

# THE INFLUENCE OF PRODUCT QUALITY, PRICE, AND QUALITY ON PURCHASING DECISIONS AT THE KOPI SANTAI BUSINESS IN TOPOYO DISTRICT CENTRAL MAMUJU TENGAH

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## ABSTRACT

The aim of this research is to determine the influence of product quality, price, and service quality on purchasing decisions at the San-tai Coffee business in Topoyo District, Central Mamuju Regency. The independent variables in this study are product quality, price, and service quality, while the dependent variable is the purchasing decision. The population in this study consists of all customers of Kopi Santai who have made coffee purchases at the café. Meanwhile, the sample in this study consists of 35 customers. Data collection was carried out by distributing a questionnaire to the respondents. The data analysis technique used is multiple linear regressions with the SPSS software. Based on the results of the analysis and discussion, it can be concluded that: The price variable (X2) and service quality variable (X3) have a significant partial effect on the dependent variable, which is the purchase decision (Y). The product quality variable (X1) does not have a significant partial effect on the dependent variable, which is the purchase decision (Y). The product quality variable (X1), price (X2), and service quality (X3) together (simultaneously) have a significant effect on the dependent variable, which is the purchase decision. (Y)

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

## INTRODUCTION

Coffee has now become one of the increasingly advanced industrial commodities with many enthusiasts. Coffee is a plantation product that is commonly processed into a beverage and enjoyed by almost all groups around the world. Indonesia is known as one of the largest coffee producers in the world, with a variety of coffee types ranging from robusta to arabica. Indonesia itself is one of the countries with the largest coffee consumption in the world. According to data from the Central Statistics Agency (BPS), coffee production from 2020 to 2022 experienced fluctuations. In 2020, coffee production was 762.38 thousand tons, which increased to 786.19 thousand tons in 2021, marking a rise of 3.12 percent. In 2022, coffee production fell to 774.96 thousand tons, a decrease of about 1.43 percent. Meanwhile, according to data from the International Coffee Organization (ICO), coffee consumption in Indonesia in 2023 reached 5 million sacks, placing it second as the largest coffee consumer in the Asia-Pacific region, behind Japan, which had a coffee consumption of about 7 million sacks in 2023. (<https://mediaperkebunan.id/>) accessed on March 2, 2024.

One of the factors contributing to the increase in consumption is the proliferation of modern coffee shops, both franchises from outside the area and local coffee shops, making it easier for people to access and obtain coffee beverages in their vicinity. The proliferation of cafes selling packaged drinks and coffee can

increase the consumption of beverages made from national coffee beans. In addition to increasing the selling price, the emergence of these cafes will also drive the growth of the creative economy from coffee commodities, both for the domestic market and for exports.

According to Wiktionary (2010), the definition of a coffee shop can be understood as a small café or restaurant that typically sells coffee and sometimes non-alcoholic beverages, simple food, or snacks, along with facilities that support the establishment. (Paulina, 2022). According to Fakhrunisa (2019), coffee shops represent a promising business opportunity, providing a variety of coffee and non-alcoholic beverages in a relaxed atmosphere. They are comfortable places equipped with music, whether through speakers or live performances, distinctive interior designs, friendly service, and some locations also offer wireless internet connectivity. Based on the definitions provided by experts, it can be concluded that coffee shops are contemporary business establishments that are popular among a wide range of people, from young adults to older individuals, offering a variety of food and beverage products that go beyond just coffee. (Azmi Fauzan, Rusilanti, 2023).

The growth of the coffee industry is not only happening in big cities, but the Mamuju Tengah district is one of the areas in the West Sulawesi Province of Indonesia that has significant potential for coffee business growth. Located in the Topoyo District, this area has a geographical landscape that supports coffee growth and has become the site of numerous burgeoning coffee businesses, one of which is Kopi Santai. One of the coffee shop-based cafés in the city of Tobadak is Kopi Santai, situated in the Topoyo sub-district of Central Mamuju Regency. Kopi Santai is a café shop that has been established since 2019. The history of Kopi Santai began in early 2019, founded by its owner who started with the concept of a small and modest café, even initially operating from a stall available in the market. The purpose of this café is to meet the community's need for a "night hangout" spot, which is considered to be lacking in variety for young people and adults to gather.

