



**THE EFFECT OF PRODUCT QUALITY AND PRICE ON
PURCHASING DECISIONS**

(Study on Consumers at Secangkir Coffee Semarang)

UNDERGRADUATE THESIS

**Compiled to Meet the Requirements for Completing
Undergraduate Program Department of Business
Administration, Faculty of Social and Political Sciences
Diponegoro University**

Author :

**RAINALDY DAFFA FERDIANSYAH
14030119190098**

**BUSINESS ADMINISTRATION STUDY PROGRAM
FACULTY OF SOCIAL SCIENCE AND POLITICAL SCIENCE
DIPONEGORO UNIVERSITY
SEMARANG**

2023



SURAT PERNYATAAN KEASLIAN KARYA ILMIAH (SKRIPSI / TA*)

Saya yang bertanda tangan di bawah ini:

1. Nama Lengkap : Rainaldy Daffa Ferdiansyah
2. Nomor Induk Mahasiswa : 14030119190098
3. Tempat / Tanggal Lahir : Semarang, 8 Oktober 2001
4. Jurusan / Program Studi : Administrasi Bisnis
5. Alamat : Jl YRS 1 no 3, Bintaro, Jakarta Selatan

Menyatakan dengan sesungguhnya bahwa karya ilmiah (Skripsi/TA) yang saya tulis berjudul:

The Effect of Product Quality and Price on Purchasing Decision (study on consumers at Secangkir Coffee Semarang)

Adalah benar-benar Hasil Karya Ilmiah Tulisan Saya Sendiri, bukan hasil karya ilmiah orang lain dan juga tidak mengandung plagiasi dari sumber informasi lainnya. Hal ini diperkuat dengan hasil uji kemiripan Turnitin yang kurang dari 20%. Apabila di kemudian hari ternyata karya ilmiah yang saya tulis itu terbukti bukan hasil karya ilmiah saya sendiri atau hasil plagiasi karya orang lain, maka saya sanggup menerima sanksi berupa pembatalan hasil karya ilmiah saya dengan seluruh implikasinya, sebagai akibat kecurangan yang saya lakukan.

Demikian surat pernyataan ini saya buat dengan sebenar-benarnya dan dengan penuh kesadaran serta tanggung jawab.

Mengetahui,
Dosen Pembimbing

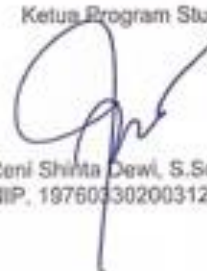

Dr. Andi Wijayanto, S.Sos., M.Sc
NIP. 1975323200801014

Semarang, 14 Juni 2023

Pembuat Pernyataan,


Rainaldy Daffa Ferdiansyah
NIM. 14030119190098

Ketua Program Studi


Dr. Reni Shinta Dewi, S.Sos., M.Si.
NIP. 197603302003122001

VALIDATION PAGE

Title : The Effect of Product Quality and Price on Purchasing
Decisions (Study on Consumers at Secangkir Coffee
Semarang)
Author : Rainaldy Daffa Ferdiansyah
NIM : 14030119190098
Department : Business Administration

Declared to be a valid requirement for achieving a bachelor's degree in the Business
Administration Study Program at Diponegoro University's Faculty of Social and
Political Sciences.

Semarang, 15 Juni 2023

Dean

Vice Dean of Academic & Students Affair



Prof. Dr. Drs Hardi Warsono, M.T.

Dr. Drs. Teguh Yuwono, M.Pol.Admin

NIP. 19640827 199001 1 001

NIP.19690822 199403 1 003

Supervisor :

1. Dr. Andi Wijayanto, S.Sos, M.Si

(.....)

2. Dinalestari Purbawati, S.E., M.Si., Akt.

(.....)

Examinor :

1. Prof. Bulan Prabawani, S.Sos., M.M., PhD

(.....)

