

Training to Optimize Consumer Purchase Decisions through Product Quality and Pricing

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ABSTRACT

The study aims to analyze the impact of product quality and price on consumer purchasing decisions at Toko Gopek Medan. A quantitative method using multiple linear regression was employed. The findings reveal that product quality significantly influences purchasing decisions, with a positive regression coefficient indicating that improvements in product quality can enhance consumer purchasing decisions. Conversely, price does not show a significant effect on purchasing decisions, as evidenced by a p-value greater than 0.05. The adjusted R-squared value of 0.868 indicates that approximately 86.8% of the variation in purchasing decisions can be explained by product quality and price. These results suggest that Toko Gopek Medan should focus its marketing efforts on enhancing product quality to attract more consumers and increase sales. This research provides strategic insights for the future development of Toko Gopek's business.

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1. INTRODUCTION

Marketing is a crucial activity for a company because through marketing, a company can understand and meet consumer needs and preferences, ultimately helping the company to maintain and enhance its market position, and even become a market leader (Setyo, n.d.). Marketing activities are the company's strategy to improve product quality and set prices in order to identify consumer needs (Gain et al., 2017). Product quality plays a significant role in determining a company's success (Grace Haque & Grace Haque, n.d.). Maintaining and enhancing product quality is a strategic step that no company can afford to overlook. High-quality products not only meet consumer needs and expectations but also create added value that can drive long-term loyalty (Gain et al., 2017). Consumer trust, built through positive experiences with high-quality products, can strengthen the relationship between customers and the company and reduce the likelihood of switching to competitors. When choosing products, consumers consider factors such as durability, reliability, and functionality. Therefore, product quality is a vital element in Toko Gopek Medan's marketing strategy (Rizquillah et al., 2018). Quality products are those that meet consumer needs and desires (Rizquillah et al., 2018).

Product quality will shape preferences and attitudes, ultimately influencing consumers' decisions to purchase or not, as well as affecting the quantity of purchases and repeat purchases. Product quality and product variety are crucial for competing in the market (Fitriany & Ariyanti, 2024).

On the other hand, price is also a crucial factor in marketing because it has a direct impact on consumer purchasing decisions. Price is the amount of money required to obtain a product or service's perceived value, influenced by psychological factors and other elements affecting the price itself (Nadiya & Wahyuningsih, 2020). An affordable price can be a significant attraction, especially in challenging economic conditions (Iogi2018, Jackson R.S. Weenas, n.d.). Consumers often seek a balance between quality and price when making purchasing decisions. According to Kotler and Armstrong (2017:177), purchasing decisions are part of consumer behavior, which is the study of how individuals, groups, and organizations choose, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires. Purchasing decisions are a stage in the decision-making process before post-purchase behavior. Prior to reaching the purchasing decision stage, consumers are faced with several alternative choices, and at this stage, they will take action to decide to buy the product based on the determined options (Tiya et al., 2019). Excessively high prices can deter purchasing intentions, while excessively low prices can create doubts about product quality. Therefore, companies must set competitive prices that still reflect the value of the product's quality. Toko Gopek Fashion is a rapidly growing fashion store in Medan City, located at Jalan Tuasan No.69, Sidorejo Hilir, Kec. Medan Tembung, Kota Medan, Sumatera Utara. Gopek Fashion offers a variety of fashion items at affordable prices, so consumers do not need to spend too much money (Rosdiana & Lubis, n.d.). Currently, Toko Gopek Fashion is quite well-known among students for providing quality products at very low prices. Clothing prices at Toko Gopek start from Rp19,500 and are below Rp100,000. Toko Gopek Fashion has been operating since 2018 and not only sells offline but also online through the Shopee application (Rosdiana & Lubis, n.d.). The pricing strategy employed by Toko Gopek Fashion, aiming for low prices for consumers, facilitates repeat purchases at Toko Gopek Fashion.

According to the Indonesian Retailers Association (APRINDO), the retail sector in Indonesia is expected to experience an annual growth rate of 4.8% in the second quarter of this year, higher than the previous quarter (APRINDO, 2024). A study by McKinsey & Company also shows that Indonesian consumers are increasingly paying attention to product quality in their purchasing decisions, while the retail sector in Indonesia has contributed more than 10% to the country's Gross Domestic Product (GDP), supported by a large population and strong growth in the middle class (McKinsey & Company, 2022; Statista, n.d.). The challenge faced by Toko Gopek Fashion is how to maintain high product quality standards while remaining competitive with pricing. In the competitive fashion industry, the company needs to continuously innovate in marketing strategies, including strengthening its online presence and improving customer service to maintain customer loyalty and expand its market share.

