

The Impact of Product Quality, Service Quality and Price On Purchasing Decisions Of Processed Marine Products, Otak-Otak Sei Enam Bintan Regency Indonesia

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Abstract. Product quality refers to a product's physical characteristics as well as its nature and capacity for use. The degree of evaluation of an activity given by one party to another for the provision of goods or services is known as service quality. Price is a product or service's exchange rate. When a buyer decides to buy a product, they examine a number of factors before making the purchase. This is known as purchasing behavior. Using a case study on Bu Yana's otak-otak Sei Enam, this study seeks to ascertain the impact of pricing, product quality, and service quality on purchase decisions for Bintan Regency. In this work, quantitative research methodologies are employed. The individuals in Tanjungpinang City and Bintan Regency comprised the study's population. The folks who had eaten Bu Yana's otak-otak in Tanjungpinang City, Bintan Regency, served as the study's sample. Research of this kind is quantitative in nature. The questionnaires provide the study's main source of data. The findings indicated that, in part, neither price nor service quality had a significant impact on the decision to buy $t_{count} > t_{table}$ ($1,950 > 1.66088$) with a significant value of $0.054 > 0.05$, nor did they have a significant effect on $t_{count} < t_{table}$ ($1.449 < 1.66088$) with a significant value of $0.151 > 0.05$. Concurrently, the decision to buy is significantly influenced by the quality of the goods, the price, and the service, with $F_{count} > F_{table}$ ($22,329 > 2,699$) and a sig value less than 0.05 ($0.000 < 0.05$).

1 Introduction

One of the Riau Islands' specialties is otak-otak. In addition to being well-known and in high demand within the community, otak-otak is also much enjoyed by those outside of the Riau Islands region and even overseas. In addition to being a snack, otak-otak can be eaten with rice during meals and kept as a memento. Connoisseurs of the brain have penetrated all spheres and strata of society, particularly in Tanjungpinang City and Bintan Regency. Bintan Regency and Tanjungpinang City are ideal locations for the otak-otak company to operate in due to their high population density. Furthermore, one of the foods that the community is in high demand for is otak-otak. Potential customers are drawn to purchase or consumers otak-otak due to its unique flavor.

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In Bintan Regency in particular and Tanjungpinang City, there are many SMEs that run businesses by selling otak-otak. One of the SMEs engaged in selling otak-otak is the Bu Yana Sei Enam Kijang Otak-otak SMEs. Otak-Otak Bu Yana brains are used as objects in research by researchers because Otak-Otak Bu Yana brains are considered to have a wide market to foreign countries with a distinctive taste. Otak-otak is located in Bintan Regency, precisely in Kijang City. The otak-otak that is sold/offered has a variety of flavors, namely fish otak-otak, cuttlefish otak-otak and bone otak-otak. With so many business actors engaged in selling otak-otak, this can certainly illustrate the level of business competition that occurs between otak-otak SMEs and can also be a threat in fighting for consumers. The large circulation of these otak-otak SMEs will also affect consumer behavior, such as making considerations in deciding to purchase products from a otak-otak SMEs, with this, Bu Yana's Otak-otak SMEs is indirectly encouraged to pay attention to factors that can encourage purchasing decisions. Otak-otak can be used as a business object for local residents which can encourage the improvement of the economy of these business people in particular and the regional economy and even the country in general. Bu Yana's Otak-otak SMEs must be able to convince their brains to potential customers by providing clear information regarding the brains concerned. This will be the basis of consideration for potential customers before making a purchase decision.

Purchasing decisions are the acts taken by consumers to acquire the things they find most appealing [1-4]. Consumers make decisions about what to buy by considering whether or not the goods would fulfill their needs [5]. The process of making a purchase involves first introducing an issue, assessing it, and selecting the solution that best meets the demands [3]. A consumer's choice to buy a product is the result of careful assessment of all relevant factors, including the product's characteristics, form, brand, and mode of payment. The choice to buy is crucial since it has the potential to improve a company's reputation and earnings. Bu Yana's purchase decisions can be influenced by various factors such as service quality, pricing, and product quality.

A product's quality is determined by its capacity to perform its intended function, which is determined by a number of factors including its longevity, accuracy, ease of maintenance, and other characteristics [6]. Product quality is the company's attempt or capacity to satisfy customers, as customers' pleasure isn't limited to the product's physical form but also includes the satisfaction that comes with purchasing a product [1]. One strategy that marketers use to figure out where their products fit in the market is product quality. To support or sustain the positioning of a product in its target market, a corporation must decide on the quality level of the products it produces [7]. Product quality refers to a product or service's ability to meet the needs of customers as expressed or inferred by the manufacturer, taking into account all of its qualities and characteristics [4]. One of the most crucial factors that is closely related to customer behavior is product quality. Positive customer behavior is a direct result of high-quality products, and vice versa. As part of a company plan, entrepreneurs need to be able to give the items' quality first priority. The most significant influence on a business's ability to survive is the quality of its products. This is due to the fact that potential customers always base their decision to trust a product on its quality, and thus, word about a product's quality can spread swiftly and widely. Naturally, a product's level of trust and dissemination is based on the experience of a user.