2. Dinalestari Purbawati, S.E., M.Si., Akt.

(.....)

3. Dr. Andi Wijayanto, S.Sos, M.Si

(.....)

MOTTO

“Wu Ji Bi Fan”

“Too Much Good Stuff is Bad Stuff”

-Dre Parker (The Karate Kid 2010)

Praise to the presence of God Almighty, I dedicate this undergraduate thesis to:

1. My lovely mother and father who always give prayers, support and love any time, so that I can finish this undergraduate thesis.
2. My Brother who always support me.
3. Niken Ayu Dewati, who support me for preparation of this undergraduate thesis.
4. Hanin and Kahfi who always entertain and help in the preparation of this undergraduate thesis.
5. I, myself, have struggled with all achievements so far
6. Geza, RP, Prabu, Kayla, Mahesa, and Naufan have always been my college partners and academic collaborations.
7. International Undergraduate Program (IUP) Class 2019 who has been with me in Business Administration, for filling my college years.
8. Business Administration friends who helped me with campus life, academic and other matters.
9. My one of the first person I know since first year of university, Agie, who always help me academic and daily life.

THE EFFECT OF PRODUCT QUALITY AND PRICE ON PURCHASING DECISIONS

(Study on Consumers at Secangkir Coffee Semarang)

ABSTRACT

With so many coffee shops in the city of Semarang, consumers are confused about choosing a coffee shop because of the many choices of coffee shops on the market. Therefore, companies need superior strategies to be able to compete. This study aims to explain the effect of product quality and price in increasing consumer purchasing decisions at Secangkir Coffee Semarang. This research is an associative research with a quantitative approach using primary data obtained through a questionnaire. The population in this study are consumers of Secangkir Coffee Semarang. The number of samples in this study were 100 people. The data analysis technique used is linear regression. The results of this study indicate that: (1) product quality has a significant effect on purchasing decisions. (2) price has significant effect on purchasing decision. (3) product quality and price simultaneously have a significant effect on purchasing decisions. The conclusion of this study is to increase purchasing decisions, companies must consider product quality and product prices.

Keywords: Product Quality, Price, Purchasing Decisions

ACKNOWLEDGMENT

Praise and gratitude for the presence of God Almighty for all His blessings and grace, so that on this occasion the author can complete a thesis entitled "The Effect of Product Quality and Price on Purchasing Decisions (Study on Consumers at Secangkir Coffee Semarang)". This undergraduate thesis was prepared as one of the requirements to complete the undergraduate program at the Business Administration Study Program, Faculty of Social and Political Sciences, Diponegoro University.

On this occasion, the authors would like to thank those who have guided, helped, and supported during the process of writing this thesis, so that it can be completed properly. The author's thanks go to:

1. Prof. Dr. Hardi Warsono, MTP. as Head of the Faculty of Social and Political Sciences, Diponegoro University.
2. Dr. Reni Shinta Dewi, S.Sos., M.Sc. as the Head of the Business Administration Study Program, Faculty of Social and Political Sciences, Diponegoro University.
3. Dr. Andi Wijayanto, S.Sos., M.Sc. as an Supervisor Lecturer who has provided direction and guidance in the preparation of this undergraduate thesis.
4. Dinalestari Purbawati S.E., M.Si., Akt. As an second Supervisor Lecturer who has provided direction and guidance in the preparation of this undergraduate thesis.
5. Prof Bulan Prabawani, S.Sos., M.M., PhD. as an Advisory Lecturer who has helped and guided during the lecture process.
6. All FISIP UNDIP lecturers who have provided useful knowledge during the lecture process, especially UNDIP Business Administration lecturers.
7. Niken Ayu Dewati who support the author for preparation of this undergraduate thesis
8. All of my friends in the department of Business Administration International Undergraduate Program 2019 class who help the author in the preparation of this essay.
9. All my family who always pray and give encouragement.
10. Hanin Aulia Rasyid who always entertain and help in the preparation of this undergraduate thesis.
11. And for those who have directly or indirectly helped whom I cannot mention one by one.

