

INFLUENCE OF PRICE CUTS AND PRODUCT QUALITY ON INTEREST TO BUY (CASE STUDY: YOTTA INDONESIA)

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Abstract

UMKM Yotta Indonesia is one of the businesses located in Makassar City which has a role in selling in its environment. In this study, three variables were used, namely price discounts (X1), product quality (X2) and purchase intention (Y). This study aims (1) to determine the effect of price discounts on purchase intention (2) to determine the effect of product quality on purchase intention. This type of research is a quantitative research that is descriptive in nature, which aims to describe the effect of each variable. The sample in this study were 50 respondents and this study used accidental sampling. The results of this study indicate that price discounts and product quality have a positive and significant effect on purchase intention.

Keywords: *Product Quality, Price Discounts, Buying Interest*

INTRODUCTION

In this modern era there are various kinds of developments that can change quickly, competition between companies is increasingly superior in developing their business so that every company must look for what is appropriate and needed by consumers. In addition to many large companies developing their business, currently there are also many influential MSMEs (Micro, Small and Medium Enterprises) in Indonesia as well as other companies. The progress of a business, growing rapidly, being able to cover a wide market share, and being able to produce good quality products at affordable prices can be a measure of the success of a business. Yotta is one of the beverage businesses that can be found on the island of Sulawesi, but not only Yotta, but many of them have become rivals, such as Chatime, Janji Jiwa, Kopi Kenangan, Mixue, and others. (Alamsyah, 2021)

The Yotta Company is a beverage business founded by Adryan Yudhistira Purwanto, who founded the Yotta brand in 2015 at the Faculty of Psychology, Makassar State University under the auspices of the campus' Young Business Community. The emergence of this beverage business has become the center of public attention with the involvement of endorsement activities by active actors on social media. The role of endorsement activities helps opening activities to enliven the emergence of the business. This aims to accelerate the introduction

of products to the public and increase consumer buying interest. (Nugrah, Latief, & Agunawan, 2023)

In intense competition, as well as similar business competition, consumers face alternative choices in terms of price, quality, and varied products, thus making consumers more selective in choosing the product they will buy. Therefore, the quality of the product really needs to be maintained, so that consumers do not hesitate to repurchase because they are interested in the products offered. To achieve success, a business needs to have a variety of appropriate strategies that will be used to attract consumer buying interest in a product. So the researchers tested and determined what influenced the decision to buy Yotta products. These factors include, namely, product quality factors, and price discounts. Factors that refer to product quality and price discounts are due to competition between beverage businesses (Alamsyah, 2021).

Product quality and price discounts are one unit which is the main factor in increasing consumer buying interest. The quality of the products and the minimal price discounts lead to lower consumer buying interest for the products offered. (Afiany & Salsabila, 2022). So companies must be able to attract consumers with product strategies by increasing ideas so that consumers can be interested in choosing the products offered by companies regarding the quality of their products and promoting them at discounted prices. Product quality is the satisfaction obtained by consumers for the performance of the products they have purchased, it will lead to an increase in purchasing power for these products. While the price is the amount of money or value charged to consumers for a product to meet consumer needs.

LITERATURE REVIEW

Discounts

Discounts are a very important thing in running a business in business. Discounts are needed in planning an activity to sell and market a product so that it can develop. According to Staton, a discount is the result of a reduction from the base price, which can be in the form of a discounted price or compensation, such as free goods (Stanton & John, 2003).

Discounts are cash discounts offered to be given to consumers who will buy the products offered. (Simamora, 2010). According to Ismaya, a discount is a discount on the agreed sales price if the payment is made in a shorter period of time than the credit period, a price discount is a cash discount from the seller's point of view. Kotler put forward the discount indicator as follows:

1. Abundant product
2. There is market competition
3. Price competition
4. Increase the quantity of purchases

5. Profit some customers
6. Winning the market through lower costs
7. Bulk purchases (Amstrong, Philip, & Kotler, 2021)

Product quality

Product quality is a product's ability to perform its functions, this ability includes durability, reliability, accuracy, which is obtained by the product as a whole. (Phillip & Keller, 2016)

The following are several product quality indicators that will determine the characteristics of a product:

1. Performance
2. Features
3. Reliability
4. Compliant Specifications
5. Durability
6. Availability of Repairs
7. Aesthetics
8. Perceived Quality (Tjiptono, 2016)

Consumer Buying Interest

According to Kotler in Abzari, buying interest is consumer behavior where consumers have a desire to choose and consume a product. Purchase intention will arise if a consumer has influenced the quality and quality of a product and information on a product (Abzari, 2014).

