

The Effect of Price and Product Quality on Purchasing Decisions for Scarlett Whitening Cosmetic Products in Samarinda

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Article Info	ABSTRAK		
Keywords:	This research aims to determine the influence of price and product		
Price,	quality on purchasing decisions for Scarlett cosmetic products in		
Product Quality,	Samarinda, both partially and simultaneously and to find out which		
Purchasing Decisions	variables have the most influence on decision making. The research		
	method used is the descriptive method. The sample is 100 respondents.		
	This type of research is quantitative research. The analytical tools used		
	are Ui validity, Ui reliability, classical assumption test, multiple linear		
	regression, coefficient of determination, t test (partial) and f test		
	(simultaneous). Based on the research results, several conclusions were		
	obtained, namely that price and product quality on purchasing decisions		
	for Scarlett whitening cosmetic products have a correlation of 0.571,		
	which means the relationship is strong. Partially, price has a significant		
	influence on purchasing decisions for Scarlett Whitening products and		
	product quality has a significant influence on purchasing decisions for		
	Scarlett Whitening products. And simultaneously the price and quality		
	of the product have a significant influence on purchasing decisions for		
	Scarlett Whitening products.		
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INTRODUCTION

The development of cosmetics in Indonesia is very rapid. There are many companies and even entrepreneurs operating in the cosmetics industry because Indonesia is a fairly large cosmetics market. In the cosmetics industry, cosmetics users are millennials or young people.Surprisingly, cosmetics are currently the main needs of Indonesian women. Manufacturers offer various kinds of products, such as skincare, culinary, clothing, household needs, and others. The type of quality product is a factor for consumers in making decisions. According to Kotler, a product is any offer made by a company to satisfy the wants and needs of its consumers (2000, p. 13). The business most popular with people today is skincare.

Scarlett Whitening is a type of business that operates in the beauty sector, especially in the skincare sector and its sales utilize online media, one of which is the digital platform. In running their business, the business actors from Scarlett Whitening certainly face competition in the business environment where many similar businesses exist, resulting in people who are also consumers having many choices when it comes to purchasing skincare products.



METHODS

Literature Review

Price Definition

Price is a useful factor in product sales because price is an important element of the marketing mix (4P = Product, Price, Place, Promotion). Companies need to decide prices based on the quality that buyers love and understand. Price indicators according to Kotler and Armstrong (2016) are:

- 1. Price Affordability
- 2. Price according to benefits
- 3. Pricing based on capacity or price competitiveness

Product quality

Product quality is the selection of more than two alternatives to make purchasing decisions. Kotler & Armstrong (2012) in their research, a more specific purchasing process consists of a sequence of problems recognition, information search, evaluation, purchasing decisions and post-purchase behavior. Hidayat's product quality indicators in Echdar (2017) are as follows:

- 1. Performance, related to the basic operating form of a product
- 2. usability, related to the desired age of use of the product.
- 3. Reliability, small chance of experiencing a malfunction.
- 4. Aesthetics relates to how the external appearance of a product.

Buying decision

The purchasing decision is the next step after the desire to buy a product. Kotler and Keller (2015: 178) state that the purchasing decision is a step for the buyer to take action in purchasing. Thomson (2013) believes purchasing decisions include several indicators, namely:

- 1. Decisions in purchasing products
- 2. Repeat purchases
- 3. According to the needs

Research Hypothesis

A hypothesis is a response to conclusions studied, analyzed from theoretical research and whose truth has not been tested (Sugiono, 2018). Based on the theory above, the research hypothesis is

- Ha1: Partial price has a significant influence on purchasing decisions for Scarlett Whitening cosmetic products in Samarinda.
- Ha2: Personal product quality has a significant influence on purchasing decisions for Scarlett Whitening cosmetic products in Samarinda.
- Ha3: Price and product quality simultaneously have a significant influence on purchasing decisions for Scarlett Whitening cosmetic products in Samarinda.

Research methods

The research approach used in this research is a type of qualitative research using a descriptive method where the data is in the form of numbers which can be processed using the SPSS application.



Population and Sample

Population is a category of things related to this research that will be carried out and the results that will be carried out and the results that the research will obtain (Sugiyonol, 2017: 136). The research population includes all users who have purchased or used at least once the Scarlett Whitening product with the criteria considered, namely:

- 1. Respondents were female and male
- 2. Age range from 17-40 years
- 3. Have purchased Scarlett whitening products at least once
- 4. Domiciled in Samarinda

The sample size was determined using the Coshran technique so that a sample of 96 respondents was obtained which was then rounded up to 100 respondents.

