Orientation on Product Quality and Price Perception of Purchasing Decisions by Mediating the Buying Interest of Noodles (Chicken) Consumers in Indonesia

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ABSTRACT:-
Purpose. This research meant to test and analyze the level of product quality, price perception against purchasing decision through the mediation of buying interest of noodle consumers in Indonesia.
Design/Methodology/Approach. This study was conducted using a quantitative approach that is research that focuses on testing hypotheses with statistical method analysis tools and generates conclusions that can be generalized. The population used in this study is consumers of Noodle customers in Indonesia (Surabaya, Yogyakarta, Bandung, Jakarta, Banjarmasin, Makassar, Bandar Lampung). Respondents sampling uses non probability sampling. While the method of sampling is using an incidental sampling method with a sample of 1000 respondents. The analysis technique used is path analysis to determine the quality of the analyzed variables.

Finding and Implication. From the testing result, it is obtained that (1) the product quality affects the buying interest of chickens Noodle in Indonesia. (2) Perceived price influences and does not significantly influence noodle buying interest in Indonesia. (3) Buying interest influences purchase decisions of Noodle in Indonesia. (4) Product quality influences the purchasing decision of Noodles in Indonesia. (5) Prices perception influences and has no significant effect on Noodle purchasing decisions in Indonesia. (6) Product quality influences purchasing decisions through buying interest in chicken noodles in Indonesia. (7) Price perception influences purchasing decisions through buying interest in chicken noodles in Indonesia.

Keywords:- Product Quality, Price Perception, Buying Interest, Purchasing Decisions

I. INTRODUCTION

Patterns and lifestyles of the people in Indonesia, especially in urban areas tend to experience significant changes related to science and technology (Waluyo and Pamungkas, 2003) suggest that product knowledge and technology is a series of accurate collections of information stored in consumers' memories that are appropriate and reflect knowledge and technology about a product. Furthermore, it raises buying interest which is a perception that arises based on stimulation of needs, where consumers make a comparison beforehand (Kotler and Keller, 2009: 181). One of the things that can be seen is the consumption pattern of the public which is comparable to the quality consumption needs. This is consistent with previous researchers that quality provides an encouragement to consumers to establish strong bonds with companies (Tjiptono, 2008; 20). Increased community activity and busyness, causing less time so need a fast food product with practical and instant that is easy to consume. Changes of pattern and lifestyle of these communities may lead to opportunities for culinary business to meet their needs. Businessmen engaged in culinary especially chicken noodle is also not the least, the actors of business compete each other to seize the market.

One of several actors of culinary businesses has a distinctive and delicious taste being in Indonesia. Product innovation according to Everett M. Rogers, is an idea, ideas, objects and practices that are based and accepted as something new by a person or certain group to be applied or adopted. According to Kuniyoshi Urabe (2008), innovation is any activity that cannot be produced with one hit, but rather a long and cumulative process, covering many decision-making processes, from the discovery of ideas to their implementation in the
market. The characteristics of innovation; (1) has a characteristic; (2) something new; (3) planned; (4) has a purpose. In the chicken noodle product category, ordinary chicken but also a variety of savory flavors ranging from the usual (not spicy), to very spicy and serves several other food menus such as, *chicken mustard, runner’s feet, prosper ‘balungan’, and this is a different finding with previous researchers who only dwell on boiled noodles, fried noodles, noodles on meatballs, vermicelli*. A study has shown that the failure rate for consumer goods is 40%, industrial goods 20%, and 18% for services (http:////.net/ebook/more.php? Id). Here we can see that the failure rate for consumer goods is very discouraging. So the development must be done with careful planning and optimal product management, so that the company's goals are realized perfectly to minimize the risk of product failure. From previous studies as described above, chicken noodle products are always innovated, especially in *various flavors*. Apart from that, some of the food menus above can also be used as an additional menu or complementary menu with its main product, namely chicken noodle.

Researchers observed that the behavior of consumers towards quality products that have *ideals distinctive taste* at an affordable price impact on consumers and have proven they volunteered many hours to queue just want to enjoy the thrill of the products offered. Not a few consumers buy Chicken noodle with close relatives, brothers, family, classmates, community friends and office mates. *Spicy flavors and toppings* are unique and different, it makes purchasing decisions and consumer trends to be willing to come back. According to Swastha and Irawan (2008: 105) purchasing decisions are consumers’ understanding of the wants and needs of a product by assessing from existing sources by setting purchase goals and identifying alternatives so that decision makers to buy are accompanied by behavior after making a purchase.

