

## **EFFECT OF QUALITY AND PRICE OF MEATBALL ON CONSUMER PURCHASE DECISION**

**Ulfa Isabella<sup>1</sup>, F. Danardana Murwani<sup>2</sup>**

<sup>1</sup>Ciputra University, Surabaya  
INDONESIA

E-mails: [ulfa.isabella@gmail.com](mailto:ulfa.isabella@gmail.com), [dmurwani@ciputra.ac.id](mailto:dmurwani@ciputra.ac.id)

### **ABSTRACT**

*Meatball is a beef-processed food that easily found in the various regions in Indonesia. Price and quality are two factors that are used by consumers in buying this particular food. This study aims to determine the effect of meatball quality and price on consumer purchase decisions. The independent variables in this study are quality and price and the consumer purchase decisions as the dependent variable. Each variable has a few indicators as benchmark. This is a quantitative research. The data were collected using a questionnaire and analyzed using multiple regression. The population in this research was all meatball consumers in the city of Caruban and the sample of 100 respondents drawn using purposive sampling technique.*

*Based on the analysis that has been done, it is known that the quality and price of meatvall influence consumer purchase decisions. The quality of meatball taken from its taste and the bechmark of the price taken from the general prices. The regression results indicate that the quality have a greater influence on the buying decision than the price.*

**Keywords:** meatball, quality, price, buying decision, consumer behavior, food industry

### **INTRODUCTION**

Meatball is a common and popular food among Indonesian. Meatballs can be consumed at anytime and anywhere. There are places serve meatballs in all over the places. Many Indonesian consume rice as their main food. Indonesians put rice, vegetables, side dishes, fruits, and milk together into Healthy 4-Perfect 5. One of the alternative foods is meatball. Meatball is a round various size meat-processed food. The quality and price of the meatball are related to its

ingredients. The more meat means the higher price. The easiest way to decide the quality of the meatball is by taking the quality of its sensory or organoleptic. There are five main sensory parameters that need to be assessed, ie the appearance, color, odor, flavor, and texture. The presence of mold or slime is also necessary to observe, especially if it has been stored for some times (Wibowo at Assambo, 2013).

**Table 1. The criteria of the quality of the sensory apparatus meatballs**

Parameter	Meatball
Appearance	The smooth round shape, similar size, clean and bright, not dull. Not even look moldy and slimy
Color	Clear light brown or slightly reddish or light brown to brown. The colors evenly without any disturbing colors
Odor	Typical boiled fresh meat smell, without rancidity, sour, stale or rotten. The smell of its seasons are sharp enough
Taste	Delicious, tasty, meat and seasoning flavor quite dominant and prominent, but not excessive. There are no strange taste disturbing
Texture	Compact texture, elastic, chewy but not see, no meat fibers, not mushy, soggy not runny, and not fragile

Each consumer has different habits in purchasing meatball and the factors are the quality and price. Location also influences the purchasing behavior. Consumer behavior can be extrapolated to determine the quality and price of meatballs in accordance with the segment. This is important because if merchants do not know the behavior of consumers then the meatballs were produced did not sell because they do not conform with the expectations and needs of consumers. There are many meatball merchants in the City Caruban and the meatballs they sell are as good as meatball from Solo and Malang. The Caruban meatballs do not came out with the name where they came from so almost no one from the other regions know that the meatballs they eat are Caruban meatballs.

**Table 2. Comparison of the quality and price of meatballs in the Caruban City**

Mama Meatballs	Solo meatballs	Pasar burung meatballs	Rifka Meatballs
<ol style="list-style-type: none"> <li>Made from beef</li> <li>Dark grayish brown</li> <li>Served in 4 small and 1 big meatballs</li> <li>All are regular meatball</li> </ol>	<ol style="list-style-type: none"> <li>Made from beef</li> <li>Light brown</li> <li>served in 4 medium size meatballs</li> <li>all are regular meatballs</li> <li>borax free</li> </ol>	<ol style="list-style-type: none"> <li>Made from beef</li> <li>Reddish lioght brown</li> <li>Served in one big (sliced into four) meatball</li> <li>All are regular meatball</li> </ol>	<ol style="list-style-type: none"> <li>Made from beef</li> <li>Grayish brown</li> <li>Served in one big and four medium meatballs</li> <li>Regular meatballs</li> <li>Borax free</li> <li>10 grams per</li> </ol>

5. Borax free	6. 8 grams per portion	5. Borax free	portion
6. 12 grams per portion	7. 8000 IDR per portion	6. 10 grams per portion	7. 10000 IDR per portion
7. 7000 IDR per portion		7. 8000 IDR per portion	

Based on the above, it is known that a benchmark of whether or not the quality of the meatballs can be viewed from several aspects and also note that each consumer has different behavior-in contrast to purchasing. Therefore, researcher interested in conducting research with the title "The Effect of Meatballs Quality and Price Of Consumer Purchase Decisions".

