



THE ROLE OF PRODUCT QUALITY AND PRICE IN IMPROVING BROILER FEED BUYING DECISIONS IN PT. WONOKOYO JAYA KUSUMA, CIKANDE SUBDISTRICT, SERANG REGENCY

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Abstract

The buying decision is a step where a person determines an option to buy the product he likes with factors. This study analyses the role of product quality and Price in improving broiler feed buying decisions in PT. Wonokoyo Jaya Kusuma, Cikande Subdistrict, Serang Regency. The research method used is a survey method with a quantitative approach. The results of the H1 test, the t-count value ($2,671 \geq 1.683$), then H1 is accepted and H0 is rejected. This proves an effect between Product Quality (X1) on Buying Decisions (Y). H2, the value of t arithmetic ($2,060 \geq 1.68$), then H2 is accepted and H0 is rejected. This proves that there is an effect between Price (X2) on Buying Decisions (Y). In the F test, the calculated F value ($4,765 \geq F$ table $(3,16)$), then H0 is rejected, so it can be concluded that together there is an effect between the variables Product Quality (X1) and Price (X2) on Buying Decisions (Y) in PT. Wonokoyo Jaya Kusuma. The coefficient of determination (R²) is 0.189. This shows that Product Quality (X1) and Price (X2) contribute 18.9 % of Buying Decisions (Y)

Keywords: Product Quality, Price and Buying Decision

INTRODUCTION

PT. Wonokoyo Jaya Corporindo and its various business units formed WONOKOYO GROUP, a company engaged in the integrated poultry industry. Breeding Farm was established in 1983 and is located in Wonokoyo Village, Pasuruan, East Java. WONOKOYO GROUP has succeeded in becoming one of Indonesia's top and most trusted poultry traders in a reasonably short period. PT. Wonokoyo Jaya Corporindo expanded its business by establishing a subsidiary, PT. Wonokoyo Jaya Kusuma in the animal feed industry. PT. Wonokoyo Jaya Kusuma is located on Jl. Raya (Raya Rangkasbitung) KM. 2 Cikande Village, one of the products is broiler feed. Production of high-quality broiler feed will produce healthy chickens and high-quality meat for safe consumption by the public. Currently, many other companies produce broiler feed, such as PT. Indonesia Japfa Comfeed Indonesia. PT Charoen Pokphand. Petropack Agro Industries, PT. Bait Cj Cheil Jedang Semarang, PT. Malindo and PT. The best feed for Havindor. These companies strive to make their products better than their competitors so that good and appropriate marketing plays a vital role in supporting the continuity and development of the company's business.

Sales is an important activity because it will form a profit that can advance a company with these sales activities. The success of a company in achieving a goal is affected by its ability to market its products. The company's competition in marketing its products is also followed by the development of the quality of the products marketed to win the hearts of potential consumers.

Several aspects can win the hearts of consumers, including product quality and Price. Product quality must get the immediate attention of the company or producer. Keep in mind that the quality of a product is closely related to customer satisfaction, which is a goal of marketing activities carried out by the company.

During the product introduction period, the Price can be set high because there may not be competitors at that time, so there is no price comparison. Consumers are willing to pay high prices for new products. After all, it is easier to lower prices when they feel too high than to raise prices when they feel too low. Therefore, the marketing system used by companies to market their products is at a price. Price is used as an internal sales aid tool.

On the other hand, it is also used to build a more extended image for the product. Prices must be able to persuade consumers to act to bring benefits to the company. Historically, Price was an important factor influencing a person's buying choice

Table 1.1
Broiler Feed Sales Data

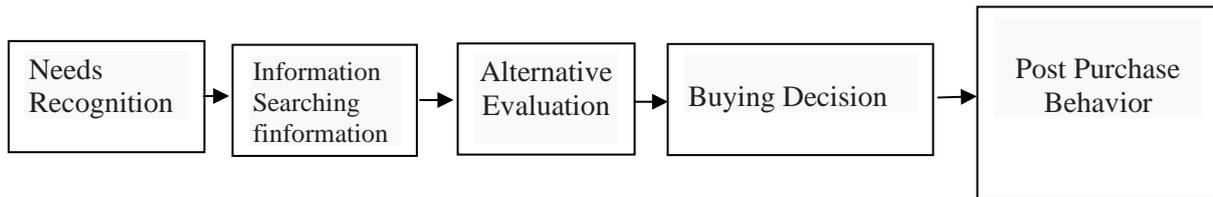
Month	Sales (Kg)
October 2020	7,937,150
November 2020	7,656,050
December 2020	7,401,350
January 2021	6,628,550
February 2021	6,105,350

Based on the sales data in Table 1.1 describes the sales realization of PT. Wonokoyo Jaya Kusuma has decreased in the last few months, from November 2020 to February 2021. It can be seen that sales in October 2020 were able to sell 7,937,150 Kg, in November 2020 decreased by only being able to sell 7,656,050 Kg. In December 2020, it can be seen that sales decreased again with only being able to sell as much as 7,401,350 Kg until February 2021, sales continued to decline. Table 1.1 can conclude that the sales made by PT. Wonokoyo Jaya Kusuma experienced a decline. Because the higher the sales of feed products, the greater the profit obtained and vice versa.

