

**THE EFFECT OF PRODUCT QUALITY, PRICE, PROMOTION AND LOCATION
ON PURCHASE DECISIONS AT UMKM WINGKO DUA KLAPA MUDA IN
SELOREJO VILLAGE, BAURENO DISTRICT, BOJONEGORO REGENCY**

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ABSTRACT

This study aims to determine the influence of product quality, price, promotion and location on purchasing decisions at Wingko Dua Klapa Muda UMKM in Selorejo Village, Baureno District, Bojonegoro Regency. The population in this study was 230 respondents. Data analysis techniques used in this study were validity test, reliability test, classical assumption test, multiple linear regression analysis test, multiple correlation test, coefficient of determination test, t test and F test. The results of the study indicate that product quality has a significant effect on purchasing decisions, price has a positive and significant effect on purchasing decisions, promotion has an effect on purchasing decisions and location has an effect on purchasing decisions. This is indicated based on the results of the calculated t value > t table. In addition, the four variables also have a simultaneous effect on purchasing decisions. And the variable that has the most dominant effect on purchasing decisions is the price variable.

INTRODUCTION

This kind of rapid business competition makes financial experts continue to try to keep up with their business and struggle to achieve normal goals. Business progress in Indonesia provides decisions to buyers and then brings changes in mentality and approaches to competing in promotions. In its development, wingko is spread in various areas in Lamongan and its surroundings. Wingko is a typical snack originating from Babat, Lamongan. One of the Wingko in the small town of Bojonegoro is Wingko Klapa Muda. Wingko Klapa Muda is located in Selorejo Village, Baureno District, Bojonegoro Regency. This study aims to determine the effect of product quality, price, promotion and location on purchasing decisions at Wingko Dua Kelapa UMKM in Selorejo Village, Baureno District, Bojonegoro Regency

According to (Hasbullah & Muchtar, 2022) product quality is the factors contained in an item or result that match the purpose of the item being produced. Price can also be a factor in purchasing decisions. According to (Zulkarnaen, 2023), price is the value of money that must be paid by customers to sellers and buyers of the goods they buy. In other words, price is the value of an item determined by the seller. The thing that makes the product reach the ears of consumers is promotion, (Napitupulu, et al. 2021) explains that promotion is an activity to inform the benefits of products and services or brands in order to stimulate and persuade consumers to make purchases. According to Tjiptono (Suharlina, 2023), location refers to various marketing activities that aim to facilitate and simplify the process of sending and distributing goods and services from producers to consumers.

The researcher chose UMKM Wingko Klapa Muda as the object of research because it has customers who like this UMKM product, and its strategic location. Based on this explanation, it can be concluded that the author needs to verify whether it is true that the influence of product quality, price, promotion and location have a direct or indirect effect on purchasing decisions. Based on the background explanation above, this study is entitled as follows "The Influence of Product Quality, Price, Promotion and Location on Purchasing Decisions at UMKM Wingko Dua Klapa Muda in Selorejo Village, Baureno District, Bojonegoro Regency".

RESEARCH METHODS

1. Types of research

According to Sugiyono (2019), quantitative research is an empirical research approach where data collected can be measured numerically. This research tends to use scientific methods with statistical analysis to test hypotheses and answer research questions.

2. Population

According to Sugiyono (2022) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions are drawn. population is not only the number of objects or subjects studied, but all the characteristics or properties possessed by the objects and subjects.

3. Sample

According to (Sugiyono, 2022) a sample is a part of a population taken in a certain way or procedure to represent the population being studied. Meanwhile, according to (Sudaryana, 2022:34) a sample is part of the size and characteristics of a population. The population in this study is all consumers of the Delapan Meter coffee shop. The researcher considered using the sample criteria in this study by using the formula (Hair, 2019), which states that the number of samples taken depends on the number of indicators multiplied by 5 to 10. So the number of samples in this study was 230 respondents.