The author also realizes that in the preparation of the thesis, there are still many shortcomings and limitations in both the presentation of the material and the discussion. Therefore, the writer expects criticism and suggestions that can be constructive for the perfection of this thesis. Hopefully, this thesis can provide insight and also be useful for readers, especially Diponegoro University students.

Semarang, 15 June 2023
Author

Rainaldy Daffa Ferdiansyah
14030119190098

LIST OF CONTENTS

STATEMENT OF UNDERGRADUATE THESIS ORIGINALITY	ii
VALIDATION PAGE	iii
MOTTO	iv
ABSTRACT	v
ACKNOWLEDGMENT	vi
LIST OF CONTENTS	viii
LIST OF TABLES	xi
LIST OF FIGURES	xii
CHAPTER 1 INTRODUCTION	1
1.1 The Background of the Study.....	1
1.2 Formulation of the Problem	6
1.3 Research Purpose	7
1.4 The Benefit of the Study	7
1.5 Theoretical Framework	8
1.5.1 Consumer Behaviour	8
1.5.2 Marketing	11
1.5.3 Product Quality	12
1.5.4 Price	14
1.5.5 Purchasing Decisions	15
1.6 Correlation Between Relationship Variables	16
1.6.1 The Effect of Product Quality on Purchasing Decisions	16
1.6.2 The Effect of Price on Purchasing Decisions.....	17
1.6.3 The Effect of Product Quality and Price on Purchasing Decisions	17
1.7 Previous Research	18
1.8 Hypothesis	24
1.9 Conceptual Definition	24
1.9.1 Product Quality (X^1)	24
1.9.2 Price (X^2)	24
1.9.3 Purchasing Decisions (Y)	25
1.10 Operational Definition.....	25
1.10.1 Product Quality (X^1)	25
1.10.2 Price (X^2)	26
1.10.3 Purchasing Decisions (Y)	26
1.11 Research Methods	27
1.11.1 Type of Research	27

1.11.2	Population and Sample	27
1.11.3	Data Types and Sources	28
1.11.4	Measuring Scale	29
1.11.5	Data Collection Technique.....	30
1.11.6	Data Analysis Technique	31
1.11.6.1	Qualitative Analysis Techniques	31
1.11.6.2	Quantitative Analysis Techniques	31
1.11.6.2.1	Validity Test.....	31
1.11.6.2.2	Reliability Test	32
1.11.6.3	Coefficient of Correlation.....	32
1.11.6.4	Coefficient of Determination.....	34
1.11.6.5	Ordinary Least Squares Regression.....	34
1.11.6.6	Multiple Linear Regression	35
1.11.6.7	Hypothesis Test	35
1.11.6.7.1	t-Test	35
1.11.6.7.2	F-Test	36
CHAPTER 2 COMPANY PROFILE		38
2.1	History of Secangkir Coffee.....	38
2.2	Vision and Mission.....	40
2.2.1	Vision.....	40
2.2.2	Mission.....	40
2.3	Organizational Structure of Secangkir Coffee	40
2.4	Duties and Responsibilities	41
2.5	Secangkir Coffee Logo.....	42
2.6	Hours of operations Secangkir Coffee	43
2.7	Secangkir Coffee Product.....	43
2.8	Characteristics of the Respondents	45
2.8.1	Gender of the Respondents	46
2.8.2	Age of the Respondens	46
2.8.3	Income of the Respondents	47
CHAPTER 3 RESULTS AND DISCUSSION.....		49
3.1	Validity Test and Reliability Test	49
3.1.1	Validity Test.....	50
3.1.2	Reliability Test.....	53
3.2	Recapitulation of Respondents Responses to Product Quality	54
3.3	Categorization of Product Quality Variables	56
3.4	Recapitulation of Price Variables.....	57
3.5	Categorization of Price Variables	59
3.6	Recapitulation of Purchase Decision.....	60

