

## Role of Product Quality and Price on Purchase Decision of Goox Products

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### Article's history:

*Received* 9 Januari 2023; *Received in revised form* 22 Januari 2023; *Accepted* 28 Januari 2023; *Published* 1 Februari 2023.  
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### Suggested Citation:

Azhar, F., Nuryanto, U. W., Rasyid, A. Nugraha, M. A. P., & Sutrisno (2023). Role of Product Quality and Price on Purchase Decision of Goox Products. JEMSI (Jurnal Ekonomi, Manajemen, Dan Akuntansi), 9(1), 100–105.

<https://doi.org/10.35870/jemsi.v9i1.900>

### ABSTRACT:

The purpose of this study was to determine and analyze the effect of product quality on purchasing decision, to determine and analyze the effect of price on purchase decisions and to determine and analyze the effect of product quality and price on purchasing decisions for goox shoes. The approach used in this study is an associative approach. The population in this study is the whole. While the sample that meets the criteria for sampling the observations made amounted to 100 respondents. The data collection technique in this study used a questionnaire technique. The data analysis technique in this study uses the Classical Assumption Test, Multiple Regression, Hypothesis Testing (t-test and F-test), and the Coefficient of Determination. The data processing in this study used the SPSS (Statistical Package for the Social Sciences) software program version 24.00. Partially it is known that product quality has a positive and significant influence on purchasing decisions for goox shoes where it is obtained ( $t\text{-count.}6,692 > (t\text{-table } 1,984)$  and  $\text{sig } 0.000 < 0.05$ ). Partially it is known that the price has a positive and significant influence on the decision to buy goox shoes where it is obtained ( $t\text{-count.}4.453 > (t\text{-table } 1.984)$  and the  $\text{sig. } 0.000 < 0.05$ ). Simultaneously, it is known that product quality and price have a significant influence on the decision to buy goox shoes where it is obtained ( $F\text{-count.}37.694 > (F\text{-table } 3.09)$  and  $\text{sig } 0.000 < 0.05$ ).

**Keywords:** product quality, price, purchase decision, shoes

**Jel Classification:** L15; E31; M0.

## INTRODUCTION

Technological developments that are increasingly fast and sophisticated are also a challenge for business people and encourage them to be able to master technology. Aside from that, businesspeople must be able to adjust to consumer tastes because the consumer plays a role in marketing. Companies must be able to develop a

long-term strategy to deal with the complex conditions of environmental changes that change in a short time. In the world of marketing, just like in a competition, every company competes to market its products. This is a concern for various industries, one of which is the shoe industry. The increasing need and awareness of consumers in choosing shoes that suit the development of style and needs makes companies that make brands such as Goox, Adidas, Nike, Reebok, Mizuno, Puma always compete to get consumers' tastes to buy their products.

Today's shoe manufacturers must understand the wants and needs of consumers as the main requirement before launching new products. Innovation and creativity are needed in order to be able to compete with competing products and attract consumer interest. Being a pioneer in the industrial market is not a guarantee, shoe manufacturers must find new ways to retain customers or find new buyers. In general, we can see that the competition for Goox shoes with other shoe products, namely Nike, Adidas, Reebok, Mizuno, Puma, etc., continues to experience very tight competition, however, Goox shoes are still required to dominate the market.

Along with the increase in population, standard of living, lifestyle, and public awareness of the importance of health, the demand for shoes has also increased. This condition encourages the growth of companies that produce shoes. On a large scale, the national shoe industry is dominated by international brands (branded shoes), such as Adidas, Nike, Reebok, Mizuno, and Puma. It doesn't stop here; the high demand has encouraged the growth of national brands such as Goox, League, Tomkins, Piero, etc. Using well-known branded shoes, such as Adidas, Nike, and Puma, is a matter of pride. The matter of choosing these shoes is not only one of comfort but also of appearance. But for some people, the matter of brand and appearance is not number one, especially for those who have limited funds.

