

INFLUENCE OF PRODUCT QUALITY AND PRICE REGARDING THE DECISION TO PURCHASE ERIGO FASHION PRODUCTS IN THE SHOPEE MARKETPLACE (Case Study of Students at the Faculty of Economics, Kadiri University)

Arditya Aji Pratama¹, Ria Lestari P², Duwi Riningsih³
ajijibon218@gmail.com¹, ria_lestari@unik-kadiri.ac.id², duwi_riningsih@unik-kediri.ac.id³
Kadiri University

ABSTRACT

This study aims to determine the partial and simultaneous influence of Product Quality and Product Price on the Purchase Decision of Erigo Fashion Products on the Shopee Marketplace on Students of the Faculty of Economics, Kadiri University, and to analyze the influence of dominant variables on the Purchase Decision of Erigo Fashion Products on the Shopee Marketplace on Students of the Faculty of Economics, Kadiri University. This type of research uses a quantitative approach. This study used a sample of 92 respondents. Sampling using nonprobability sampling technique with Purposive Sampling method. The test tool used was Data analysis using SPSS 25, in this study using questionnaires or questionnaires and the analysis used was multiple linear regression. From the results of this test, it can be concluded that partially, product quality (X1) and product price (X2) have a positive and significant effect on Erigo fashion products on the Shopee Marketplace for students of the Faculty of Economics, Kadiri University. Product Quality (X1) and Product Price (X2) simultaneously have a positive and significant influence on the Purchase Decision of Erigo fashion products on the Shopee Marketplace. The Product Price Variable (X2) is more dominant in influencing the Purchase Decision of Erigo fashion products on the Shopee Marketplace for students of the Faculty of Economics, Kadiri University than the Product Quality Variable.

Keywords: Product Quality, Product Price, Purchasing Decision.

INTRODUCTION

Industrial development continues to increase, in the current era of industrial revolution 4.0, advances in technology and information continue to accelerate, creating increasingly tight competition in the business world, especially in the marketplace sector. This competition encourages entrepreneurs and companies to adopt critical, creative and innovative approaches in facing the changes occurring in the online business world. In facing intense business competition, the most crucial step for entrepreneurs or companies is to develop strategies that can help achieve goals, including maintaining and increasing consumer purchasing decisions.

Marketplace is an intermediary between sellers and buyers in online media. viewed through various websites that are completely online, where business transactions between sellers and buyers are carried out to meet student needs. Marketplaces in Indonesia are one of the drivers of the national economy in facing the era of globalization. The main aim of creating a marketplace is to simplify complex business processes, create efficiency and effectiveness so that movements in business processes can run more smoothly (Iffa Ainur Rozi & Khuzaini, 2021).

Several marketplace platforms that are currently attracting many visitors and experiencing rapid growth in the Indonesian e-commerce industry include Shopee, Tokopedia, BliBli, Bukalapak, Lazada, JD.ID, and various other applications that remain active in the Indonesian marketplace ecosystem.

Marketplaces have become very popular among college students as each platform offers affordable and cheap prices. This phenomenon has resulted in changes in shopping

behavior, especially among students at Kadiri University. This change in behavior occurred because students previously preferred to shop directly at supermarkets, minimarkets, traditional markets or local malls.



Figure 1 Sales Data for Best Selling Products 2020
Source: Indonesian Digital Marketing Association

Based on Figure 1.1 data, in 2020, sales of fashion products recorded the highest number of purchases by consumers via internet platforms. The term "fashion" itself, according to the English dictionary, refers to style, habits, or fashion. The world of fashion continues to develop in line with technological advances and changes in human culture. Currently, the concept of fashion is no longer limited to clothing alone, but includes various products such as bags, shoes, sandals, accessories and other items that complement a clothing style.

Researchers chose fashion products because they still dominate the market, as seen in the graph Figure 1.1. The number of purchases for Muslim fashion reached 107 million, women's clothing 100 million, women's bags 54 million, and men's clothing 28 million in 2020. Fashion products show dominance as the category most purchased online. This type of product is included in the durable goods category, which involves clothing, shoes, bags and accessories. All products in this category require information regarding size, color and texture.