## LITERATURE REVIEWS

### Consumer

Consumers are everyone uses goods and / services available in the community, for the benefit of themselves, their families, other people, and other living beings and not for sale (Pangaribuan, 2012). Additionally, Schiffman et al. (2010) stated, *Customer satisfaction is the individual consumer's perception of the performance of the product or service in relation to his or her expectations. On the positive side, there are completely satisfied customers who are either loyalists who keep purchasing, or apostles whose experiences exceed their expectations and who provide very positive word-of-mouth about the company to others.*

### Quality

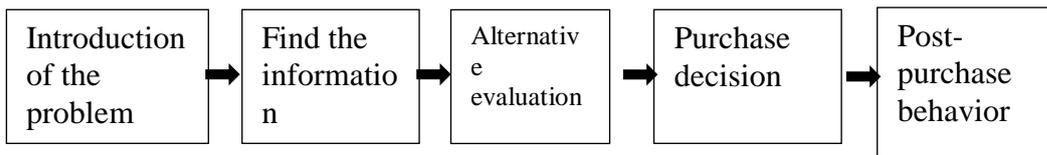
Kadir in Kurniawan (2015) stated that quality is the elusive goal because consumer expectations are always changing. Each new standard is found, then consumers will demand more to get a new standard of other newer and better. In view of this, the quality is a process and not the end result (improving the quality of continuity).

### Price

Price is the amount of money one must pay to obtain the right to use the product. Economists often assume that lower prices for the same product will result in more sales than higher prices. However, price sometimes serves as a signal of quality. A product priced 'too low' might be perceived as having low quality" (Hawkins and Mothersbaugh, 2010). On the other hand, Danes and Mullikin assumed that The price quality relationship asserts a positive relationship between price and perceived quality, as price goes up quality goes up. This effect is magnified for image products, exclusive products, and products without any other cues to suggest relative quality. Price is a signal of value that the consumer will receive".

### Purchase Decision

According Suwarman (2004), that the consumer purchase decision is a decision as selecting an act of two or more alternative options. Ryatnasih and Grace (2015) adds five stages through which consumers in the purchase process, namely the introduction of the problem, information search, evaluation of alternatives, purchase decision and purchase behavior.



**Figure 1. the process of purchase decision**

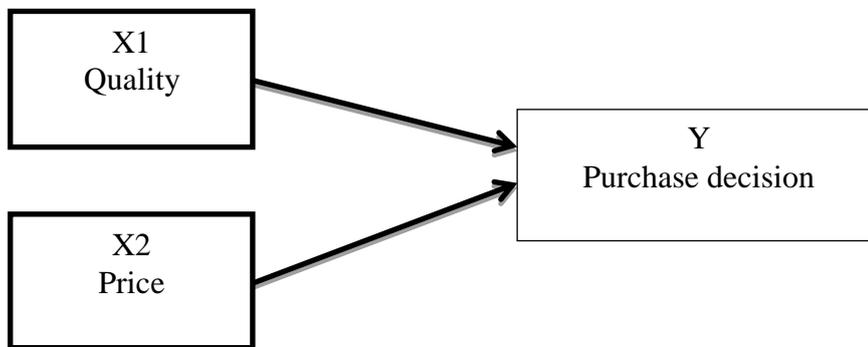
Source: Ryatnasih dan Rahmat (2015)

### **Meatballs**

Meatballs (SNI No. 01 – 3818 – 1995) a sphere-shaped food products or other forms derived from a mixture of meat (meat content of not less than 50%) and starch or cereal with or without (DSN in Sekilas Peternakan, 2015).

### **THEORITICAL FRAMEWORK**

There are many factors that influence consumer purchase decisions but in this research those are limited on quality and price to determine the response of meatballs consumers. Quality became one of the factors considered by consumers before making a purchase. The initial step of consumers judge the quality of the meatballs by physical circumstances, the consumers will make purchases to judge the taste of the meatballs. Price becomes the deciding factor contributing further influence consumer purchase decisions. Quality and price are further serves as the independent variable of this research, and the purchase decision is the dependent variable.



**Figure 2. Thinking framework**

### **RESEARCH METHODS**

The research is taken the city Caruban, East Java Province, Indonesia. The sampling method in this study is nonprobability sampling with purposive sampling technique. According to Sugiono in Erawati (2015) purposive sampling is sampling technique with a certain considerations. Consideration sample of this research is that consumers are consuming or purchasing a minimum meatballs twice in one month so it is assumed that the consumer meatballs culinary connoisseur with an age range of 25-50 years and a monthly income of Rp 1.000.000-Rp 3.000.000.