In the next few sections, we review previous research on product quality, price perception, purchase interest and then explain the research methodology, including a description of the measurements used to test hypotheses. After reviewing the results of research, we propose several important implications for managers and research.

II. LITERATURE REVIEW

Marketing Management

In general, marketing management is the process of planning and implementing thought, goods or services, pricing, promotion, and location placement to create satisfaction with customers who make buying interest and purchasing decisions on products that are produced. According to Panzy and Aditya (2015:4) states that marketing management is an art and science for selecting target markets and reaching, retaining, and growing customers by creating, delivering, and communicating superior customer value.

Product Quality

According to Kotler and Armstrong (in the *Economics and Business Solutions Journal*, Eko Teguh Prasetyo and Sri Purwantini 2017: 14), defining that product quality is the ability to demonstrate various functions including durability, reliability and user convenience. Likewise, the opinion of Kotler and Keller (2009: 175) states that the higher the benefits or performance of products that can be offered to customers, the higher the value the customer thinks.

There are several indicators of the quality of products according to Kotler and Keller (2013) consisting of: Adjustment (*Customization*), marketer can make the products by adjusting the product on individuals will; (1) *Performance Quality*, the level at which the main characteristics of the product operate. Quality makes an increasingly important dimension to be made, so that business can apply a value model and provide higher quality with lower money; (2) *Conformance Quality*, the level at which all units produced are identical and fulfill the promised specifications; (3) *Style*, describing the appearance and taste of the product to the buyer; (4) *Design*, is the totality of features that affect the look, taste and function of the product based on customer needs. Product quality is the ability of the product to meet the needs or desires of consumers (Nilsson et al., 2001). Sellers who pay less attention to the quality of the product or service provided will reduce consumers to become non-loyal (Amron, 2017). As a result, sales of products or services will tend to decrease (Amron & Mahmud, 2017). Thus the hypothesis proposed as follows:

*H1*: Product quality influences the buying interest of chicken noodles to consumers in Indonesia.

*H4*: Does product quality influence the purchasing decisions of chicken noodles to consumers in Indonesia.

Price Perception

According to Kotler and Armstrong (in Ari Setiyaningrum, Jusuf Udaya and Efendi 2015) more broadly, it can be said that price perception is the sum of all values given by consumers to obtain benefits for the ownership or use of a product or service. The price of a product can be divided into three dimensions: 1) normal price, 2) fixed price, and 3) relative price. Normal price refers to the suitability of prices that offer a combination of quality and service at reasonable prices (Kotler and Keller, 2016). Fixed prices are prices set for all buyers
(Kotler and Keller, 2016). Buehler and Halbherr (2017) state that price is one of the factors that helps improve product image.

According to Kotler and Armstrong translated by Sabran (2013: 52), there are three price indicators, namely price affordability, price conformity with product quality, and price according to ability or price competitiveness. Three price indicators namely; (1) consumer price affordability can reach the price set by business. Usually there are several types of products in one brand the price is also different from the cheapest to most expensive. With prices set by consumers, many buy products; (2) price conformity with product quality. Price are often used as indicators of quality for consumers, people often choose a higher price between the two items because they see the difference of quality. With higher prices people tend to assume that the quality is also better. Price is suitable with the ability or price competitiveness; (3), consumers often compare the price of a product with other products, in this case the expensive price of a product is highly considered by consumers when they will buy the product. Tjiptono (2007: 113) states that product attributes are product elements that are considered important by consumers and serve as a basis for purchasing decisions, product attributes include brand, packaging, warranty and service. Price is an element that generates income for producers of goods (Monroe, 2002; Kenning et al., 2011). Thus the following hypothesis can be proposed:

**H2:** Price perception influences the buying interest of chicken noodles to consumers in Indonesia.

**H5:** Price perception influences the purchasing decision of chicken noodles to consumers in Indonesia.

### Purchasing Interest

According to Morissan (in Elisa Desy 2018: 19) buying intentions are generally based on efforts to match purchasing motives with brand attributes or characteristics that are being considered by involving psychological aspects, such as motivation, integration, perception, and attitude.