In terms of product quality, goox shoes have variations from previous products, plus the shape of goox shoes is not that much different from previous products. The survey results also show that the quality of Goox shoes is not significantly different from that of its competitors. Therefore, in general, when managing product quality, it must be in accordance with the expected uses and desires. Furthermore, for consumers in deciding whether or not to purchase a product.

## **LITERATURE REVIEW**

### **Product Quality**

Quality is a description of the direct characteristics of a product, such as its performance, reliability, ease of use, aesthetics, and so on. In the age of globalization, quality is defined strategically as anything that can meet the desires or needs of customers. According to Atmaja (2018: 11), "quality is a dynamic condition that affects products, services, people, processes, and the environment that meet or exceed expectations." Kotler et al. state in Suryati (2015: 23) that "quality is the totality of features and characteristics in a product or service that contribute to its ability to satisfy customers, either directly or indirectly."

The product is the essence of a marketing activity because the product is the output or result of one of the company's activities or activities that can be offered to the target market to meet the needs and desires of consumers. Basically in buying a product, a consumer does not only buy the product, but the consumer also buys the benefits or advantages that can be obtained from the product he buys. Therefore, a product must have advantages over other products, one of which is in terms of the quality of the products offered. Product quality is one of the keys to competition between business actors offered to consumers.

The following is an expert's understanding of product quality; according to the American Society in the book Kotler and Keller (2016: 156) quality is defined as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs." Furthermore, Kotler and Armstrong (2015: 253) define product quality as follows: "product quality is the characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs."

According to Fandy Tjiptono (2016: 134), product quality indicators are as follows: Performance is the main operating characteristic of the core product purchased. Features are secondary or complementary characteristics. reliability, namely the small possibility that it will be damaged or fail to be used. Conformance to Specifications, namely the extent to which design and operating characteristics meet predetermined standards serviceability, including speed, competence, comfort, ease of repair; and handling complaints satisfactorily. Esthetics, namely the appeal of the product to the five senses perceived quality, namely the image and reputation of the product and the company's responsibility towards it.

## **Price**

According to Kotler & Keller (2016, p. 67), price is an element of the marketing mix that generates income; other elements generate costs. Price is the easiest element in a marketing program to adjust; product features, channels, and even communication take a lot of time. According to Alma (2011, p. 169), "price is a monetary unit or other measure (including other goods and services) that is exchanged in order to obtain ownership rights or the use of goods and services, giving rise to consumer satisfaction. Meanwhile, according to Assauri (2014, p. 223), price is the only element of the marketing mix that generates sales revenue, while the other elements are only cost elements.

Based on the opinion above, it can be concluded that price is the amount of money charged for a product that is exchanged by consumers for the advantages possessed by the product. The assessment of the price of a product that is said to be expensive, cheap, or mediocre for each individual does not have to be the same because it depends on individual perceptions based on the environment and individual conditions.

According to Kotler and Armstrong (2015, p. 138), pricing strategies based on customer perceptions of value can be divided into two types, namely: Customer-oriented pricing involves the amount of value provided by consumers based on the benefits they get from the product at a price that captures that value. Value-based pricing means marketers can first design products and marketing programs, then set prices. Cost-based pricing involves pricing based on the costs of producing, distributing, and selling a product plus a level of purchase that is reasonable for the effort and risk involved. Therefore, pricing must be appropriate based on consumer value as well as the risks the company must bear. If the price set is not appropriate, the company may suffer losses or lose consumers.

According to Kotler & Armstrong in Harjati & Venice (2015, p. 68) there are four indicators that characterize prices, namely: Price affordability. Price conformity with product and service quality. Price competitiveness. Price compatibility with benefits.

