



## The Influence of Product Quality and Price on Purchase Intention Alfamart Private Label Products

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### ABSTRACT

This study aims to determine the effect of product quality and price on the purchase intention of Alfamart Private Label products in Bengkalis. This type of research is causal associative research using a quantitative approach. Associative causal research is research that aims to determine the effect between two or more variables. The type of data used is primary data and secondary data obtained from questionnaires and literature study. The population in this study was the entire Bengkalis community who had purchased private label Alfamart products. The sample in this study was 100 people. The sampling method used nonprobability sampling method with purposive sampling technique. The data analysis method used is associative statistical analysis, classical assumptions, correlation and regression analysis. With a determination coefficient of 0.705, so that product quality and price influence the purchase intention of Alfamart private label products by 70.5%, while the remaining 29.5% is not influenced by other factors examined in this study. The results showed that to determine the effect of product quality on the purchase intention of private label Alfamart products partially, the effect of price on purchase intentions of private label Alfamart products partially, the effect of product quality and price on purchase intentions of private label Alfamart Bengkalis products simultaneously.

Keywords: Product Quality, Price, Purchase Intention

## 1. Introduction

This competition makes companies in the retail sector try to retain their customers and become the retail of choice for customers. Therefore, it is not uncommon for many companies to try to prioritize customer satisfaction on the quality of service implemented by the organization or company so far.

Companies are required to be able to meet customer needs and adjust customer desires so that companies must be able to detect what the market needs or consumer desires and read and translate any changing situation as an opportunity. The company will not grow without customers. The more customers, the company will be able to compete with other companies in this era of globalization.

Price is also an important factor in attracting the attention of consumers, if the price that has been set is not too expensive or not too cheap then the customer can conclude that the price is in accordance with the expected price. If these three factors are in accordance with what customers want and expect, customer satisfaction will be created so that by themselves they will become loyal to one company. Then the main goal of the company to survive and earn (profit) will be achieved. The reason for choosing Alfamart as the object of research is because Alfamart is one of the largest retailers in Indonesia which has various variants of private label products and has outlets that are almost scattered in urban areas in Indonesia. Broadly speaking, this study will examine The Influence Of Product Quality And Price On Purchase Intention Alfamart Private Label Products Bengkalis Area.

## 2. Research Method

This research is a quantitative, The type of data used is primary data and secondary data obtained from questionnaires and literature study. The population in this study was the entire Bengkalis community who had purchased private label Alfamart products. The sample in this study was 100 people. The sampling method used nonprobability sampling method with purposive sampling technique. The data analysis method used is associative statistical analysis, classical assumptions, correlation and regression analysis.

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### 3. Result and Discussion

In this study, researchers used the Associative hypothesis. According to Sugiyono (2018) the associative hypothesis is a temporary answer to the formulation of the Associative problem, namely asking the relationship between two or more variables. Based on the description of the framework, the researchers proposed several hypotheses in this study as follows:

- H1 : Product Quality Affects Purchase Intentions for Alfamart Private Label Products
- H2 : Price affects the Purchase Intention of Alfamart Private Label Products
- H3 : Product Quality and Price Affect the Purchase Intention of Alfamart Private Label Products.

#### Test of Reability

Reliable, the closer to 1 the more reliable, and the closer to 0 the more unreliable. The results of the reliability test using the Cronbach Alpha method obtained a reliability coefficient value of 0.970, value of 0,966 and value of 0,960 thus it can be stated that the instrument used is reliable. Can be seen in table 1 as follows:

Tabel 1 Reability Test for each Variable

No	Variable	r alpha	Criteria
1	Product Quality	0,970	Reliable
2	Price	0,966	Reliable
3	Purchase Intention	0,960	Reliable

Source: Processed Data, 2021

#### Regression Analysis

Independent variables are variables that affect or cause changes in other variables, while the dependent variable is a variable whose changes are dependent/caused by changes in other variables. can be seen in Figure 1 as follows:

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840 <sup>a</sup>	.705	.699	.68704

a. Predictors: (Constant), Price, Product Quality

Figure 1 Regression Analysis test  
(Source: Processed Data 2021)

Concluded in Figure 1 . It is known that Multiple Correlation is a relationship test for variables more than 2, in this case the value of the multiple correlation coefficient (R) shows the magnitude of the relationship between the independent variables Product Quality (X1) and Price (X2) simultaneously. equal to Purchase Intention (Y). The Correlation Coefficient value of 0.840 is close to 1, which means that the Independent Variables of Product Quality (X1) and Price (X2) together have a strong relationship with the Purchase Intention Variable (Y).

