical Assumption Test

a. Multikolinearity is a condition in which a correlation relationship between independent variables (X1 and X2). A good regression model should not be correlated between independent variables.

b. Normality test aims to test whether a regression model, the dependent variable, independent variable or both, have a normal distribution atauu not.

c. Heteroskidastity test was used to test whether the regression model occurred inequality residual variance of the observations to other observations.

d. Linearity test, according to Santoso (2014), linearity test is used to determine whether the independent variables and the dependent variable has a linear relationship or not.

e. Autocorrelation test. This test was conducted to analyze the effect of the dependent variable (Y) of the independent variables (X1 and X2), to determine whether there is correlation between bullies error in period t with an error in the previous period.

RESULT

1. Validity and Reliability Analysis

Baseed on the validity test results, addressed to 99 consumers who have bought a product Shanya, then questions in variable Product Quality (X1), a variable price (X2) and the variable purchase decision (Y) the result is valid, because the questions are worth significantly less of 5%, which means that all questions can measure what is to be measured. Based on the results of reliability test addressed to the 99 respondents who have bought the product Shanya, the value of Cronbach's Alpha for variable Product Quality (X1), a variable price (X2) and the variable purchase decision (Y) is greater than 0.6, so all three variables are reliable.

2. Hypothesis Test

In F Test,it demonstrates that the significant value generated for 0000, of which less than 0.05, which means it is variable Product Quality and Price are multiple significant effect on the purchase decision.in t Test, the value of the variable t on Quality Products with a significant level of 0952 is greater than 0.05. It states that the variable quality of product does not have a significant effect partially on buying decision. While at variable rates, which generated significant value for 0000 (sig. <0.05). Then the price variable partially significant effect on purchase decision. (shows in table 1 below)

Table 1. Hypothesis Test
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.750	.146		5.139	.000
1 Kualitas Produk	-.004	.072	-.004	-.060	.952
Harga	.874	.064	.933	13.714	.000

a. Dependent Variable: Keputusan Pembelian

In Coefficient of determination value obtained from this study is 0864, which showed that 86.4% of variation Purchase Decision variable (Y) can be explained pleh Product Quality variable (X1) and Price (X2), while the rest influenced by other variables.

The result in regression model is:

Y = 0750 + 0874 + -0004 X1 X2

The regression equation above can be explained as follows:

1. Variable Product Quality (X1), based on the results of the t test, did not significantly influence the purchase decision variable (Y).

2. The regression coefficient variable Price (X2) of 0874 means that if the variable quality of product has a fixed value and variable price will go up by one point, then the purchase decision variable (Y) will rise by 0874. Koeifisien is positive, it means there is a positive relationship between the price with the purchase decision, the higher the coefficient, the higher price Purchasing Decisions. (shows in table 1)

3.   Classical Assumption Test

In the Normality Test, the value of the residual Komogorov Smirnov generated at 1,409 with significant value, amounting to 0038. Due to the significant value of less than 5%, we conclude that the residuals are not normally distributed at the level of 5%. But because the significance value greater than 1%, it can be concluded that the residuals were normally distributed at level 1%. Meanwhile the Multicollinearity Test indicate that there is no variable that has a value above 10. VIF means there is no multicollinearity between independent variables in the regression model. In Heteroskidastity Test, Glejser test results showed that a significant degree on Product Quality variable (X1) and Price (X2) greater than 0.05. It can be concluded that there is no Heteroskidastity. Autocorrelation test results, the value of DW (Durbin Watson) generated in this study amounted to 2,129. In Table Durbin Watson with n = 99 and k = 2, the value obtained is 1.6317 dL, while the value dU is 1.7140. Because the value of Durbin Watson (= 2,129) between dU (= 1.7140) and 4-dU (= 2,286), it can be concluded that between residuals (errors bully) there is no correlation or autocorrelation. In Linearity test, results for the relationship between the variables Quality Products (X1) with the purchase decision (Y) shows that the significant value of 0.000 linearity, smaller than 0.05. These results indicate that the relationship between Quality Products (X1) with the purchase decision (Y) is linear.

CONCLUSION

The results of this study concluded that:

1. The variable quality of the product has no effect on product purchasing decisions Shanya. This means that product quality is not a major consideration for Shanya customers in making purchasing decisions.

2. Variable rates influence the purchase decisions of consumers. Where customers Shanya located in Kotabaru Driyorejo, Gresik, is more likely to focus on the price of a product, especially since the price of products Shanya who reach the level of their income, and those prices that causes the product Shanya known to the quality of its products, and make customers make purchase decisions over future day. This is evidenced by some number of customers who keep returning to Shanya to buy Muslim clothes, even when Shanya not selling at the area, customers are still looking for Shanya by contacting via mobile phone.

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