

THESIS

THE INFLUENCE OF PRODUCT QUALITY AND PRICES ON PURCHASING DECISIONS AT PRODUCT SKINCARE SOMETHING IN MAKASSAR CITY

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**DEPARTMENT OF MANAGEMENT
FACULTY OF ECONOMICS AND BUSINESS
HASANUDDIN UNIVERSITY
MAKASSAR
2023**

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As one of the requirements to obtain
Bachelor of Economics degree

Compiled and Submitted By:

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to

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FACULTY OF ECONOMICS AND BUSINESS
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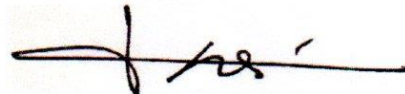
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Makassar, 15 November 2023

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PREFACE

Assalamualaikum Wr. Wb.

In the name of Allah, the Most Gracious and Most Merciful, praise and gratitude be to Allah, the Most Compassionate, the Most Merciful, for His boundless blessings, love, mercy, and grace. With profound gratitude, the author is delighted to announce the successful completion of this research project entitled "The Impact of Product Quality and Pricing on the Purchasing Decisions of Skincare Products in Makassar City." This achievement fulfills one of the requisite milestones for obtaining an academic degree from the Management Department, Faculty of Economics and Business at Hasanuddin University in Makassar.

Throughout the arduous journey of researching and composing this thesis, the author acknowledges the numerous challenges and obstacles faced. Nevertheless, through unwavering determination, invaluable assistance, guidance, suggestions, and unwavering commitment, this thesis has reached its culmination. In light of this accomplishment, the author wishes to extend heartfelt gratitude to all those who have made significant contributions during the author's educational journey, leading to the successful completion of these studies:

1. My parents, H. A. Kadir Halid and Hj. Rostini Angka, who have been an unwavering support to the researcher since the beginning of my academic journey. I would like to express my sincere gratitude for giving me the opportunity to study at this esteemed university. It is my sincere aspiration that, in the future, I will continue to strive to be the best and make you both proud.
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11. To all those individuals who cannot be mentioned one by one but have contributed significantly to the successful completion of this research thesis in various ways, the author expresses his deepest gratitude.

The researcher has endeavored to compile this thesis to the best of their abilities; however, they acknowledge its inherent limitations. As such, the researcher is open to receiving constructive criticism and suggestions to enhance the quality of this thesis. In conclusion, the researcher hopes that this thesis will prove beneficial and contribute to the knowledge of those who engage with it.

Makassar, 15 November 2023

The Researcher,

Andi Tika Widiastuti

ABSTRACT

THE EFFECT OF PRODUCT QUALITY AND PRICES ON PURCHASING DECISIONS AT PRODUCT SKINCARE SOMETHINC IN MAKASSAR CITY

Andi Tika Widiastuti

Ria Mardiana

Abdullah Sanusi

This study aims to assess the influence of product quality and price on on Purchasing Decisions on Somethinc skincare products in Makassar. The data used in this study used primary and secondary data. This research design uses a quantitative approach with data collection facilitated through a questionnaire. The population of this study was people who live in Makassar City. The sample size in this study was 75 respondents, determined using the slovin formula and selected through the convenience sampling nonprobability sampling technique. The findings of this research reveal that product quality has a positive and significant impact on purchasing decisions, and similarly, price exhibits a positive and significant effect on purchasing decisions. Moreover, when considered concurrently, both product quality and price significantly influence purchasing decisions.

Keywords: Product Quality, Price, Purchase Decision, Makassar City

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CHAPTER I

INTRODUCTION

1.1. Background

In the present era, marked by escalating challenges and rapid advancements in economics, technology, politics, and culture, there have been resultant shifts in human requirements. While fundamental necessities such as sustenance, attire, and habitation remain crucial for survival, there are also other requisites, such as personal needs. For instance, the utilization of skincare products serves to enhance the health of the skin. Among the various applications of skincare, one of its objectives is to maintain a healthy and appealing physical appearance. Many women perceive aspects of their physical and facial attributes as less desirable, prompting them to seek remedies to address these concerns.