3.7	Categorization of Purchase Decision Variable.....	62
3.8	Analysis of Product Quality (X1) on Purchasing Decisions (Y)	63
3.8.1	Correlation Test	63
3.8.2	Coefficient of Determination	64
3.8.3	Ordinary Least Squares Regression	64
3.8.4	t-test Analysis.....	66
3.9	Analysis of Price (X2) on Purchasing Decision (Y)	67
3.9.1	Correlation Test	67
3.9.2	Coefficient of Determination	68
3.9.3	Ordinary Least Square Regression.....	68
3.9.4	t-test Analysis.....	70
3.10	Analysis of the Effect of Product Quality (X1) and Price (X2) on Purchasing Decision (Y)	71
3.10.1	Correlation Test	71
3.10.2	Coefficient of Determination	72
3.10.3	Multiple Linear Regression.....	72
3.10.4	F-Test Analysis	74
3.11	Discussion	76
3.11.1	Effect of Product Quality on Purchasing Decisions	76
3.11.2	Effect of Price on Purchasing Decision	78
3.11.3	Effect of Product Quality and Price on Purchasing Decisions	80
	CHAPTER 4 CONCLUSION	82
4.1	Conclusion.....	82
4.2	Suggestion	83
	REFERENCES.....	85
	APPENDIX.....	87

LIST OF TABLES

Table 1.1 Price of the Menu at Secangkir Coffee	5
Table 1.2 Sales Turnover Data from Secangkir Coffee Semarang for August 2022 – January 2023	6
Table 1.3 Previous Research	19
Table 1.4 Similarities and Differences in Previous Studies	23
Table 1.5 Likert Scale Measure	30
Table 1.6 Interpretation of the Correlation Coefficient	33
Table 2.1 Respondent Characteristics Based on Gender	46
Table 2.2 Respondent Characteristics Based on Age.....	46
Table 2.3 Respondent Characteristics Based on Income	47
Table 3.1 Results r test and r table of Product Quality Variables	50
Table 3.2 Results r test and r table of Price Variables	51
Table 3.3 Results r test and r table of Purchase Decision Variables.....	52
Table 3.4 Reliability Test.....	54
Table 3.5 Recapitulation of Answers Regarding Product Quality Variables	55
Table 3.6 Categorization of Product Quality Variables	57
Table 3.7 Recapitulation of Answers Regarding Price Variables.....	58
Table 3.8 Categorization of Price Variables	60
Table 3.9 Recapitulation of Purchase Decision	61
Table 3.10 Categorization of Purchase Decision	63
Table 3.11 Correlation Test Between Product Quality on Purchasing Decisions	64
Table 3.12 Ordinary Least Squares Regression of Quality Product on Purchasing Decision	65
Table 3.13 Correlation Test Between Price on Purchasing Decisions.....	68
Table 3.14 Ordinary Least Square Regression of Price on Purchasing Decision .	68
Table 3.15 Result of Correlation Test of Product Quality and Price on Purchasing Decision	72
Table 3.16 Result of Multiple Linear Regression of Product Quality and Price on Purchasing Decision.....	73
Table 3.17 Result of F-Test.....	74

LIST OF FIGURES

Figure 1.1 Total of Coffee Shops in Semarang City	2
Figure 1.2 Hypothesis Model	24
Figure 2.1 Organizational Structure of Secangkir Coffee.....	40
Figure 2.2 Logo of Secangkir Coffee.....	43
Figure 3.1 The Curve t-test Result (One Tail) for Product Quality Variable to Purchase Decision	67
Figure 3.2 The Curve t-Test Result (One-Tail) for Price Variable to Purchase Decision	71
Figure 3.3 The Curve F-Test Result (One-Tail) for Product Quality Variable and Price Variable to Purchase Decision	76