Data collection technique

This research's data collection technique uses a questionnaire method which is distributed by sharing links with respondents. According to (Sugiyono 2017) questionnaire is a data collection technique that can be obtained by giving a series of questions or statements to respondents. The questionnaire will be distributed online using digital media, namely Google Form.

Data analysis technique

Data analysis includes grouping data that has been collected from respondents in the field or other references. The data that has been collected is rare, the next step is to analyze the data using analytical techniques, namely Validity Test and Reliability Test to see the validity of the data, then the Classical Assumption Test includes the Normality Test, Multicollinearity Test and Heteroscedasticity Test, then the Multiple Linear Regression Test, then the Hypothesis Test includes the T Test (Partial), F Test (Simultaneous) and Coefficient of Determination Test (\mathbf{R}^2).

RESULTS AND DISCUSSION

Description of Respondent Characteristics

The data on the profile in this Scarlett Whitening product research includes gender, age, purchasing decisions and also having purchased Scarlett Whitening products. For the purposes of collecting data for processing analysis by considering the situation and conditions faced, the sample was taken from 100 consumers. , so that the consumer is then given a questionnaire in the form of a Google form. This research uses quantitative analysis where the data collection method uses respondent questionnaires to consumers who use Scarlett Whitening products.





Figure 1. Diagram of Respondents by Age



Figure 2. Diagram of respondents based on gender

Validity Test and Reliability Test

Validity test is a method used to verify the validity of data collection tools used in research (data collection tools). Validity testing involves determining whether data is reliable and corresponds to reality. To determine the validity of the instrument, we can see whether the calculated r value is greater than the table r value. If r count > r table, then the instrument is said to be valid. However, if r count < r table, then the instrument is considered invalid. In this test, the calculated r value is 0.196 using the table r value distribution at a significance level of 5% and a sample size (n) of 100.

Tab	Table 1. Validity Test Results					
Variables	Statement	R Table	R Count	Information		
Price (X1)	X1.1	0.196	664	Valid		
	X1.2	0.196	757	Valid		
	X1.3	0.196	707	Valid		
	X1.4	0.196	641	Valid		
	X1.5	0.196	709	Valid		
	X1.6	0.196	722	Valid		
Product Quality (X2)	X2.1	0.196	583	Valid		
	X2.2	0.196	622	Valid		

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Cosmetic Products in Samarinda–Indah Sari R Manurung et.al



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Variables	Statement	R Table	R Count	Information
	X2.3	0.196	651	Valid
	X2.4	0.196	566	Valid
	X2.5	0.196	501	Valid
	X2.6	0.196	604	Valid
	X2.7	0.196	669	Valid
	X2.8	0.196	679	Valid
Purchase Decision (Y)	Y.1	0.196	614	Valid
	Y.2	0.196	725	Valid
	Y.3	0.196	629	Valid
	Y.4	0.196	578	Valid

From table 1, the results of the validity test can be concluded that the 20 point instrument states that the calculated r is greater than the r table.

Table 2. Reliability Test Results				
Variable	Cronbach's Alpha	Reliability	Information	
Price	0.802	0.60	Reliable	
Product quality	0.792	0.60	Reliable	
Buying decision	0.746	0.60	Reliable	

From table 2 of the reliability testing results, it tends to be assumed that the entire questionnaire is declared reliable with Cronbach's alpha greater than 0.6.

Classic assumption test

a. Normality test

The normality test is useful for ensuring that the data that has been collected is normally distributed or not. In testing the normality test in this study, using the value from the Kolmogorov-Smirnov Test results, it was determined that the significant value was greater than 0.05. SPSS output results in the One-Sample Kolmogorov-Smirnov Test table, it is known that the significance value of Asymp. Sig. (2 tailed) of 0.200 is greater than 0.05. So in accordance with the basis for decision making in the Kolmogorov Smirnov normality test above, it can be concluded that the research data is normally distributed.

Table	3	Normality	Test
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		,		
One-Sample Kolmogorov-Smirnov Test				
		Unstandardized Residuals		
N		100		
Normal Parameters a, b	Mean	.0000000		
	Std. Deviation	1.71750569		
Most	Extreme Absolute	.071		
Differences	Positive	0.62		
	Negative	071		
Statistical Tests		.071		
Asymp. Sig. (2-tailed)		,200 ^{CD}		



b. Multicollinearity Test

Multicollinearity testing aims to check whether there is a relationship between the independent variables in the regression analysis. To determine the presence of multicollinearity, the tolerance level and variation inflation factor (VIF) need to be evaluated. Multicollinearity can also be seen from the tolerance value and its opposite as well as the variance inflation factor (VIF). The cut off value indicating multicollinearity is a Tolanrance value < 0.10 or the same as a VIF value < 10 (Ghozali, 2018).In the price variable, there is a VIF value of 1.313 and a tolerance value of 0.761. and for the product quality variable, there is a VIF value of 1.313 and a tolerance value of 0.761. Based on commonly used criteria, if the tolerance value is more than 0.10 and the VIF value is less than 10, then it can be concluded that there is no multicollinearity problem between these variables.

