

The Influence of Product Quality and Price on Purchasing Decisions at Tanjung Fashion Stores in West Jakarta

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Abstract

This study aims to analyze the effect of product quality and price on purchasing decisions at Tanjung Fashion Store in West Jakarta. The increasing competition in the retail fashion industry requires business to understand consumer preferences, particularly regarding product quality and pricing strategies. This research uses a quantitative associative approach with a sample of 99 consumers selected using simple random sampling. Data were collected through questionnaires and analyzed using multiple linear regression. The results show that product quality and price have a positive and significant effect on purchasing decisions. Product quality contributes 79% to purchasing decisions, while price contributes 75,6%. Simultaneously, product quality and price have a significant influence with a contribution of 85,4%. These findings indicate that consumers tend to consider both quality and price when making purchasing decisions. This study contributes to the development of marketing management, especially in understanding consumer purchasing behavior. Practically, the results provide recommendations for business owners to improve product quality and adjust pricing strategies to enhance consumer purchasing decisions.

Keywords: product quality, price, purchasing decisions.

INTRODUCTION

The development of the retail industry in Indonesia, particularly in the fashion sector, demonstrates increasing levels of competition along with increasing consumer needs and preferences. Businesses are required to understand consumer behavior and design appropriate marketing strategies to maintain their existence and increase competitiveness. In a competitive market, companies are required not only to offer products but also to create value that can attract and retain consumers.

Purchasing decisions are a crucial aspect of marketing management studies because they serve as an indicator of the success of a marketing strategy. The purchasing decision process is influenced by various factors, both internal and external. Among these factors, product quality and price are often the primary considerations for consumers. Product quality relates to the product's ability to meet needs, reliability, durability, and conformity to consumer expectations. Meanwhile, price reflects the value consumers must sacrifice to obtain the benefits of the product they purchase.

In practice, striking a balance between product quality and price is a challenge for businesses. Consumers tend to compare similar products based on the quality offered and the perceived value of the price. If the price is perceived as too high without adequate quality,

purchasing decisions may decline. Conversely, good quality at a reasonable price can increase consumer trust and loyalty.

According to Kotler (2016) in Cyrilla Wilda Rizani, et al. (2022:367), product quality is the ability of an item to provide results or performance that meets or even exceeds customer expectations. To achieve the desired product quality, quality standardization is required. The product quality in question is the understanding that the product offered by the company has a superior selling value compared to competitors' products.

According to Fetrizen (2019) in Muhamad Irvan (2021:513), price is a crucial factor in selling a product or service and helping to win the competition. Therefore, pricing must be determined. Price is also a crucial variable in marketing, as it can influence consumers' purchasing decisions.

According to Kotler and Armstrong (2014) in Yohana and Ginanjar (2021:100), a purchasing decision is a stage in a decision-making process where a consumer is certain about making a purchase. Considerations a person considers before purchasing a product, for example, include price and quality. While there are many differences between products of the same type, brands and specifications are often different.

Tanjung Fashion Store in West Jakarta is a retail business specializing in shoes and bags for various age groups. Sales data shows that in 2019–2021, the store achieved and even exceeded its sales targets. However, sales declined in 2022–2024, and sales targets were not achieved. This situation indicates factors influencing consumer purchasing decisions, possibly related to perceptions of product quality and pricing strategies amidst increasingly fierce competition.

Tabel 1. Sales Data at Tanjung Fashion Store in West Jakarta

No.	Year	Amount (Rp)	Sales Target
1.	2019	683,315,000	650,000,000
2.	2020	745,553,000	720,000,000
3.	2021	795,675,000	750,000,000
4.	2022	761,435,000	770,000,000
5.	2023	731,335,000	800,000,000
6.	2024	710,225,000	820,000,000

Source: Tanjung Fashion Store Sales Data in West Jakarta in 2024

Based on Table 1, Tanjung Fashion Store sales data for the 2019–2024 period shows fluctuations. In 2019–2021, sales exceeded the set target, reflecting strong performance and high consumer interest during that period. However, from 2022 to 2024, sales fell short of the target and tended to decline. This situation indicates challenges in maintaining sales performance, necessitating evaluation and improvement of marketing strategies, pricing, and product quality to support future target achievement.

Based on this phenomenon, this study aims to analyze the influence of product quality and price on purchasing decisions at the Tanjung Fashion Store in West Jakarta. The results are expected to contribute theoretically to the development of marketing management science and, in practice, provide evaluation and consideration for store owners in improving marketing strategies and sales performance.

