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# Effect Product Quality, Service Quality and Price on Consumer Purchasing Decisions of the Padang Ampera Uni Restaurant in Pinang City

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#### **ABSTRAK**

Penelitian ini bertujuan untuk mengetahui pengaruh Product Quality, Service Quality dan Price terhadap Buying Decision konsumen rumah makan padang ampera uni di Kota Pinang. Pengumpulan data dilakukan dengan penyebaran kuesioner dan disebar kepada 100 sampel penelitian yaitu konsumen ampere uni. Analisis data pada penelitian ini menggunakan bantuan smart pls 3. Teknik pengujian data yang dilakukan pada Pengujian secara parsial dan simultan. Hasil analisis menunjukkan bahwa secara keseluruhan variabel independent memberikan pengaruh yang positif dan signifikan terhadap variabel dependent, hal ini terlihat dari nilai seluruh t hitung memiliki nilai yang lebih tinggi dari t tabel dengan nilai signifikan dibawah 0,05, secara keseluruhan Hasil akhir penelitian bahwa variabel independent memberikan pengaruh sebesar 0,573 atau sebesar 57,30% dan sisanya dipengaruhi oleh faktor pendukung lainnya.

Kata kunci: kualitas produk; kualitas layanan; harga; keputusan pembelian

#### **ABSTRACT**

This study aims to determine the effect of product quality, service quality and price on consumer purchasing decisions at Padang Ampera Uni Restaurant in Pinang City. Data collection was carried out by distributing questionnaires and distributing them to 100 research samples, namely uni ampere consumers. Data analysis in this study used the help of smart pls 3. Data testing techniques were carried out in partial and simultaneous testing. The results of the analysis show that overall the independent variables have a positive and significant influence on the dependent variable. This can be seen from the value of all t counts that have a higher value than t table with a significant value below 0.05. Overall, the final result of the study is that the independent variables gives an effect of 0.573 or 57.30% and the rest is influenced by other supporting factors.

Keywords: product quality; service quality; price; buying decision

## INTRODUCTION

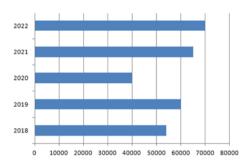
The culinary business world is a business that is in great demand and has great development opportunities. Most people have a great interest in culinary business. other. One type of culinary that is often found is restaurants, Padang restaurants are a type of processed food typical of the Padang area, but the spread of the business is very large to areas outside Padang. One of them is in the city of Pinang, we encounter many Padang restaurants, this is of course an attraction for conducting research related to purchasing decisions that occur at Padang restaurants. The many types of similar businesses certainly make the level of competition higher and business actors try to attract consumers' buying interest in order to have good purchasing decisions. One of the padang restaurants located in Kotapinang is Ampera Uni which is located at Jalan Jendral Sudirman no 77 Kota Pinang.

Consumer purchasing decisions are basically a driving factor in making purchasing decisions for a product. According to Anwar & Satrio (2015), Consumer purchasing decisions are after-purchase evaluations or evaluation results after comparing what is felt with expectations. A good purchasing decision will automatically have a positive influence on the progress of a business, the researcher considers that the level of purchasing decisions for Nasi Padang has different levels of purchase, the researcher sees that an increase in purchases at Padang restaurants occurs in the morning and evening, the researcher makes a sample of Padang Kota Pinang restaurants as a place to conduct research on how the level of purchasing decisions is at each restaurant, researchers consider that the level of consumer purchasing decisions is influenced by several things such as product quality, service quality and price of each product.

In running a business, the products and services sold must be of good quality or in accordance with the price offered. According Ibrahim & Thawil (2019), Quality is defined as the overall characteristics and characteristics of goods and services that affect the ability to meet stated or implied needs. Product quality has a very large influence on consumer purchasing decisions, researchers consider that each consumer has a different assessment of product quality in each place, consumers tend to compare one place to another.

According Erlianti (2019), Service quality is a potential strategic weapon to beat competitors. The ability of service quality to perform multiple functions including robustness, reliability, accuracy, and ease of use. Consumers tend to pay attention to how the quality of service provided, the quality of service will lead to emotional closeness to consumers, where emotional closeness will make the level of purchasing decisions even more well-developed. Price greatly influences positioning and financial purchasing decisions and also influences buyer perceptions and brand positioning. Price is the only element of the marketing mix that generates revenue, all other elements represent price only. Price is one of the most flexible elements of the marketing mix unlike product characteristics and distribution channel commitments. Consumers will always make price comparisons from one place to another, and cheaper product prices will usually be more in demand by consumers.