Table 4. Multicollinearity Test Results				
Coefficientsa				
Model	Collinearity S	Statistics		
	Tolerance	VIF		
(Constant)				
Price	,761	1,313		
Product quality	,761	1,313		
a. Dependent Variable: Purchase Decision				

c. Heteroscedasticity Test

The heteroscedasticity test is carried out to evaluate whether there is a difference in residual variability between one observation and another, regarding heteroscedasticity and if different then it is related to heterogeneous variance. The heteroscedasticity test looks at whether the regression model has dissimilarities between the observation residuals. One of them in this test uses a graphic method (Scatterpol). From the results it can be seen that the focus of information does not form a clear pattern and is distributed either below or above the number 0 on the Y axis. It is possible to draw the conclusion that there is no evidence of heteroscedasticity problems based on the decision making criteria.



Multiple Linear Regression Test

Multiple Linear Regression is useful for determining the influence of independent (free) variables on dependent (bound) variables. To test the price and quality of the product on purchasing decisions, the multiple linear regression equation formula is used, as follows:



 $Y = \alpha + \beta 1 \times 1 + \beta 2 \times 2 + \dots \beta i \times i + e$

Information:

- Y = Dependent variable (dependent)
- X1 = Independent Variable (free)
- X2 = Independent Variable (free)
- A = constant
- β 1, β 2 = variable regression coefficient

e = interrupt (error)

Based on the results of data processing, the independent variables in this research can be arranged in the following model:

Y = 3,239 + 0.415 X1* + 0.348 X2 + e

In this regression equation, the results of the test above can be interpreted as follows:

- 1. The constant value is 3,239, meaning that if the price (X1) and product quality (X2) variables have a value of 0, then the purchasing decision is 3,239.
- The value of the variable Price (X1) is 0.415, meaning that if the coefficient value has a significant effect in the same direction as the purchasing decision (Y), this can be interpreted as meaning that if the price (X1) is increased by one score, the purchasing decision (Y) will increase by 0.415
- 3. The value of the product quality variable (X2) is 0.348, meaning that if the coefficient value has a significant effect in the same direction as the purchasing decision (Y), this can be interpreted as meaning that if the product quality variable (X2) is increased by one score, the purchasing decision (Y) will increase by 0.348.

Coefficientsa					
Model	Unstandard	ized Coefficients	Standardized Coefficients	t	sig
	В	std.Error	Beta		
1 (Constant)	3,239	2,269		1,428	,157
Price	,415	,079	,428	5,249	,000,
Product quality	,348	.071	,399	4,897	,000,
Dependent Variable: PURCHASE DECISION					

Table 5. Results of Multiple Linear Regression Analysis

Hypothesis testing

Partial Test (T Test)

Ghozali (2016:98) explains that the t test has an impact by testing each independent variable separately, partially explaining the dependent variable. The basis for conducting testing is as follows: if the significance value is > 0.05 then H0 will be accepted and H1 will be rejected. If the significant probability value is < 0.05 then H0 will be rejected and H1 will be accepted. In testing the t test (partial), namely the price variable with a t count of 5,249 > 1.98472 with a significant value of 0.000, it is known that there is a positive and significant influence on the purchasing decision variable and the product quality variable with a t count



of 4,897 > 198472 with a significance of 0.000, it is known that there is a positive and significant influence towards decision making.

			/ / /		
		Coefficient	sa		
Model	Unsta	ndardized	Standardized	t	sig
	Coe	fficients	Coefficients		
	В	std.Error	Beta		
1 (Constant)	3,239	2,269		1,428	,157
PRICE	,415	,079	,428	5,249	,000,
PRODUCT	,348	.071	,399	4,897	,000,
QUALITY					
Dependent Variable:	PURCHASE	DECISION			

Table 6. Results of Partial Test Analysis (T Test)

Simultaneous Test (F Test)

The F test is carried out to determine whether all independent variables (X) can have an influence on the dependent variable (Y) or not (Algifari, 2003). This test is carried out by considering the F value of the results with the F value listed in the table at a significance level of 5% or α = 0.05. The conclusion of this test is that if the calculated F value is greater than the table F value, then the alternative hypothesis is rejected and the null hypothesis is accepted. If the F value from the table is smaller than the F table, then the alternative hypothesis (H1) will be accepted and the null hypothesis (H0) will be rejected. The results of the F test obtained a calculated F value of 50,327 which was greater than the F table of 2.70 and significant 0.000, so it was concluded that the simultaneous variables of price and product quality had a significant effect on purchasing decisions.

