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# The Role of Product Quality and Price in Shaping Consumer Purchasing Decisions at Harvest Chicken Express Glenmore

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## ABSTRACT

Competition is getting tougher in the culinary field, making Harvest Chicken Express Glenmore need to understand the factors that influence consumer purchasing decisions when buying products. This study aims to examine and analyze the effects of the independent variables, partially and simultaneously, and determine which has the most dominant effect on the dependent variable. The research method uses a quantitative approach with a survey method with a sample of 40 people. Sampling technique with non-probability sampling technique and incidental sampling approach Multiple linear regression analysis techniques, multiple determination coefficients, F and t-tests, validity test, reliability test, and classic assumption test (normality test, multicollinearity, and heteroscedasticity) Tests were carried out with the IBM SPSS Statistics 25 software analysis tool. Multiple linear regression equation  $Y = 5.546 + 0.604X_1 - 0.148X_2 + 0.574X_3 + e$ . Based on the results of the F test, the independent variables simultaneously have a significant effect on the dependent variable. The adjusted R<sup>2</sup> test obtained a value of 74.2%. Based on the t-test, it was found that product quality (X<sub>1</sub>) and price (X<sub>3</sub>) had a significant effect, while service quality (X<sub>2</sub>) had no significant effect on consumer purchasing decisions. The most dominant independent variable influencing consumer purchasing decisions at Harvest Chicken Express Glenmore is product quality.

**Keywords** — Product Quality, Service Quality, Price, Purchase Decision

## 1. Introduction

The COVID-19 pandemic significantly impacted Indonesia's economy, leading to the closure of many businesses. As a result, a growing number of individuals turned to entrepreneurship, particularly in the rapidly expanding culinary sector. However, this growth has intensified competition within the industry. For example, in Banyuwangi Regency, the number of restaurants increased from 367 in 2018 to 550 in 2020 [1].

One of the businesses navigating this competitive landscape is Harvest Chicken Express, a fast-food restaurant in Glenmore that has been operating for four years. The restaurant offers a variety of menu items at affordable prices and is strategically located near a traditional market and a major roadway.

Additionally, Harvest Chicken Express provides amenities such as music, TV, and delivery services to meet consumer demands.

In this highly competitive environment, consumer decision-making becomes crucial for the success of culinary businesses. Consumer behavior in product selection is influenced not only by product quality but also by price and service quality. The shift towards a more fast-paced lifestyle has further driven demand for quick-service foods. Therefore, business owners must prioritize consumer needs and provide adequate services to enhance customer satisfaction.

Consumer purchase decisions involve several key factors, including perceived product quality, service quality, and price. Consumer perceptions of product quality can significantly influence purchase decisions [2], [3].

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Furthermore, the importance of service quality in shaping positive perceptions of a restaurant. Price also plays a critical role, especially in the post-pandemic era when consumer purchasing power has declined [4]. Businesses need to set prices that align with their target consumer market to support consumer purchasing decisions [5], [6].

Given this background, the present study aims to examine the influence of product quality, service quality, and price on consumer purchase decisions at Harvest Chicken Express in Glenmore.

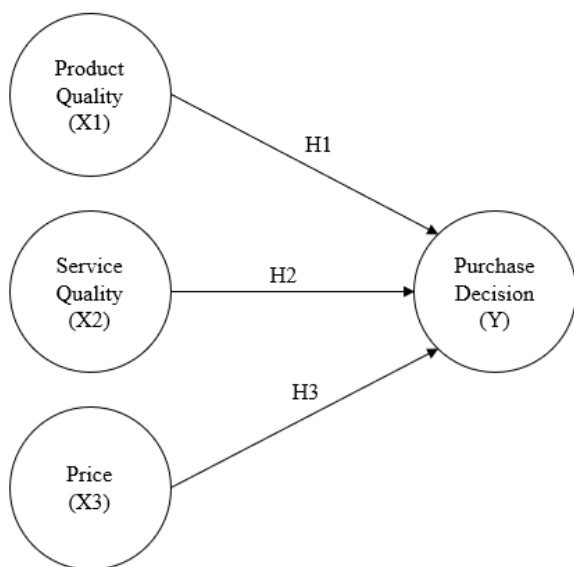


Figure 1. Research Framework

## 2. Methods

This study employs a quantitative approach using a survey method. The population consists of consumers who have previously purchased Kentucky Fried Chicken products at Harvest Chicken Express. The sampling technique used is non-probability sampling with an incidental sampling approach. The sample characteristics include consumers who have purchased and consumed Kentucky Fried Chicken products at Harvest Chicken Express and are between the ages of 17 and 60. Gender and residence or respondent domicile are not restricted in this study.

The operational definitions, indicators, and questionnaire items are adapted from Setiawan research for product quality [7], Chaerudin and Syafuradin research for service quality [8], Kotler in Elmiliyasi research for the price

variable [9], and Soewito in Indrasari research for purchase decision [10]. The research was conducted using a five-point Likert scale. The study took place at Jalan Pasar Glenmore No. 74, Banyuwangi Regency, between February and July 2023. Data collection was performed by distributing closed-ended questionnaires directly to consumers at Harvest Chicken Express.

Validity and reliability tests were conducted to ensure the quality of the research instruments. Classical assumption tests were also applied to confirm that the research model met the necessary criteria for analysis. The classical assumption tests included normality, multicollinearity, and heteroscedasticity tests. Core data analysis was conducted using multiple linear regression analysis, adjusted  $R^2$  for the coefficient of determination, an F-test to measure the simultaneous effect of independent variables on the dependent variable, and a T-test to evaluate the partial effect of each independent variable on the dependent variable. All statistical analyses were performed using IBM SPSS Statistics 25 software.