Price is the second element, after product quality, that might affect consumers' decisions to buy. [1] States that the price is the sum of money based on the utility or usefulness required to achieve various combinations of products and services that are traded for ownership rights. [5-10] Price is the worth of the goods being offered, thus customers must pay money to obtain the commodity. [2,11] Price is a value stated in

rupiah for trade or transaction, or the amount of money customers must pay to obtain goods and services.

Price is one of the components tied to a product. The price offered will be a material comparison in making a purchase decision and of course the price is flexible or changeable. Price can also be an important element in determining purchasing decisions. The price level attached to a product is the amount of value that will be sacrificed by potential consumers when deciding to make a purchase or economic use of a product.

In addition to price and product quality, service quality is another element that might affect consumers' decisions to buy. Service is the secret to success in a variety of firms that are service providers, claim [8-13]. If the service operations are in competition with each other for consumers or market share, the function of service will become more important and decisive. Offering high-quality services that satisfy consumer needs is one approach to outsell rivals in the service sales market. The act of providing goods or services to another party in a way that satisfies their requirements, preferences, and expectations is known as providing high-quality service. The company's service quality is good since it can fulfill customer expectations and supply services accordingly.

The quality of service provided by business actors will be one of the considerations for consumers before deciding to make a purchase. Good service is of course what consumers expect and what business actors need to do. A business actor's level of ethics in conducting business can be demonstrated by providing good service.

The objectives of this research are:

- 1) Knowing partially the influence of product quality on purchasing decisions for Bu Yana's otak-otak.
- 2) Partially find out the influence of service quality on purchasing decisions for Bu Yana's otak-otak
- 3) Knowing the influence of price on purchasing decisions for Bu Yana's otak-otak
- 4) Knowing simultaneously the influence of product quality, service quality, and price on the purchasing decisions of Bu Yana's otak-otak

Researcher are interested in further discussing the above phenomenon/description in a study entitled “ The Impact of Product Quality, Services Quality and Price on Purchase Decisions For Marine Processed Products, Otak-otak Sei Enam Bintan Regency Indonesia”. This will be explained further in the following framework.

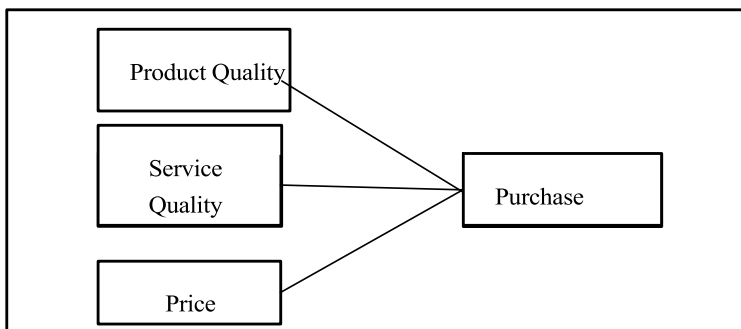


Fig.1. Framework of Thought

The hypothesis of this research is as follows:

H1 : There is a significant impact between product quality and purchasing decisions.

H2 : There is a significant impact between service quality on purchasing decisions.

H3 : There is a significant impact between price on purchasing decisions.

H4 : There is a significant impact between product quality, service quality and price on purchasing decisions.

2 Research Methods

Due to the numerical nature of the research data, this type of study is quantitative. The information utilized was gathered by the distribution of questionnaires with questions on them; each question was assigned a numerical score. Following the collection and evaluation of the data, statistical tests were employed to support data analysis using SPSS version 26 software. In this study, questionnaires were employed to gather information and draw samples from the pre-selected group.

2.1 Time and Place

The study was carried out in 2024 between April and October. Tanjungpinang City and Bintan Regency in the Province of the Riau Islands served as the research site.

2.2 Tools and Materials

A questionnaire with statements or questions on the research topic is the instrument utilized in this study, and it is given to respondents. The validity of the content ensures that the questionnaire covers all relevant aspects of the topic being measured, and the internal consistency reliability of the questionnaire measures how consistent the items are with one another in measuring the same concept. These two factors help the researcher ensure the validity of the shared questionnaire. SPSS version 26 software is the instrument used in the data processing process.

The data from the respondents' questionnaire distributions served as the study's source material. Books and journals are also employed as references in this study in order to bolster the findings.

