

## THE EFFECT OF PRICE, PRODUCT QUALITY AND SERVICE ON FOOD PURCHASE DECISIONS

Case Study at Bongkaran Restaurant, Betun City, Central Malacca District,  
(Malacca Regency)

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The results of the simple regression analysis between the price variable and the purchase decision (Y) show the t-count value obtained is 3.960. While t table obtained 1,666. Thus, because the value of tcount > from the value of ttable where  $3.960 > 1.666$ , there is a significant effect of the price variable (X1) on the purchasing decision variable (Y). The value of the correlation coefficient (R) between the price variable (X1) and purchasing decisions (Y) is 0.380, which means the relationship is quite strong. The results of the regression analysis show that the value of 0.145 means that the purchase decision variable (Y) is influenced by the price variable (X1) by 15.5% and the remaining 85.5% is influenced by other X variables that are not included in this research model. The results of multiple linear regression analysis between the variables of price, product quality and service, on purchasing decisions show the Fcount value obtained is 26.616. While Ftable obtained 1,666. Thus, the value of Fcount > from the value of Ftable where  $26.616 > 1.666$  it can be concluded that there is a significant effect of the price variable (X1), product quality variable (X2), and service variable (X3) on purchasing decisions (Y). The R value obtained is 0.262, meaning that there is a strong relationship between the price variable (X1), product quality variable (X2) and service variable (X3) and the purchasing decision variable (Y). The results of the determinant analysis (R<sup>2</sup>) obtained a value of 0.529, meaning that the magnitude of the purchase\ng decision (Y) is influenced by the price variable (X1), the product quality variable (X2) and the service variable (X3) of 52.9% and the remaining 47.1% is influenced by another X variable that was not included in this study.

Keywords: Price, Product Quality, Service and Purchase Decision.

### 1. Introduction

The process of making purchasing decisions on everyone basically the same but the decision-making process in each person will be colored by characteristics personality, age, income and lifestyle. Purchase decision is selection of two or more alternative purchase decision choices. decision term Purchasing can be interpreted as consumer behavior that aims to determine process of developing a decision in buying a product or service offer it. As an act of decision-making which includes decisions about the types and benefits of products, decisions about products, decisions about models, Decisions about the number of products, decisions about their sales, and decisions about the time of purchase and how to pay. To make a purchase based on needs and desires with the quality of the products offered, and The quality of service provided to consumers is something that matters. Importantly, the consumer's experience during the buying process will determine consumer to make a repurchase or not.

According to Kotler (2002:201), purchasing decisions are consumer actions to buy or not to a product. According to Schiffman and Kanuk (2000:437) is "the selection of on from two or alternative



choices". Can Purchasing decision is defined as a person's decision where he chooses one of several alternative options available. From various factors influence consumers in purchasing a service or product, usually consumers always consider the quality, appearance, price and product which are known to the public. Before consumers decide to buy usually consumers will go through several stages first, namely, 1) introduction problem, 2) information search, 3) evaluation of alternatives, 4) decision to buy or not and 5) post purchase behavior.

In the current era of globalization, competition in the business world is getting tougher. Hal This requires every company to be able to maximize the company's performance in order able to compete in the market. Therefore, companies must design products that are quality in order to create satisfaction for its customers and can survive in business competition. Prices have a very important role in influencing consumer decisions in buying products / food, so it is very decisive marketing success of a product/food.

Price is the value expressed in a currency or medium of exchange another with one particular item. Price is an element of the product in marketing because it directly relates the total yield at which this pricing can be differ from one place to another. Because of the price of a product affect consumers about the product. According to Walton (2004:17) price and quality has a high influence on customer satisfaction, still exists little empirical evidence explores this relationship. So consumers will think again to buy the food and will feel dissatisfied after buying eat it.

According to Philip Kotler, price is a value or currency waived on a product or service for the amount of value exchanged by consumers of the benefits that the consumer exchanges for the price benefits that have been become an important factor influencing the choice of buyers, Product quality is the difference between a feasible product according to consumers with products according to current consumers (Simamore, 2001:8). According to Widoyo (cited by Septhani, 2011) that the product quality factor is no less important because product quality is also a determining factor for the level of satisfaction obtained consumers after purchasing and using a product. With good product quality, consumers' desires will be fulfilled need for a product.