Ampere uni in the city of Pinang experiences sales levels that change every day, the high level of competition causes business actors to have a specific strategy for increasing, the level of sales for five years can be seen in the Figure 1. Based on the Figure 1 above, it can be seen that the number of consumers from year to year tends to increase. So the specific objective of this study was to determine the effect of product quality, service quality and price on consumer purchasing decisions at Padang Ampera Uni Restaurant in Pinang City.



Source: processed data

Figure 1
Total Consumers

## **METHOD**

The type of research is quantitative, namely the results of testing are carried out using test results indicated by numbers which are then processed with SPSS, data collection is carried out by distributing questionnaires to respondents by determining the management of respondents' answers, namely by a Likert scale expressed by numbers 1 to 5 which describe the statement disagree to strongly agree. Population and sample are needed in a study to collect data from the variables studied. Population is a group of subjects that will be used as research objects. Definition of population according to Rahawarin & Arikunto (2015) Stated that the population is the entire research subject.

Table 1
Data Research

Data Research		
Year	Total Sale	
2018	54.000,00	
2019	60.000,00	
2020	40.000,00	
2021	65.000,00	
2022	70.000,00	
Total sales for 5 years	229.000,00	
Average Sale	19.083,33	

Source: processed data

From the data above, the researchers took the average consumer for five years, namely 229,000:5 = 19,083, so the population in the study was 19,083 people. According Sugiyono (2017) the sample is part or representative of the population under study. With a population of 19,083 people, the number of samples taken uses the Slovin formula:

$$n = \frac{N}{1 + Ne2}$$

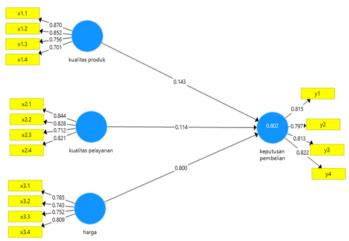
Information: n = Number of samples; N = Population size; e = margin of error (10% or 0.1); So that the number of samples (n) becomes:

$$n = \frac{19.083}{1 + 19.083(0,1)^2} = 99,9 \cong 100$$

So that the number of samples used is 100 respondents.

#### RESULT

At the stage of analyzing the model, it meets the requirements of the outer model in terms of convergent validity, discriminant validity and reliability. To find out the convergent validity score can be seen from the correlation between the item/indicator score and the construct. Based on the figure below, the item/indicator score with the construct is in the range above the value of 0.70. This means that the outer convergent validity model is acceptable.



Source: processed data

Figure 2 Outer Model

Outer Loading is a table that contains a loading factor to show the correlation value between indicators and latent variables. In testing convergent validity, you can use outer loadings. An indicator can be said to meet the requirements of convergent validity in a good category, if it produces an outer loading value greater than 0.7, but it can still be said to be acceptable if the value is 0.5 to 0.6. Based on the Table 2 above, it is known that the overall loading value of each reflex construct has a loading value of > 0.7. Related to this, the model is stated to have met the criteria of good convergent validity.

Table 2
Outer Loading

	Outer Loading					
	Product Quality	Service quality	Price	Buying decision		
X1.1	0,716					
X1.2	0,800					
X1.3	0,714					
X1.4	0,786					
X2.1		0,707				
X2.2		0,799				
X2.3		0,718				
X2.4		0,812				
X3.1			0,888			
X3.2			0,736			

X3.3	0,844	
X3.4	0,822	
Y.1	0,~	736
Y.2	0,~	773
Y.3	0,9	833
Y.4	0,~	796

Source: processed data

Average Variance Extracted (AVE) is a method for evaluating discriminant validity for each construct and latent variable. Discriminant validity can be carried out by comparing the square root of average variance extracted (AVE) values for each variable in the model. A model is declared good if it obtains if it obtains a greater AVE value than the correlation of other constructs. The basis for decision making in this study, a variable is declared good if it obtains an AVE value of not less than 0.5 (Abdillah dan Hartono, 2015).