The advancement of skincare in Indonesia is presently experiencing a swift escalation, evident through the substantial participation of business corporations in skincare development and innovation. This is aimed at fulfilling the demands of the women demographic. It's important to note that each consumer is distinct, characterized by varying preferences and requirements.

Human needs are intricate, contingent upon their lifestyles, necessities, and desires. To fulfill these needs and desires, individuals must acquire a range of products spanning from fundamental necessities to luxury items. As stated by Eileen Kamtawijoyo, the Co-Founder and COO of Populix, the heightened consciousness regarding the significance of well-being has significantly influenced individual lifestyles and decisions concerning skincare and beauty treatments.

Every month, 8 out of 10 Indonesians allocate 250 hundred rupiah for skincare products (fimela.com). Engaging in self-care and applying makeup has

become a customary practice among both men and women, as individuals have grown more conscious of the significance of self-care in ensuring a healthier future. Women's pursuit of enhanced appeal is distinctly evident through the extensive utilization of skincare products on a regular basis, leading to a surge in new product innovations being introduced to the market. This trend is reflected in data published by Populix and reported by Fimela.com.

SKINCARE BRANDS

To ensure skin health, Indonesians purchase face moisturizers, face serum, and sunblock cream on a monthly basis from local and international brands.

FACE MOISTURIZER

N = 3,873

| | |
|---------------|-----|
| Wardah | 19% |
| Garnier | 15% |
| Emina | 14% |
| Pond's | 13% |
| Fair & Lovely | 10% |

FACE SERUM

N = 3,312

| | |
|-----------|-----|
| Somethinc | 21% |
| Scarlett | 20% |
| Wardah | 15% |
| Garnier | 14% |
| Avoskin | 14% |

SUNBLOCK CREAM

N = 2,753

| | |
|-----------|-----|
| Wardah | 22% |
| Emina | 21% |
| Azarine | 19% |
| Skin Aqua | 18% |
| Nivea | 12% |

PEEL OFF MASK

N = 1,050

| | |
|-----------------|-----|
| Garnier | 38% |
| Hanasul Naturgo | 32% |
| Wardah | 26% |
| Sariayu | 18% |
| Freeman | 17% |

EYE CREAM

N = 962

| | |
|-----------|-----|
| Somethinc | 26% |
| Avoskin | 21% |
| L'Oreal | 17% |
| Garnier | 17% |
| Azarine | 17% |



Figure 1.1 Survey results related to the use of skincare based on the Populix survey.
Source: <https://www.fimela.com/beauty/read/5059290/survei-menunjukkan-90-perempuan-indonesia-pilih-brand-makeup-lokal>

The survey conducted by Populix, involving a total of 10,616 male and female respondents during the period of September 2021 to June 2022, has revealed notable insights. Approximately 77 percent of the Indonesian populace shops for skincare products on a monthly basis, with 93 percent allocating 250 hundred rupiah per month for their skincare regimen. Notably, the survey data also indicates that within the respondent pool, 1 percent are willing to allocate as much as 750 hundred rupiah monthly for skincare expenditures.

The continuous evolution of product innovation has led to the proliferation of various consumable skincare items. In this regard, women are advised to make astute choices when selecting products. Key considerations include product quality, pricing, and its impact on health. The emergence of skin-related concerns among women has driven the exploration of products not only within domestic markets but also from foreign sources. The growth of local Indonesian brands has been particularly noteworthy, as they are now competing effectively with internationally recognized products. This success can be attributed to the commendable quality, affordability, and effective marketing strategies of these local skincare products.

