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DESCRIPTIVE OF QUANTITATIVE DATA | RESEARCH ARTICLE

The Effect of Price on Consumer Purchase Decisions

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Abstract: This study aims to determine whether financial inclusion has a positive effect on the sustainability of the SME sector in Lotu District, North Nias Regency, and to determine how much influence financial inclusion has on the sustainability of the SME sector, and to determine whether financial inclusion can overcome the challenges experienced by SME actors. The study was conducted in Lotu District, North Nias Regency. The research method used is a quantitative method with data collection through the distribution of questionnaires, documentation, and interviews, observations. The respondents in this study were 63 SME respondents. The results of this study indicate that the influence of financial inclusion has an influence on the sustainability of the SME sector by 20.4%. With increasing financial inclusion, it will further encourage SME actors to develop their businesses in the future.

Keywords: Financial Inclusion, Sustainability, SME Sector, SME Actors, Business Development.

1. INTRODUCTION

In the modern era, market development and increased business competition have intensified among entrepreneurs. Entrepreneurs face significant challenges in maintaining and enhancing their market value. Today's consumers are more selective in choosing and purchasing products offered or provided by sellers. Consumers tend to focus more on the price offered, as price differences can influence their decision to switch to another product, particularly when the quality of the product offered is similar. In general, consumer behavior theory states that purchasing decisions are influenced by various factors, including economic, psychological, and sociocultural factors. Economic factors, particularly price, play a significant role as they reflect the monetary value that consumers must sacrifice to acquire a product or service. According to Suparti and Evelyana (2022), price is a determining indicator that consumers consider when purchasing a product. Furthermore, numerous previous studies have demonstrated that price is highly sensitive in influencing consumers' purchasing decisions. In the study by Budhiarti, Pratama, and colleagues (2022), a price that is perceived as too high can reduce consumer interest, whereas a competitive price can attract more consumers and increase sales volume. CV. Haga Nias Perkakas is a business located in Idanogawo Subdistrict, Nias Regency. This business operates in the sale of computer spare parts, electronic devices, and office supplies. CV. Haga Nias Perkakas offers a wide range of products that are both complete and of high quality. However, the business faces challenges in attracting and retaining customers. As a player in a highly competitive market, CV. Haga Nias Perkakas must be able to set prices that are not only appealing to consumers but also profitable for the company.

Price differences between businesses have impacted consumers' decisions not to purchase products from CV. Haga Nias Perkakas. Consumers perceive that the prices offered by CV. Haga

Nias Perkakas are still higher compared to those of other stores. This perception has led to a decline in sales and hampered the business's cash flow. To understand the above phenomenon regarding how price influences consumer purchasing decisions at CV. Haga Nias Perkakas, it is necessary to formulate a more effective and competitive pricing strategy. Therefore, it is crucial to investigate the impact of price on consumer purchasing decisions at CV. Haga Nias Perkakas in order to identify improvements and enhance market competitiveness. However, determining the right price is not an easy task. Entrepreneurs must consider various aspects to consistently generate profitability that supports consumer purchasing power and preferences. Errors in price-setting, if not carefully and data-driven, can lead to prices that are not accepted by the market, thereby undermining business objectives.

2. RESEARCH METHODS

The type of research employed in this study is quantitative research. This study involves two variables, namely Price (X) and Consumer Purchasing Decision (Y).

3. RESEARCH VARIABLES

A variable is an attribute, characteristic, or value of a person, object, or activity that exhibits certain variations determined by the researcher, subsequently studied and concluded (Sugiyono, 2019). The following are the types of variables in quantitative research:

1. The independent variable (X) in this study is Price, with the following indicators: Price Affordability, Product Quality Correspondence, Price Competitiveness, Price-Value Correspondence.
2. The dependent variable (Y) in this study is Consumer Purchasing Decision, with the following indicators: Product Selection, Brand Selection, Distributor Selection, Purchase Timing, Purchase Quantity, Payment Method.

3.1. Data Analysis Techniques

a. Validity and Reliability Test

According to Sugiyono (2019), the validity test is used to measure the legitimacy or validity of a questionnaire. Based on the expert's opinion, validity ensures the accuracy of what is being measured. In this study, the author employed a validity test using SPSS version 2.6, a software application for statistical data analysis. According to Ghozali (2021), the reliability test is a tool to measure the consistency of a questionnaire that serves as an indicator of a variable or construct. A questionnaire is considered reliable if the responses of individuals to the statements are consistent or stable over time. In this study, the researcher tested reliability using the Cronbach's alpha model. Based on Ghozali (2021), a questionnaire is deemed reliable if the Cronbach's alpha value is greater than 0.60.

b. Heteroscedasticity Test

According to Ghozali (2021), the purpose of the heteroscedasticity test is to know the This test is used to determine whether there is a difference in residual variance between one observation and another in the regression model, indicating the presence of heteroscedasticity.