The influence of Product Quality (X1) (independent variable) on Purchase Intention (Y) (bound variable) can be seen in Figure 2 as follows:

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.148	.230		-.642	.522
	Product Quality	.291	.092	.264	3.160	.002
	Price	.702	.094	.623	7.446	.000

a. Dependent Variable: Purchase Intention

Figure 2 The partial hypothesis test (t test)  
(Source: Processed Data 2021)

$$Y = a + b_1X_1 + b_2X_2 + e$$

Information:

Y = purchase intention

X<sub>1</sub> = product quality

X<sub>2</sub> = price

b<sub>1</sub> = product quality variable regression coefficient

b<sub>2</sub> = Regression coefficient of price variable

a = Constan

The Result of regression equation:

$$Y = 0.148 + 0.291 X_1 + 0.702 X_2 + e$$

Which has meaning :

1. The constant value is 0.148 meaning if there is no change perceived value of product quality and price (values of X<sub>1</sub> and X<sub>2</sub> is 0) then the purchase intention is 0.148.
2. The value of the coefficient b<sub>1</sub> = 0.291 means that if the quality of the product the perceived value variable is increasing, then the quality of the product on purchase intention to buy Alfamart private label products increases by 0.291 with the assumption that the other independent variables are constant.
3. The value of the coefficient b<sub>2</sub> = 0.702 means that if the price variable increases by 1%, even better than the purchase intention to buy private label products Alfamart will increase by 0.702 with other independent assumptions fixed variable.

The results of the regression analysis containing the regression coefficients for each variable simultaneously, as well as the F-count value for hypothesis testing, can be seen in Figure 2 as follows :

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	109.603	2	54.802	116.098	.000 <sup>b</sup>
	Residual	45.787	97	.472		
	Total	155.390	99			

a. Dependent Variable: Purchase Intention  
 b. Predictors: (Constant), Price, Product Quality

Figure 3 Simultaneous Test (F test)  
 (Source: Processed Data 2021)

The following shows the results or the value of Fcount which is 116,098, then for hypothesis testing this value is compared with the value of F table at level = 0.05 degrees of freedom 2:97 which is 3.09. Then F count (116,098) > F Table (3,09) or the value of Sig. 0.000 < 0.05 then Ho is rejected (Ha is accepted), meaning that Product Quality and Price simultaneously have a significant effect on purchase intention.

The results of the F statistical test show a value of 3.09 with a significance of 0.000. The significance value of F is less than 0.05 then Ho is rejected and Ha is accepted. This means that simultaneous testing shows that Product Quality and Price together have a significant effect on Purchase Intention.

**Analysis of Descriptive Statistics**

1. Effect of Product Quality on Purchase Intention

The results show that the first hypothesis in this study can be accepted, namely product quality has a positive and significant effect on purchase intention to use private label Alfamart products in the Bengkalis Community Partially. This result is evidenced by the value of tcount (3.160 ) is greater than the value of t table (1.985) and the significance value of 0.002 is greater than 0.05.

2. Effect of Price on Purchase Intention

The results showed that the second hypothesis in this study is acceptable, namely price has a positive and significant effect on the purchase intention of Alfamart private label products in Bengkalis. This result is evidenced by the t-count value (7.446) which is greater than the t-table value (1.985) and the significance value of 0.000 is less than 0.05. The path coefficient value on the beta standard coefficient also has a value of 0.767.

3. Effect of Product Quality and Price on Purchase Intention

The results showed that the third hypothesis in this study can be accepted simultaneously, namely product quality and price have a positive and significant effect on purchase intention in buying private label Alfamart Bengkalis products. This illustrates that the higher the trust that consumers have in

Alfamart's private label products. This means that product quality and price variables affect the purchase intention variable.

#### Analysis of Hypothesis

1. Testing the Effect of Product Quality (X1) on Purchase Intention (Y)  
Based on the results of the analysis, the value of  $t_{count} = 3.160$  while  $t_{table} = 1.985$  or  $t_{count} < t_{table}$  with the value of Sig. 0.002 is greater than 0.05 then  $H_a$  is accepted ( $H_0$  is rejected), meaning that Product Quality (X1) partially has a significant effect on Purchase Intention (Y). Realistically and logically this can happen and it is really real that the Bengkalis community where the Product Quality variable (X) has a significant effect on the Purchase Intention variable (Y).
2. Testing the Effect of Price (X2) on Purchase Intention (Y)  
Based on the results of the analysis, the value of  $t_{count} = 7.466$  while  $t_{table} = 1.985$  or  $t_{count} > t_{table}$  with the value of Sig. 0.000 is less than 0.05 then  $H_0$  is rejected ( $H_a$  is accepted). This means that Price (X2) has a significant effect on Purchase Intention (Y).
3. Testing the Effect of Product Quality (X1) and Price X2) on Purchase Intention (Y)  
After testing the effect of each independent variable, it can be determined which independent variable has the dominant influence (the biggest influence) on Purchase Intention. The coefficient of determination (R Square) shows the contribution of all independent variables, namely Product Quality (X1) and Price (X2) to Purchase Intention (Y), so R Square 0.705 means Product Quality (X1) and Price (X2) are able to contribute 70.5 % of Purchase Intention (Y), thus the remaining 29.5% is determined by other variables not examined.

#### 4. Conclusion

Based on the results of research and discussion, the following conclusions can be drawn:

1. Product quality has a positive effect on purchase intention in purchasing private label Alfamart products in Bengkalis partially.
2. Price has a positive effect on purchase intention of private label Alfamart Bengkalis products.
3. Product quality and price have a positive effect on purchase intention in buying private label Alfamart Bengkalis products.

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