According to Ferdinard in Elisa Desy (2018: 20) interest in purchasing can be identified through; (1) Transactional interest, namely the tendency of a person to buy a product; (2) Referential interest, namely a person's tendency to reference products to others; (3) Preferential interest, that is an interest that describes the behavior of someone who has a primary preference for the product. This preference can only be replaced if something happens to its preferred product; (4) Explorative interest, this interest describes the behavior of someone who is always looking for information about the product of interest and looking for information to support the positive qualities of the product. Buying interest is the tendency of consumers to buy a brand or take action related to the purchase as measured by the level of the likelihood of consumers making a purchase (Assael, 2001).

According to Rogers, quoted by Kotler (2002), consumer buying interest in adopting new products through five stages, namely: 1) Awareness: consumers are aware of the innovation but still lack information about it. 2) Interest (interest): consumers driven to find information about these innovations. 3) Evaluation: consumers consider trying the innovation. 28 4) Trial: the consumer tries the innovation to improve his mind on the value of the innovation. 5) Adoption: the consumers decides to use the innovation fully and regularly.

Purchasing interest is obtained from a learning process and thought process that forms a perception. The buying interest that arises creates a motivation that continues to be recorded in his mind, which in the end when a consumer must meet his needs, he will actualize what is it in his mind. Although it is a purchase that will not necessarily be done in the future, measurement of purchase interest is generally carried out in order to maximize predictions on the actual purchase itself.

**H3:** Purchasing interest has an influence on the purchasing decision of chicken noodles to consumers in Indonesia.

### Buying Decision

According to Morrisan (in Elisa Desy 2018: 20) said that the purchase decision is the next stage after there is an interest or desire to buy. Purchase decisions will occur if the purchase interest or desire to buy has been collected. Cravens, Hills and Woodruff (2002; 137), give the concept that a purchasing decision is a decision made to satisfy the needs and desires of consumers by evaluating more than one alternative that is influenced by the main reason for making purchases which include how to purchase, products and situations. Purchasing decisions taken in this study refer to Kotler's concept in Nurjannah (2017), that each purchase decision has the following indicators: (1) The stability of a product, the decisions made by consumers after considering various information that supports decision making, (2) The habit of buying a product, the closest experience (parents, brother or sister) in using the product; (3) Providing recommendations to others, delivering positive information to others, so that they are interested in making a purchase; (4) Repurchase, continuous purchase, after consumers feel comfortable with the product or service received. Fadila and Lestari (2013: 117) before consumers decide to buy products or use services, then consumers make the decision making process that is influenced by external and internal factors that exist in consumers, namely beliefs, culture, social, and personality and psychological (psychiatric). Purchasing decisions are usually consumers will decide to buy...
goods because the most preferred brand, can also arise because of the intention to buy different products, especially tasted / taste on the products offered.

III. RESEARCH METHODS

3.1. Procedure and sample

The population and sample used are customers of chicken noodles in regions in Indonesia. The sampling method is by convention. Questionnaires were distributed to 1000 customers of Chicken Noodle to anyone who was consuming it at restoration, small shops, stalls at that time. In the questionnaire, respondents were asked to choose one type of Chicken Noodle product which varied according to their tastes over a period of time and circled their perceptions at the place they consumed the product.

3.2. Sample Characteristics

Of the 1000 questionnaires distributed, 750 were considered correct, with a percentage rate of 75% of the answers that entered the criteria. 70% of respondents are male and 30% are female and their ages range from 10 years to 62 years.

3.2.1. Measuring instrument

Based on some previous studies, independent variables such as product quality measure durability, reliability and ease of users getting it; independent variables on price perception are measured by price affordability, price conformity with product quality and price according to ability, mediating variables such as buyer interest to be measured such as transactional interest, preference interests, referential and explorative interests while dependent variables to purchase decisions to be measured between others are the stability of a product, the habit of buying products, providing recommendations and making repeat purchases. For all questions, the researcher used a five-point Likert scale (1 = strongly disagree; 5 = strongly agree).

3.3. Research methods

The research method used is a quantitative type. Data collection using research instruments, statistical data analysis with the aim of testing the hypothesis that has been set. The data sources used in this study are primary and secondary data such as data sets, references, and national and international journals.