The decision-making process is a behaviour that must be done to achieve the target and thus can solve a problem. Consumers consider many aspects in deciding to buy a product. Therefore, entrepreneurs must be careful in seeing what aspects must be considered to attract consumers.

In the current era, consumer behaviour or society tends to be fast and instant in making buying decisions for a product. Product quality and Price are very influential in buying decisions and make a fundamental issue because several studies show various conclusions or results.

Figure 2.1
Purchasing Decision Making Process Model



Source: Phillip Kotler and Gary Armstrong (2009:179)

METHOD

The research method is a scientific way to obtain data with a specific purpose and use. In this study, the researcher used a quantitative approach with the type of survey research. The method used to obtain data from predetermined places or specific populations and samples. They were collecting data using research instruments and quantitative or statistical analysis. This type of research aims to test the hypothesis about the effect of product quality on buying decisions, the effect of Price on buying decisions, product quality and Price on decisions simultaneously. The sample in this study were consumers who had bought PT. Wonokoyo Jaya Kusuma. The author uses the slovin formula to find the number of samples from the population.

$$n = \frac{N}{1 + Ne^2}$$

n = Sample Size

N= Population Size

e = Percentage of precision leeway due to picking error sample.

$$n = \frac{79}{1 + 79(0,1)^2} = 44,13$$

Researchers used the number of respondents 44.14 rounded to 44 respondents. The sampling technique used in this study is probability sampling, meaning that all population units have the same opportunity to be taken as samples. Using a simple random sampling technique is said to be simple because the taking of members from the population is done randomly without regard to the strata that exist in the population (Sugiyono, 2017: 82). The sampling method is more often used because it saves costs, time and accuracy. So the sample that will be used is 44 buyers of broiler feed PT. Wonokoyo Jaya Kusuma.

RESULTS AND DISCUSSION

This analysis is intended to determine the effect of Product Quality and Brand variables on Buying Decisions. Moreover, the results of data processing using SPSS Version 26 software can be seen in Table 4.17 as follows:

Table 4.17
Multiple Linear Regression Analysis Results
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	21.647	7.209		3.003	0.005
Product Quality	0.286	0.107	0.384	2.671	0.011
Price	0.241	0.117	0.296	2.060	0.046

a. Dependent Variable: Buying Decisions

From the results of the above processing with the help of SPSS Version 26 software, the following equation is arranged;

$$Y = 21.647 + 0.286 X_1 + 0.241 X_2$$

Where :

Y : Buying Decisions

X₁ : Product Quality

X₂ : Price

a : Constant Number

Interpretation of the Regression Equation:

1. If the product quality is zero and the Price is zero, then the buying decision is 21.647
2. If the product quality increases by one unit, then buying decision increases by 0.286 units, then the Price is constant.
3. If the price increases by one unit, then buying decision increases by 0.241 units, then the product quality is considered constant.

A correlation coefficient is a test tool used to test the associative hypothesis (test relationship) of two variables if the data is interval or ratio scale. To test the correlation, the product-moment correlation test technique (Pearson correlation) was developed by Karl Pearson. The following are the results of data processing with the help of SPSS version 24 software which can be seen in Table 4.18 below:

Table 4.18
Correlation Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.434 ^a	.189	.149	3.024

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

b. Dependent Variable: Buying Decision

Based on the SPSS output above, it can be seen that the correlation coefficient is 0.434. So the quality of the relationship between Price and service quality is in the robust category.

The coefficient of determination (R^2) is used to measure the contribution of the independent variables to the related variables. The following are the results of data processing with the help of SPSS Version 24 software which can be seen in Table 4.19 as follows:

Table 4.19
Coefficient of Determination Test Results (R Square)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.434 ^a	.189	.149	3.024

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

b. Dependent Variable: Buying Decision

Based on the table above, it can be seen that the coefficient of determination (R^2) is 0.189. Furthermore, the calculation of the coefficient of determination (KD) is used to determine the magnitude of product quality and Price on buying decisions.

$$KD = (R^2) \times 100\%$$

$$KD = 0.189 \times 100\%$$

$$= 18.9\%$$

These results can be concluded that product quality (X_1) and Price (X_2) contribute 18.9% to buying decisions (Y) while the remaining 81.1% is affected by other variables not discussed in this study.

Hypothesis testing in this study uses multiple linear regression equations and performs calculations using SPSS Version 26 software. This analysis is intended to determine whether the independent variable is independent or not on the dependent variable.