Table 7. Results of Simultaneous Test Analysis (F Test)						
	ANO	VAa				
Model	Sum of Squares	df	Mean Square	F	Sig	
1. Regression	317.213	2	158,606	50,327	.000b	
Residual	305,697	97	3,152			
Total 622,910 99						
a. Dependent Variable: PURCHASE DECISION						
b. Predictors: (Constant), PRODUCT QUALITY, PRICE						

Determination Coefficient Test (R2)

The coefficient of determination (R2) is a metric used to evaluate the extent to which a method explains differences in the dependent variable (Ghozali, 2016:97). The coefficient of determination (R2) has a value range from 0 to 1. A low R2 indicates that the independent variable has little or no influence on the dependent variable. If the R2 value is close to 1, it can be concluded that the independent variable has a big influence on the dependent variable. According to the data presented, the independent variables price and product quality have a strong positive relationship with the dependent variable purchasing decisions. The correlation



coefficient (R) value of 0.714 shows this. In addition, the guarantee coefficient (R square) found in this test is 0.509. This implies that price and product quality factors together influence purchasing choices by 50.9%. However, other factors not included in this study had an impact on the remaining 49.1%.

	Table 8. Results of Determination Coefficient Test Analysis (R2)					
	Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	,714	,509	,499	1.77525		
	a. Predictors: (Constant), PRODUCT QUALITY, PRICE					
	b. Dependent variable: purchasing decision					

CONCLUSION

Village fund policies have a negative effect on the percentage of poor people (head count index/P0) in districts/cities, this is in accordance with the existing hypothesis that additional village funds can reduce the percentage of poor people. Meanwhile, for the indicators of depth of poverty (P1) and severity of poverty (P2), there is no significant influence from village funding policies. These results can be interpreted to mean that the village fund policy through the implementation of development and community empowerment programs has an even impact in improving the welfare of communities far below the poverty line and reducing income disparities between poor communities. Meanwhile, if we look at the correlation elasticity and the influence of other variables on the poverty level (P0, P1 and P2), these include Expected Years of Schooling, Human Development Index, Per Capita Expenditure Growth, as well as regional fiscal capacity variables such as spending on housing and public facilities, health spending, public spending. Social protection has a significant influence in reducing poverty levels. Meanwhile, based on qualitative analysis, it can be concluded that several factors are obstacles that hinder the effectiveness of village fund policies in alleviating poverty in Kenebibi Village, including socio-economic factors including community habits/traditions, human resource factors, both village officials' human resources and village community human resources, public trust factors. , including the existence of marginalized communities in the village, in this case former East Timorese residents. Community empowerment programs that target poor community groups to build and develop a bottomup economy through village funds are unable to be implemented sustainably due to the absence of facilitators who accompany program implementation in the community. The research suggestion is that the government needs to add a formulation for the allocation of Village Funds in the future by taking into account the variables of depth of poverty and severity of poverty in districts/cities, including the existence of marginalized communities such as communities of new residents/ex-refugees in an area or village. In order for village fund policies to be effective in reducing the level of poverty at the level of depth and severity, provisions are needed regarding bottom-up program ideas from the poorest community groups, so that improvements in quality of life can be felt evenly, for example the PNPM program which uses the principle of empowerment with community ideas Alone. To ensure



the sustainability of community businesses, the government needs to regulate the existence of facilitators who accompany communities in conducting their businesses. For further research to complement the limitations of this research, it is by adding the variable basic rural service infrastructure as an output from the implementation of village development with a village fund budget, and increasing the number of research village samples in order to be able to compare or obtain more diverse data regarding village funding policies on poverty levels from several different village characteristics.

Based on the discussion and subsequent testing carried out in this research, it can be concluded as follows: (1)variable (X1) has a positive and significant influence on purchasing decisions. This proves to influence purchasing decisions.(2)variable (X2) has a positive and significant influence on purchasing decisions.So it can be concluded that there is an influence of product quality on purchasing decisions.(3)price variables (X1) and product quality (X2) simultaneously have a significant effect on purchasing decisions. The test results were strengthened by the results of the questionnaire which concluded that the price and product quality variables simultaneously had a significant effect on purchasing decisions for Scarlett Whitening products in Samarinda City. The research suggestion is that the quality of the product in this study has the results of a significant influence on purchasing decisions for Scarlett whitening products in Samarinda. Therefore, companies should be able to listen more to consumer experiences in reviewing product quality that consumers currently perceive regarding Scarlett Whitening products.

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