c. Correlation Coefficient Analysis (R)

Correlation analysis is used to determine the strength of the relationship between one variable and another (Sugiyono, 2019). To analyze the correlation coefficient, SPSS version 2.6 is used.

d. Linear Regression

Linear regression is used to measure the influence of an independent variable (X) on a dependent variable (Y). The simple linear regression test is analyzed using IBM SPSS version 26.

e. Coefficient of Determination

The coefficient of determination test aims to determine the percentage of the dependent variable that can be explained by the independent variable. The value of the coefficient of determination ranges from zero to one ($0 \leq R^2 \leq 1$). A low R^2 value indicates that the independent variable's ability to explain the variation of the dependent variable is very limited. Conversely, an R^2 value approaching one indicates that the independent variable provides nearly all the information needed to predict the dependent variable (Ghozali, 2021).

f. T-Test

According to Ghozali (2021), the purpose of the t-test is to assess the extent to which each independent variable individually influences the variation in the dependent variable. This test forms the basis for decision-making on whether to accept or reject the hypothesis in the study, considering the significance level of each independent variable's constant. In this study, a significance level of 0.05 was used. If the significance value (sig.) is less than 5%, the independent variable has a significant effect. Conversely, if the significance value is greater than 5%, the independent variable does not have a significant effect on the dependent variable. Furthermore, the researcher compares the tcount with the ttable as follows:

a. If t-value < t-estimated, then H_0 is accepted and H_a is rejected.
b. If t-value > t-estimated, then H_0 is rejected and Ha is accepted.

4. RESULTS AND DISCUSSION

4.1. Statistical Result

a. Validity Test

Table 1. Validity Test of Price Variable

Statement Questionnaire	r-calculated	r-estimated	Result
P1	0.725		
P2	0.813		
P3	0.800		
P4	0.664	0,264	Valid
P5	0.818		
P6	0.713		
P7	0.853		
P8	0,823		

Based on Table 1, the validity test results indicate that the r-estimated value at a 5% significance level can be determined based on the number of respondents. The Pearson correlation results in the table above show that all statement items have an r-calculated greater than the r-estimated, indicating

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that all items are valid. (The complete calculation results using SPSS Version 26.0 can be found in the appendix).

Table 2. Purchase Decisions

Statement Questionnaire	r-calculated	r-estimated	Result
P1	0.777		
P2	0.421		
P3	0.321		
P4	0.324		
P5	0.381		
P6	0.868	0,264	Valid
P7	0.799		
P8	0,771		
P9	0,629		
P10	0,759		
P11	0,654		
P12	0,801		

Based on Table 2, the validity test results indicate that the r-estimated value at a 5% significance level can be determined based on the number of respondents. The Pearson correlation results in the table above show that all statement items have an r-calculated greater than the r-estimated, indicating that all items are valid. (The complete calculation results using SPSS Version 26.0 can be found in the appendix).

b. *Reliability Test*

Table 3. Reliability Test

Cronbach's Alpha	N of Items
,907	8
,853	12

c. *Linear Regression Test*

Table 4. Simple Linear Regression Test

ANOVAª						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	849.509	1	849.509	290.128	.000ᵇ
	Residual	111.266	38	2.928		
	Total	960.775	39			
a. Dependent Variable: Price						
b. Predictors: (Constant), Purchase Decision						

Based on table 4, it is shown that the F-value is 290.128 with a significant level/probability of $0.000 < 0.05$. Therefore, simple regression can be used to predict the performance variable, meaning that there is an influence of the price variable (X) on the purchasing decision (Y).

d. *Correlation Coefficient Analysis*

Table 5. Correlation Coefficient Analysis

		Price	Purchase Decision
Price	Pearson Correlation	1	,596**
	Sig. (2-tailed)		,000
	N	40	40
Purchase Decision	Pearson Correlation	,596**	1
	Sig. (2-tailed)	,000	
	N	40	40

Based on Table 5, the correlation results using SPSS for Windows Version 26.0 indicate a relationship strength between Price and Purchasing Decision with a correlation coefficient of 0.596. This indicates a positive correlation between Price and Purchasing Decision, with a relationship level in the range of 0.40 - 0.599, which means that the correlation result falls into the category of a moderate relationship

e. *Coefficient of Determination Test*

Table 6. Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,940ª	,884	,881	1,71115

a. Predictors: (Constant), Price

Based on Table 6, the coefficient of determination (R-Square) is 0.884, which is then applied to the formula:

KD = rxy2 x 100%
KD = 0,884 x 100%
KD = 88,4%

Thus, it can be concluded that this value indicates that the price variable can influence the purchasing decision by 88.4%. The remaining 11.6% is influenced by other factors not discussed in this study.

f. *T-Test*

Table 7. T-Test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.231	2,125		1,050	,301
Purchase Decision	,776	,046	,940	17,033	,000

Based on Table 7, the t-test result for the price-setting variable (X) is 17.033, with a 5% significance level and a t-estimated value of 2.024. It is noted that Sig = 0.000 < 0.05.