However, with the increasing number of coffee shops that are undoubtedly becoming competitors to Kopi Santai in the Topoyo District, it certainly affects Kopi Santai in every aspect. Because competitors tend to emerge within the same industry and can pose a significant threat. Competition will increase and profits will decline if the number of competitors rises to a similar level in size and offering capabilities (Jauch and Glueck, 1997). The growing competition among coffee shops has resulted in Kopi Santai gradually experiencing a decline in business profitability, as evidenced by a decrease in the number of visitors.

Consumers will continue to decide to purchase products from Kopi Santai if the product quality is good, the product selection is varied, the service quality is satisfying, and the benefits received by consumers are proportional to their sacrifices, as well as leaving a positive and appealing impression on consumers. The purchasing decision is the formation of a reference from several alternatives, leading to an intention to buy the desired product. According to Kotler (2005), "The purchase decision is a stage where consumers have made a choice and are ready to make a purchase or exchange money and a promise to pay for the rights of ownership or use of a good or service." Kotler (2005) also explains that the purchase decision refers to a problem-solving process that involves analyzing or recognizing needs and desires, extending to behavior after the purchase. (Ragatirta & Tiningrum, 2021).

According to Tjiptono (2016:22), the purchasing decision is one manifestation of consumer behavior. Thus, there is direct activity to obtain goods or services. In addition, previous research has shown that a person's purchasing decisions and intentions are also influenced by attributes such as product, price, brand, and packaging. According to (Tyantoro et al., 2023), product quality is a form of goods or services measured against standards of reliability, additional uniqueness, features, content, taste, and performance functions of a product that can meet consumer or customer expectations. According to (Rohmah & Oktapiani, 2021), Product Quality is the ability of a product to perform its functions, which includes durability, reliability, accuracy, ease of operation and repair, as well as other valuable attributes. In this case, product quality also includes taste, variety, innovation, and portion size. A quality product usually matches its price. The quality of a product is considered good for consumers if they feel that the product they receive is equivalent to the amount of money they paid. The taste of a coffee product is very sensitive for some consumers, as it is influenced by differences in preference and love for coffee itself. Additionally, the variety of flavors and types of coffee also encourages consumers to continue consuming coffee.

According to Tandjung (2004), he states that price is the amount of money that has been agreed upon by the prospective buyer and seller to be exchanged for goods or services in a normal business transaction. The price of a product or service is a determining factor in market demand. Price is a very important aspect that consumers pay attention to when purchasing a product or service. If consumers feel satisfied with the offered price, they are likely to make repeat purchases of the same product. In economic theory, it is stated that the price of a good or service in a competitive market is determined by the supply and demand in the market. (Muangsai, 2019).

According to Amin Syukron (2014), he states that quality is a term for service providers that must be executed well. Quality can be defined as the totality of characteristics and attributes of a product or service that influence its ability to satisfy stated or implied needs. (Bagus Dwi cahyono, 2019). Meanwhile, the definition of service according to Gronroos is an activity or a series of activities that are intangible and occur as a result of the interaction between consumers and employees or other elements provided by the service company, aimed at solving customer problems. According to Tjiptono, service quality is a dynamic state that is closely related to products, services, human resources, as well as processes and environments that can at least meet or even exceed the expected quality of service.

Based on the initial observations conducted by the researcher at the beginning of November 2023, the changes in the lifestyle of the millennial and Gen Z generations have influenced their consumption patterns. In addition to seeking product quality, competitive pricing and quality service are also important considerations in the purchasing decision-making process.

The relationship between product quality, price, and service quality greatly influences consumer purchasing decisions. Consumers tend to consider the relative value of the product, the price offered, and the quality of service before making a decision. Good product quality, reasonable prices, and satisfactory service can enhance consumer trust and satisfaction, thereby increasing the likelihood of them purchasing the product. Although many studies have been conducted on the factors

influencing consumer purchasing decisions in coffee businesses, few have highlighted specific contexts such as the conditions in Topoyo District, Central Mamuju Regency. Therefore, the research focuses on this area in order to provide important contributions to a deeper understanding of consumer behavior at the local level.

## RESEARCH METHOD

The type of research used is descriptive with a quantitative approach. Descriptive research is a type of research aimed at explaining or describing a situation, event, object—whether it be a person or anything related to the variables that can be explained both with numbers and with words. (Sugiono, 2006:54). Quantitative research methods can be defined as research methods based on positivist philosophy, used to study a specific population or sample, with data analysis being quantitative or statistical, aimed at testing hypotheses. (Sugiono, 2017:8).