## **Purchase Decision**

Purchasing decisions are individual activities that are directly involved in making decisions to make purchases of the products offered by the seller. Purchasing decisions expressed by Kotler & Armstrong (2015, p. 158) consumer buyer behavior refers to the buying behavior of final consumers-individuals and households that buy goods and services for personal consumption. Purchase decisions are defined as follows by Kotler and Armstrong (2015, p. 177): purchasing decisions are part of consumer behavior, which is the study of how individuals, groups, and organizations choose, buy, use, and express goods, services, ideas, or experiences to satisfy their needs and wants.

Consumer purchasing decisions are initiated by the desire to buy, which arises because of various influencing factors such as family, the desired price, the information provided, and the advantages or benefits that can be obtained from the product or service. When consumers make purchases, there are many situational factors that can influence their purchasing decisions. According to Kotler and Armstrong (2014: 158), "consumer buyer behavior refers to the buying behavior of final consumers—individuals and households that buy goods and services for personal consumption." This can be interpreted to mean that purchasing decision behavior refers to the final purchasing behavior of consumers, both individuals and households, who buy goods and services for personal consumption. Meanwhile, according to Mulyadi Nitisastro (2012), "consumer decision making is a process of interaction between affective attitudes, cognitive attitudes, behavioral attitudes, and environmental factors with which humans exchange in all aspects of their lives." Cognitive attitudes reflect understanding attitudes; affective attitudes reflect beliefs; and behavioral attitudes reflect real-world action attitudes. The decision to buy or not to buy is part of an element inherent in the individual consumer called "behavior," which refers to real physical actions that can be seen and measured by others. Based on some of the definitions above, it can be concluded that the purchase decision is the selection of an option consisting of two or more alternative choices and choosing one of them.

The buying decision process is part of consumer behavior. There are several stages that consumers carry out in the making of a purchasing decision; these stages result in a decision to buy or not. After buying a product, consumers will feel satisfied or dissatisfied with the product they bought. If consumers are satisfied, they will repurchase, whereas if consumers are dissatisfied, they will switch to another brand.

Kotler and Keller (2016: 195) state that the purchasing decision process consists of five stages as follows: problem recognition, when a buyer recognizes a problem or need that is triggered by internal or external stimuli, the buying process begins. A person's normal needs are met by a single internal stimulus. Information search, interested consumers may or may not seek more information. If the consumer's drive is strong and a satisfying product is imminent, he or she may buy it later. If not, the consumer can store the need in memory or perform a

search for related information. Consumers process information to make brand decisions by evaluating alternatives. Purchase decision. Generally, consumer purchasing decisions will buy the most preferred brand, but two factors can come between purchase intention and purchase decision. Post purchase behavior. After purchase, the consumer may experience dissonance from seeing certain disquieting features or hearing good things about other brands. Post purchase behavior Purchase decision Evaluation of alternatives Information search problem recognition and will be alert to information that supports his decision.

## METHODOLOGY

The research approach used in this study is a quantitative and associative approach. In this study, there are two kinds of variables, namely the independent variable and the dependent variable. The independent variables in this study are product quality and price, while the dependent variable is purchasing decisions. Researchers conducted research by distributing questionnaires in the form of google forms to students and goox shoe users. Respondents are scattered throughout the Greater Jakarta area. This research is aimed at every respondent who knows and has used goox shoes. The sampling period lasted from October 20, 2021 to December 9, 2021. During this time, the researchers began collecting data, distributing questionnaires, and processing the data.

In this study, the researcher submitted a questionnaire to respondents with each statement for each variable, namely: product quality variable, price variable, and purchase decision variable. So that by distributing this questionnaire, it can provide an opportunity for respondents to express their thoughts in accordance with the required data. The method of calculating statistics that will be used in this study is the SPSS version 24 program. The names of the variables in this study will be abbreviated to make it easier for researchers. The independent variables are product quality and price, while the dependent variable is purchasing decision.

