

The Influence of Product Quality and Price on Purchase Intention of Red Rice in Sumenep Regency



Purwati Ratna Wahyuni¹, Sindi Arista Rahman², Hopid³

^{1,2,3}Agribusiness Study Program, Faculty of Agriculture, Universitas Wiraraja, Indonesia

ABSTRACT: The rapid development of today's increasingly dynamic business world has caused companies like this to be faced with conditions of intense competition, one of which is companies that operate in the sales sector, the main commodity of which is rice. The large number of businesses that have emerged at this time has resulted in a fairly high increase in the number of similar businesses, causing competition to become increasingly fierce. So Sumenep Regency must create a strategy that attracts consumers. This research aims to test and analyze the influence of product quality and price on Purchase Intention of Red Rice in Sumenep Regency. The type of research used is quantitative with a descriptive approach. The research population in this study was consumers in Sumenep Regency who made purchases the Red Rice more than twice. The sample used was 70 respondents. Analysis tool that uses multiple linear regression. The research results prove that product quality and price have a positive and significant effect on Purchase Intention of Red Rice in Sumenep Regency.

KEYWORDS: Product Quality, Price, Purchase Intention, Red Rice

I. INTRODUCTION

Indonesia is known as an agricultural country, which is proven by the majority of its population working as farmers and producing food, for example rice. Food is one of the basic needs for humans. Regardless of the type and content contained in it, food is a human need that must be met to maintain life and it is also a human right to be able to get enough of it. In the past few decades, Indonesia, which used to be a food producer, has now become a consumer of food from neighboring countries such as Vietnam and its surroundings which remain consistently food producers. The decline in Indonesia's ability to provide food cannot be separated from the reduction in agricultural land and plantations which are increasingly being pushed by housing and infrastructure development. Therefore, a food crisis will occur for a long time to come if the right solution is not immediately recognized and the right solution is sought to deal with it. The food crisis can be avoided if people realize and return to the fields of agriculture and plantations to continue to be able to provide good and quality food without abandoning the idea of successful sustainable agriculture and plantations. Good and quality food will ultimately become the initial capital for developing a smart and healthy generation.

Good and quality food ingredients can be realized by creating a product that is more innovative, high quality and competitive so that it can increase sales volume. Every producer must be able to maintain product quality and set appropriate prices in order to win consumer trust and loyalty. If the product sold is of good quality at a reasonable price expected to be able to compete with similar competitors. Product quality and price can affect sales volume. Population growth which leads to an increase in demand for food crops, especially rice, must be directly proportional to an increase in rice productivity. One effort to increase rice productivity is to increase land area to meet regional needs.

Product quality which aims to increase the attractiveness of consumer purchases of products is not an easy thing to do, as an effort to satisfy the majority of consumers. So that quality products are precisely important as a factor in satisfying consumers and satisfied consumers will become loyal, in line with research conducted (Siregar *et al.*, 2022), namely that there is a positive influence on consumer satisfaction which will have an impact on loyalty. Meanwhile, product quality describes the extent to which user needs are met elegantly and thus must be complete, usable, efficient and effective. It has been recognized as one of the most promising strategies to compete successfully in the market and a key strategic component of competitive advantage (Tursunpulatovna, 2022). Research by Siwec & Pacana (2021), states that product quality is the value that a product has to satisfy consumers psychologically and physically with the attributes attached to the product. Ursachi (2020), product quality has 8 dimensions, namely: (1) Performance (performance), (2) Features or additional characteristics (features), (3) Reliability (Reliability), (4) Conformity to specifications (Conformity to specifications), (5) Attractiveness (Durability), (6) Service capability, (7) Aesthetics, and (8) Perceived quality. According to Sirojiddin *et al.*, (2022), price is an important variable in marketing, where price can influence consumers in making decisions to buy a product, for various reasons. Economic reasons will show that low prices or prices that are always competitive are an important trigger for improving marketing performance, but psychological reasons

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can show that price is precisely an indicator of quality and is therefore designed as one of the sales instruments as well as a decisive instrument of competition.