Evaluation of purchasing decisions is a crucial aspect for companies, because it involves considerations that greatly influence consumer decisions. Purchasing decisions reflect a thought process in which individuals assess the various options available and ultimately choose a particular product from a variety of existing alternatives (Andrean et al., 2021).

According to Kotler & Keller (2016), define consumer behavior as the study of how individuals, groups and organizations make choices to buy, use and utilize goods, services, ideas or experiences with the aim of meeting their needs and desires. Therefore, purchasing decisions can be explained as the actions taken by consumers or customers when choosing to purchase the products that interest them most. The consumer decision-making process involves considering two or more alternatives to solve a particular problem (Gading Hidayat, 2020).

One of the main factors that can influence consumer purchasing decisions is product quality. Product quality is a crucial factor that plays a significant role in consumer purchasing decisions, both during the transaction or purchase and after the consumer uses the product that has been purchased. Monitoring product quality is very important for companies, especially considering the high level of competition between companies today. Currently, competition between companies is increasingly fierce, and each company is trying to improve the quality of its products in order to attract a larger market share.

Therefore, companies that are able to present products of good quality have an advantage in competing and need to pay attention to the quality of their products in order to meet consumer expectations.

Apart from product quality factors, product price is also a factor that influences purchasing decisions. According to Daniel Halomoan Hutagalung & Nastiti (2021), the influence of the price of a product has a big influence. If the price is low, demand for the product increases, whereas if the price is high, demand decreases. Accurate pricing will attract consumer attention. If the price set by the company is in accordance with consumer purchasing power, then consumers tend to choose that product. Pricing by companies is usually adjusted to the quality of the products they offer.

One fashion brand that offers good quality products and attractive prices is Erigo. Erigo is a leading fashion brand in Indonesia which was founded on November 28 2010, originally known as Selected and Go. The Erigo brand was started by Muhammad Saddam. The products offered by Erigo are very diverse, including clothing for men and women such as t-shirts, shirts, jackets and various other products. Erigo's market focus is on millennials with travel-related needs. Erigo Official Shop is known for its product collection which is always updated, offered at affordable prices, and has received recognition on the international stage as a brand from Indonesia.

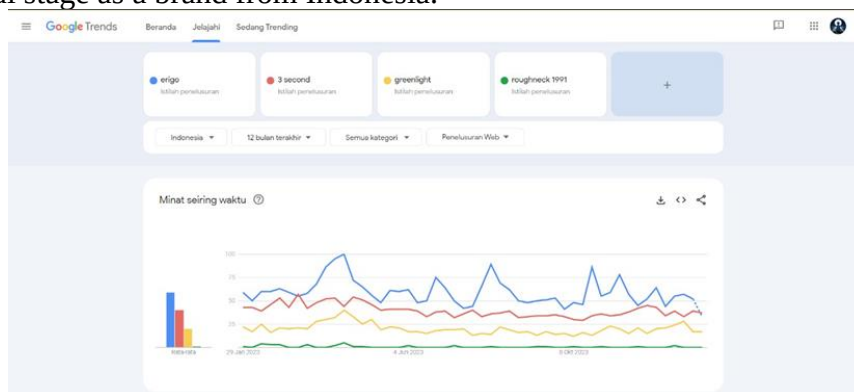


Figure 2 Graph of Purchase Trends for Several Products from Local Brands

Source: Google Trends, 2024

Erigo Official Shop has a number of shops spread throughout Indonesia, but also uses social media to do online marketing. By joining the e-commerce platform, Erigo experienced a significant impact. In 2020, it was recorded that orders for Erigo products increased more than 10 times compared to the previous year, showing striking success (Rudy Azhar Setiawan et al., 2023).