4. Data Analysis Techniques.

a. Validity test

Validity Test is used to measure the validity or otherwise of a questionnaire. Valid research results if there is a similarity between the collected data and the actual data that occurs in the object being studied. A valid instrument means that the measuring instrument used to obtain data (measure) is valid.

b. Reliability test

Reliability Test according to Sugiyono (2021: 176) is used to measure data reliability where the instrument is declared reliable if the instrument can produce the same data when used to measure the same object repeatedly. In this study, the Cronbach Alpha formula was used to measure the reliability test.

c. Classical assumption test

1) Normality test

According to Sugiyono (2021:239), the normality test is a test carried out to examine the normality of variables, whether the data is normally distributed or not.

2) Multicollinearity test

According to Ghozali (2021: 157), the multicollinearity test is carried out to test whether there is a correlation between independent variables in the regression model.

3) Heteroscedasticity test

According to Ghozali (2021: 178), the heteroscedasticity test is carried out to test whether there is inequality in the variance of the residuals from one observation to another in a regression model.

d. Multiple correlation test

According to Imam Ghozali (2018:95) multiple correlation is a measure of the strength between two or more independent variables with a dependent variable. The correlation coefficient value ranges from 0 to 1 or 0 to -1, then the closer to 1 or -1, the stronger, and the weaker if it approaches 0.

e. Coefficient of determination test

The coefficient of determination (R²) measures the ability to explain the dependent variable or bound variable. According to Ghozali (2018:97), the coefficient of determination is a number used to describe or determine the contribution of variable X (independent) to variable Y (bound).

f. multiple linear regression analysis test

According to Sugiyono (2020:213), multiple linear regression analysis is an analysis tool used to predict changes in the value of a dependent variable when the value of the independent variable is increased or decreased.

g. t-test

The t-test is used to determine the effect of independent variables on dependent variables partially and to determine the dependent variable by measuring the degree of relationship between the independent and dependent variables.

h. F Test

This test is carried out to determine whether the variables studied in this study have a high level of feasibility to be able to explain the phenomena analyzed using the F test. This study was conducted by looking at Anova which was compared with the Mean Square of the regression and the Mean Square of the residual so that a result was obtained called the calculated F.

RESEARCH RESULTS AND DISCUSSION

a. Validity Test

Table 4.6 Validity Test Results

No		Item	r count	r table	Information
1.	Product Quality (X1)	X1.1	0.494	0.129	Valid
		X1.2	0.528	0.129	Valid
		X1.3	0.837	0.129	Valid
		X1.4	0.837	0.129	Valid
2.	Price (X2)	X2.1	0.990	0.129	Valid
		X2.1	0.997	0.129	Valid
		X2.1	0.978	0.129	Valid
		X2.1	0.997	0.129	Valid
3.	Promotion (X3)	X3.1	0.479	0.129	Valid
		X3.2	0.274	0.129	Valid
		X3.3	0.535	0.129	Valid
		X3.4	0.665	0.129	Valid

		X3.5	0.695	0.129	Valid
4.	Location (X4)	X4.1	0.544	0.129	Valid
		X4.2	0.683	0.129	Valid
		X4.3	0.699	0.129	Valid
		X4.4	0.373	0.129	Valid
		X4.5	0.484	0.129	Valid
5.	Purchase Decision (Y)	Y.1	0.812	0.129	Valid
		Y.2	0.550	0.129	Valid
		Y.3	0.589	0.129	Valid
		Y.4	0.848	0.129	Valid
		Y.5	0.848	0.129	Valid

Data source: SPSS 25 output results

Based on the SPSS output results above in table 4.6, it shows that all indicators or statement items from each variable in this study have a calculated r value > r table (0.129), which means that the validity test states that all indicators from each variable are valid.

b. Reliability test

Table 4.7 Reliability Test Results

No	Variables	Cronbach's Alpha	Information
1.	Product quality (X1)	0.678 > 0.60	Reliable
2.	Price (X2)	0.857 > 0.60	Reliable
3.	Promotion (X3)	0.678 > 0.60	Reliable
4.	Location (X4)	0.708 > 0.60	Reliable
5.	Purchase Decision (Y)	0.788 > 0.60	Reliable