2.3 Research Procedure

Utilizing questionnaire approaches, data was gathered. Two different forms of data were employed in this study: primary data, which came straight from the source or research item, and secondary data, which came from references found in journals and e-books.

2.4 Data Collection Technique

Since the research data in this form is numerical, the research methodology is quantitative. The information utilized came from the distribution of questionnaires with questions on them; each question had a numerical score value associated with it. After the data was gathered and evaluated, statistical tests were employed to support data analysis using SPSS version 26 software. In order to gather information and obtain/use samples from the predefined population, questionnaires were employed in this investigation [14-15].

2.5 Data Analysis

This study employs statistical tests for data analysis, including the validity, reliability, and classical assumption tests (multicollinearity, heteroscedasticity, and normality) as well as multiple regression (partial and simultaneous tests). IBM SPSS Version 26 software is used to support these tests.

3 Results and Discussion

3.1 Descriptive statistical test

Table 1. Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Product Quality	100	4	20	17.19	2.214
Service Quality	100	4	20	16.37	2.264
Price	100	4	20	17.28	2.318
Purchase Decision	100	12	20	17.09	1.907
Valid N (listwise)	100				

Differential Product Quality The respondent's average total answer is 17.19, with a standard deviation of 2.214, and a minimum of 4 and maximum of 20. With a minimum response of 4 and a maximum response of 20, the respondent's variable Service Quality has an average total answer of 16.37 and a standard deviation of 2.264. Variable Price: The lowest possible response is 4, the highest possible is 20, the average total response is 17.28, and the standard deviation is 2.318. With an average total response of 17.09 and a standard deviation of 1,907, the purchasing decision variable has a minimum response of 12 and a maximum response of 20.

3.2 Validity test

The validity test compares rcount with rtabel for a significant 5% of the degree of freedom (df) = n-2; in this case, n is the sample; if (df) = 100-2, df = 98, and rtabel 1.966. This determines whether the statements or questions submitted to the respondent are valid or invalid. A statement is considered legitimate if rcount is greater than rtabel.

1) X1 Validity Test

Indicates that the Product Quality variable has Valid criteria for all questions, totaling 4.

Table 2. Correlations

	X1.1	X1.2	X1.3	X1.4	Product Quality
X1.1	1	.728**	.781**	.694**	.888**
X1.2	.728**	1	.750**	.722**	.891**
X1.3	.781**	.750**	1	.780**	.921**
X1.4	.694**	.722**	.780**	1	.892**
Product Quality	.888**	.891**	.921**	.892**	1

Indicates that Product Quality variable has Valid criteria for all questions, totaling 4 statements.

2) *X2 validity test*

Table 3. Correlations

	X2.1	X2.2	X2.3	X2.4	Service Quality
X2.1	1	.266*	.735*	.721*	.795**
N	100	.007	.000	.000	.000
		100	100	100	100
X2.2	.266*	1	.250*	.268*	.709**
	.007		.012	.007	.000
N	100	100	100	100	100
X2.3	.735*	.250*	1	.742*	.795**
N	.000	.012		.000	.000
	100	100	100	100	100
X2.4	.721*	.268*	.742*	1	.803**
	.000	.007	.000		.000
N	100	100	100	100	100
Service Quality	.795*	.709*	.795*	.803*	1
N	.000	.000	.000	.000	.000
	100	100	100	100	100

Shows that the Service Quality variable has Valid criteria for all questions, totaling 4 statements.

3) *X3 validity test*

Table 4. Correlations

	X3.1	X3.2	X3.3	X3.4	Price
X3.1	1	.796*	.872*	.740*	.925**
X3.2	.796*	1	.838*	.773*	.925**
X3.3	.872*	.838*	1	.779*	.945**
X3.4	.740*	.773*	.779*	1	.893**
Price Pearson Correlation	.925*	.925*	.945*	.893*	1

Source: Processed Data, 2024

Indicates that the Price variable has Valid criteria for all questions, totaling 4 statements.

4) Y Validity Test

Table 5. Correlations

	Y1	Y2	Y3	Y4	Purchase Decision
Y1	1	.761* *	.527* *	.411* *	.799** .000
N	100	100	100	100	100
Y2	.761* *	1	.623* *	.513* *	.868** .000
N	.000 100	100	.000 100	.000 100	100
Y3	.527* *	.623* *	1	.578* *	.839** .000
N	.000 100	.000 100	100	.000 100	100
Y4	.411* *	.513* *	.578* *	1	.782** .000
N	.000 100	.000 100	.000 100	100	100
Purchase Decision	.799* *	.868* *	.839* *	.782* *	1
N	.000 100	.000 100	.000 100	.000 100	100

Indicates that the Purchasing Decision variable has Valid criteria for all questions, totaling 4 statements.