Table 1 List of Prices for Local Fashion Brand Products

Brand	T shirts	Hoodies	Chino Pants
Erigo	65,000-200,000	149,900-250,000	139,000-249,000
3 Seconds	124,250-177,500	319,600-399,500	224,500-399,500
Greenlight	89,000-164,000	335,600-419,500	179,000-345,000
Roughnecks 1991	125,000-175,000	300,000-450,000	150,000-375,000

Source: Shopee.co.id

The reason researchers chose the Erigo Fashion Brand on the Shopee marketplace is because very many students use the Erigo Fashion Brand and all activities such as buying and selling on Shopee can be transacted easily, quickly and cheaply and there are no limitations on space, distance and time. For students, the Shopee Marketplace is the most prominent marketplace compared to other marketplaces. Shopee also has more product diversity and has very interactive features and always provides new themes for its users. In this research, several factors were identified that have a significant impact on consumer purchasing decisions, namely product quality, promotion and price. Fashion companies are expected to continue to examine and understand the factors that influence consumer behavior. Satisfactory product quality and affordable prices have the potential to attract the attention of consumers, especially students. Fashion companies have succeeded in carrying out attractive promotions, which does not rule out the possibility of expanding the market globally.

As in the journal written by Andrean Andrean, Ngajudin Nugroho, Fauzi Akbar Maulana Hutabarat, Dewi Anggraini, Supriyanto (2021) which shows that simultaneously price, promotion and product quality have a significant influence on purchasing decisions on the Shopee E-commerce application, Harga partially influences purchasing decisions in E-commerce applications, Promotion partially has no influence on purchasing decisions in E-commerce applications, Product quality partially has no influence on purchasing decisions in E-commerce applications. Meanwhile, Hasna Nadiya F, Wahyuningsih S, (2020), research on "The Influence of Product Quality, Price and Brand Image on Purchase Decisions for 3second Fashion in the Marketplace" which shows that Product Quality has no influence and is not significant on Purchase Decisions, price has an influence and is significant on Buying decision.

So researchers are interested in making fashion brands on the Shopee Marketplace as a new object in looking for the influence of product quality and product price on purchasing decisions for the Erigo Fashion Brand by raising the title "The Influence of Product Quality and Price on Purchase Decisions for Erigo Fashion Products on the Shopee Marketplace (Case Study of Students Faculty of Economics, Kadir University)".

RESEARCH METHODS

This type of research uses quantitative methods, namely a method that describes in detail the object of research. Quantitative methods are all research data in the form of numbers and analysis using statistics. The calculation of this quantitative method is based on the questionnaire given to respondents (Sugiyono, 2021).

RESULTS AND DISCUSSION

A. Classic assumption test

1. Normality test

The normality test is used to evaluate whether the distribution of dependent and independent variables in a regression model is normal or close to normal. One commonly used method is the Kolmogorov-Smirnov (KS) test, which calculates whether the data distribution is normal or not. If the significance value of the test is greater than 0.05, then the data tends to be normally distributed. Apart from the KS test, the Normal PP Plot Graph can also be used to assess the normality of data. If the points on the graph are evenly distributed along the diagonal line, then the data tends to have a normal distribution. Normality test results using SPSS 25.0 and obtained the following results:

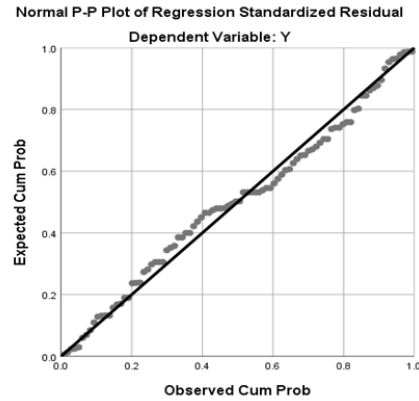


Figure 3 Normality Test Results

Source: Data Processed by Researchers (2024)

Because the data is spread around the diagonal line and follows the direction of the diagonal line, it means that the data in this study comes from a normally distributed population.