The development of a product or service involves determining its benefits will be provided, which will be able to satisfy consumers. this benefit communicated and delivered with attributes such as quality, features and design. So the higher the level of satisfaction of a product, the higher the product is sold.

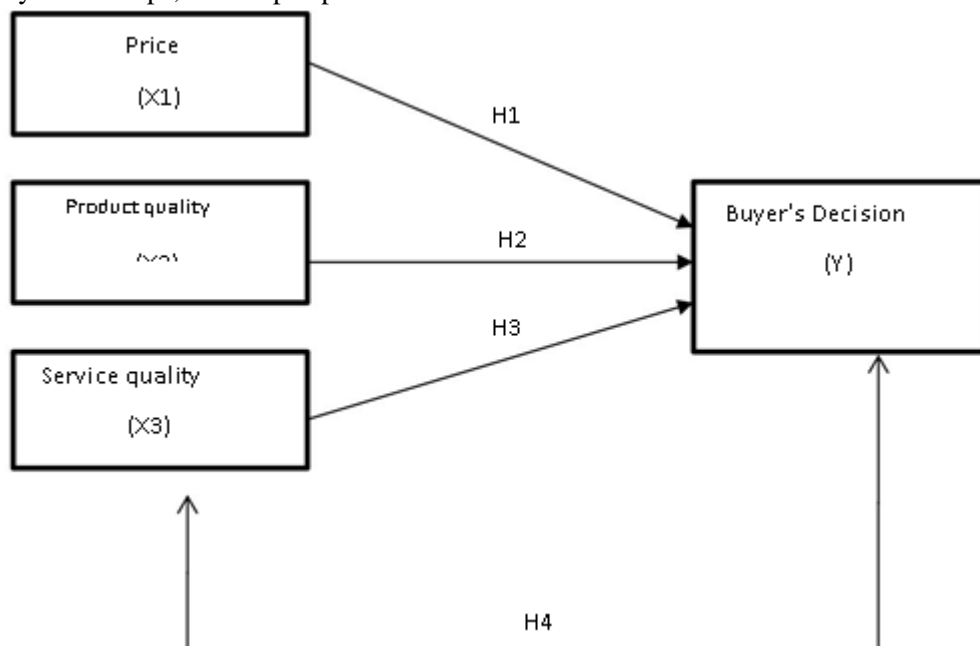
Efforts to satisfy consumers is not easy. Marketing activities operating in a situation of increasingly fierce business competition and in the environment which is continuously growing. which is directly or indirectly after affect life and economic order, ways of marketing and behavior consue. One of the marketing concepts offered by Kotler, (2000:355) by implementing a marketing mix including product, price, service. however which become a benchmark for consumer satisfaction more on product quality and service. Service quality has become the main focus, and efforts to improve is the most serious challenge that must be carried out in all sectors business. Commitment to quality at every stage of the service preparation process the possibility that producers are able to anticipate and meet demand ever-changing consumers. Quality of service for the most part company with regard to reliability, responsiveness, caring, performance and evidence directly, which in its application varies from one company to anotherother companies.

Basically service is a form of interaction carried out by a person employees to consumers to introduce the products or services offered kindly, politely, friendly, and give customers special



discounts. According to Colt (2002:83) "Service is any action or activity that can be offered by one party to another, which is basically intangible and not result in any ownership. Tjiptono and Diana (2001) argued that: "Quality of service and customer satisfaction are closely related. Quality provide an incentive for customers to establish strong bonds with customers company. In the long term this kind of bond allows the company to thoroughly understand customer expectations and their needs. With Thus, the company can increase customer satisfaction where the company maximize a pleasant customer experience and minimize it or negate a less than pleasant customer experience. In turn customer satisfaction can create loyalty or customer loyalty to company that provides satisfactory quality. In the research conducted Spiros Gounaris, et al (2010) and research conducted by Waseso Segoro (2013) states that service quality has a positive effect on customer satisfaction Quality of service is another factor affecting the level of satisfaction consumer. Companies that prioritize good quality will be deeply affected customer satisfaction (Walker, 2001:35) quality of service as an effort to realizing comfort to consumers so that consumers feel they have value more than expected. Consumer expectations are an important factor, quality services that are closer to customer satisfaction will provide more expectations and vice versa (Ayse, 2007:53). With the quality of service that has been given, then indirectly consumer satisfaction will be realized Companies that survive in the current era of global competition must also pay attention to the benefits that consumers get after buying or using the service goods. Because this is one of the factors to be able to examines consumer satisfaction. According to Kim, et. Al (2004:101) found that customer value plays a significant role in building satisfaction subscribers for mobile service subscribers and they tend to and stay using current services as a high level of customer satisfaction. Superiority that in the end at a future opportunity will make a purchase repeat or provide recommendations to others to do purchases (Rangkuti 2006:33).