3.3 Classic assumptions

1) Normality test

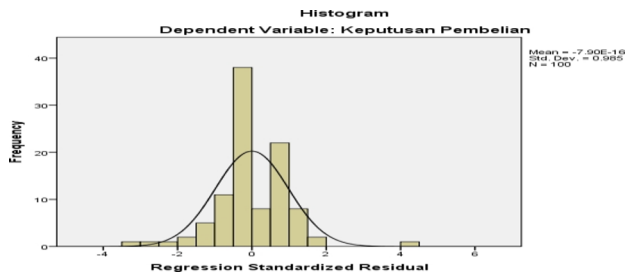


Fig. 2. Normality Tes

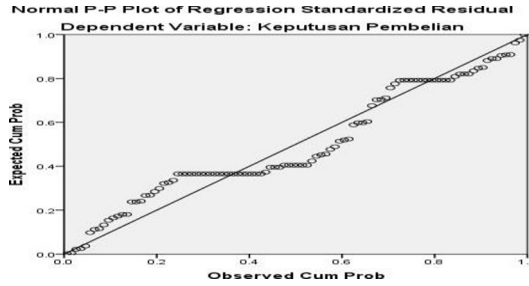


Fig.3. Normality Test

Demonstrates that the histogram graph produced a normal curve, the normal graph on the pattern displays data that is normally distributed, and the distribution of points surrounding the diagonal line parallels the diagonal line's direction, indicating that the regression model satisfies the requirement of normalcy and making regression analysis possible in this investigation.

3.4 Multiple linear regression test

Table 6. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.404	1.212		6.110	.000
Product Quality	.118	.155	.137	.758	.450
Service Quality	.155	.107	.184	1.449	.151
Price	.297	.152	.361	1.950	.054

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \tag{1}$$

$$Y = 7.404 + 0.118 X_1 + 0.155 X_2 + 0.297 X_3 + e$$

Explanation:

- 1) Constant (α)
The dependent variable does not change and stays at 7,404, indicating that the constant value is positive and that there is either no change or 0% positive influence between the independent variables.
- 2) Product Quality Coefficient (β_1) Regression Coefficient (X_1)
The product quality variable has a coefficient value of 0.118, or 11.8%. The product quality variable and the purchase decision variable have a unidirectional relationship, as indicated by the product quality value. This indicates that, provided the other independent variables stay the same, a 1% increase in product quality will result in a 0.118 (11.8%) increase in purchase decisions.
- 3) Service Quality (X_2) / Regression Coefficient (β_2)
The service quality variable has a coefficient value of 0.155, or 15.5%. A unidirectional relationship between the purchasing choice variable and service quality is indicated by the value of service quality. In other words, if all other independent

variables stay constant, business success will increase by 0.155 (15.5%) if service quality increases by 1%.

4) Price (X3) against Regression Coefficient (β_3)

The pricing variable's coefficient value is 0.297, or 29.7%. The price value shows that the price and the purchasing decision variable have a unidirectional relationship. This indicates that, provided the other independent variables stay the same, the purchase decision will increase by 0.297 (29.7%) if the price increases by 1%.

4 Conclusions

Based on the results of the analysis and discussion that has been described, the conclusion is that:

- 1) Partial testing demonstrates that Otak-otak Sei Enam Regency Bintan's purchasing decisions are not significantly impacted by product quality. This indicates that consumers' decisions to buy otak-otak sei enam bintan regency are not influenced by the quality of the products offered by the supplier. It can also be seen that consumers do not make product quality the main goal but just buy otak-otak and vice versa, when otak-otak lovers who act as consumers, product quality will be the main goal.
- 2) Partial testing demonstrates that Otak-otak Sei Enam, Bintan Regency purchasing decisions are not significantly impacted by service quality. This indicates that customers' decisions to buy otak-otak sei enam from Bintan Regency are not influenced by the level of service offered by the supplier of otak-otak sei enam. This indicates that when choosing which otak-otak sei to buy from, MSMEs' products and services are not the primary consideration for these SMEs' customers' satisfaction because other otak-otak enterprises.
- 3) Partial testing proves that price has an effect but is not significant to the Purchasing Decision of Otak-otak Sei Enam Regency Bintan. This means that the price given by the seller of otak-otak sei enam is able to influence consumers to make purchasing decisions on otak-otak sei enam bintan regency but not as a whole or not significantly. This means that the prices offered by these SMEs do not have a significant difference and may even be the same as other SMEs that sell otak-otak products.
- 4) The results of simultaneous testing indicate that Processed Marine Products, Otak-otak Sei Enam, Bintan Regency, purchasing decisions are significantly influenced by the variables of Product Quality, Service Quality, and Price. This indicates that the three factors together play a significant influence in influencing buying decisions.

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