Situated within the jurisdiction of the Ministry of Industry in Indonesia, the sale of domestic cosmetics exhibited a growth of 15 percent between 2011 and 2017, resulting in an increase from 8.5 trillion to 9.76 trillion rupiah. A pivotal driving force behind this surge is the notable demand for skincare products, accounting for up to 32 percent of the rise (Dwitari and Kusdiby, 2019). This has been substantiated through a study conducted by the Zap Beauty Index in 2023, revealing a continuous progression of local skincare product development. The study encompassed 9,000 female respondents spanning the age range of 15 to 65 years, among whom approximately 96.8 percent favored the use of local skincare products (beautyindex, 2022:30). The data presented attests to the evident annual advancement of local skincare products, with one of the contributing brands being Somethinc.

Data from Kompas.com in April – June 2022 shows 10 most used skin care product by consumers (figure 1.2)



Figure 1.2 comparison of the 10 best-selling brands in e-commerce

Source: <https://compas.co.id/article/brand-skincare-lokal-terlaris/>. 2022

As can be seen from figure above from a period April - June 2022 Somethinc hold first position in most sold brand on E-commerce with 52.3 billion sales, followed by Scarlet on second position with 40.9 billion sales.

Somethinc constitutes a local enterprise with a primary emphasis on skincare, established by Irene Ursula in the year 2019. It stands as a noteworthy local entity that has achieved success within the skincare industry. This brand, which prioritizes the creation of skincare merchandise, has implemented a robust marketing strategy aimed at capturing the attention of a diverse consumer base. Given the substantial competition within the same business sector, the brand finds itself compelled to continually adapt and flourish amid fluctuating market dynamics.

Somethinc's range of products enjoys a favorable reputation, attributed in part to their meticulous adherence to BPOM regulations. Moreover, these products have been bestowed with a halal certification from MUI, further enhancing their credibility. It is important to note that each product is formulated devoid of alcohol,

perfume, and parabens, as highlighted by (Sari Karoline, 2022) Notably, these attributes render the Somethinc offerings suitable for use by Muslim women.

The diverse array of Somethinc products encompasses toners, serums, moisturizers, sunscreens, cleansers, and makeup items.

Somethinc was honored with an accolade by the Indonesian World Record Museum (MURI) for being the "Pioneer of Serum in Indonesia." This recognition was conferred upon the brand in the year 2021. Additionally, in the same year, Somethinc garnered the prestigious title of "Best Serum" at the Tokopedia Beauty Awards—an esteemed accolade presented by a prominent marketplace platform. Furthermore, the brand was distinguished with the "Best Newcomer Local Brand" award by the Female Daily Awards, further underscoring its remarkable contributions to the skincare industry.

Factors that determine consumer choice of product purchases is the quality of product, if a business able to develop their product qualities it could lead into an increase of reputation, a good impression and loyalties from consumers. According to Kotler and Armstrong, product quality is an ability of product to do its functions which covers durability of the product, reliability and other defining attributes as a whole (Kotler dan Amstrong, 2014). There is prone an indication stating some consumers use products from Somethinc experience skin problems such as acne, break out or irritation, roughening on skin dan face redness within duration a week up to a month of usage.

Reviewing price of a product is also an important aspect to consider in a company aside from marketing the product, it correlates directly to volume of sales and margin of profit, prices from Somethinc considered to be affordable compared to other product alike. Woman as a consumers tend to be more careful when making purchase decision of a skin care product they used, Somethinc offered

price ranges from Rp.49.000 to Rp.119.000. Price is an important factor in purchase decision, if price for a product set too high there will be a decrease in profit, since consumers will look for a more affordable product. Price affordability of a product determine consumer decision to engage a trade, a lot of consumers wanted to get good quality product with affordable price, there also a group of consumers who did not mind paying high price for assurance of the quality of product that they get.

Purchasing decision will be used as a measure tools to determine how big consumer interest on a product offered by a company according to Kotler and Armstrong, purchase decision is a part of consumer behavior individually, a group or an organization toward how they will choose or use the product or service based of experience, ideas or interpretation, in order to satisfy the needs or desire of consumers (Kotler dan Amstrong, 2016:177). Before making a purchase, consumer tend to weight their thought before deciding for example how is the product look and quality or if the price seemed right. This can be described as evaluation stages in a trade, purchasing decision related to consumer behavior. Consumer behavior is the most important aspect in how a business operates, a business needs to understand fully way of thinking of a consumer before and after making a purchase in order to meet the demand.