According to Kotler in Abzari, there are several indicators that determine buying interest, namely:

- a) Transactional interest, namely the tendency of a person to buy a product.
- b) Referential interest, namely the tendency of someone to refer the product to others.
- c) Preferential interest, namely showing the behavior of someone who has the main preferential for the product.
- d) Explorative interest, which shows the behavior of someone who is always looking for information about the product of interest and looking for other products that will support the positive characteristics of the product. (Abzari, 2014).

RESEARCH METHOD

The population of this research object is Yotta consumers in Makassar City. The population in this study were all consumers who had made purchases when they visited Yotta, 100 people. The sampling/sampling technique used in this

research is using the slovin formula, so the number of samples in this study is 50 people.

In this study the data analysis method used is quantitative data analysis. In order for the data obtained to provide useful information for this research, it must be processed and analyzed first so that it can be used as a basis for decision making. The processing and analysis of data in this study used the IBMSPSS for Windows version 26 program.

RESULT & DISCUSSION

1. Multiple Linear Regression Test

Table 1. Multiple Linear Test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	1.186	2.924		.406	.687
	POTONGAN HARGA	1.138	.279	.182	.896	.002
	KUALITAS PRODUK	.250	.354	.655	3.212	.000

a. Dependent Variable: INTEREST BUY

Source: *Process Data, 2023*

Based on the table above regarding the results of processed regression data using SPSS, a regression equation will be presented, namely:

$$Y = 1.186 + 1.138X_1 + 0.250X_2$$

From the results of the regression in the table, an explanation of the regression equation can be presented as follows:

1. b_0 the value obtained is = 1.186 meaning that if the Price Discount (X_1) and Product Quality (X_2) is = 0 then the variable Purchase Interest (Y) = 1.186 or positive.
2. $1.138 X_1$ = the coefficient value on the discount variable (X_1) is 1.138, meaning that the price discount has a positive effect on buying interest.
3. $0.250 X_2$ = the value of the regression coefficient on the product quality variable (X_2) is 0.250, meaning that product quality has a positive effect on purchase intention.

Based on the results of the multiple linear regression test above, it is known that the price discount variable has the most dominant influence on purchase intention, where a value of 1.138 is obtained, product quality is far greater than price discounts.

2. T-test

The t test aims to identify how much the significance value of each independent variable influences the dependent variable. The probability value will be said to be significant if the value is less than 0.05 (Sujarweni, 2018).

Tabel 2. Uji -T

		Coefficients ^a		Standardized		
		Unstandardized Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.186	2.924		.406	.687
	DISCOUNTS	1.138	.279	.182	.896	.002
	PRODUCT QUALITY	.250	.354	.655	3.212	.000

a. Dependent Variable: INTEREST BUY

Source: *Process Data, 2023*

Based on the results of the T test above for the discount variable (X1) it shows that the significance level is $0.002 < 0.05$, it can be concluded that the price discount variable (X1) has a significant positive effect on the purchase intention variable (Y) and for the product quality variable (X2) shows that the significance level is $0.000 < 0.05$, so it can be concluded that the product quality variable (X2) has a significant positive effect on the purchase intention variable (Y). Obtained a probability level of 0.00, so it is assumed that the dependent variable is significant and the research model can be used to predict the dependent variable.

DISCUSSION

The Effect of Price Discounts on Yotta's Consumer Purchase Interest in Makassar City

Based on the results of the research above, the difference between discounted prices and the buying interest of Yotta consumers in Makassar City is a significant figure of $0.002 < 0.05$, meaning that a discount is accepted. Discounts are closely related to consumer buying interest, because consumers will be more interested if there is a price discount.

The Effect of Product Quality on Yotta's Consumer Purchase Interest in Makassar City

Based on the above research results between product quality and Yotta consumer buying interest in Makassar City, a significant figure of $0.000 < 0.05$ means that product quality is acceptable. Product quality is closely related to consumer buying interest, because consumers prioritize good product quality before buying these products. Companies will be able to provide quality according to consumer desires.

Variables That Have a Dominant Influence on Purchase Intention

Based on the results of the multiple linear regression test above, it is known that the discount variable has the most dominant influence on purchase intention, where a value of 1.138 is obtained, the price discount is far greater than product quality.

CONCLUSION

This research concludes, among others:

1. Partially, product quality has a positive influence on interest in buying Yotta drinks.
2. Simultaneously Discounts have a positive and significant effect on interest in buying Yotta drinks.
3. Price discount variable is the most dominant influence on interest in buying Yotta drinks

Suggestion

Yotta Indonesia's management should pay more attention to product quality and price discounts so that sales can increase, especially product quality.

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