Table 2 Normality Test Results (Kolmogorov-Smirnov Test)

One-Sample Kolmogorov-Smirnov Test	Unstandardized Residuals
Asymp. Sig. (2-tailed)	0.200

Source: Data Processed by Researchers (2024)

The table above shows that the Asymp Sig (2-tailed) value is 0.200 which is greater than the alpha value, which is 0.05 (5%), it can be confirmed that the data is normally distributed.

2. Multicollinearity Test

To see whether there are symptoms of multicollinearity in the research model, you can look at the tolerance value or Variance Inflation Factor (VIF) value. The tolerance limit is > 0.10 and the VIF limit is < 10.00 , so it can be concluded that there is no multicollinearity between the independent variables. Multicollinearity Test Results can be seen in the following table:

Table 3 Multicollinearity Test Results

Variable	Tolerance	VIF
X1	0.700	1,428
X2	0.700	1,428

Source: Data Processed by Researchers (2024)

From the table above it can be seen that variable X1 has a tolerance value of > 0.10 , namely 0.700, as well as X2 has a tolerance value of 0.700. And the VIF X1 value < 10.00 is 1.428 and the X2 value is 1.428. So it can be concluded that the data is normally distributed and there are no symptoms of multicollinearity.

3. Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there are differences in the variability of the residuals between observations in a regression model. If the residual variance is fixed or constant between observations, this is called homoscedasticity. However, if the residual variance varies between observations, this is called heteroscedasticity. In the context of a regression model, we want homoscedasticity because it indicates that the variability of the residuals does not depend on the values of the predictors.

One way to detect heteroscedasticity is through a Scatter Plot of the residuals. If the points in a Scatter Plot are distributed randomly and do not form a clear pattern, this indicates that there is no indication of heteroscedasticity. The following are the test results from the heteroscedasticity test:

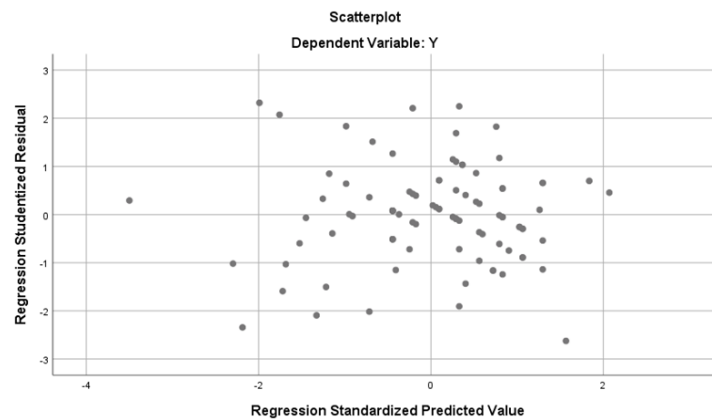


Figure 4 Heteroscedasticity Test Results
Source: Data Processed by Researchers (2024)

Based on these results, the distribution of points on the Scatter Plot is above and below the zero line without forming a clear pattern. This indicates that the regression model does not show heteroscedasticity, because residual variability tends to be constant and does not change systematically along with the predictor values.

B. Hypothesis test

Hypothesis testing is used to determine whether or not there is an influence between independent variables on the dependent variable. The results of hypothesis testing are as follows:

1. t Test (Partial Test)

The t test aims to determine whether the independent variables or Product Quality (X1) and Product Price (X2) partially or individually have a significant effect on the dependent variable or Purchasing Decision (Y). In determining the degrees of freedom, the formula $df = n - k = 92 - 2 = 90$ can be used.

Table 4 t test results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,332	1,912		1,220	0,226
	X1	0.470	0.090	0.461	5,242	0,000
	X2	0.406	0.100	0.356	4,047	0,000

Source: Data Processed by Researchers (2024)

Based on the table above, it can be seen:

- 1) T test for the Product Quality variable (X1) Based on the results of hypothesis testing for the Product Quality variable (X1) shows the t-count value is 5.242 while the t-table is 1.984 because t count (5.242) > than t table (1.984) with a significant value of more than 0.000 smaller than 0.05 then H1 is accepted. So it can be concluded that product quality partially has a positive and significant effect on purchasing decisions.
- 2) T test for the Product Price variable (X2) Based on the results of hypothesis testing for the Product Price variable (X2) shows the t-count value is 4.047 while the t-table is 1.984

because the t count (4.047) > than the t table (1.984) with a significant value of more than 0.000 smaller than 0.05 then H2 is accepted. So it can be concluded that product prices partially have a positive and significant effect on purchasing decisions.