Data source: SPSS 25 output results

From the table above shows that the Cronbach's alpha value for each research variable is greater than 0.60. Thus it can be concluded that all research instruments are reliable.

c. Classical assumption test

1. Normality test

Normality test can also be done using the Kolmogorov-Smirnov (KS) non-parametric statistical test. If the Kolmogorov-Smirnov results show a significant value above 0.05, then the residual data is normally distributed. Meanwhile, if the Kolmogorov-Smirnov results show a significant value below 0.05, then the residual data is not normally distributed (Ghozali, 2019)

Table 4.8 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		230
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,53918847
Most Extreme Differences	Absolute	,078
	Positive	,050
	Negative	-,078
Test Statistics		,078
Asymp. Sig. (2-tailed)		,106c

Data source: SPSS 25 Output Results

Based on the results of table 4.8, it shows that the results of the normality test of the sig value obtained are 0.106 > 0.05, which means that this data is normally distributed.

2. Multicollinearity test

Detection of the presence or absence of multicollinearity in the regression model is by looking at the tolerance value and Variance Inflation Factor (VIF). The cut off value commonly used to indicate the presence of multicollinearity is a tolerance value <0.10 or equal to VIF > 0.10, then it can be said that there is no multicollinearity in the study (Ghozali 2019). The results of the Multicollinearity test in this study are as follows:

Table 4.9 Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Product quality (X1)	0.574	1,741
Price (X2)	0.999	1,301
Promotion (X3)	0.580	1,725
Location (X4)	0.588	1,700

Data source: SPSS 25 Output Results

Based on the results of the multicollinearity test in the table above, it shows that the VIF value for all variables is <10 and the tolerance value for all variables is > 0.10. So it can be concluded that this regression model is free from multicollinearity.

3. Heteroscedasticity test

Table 4.10 Heteroscedasticity Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,779	,574		8,324	,000
Product Quality	,333	,042	,202	9,078	,006
Price	,528	,026	,592	20,632	,000
Promotion	,406	,028	,293	14,256	,000
Location	,413	,030	,305	13,912	,000

a. Dependent Variable: Purchase Decision

Data source : SPSS 25 Output Results

Based on the test results above, the significant value for the variables of product quality, price, promotion and location above is less than 0.05, so according to the basis for decision making in the regression test, it can be concluded that there is no heteroscedasticity in the regression model.

d. Multiple linear regression analysis test

According to Ghozali (2019), the analysis that measures an independent variable (X) more than one against the dependent variable (Y). This multiple linear regression analysis aims to use independent variables whose values are known to predict a single dependent value selected by the researcher.

Table 4.11 Multiple Linear Regression Analysis Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,779	,574		8,324	,000
Product Quality	,333	,042	,202	9,078	,006
Price	,528	,026	,592	20,632	,000
Promotion	,406	,028	,293	14,256	,000
Location	,413	,030	,305	13,912	,000

a. Dependent Variable: Purchase Decision

Data source: SPSS 25 output results

Based on the results of the regression calculations in the table above, the following equation is obtained:

$$Y = 4.779 + 0.333X_1 + 0.528X_2 + 0.406X_3 + 0.413X_4$$

From the coefficient of the independent variables above, the value is positive. This means that it has the same direction of change as the dependent variable. In addition, the coefficient of the price variable with a coefficient of 0.528 means that the price variable has the largest value compared to the regression coefficient of the product quality, promotion and location variables. Thus, it can be concluded that the most dominant factor in purchasing decisions (Y) is the price variable.

e. Multiple correlation test

Table 4.12 results of multiple correlation test

Model Summaryb				
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
,974a	,950	,949	,544	2,597
a. Predictors: (Constant), Location, Product Quality, Promotion, Price				
b. Dependent Variable: Purchase Decision				

Data source : SPSS 25 output results

From the table above, it is known that the correlation coefficient between the independent variables (product quality, price, promotion and location) and the dependent variable (purchase decision) is 0.974. In accordance with the guidelines for interpreting the correlation coefficient, it can be concluded that the relationship between variables is very strong and positive.

