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The Impact of Price and Product Quality on Purchasing Decisions

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ABSTRACT

Purpose: This study aims to explore the effect of price and product quality on the purchase decision of an automatic motorbike in the study area.

Research Design and Methodology: This study employs a quantitative approach, utilizing a survey method through a questionnaire. The study population consists of individuals who use automatic motorbikes in the Entrop area. The sample was collected using the judgment sampling method, with a minimum sample size of 97 respondents. The data were analysed using multiple linear regression to test the simultaneous effect of price and product quality variables on purchasing decisions.

Findings and Discussion: The results showed that simultaneously, the price and product quality variables had a significant effect on the decision to purchase an automatic motorbike. Consumers tend to consider a combination of reasonable price and good product quality in making purchasing decisions. This finding confirms that both variables play a significant role in influencing consumer purchasing behavior. This study also supports the consumer value theory and the findings of previous studies, which highlight the importance of product quality and price in purchasing decisions.

Implications: The findings of this study have significant practical consequences for companies. Companies should focus on enhancing product quality, driving innovation, and implementing competitive pricing strategies. In addition, companies need to strengthen their brand image and after-sales service to increase customer satisfaction and loyalty. This research also contributes to the realm of science by enhancing the understanding of the interaction between price and product quality in the context of the motorcycle market.

Introduction

In an increasingly competitive business landscape, an understanding of the factors that influence consumer purchasing decisions is crucial. Purchasing decisions are not only influenced by external factors such as promotion and distribution, but also by two essential elements of the marketing mix: price and product quality (Agnestasia & Riofita, 2024). Astra Motor Entrop, as an authorized Honda motorcycle dealer in Jayapura City, faces the challenge of attracting and retaining consumers amidst intense competition. Competitive pricing can be a significant attraction for cost-sensitive consumers, while superior product quality can create better value and long-term loyalty (Bachriansyah & Ferdinand, 2011). The concepts of price and product quality have long been a focus in marketing literature. Price is a direct indicator of perceived value by consumers, where prices that are too low or too high can affect quality perceptions and purchase intentions (Hariyanti, 2011). Meanwhile, product quality that meets or exceeds consumer expectations not only increases satisfaction but also influences repeat purchase decisions. In the context of matic motorcycles in the local Jayapura market, this study seeks to understand the extent to which price and product quality contribute to shaping consumer purchasing decisions at Astra Motor Entrop, as well as the interaction between these two factors. In addition, local studies such as Sudirjo *et al.,* (2023) also highlight consumer behavior in Papua, which is influenced by local culture and geographical conditions.

In marketing literature, price and product quality are often identified as the two main factors that influence consumer purchasing decisions. According to Kotler & Keller, (2016) price is one of the essential elements of the marketing mix that has a direct impact on the perception of value by consumers. Prices that are too high may deter consumers from making a purchase, while prices that are too low may create the perception that the product is of inferior quality. On the other hand, product quality also significantly impacts purchasing decisions. High-quality products typically meet or exceed consumer expectations, thereby increasing customer satisfaction and loyalty. (Zeithaml, 1988). Recent studies, such as those conducted by Sweeney *et al.,* (2008), have demonstrated that product quality has a strong, positive correlation with consumer satisfaction and purchasing decisions. However, some studies also show variation in the impact of price and product quality on purchase decisions depending on the context and product type. For example, Vitrika & Susila (2022) found that brand image has a significant positive influence, Purwanto, (2021) and Munadjat *et al.,* (2022) both highlight the importance of product quality, with the latter also emphasizing the role of price. Gumilang *et al.,* (2022) further emphasized the impact of perceived quality and brand experience, as studied by V. Price. Meanwhile, research by Varki & Colgate (2001) revealed that for products with a high level of price competition, such as daily necessities, price plays a more critical role. These studies suggest that there is a need to examine precisely how price and product quality interact in influencing purchasing decisions in the context of matic motorcycles at Astra Motor Entrop.

Although numerous studies have investigated the impact of price and product quality on purchasing decisions, several limitations warrant consideration. Most previous studies tend to focus on one aspect only, either price or product quality, without considering the interaction between the two. In addition, these studies are often conducted in different contexts, such as luxury products or daily necessities, which may not be entirely relevant to the matic motorcycle market in Indonesia, especially in Jayapura. Another limitation is the lack of studies that examine local factors influencing purchasing decisions, such as culture, regional preferences, and the purchasing power of people in Papua. Thus, a clear gap exists between previous studies and the empirical and theoretical contexts of this research. Previous studies have not comprehensively explored the interaction between price and product quality in the specific context of automatic motorcycles in the local market. Additionally, local factors specific to Jayapura, such as consumers' perceptions of the Honda brand and their preference for automatic motorcycles as a means of daily transportation, have not been thoroughly studied.