## 3. Results and Discussion

This study successfully obtained 40 respondents who met the research criteria, utilizing four variables in the impact test. Of these respondents, 16 were male (40%) and 24 were female (60%). In terms of age distribution, 29 respondents (72.5%) were aged 17 to 30 years, while 11 respondents (27.5%) were aged 31 to 60 years. According to Sugiyono (2017), the minimum number of respondents required for multivariate analysis is five times the number of variables. Therefore, this study has met the necessary respondent criteria.

The research instrument was validated, with all 24 question items, both from independent and dependent variables showing  $r$ -values greater than the  $r$ -table value of 0.320, indicating validity. Regarding reliability testing, a variable is considered reliable (acceptable) if  $(\alpha) > 0.60$ [11]. Based on the reliability test results, Cronbach's alpha ( $\alpha$ ) value of 0.937 was obtained, which is greater than 0.60, in accordance with the reliability standard, confirming the instrument's reliability.

The normality test was conducted using the one-sample Kolmogorov-Smirnov method, with the criterion that if the significance value (Asymp. Sig 2-tailed) is greater than 0.05, the data is normally distributed and can be used [12]. The results of the normality test indicated an Asymp. Sig. (2-tailed) value of 0.200, signifying normal distribution. For the heteroscedasticity test, Spearman's rho was applied, revealing significance values for product quality at  $0.860 > 0.05$ , service quality at  $0.303 > 0.05$ , and price at  $0.955 > 0.05$ . These findings indicate no heteroscedasticity issues, as the significance values exceed 0.05 [12].

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,546	2,780		1,995	0,054
	Product Quality	0,604	0,151	0,624	4,005	0,000
	Service Quality	-0,148	0,169	-0,110	-0,873	0,388
	Price	0,574	0,172	0,394	3,343	0,002

Table 1. The results of the multiple linear regression analysis.

Based on the results of the analysis in the table above, the following multiple linear regression equation was obtained:

$$Y = 5,546 + 0,604X1 - 0,148X2 + 0,574X3 + e$$

The analysis revealed that product quality (X1) had a t-value of 4.005 with a significance level of 0.000. The SPSS results showed that the t-value of 4.005 exceeded the critical threshold of 2.02269, and the significance level was below 0.05, confirming that product quality significantly influences purchasing decisions (Y).

In contrast, service quality (X2) recorded a t-value of -0.873 with a significance level of 0.388. Since the t-value was below the critical value of 2.02269 and the significance level exceeded 0.05, it can be concluded that service quality does not significantly affect purchasing decisions. These findings also reject the H2 hypothesis, which suggests that service quality positively impacts purchase decisions [4], [5], [8]. Making this result a unique contribution of the research

Price (X3), on the other hand, exhibited a t-value of 3.343 with a significance level of 0.002. The results indicated that the t-value was above the critical threshold, and the significance level was below 0.05, showing that price has a significant impact on purchasing decisions (Y).

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,873 <sup>a</sup>	0,762	0,742	1,584

Table 2. The Analysis Results of the Coefficient of Determination (Adjusted R<sup>2</sup>)

Table 2 reveals a coefficient of determination (R<sup>2</sup>) of 0.762, suggesting that the independent variables—product quality (X1), service quality (X2), and price (X3)—account for a significant proportion of the variance in the dependent variable, purchasing decisions (Y). The study employs an adjusted R<sup>2</sup> of 0.742, which is considered more accurate for assessing the model's explanatory power as it adjusts for the number of predictors and reduces the bias associated with R<sup>2</sup> [12]. This adjusted R<sup>2</sup> indicates that 74.2% of the variance in purchasing decisions is explained by the independent variables, while the remaining 25.8% is attributable to other factors not included in the study, such as location, promotion, lifestyle, and brand image. Additionally, the correlation coefficient (R) is 0.873, falling within the 0.80 to 1.00 range, which signifies a very strong relationship. This high correlation suggests a robust link between the independent variables and purchasing decisions, underscoring the significant impact of product quality, service quality, and price on consumer behavior.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	288,664	3	96,221	38,356	,000 <sup>b</sup>
	Residual	90,311	36	2,509		
	Total	378,975	39			

Table 3. The Results of The F Test

The F-test was conducted to assess the simultaneous impact of the independent variables—product quality (X1), service quality (X2), and price (X3)—on the dependent variable, purchasing decisions (Y). The criterion for the F-test is that if the calculated F-value is less than the critical F-value, the independent variables do not significantly affect the dependent variable.



Conversely, if the calculated F-value exceeds the critical F-value, the independent variables have a significant simultaneous effect. For this study, with a significance level of 0.05 and 40 respondents, the critical F-value was 2.866. The calculated F-value was 38.356, which is greater than the critical F-value, and the significance level was 0.000, which is less than 0.05. Thus, the analysis concludes that product quality, service quality, and price significantly influence purchasing decisions simultaneously.

#### 4. Conclusion

Based on the analysis and discussion presented in the study titled "The Role of Product Quality and Price in Shaping Consumer Purchasing Decisions at Harvest Chicken Express Glenmore," several conclusions can be drawn. First, the partial tests reveal that product quality (X1) significantly influences consumer purchasing decisions (Y) at Harvest Chicken Express Glenmore. Conversely, service quality (X2) does not have a significant impact on these decisions, while price (X3) also shows a significant effect.

Second, the results from the F-test indicate that product quality (X1), service quality (X2), and price (X3) together have a significant impact on purchasing decisions (Y) when considered simultaneously. Finally, among these factors, product quality (X1) is identified as the most dominant variable affecting consumer purchasing decisions (Y) at Harvest Chicken Express Glenmore.

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