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The Effect of Product Quality and Price on the Purchasing Decision of Scarlett in the People of the City of Medan

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ABSTRACT

The currently beauty products have become one of the primary needs, apart from being used to enhance appearance to make them look more beautiful and attractive, the use of beauty products has also become a lifestyle which is now increasing considered to increase self-cinfidence when using them. In fact,sometimes they don't hesitate to spend more to get a quality product. There are numerous factors that impact the decisions customers make when it comes to purchasing products and choosing a particular brand, including product quality and pricing. Scarlett must take both of these factors into account in order to effectively compete with other companies. The objective of this study is to examine the impact of product quality and pricing on Scarlett's purchasing choices among consumers in the city of Medan. The connection between the price of a product and its quality will be analyzed in part and at the same time to gain insight into its impact on consumer buying choices. The research employed a quantitative methodology combined with an associative technique. Participants were chosen through purposive sampling, with a sample size of 100 individuals. Throughout the research, the main information was gathered through interviews, questionnaires, and Google Forms, while secondary data was collected from research papers. The analysis included validity and reliability tests, as well as classic assumption, regression, and hypothesis tests. The findings indicate that product quality and pricing are important factors influencing the purchasing decisions of individuals in Medan city. The test of coefficient determination indicates a relatively strong connection between product quality and price in influencing purchasing choices, with an R value of 0.782. The adjusted R square value reveals that product quality and price play a significant role in determining 69.9% of the purchasing decisions, leaving 30.1% to be influenced by other factors not explored in this research.

Keywords: Product Quality, Price, and Purchase Decision

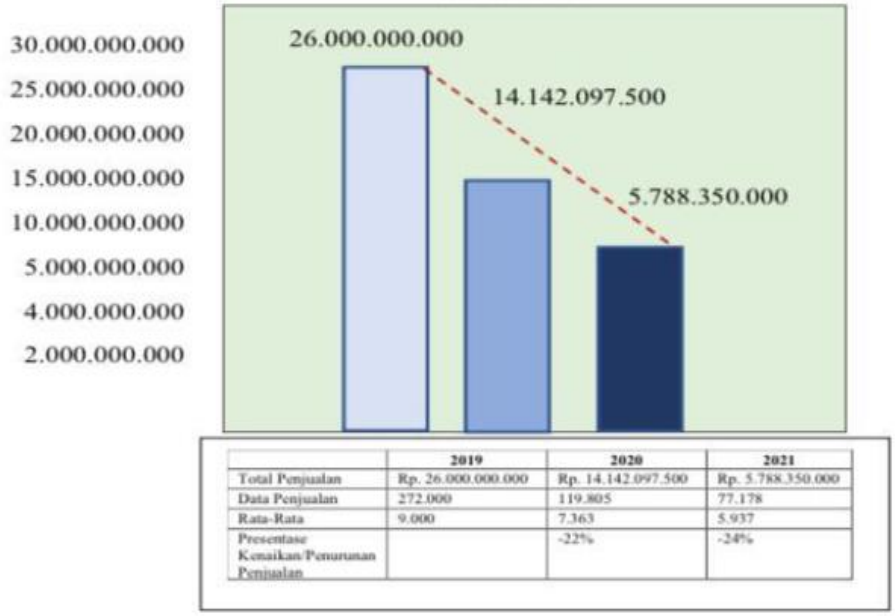
1. Introduction

Currently, beauty products have become a primary need for women. Apart from enhancing one's appearance and making a woman look more beautiful and attractive, the use of beauty products has now become a lifestyle. This increasingly complex trend is believed to boost confidence for those who use them. Indeed, there are instances when they are willing to invest additional resources to obtain a high-quality product.

Nowadays, many skincare brands have emerged various formulas and ingrediend that are familiar various brands skincare from outside. Not wanting to be outdone, local brands are also releasing products skincare with quality that is not inferior to foreign brands. Along as time goes by beauty product seem to be primary need for people woman kind (Azzuhra & Adlina, 2023). Sales of local skincare brands are also quite great the only products is Scarlett Body Whitening. Scarlett is one of the famous local beauty care products

comes from Indonesia and the owner is a famous artist, Felicya Angelista was founded in 2017. Scarlett Body Whitening also has it BPOM certification which means all Scarlett Body Whitening products are certified clinically tested so it will not harm the user's skin.

