

## The Influence of Product Quality and Price on Online Purchase Decisions on the Shopee Marketplace



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**ABSTRACT:** This research was conducted to discuss the influence of product quality and price on online purchasing decisions on the Shopee marketplace. The aim of this research is to determine the influence of product quality and price on online purchasing decisions on the Shopee marketplace (case study on fashion products). Data was collected through distributing questionnaires via Google Form with a sample of 108 respondents. The analysis used is classical assumptions, multiple linear regression analysis, F-test and t-test. Calculations were carried out using the *IBM SPSS version 26 program*. The results showed that product quality had a significant positive effect on purchasing decisions, product quality had a positive and significant effect on price, price had a significant positive effect on purchasing decisions, product quality and price had a significant effect on purchasing decisions overall simultaneous.

**KEYWORDS:** product quality, price, online purchasing decisions

### I. INTRODUCTION

In the current digital era, many online stores already exist in online sales applications. This online shop is different from a real shop. Online stores do not provide staff to serve them because online stores only market via the internet, and the only people who appreciate good and quality products are customers because customers have two senses, namely the sense of sight (photos, images, writing and background) and the sense of hearing (talking on the telephone, music in online stores) and payment systems using transfer payment methods or by prepayment, then customers wait several days for delivery to start (Park and Kim, 2003), (S. Guritno and H. Siringoringo, 2013).

In Indonesia, online sellers can use online stores as a place to sell in several ways. The first way, sellers can create their websites by designing the website to be an online shop that displays their merchandise (shopee.com). The second way, sellers can register sites that provide a platform for buying and selling goods online and create an online shop to find customers or publicize the online shop. So, this system is like a mall (Berniaga.com, kaskus.com) (Sari, 2015). The third way, sellers can create their accounts to open online shopping forums or online shops via social media such as (Facebook, Instagram, Tik-Tok) and sellers can market the products they want to sell/merchandise to their friends and local teenagers (facebook.com, twitter.com). Apart from that, consumers are very observant in choosing products, quality materials and affordable prices, so that consumers will not abandon the product (Ekasari et.al., 2017). By choosing quality products at affordable prices, consumers can feel the satisfaction of shopping online. From the explanation above, it can be interpreted that product quality is very necessary in making sales to convince customers of the quality of the products being sold.

Fashion products (clothing) are classified as shopping products, namely goods whose characteristics are compared based on suitability, quality, price and style (Kotler and Armstrong, 2012: 226). There are so many fashion companies selling online now, consumers will be more selective in choosing fashion products that can provide comfort to consumers themselves. Consumer decisions in choosing or determining a fashion brand do not just happen. Consumers make many considerations before deciding to buy a product online, for example product quality and price.

### II. LITERATURE REVIEW AND HYPOTHESES

#### **Product quality**

According to Kotler and Armstrong (2014: 145) "product quality is the characteristic of a product or service that depends on its ability to satisfy stated or implied customer needs" when interpreted in Indonesian, namely: "product quality is the character of

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*a product that has the ability to meet customer requirements product quality indicators: shape, features, performance quality, durability, reliability, repairability, style, design. Meanwhile, according to (Anggraeni & Soliha, 2020) the quality of goods is the importance of value that is driven by customers so that it can be concluded that if the seller's service or product has met or exceeded the customer's assumptions, it means that the seller has provided the quality of his product. Based on 8 indicators of product quality according to (Sanjaya, 2023), including: performance, features, conformance, durability, reliability, service ability, aesthetics, perceived quality. The hypothesis can be formulated as follows:*

H1: Product quality has a positive and significant effect on purchasing decisions

H2: Product quality has a positive and significant effect on price

### **Price**

Prices should reflect the value that consumers are willing to pay rather than simply reflecting the cost of making a product or providing a service. This means that price is the amount of money that consumers need or exchange to obtain or own an item that has benefits in its use, according to Kotler and Keller (2016), price affordability, price competitiveness, price suitability to product quality, price suitability to product benefits. Kotler and Armstrong (2016) state that: "price is the only element in the marketing mix that generates revenue, all other elements represent costs". Price is the only element of the marketing mix that generates revenue, while the other elements represent costs. Pricing is also the most flexible element of the marketing mix. Price is an important element in a company where with the price the company will get income for the sustainability of the company. Apart from that, price is also a tool that will later be used as an exchange process for goods or services by customers. According to Kotler and Armstrong (2016:78) in Haque (2020) define price indicators as consisting of:

- a. Price affordability where consumers can reach the prices set by the company. There are usually several types of products within a brand, where the prices also vary, from the cheapest to the most expensive;
- b. Price match with product quality.

Price is often used as an indicator of quality for consumers. People often choose the higher price between two goods because they see a difference in quality. If the price is higher people tend to assume that the quality is also better;

- c. Matching price with benefits. Consumers decide to buy a product if the perceived benefits are greater than or equal to what they have spent to get it. If consumers feel that the benefits of the product are less than the money spent, consumers will think that the product is expensive and consumers will think twice about making a repeat purchase.

- d. Prices according to ability or price competitiveness. Consumers often compare the price of a product with other products, in this case whether a product is expensive or cheap is really taken into consideration by consumers when buying that product.