The research instrument used questionnaires for 100 respondents. The questionnaires contain statements sentence for each variable based on indicators. The indicators of the meatballs quality are savory flavor, salty flavor accuracy, compactness or density meatballs, meatballs color matching corresponding ISO standards, resilience meatballs, meatballs scent strength, and presenting a clean and hygienic. The indicators of the price are an affordable price, the price in accordance with public purchasing abilities, prices affect on consumer interest in making a purchase, the price according to the quality of products offered, the price in proportion, the price has to compete with other products in its class, the price is a major consideration, prices in accordance with the expectations of consumers, the price corresponding to the location of the sale. The indicators of consumer purchases are the habit of eating meatballs, physiological needs (hunger), the ease of consumption, confidence in the security of raw materials, time efficiency, more famous than meatballs other, not perneg no negative issues, intends to recommend to other people, the products better than products kind, re-purchases.

Questionnaire data were analyzed using multiple regression. Multiple regression model that will be used is:

$$Y = b_0 + b_1X_1 + b_2X_2 + e$$

Y : purchase decision, b<sub>0</sub>: constants, b: regression coefficient, X<sub>1</sub>:price, X<sub>2</sub> : quality, e: Residual

Before the questionnaire used to retrieve data from respondents, the validity and reliability of the questionnaire will be tested and the research instrument used for the interview is the key question as a reference in digging deeper.

## **FINDINGS**

The resulting regression equation is as follows:

$$\begin{array}{l} \hat{Y} \qquad \qquad \qquad = -0,225 + 0,519X_1 + 0,283 X_2 \\ \text{standard error} \quad (0,699) \quad (0,058) \quad (0,047) \\ t \qquad \qquad \qquad \quad (-0,322) \quad (8,965) \quad (6,083) \\ F \qquad \qquad \qquad \quad = 358,260 \quad (p=0,000) \\ R^2 \qquad \qquad \qquad \quad = 0,881 \end{array}$$

Based on the F test known that the quality variable and price jointly influence the purchase decision and based on t test variable quality and price of each influence the purchase decisions of consumers.

The effect of the quality of the meatballs to the purchase decision is can be seen from the 0,519 regression coefficients so that it can be interpreted that the better the quality of the meatballs will further increase consumer action in making a purchase. The effect of the price on purchasing decisions is can be seen from the magnitude of the regression coefficients 0,283 so that it can be interpreted that the price and customer expectations in order to achieve customer satisfaction are must be fitted so it may result in the higher number of purchase.

Determination coefficient value is 0.881 or 88.1%. It means that variations in purchase decisions that are able to be explained by the quality and price of meatballs is 88,1%.

## **DISCUSSION**

The quality factor to be considered are taste, halal, and the use of additional adverse health such as preservatives. Consumer indicates whether the meatballs are qualified or not based on flavor meatballs. When the meatballs have a savory taste, it can be said that the meatballs are qualified. Associated with taste, no one is interested to buy the meatballs with a variety of different flavors and prefer to buy the meatballs original flavor because they taste more delicious than the other flavors.

The price contributes significantly to influence consumer purchase decisions. Expensive or cheap is relative to every consumer, but the majority of consumers will compare prices between meatballs merchants one to another to enable the consumers to determine whether the price of meatballs more expensive or cheaper. Of course, consumers do not just want an affordable price but also quality. Based on the results of the study, the price of the most expensive meatballs per serving is 10,000 IDR (Rifka Meatballs) and the lowest prices on meatballs per serving is Rp 7,000 (Mama Meatball). Respectively meatballs merchants still visited by consumers. This proves that every consumer has a relative price.

The packed meatballs are started to be favored by consumers, the changes of the consumer behavior on purchasing meatballs directly toward the purchase the packed meatballs affected by consumers' desire to consume meatballs in a different way. Market segments of the packed meatballs are career women and foodies. Career women can enjoy the packed meatballs that has been processed according to its taste and it can be served as snack while relaxing or must complete office work and foodies will be creative to create processed meatballs. The target market of the packed meatballs are slightly different than the ordinary meatballs. Introducing the packed meatballs to the public are not too difficult because there are more and more consumers who have limited time to cook but want to create.

## **CONCLUSION**

### **Conclusion**

Quality influences on consumer purchasing decisions. The taste of the meatballs is a major factor for consumers to determine whether the meatballs are good. Good taste is a typical savory taste of meat. The more appropriate taste of savory meatballs with consumer expectations, the better the quality of meatballs.

1. The price influences on consumer purchasing decisions. Price is associated with quality. Consumers have a standard price that is determined by the price of ordinary meatballs in Caruban. Cheap and expensive are relative, but the price must be fitted to the quality of meatballs.

### **Suggestion**

According to the the results of tests (both statistically and interviews), it can be proposed that meatballs merchants must maintain the quality of the meatballs so that consumers will stay with them, the selling price of meatballs adjusted for general price in the sales area, if you want to sell meatballs with other variations then it is better to keep the typical savory meat, and the meatballs affordable prices also followed with meatballs quality, especially in terms of taste.

### **Research Limitatios**

Implementation of this study has some limitations as there are no specific standards for determining who responded to the questionnaires, no standard for meatballs in Caruban, and consumers' assessment of the quality and price of the meatballs are subjective.

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