This study aims to fill this gap by presenting an in-depth empirical analysis of how price and product quality influence the purchase decision of an automatic motorcycle at Astra Motor Entrop. This study aims to analyze the effect of price and product quality on the decision to purchase automatic motorcycles at Astra Motor Entrop and the significance of the interaction between these variables in the context of local consumers in Jayapura.

Literature Review

Price as a Determinant of Purchasing Decisions

Price is one of the primary elements in the marketing mix that significantly impacts the perceived value of products among consumers and their purchasing decisions. (Martini, 2015). According to consumer value theory, price reflects the value that consumers perceive in a product or service. Consumers often use price as an indicator of quality, associating higher prices with better quality. However, prices that are too high can reduce purchase intentions because consumers feel that the price is not commensurate with the value they receive (Monroe & Lee, 1999). This definition illustrates how price acts as a signal that determines consumer perceptions of product quality. Armstrong *et al.,* (2014) emphasizes that proper pricing is an art that requires a balance between price attractiveness and perceived quality. In the context of marketing, price is not only a matter of the nominal amount paid by consumers, but also how the price reflects the value and quality of the product in their eyes. (Saputri, 2018). Research by Zeithaml, (1988) found that prices considered in line with product quality increase purchase intentions. However, if the price is too low, it can create a negative perception of product quality, leading consumers to believe that the product is of poor quality.

Study by Sweeney & Soutar, (2001) on consumer value perception shows that consumers tend to associate price with quality. Products with higher prices are often perceived as higher quality, because high prices signal superior quality (Syah & Yanuar, 2013). This aligns with signaling theory, which posits that companies use high prices to signal that their products are of higher quality compared to those of their competitors. However, not all studies show a positive relationship between price and purchasing decisions. Varki & Colgate, (2001) Found that in markets with intense price competition, such as daily necessities, lower prices are the primary determinant of purchasing decisions. In this context, consumers are more sensitive to price because the product is part of their regular expenditure. This research demonstrates that market context has a significant impact on how price influences purchase decisions. In highly competitive markets, competitive pricing is a crucial strategy for attracting consumers. In addition, a study by Dodds *et al.,* (1991) Found that a combination of price and product quality influences consumer value perceptions. Consumers tend to evaluate products based on a combination of the price they pay and the quality they receive. For example, in the automotive industry, offering a competitive price for an automatic motorcycle and maintaining high product quality can create a positive value perception in the eyes of consumers. In this context, companies must balance price and quality to create a high perceived value.

The relationship between price and product quality is also explored in the context of their interaction. According to Signal Theory, price is used by firms as a tool to send quality signals to consumers. However, in some cases, consumers may not have enough information about product quality and must rely on price as a clue. Study by Grewal *et al.,* (1998) Supports this view by demonstrating that price has a significant impact on quality perceptions and purchase decisions, mainly when quality information is unavailable. Nonetheless, some studies also indicate that perceptions of price and quality may vary depending on demographic and psychographic factors. Research by Lichtenstein *et al.,* (1993) Found that consumers with higher income levels tend to be more sensitive to quality compared to price, while consumers with lower incomes are more sensitive to price. Factors such as age, education, and purchasing experience also influence how consumers perceive the cost and quality of products. In addition to demographic characteristics, the cultural context also influences perceptions of price and quality (Sudirjo *et al.,* 2015; Sudirjo *et al.,* 2023). Research by Hofstede (1984) Suggests that cultural values can influence how consumers assess price and quality. For example, in countries with collectivistic cultures, recommendations from the group or community may be more influential than the price itself. Meanwhile, in individualistic cultures, price and product quality are often the primary factors influencing purchasing decisions.

Product Quality and Purchasing Decision

Product quality is a crucial element in the marketing mix that has a significant influence on consumer purchasing decisions. According to Garvin, (1984) product quality includes various dimensions, including performance, features, reliability, fit, durability, service, aesthetics, and perceived quality. High-quality products typically meet or exceed consumer expectations, thereby increasing customer satisfaction and loyalty. Garvin classifies product quality into eight main dimensions: performance, features, reliability, fit, durability, service, aesthetics, and perceived quality. These dimensions provide a comprehensive framework for understanding the various aspects of product quality and their impact on consumer perceptions. Empirical research by Sweeney & Soutar, (2001) It demonstrates that product quality has a strong, positive relationship with consumer satisfaction and purchase decisions. In their study, it was found that consumers who are satisfied with product quality tend to be more loyal and willing to make repeat purchases. In the automotive sector, research by Parasuraman *et al.,* (1988) Revealed that high product quality significantly increases customer satisfaction and loyalty. This research emphasizes that product quality is not just about meeting technical specifications, but also about meeting overall consumer expectations.