Based on data from Compass.co.id in 2021, Scarlett Body Whitening has became the top best selling local brand and its sales even exceeded total sales in the billion category every month. Beauty and care business this body has been running for 5 years in Indonesia, but Scarlett products whitening is able to compete with similar products that have been on the market for a long time (Mawaddah et al., 2022). The following is the accumulated sales data for Scarlett whitening by year 2019-2021.



	2019	2020	2021
Total Penjualan	Rp. 26.000.000.000	Rp. 14.142.097.500	Rp. 5.788.350.000
Data Penjualan	272.000	119.805	77.178
Rata-Rata	9.000	7.363	5.937
Presentase Kenaikan/Penurunan Penjualan		-22%	-24%

Figure 1. Scarlett whitening sales data
Source: Compass.co.id (2021)

Brand on the latest sales data for Scarlett whiteningon the platform at above, it can be understood that Scarlett whitening has high sales high, this shows where Scarlett whitening has a brand which has potential for the beauty industry because it has succeeded in reaching 56,6% in 2019 and in 2020 sales of Scarlett whitening experienced decreased to 30,8%.not even in 2021 Scarlett whitening experienced an increase in sales but on the contrary, where experienced sales decline reached 12,6%.

2. Literature Review

Referring to Kotler and Keller (2016) quality is all the attributes and qualities of a product that allow it to satisfy both stated and unstated requirements. Consumer perception of quality can vary from one individual to another, with each person having their own unique criteria for evaluating a product's quality. İn addition, the cost is a crucial factor in determining which items to buy. According to Meithiana (2019), price is the value of a good or service which is measured by the amount of monet spent by the buyer to obtain a certain amount combination of goods or services. According to Kotler and Armstrong (Yolanda & Nuryati, 2021), price means the total budget allocated by the customer to obtain a profit from using a product or service. Meanwhile, referring to Tjiptono and Diana (2016), buying decisions are influenced by the presentation of a product's benefits in a way that evokes feelings of happiness, ultimately leading to a purchase.

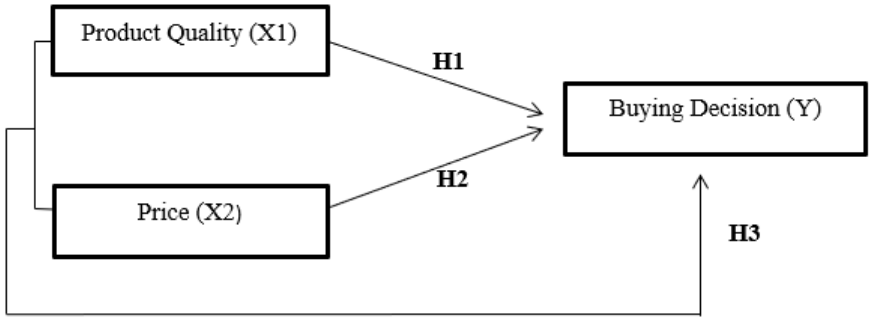


Figure 2. Concceptual Framework

Source: Author, 2023

H1 : Product quality has a significant positive effect on buying decisions

H2 : Price has a significant positive effect on buying decisions

H3 : Product quality and price has a significant positive effect on buying decisions

3. Methodology

T This research utilizes a numerical approach combined with methods that focus on relationships. This research project centers on people living in Medan who make use of Scarlett. The sampling method used is non-probability sampling through purposive sampling, with a sample size of 100 individuals in Medan city. Utilization of the Likert scale for the purpose of assessing the responden'tinstrument. Analytical tools utilizing SPSS software can help in conducting research, including classical assumption testing methods, linear regression analysis, and hypotheses testing involving the F test, T test, and R^2 test.

