THE INFLUENCE OF PRODUCT QUALITY, PRICE, AND PROMOTION TOWARDS CONSUMER BUYING DECISION THROUGHSOCIAL MEDIA ON DAPUR BUTET PRODUCTS

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ABSTRACT

The development of the food and beverage business in Indonesia, such as in Surabaya, has relatively grown and in the digital era today, social media is an important component of digital marketing. Since there is no longer a boundary between producers and consumers, food and beverage businesses are required to improve product quality, prices, and promotions in order to attract consumer purchasing power. The purpose of this study is to determine the influence of product quality, price, and promotion towards consumer buying decision through social media on Dapur Butet products. 42 samples are collected using probability sampling technique and with simple random sampling approach. The data analysis technique used are multiple regression analysis, simultaneous test, and partial test. The results of this study show that product quality and promotion through social media significantly affect buying decision while price does not affect buying decision on Dapur Butet products. Dapur Butet should provide information for consumers through its social media that the products are fast food and without preservatives. Prices on Dapur Butet products do not need to be adjusted because the prices are in accordance with the quality of the products offered. Butet Kitchens should also increase sales promotions further through social media.

Keywords: *Product quality, Price, Promotion, and Consumer Buying Decision*

INTRODUCTION

According to the Minister of Industry, Airlangga Hartarto, the growth of the food and beverage industry in Indonesia keeps increasing steadily. For example in the year 2017, the growth of the food and beverage industry reached 9.23% which was higher than the previous year with 8.46%. The development of the food and beverage business in big cities like Surabaya is certainly increasing. Therefore, food and beverage businesses are required to innovate their products in order to attract consumer purchasing power. According to Kotler & Armstrong (2013), factors that can influence consumer buying decisions on a product includes product quality, price, promotion, and distribution, known as the marketing mix. The buying decision factors that are chosen by the author are product quality, price, and promotion. These factors were obtained by the author by conducting an initial survey of 10 respondents. Of the 10 respondents, 7 respondents chose product quality, price, and promotion as the most important factors in determining their buying decision.

Dapur Butet is a start-up business that provides traditional Batak cuisines such as Saksang, Panggang, Arsik, and Andaliman Sambal with marketing and sales through social media (online). The following is the sales data for Dapur Butet from September to January 2019.
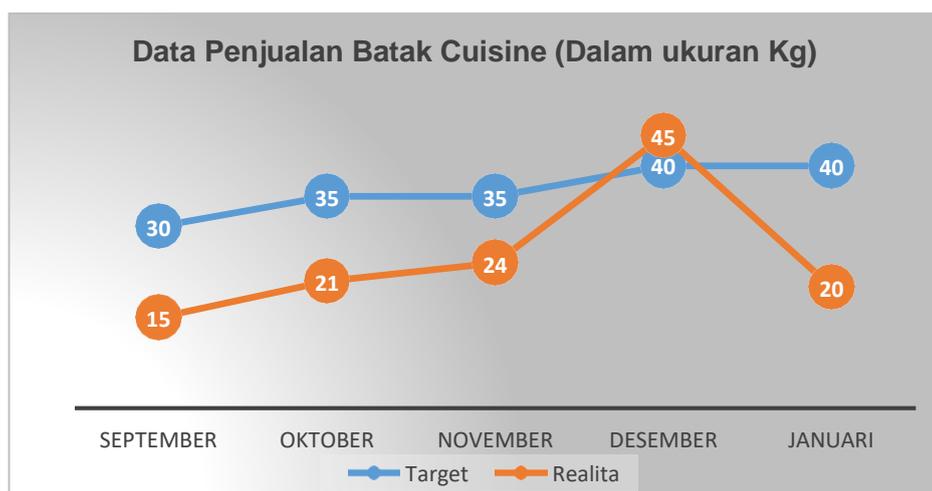
Figure 1 Dapur Butet Sales Data

Figure 1 above shows that the sales of Dapur Butet have decreased. Due to this phenomenon, a study is conducted to determine how much influence the product quality, price, and promotion have towards consumer buying decision through social media on Dapur Butet products.

RESEARCH METHODS

Population and Sample

The target population in this study are consumers who had purchased Dapur Butet products from November to January 2019. As many as 47 consumers had made repeated purchases. It is difficult to get the data of the consumers from the previous months. The sampling technique used in this study is probability sampling with simple random sampling approach. To determine the minimum sample size from the population that must be taken in the study, Slovin formula was used with an error margin of 5%. The minimum number of samples that must be taken is 42 people based on the result of the calculation.