f. Coefficient of determination test

Table 4.13 Results of Determination Coefficient Test

Model Summaryb				
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
,974a	,950	,949	,544	2,597
a. Predictors: (Constant), Location, Product Quality, Promotion, Price				
b. Dependent Variable: Purchase Decision				

Data source : SPSS 25 output results

Based on the results in table 4.13, it can be seen that the regression calculation shows that the coefficient of determination (adjusted R square) obtained is 0.949, this means that 94.9% of the purchasing decision variables can be explained by the variables of product quality, price, promotion and location. The remaining 5.1% of the purchasing decision variables can be explained by other variables or factors such as brands and so on.

g. t-test

According to Ghozali (2019), the partial effect hypothesis test (t-test) is used to determine the partial effect of the independent variable.

Table 4.14 t-Test Results

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,779	,574		8,324	,000
Product Quality	,333	,042	,202	9,078	,006
Price	,528	,026	,592	20,632	,000
Promotion	,406	,028	,293	14,256	,000

Location	,413	,030	,305	13,912	,000
a. Dependent Variable: Purchase Decision					

Data source : SPSS 25 output results

Based on the results of the t-test in table 4.14, it shows that:

1. Product quality (X1), Based on the results of the t-test, the calculated t value (9.078) is greater than the t-table value (1.971) with a significance level of $0.000 > 0.05$, so H_0 is rejected and H_1 is accepted, which means there is a positive and significant influence between the product quality variable (X1) and purchasing decisions (Y).
2. Price (X2), Based on the results of the t-test, the calculated t value (20.632) is greater than the t-table value (1.971) with a significance level of $0.000 > 0.05$, so H_0 is rejected and H_1 is accepted, which means there is a positive and significant influence between the price variable (X2) and the purchasing decision (Y).
3. Promotion (X3), Based on the results of the t-test, the calculated t value (14.256) is greater than the t-table value (1.971) with a significance level of $0.000 > 0.05$, so H_0 is rejected and H_1 is accepted, which means there is a positive and significant influence between the price variable (X2) and the purchasing decision (Y).
4. Location (X4), Based on the results of the t-test, the calculated t value (13.912) is greater than the t-table value (1.971) with a significance level of $0.000 > 0.05$, so H_0 is rejected and H_1 is accepted, which means there is a positive and significant influence between the location variable (X4) and the purchasing decision (Y).

h. f test

Table 4.16 F test results

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1252,711	4	313,178	138,417	,000b
Residual	66,576	225	,296		
Total	1319,287	229			
a. Dependent Variable: Purchase Decision					
b. Predictors: (Constant), Location, Product Quality, Promotion, Price					

Data source : SPSS 25 output results

The results of the analysis obtained an F count of 138.417, while at a significant level $\alpha = 0.05$ F table value of 2.41 with a probability (sig) of 0.000 smaller than 0.05, then the assumption is obtained that H_0 is rejected and H_1 is accepted. So it is tested that together there is a significant influence between product quality, price, promotion and location on purchasing decisions.

CONCLUSION

Based on the results of the analysis and discussion related to the problems and objectives of the research, it can be concluded that:

1. Based on the results of the t-test, it shows that the product quality variable has a positive and significant effect on purchasing decisions, this is proven by the results of the calculated t value $>$ t table.
2. Based on the results of the t-test, it shows that the price variable has a positive and significant effect on purchasing decisions, this is proven by the results of the calculated t value $>$ t table.
3. Based on the results of the t-test, it shows that the product quality variable has a positive and significant effect on purchasing decisions, this is proven by the results of the calculated t value $>$ t table.
4. Based on the results of the t-test, it shows that the promotion variable has a positive and significant effect on purchasing decisions, this is proven by the results of the calculated t value $>$ t table.

5. Based on the results of the t-test, it shows that the location variable has a positive and significant effect on purchasing decisions, this is proven by the results of the calculated t value $>$ t table.
6. Based on the results of the F test, it shows that the variables of production quality, price, promotion and location have a simultaneous influence on purchasing decisions.

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