Several studies show factors that influencing purchasing decision, among it are product quality and price. According to Langgang Kurnia Intant Devi (2019), In research about impact on product quality, price, and promotion with purchase decision on Shoppe shows that quality of a product didn't effect on purchase decision, yet price of a product does. Whereas according to Wahyu Erdalina (2018) in research about impact of product quality, price and tv advertisement on purchase decision of brand image Hand and Body lotion in Pariaman, shows that product

quality and price significantly influenced on purchase decision of Citra Hand and Body lotion in Pariaman.

Since there's difference in results from both researchers. Author is interested to do further research with the same variable but on different subject of product, which is Somethinc.

Based on the description above, the author is interested in conducting research with the title "The Effect of Product Quality and Prices on Purchasing Decisions at Product Skincare Somethinc In Makassar City"

1.2. Research Problems

Based on the background of the study, the research problem in this study is as follows

- 1) Does the quality of the product affect purchasing decisions for skincare products Somethinc?
- 2) Does price affect purchasing decisions for skincare products Somethinc?
- 3) Does product quality and price simultaneously affect purchasing decisions for skincare products Somethinc?

1.3. Objectives of The Research

Based on the research problem that has been explained, the research purpose of this study is as follows:

- 1) To analyze, find out, and understand the influence of the effect of the quality of goods on purchasing decisions at skincare products Somethinc.

- 2) To analyze, find out, and understand the influence of the effect of price on purchasing decisions at skincare products Somethinc.
- 3) To analyze, find out, and understand the influenced of whether product quality and price have a simultaneous effect on purchasing decisions at skincare products Somethinc.

1.4. Benefits of The Research

Based on research, there are two benefits of this research, namely theoretical benefits and practical benefits

1.4.1. Theoretical Benefits

Can enrich concepts and theories that support the development of quality of products and price on purchasing decisions and can improve knowledge both academically and the general public regarding purchase decisions.

1.4.2. Practical Benefits

For companies, this research can increase insight into the quality of products and prices so they can understand consumer desires in purchasing decisions. For other parties, the results of this study can provide initial information and additional references for further research in the same scope.

1.5. Writing Systematics

The writing of this thesis is divided into five chapters. The explanation of each chapter can be explained as follows:

Chapter I – Introduction: this chapter describes the background of the problem, research questions, research objectives, research significance, and writing systematics.

Chapter II – Literature Review: This chapter describes several theories regarding the variables studied, a list of previous studies related to the topic that the researcher chooses, and the study's conceptual framework before the hypothesis is concluded.

Chapter III – Research Method: this chapter describes the methodology used by researchers to obtain and process data and discusses the types of research conducted in the paper along with variables, types and data sources, population and samples, data collection methods, and data analysis techniques.

Chapter IV – Results and Analysis: This chapter contains an overview of the research object, respondent's identity, reliability, and validity testing, moderating regression analysis, research instrument testing, hypothesis testing, and discussion.

Chapter V – Conclusion: This chapter contains the research conclusions and suggestions for the research.

CHAPTER II

LITERATURE REVIEW

This section describes theories related to this study, namely the quality of the product, price, and purchase decision.

2.1. Marketing

Each individual perpetually seeks to satisfy their requisites, a pursuit often realized through the cultivation of relationships. Hence, marketing can be defined as the synergistic endeavor between sellers and buyers to address their respective needs. Marketing constitutes an enterprise undertaken by a corporation to steer its operations towards the attainment of organizational objectives. The fundamental intent of marketing lies in the discernment of consumers, thereby enabling the alignment of products or services for sale with consumer preferences.