II. THEORETICAL REVIEW AND HYPOTHESIS

The Relation between Product Quality And Purchase Intention

Product quality is the ability of a product to perform its function, including durability, reliability, accuracy, ease of operation and repair, and other valuable attributes. According to Mahaputra & Saputra (2021), product quality is the conformity between the needs and desires of a product and the specifications of the product produced. According to Turakhodjaev (2020), Product quality is a dynamic condition related to goods, services, people, products and the environment that meets or exceeds expectations. According to Drozd & Wolniak (2021), product quality is the ability of an item to provide results or performance that match or even exceed what customers want. Meanwhile, according to Xakimov et al., (2020), product quality is a comprehensive evaluation process for customers to improve the performance of a product. Products have a very important role in improving purchasing decisions, if product quality is met it will influence consumer purchasing decisions. The influence of product quality on Purchase Intention is supported Chaerudin & Syafarudin (2021), most buyers consider several product qualities in their purchasing decisions. One of the aims of implementing product quality is to influence consumers in making choices about using their products, making it easier for consumers to make purchasing decisions. And this is reinforced by the opinion of Badalov (2023), understanding consumer behavior regarding product quality can be used as a basis for making consumer purchasing decisions. Not only the model, technology and quality considerations are always the strongest reasons before consumers make Purchase Intention. Lina, (2022), Product quality plays a very important role in improving purchasing decisions, if product quality is met it will influence consumer purchasing decisions. Based on several theories above, the following hypothesis can be generated

H1: product quality have a significant effect of Purchase Intention

The Relationship between Price and Purchase Intention

Price is an important element in a company where with this price the company will obtain income for the sustainability of the company. Apart from that, price is also a tool that will later be used as a process for exchanging goods or services by customers. According to Carvalho *et al.*, (2021), Price is an important variable in marketing, where price can influence consumers in making decisions to buy a product, for various reasons. Economic reasons will show that low prices or prices that are always competitive are an important trigger for improving marketing performance, but psychological reasons can show that price is actually an indicator of quality so it is designed as a sales instrument as well as a decisive competition instrument. Price is one of the marketing mixes that generates revenue, other elements generate (Lamas & Romaniega, 2022). Consumers in making decisions to buy a product what is offered is largely influenced by perceptions of price, product, promotion, place (marketing mix) that the company has implemented so far this is (Mishra *et al.*, 2021). The relationship between price and purchasing decisions, namely Price increasingly influences consumer decisions in making purchases The higher the price, the lower the Purchase Intention, and vice versa Low price Purchase Intention change higher (Pop *et al.*, 2022). One of the research on prices was carried out by Kenyon (2023), the better the consumer's acceptance of the price, the greater it will be purchasing decisions given by consumers and explaining it However, potential consumers will consider how much money they will spend which will be issued with the needs and satisfaction of the products that will be produced buy it. Meanwhile, research conducted by Phillips (2021), explains in His research shows that the price variable is in the good category. Based on several theories above, the following hypothesis can be generated

H2: price has a significant effect of the Purchase Intention

III. METHODOLOGY

Measurement

The variables in this study were measured using a Likert scale with a range of 1 to 5. The variables studied consist of independent variables and dependent variables. Independent variables include price and quality product. Price adopted from Chen *et al.*, (2023) and Product Quality adopted from Badlov (2023), while the dependent variable was Purchase Intention adopted from Ninuk and Yulius (2019). This research uses Multiple Linear Regression with SPSS tools.

Sample

The sample in this research were customer of Red Rice as many as 70 customer, the sampling technique was purposive sampling technique. Namely by giving questionnaires to customer of Red Rice at Sumenep Regency. This research includes explanatory research.

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Research Framework

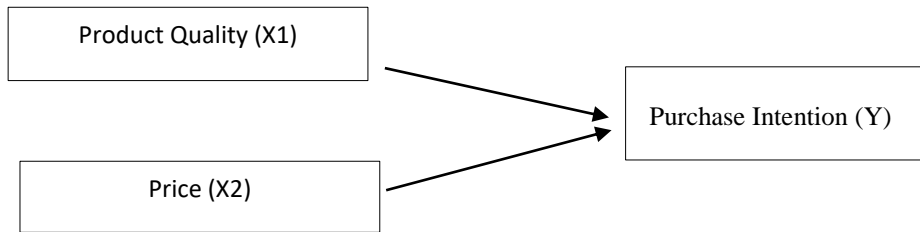


Figure 1 Research Framework

RESULTS

Multiple Linear Regression Analysis.