H3: Price has a positive and significant effect on purchasing decisions

### **Purchase decision**

According to him, purchasing decisions are behavior that arises due to stimulation or relationships from other parties. The process begins with the stage of paying attention to the goods or services, then if you are impressed you will enter the interest stage to find out more about the characteristics of the product or service, which if the intensity of attraction is strong then continues to the desire stage. because goods or services are offered according to their needs. If these desires and interests are either due to internal encouragement or external persuasive stimulation, then consumers or buyers will make a decision to buy (action to buy) the goods or services offered. Purchasing decisions refer to every decision made by customers when purchasing goods or services before, during and after the transaction (Qazzafi, 2019). Based on the description above, it can be concluded that purchasing decisions are individual activities that are directly involved in making decisions to purchase products offered by sellers. decisions are customer activities regarding whether or not they want to buy a product. Of the number of factors that influence customers when purchasing a service or product, consumers generally consider quality, price and products that are known to the public. According to (Agustina & Hinggo, 2023) a purchasing decision is a final decision that a customer has to purchase a service or goods along with a number of special considerations. According to Kotler and Armstrong (2012: 154) the purchasing decision process consists of five stages, namely: 1. Recognition of needs 2. Information search 3. Evaluation of alternatives 4. Purchase decision 5. Post-purchase behavior

H4: Product quality and price have a positive and significant effect on purchasing decisions

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## Conceptual framework

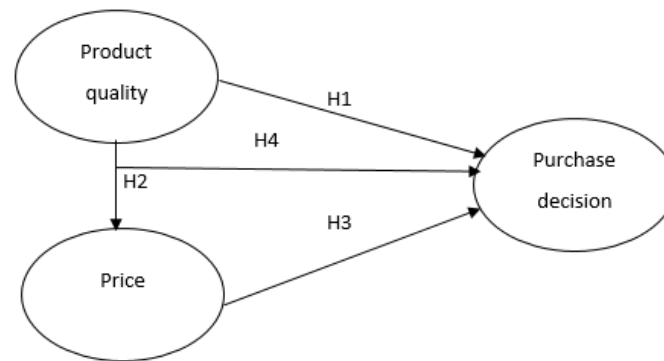


Figure 1. conceptual framework

## III. METHODOLOGY

Data obtained and collected by researchers were directly obtained by filling out questionnaires online using *Google Form* with customers who made *fashion purchases* on the *Shopee Marketplace*. Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics which are applied by researchers to study and then draw conclusions ( Sugiyono , 2017 ). The population in this research is people who have purchased fashion products more than once through the Shopee marketplace, the number of which is unknown. The sample used in this research was 108 respondents, according to Sekaran (2011:99) a good sample size to use to fill out the questionnaire is 5-10 times the number of research indicators. The data collection technique used in this research is *purposive sampling* , namely a technique for determining samples with certain considerations (Sugiyono, 2017).

## IV. RESULTS AND DISCUSSION

### Individual Parameter Significance Test Results (t Statistical Test)

#### Coefficients <sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,167	,155		1,075	,285
	X1	,320	,090	,313	3,565	,001
	X2	,632	,087	,638	7,272	,000

a. Dependent Variable: Y

Based on the results of the analysis, the following regression equation is obtained:

$$Y = 0.000 + 0.320 X1 + 0.632 X2 + \epsilon$$

Based on the regression equation above, which is measured by the influence of product quality variables, price and purchasing decision variables, it can be seen from the direction of the sign and the level of significance. The calculated t value of the product quality variable is 3.565 and the regression coefficient is 0.320, with a significance of  $0.016 < 0.01$ . This means that product quality has a positive and significant effect on purchasing decisions or H1 is accepted, namely product quality has a significant positive effect on purchasing decisions. The calculated t value of the price variable is 7.272 and the regression coefficient is 0.632, with a significance of  $0.016 < 0.00$ . This means that price has a positive and significant effect on purchasing decisions or H3 is accepted, namely price has a significant positive effect on purchasing decisions.

#### Coefficients <sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,178	,172		1,033	,304
	X1	,946	,040	,917	23,682	,000

a. Dependent Variable: X2

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Based on the results of the analysis, the following regression equation is obtained:

$$X_2 = 0.000 + 0.946 X_1 + \epsilon$$

Based on the regression equation above, which is measured by the influence of product quality variables and price variables, it can be seen from the direction of the sign and the level of significance. The calculated t value of the product quality variable is 23.682 and the regression coefficient is 0.946, with a significance of  $0.016 < 0.00$ . This means that product quality has a positive and significant effect on price or H2 is accepted, namely product quality has a significant positive effect on price.

### Simultaneous Significance Test Results (F Statistical Test)

ANOVA <sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30,046	2	15,023	355,864	,000 <sup>b</sup>
	Residual	4,433	105	,042		
	Total	34,479	107			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Based on the data analysis addressed above, it is known that the probability value (F debt) is 355,864 with a significance level of 0.000. Because the significance level is less than 0.05, H4 is accepted. This means that product quality and price have a significant effect on purchasing decisions simultaneously.

### Coefficient of Determination Test Results (R2)

Model Summary

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	,934 <sup>a</sup>	,871	,869	.20546

a. Predictors: (Constant), X2, X1

Based on the data analysis addressed above, the *Adjusted R Square* ( $R^2$ ) <sup>value</sup> is 0.869, meaning that 86.9% of the variation in purchasing decisions can be explained by the dependent variables product quality and price. The remainder (100% - 86.9% = 13.1%) is explained by other variables not included in the model.

## V. CONCLUSION

Based on the results and discussion above, it can be concluded:

1. Product quality has a significant positive effect on purchasing decisions.
2. Product quality has a positive and significant effect on price.
3. Price has a significant positive effect on purchasing decisions.
4. Product quality and price have a significant effect on purchasing decisions simultaneously

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