Within the domain of marketing, a spectrum of elements such as promotion, advertising, public relations, and sales converge to facilitate the overarching process. It is paramount to acknowledge that marketing invariably interconnects with the realms of demands, necessities, and desires.

Numerous authorities proffer their definitions of the term "Marketing." Disparities abound in these definitions, delineating variances among experts in their conceptualizations. such as:

Kotler & Keller (2016) explain that marketing is an organizational function and a set of process for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

Lamb, Hair, and Mcdaniel (2017), explain that marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and

exchanging offerings that have value for customers, clients, partners, and society at large.

Kotler et al. (2017) define Marketing management as the art and science of choosing target markets and building a profitable relationship with them. The marketing management aim is to find, attract, keep, and grow target customers by creating, delivering, and communicating superior customer value. According to Kotler et.al (2017), There are four functions of marketing management, namely:

1. Marketing Analysis

The marketer should conduct a SWOT analysis, by which it evaluates the company's overall Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T).

2. Marketing Planning

Marketing planning involves choosing marketing strategies that will help the company attain its overall strategic objectives.

3. Marketing Implementation

Marketing implementation is the process that turns marketing plans into marketing action to accomplish strategic marketing objectives. Whereas marketing planning addresses the what and why of marketing activities, implementation addresses the who, where, and how.

4. Marketing Control

Marketing control is evaluating the result of marketing strategies and plans and taking corrective action to ensure that the objective is attained.

2.2. Marketing Mix

According to Kotler et al., (2017) marketing mix is the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the

target market The marketing mix consists of everything a company can do to influence the demand for its product. The number of possibilities can be collected into four groups of variables.

2.2.1. Product

Product is anything that can be noticed, used, or owned by consumers to fulfill their needs. Products have a broad meaning, not only tangible goods but also other objects such as physical objects, services, events, people, places, ideas, or organizations.

According to Lamb, Hair, Mcdaniel (2017) product is everything, both favorable and unfavorable, that a person receives in an exchange.

2.2.2. The Quality of Product

The quality of the product is the most significant part that needs to be considered by the company which is the purpose of marketing conducted by the company. Before purchasing a product, consumers always look at the quality of the product.

According to Kotler and Armstrong (2016), quality product is the characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs.

2.2.3. Dimension of Product Quality

According to Kotler and Keller (2016), there are eight product dimensions that can be used to analyze the characteristics of product quality, as follows:

- 1) Form: the size, shape, or physical structure of a product.
- 2) Features: a complement to the function of the product or to attract consumers attachment to the product.
- 3) Performance quality: the level at which product's primary characteristics.

- 4) Conformance quality: the degree to which all produced units are identical and meet promised specification
- 5) Durability: a measure of product's expected operating life under natural or stressful conditions
- 6) Reliability: is a measure of the probability that a product will not malfunction or fail within a specified time period.
- 7) Repairability: measure the ease of fixing a product when it malfunctions or fails.
- 8) Style: the product's look and feel to the buyer and creates distinctiveness that is hard to copy.
- 9) Customization: Customized products and marketing allow firms to be highly relevant and differentiated by finding out exactly what person wants and doesn't want.

2.3. Price

Price is an especially important mix element in marketing for companies because the price can generate revenue from sales. Therefore, companies set prices on their products so that consumers are interested and willing to purchase these products. Business person must conduct the right strategy on determining the prices. The purpose of pricing is to get a return on net sales, maximize profits, and prevent or reduce competition. The mistake in determining prices can cause problems and have an impact on businessperson, consumers may do things that can bring down the good name of the seller.

According to Kotler and Armstrong (2016), price is the amount of money charged for a product or service or the sum of the value exchanged by consumers for the benefits of having or using the product or service.

According to Kotler and Keller (2016), Price is not just a number on a tag. Price comes in many forms such as rent, tuition, tolls, levies, wages, commissions, fees are the price paid for a good or service.

According to Lamb, Hari, and Mcdaniel (2017), Price is that which is given up in exchange to acquire a good or service.