If these three aspects go well, consumers will feel satisfied, whereas in reality it is not so. As one type of business that being booming in recent years is the business in the culinary field. World Culinary never stops, but keeps up with the times.

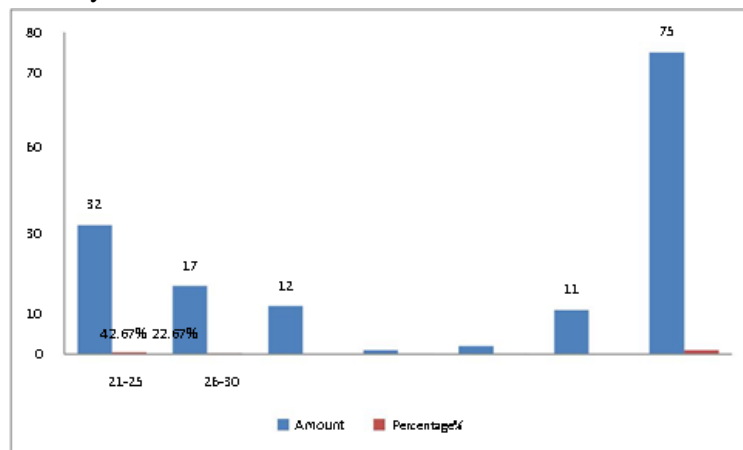


## 2. Methods

This research consists of 4 (four) variables, namely the price variable (X1) quality product (X2) and service (X3) as independent variables and decision variables purchase (Y) as the dependent variable.

## 3. Results And Discussion

The results of testing the validity test instrument stated all question items declared valid so that the research instrument can be analyzed. Based on test reliability, all instruments are reliable so that the instrument can be analyzed.



Graph 1. Number of Respondents by Age

Table 4.3 Validity Test

Variable	Items	Information		
	Statement			
Price	1	0.826	0.227	Valid
	2	0.861	0.227	Valid
	3	0.789	0.227	Valid
	4	0.591	0.227	Valid
Quality	1	0.797	0.227	Valid
Product	2	0.794	0.227	Valid
	3	0.790	0.227	Valid
	4	0.813	0.227	Valid
Quality	1	0.713	0.227	Valid
Service	2	0.755	0.227	Valid
	3	0.691	0.227	Valid

	4	0.758	0.227	Valid
Decision	1	0.764	0.227	Valid
Purchase	2	0.778	0.227	Valid
	3	0.862	0.227	Valid
	4	0.828	0.227	Valid

Source: Processed primary data with the help of SPSS version 20

Based on the results of the SPSS output above, it can be explained that all item statement regarding the variables Price, Product Quality, Service Quality and The purchase decision is valid which is indicated by the value  $r_{\text{count}}$  bigger from  $r_{\text{table}}$  ( $r_{\text{count}} > r_{\text{table}}$ ) so that it can be continued for the next test.

#### 4. Conclusions

Based on the results of research and discussion in the previous chapter, then some conclusions can be drawn as follows: The results of the study show that partially the price has a significant effect on Consumer Purchasing Decisions at Demolition Restaurants. Matter This shows that the product prices at the Bongkaran restaurant are very high affordable by all levels of society The results of the study show that partially product quality has an effect significant effect on consumer purchasing decisions at restaurants Demolition. This shows that the quality of the product in the restaurant Disassembly is so good that it causes many consumers to decide to buy products at the Demolition restaurant. The results of the study show that partially the service has an effect significant effect on consumer purchasing decisions at restaurants Demolition. This shows that the owner of the restaurant as well as employees provide quality service to consumers so as to make consumers are interested in purchasing products at restaurants Demolition. The results of the study show that simultaneously Price, Product Quality and Services have a significant effect on purchasing decisions at homes Eat Breaks

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