The t-test is known as the partial test, which is to test how the effect of each independent variable individually on the dependent variable. To test whether the set initially hypothesis is accepted or rejected, a comparison of t count with t table is carried out. In this test, the researcher uses SPSS Version 26 software. To find out the value with the following test criteria:

- If $t_{count} > t_{table}$, then H_0 is rejected, and H_a is accepted
- If $t_{count} < t_{table}$, then H_0 is accepted and H_a is rejected

Based on the t-test analysis (partial) with SPSS Version 26 software, the following are the results of the calculations shown in table 4.20 as follows:

Table 4.20
Product Quality (X_1) and Price (X_2) t-test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	21.647	7.209		3.003	0.005
Product Quality	0.286	0.107	0.384	2.671	0.011

Price	0.241	0.117	0.296	2.060	0.046
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a. Dependent Variable: Buying Decision

By using a 2-way test and a significance level of = 5% or 0.05 with degrees of freedom (df) $N - K - 1 = 44 - 2 - 1 = 41$, the value of 1.68288 is obtained.

H_0 : Product quality has no partial effect on buying decisions at PT. Wonokoyo Jaya Kusuma.

H_a : There is a significant effect between Product Quality on buying decisions at PT. Wonokoyo Jaya Kusuma

Based on the results of the regression analysis, the t-value was obtained. The value resulting from the hypothesis test for t_{count} Price is 2,671. It is known that the value of t_{table} is 1.683, because the value of t_{count} is greater than t_{table} ($t_{count} 2.671 > t_{table} 1.683$), then H_0 is rejected. H_a is accepted. This proves that there is an effect between Product Quality on Buying Decisions

H_0 : There is no significant effect between Price on buying decisions at PT. Wonokoyo Jaya Kusuma

H_a : There is a significant effect between Price on Buying decisions at PT. Wonokoyo Jaya Kusuma

Based on the results of the regression analysis, the t-value was obtained. The value resulting from the hypothesis test for t_{count} Price is 2,060. It is known that the value of t_{table} is 1.683, because the value of t_{count} is greater than t_{table} ($t_{count} 2,060 > t_{table} 1,683$), then H_0 is rejected. H_a is accepted. This proves that there is an effect between the Price on the buying decision.

This test is intended to determine whether the independent variables together (simultaneously) have a significant effect on the dependent variable, so the hypothesis is made:

H_0 : There is no significant effect between product quality and Price on buying decisions at PT. Wonokoyo Jaya Kusuma

H_a : There is a significant effect between product quality and Price on buying decisions at PT. Wonokoyo Jaya Kusuma

To find out whether the variables of Product Quality (X1) and Price (X2) together (simultaneously) have a significant effect on Buying Decisions (Y), the F test is carried out, namely by comparing the f_{count} value with the following table. The following are the test criteria in the F test.

- If $f_{count} > f_{table}$ then H_0 is rejected and H_a is accepted
- If $f_{count} < f_{table}$ then H_0 is accepted, and H_a is rejected.

Based on the analysis of the F test (simultaneous) with SPSS Version 26 software, the following are the results of the calculation results shown in table 4.21 as follows:

Table 4.21
F Test Output (Simultaneous)

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	87.175	2	43.587	4.765	.014 ^b
Residual	375.007	41	9.147		
Total	462.182	43			

a. Dependent Variable: Buying Decision

b. Predictors: (Constant), Product Quality, Price

With a confidence level of 5% or 0.05, it is known that the f_{table} value is 3.21. From the calculation results, the f_{count} value is 4.765, to determine whether there is an effect or not, a comparison of the f_{count} value = $4.765 > f_{table}$ 3.16 is carried out. Based on the test criteria above and the results of the calculation, it can be concluded that jointly product quality and price affect buying decisions.

CONCLUSION

Based on the results of research and discussion, it can be concluded that the effect of product quality and Price on buying decisions on customers of PT. Wonokoyo Jaya Kusuma are as follows:

1. Product Quality on Buying Decisions there is an effect, the results of t-test research evidence this. It is known that the value of t_{table} is 1.683, because the value of t_{count} is greater than t_{table} (t_{count} 2.671 $>$ t_{table} 1.683), then H_0 is rejected. H_a is accepted. This proves that there is an effect between Product Quality on Buying Decisions.
2. Prices on Buying Decisions affect, the results of t-test research evidence this. It is known that the t_{table} value is 1.683. Because the value of t_{count} is greater than t_{table} (t_{count} 2.060 $>$ t_{table} 1.683), then H_0 is rejected. H_a is accepted. This proves that there is an effect between Price on Buying Decisions.

Together, product quality and Price affect buying decisions. With a confidence level of 5% or 0.05, it is known that the f_{table} value is 3.21. From the calculation results, the f_{count} value is 4.765, to determine whether there is an effect or not, a comparison of the f_{count} value = $4.765 > f_{table}$ 3.21 is carried out. Based on the test criteria above and the calculation results, it can be concluded that together Product Quality and Price affect Buying Decisions

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