4. Results and Discussion

4.1. Research Result

4.1.1. Test Research Instruments

Table 1. Validity Test Result

No	Product quality	r-statistic	r-table	Desccription
1.	X1.1	0,332	0,196	Valid
2.	X1.2	0,221		Valid
3.	X1.3	0,291		Valid
4.	X1.4	0,898		Valid
5.	X1.5	0,237		Valid
6.	X1.6	0,336		Valid
7.	X1.7	0,387		Valid
8.	X1.8	0,435		Valid
9.	X1.9	0,339		Valid
10.	X1.10	0,459		Valid
11.	X1.11	0,440		Valid
12.	X1.12	0,296		Valid
13.	X1.13	0,316		Valid
14.	X1.14	0,367		Valid
15.	X1.15	0,337		Valid
16.	X1.16	0,243		Valid

No	Price	r-statistic	r-table	Desccription
1.	X2.1	0,609	0,196	Valid
2.	X2.2	0,654		Valid
3.	X2.3	0,595		Valid
4.	X2.4	0,467		Valid
5.	X2.5	0,518		Valid
6.	X2.6	0,712		Valid
7.	X2.7	0,583		Valid
8.	X2.8	0,623		Valid

No	Buying desicion	r-statistic	r-table	Desccription
1.	Y1.1	0,341	0,196	Valid
2.	Y1.2	0,350		Valid
3.	Y1.3	0,346		Valid
4.	Y1.4	0,630		Valid
5.	Y1.5	0,680		Valid
6.	Y1.6	0,687		Valid
7.	Y1.7	0,313		Valid
8.	Y1.8	0,652		Valid
9.	Y1.9	0,555		Valid
10.	Y1.10	0,562		Valid
11.	Y1.11	0,661		Valid
12.	Y1.12	0,346		Valid

Source: Primary data prosessed with SPSS version 25, 2023

The data shown in the table indicates that all items within each factor surpass the minimum threshold value of 0.196, with a significance level of 0.05 (5%). This suggests that all items in each factor are deemed reliable and suitable for assessing research variables and distributing to survey participants. After verifying the accuracy of the variables, the next stage involves testing its consistency. The findings from the reliability test of each element in the tool are shown below:

Table 2. Reliability Test Result

No	Variable	Cronbach's alpha	Significance	Information
1	Product quality	0,654	0,6	Reliable
2	Price	0,736	0,6	Reliable
3	Buying desicion	0,630	0,6	Reliable

Source: Primary data prosessed with SPSS version 25, 2023

4.1.2. Classical Assumption Test

Table 3. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.46219811
Most Extreme Differences	Absolute	.086
	Positive	.086
	Negative	-.076
Test Statistic		.686
Asymp. Sig. (2-tailed)		.368[c]
a. Test distribution is Normal.		

Source: Primary data prosessed with SPSS version 25, 2023

Asymp effectively achieved the outcome of the Kolmogrov-Smirnov non-parametric test aimed at checking the normalcy of the data. The significance value (2-tailed) is 0.200, which suggests that it is significantly above the 5% threshold, written as 0.200 > 0.05 in this scenario. Hence, it is justifiable to infer that the research data adheres to a normal distribution, allowing for further testing to take place. In addition, the examination for multicollinearity determines the presence of multicollinearity in the independent variables based on a VIF value exceeding 10. If the VIF surpasses 10, it suggests the absence of multicollinearity. The findings from the multicollinearity assessment are located in the accompanying table.

Table 4. Multicollinearity Test Result

Research Model	Tolerance	VIF	Description
Product quality (X1)	O,590	1,342	No multicollinearity
Price (X2)	0,692	1,444	No multicollinearity

Source: Primary data prosessed with SPSS version 25, 2023

The information displayed in the chart supports the idea that the independent variables have tolerance values of 0.10, and none of them show a VIF value above 10. There is no indication of multicollinearity present in the independent variables associated with product quality (X1) and price (X2). Next, the heteroscedasticity test in this research uses a scatter plot can be explained as follows:

