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The Influence of Product Quality and Price on The Purchase Decision of Heyjo Bakpao in Singgahan, Tuban (A Case Study of Local Micro, Small, and Medium Enterprises)

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Abstract

The current economic development of society is growing rapidly, evidenced by the emergence of numerous business actors aiming to produce goods and services, thereby making the community more active in determining and deciding their needs. Business actors are competing to implement various marketing strategies to capitalize on market opportunities by offering products that align with consumers' desires and needs. Bakpao is a type of food that is widely enjoyed by the Indonesian people. Bakpao Heyjo is one of the producers and sellers of bakpao, established in 2022 in Kedungjambe Village, Singgahan Sub-district, Tuban Regency, offering a variety of flavors at affordable prices. Bakpao Heyjo has become a popular processed food choice that is easily accessible and offers a wide range of options. This study aims to analyze the influence of product quality and price on the purchase decision of bakpao. Heyjo consumers. Data was collected through a questionnaire distributed to consumers using a non-probability incidental sampling method. Responses were measured using a Likert scale. Data analysis was conducted using classical assumption tests and multiple linear regression through SPSS 20.0. The results of the study indicate that product quality and price simultaneously have a significant influence on purchasing decisions, contributing 79.8%. The remaining 20.2% is attributed to other variables not examined in this study. These findings suggest that improving product quality and maintaining competitive prices are key strategies for enhancing consumer purchasing decisions.

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Keywords: Product quality, price, purchase decision

INTRODUCTION

Many studies have examined the influence of product quality and price on purchasing decisions in the context of micro, small, and medium enterprises. Product quality is generally defined as the ability of a product to meet consumer functions and expectations, including durability, reliability, ease of use, and aesthetics (Kotler, 2016). In the context of food products, quality is not only related to taste and texture but also visual aspects and innovative forms, as demonstrated by the trend of character-shaped bakpao (bakpao), which has attracted the attention of children and teenagers.

Research by Rosnaini (2017) highlights two approaches to product quality: objective quality, which focuses on the production process, and subjective quality, which emphasizes consumer perception. Product quality, defined as the ability of a product to satisfy consumer needs and expectations, plays a central role in driving satisfaction and loyalty (Kurnia, 2023). Meanwhile, price is also an important factor in purchasing decisions, not only as a transaction tool but also as an indicator of product value and quality in the eyes of consumers (Fakhrudin et al., 2022). Haque et al., (2022) add that consumer perceptions of price can be influenced by the presence of substitute goods, market information, and perceptions of quality improvements.

Product quality has a significant influence on purchasing decisions. Every improvement in product quality will increase purchasing decisions. Consumers consider satisfaction, product availability, quality, taste, halal certification, and product-related information as crucial factors in purchasing decisions. Products that meet or exceed consumer expectations can increase customer satisfaction and loyalty because consumers compare product quality with price and competitors (Prafitri, et al., 2025).

However, most previous studies have focused on large-scale industries or modern retail contexts, with few specifically examining the relationship between product quality and price on purchasing decisions in the local food micro, small, and medium enterprises (MSMEs) sector, particularly in the context of innovative products like Bakpao Heyjo. This is the novelty of this study: to identify and analyze the influence of product quality and price on consumer purchasing decisions toward Bakpao Heyjo in Singgahan Sub-district, Tuban Regency.

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RESEARCH METHOD

This study was conducted at Heyjo Bakpao sellers in Kedungjambe Village, Singgahan District, Tuban Regency, East Java. This location was chosen as the research site because it is a consistent producer and seller throughout the year. The sampling technique used was non-probability sampling, specifically accidental sampling. This technique was chosen because the research was conducted on a population whose exact number is unknown and difficult to reach in its entirety. Accidental sampling is considered appropriate because it allows for quick and practical data collection from customers encountered at the location. Although this method has limitations in generalizing results, this approach is relevant for exploratory studies on micro-enterprises that do not have documented customer data. The population in this study is all Heyjo Singgahan Bakpao customers. Since the exact population size is un , the sample was determined using the Lemeshow formula, with a minimum sample size of 96.04 respondents, which was then rounded up to 100 respondents.

This study uses three main variables: (1) product quality (X1), (2) price (X2), and (3) purchase decision (Y). The product quality construct (X1) is measured using the following indicators: taste, appearance, texture, and aroma. The price variable (X2) is measured using the following indicators: affordability, price-quality ratio, relative price compared to competitors, and ease of payment. The purchase decision construct (Y) is assessed using the following indicators: intention to repurchase, satisfaction, and loyalty. All indicators are measured using a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Before data collection, the questionnaire instrument was tested for validity and reliability. Validity was measured using Pearson's correlation analysis with a value of $r > 0.30$ as the validity criterion. The reliability of the instrument was tested using Cronbach's Alpha, with a value > 0.70 considered reliable. The test results showed that all statement items were valid and reliable for use in this study.