METHOD

This study employed a quantitative associative approach aimed at analyzing the influence of product quality and price on purchasing decisions at Tanjung Fashion Store in West Jakarta. The study examines the relationship between product quality (X1) and price (X2) as independent variables, and purchasing decisions (Y) as the dependent variable. The population in this study consisted of consumers who had purchased products at Tanjung Fashion Store. The sample size was determined to be 99 respondents, selected using a simple random sampling technique. The criteria for respondents included individuals who had experience purchasing products from the store and were willing to participate in the study. Data were collected through the distribution of structured questionnaires using a Likert scale to measure respondents' perceptions of product quality, price, and purchasing decisions. The instrument validity was tested using item-total correlation, where items were considered valid if the correlation value exceeded the required threshold at a 5% significance level. Reliability testing was conducted using Cronbach's Alpha, with a value greater than 0.70 indicating that the instrument was reliable. Data analysis was carried out using multiple linear regression to determine the effect of product quality and price on purchasing decisions. The t-test was used to examine the partial effect of each independent variable, while the F-test was used to analyze the simultaneous effect. In addition, the coefficient of determination (R^2) was used to measure the extent to which product quality and price explain variations in purchasing decisions.

RESULT AND DISCUSSION

The Partial Effect of Product Quality (X1) on Purchasing Decisions (Y)

Based on the analysis results, the regression equation $Y = 1.391 + 0.964X1$ was obtained, with a correlation coefficient of 0.889, indicating a very strong relationship between the two variables. The determination or contribution value of the influence was 0.790, or 79%, while the remaining 21% was influenced by other factors. The hypothesis test obtained a calculated t value $> t$ table, or $(19.120 > 1.985)$. Thus, H_0 was rejected and H_1 was accepted, indicating that product quality has a positive and significant effect on purchasing decisions.

The results of this study support the research conducted by Munarsih and Sabila Aulia Matahari (2022) entitled "The Effect of Promotion and Product Quality on Purchasing Decisions at PT. Sinergia Beaute Indonesia Central Jakarta, where in its research it was concluded that product quality had a positive and significant effect on purchasing decisions of 79.7%, the hypothesis test obtained $t_{hitung} > t_{tabel}$ or $(19.185 > 1.986)$.

The Partial Effect of Price (X2) on Purchasing Decisions (Y)

Based on the test results, the regression equation $Y = 5.316 + 0.879X2$ was obtained, with a correlation coefficient of 0.870, indicating a very strong relationship between the two variables. The determination value, or contribution, of the influence was 0.756, or 75.6%, while the remaining 24.4% was influenced by other factors. The hypothesis test yielded a calculated t value $> t$ table, or $(17.349 > 1.985)$. Therefore, H_0 was rejected and H_2 was accepted, indicating that price has a positive and significant effect on purchasing decisions.

The results of this study support the findings of research conducted by Rika Wahyuni, Irena Larashati, Ashila Dwiyanisa, and Asep Rochyadi Suherman (2022), which showed that price had a positive effect on purchasing decisions for women's shoes in Bandung, with a contribution of 31.5%. This proves that the suitability of price to product quality can encourage consumers in making purchasing decisions.

The Simultaneous Effect of Product Quality (X1) and Price (X2) on Purchasing Decisions (Y)

The research results indicate that product quality (X1) and price (X2) significantly influence purchasing decisions, as shown in the regression equation $Y = -0.787 + 0.582X1 + 0.438X2$. The correlation coefficient, or degree of relationship between the independent and dependent variables, was 0.924, indicating a very strong relationship. The coefficient of determination, or contribution of the simultaneous influence, was 0.854, or 85.4%, while the remaining 14.6% was influenced by other factors. The hypothesis test showed that $F_{count} > F_{table}$, or $(280.899 > 3.091)$. Therefore, H_0 was rejected and H_3 was accepted. This indicates that product quality and price simultaneously influence purchasing decisions.

The results of this study support those of Raju Ardiansyah and Siti Rahayu (2025) in their study on the influence of price and product quality on purchasing decisions at the Genre Catalog Store in Depok City. The results showed that price and product quality simultaneously had a positive and significant effect on purchasing decisions, indicating that consumers consider the balance between product quality and price before making a purchasing decision.

CONCLUSION

Based on the analysis and discussion, the following conclusions can be drawn: There is a positive and significant influence between Product Quality (X1) and purchasing decisions (Y). This can be seen in the partial hypothesis test, which concludes that the calculated t value is $19.120 > t_{table} 1.985$, or $Sig. 0.000 < 0.05$, and the regression coefficient is positive. Therefore, H_0 is rejected and H_1 is accepted. This means there is a positive and significant influence between the product quality variable (X1) and purchasing decisions (Y).

There is a positive and significant influence between Price (X2) on purchasing decisions (Y). This can be seen in the partial hypothesis test, it can be concluded that the t-value is $17.349 > t_{table} 1.985$ or $Sig. 0.000 < 0.05$, and the regression coefficient has a positive value of 0.05, so H_0 is rejected and H_2 is accepted, meaning there is a positive and significant influence between the price variable (X2) and purchasing decisions (Y).

There is a positive and significant influence between Product Quality (X1) and Price (X2) on purchasing decisions (Y). This is seen based on the criteria in the simultaneous hypothesis test, it can be concluded that the F count value is $280.899 > F_{table} 3.091$ or the Sig. value is $0.000 < 0.05$, so H_3 is accepted, meaning that there is a positive and significant influence simultaneously between product quality (X1) and price (X2) on purchasing decisions (Y).

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