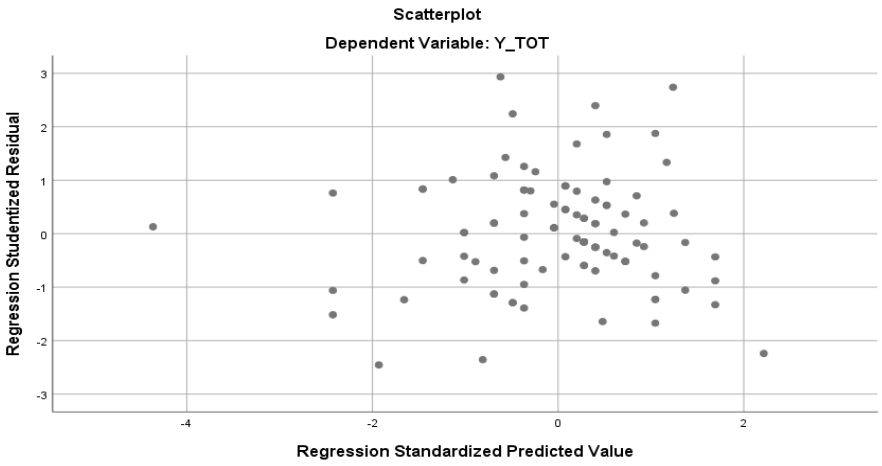


Figure 3. Heteroscedasticity Test Result

Source: Primary data prosessed with SPSS version 25, 2023

The information depicted in the chart indicates that there is no clear trend in how the research data is distributed. We can conclude that the assumption is valid because there is no evidence of Heteroscedasticity in the regression model used in this research, which confirms the validity of the assumption.

4.1.3. Multiple Linear Regression Analysis

Table 5. Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.646	4.267		2.495	.014
	Product quality	.306	.200	.293	2.058	.142
	Price	.595	.108	.514	5.495	.027
a. Dependent Variable: purchasing decision						

Source: Primary data prosessed with SPSS version 25, 2023

The equation model presented in the table above is derived from the findings of Multiple Linear Regression Analysis.

$$Y= 10,646 + 0,306X1 + 0,595X2 + e$$

From the above equation, it can be used ass reference to be interpreted as follows:

1) The fixed factor is 10,646 with a beneficial impact on both product quality and price. When product quality and price are both set to zero, the purchasing decision value will still be 10,646.

2) The coefficient for the regression of product quality (X1) is 0.306, indicating a positive relationship. This suggests that as variable X1 increases by one unit, the purchasing decision (Y) also increases by 0.306. A greater value of X1 corresponds to a greater value of Y.

3) The value of the price regression coefficient (X2) is 0.595 and shows a positive relationship, indicating that a one-unit increase in variable X2 leads to a 0.595 increase in the purchasing decision (Y). As the value of variable X1 increases, so does the value of variable Y.

4.1.4. Hypothesis Testing

In the city of Medan, a study was carried out using a partial T test to examine the impact of independent variables such as product quality (X1), price (X2), and purchasing decision (Y) on individuals living in Medan. The significance level chosen for the test was set at 5% or 0.05, with a two-sided approach and degrees of freedom equal to 96 (100-4). The critical T table value used was 1.984. The subsequent findings of the t test are outlined below.

Table 6. Partial Significance Test (T test)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.646	4.267		2.495	.014
	Product quality	.306	.200	.293	2.058	.142
	Price	.595	.108	.514	5.495	.027
a. Dependent Variable: Purchasing Decision						

Source: Primary data prosessed with SPSS version 25, 2023

1) The initial test results suggest that the relationship between product quality (X1) and purchasing behavior (Y) is statistically significant at a significance level of 0.000<0.05, as evidenced by a calculated t value of 2.058 surpassing the t-table value of 1.661. This suggests that the quality of the product (X1) positively and significantly influences purchasing decisions (Y) among individuals residing in the urban area of Medan. As a result, it can be inferred that Ha 1 is supported while Ho 1 is refuted.

2) The preliminary findings suggest that the impact of price (X2) on purchasing decisions (Y) is statistically significant with a significance value of 0.000<0.05 and a t value of 5.495, compared to a t table value of 1.661. The study shows that the price factor (X2) has a strong positive impact on purchasing decisions (Y), particularly for people living in Medan city. As a result, it can be concluded that the alternative hypothesis (Ha 2) is validated and the null hypothesis (Ho 2) is rejected.

The joint significance of product quality (X1) and price (X2) on Scarlett in the Medan community in the city can be determined using the simultaneous F test. If the fstatistic surpasses the f table and the significance value falls below 0.05, denoting a 5% significance level, it shows that the independent variables collectively have a substantial influence on the dependent variables. The outcomes of the F test can be found in the table 7.

Table 7. Simultaneous Significance Test (F test)

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	408.777	2	204.388	33.917	.000[b]
	Residual	584.533	97	6.026		
	Total	993.310	99			
a. Dependent Variable: Purchasing Decision						
b. Predictors: (Constant), Product Quality, Price						

Source: Primary data prosessed with SPSS version 25, 2023

Based on the information provided in table 7, the calculated figure amounts to 33,917 with an F value of 2.70. These results suggest that the calculated figure surpasses the F table value, indicating a significant difference. Furthermore, the actual value is shown to be less than 0.5, further supporting this conclusion. The results demonstrate that the independent variables, product quality (X1) and price (X2), jointly influence the dependent variable, the purchasing decision (Y). Therefore, Ha3 is supported while Ho3 is refuted.