Data Collection Technique

The primary data collection technique used in this study is questionnaire. The choice of answers provided to the respondents uses the Likert scale. According to Silalahi (2012) Likert Scale is a scaling technique to measure attitudes, opinions, or perceptions of a person about himself/herself or a group of people related to something. This study uses Likert scale with a range of five where each question is paired with five alternative answers: strongly agree, agree, sufficient, disagree and strongly disagree.

Data Analysis Methods

The data analysis method used in this study is Multiple Regression Analysis. The independent variables are Product Quality (X1), Price (X2), and Promotion (X3) which influence (positively or negatively) the dependent variable, namely the consumer buying decision on Dapur Butet products. The formula of the multiple linear regression is as follows (Ghozali, 2016).

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_{2 +} \beta_3 X_3 + \varepsilon$$

Description:

Symbol	Description
Y	Consumer Buying Decision
α	Regression equation constant
$\beta 1$	Regression coefficient of variable X1 (Product Quality)
$\beta 2$	Regression coefficient of variable X2 (Price)
$\beta 3$	Regression coefficient of variable X3 (Promotion)

Symbol	Description
X1	Product Quality
X2	Price
X3	Promotion
ε	Error disturbance

Furthermore, simultaneous test and partial test are used. According to Ghozali (2016) simultaneous test aims to examine the effect of independent variables namely product quality, price, and promotion on the dependent variable, namely the consumer buying decision of Dapur Butet products simultaneously. If the F test results in a significance value of ≤ 0.05, the independent variables have a significant effect on the dependent variable simultaneously. Whereas According to Ghozali (2016) the t test aims to examine the effect of independent variables namely product quality, price, and promotion on the dependent variable namely the consumer buying decision of Dapur Butet products partially. The basis of decision making for this hypothesis is by comparing the value of statistical probability with the level of significance of α (5%).

RESULTS

Table 1 Age Distribution of Survey Respondents

Age Distribution	Number of Respondents	Percentage (%)
19 - 25 years old	13	31 %
26 - 35 years old	13	31 %
36 - 45 years old	13	31 %
> 45 years old	3	7 %
Total	42	100 %

Source: Internal Data, 2019

Table 1 shows that 13 respondents (31%) are aged 19-25 years, 13 respondents (31%) are aged

26-35 years, 13 respondents (31%) are aged 36-45 years, and 3 respondents (7%) are aged over

45 years.

Validity and Realibility Test

According to Ghozali (2016), validity test is used to measure the validity of a questionnaire. The indicator is said to be valid if the significance value of Pearson correlation between the scores of each indicator and the total score of the indicator is significant at 0.05. All statements on the independent variables of product quality (X1), price (X2), and promotion (X3) and the dependent variable of consumer buying decision (Y) show the value of sig. 0.000 where the value of α ≤ 0.05. Therefore it can be concluded that each statement of the questionnaire in this study is valid.

According to Ghozali (2016), reliability test is used to measure whether or not a questionnaire can be trusted. Realibility test is conducted with the Cronbach Alpha (α) method with a value of ≥ 0.7. The value of each variable in this study has Cronbach Alpha value of ≥ 0.7, thus all variables in this study can be said to be reliable.

Multiple Linear Regression Test

Table 2 Multiple Linear Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.357	0.499		0.715	0.479
	Product Quality	0.298	0.115	0.364	2.595	0.013
	Price	0.232	0.124	0.253	1.872	0.069
	Promotion	0.392	0.135	0.337	2.916	0.006

Based on Table 2, it can be seen that the regression equation used in this study is:

$$Y = 0.357 + 0.298\, X1 + 0.232\, X2 + 0.392\, X3$$

Description:

Symbol	Description
Y	Consumer Buying Decision
X1	Product Quality
X2	Price
X3	Promotion

The interpretations of the above equation based on the analysis of regression coefficient values are as follows:

1. The coefficient value of X1 (product quality) is positive at 0.298, meaning that variable X1 (product quality) has a positive relationship to Y (consumer buying decision). If the product quality increases by one unit, consumer buying decision increases by 0.298 units.
2. X2 (price) coefficient value is positive at 0.232, meaning that variable X2 (price) has a positive relationship to Y (consumer buying decision). If the product quality increases by one unit, consumer buying decision increases by 0.232 units.
3. The coefficient value of X3 (promotion) is positive at 0.392, meaning that the variable X3 (promotion) has a positive relationship to Y (consumer buying decision). If the product quality increases by one unit, consumer buying decision increases by 0.392 units.

F Test

Table 3 F Test Results

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.582	3	2.527	24.072	.000[b]
	Residual	3.990	38	.105		
	Total	11.571	41			

Table 3 shows that the F test value is 24.072 with a significance of 0.000 (sig. ≤ 0.05). Therefore, it can be concluded that the independent variables namely product quality, price, and promotion have a significant influence on the dependent variable, namely the purchasing decision simultaneously

t Test.