Data processing uses multiple linear regression analysis which aims to measure the strength of the relationship between two or more variables. The variables used in this research are Product Quality (X1) and Price (X2), as an independent variable, and Purchase Intention (Y) as the dependent variable. Based on the results of data processing using SPSS, results were obtained as in table 1 below:

Table 1. Results of Multiple Linear Regression Analysis

Variable	Regression Coefficients	t-test	signature.	Information
Constant	92,000			
Product quality (X1)	0,780	7.583	0,000	Significant
Price (X2)	-0,590	-5.341	0,000	Significant

Source: Processed Data (2023)

Based on the multiple regression equation above, the following conclusions can be seen:

1. The constant value is 92,000 , which means that the variables are Quality Product and Price together does not change or is equal to zero, then the Purchase Intention variable is amounting to 92,000 not influenced by any variables.
2. The regression coefficient value for the Product quality variable is 0.780 which means variable Product quality (X1) has a positive effect on Purchase Intention (Y). This means that if Product quality increase, Purchase Intention will increase.
3. Price coefficient value as big as -0.590 which means Price (X2) has a negative effect on Purchase Intention (Y). This means the decrease of price. Price will increase.

Coefficient of determination (R) The coefficient of determination is a value that shows the influence of the independent variable on the dependent variable. The coefficient of determination value can be seen in Table 2.

Table 2. Coefficient of determination test results

R	R square	Customized R Square	St. Estimation Error
0.810	0,750	0.780	1.870

Source: Processed Data (2023)

Table 2 shows the R Square value of 0.750 which means a reduction problem purchase determined by the variables of product quality and price 75%, while the remaining 25% is influenced by other influencing factors not included in independence variables of this research. This means selecting the Product Quality and Price variables accurate in predicting Purchase Intention of Red Rice.

Hypothesis test

T Test (Partial Test)

The t test is used to test whether the independent variables partially influence the dependent variable. The t test results for coefficients 1 and 2 can be seen in Table 3.

Table 3. Summary of Partial Test Results

Variable	Regression Coefficients	t-test	signature.	Information
Constant	90,000			
Product quality (X1)	0,780	7.583	0,000	Significant
Price (X2)	-0,590	-5.341	0,000	Significant

Source: Processed Data (2023)

1. Product quality (X1) is 7.583 > t table of 1.82530 with a significance value of 0.001 smaller than 0.05 (0.000<0.05), and the

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regression coefficient is positive, so the first hypothesis states " Product Quality has a positive influence on Purchase Intention of Red Rice" accepted.

2. Price (X2) has a value of $-5,341 > t$ table of 1.8 2530 with a significance value of less than 0.000 of 0.05 ($0.002 < 0.05$), and the regression coefficient is negative, so the second hypothesis states that " Price has a negative influence on Purchase Intention of Red Rice" accepted.

F Test (Concurrent Testing)

The F test is used to test whether quality product and price influence simultaneously Purchase Intention of Red Rice by comparing the F test value with F table with the test criteria if $F_{test} > F_{table}$ then H_0 is rejected and H_a is accepted. The F test calculation can be seen in Table 4.

Table 4. F Significance Test Results

Variable	F-test	F-Table	signature.	Information
Price (X1), Product Quality (X2)	60.130	5.90	0,000	significant

Source: Processed Data (2023)

From Table 4 we know the results of the F test between Quality Products and Price simultaneously has a significant effect on Purchase Intention of Red Rice with a critical value in the F distribution at a significance level of 95% ($\alpha = 2\%$). So degrees of freedom/ $df = (nk-1) = 70 - 2 - 1 = 67$, then F table 5.90 and F test 60,130 with a significance level of 0.000. Thus it can be said to be the second hypothesis received stating that "Product Quality and Price simultaneously has a significant and positive influence on Purchase Intention of Red Rice".

DISCUSSION

Product Quality has a positive and significant effect on Purchase Intention of Red Rice (H1 Accepted).