## RESULTS AND DISCUSSION

Based on the gender category, the respondents consisted of 60% men and 40% women. The majority of respondents were male. The identity of respondents was divided into four groups based on age, namely ages 22-30 years (14%), 31-46 years (35%), 47-55 years (43%), and over 56 years (8%). It is known that the respondents in this study were dominated by people aged 47 to 55 years old, accounting for 43% of the total. Based on the category of educational background, there were 15 respondents with last D1-D3 education, or 15%; 76 respondents with last S1 education, or 76%; and 9 respondents with postgraduate education, or 9%. This proves that those who have purchased goox shoes are employees with the last bachelor's degree. Based on the monthly income category, there were no respondents with an income below Rp. 2,000,000; an income of Rp. 2,000,000 to Rp. 5,000,000 totaling 64 respondents or 64%; an income of Rp. 5,000,000 to Rp. 10,000,000 totaling 24 respondents or 24%; and an income above Rp. 10,000,000 totaling 12 respondents or 12%. This proves that consumers who buy Goox shoes are consumers who earn Rp. 2,000,000 to Rp. 5,000,000.

Based on the results obtained from multiple linear regression analysis, the multiple linear regression equation is as follows  $Y = 2.562 + 0.3871 + 0.5522$ . A constant of 2.562 indicates that if the value of the independent variable is considered constant, then the purchasing decision for goox shoes will increase.  $\beta_1$  of 0.387 with the direction of a positive relationship indicates that if product quality increases, it will be followed by an increase in purchasing decisions of 0.387, assuming the other independent variables are held constant.  $\beta_2$  of 0.552 with the direction of a positive relationship indicates that if the price increases, it will be followed by an increase in purchasing decisions of 0.552, assuming the other independent variables are held constant.

The results of the t test for the effect of product quality (X1) on purchasing decisions (Y) t-count for the product quality variable is 6.692 for the 5% error of the 2-party test and  $dk = n-2$  ( $100-2 = 98$ ), obtained t- table 1984. If t-count > t-table then there is a significant effect between X1 and Y, and vice versa if t-count < t-table then there is no significant effect between X1 and Y, in this case t-count = 6.692 > t -table = 1,984. This means that there is an influence between product quality and the purchase decision of goox shoes. Furthermore, it can also be seen that the probability value of t, namely sig is 0.000 while the significant level  $\alpha$  previously set is 0.05, then the sig value is  $0.000 \leq 0.05$ , so  $H_0$  is rejected. This means that there is a significant influence between product quality and the decision to buy goox shoes.

Based on the processing results of the main-test that has been carried out, then hypothesis 1 shows that the t-count is 3.375 > t-table 1.984 with a Sig of 0.001 < 0.05. Based on these results, it can be decided that  $H_1$  is accepted. This means that the product quality variable (X1) partially influences the purchasing decision (Y). This

means that after the research is carried out, if the product quality variable increases, the purchasing decision will also increase. Hypothesis 2 shows that the t-count is  $4.855 > t\text{-table } 1.984$  with a Sig of  $0.000 < 0.05$ . Based on these results, it can be decided that H2 is accepted. This means that the price variable (X2) partially influences the purchase decision (Y). This means that after doing research, if the price variable increases, the purchasing decision will also increase. Hypothesis 3 shows that the F-count results are  $55.342 > F\text{-table } 3.09$  with a Sig of  $0.000 < 0.05$ . Based on these results, it can be decided that H3 is accepted. This means that the variables product quality (X1) and price (X2) have a significant influence on the purchasing decision variable at the same time. The results of this study indicate that the balance between product quality and price will increase purchasing decisions

## CONCLUSION

The conclusion of this study is that product quality does not have a significant influence on the decision to purchase goox shoes. Price has a significant influence on purchasing decisions for goox shoes. Product quality and price together have a significant influence on purchasing decisions of goox shoes. Suggestions for other researchers are to enrich references to similar research from a wider variety of sources than existing sources. Removing questions with similar meanings or meanings derived from several indicators with similar meanings, so that respondents do not feel that something is wrong with their responses to the completed questionnaire. Using the latest data processing software so that the resulting data can answer the overall research objectives properly and systematically.

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