Table 8. Test Coeffiicient of Determination

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.782[a]	.652	.699	2.455
a. Predictors: (Constant), Price, Product Quality				
b. Dependent Variable: Purchasing Decision				

Source: Primary data prosessed with SPSS version 25, 2023

The data analysis from table 8 indicates that the determination test results for scarlett users yielded an R value of 0.782, suggesting a strong correlation of 78.2% between product quality, price, and purchasing decisions. The adjusted R Square value further illustrates that 69.9% of the variability in these variables can be explained, leaving 30.1% attributed to other factors not explored in this research.

4.2. Discussion

4.2.1. The Effect of Product Quality on Purchasing Decision of Scarlett in Medan City Society

According to the findings of the preliminary examination (t-test), the t statistic of 2.058 exceeds the critical t value of 1.661, thus leading to the acceptance of the hypothesis that product quality positively influences consumer purchasing decisions. This is evident in the ability of product quality to capture the interest of consumers and drive them to buy scarlett body whitening products. The outcomes of this investigation align with previous research of Cahyani et al. (2022). The research indicates that the quality of a product plays a vital role in influencing various factors that affect purchasing decisions.

4.2.2. The Influence of Price on Purchasing Decision of Scarlett in Medan City Society

After analyzing the outcomes from the partial test (t-test), it was observed that the calculated t value of 5.495 exceeds the t-table value of 1.661, with a significance level of 0.027, indicating that hypothesis Ha2 is supported. Consequently, it can be inferred that the pricing strategy effectively captures the interest of consumers in acquiring scarlett body whitening products. These results align with previous research study by Pratiwi and Sidi (2022). The findings of the research indicate that the quality of the product plays a crucial role in influencing consumer choices.

5. Conclusion

The findings and analysis presented in the previous section lead to the following deductions: Certain aspects of product quality play a role in influencing purchasing choices. This is evident in the comparison between the tstatistic value of 2.058 and the t-table value of 1.984, along with a significance level of 0.042 (less than 0.05). Moreover, the positive regression coefficient of 0.206 indicates that product quality has a partial impact on consumer decisions. The findings suggest that Ha1 is supported while H01 is refuted. The impact of the price variable on purchasing decisions is positively significant to some extent. This is evident from the tstatistic value of 5.495, which exceeds the ttable value of 1.984, and a significance level of 0.027 lower than 0.05, accompanied by a positive regression coefficient of 0.595. Thus, Ha2 is affirmed while H02 is negated. Both product quality and price factors collectively influence purchasing decisions. This is evident from the F test results, where the F-statistic value surpasses the F-table value (33.917 > 2.70) and a significance level of 0.000 below 0.05. This demonstrates that the independent variables, Product Quality (X1) and Price (X2), jointly impact the dependent variable, Purchase Decision. Hence, Ha3 is supported while H03 is contradicted. The R value of 78.2% in the coefficient of determination test implies a strong association between Product Quality and Price with purchasing decisions. Additionally, the R Square value of 65.2% indicates that 65.2% of the purchasing decision variable can be explained by Product Quality and Price variables.

The outcomes from the data analysis presented in the prior section revealed the impact of various factors on purchasing decisions. Two key independent variables, product quality (X1) and price (X2), were studied in relation to the dependent variable of purchasing decisions (Y). The following recommendations stem from this research: Participants rated the product quality aspect poorly in terms of product compatibility with the statement "Scarlett products are reasonably priced." Therefore, it is recommended that Scarlett products further increase discounts, vouchers, or promotions during certain events to boost sales. This approach has the potential to create a sense of value for customers, leading them to make additional purchases in the future. Respondents' assessment of the price variable on the competitiveness indicator for the statement "Prices of Scarlett products are more competitive compared to the prices of other beauty products" also received the lowest assessment. Therefore, it is recommended that Scarlett products adjust their pricing strategy. This aims to make the prices offered more affordable, attract broader consumer interest, and encourage decisions to purchase Scarlett products over competitors such as Nivea and Vaseline, which are relatively cheaper than Scarlett's body whitening products.

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