Table 3
Discriminant Variabel

Avera	ge Variance Extracted (AVE)
Product Quality	0,781
Service Quality	0,740
Price	0,805
Buying Decision	0,716

Source: processed data

Based on the table above, it is known that for variable X1 it has an AVE value of 0.781, variable X2 has an AVE value of 0.740, X3 has an AVE value of 0.805, variable Y has an AVE value of 0.716. Related to this, it is known that each of them obtains an AVE value of more than 0.5 where the indicator can be explained by more than 50% or more, so that the model can be tested further. Cross loading is another method for determining discriminate validity, namely by looking at the value of cross loadings, it can be predicted that the indicators in the latent construct in their block have a greater value compared to the indicators in other blocks which have the greatest value in the variables they have formed compared to the other variables. Based on the table 4 above, it is stated that the indicators used in this study have good discriminant validity values.

Table 4
Cross Loading

	Product Quality	Service Quality	Price	Buying Decision
X1.1	0,716	0,707	0,888	0,836
X1.2	0,800	0,799	0,736	0,713
X1.3	0,714	0,718	0,844	0,733
X1.4	0,786	0,812	0,822	0,816
X2.1	0,746	0,747	0,788	0,836
X2.2	0,700	0,899	0,836	0,713
X2.3	0,814	0,778	0,744	0,733
X2.4	0,786	0,712	0,722	0,896
X3.1	0,816	0,777	0,818	0,716
X3.2	0,750	0,769	0,826	0,743
X3.3	0,754	0,818	0,744	0,733
X3.4	0,746	0,712	0,722	0,896
Y.1	0,756	0,807	0,788	0,836
Y.2	0,800	0,899	0,836	0,773
Y.3	0,714	0,818	0,744	0,833
Y.4	0,786	0,812	0,822	0,796

Source: processed data

Fornell-Lacker Criterion is a method used to compare the square root value of the Average Variance Extracted (AVE) of each construct with the correlation between other constructs in the

model. Average Variance Extracted (AVE) can be used to test discriminant validity, by comparing the square root of the Average Variance Extracted  $\sqrt{((AVE))}$  for each construct with the correlation between constructs and other constructs in the model. If the AVE for each construct is greater than the correlation between the construct and the other constructs, then the model has good discriminant validity. Based on the table 5 above, it can be concluded that the square root of the average variance extracted ( $\sqrt{AVE}$ ) for each construct is greater than the correlation between the first construct and the other constructs in the model. From the AVE value, the constructs in the estimated model fulfill the discriminant validity criteria.

Table 5
Fornell-Lacker Criterion

Tornen-Lacker Criterion				
	Product Quality	Service Quality	Price	Buying Decision
Product Quality	0,811	0,875	0,886	0,832
Kualitas pelayana	0,839	0,853	0,840	0,840
Price	0,867	0,800	0,785	0,785
Keputusan pembelin	0,871	0,845	0,865	0,898

Source: processed data

Table 6
Composite Reliability

composite itemasine		
	Composite Reliability	
Product Quality	0,918	
Service Quality	0,967	
Price	0,983	
<b>Buying Decision</b>	0,977	

Source: processed data

Based on the table 6 above, it is known that variable X1 obtained a composite reliability value of 0.918, variable X2 obtained a composite reliability value of 0.967, variable X2 obtained a composite reliability value of 0.983, variable Y obtained a composite reliability value of 0.977. Related to this, it can be seen that each variable obtains a value greater than 0.60 so that all variables are declared reliable. Cronbach Alpha can be interpreted as a part that is used to test a reliability value of indicators in a construct. This construct can be said to be reliable or has fulfilled cronbach alpha if the cronbachs alpha value is > 0.7 (Abdillah dan Hartono, 2015).

Table 7 Cronbach Alpha

Cronbuch ruphu		
Cronbach's Alpha		
Product Quality	0,864	
Service Quality	0,837	
Price	0,830	
Buying Decision	0,937	

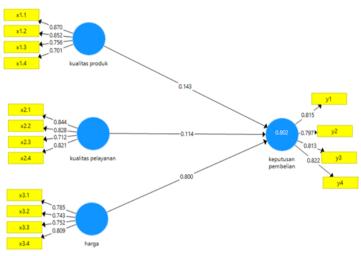
Source: processed data

Based on the table above, it is known that construct X1 obtains a Cronbach's alpha value of 0.864, construct X2 obtains a Cronbach's alpha value of 0.837, construct X3 obtains a Cronbach's alpha value of 0.830, construct Y obtains a Cronbach's alpha value of 0.937. Based on the results that have been obtained, it can be concluded that the value of all constructs has good reliability. The inner test model in this study, namely R-square, is a value that shows how much the independent (exogenous) variable affects the dependent (endogenous) variable. The value of the change in R Square can be used to determine the effect of the independent variable on the dependent variable. Based on the table 8 above, the R Square value for equation 1 is 0.876 or 87.6%, equation 2 is 0.763 or 76.3%, equation 3 is 0.877 or 87.7%. This means that the results of testing the structural model obtained the R-Square value in the high category.