The results of this research prove that variables Product Quality influence on Purchase Intention of Red Rice. The influence of both is positive, meaning the higher the product quality of red rice, the higher the level of Purchase Intention of Red Rice. Many factors influence Purchase Intention of Red Rice, because Purchase Intention is one of the stages in the purchasing decision process before post-purchase behavior. In entering the purchasing decision stage, consumers have previously been faced with several alternative choices, so that at this stage consumers will take action to decide to buy the product based on the choices that have been determined.

Purchase Intention 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 (Omar & Atteya, 2020). Meanwhile Yucha *et al.*, (2020), suggests that Purchase Intention are consumer decisions that are influenced by: financial economics, technology, politics, culture, products, prices, locations, promotions, physical evidence, people and processes. So that all of the above forms an attitude in the minds of consumers to process all information and draw conclusions in the form of responses that emerge regarding the choice of what product to buy.

According to Trishch *et al.*, (2021). Quality product is combination defining traits and characteristics extent of output can fulfill precondition need customer or evaluate extent of traits and characteristics the fulfill his needs. Product Quality have eight factor namely Performance, Durability, Conformance to specifications (suitability with specifications), Features (reliability), (features), Reliability Aesthetics (aesthetics), Perceived quality (impression quality), and Serviceability (ability service). According to Budiono *et al.*, (2021), one from seven component the is decision purchase about type product. Consumer can take decision For buy something goods or service when consumer consider product the needed. Product Quality provided by company is the right strategy For interesting attention consumer. This thing supported by research conducted by Anderson (2020), shows that product quality influential to Purchase Intention. Product quality is an action taken by a company to win competition in the market by establishing a series of meaningful differences in the products or services offered to differentiate the company's products from those of its competitors, so that consumers can see or perceive that quality products have advantages. value-added what consumers expect. Companies that have products that always have innovation will make consumers not bored and have alternatives in making Purchase Intention and using product. (Huang & Suo, 2021). This opinion is also supported by research conducted by Darajat (2020), which reveals that product quality that is considered good by consumers will create Purchase Intention. Purchase Intention will be taken when consumers have chosen a product that is suitable to meet their needs. The Purchase Intention is a stage in the buyer's decision-making process where consumers actually bought (Pavlović-Höck, 2022). Thus it can be concluded that there is a relationship between product quality and Purchase Intention.

Price has a negative and significant effect on Red Rice Purchase Intention (H2 Accepted).

According to Sirojiddin *et al.*, (2022), the influence of prices set by a company can be a measure of demand for a product, so that the influence of price on Purchase Intention is very important and has a positive influence on product Purchase Intention. This means that even though the price of red rice increases or decreases, consumers will still buy red rice because consumers look at red rice

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products in Sumenep Regency not only for the price but also for the quality of the product . The better the price of red rice in Sumenep Regency that is determined, the consumer Purchase Intention will increase. Ashraf *et al.*, (2020), the price variable has a positive effect on Purchase Intention. The estimation results show that price influences the Purchase Intention of red rice under other variable conditions .

The results of this research prove that the hypothesis developed is price influence the Purchase Intention. The contribution of both influences is negative, meaning the price offered more appropriate. So , decision level Purchase Intention regarding red rice the higher, and vice versa. The results of this research also show that the statement that received the highest score on the Price variable was the consumer satisfied with price offered, because there is suitability between price and quality product red rice in Sumenep Regency.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out, it can be concluded that:

1. Product Quality influence on Purchase Intention of red rice .

This means the higher the product quality of red rice in Sumenep Regency. increasing Purchase Intention of consumer about red rice . This means that the first hypothesis is accepted .

2. Price influences Purchase Intention of red rice .

This means relative prices cheap will improve Purchase Intention of consumer regarding red rice in Sumenep Regency . This means that the second hypothesis is accepted.

SUGGESTION

The results of this study indicate that the Purchase Intention of red rice in Sumenep Regency is in the high category. So the company can provide product quality and appropriate prices. Price, Involvement of producers and consumers in determine agreement price something product of red rice. Companies can also carry out other better strategies to determine this price and product quality so that Purchase Intention of consumer to product red rice is easy obtained. This research can be used as reference material and add to studies related to price and product quality to the Purchase Intention of red rice . It is hoped that future researchers can add research variables, because it is not just product quality and price just that influences Purchase Intention of red rice in Sumenep Regency . So , it can support and perfect this research.

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