2.3.1. The Role of Price

According to Lamb, Hair, and Mcdaniel (2017), price have two roles in the evaluation of product alternatives.

1. Sacrifice Effect of Price

Price is something that is given up which means what is sacrificed to obtain a good or service. For example, the time sacrificed to wait to obtain a good or service, or for individuals who lose their jobs and have to rely on charity.

2. The Information Effect of Price

The role of information is a function of price in introducing consumers to product factors such as quality. The role of information is useful for consumers who have difficulty in assessing factors of production.

2.3.2. Dimensions of Price

1. Affordability Prices

Prices that can be reached by all classes are appropriate to the target market.

2. Price Compatibility with Product

The quality of the product determines the amount of price offered by consumers. The higher the quality of the materials and processes, the higher the price.

3. Price Compatibility with Benefits

Consumers decide to use a product or service if the benefits are felt according to what has been spent to get it, and if the benefits that consumers get are small from the income that has been spent, consumers will think twice before buying them.

4. Price According to Ability or Price Competitiveness

Consumers always compare the price before purchasing the product

2.4. Purchasing Decision

The purchasing decision is the final decision made by consumers before purchasing a product or service, considering various specific considerations. The purchasing decision is influenced by several factors such as personal preferences, price, product quality, brand, advertising, or other environmental factors.

According to Kotler and Armstrong (2016), the purchase decision is a final decision made by individuals and households who purchase goods and services for personal consumption.

Kotler and Armstrong (2018) explain that there are five roles in purchasing, namely:

1. Gatekeepers: People in an organization's buying center who control the flow of information to others.
2. Influencer: a person whose views, advice, or opinions influence a buying decision.
3. Decision maker: the person who determines the purchase decision. For example, whether to buy, what to buy, how to buy, or where to buy it.
4. Buyer: the person who makes the actual purchase.
5. User: the person who consumes or uses the purchased goods or services.

2.4.1. Affects Factor of Purchasing Decision

According to Kotler and Armstrong (2018), there are four factors in purchasing decisions, namely:

2.4.1.1. Cultural Factor

Cultural factors have a broad and deep impact on behavior that includes culture, sub-culture, and social class. Culture is the set of basic values, perceptions, desires, and behaviors that are learned by members of society.

2.4.1.2. Social Factor

Consumer behavior is also influenced by social factors such as reference groups, family, roles, and status.

- a. Reference groups are groups that have a direct or indirect influence on a person's behavior.
- b. Family in life consists of parents, a person acquires an orientation towards religion, politics, and economics and an understanding of personal ambition.
- c. Role and status, each person will conduct a certain role that will affect his behavior differently each role and each role will carry a status that reflects the appreciation given by society.

2.4.1.3. Personal Factors

Purchasing decisions are also influenced by personal characteristics such as economic situation, occupation, age of the buyer, lifestyle, and personality.

- a. Age of the buyer, People who buy goods and services have needs and tastes depending on the age of the buyer.

- b. Work is also one that affects the consumption patterns of the buyer; thus, marketers can identify groups that are related to a person's position on his interest in the product or service to be purchased.
- c. The economic situation becomes one of the purchasing decisions, everyone has a different economic situation. The state of the economy includes disposable income (income level, stability, and time pattern).

2.4.1.4. Psychological Factors

Purchase decisions are determined by motivation and perception. Biogenic needs come from psychological states related to tension such as hunger, thirst, or displeasure. Perception is the process of how a person selects, organizes, and interprets input information to create a meaningful picture.

2.4.2. Purchasing Decision Process

The purchasing decision process is a process that has several steps that are conducted by consumers in the purchase decision process. According to Kotler (2017), there are five steps in the buying decision process, namely:

2.4.2.1. Problem Recognition

Problem recognition starts with consumers who are aware of a need or problem that must be overcome, like a situation where there is a difference between internal and external.

2.4.2.2. Information Research

The stage of the buyer decision process in which consumer is motivated to search for more information. Consumers look for product information by paying attention to price, usability, product description, etc.