To achieve the research objectives, a consistent research design is needed, one that aligns with the requirements of the study. Research design is the planning, structure, and strategy of research aimed at answering questions and providing for potential deviations that may occur. A research study requires a research design to assist the writer in conducting the research. The research design includes steps from the preparation stage to the writing and reporting stage of the obtained research results, which consists of planning that outlines how to select the research problem. Next, we continue the preliminary study by reviewing the research location, which can also be referred to as pre-research. Then, we determine the formulated problem that has been established, followed by data collection and analysis, with the expectation that a conclusion can be drawn regarding the issue being investigated.

Population is a generalization area that consists of: objects/subjects that have certain qualities and characteristics determined by the researcher for study and then conclusions are drawn (Sugiyono, 2015:117). The population in this study consists of all 350 customers of Kopi Santai who have purchased the coffee. Due to the large number of customers and the difficulty in determining an exact figure, a sampling method was employed for this research.

A sample is an object taken by reducing the research object that is considered representative of the population. The sampling technique used is incidental sampling, where the determination of the sample is based on chance, meaning that anyone who happens to meet the researcher can be used as a sample. If the subject is within a very large scope, a sample can be taken between 10%-15% or 20%-25%. Considering the capabilities of the researcher in terms of manpower, funding, and time, the sample size taken is 10% of the total number of Kopi Santai customers, which amounts to 350 people, resulting in a sample of 35 individuals.

## RESULT AND DISCUSSION

The results of the research above indicate that only price and service quality have a significant impact on consumer purchasing decisions at the Kopi Santai café in the Topoyo District of Mamuju Tengah Regency, with the following discussion details:

### **The Influence of Product Quality on Consumer Purchasing Decisions**

The product quality variable for coffee drinks at the Kopi Santai café has a t-value of  $(-0.030) < t\text{-table } (2.040)$  and a significance value of  $0.423 > 0.05$ , thus H1 is rejected. This means that product quality for coffee drinks does not have a significant effect on consumer purchasing decisions at the Kopi Santai café in the Topoyo District of Mamuju Tengah Regency. This is caused by consumers paying more attention to price than the quality of coffee products, especially if they have a limited budget or if the difference in product quality is not considered significant compared to the price difference. In addition, consumers also have personal preferences that are not directly related to product quality, such as specific tastes, lifestyles, or current trends. In addition to having consumer preferences, recommendations and reviews from friends or family can be more influential than perceptions of product quality. This result identifies that both high and low product quality do not influence consumer purchasing decisions when buying from Cace Kopi Santai.

This is not in line with the research conducted by Simanjorang (2020), which shows that product quality has a positive effect on purchasing decisions. The research explains that the better the quality of the products offered by Warkop on Mada, the more consumers decide to make a purchase. However, in the research conducted by (Febriana Sulistya Pratiwi, 2022), it was shown that product quality has an insignificant effect on consumer purchasing decisions at the Nazurah Hijab store in Kubang Tungkek, Lima Puluh Kota Regency. Similarly, in this study, the results regarding the product quality variable have a non-significant effect or are rejected in relation to the purchasing decision. This indicates that the majority of consumers making purchases do not prioritize product quality as their main objective. Consumers making purchases is an obligation to fulfill their desires.

According to Gunawan (2022), product quality is the ability of a product to meet customer desires. Product quality is clearly one of the considerations for customers before making a decision to purchase goods and services. It is therefore essential to create a positive impression of the offered goods.

### **The Influence of Price on Purchase Decisions**

The price variable has a t-value of  $(2.359) > t\text{-table } (2.040)$  and a significance value of  $0.025 < 0.05$ , thus H2 is accepted, meaning that price has a positive and significant effect on consumer purchase decisions at the Kopi Santai café in Topoyo District, Central Mamuju Regency. This indicates that price is one of the main factors influencing purchasing decisions at the Santai Coffee café. This may be due to high price sensitivity among consumers in the area, as they are more likely to choose products that are considered affordable yet still provide good value. Additionally, price often serves as an indicator for consumers regarding the value of a product. Customers at Café Kopi Santai may feel that the prices offered are commensurate with the experience they receive, thus making them more inclined to make a purchase.