Interpretation:

a. If Sig < 0.05 or t-value > t-estimated, there is an influence of variable X on variable Y.
b. If Sig > 0.05 or t-value < t-estimated, there is no influence of variable X on variable Y.

Thus, since the t-value > t-estimated at a 5% significance level, there is an influence of variable X on variable Y, or "Ha is accepted and H0 is rejected." This indicates that "price significantly influences purchasing decisions," meaning that the better the price, the greater its influence on purchasing decisions

4.2. Discussion

In this study, the researcher involved 40 respondents from CV. Nias Haga Perkakas by collecting data through the distribution of questionnaires. The data obtained from the questionnaires were processed and verified to ensure their validity, resulting in valid and reliable outcomes from the validity and reliability tests. The total statements consist of 20 items, with eight statements for variable X and twelve for variable Y.

a. *Effect of Price on Purchasing Decisions at CV. Haga Nias Perkakas*

Based on the hypothesis test results using SPSS version 26.0, the t-test result for the price variable (X) is 17.033 with a 5% significance level and a t-estimated value of 2.024. The significance value (Sig) is 0.000 < 0.05. According to the interpretation: if Sig < 0.05 or t-value > t-estimated, then there is an influence of variable X on variable Y. Conversely, if Sig > 0.05 or t-value < t-estimated, there is no influence of variable X on variable Y. Therefore, it can be concluded that price has a positive and significant influence on purchasing decisions. The test results indicate that price directly affects purchasing decisions at CV. Haga Nias Perkakas. Hence, the pricing strategy at CV. Haga Nias Perkakas should consider price consistency across various stores and take into account consumer purchasing power. If the product price is too high, consumers tend to switch to other stores. Conversely, if CV. Haga Nias Perkakas aligns its prices with the market, maintains product quality, and introduces new innovations, consumers are more likely to remain loyal.

b. *The Magnitude of Price's Influence on Purchasing Decisions at CV. Haga Nias Perkakas*

Pricing is a value expressed in rupiah for the purpose of exchange/transaction or the amount of money consumers must pay to obtain goods and services. Pricing plays an important role in a company's competitive strategy. The goals set must be consistent with how the company positions itself relative to competitors. To determine the price in purchasing decisions, CV. Haga Nias Perkakas must maintain consistent pricing in line with the current market, as the price set on a product is a key concern for consumers. The pricing of a product significantly influences consumers' purchasing decisions. If the price set is deemed unreasonable by consumers, they tend to only bargain without purchasing, which eventually leads to stagnant sales volume. Although the initial goal of the company is to generate profit from sales, which is crucial for its sustainability, careful price determination is necessary. Based on the calculation results, the coefficient of determination (R-square) shows that the influence of price on purchasing decisions is 88.4%. The remaining 11.6% is influenced by other factors not discussed in this study.

5. CONCLUSION

Based on the results and analysis conducted at CV. Nias Haga Perkakas using IBM SPSS Version 26.0, the researcher can provide several conclusions based on the research questions formulated. The results of this study indicate that price has a positive and significant influence on purchasing decisions at CV. Nias Haga Perkakas. This statement is validated through the t-test hypothesis by comparing the calculated t-value with the t-estimated value. Based on the test results using SPSS Version 26, a significance value of 0.000 < 0.05 was obtained, with a calculated t-value of 17.033 > t-estimated value of 2.024. The t-test results for variable X (price) and variable Y (purchasing decision) indicate that Ha is accepted and H0 is rejected, meaning that there is an influence of price on purchasing decisions at CV. Nias Haga Perkakas. Based on the SPSS Version 26 calculation results regarding the magnitude of the influence of price on purchasing decisions, the coefficient of determination shows that price setting influences sales volume by 88.4%, while the remaining 11.6% is influenced by other factors not discussed in this study. Therefore, CV. Nias Haga Perkakas needs to adjust its pricing to match market prices in order to attract consumer interest and encourage them to shop again.

Based on the findings and conclusions above, the researcher provides the following suggestions: In determining pricing policies at CV. Nias Haga Perkakas, it is essential to consider current market conditions, given the high level of competition offering competitive prices. Price adjustments should be made in accordance with economic conditions and product quality or, alternatively, by maintaining product quality at a relatively lower price compared to competitors to reassure consumers that the products they purchase are worth the set price. This approach is expected to enhance

consumer confidence in the value or price of the products offered by CV. Nias Haga Perkakas. Furthermore, CV. Nias Haga Perkakas should conduct a comprehensive evaluation of the established prices and offer promotions to consumers or long-standing customers who have not made recent purchases. Aligning market prices and providing online information about product prices can also serve as an important consideration for consumers.

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