Mechanical collector’s primary data used as questionnaire, observation, and interviews. The population in this study was all customers of Chicken noodles in Indonesia. The sampling technique used was an engineering sample of non-probability sampling to select a sample by chance (accidental), meaning that the respondent is enjoying the product, with formula of Voorhis Van ie N = 984 + 8 (M) where (M) is the number of independent variable, so we get 1000 respondents.
IV. RESEARCH RESULTS AND DISCUSSION

A person’s buying decision does not just appear, but other factors are based on the first push. The impulse is triggered by internal and external factors (Harper et al., 1982). Likewise, research by Cravens (2002) pricing is grouped into four main categories such as demand-based pricing, cost-based, profit, and competition.

1. Effect of Product Quality on Buying Interest

Kotler and Armstrong (2012), said the quality of products have certain characteristics and in accordance with buying power ability to meet consumer needs. The result of this study is that the first hypothesis is received. Hypothesis testing results prove that there is an influence between product quality on buying interest, the calculation results obtained t value of 5.764 which is greater than 1.998 with a significant level of 0.000 which is smaller than 0.05 which means the hypothesis in this study accepts H₄ and rejects H₁. This test statistically proves that the quality of the product has a positive and significant effect on buying interest, which means the better the quality of the product (according to standards) the higher the interest in buying noodles that have special characteristics according to consumer tastes, conversely the lower the quality of the product decreases buying interest consumers of the Noodle products (Bagaskara, 2014).

2. Effect of Price Perception on Buying Interest

The second hypothesis is rejected. The results of hypothesis testing prove that there is no influence between price variables on buying interest (Sutjipto, 2014; Prabudi, 2014; Amrullah, 2016). Through the calculation results obtained from the value of t count -0.922 which is smaller than 1.998 with a significant level of 0.360 which is greater than 0.05 which means the hypothesis in this study rejects H₂ and accepts H₁. This test statistically proves that prices have a negative and not significant effect on buying interest, which means that prices are not the only ones that are able to influence buying interest due to other factors such as taste, taste, and product quality.

3. Effect of Buying Interest on Purchasing Decisions

Hypothesis 3 is accepted. The results of hypothesis testing prove that there is an influence between the buying interest variables on purchasing decisions. This is supported by previous researchers (Kotler and Kelleer, 2008) that consumers before making decisions in purchasing through consideration of, among others, consumer experience, problem finding, alternative evaluations then the decision to buy or reject it. Through the calculation results obtained from the t value of 4.255 which is greater than 1.998 with a significance level of 0.000 which is smaller than 0.05 which means the hypothesis in this study accepts H₃ and rejects H₂. This test statistically proves that buying interest has a positive and significant effect on purchasing decisions, which means that there is an influence between buying interest variables on purchasing decisions.

4. Effect of Product Quality on Purchasing Decisions

Hypothesis 4 is accepted. The results of hypothesis testing prove that there is an influence between product quality variables on purchasing decisions. Through the calculation results obtained from the t value of 4.585 which is greater than 1.998 with a significance level of 0.000 which is smaller than 0.05 which means the hypothesis in this study accepts H₄ and rejects H₁. This test statistically proves that product quality has a positive and significant effect on purchasing decisions, which means that there is an influence between buying interest variables on purchasing decisions.

5. Effect of Price Perception Against Buying Decision

Prices are monetary units (including other goods or services) that exchanged in order to obtain ownership or use rights of goods and services. Afforable prices and superior product quality drive purchasing decisions to get the desired product. Prices can be obtained by comparing the desires and expectations of consumers with an assessment of the product. Harper W. Boyd, Jr. and Orville C. Walkers.Jr (1982:43) price decision making is made by considering various internal and external factors, so the fifth hypothesis is rejected. The results of hypothesis testing prove that there is no influence between price perceptions of purchasing decisions. The result of the calculation is obtained from the t value of -1.847 which is smaller than 1.998 with a significance level of 0.069 which is greater than 0.05, which means the hypothesis in this study rejects H₅ and accepts H₁. This test statistically proves that price perception has a negative and not significant effect on purchasing decisions, which means there is no influence between the variable of price perception on purchasing decisions. Because consumers feel confident with superior quality according to SNI or ISO standards, consumers can make decisions, besides that purchasing decisions are not only influenced by how high the price is targeted but can also be the impact of promotion, brand image, and the same product experience of product ever bought.
6. Effect of Product Quality on Purchasing Decisions Through Buying Interest