2. F Test (Simultaneous Test)

The F statistical test shows whether all the independent variables in the regression model have a simultaneous influence on the dependent variable. The results of the F test calculation are shown in the following table:

Table 5 F Test Results

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	276,346	2	138,173	47,884	0,000
	Residual	256,817	89	2,886		
	Total	533,163	91			

Source: Data Processed by Researchers (2024)

From the F Test calculation data in the table above, the calculated F value is 47,884 with a significant value of 0.000. So it can be stated that H3 is accepted, so that the variables Product Quality (X1) and Product Price (X2) together have a positive and significant influence on Purchasing Decisions.

Discussion

In this research, it was found that the variables Product Quality (X1) and Product Price (X2) have a positive and significant influence on Purchasing Decisions. Between these two variables, the value of the Product Price variable (X2) is proven to be more dominant in influencing purchasing decisions. This is because product price is often the main indicator of value considered by consumers in the purchasing decision making process.

Buyers generally compare the price of a product with the benefits or quality it offers. They want to ensure that the value they receive is commensurate with the price paid. Buyers tend to choose products that provide benefits at affordable costs. They look for the most rational and efficient solution to fulfill their needs or desires. The consumer's income factor is also an important consideration in purchasing decisions.

The Influence of Product Quality on Purchasing Decisions

So it can be concluded that product quality partially has a positive and significant effect on purchasing decisions. This research is in line with research conducted by Heriyanto, N. Rachma, Siti Asiyah (2020), the quality of the products provided by Erigo gives consumers their own impression of buying the products offered. Shops or traders who prioritize high product quality will have a positive impact on consumer decisions. Product quality is the ability of a product to meet consumer needs or desires.

In developing products, marketers must consider the level of quality that will support the product's position. In this context, product quality refers to the product's performance in carrying out its function. The higher the quality of the product, the more likely consumers will make a purchase.

The Influence of Product Prices on Purchasing Decisions

So it can be concluded that product prices partially have a positive and significant effect on purchasing decisions. The results of this research show that there is a partial positive and significant influence of product price on purchasing decisions for Erigo fashion products. The prices set by the Erigo Company are adjusted to the economic conditions of the community, and also because the shop sells good quality products at affordable prices. Therefore, price and quality have a significant influence on consumer decisions.

This research is in line with research conducted by Heriyanto, N. Rachma, Siti Asiyah (2020), proving that the more competitive and affordable the price, the more likely it is that consumers will purchase the product.

The Influence of Product Quality and Product Price on Purchasing Decisions

Simultaneous test results show that price and product quality together have a significant effect on purchasing decisions. Based on these results, it is concluded that the combination of affordable prices and high product quality can significantly improve purchasing decisions. Apart from that, from the calculation results, it can be seen that product price has a dominant influence on purchasing decisions, as evidenced by the highest beta coefficient and t values.

CONCLUSION

Based on the results of research and discussion regarding the Influence of Product Quality and Price on Purchasing Decisions for Erigo Fashion Products at the Shopee Marketplace (Case Study of Students at the Faculty of Economics, Kadiri University), the conclusions that can be drawn in this research are:

1. Product quality has a positive and significant effect on the decision to purchase Erigo fashion products at the Shopee marketplace among students at the Faculty of Economics, Kadiri University.
2. Product prices have a positive and significant effect on the decision to purchase Erigo fashion products at the Shopee marketplace among students at the Faculty of Economics, Kadiri University.
3. Product quality and product price have a positive and significant influence on purchasing decisions for Erigo Fashion Products at the Shopee Marketplace for Students at the Faculty of Economics, Kadiri University.

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