2. METHOD

This article employs the Deep Interview and Service Learning methods. Through in-depth interviews with the owner of Gopek and consumers, deeper insights are gained into consumer perspectives on product quality and price, as well as issues faced by the Gopek store owner, who is perceived as ineffective in marketing the products. The data in this article is primary data, with the population consisting of the people of Medan City who have made purchases at Toko Gopek Medan, with a sample size of 47.

3. RESULTS AND DISCUSSION

Results

After conducting a 15-day community service project, which began with interactions with 47 consumers, it was found that all consumers rated the product quality at Toko Gopek as unsatisfactory. They explained that the materials felt hot, the designs did not follow the latest trends, and the clothing was uncomfortable to wear. Additionally, consumers also stated that the price of products at Toko Gopek did not align with the quality provided, affecting their purchasing decisions. The findings also indicated that the owner of Toko Gopek has not been able to market products effectively according to consumer desires and has not set appropriate pricing, leading to negative impressions from consumers.

Therefore, direct learning is crucial for Toko Gopek through training themed “Strategies for Improving Product Quality and Setting Competitive Prices.” This training is expected to provide a foundation for Toko Gopek to evaluate and address the deficiencies in their store, particularly regarding product quality and pricing.

With the training that has been implemented, it has been found that Toko Gopek has evaluated and identified deficiencies in their store, especially in terms of product quality and pricing. By addressing these issues, Toko Gopek has the opportunity to regain its customers, as consumers now have a renewed perspective on Toko Gopek with its improved appearance, especially concerning enhancements in the quality of the clothing offered and revised, more affordable pricing.

Discussion

The findings of this article align with existing theoretical frameworks and empirical research in consumer behavior. The idea that price and quality are primary determinants of purchasing decisions is well-established in the literature. Consumers often evaluate products based on perceived value, which is influenced by perceived benefits and perceived costs associated with the product. Additionally, this article underscores the importance of considering the interaction between price and quality. Consumers may be willing to pay more for products perceived as having higher quality, but only if the price is deemed reasonable. Conversely, lower prices may be more attractive to consumers, even if the product quality is not as high, as long as it meets acceptable minimum standards.

The article is consistent with previous studies that have explored the relationship between price, quality, and consumer choice. For instance, earlier research has found that consumers tend to prioritize quality over price when making decisions involving durable goods, leading them to seek out high-quality, long-lasting products to avoid frequent replacements or repairs. Some consumers perceive that high-quality products generally provide greater satisfaction, both functionally and emotionally, which can enhance brand and product loyalty. However, the results of this study also highlight potential exceptions to this general rule, as the relative importance of price and quality can vary depending on the specific product category, consumer demographics, and other contextual factors.

The results of this community service article have significant implications for companies. Companies can use this information to: focus marketing efforts on improving product quality and setting competitive prices, develop new products that are of higher quality and align with consumer preferences, and make better decisions regarding pricing, promotion, and distribution. These findings provide valuable insights for the management of Toko Gopek Medan in determining effective marketing strategies. Instead of focusing too heavily on price, the store could place greater emphasis on enhancing product quality to improve consumer purchasing decisions. Additionally, Toko Gopek could consider other factors, such as location, service, or promotions, which might have a greater impact on purchasing decisions.

4. CONCLUSION

Based on the community service findings, to enhance consumer purchasing decisions at Toko Gopek, the primary focus should be on improving product quality and setting competitive prices. Firstly, Toko Gopek needs to innovate in product design and functionality. Keeping up with the latest fashion trends and considering consumer preferences will help capture their attention. Additionally, implementing a strict quality control system is crucial to ensure that every product sold meets high-quality standards. Collecting feedback from consumers can also provide valuable insights for refining products to better align with market expectations.

Next, a competitive pricing strategy should be adopted. Toko Gopek needs to conduct market analysis to determine prices that are commensurate with the quality of the products offered. Attractive pricing offers, such as periodic promotions and discounts, can encourage consumers to make impulse purchases. Moreover, offering sales bundles that combine multiple products at a more attractive price can boost sales and provide added value to consumers.

Effective marketing is also essential. Utilizing social media and online platforms to promote products and highlight their quality can increase brand awareness. Using testimonials from satisfied customers can build trust and attract new consumers. Finally, good and responsive customer service is crucial for creating a pleasant shopping experience. Developing a loyalty program to reward loyal customers can encourage repeat purchases.

By implementing these strategies, Toko Gopek can improve the quality of products and the competitiveness of its pricing, thereby encouraging more positive purchasing decisions and enhancing its competitiveness in an increasingly competitive market.

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