Hypothesis 6 is rejected. The results of hypothesis testing prove that there is no influence between product quality variables on purchasing decisions through buying interest. From the calculation resulted obtained from the t value of 1.684 which is smaller than 1.998 with a significance level of 0.097 which is greater than 0.05 which means the hypothesis in this study rejects Ho and accepts H. This test statistically proves that product quality has a positive and not significant effect on purchasing decisions through buying interest, which means there is no influence between product quality variables on purchasing decisions through buying interest. Because even if the quality of the product is improved by the manufacturer it will not affect the increase or decrease.

7. Effect of Price Perception on Purchasing Decisions Through Buying Interest

Hypothesis 7 is rejected. The results of hypothesis testing prove that there is no influence between the price variable on purchasing decisions through buying interest. From the calculation results obtained from the t value of -1.578 which is smaller than 1.998 with a significance level of 0.120 which is greater than 0.05 which means the hypothesis in this study rejects H, and accepts H. This test statistically proves that product quality has a negative and insignificant effect on purchasing decisions through buying interest, which means there is no influence between price variables on purchasing decisions through buying interest. Because buying interest is not only influenced by price perception but also promotional strategies, product quality, service quality, brand image, and packaging.

8. Managerial Implications

Some implications on the determination of product quality consisting of durability, reliability and user convenience in its implementation, if the product offered without engineering, quality manipulation, commitment to quality standards and services, it will inevitably have an increasing impact on products offered to consumers. (Garvin: 1987; Kotler and Armstrong : 2012). Implications of price perceptions consisting of affordability, price conformity with product quality, and price according to ability will have an impact on the level of sales of the product concerned (Zeithaml, 1988 : Bei and Chiao, 200; Kotler and Armstrong, 2012). Implications of perception on buying interest consists of transactional interest, preferences interest, referential interests, exploratory interest. High consumer buying interest will encourage consumers to buy a product instead, low consumer buying interest will prevent consumers from buying products. Purchasing decisions made by consumers can occur due to several factors, one of which is product quality and price that can create buying interest so that it has an impact on purchasing decisions (Saptaningsih, 2008. Yustini and Eva, 2007). Implications of perception on purchasing decisions consisting of stability of a product, habits in buying products, providing recommendations, making repeat purchases. Purchasing decision is a process of integrity carried out to collaborate knowledge in order to evaluate two or more alternatives and choose one of them, so that consumers’ choice of two or more alternative choices, product quality, price perception, through buying interest impact on purchasing decisions so that the product concerned will get high sales (Peter and Olson, 2013 ).

V. CONCLUSION

The results of the research based on data obtained from an explanation which is then tested and analyzed obtaining the following conclusion: Based on the results of the study showed that the quality of products that have certain advantages significantly influence the buying interest in Chicken Noodle products in Indonesia. Next, the results of research on price perceptions do not have a significant effect on buying interest in Chicken Noodle in Indonesia due to the determination of price choices as well as being influenced by superior product quality, purchasing experience, attractive promotions, the taste and appearance of the product concerned, as well as brand loyalty that already known. Furthermore, buying interest has a significant effect on purchasing decisions on Chicken Noodle in Indonesia. Product quality variable significantly influence purchase decisions on Chicken Noodle in Indonesia. Finally, that the price perception, from the research results, did not significantly influence purchasing decisions on Chicken Noodle in Indonesia, product quality variables did not significantly influence purchasing decisions through buying interest on Chicken Noodle in Indonesia, and price perception did not significantly influence purchasing decisions through buying interest on Chicken Noodles in Indonesia. By finding out that product quality and price factors influence purchasing decisions through buying interest on Chicken Noodle in Indonesia, this factor can be used to improve the quality of a business so that it can expand its network by opening many branches with the same quality. For future researchers should conduct research developments by adding variables of taste and innovative look because there are still many factors that capable to influence purchasing decisions on noodle products, so that they can contribute and improve the Chicken Noodle product sales in countries outside Indonesia.
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