2.4.2.3. Alternative Evaluation

Evaluation of alternatives starts with the consumer evaluating the negative and positive aspects of the product.

2.4.2.4. Purchasing Decision

Consumers decide to purchase a preferred product by determining the choice of product, quantity, price, time, terms, and location.

2.4.2.5. Post-Purchase Decision

Consumers who have purchased and used the product take further action. If the consumer is satisfied, there is a possibility that the consumer will buy it again and if the consumer is not satisfied, they will look for a better substitute product.

2.5. Previous Research

There are several studies related to this research on quality products, Prices, and purchase decisions as in table 2.1 below:

Table 2.1 Previous Research

| No | Author | Research Title | Result |
|----|------------------------------------|--|---|
| 1 | Lenggang kurnia intan devi (2019). | The Effect of Product Quality, Price, and Promotion on Purchase Decisions in Shopee Marketplace. | The quality of the product has no partial effect on purchasing decisions in the Shopee marketplace. Price has a partial effect on purchasing decisions in the Shopee marketplace. The Promotion has a partial effect on purchasing decisions in the Shopee marketplace. |
| 2 | Wahyu Erdalina (2018) | The influence of product quality, price, and television advertisement on purchase decisions of image brand cosmetic hand and body lotion in pariaman | product quality, price, and promotion have a significant effect on the repurchase decision of Citra hand and body lotion in Pariaman |
| 3 | Yosephus Galih Primadasa (2019). | The Effect of Price, Product Quality, and Promotion on Product Purchase Decisions at the Shopee Marketplace. | Price, product quality, and promotion have a positive effect on purchasing decisions. |

| | | | |
|---|--|--|---|
| 4 | Basrah Saidani. | The Effect of Product Quality and Service Quality on Consumer Decisions and Interest in purchasing in the Ranch Market. | Product quality and service quality affect consumer satisfaction and buying interest at Ranch Market. |
| 5 | Heriyanti Safitri, Hj Aida Vitria, and Nurul Hasanah. | The Effect of Product Quality and Price on The Purchase Decision of Garnier Skincare Products in the Cosmetic Ayu Crown Store (Case Study Consumers of Garnier Skincare Product North Banjarmasin) | Quality Products and Price effect on purchasing decisions and influence simultaneously |
| 6 | Stevie Caroline and Kartika Imasari Tjiptodjojo. | The Effect of Product Quality, Price, and Trust on Purchase Decisions in Zalora E-commerce. | Product quality, price, and trust have a positive and significant partial effect on Zalora's e-commerce purchasing decisions and simultaneous tests on product quality, price, and trust variables have positive and remarkable results on Zalora's e-commerce purchasing decisions. |
| 7 | Risky Desti Wulandari and Donant Alananto Iskandar (2018) | Influence of brand image and product quality on purchase decision on cosmetic products | Brand image has a considerable influence on purchasing decisions for Viva cosmetic products. Product quality has a significant influence on the decision to purchase Viva cosmetic products. Brand image and product quality have a simultaneous influence on purchasing decisions for Viva cosmetic products |
| 8 | Lidya Mongi, Lisbeth Mananeke, and Agusta Repi. | Product Quality, Promotional Strategy, and Price effect on the Decision to Purchase Telkomsel Simpati Cards in Manado City | Product quality, strategy, and price have a significant simultaneous effect on the decision to purchase Simpati Telkomsel cards in Manado City, and product quality, strategy, and price have a significant partial effect on the Simpati Telkomsel card in Manado City. |
| 9 | Siti Lam'ah Nasution, Christine Herawati Limbong, and Denny Ammari Ramadhan Nasution | Influence of product quality, brand image, trust, Convenience, and price on purchase decision On e-commerce shopee | Simultaneously product quality, brand image, trust, convenience, and price have a significant effect on purchasing decisions on e-commerce Shopee. |

| | | | |
|----|------------------------------------|--|---|
| | | (Survey of undergraduate students in the faculty of economics, university management department Labuhan batu | Partially, price, convenience, and trust affect purchasing decisions. Partially product quality and brand image do not affect purchasing decisions. |
| 10 | Rissa Mustika Sari dan Prihartono. | The Influence of Price and Product Quality on Purchase Decisions (RISE Bed Sheet Product Customer Survey). | Price and product quality have a positive and significant effect on the purchase decision of a rising sheet. |