Data analysis was conducted using multiple linear regression analysis with the latest version of SPSS software. This analysis aimed to determine the influence of product quality and price on purchasing decisions, both simultaneously and partially.

RESULT AND DISCUSSION

The majority of Bakpao Heyjo consumers are women (84%), which aligns with the study by Kemarauwana (2021) stating that women dominate the demographic of fast-food consumers in Surabaya. The age distribution is concentrated in the 20–29 age group (85%), typically associated with young professionals. This supports the findings of

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Ramadhan et al., (2024) in Tarakan, which identified the young adult market as the dominant market in bread consumption.

Regarding education, 82% of respondents have completed high school. This is in line with Oktaviani's (2012) study, "Fast Food Consumption Among High School Students in Tuban," ( ), which found that most fast food consumers are high school students. In terms of income, 86% of respondents earn between Rp2,000,000 and Rp3,000,000, which is close to or above the minimum wage in Tuban of Rp2,864,225 (Aimatul, 2024). This income level indicates the capacity to regularly consume affordable foods like Bakpao Heyjo (Johnson et al., 2023).

Table 1. Demographic characteristics of respondents

	Criteria	Number
Gender	Male	16
	Female	84
Age	<20	6
	20-29	85
	30-39	9
Education	High School/Equivalent	82
	Bachelor	18
Income	2,000,000–3,000,000	86
	4,000,000-5,000,000	12
	6,000,000–10,000,000	2

Determination Coefficient Test or R ^{2}

The coefficient of determination test is conducted to determine the extent to which independent variables simultaneously influence the dependent variable. Based on the data analysis results, the following outcomes were obtained:

Model	R	R Square	Adjusted R-squared	Standard Error of the Estimate	Durbin-Watson
1	.896 one	.802	.798	2.056	2,123

Source: processed primary data, 2024

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Based on the results of the test in the table above, the Adjusted R-squared value is 0.798 or 79.8%, which means that the variables of product quality and price have a significant influence on purchasing decisions. The remaining 20.2% is influenced by other variables not used in this study. As stated by Kotler and Keller (2012), consumer purchases are influenced by four factors, namely cultural factors, social factors, personal factors, and psychological factors.

Results of the Multiple Linear Regression Test

Model	Unstandardized Coefficient		Standardized Coefficient		Sign.
	B	Standard Error	Beta		
1 (Constant)	5.972	2.106		2.836	.006
X1	- .259	.122	-0.096	-2.125	.036
X2	1.129	.057	.899	19,847	.000

Source: processed primary data, 2024

Based on data analysis using SPSS 20 for Windows, the following regression equation was obtained:

Purchase Decision Y = 5.972 + 1.129X1 (product quality) + -0.259X2 (price) The regression equation above shows the partial relationship between the independent and dependent variables. From this equation, it can be concluded that:

1. The constant value = 5.972 means that if the product quality and price variables do not change (X1 and X2 values are equal to 0), then consumers' purchase decision for Bakpao remains at 5.972.
2. The regression coefficient value for product quality is -0.259, meaning that if the product quality variable (X1) decreases by 1 (unit) assuming that the price variable (X2) and the constant (a) are equal to 0 (zero), then consumer purchasing decisions for Bakpao decrease by -0.259.
3. The regression coefficient value of Price is 1.129, which means that if the price variable (X2) increases by 1 (unit) with the assumption that the product quality variable (X1) and the constant (a) are 0 (zero), then the consumer's decision to buy bakpao will increase by 1.129.

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CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the data analysis and discussion, it can be concluded that:

1. Product quality has a negative and significant influence on consumers' purchasing decisions for Heyjo Singgahan Bakpao, as indicated by the regression coefficient. This shows that higher quality perceptions, which are likely related to higher price expectations or sensitivity, can reduce the likelihood of purchase.
2. Price also has a positive and significant influence on purchasing decisions. Consumers perceive the price of Heyjo Bakpao as commensurate with the quality offered, making price a determining factor in purchasing decisions.
3. Concurrently, product quality and price significantly contribute to purchasing decisions, with a coefficient of determination of 79.8%, while 20.2% is influenced by factors outside the model, such as promotions, service, or personal preferences.

These findings address the research objectives, which were to determine and analyze the influence of product quality and price on purchasing decisions. The results are consistent with consumer behavior theory and previous studies highlighting the importance of quality perception and price suitability in influencing purchasing decisions for food products from Micro, Small, and Medium Enterprises (MSMEs).

Recommendations

1. For Business Owners (Bakpao Heyjo):

It is recommended to maintain and continuously improve product quality, including raw materials, cleanliness, and packaging, as quality has proven to be a key factor in purchase decisions. Pricing strategies should be reviewed periodically to remain competitive while reflecting product value, thereby appealing to price-sensitive consumers.

2. For Future Researchers:

Research can be expanded by adding other variables, such as service quality, promotions, or brand image, which may also influence purchasing decisions. Qualitative methods or mixed methods can also be considered to explore consumer perceptions more deeply.

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