The research conducted by (Tajidan et al., 2020) indicates that the price variable has a positive effect on purchasing decisions, meaning that the higher the price, the higher the purchasing decision will be. The high price referred to in this study does not mean more expensive, but according to the theory of Kotler and Armstrong mentioned above, it means more accessible, more aligned with quality, more competitive, and more in line with the benefits perceived by consumers.



According to Tandjung (2004), he states that the price is the amount of money agreed upon by the prospective buyer and seller to be exchanged for goods or services in a normal business transaction.

### **The Influence of Service Quality on Purchase Decisions**

The service quality variable has a t-count value of  $(2.339) > t\text{-table } (2.040)$  and a significance value of  $0.026 < 0.05$ , thus  $H_2$  is accepted. This means that price has a positive and significant effect on consumer purchase decisions at the Kopi Santai café in Topoyo District, Central Mamuju Regency. This indicates that service quality is one of the determining factors in the purchasing decision at Kopi Santai café. Consumers who feel well-served tend to be more satisfied and loyal to the café. Friendly, responsive, and quick service will enhance the positive experience, encouraging consumers to make repeat purchases.

The results of the research conducted (Kodu, 2013) show that the service quality variable has a positive influence on purchasing decisions. This means that the better the quality of a company, the higher the likelihood of consumer decisions to make a purchase. Conversely, if the quality of service is poor, then purchasing decisions will also decline. With the improvement in service quality at Café Kopi Santai, it will influence consumers' interest in returning to Café Kopi Santai. Thus, it can be concluded that service quality has an impact on purchasing decisions.

### **The Influence of Product Quality, Price, and Service Quality on Purchase Decisions**

Simultaneous calculations show that the calculated  $F (13.462)$  is greater than the table  $F (2.91)$  and the probability is  $0.000$ , which is less than  $\alpha (5\%)$ , thus it can be concluded that  $H_4$  is accepted. The meaning is that product quality, price, and service quality significantly influence consumer purchasing decisions at the Kopi Santai café in the Topoyo District of Mamuju Tengah Regency. It can be concluded that product quality, price, and service quality collectively (simultaneously) have a significant impact on purchasing decisions at the Kopi Santai café in the Topoyo District of Mamuju Tengah Regency.

According to Tjiptono (2016:22), the purchasing decision is one form of consumer behavior. Thus, there is direct activity to obtain and select goods or services. According to Tandjung (2004), price is the amount of money that has been agreed upon by potential buyers and sellers to be exchanged for goods or services in a normal business transaction. Tjiptono and Chandra (2011) state that services or offerings are activities, benefits, or satisfactions that are offered for sale. The research conducted by Amo Sugiharto & Mohamad Fajar Darmawan (2021) explains that product quality, price, and service quality simultaneously have a significant effect on the dependent variable, which is the purchasing decision of Janji Jiwa Citra Raya coffee.

### **CONCLUSION**

Based on the results and discussions that have been described above, the researcher can conclude as follows:

The product quality variable in coffee drinks at the Kopi Santai cafe has a negative and insignificant effect on purchasing decisions at the Kopi Santai cafe in Topoyo District, Central Mamuju Regency. This is proven by the calculated t value  $(0.030) < t\text{ table } (2.040)$  with a significant value of  $0.423 > 0.05$ .

The price variable has a positive and significant effect on purchasing decisions at the Kopi Santai cafe in Topoyo District, Central Mamuju Regency. This is proven by the calculated t value (2.359) > t table (2.040) with a significant value of  $0.025 < 0.05$ .

The service quality variable has a positive and significant effect on purchasing decisions at the Kopi Santai cafe in Topoyo District, Central Mamuju Regency. This is proven by the calculated t value (2.339) > t table (2.040) with a significant value of  $0.026 < 0.05$ . 4. The variables of product quality, price and service quality have a positive and significant effect on purchasing decisions at the Kopi Santai cafe in Topoyo District, Central Mamuju Regency. This is proven by the calculated F value (13.462) > F table (2.91) and the probability value is 0.000 or less than  $\alpha$  (5%). So it can be proven that the variables of product quality, price and service quality have a simultaneous and significant effect on purchasing decisions at the Kopi Santai cafe in Topoyo District, Central Mamuju Regency.

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