Table 8
R Square

	K Square	
	R Square	R Square Adjusted
Product Quality	0,876	0,869
Service Quality	0,763	0,753
Price	0,877	0,816

Source: processed data



Source: processed data

Figure 3
Bootstrapping

Table 9
Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standar d Deviatio n (STDEV)	T Statistics ( O/STDEV )	P Values
Product Quality	0,519	0,588	0,137	4,338	0,000
Service Quality	0,605	0,612	0,155	3,559	0,001
Price	0,759	0,788	0,137	4,638	0,000

Source: processed data

Based on the table above, it can be explained as follows:

- 1. The Product Quality variable obtains a T-statistic value of 4.338 > 1.96 with a P-value of 0.000. This means that Product Quality has a significant effect on purchasing decisions, or H1 is accepted.
- 2. The Service Quality variable obtains a T-statistic value of 3.559 <1.96 with a P-value of 0.001. This means that Service Quality has a significant effect on Buying Decision, or H2 is accepted.
- 3. The Price variable obtains a T-statistic value of 4.638 <1.96 with a P-value of 0.000. This means that Price has a significant effect on the Buying Decision, or H2 is accepted.

## Product Quality Toward Buying Decision

The Product Quality variable obtains a T-statistic value of 4.338 > 1.96 with a P-value of 0.000. This means that Product Quality has a significant effect on purchasing decisions. Good Product Quality will provide a separate assessment for consumers, consumers who feel they are getting a product with good Product Quality will make an increase in the consumer's Buying Decision. The results of the research are in line with research conducted by I kadek (2017) which gives results Product Quality has a positive and significant effect on brand image. Improved Product Quality will improve the perceived brand image in the minds of consumers. Brand image has a positive and significant effect on Buying Decision. An increased brand image that is increasingly felt by consumers will increase the Buying Decision. Brand image mediates the relationship between Product Quality and Buying Decision. This means that without a brand image, Product Quality can still influence Buying Decisions. Whereas with the existence of a brand image even though it has an

impact in efforts to increase Buying Decisions, brand image has a big role to further improve Buying Decisions.

## Service Quality Toward Buying Decision

The Service Quality variable obtains a T-statistic value of 3.559 <1.96 with a P-value of 0.001. This means that Service Quality has a significant effect on Buying Decision. In providing services, quality in service delivery becomes an assessment for consumers in determining a Buying Decision, consumers tend to decide on a Buying Decision based on the level of service satisfaction they get. The results of the research are in accordance with research by Nurjannah (2017) with the results of the research. Based on the results of the t test related to the effect of the Service Quality variable (X1) on Buying Decisions (Y), it is known that Service Quality has a significant effect on Buying Decisions. These results can be seen by looking at the results of the t test, where a Sig value of 0.000 is obtained. A Sig value that is smaller than 0.05 (0.000 <0.05) with a percentage of 0.547 or 54.7%. So it can be concluded that H0 is rejected and Ha is accepted, meaning that Product Quality has a significant effect on the Buying Decision.

# Price Toward Buying Decision

The Price variable obtains a T-statistic value of 4.638 <1.96 with a P-value of 0.000. This means that Price has a significant effect on the Buying Decision, or H2 is accepted. Price is something that is of particular concern in making decisions, consumers tend to make price comparisons between one place and another, prices with desires according to consumers tend to give their own judgment in deciding buying decisions. The results of the study are comparable to Maria's research (2017) with the results of the study namely that there is an influence of Price on the Buying Decision of Barong Gung Tulungagung Batik. Gung Tulungagung is 72.2%, while the remaining 27.8% is influenced by other variables outside the research.

## **CONCLUSION**

Based on the results and discussion above, the researcher concludes that the Product Quality variable has a significant effect on the Buying Decision. The Service Quality variable has a significant effect on the Buying Decision. Price Price variable has a significant effect on Buying Decision.

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