Table 4 t Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.357	.499		.715	.479		
	Product Quality	.298	.115	.364	2.595	.013	.460	2.172
	Price	.232	.124	.253	1.872	.069	.498	2.009
	Promotion	.392	.135	.337	2.916	.006	.680	1.471

The basis of the decision making regarding the hypotheses in this study is by comparing the value of statistical probability with a level of significance α (5%). Table 4 shows that the value of sig. on the X1 variable (product quality) is 0.013 and X3 (promotion) is 0.006 (sig. ≤ 0.05), hence it is concluded that the variables X1 (product quality) and X3 (promotion) have a significant effect on variable Y (consumer buying decision) partially. However, the p-value of variable X2 (price) shows a number > 0.05, which means that it does not significantly affect variable Y (consumer buying decision).

Coefficient of Determination

Table 5 Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.809[a]	.655	.628	.32402	2.542

Table 5 shows the value of R^2 is 0.655 or 65.5%. Therefore, it can be concluded that 65.5% of the variance in the dependent variable (consumer buying decision) is predictable from the independent variables (product quality, price and promotion) while 34.5% is predictable from other independent variables not examined in this study.

This variables in this study are checked and tested using classical assumption tests, namely normality test, multicollinearity test, linearity test, heteroscedasticity test, and autocorrelation test. All conditions have been met.

DISCUSSION

Influence of Product Quality towards Consumer Buying Decision

Based on the results of the t test, it is known that Product Quality (X1) has a significant effect towards Consumer Buying Decision (Y). The results of the t test show that the value of sig. of Product Quality is 0.013, which is less than 0.05. Therefore, it can be concluded that the initial hypothesis is accepted, namely Product Quality (X1) has a significant effect towards Consumer Buying Decision (Y) partially. The positive value of the t test shows that Product Quality has a direct influence towards Consumer Buying Decision. This result support the previous study conducted by Harahap (2018) in which product quality has a significant effect towards Consumer Buying Decision. Dapur Butet does not provide sufficient information about its products to consumers. Dapur Butet products are fast food and preservatives-free, hence Dapur Butet products do not last long. The products are better consumed right after serving. In conclusion, Dapur Butet should provide more information through social media that Dapur Butet products are ready-to-eat foods, without preservatives, and should be consumed right after serving.

Influence of Price towards Consumer Buying Decision

Based on the results of the t test, it is known that Price (X2) does not significantly influence Consumer Buying Decision (Y). The value of the t test results show that the value of sig. of Price (X2) is 0.69, which is greater than 0.05. Therefore, it can be concluded that the initial hypothesis is rejected, namely Price (X2) has a significant effect towards Consumer Buying Decision (Y) partially. The positive value of the t test shows that Price has a direct influence towards Consumer Buying Decision. This result support the previous study conducted by Deisy (2018) in which price does not always have a significant effect on Consumer Buying Decision. Dapur Butet sets a premium price that matches the quality of products promised to consumers, in which the products offered have a higher percentage of meat than fat, saksang products do not use blood, and andaliman taste that is more pronounced. The flavor of chili can also be adjusted to consumer demand. Based on the characteristics of the respondents, it can be seen that most respondents are of the age of 26, which means that they already have a job so they are not as price-sensitive.

The Influence of Promotion towards Consumer Buying Decision

Based on the results of the t test, it is known that Promotion (X3) has a significant effect on Consumer Buying Decision (Y). The value of the t test results show that the value of sig. of Promotion (X3) is 0.06,

which is less than 0.05. Therefore, it can be concluded that the initial hypothesis is accepted, namely Promotion (X3) has a significant effect towards Consumer Buying Decision (Y) partially. The positive value of the t test shows that Promotion has a direct influence towards Consumer Buying Decision. This result support the previous study conducted by Harahap (2018) in which promotion has a significant effect on Consumer Buying Decision. Dapur Butet only promotes discounts once. Based on the sales data of Dapur Butet in December, the sales increased because Dapur Butet had a discount promotion. However, in the following month, the sales of Dapur Butet declined. Dapur Butet should increase promotion in sales, such as advertising on Instagram (posting pictures), conducting personal selling through Whatsapp, and other promotions such as discounts, removal of intermediary fees, etc.

Future Studies

1. The value of coefficient of determination (R^2) is 0.655 or 65.5%. Therefore, it can be concluded that 65.5% of the variance in the dependent variable (consumer buying decision) is predictable from the independent variables (product quality, price and promotion) while 34.5% is predictable from other independent variables not examined in this study. For future studies, other variables that can influence consumer buying decisions through social media can be added, such as service quality, brand and location
2. Future studies can examine the relationship of respondents' profiles to price insignificance by adding respondents' profiles that are not used in this study such as job profile and income per month.

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