2.6. Research Framework

Based on the research framework above, it can be explained that this study has product quality and price as independent variables and purchasing decisions as dependent variables. The research was conducted to determine the effect of the independent variables on the dependent variable partially and simultaneously. This research framework uses to direct researchers to conduct research.

2.6.1. Relation between Product quality (X1) and Purchasing decision (Y)

The significance of product quality extends to the enhancement of business processes. A corporation's resilience amid competitive market dynamics is contingent upon its persistent appraisal and subsequent amelioration of product quality. When a product demonstrates commendable quality that aligns with consumers' criteria and desires, it engenders a scenario where the price point becomes of lesser concern to consumers (Rissa et al., 2021). This phenomenon serves as a catalyst for the company's sustained success in the face of market rivalry.

Based on research (Yoshipus Galih, 2019) product quality variables have a positive effect on purchasing decisions. As for other research according to (Jasinta et.al, 2019) there is a considerable influence between product quality on purchasing decisions.

2.6.2. Relation between Price and Purchasing Decision

Prices have the capacity to significantly influence consumer purchasing deliberations. The pricing factor stands as a pivotal determinant prior to consummating a purchase. During the consumer shopping process, the foremost aspect that garners attention is the price point. The perception often held by consumers is that high-priced products correlate with elevated product quality. Conversely, quality products marked with relatively lower prices can evoke skepticism among consumers.

Based on research (Wahyu, 2018) price has a significant effect on purchasing decisions. Other studies, namely, (Fitriani et.al, 2019) says the price has a positive influence on purchasing decisions.

2.6.3. Relation between Product Price and Quality to Purchasing Decisions

Based on the research of Maryam et.al (2022) shows that product quality and price simultaneously influence the decision to purchase scarlett whitening products.

To find out whether the independent variables simultaneously affect the dependent variable, a test is conducted to determine the significant relationship between the independent variables and the dependent variable.

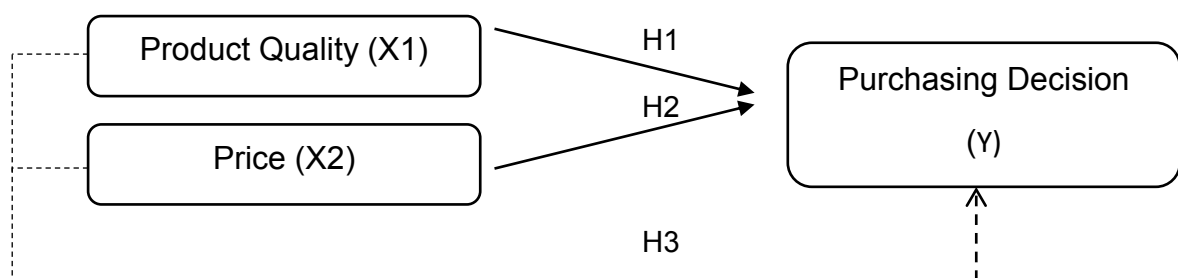


Figure 2.1 Research Framework

Description:

X1: Independent Variable (Product Quality)

X2: Independent Variable (Price)

Y: Dependent Variable (Purchasing Decision)

—————> : Parsial

..... : Simultaneously

2.7. Hypothesis

Based on the theory's explanation of relationships between variables, and previous research that has been described, the following hypotheses are formulated:

H₁: There is an effect between product quality on purchasing decisions.

H₂: There is an effect between price on purchasing decisions

H₃: There is a relation simultaneous effect between product quality and price on purchasing decisions.