Consumer value theory, as proposed by Zeithaml, (1988) posits that consumers' perceptions of product value are influenced by the quality they receive for the price they pay. According to this theory, consumers will evaluate products based on a combination of price and perceived quality. When consumers perceive that the quality of the product is comparable to or exceeds the price they pay, they are more likely to make a purchase. This suggests that product quality plays a significant role in shaping positive value perceptions, which can substantially influence purchasing decisions. Research by Rust *et al.,* (1995) expanded the understanding of the relationship between product quality and customer loyalty. They found that consistent and high product quality not only increases customer satisfaction but also strengthens loyalty, which in turn contributes to long-term profitability. This research emphasizes the importance of maintaining high-quality standards as a long-term strategy to retain customers and expand market share. However, some research suggests that the impact of product quality on purchase decisions may vary depending on the type of product and market context. Jin & Gu Suh, (2005) found that for luxury products, product quality is more influential in purchasing decisions than price. Consumers who buy luxury products tend to prioritize quality and premium features over price. In contrast, in markets with intense price competition, product quality may be less influential than price. Research by Tellis & Gaeth, (1990) shows that in product categories with high price competition, such as daily necessities, consumers tend to be more sensitive to price changes than quality differences.

The relationship between product quality and purchasing decisions can also be influenced by brand perception. Aaker, (1991) In his research on brand equity, he found that strong brands can increase consumer perceptions of product quality. Recognized and respected brands are often associated with higher quality, which in turn affects consumer purchasing decisions. Consumers tend to trust more and feel more secure in buying products from reputable brands. Social and psychological factors also play an important role in purchasing decisions related to product quality. Research by Oliver, (2006) Research on customer satisfaction indicates that social factors, such as recommendations from friends and family, can significantly influence perceptions of product quality. This social influence can strengthen positive perceptions of product quality and influence purchasing decisions. In addition, research by Anderson *et al.,* (1994) Shows that product quality has a more significant impact on customer satisfaction and loyalty in the service industry compared to the manufacturing industry. In a service context, product quality is often measured by the customer's direct experience with the service provided, which can significantly influence perceptions and purchasing decisions.

Another study by Bolton & Drew, (1991) Revealed that their initial expectations influence customer satisfaction with product quality. If the quality of the product received exceeds expectations, customers will feel more satisfied and more likely to make repeat purchases. Conversely, if the product quality falls below expectations, customers will feel disappointed and may switch to a different product. In the context of automatic motorcycles, product quality encompasses various aspects, including engine performance, ride comfort, reliability, and safety features. Research by Singh and Kaur (2011) shows that the quality of engine performance and safety features are the main factors influencing motorcycle purchasing decisions in India. Consumers tend to choose motorcycles that offer high performance and reliable safety features. However, this study also reveals that local factors, such as culture and consumer preferences, can significantly influence quality perceptions. Study by Hofstede, (1980) on cultural dimensions shows that cultural values can influence consumers' preferences for product quality. For example, in societies with a high degree of uncertainty, consumers tend to place greater emphasis on product reliability and durability.

Interaction between Price and Product Quality

In marketing, price and product quality are often considered as two factors that influence purchasing decisions independently. However, research indicates that the interaction between these two factors plays a significant role in shaping consumer perceptions and purchase decisions. Price can be an indicator of quality, mainly when consumers have limited information about the product. Consumers tend to rely on price as a key indicator of quality, which influences their overall assessment of the product's value (Razak, 2016). Monroe, (1990) states in his theory of price perception that price serves not only as a medium of exchange but also as a signal of quality. When consumers lack sufficient information about product quality, they often rely on price as a primary indicator of quality. For example, products with high prices are usually assumed to be of higher quality, while products with low prices may be perceived as of lower quality. This suggests that price and product quality are interrelated in shaping consumer perceptions. Dodds *et al.*, (1991) found that a combination of price and product quality influences consumers' perceptions of value. In their study, consumers evaluated products based on a combination of the price they paid and the quality they received. The results showed that higher prices can improve quality perceptions, but only if the product's quality meets or exceeds consumer expectations. This study emphasizes the importance of striking a balance between price and product quality to foster a positive perception of value. Consumers who feel they are getting good value from products tend to be more satisfied and brand loyal.

However, the interaction between price and product quality may vary depending on the market context (Amanah, 2010) Suggests that in markets with intense price competition, lower prices may be more important than product quality. Consumers in these markets tend to be more price-sensitive and are more likely to opt for cheaper products, even if the quality is lower. In contrast, in luxury markets, product quality often takes precedence over price. Consumers in this segment pay more attention to premium quality and features than price, as they associate high prices with status and prestige. Research by Tellis & Gaeth, (1990) This finding is supported, showing that consumers tend to use price as a clue to quality when they have no other reliable information. For example, in new or lesser-known product categories, price can be a key indicator of quality. In contrast, in established and recognized product categories, consumers tend to rely more on prior experience and information from other sources to evaluate quality. In addition, research by Zeithaml, (1988) States that consumers' perception of product value is the result of their evaluation of the price they pay and the benefits they receive. This theory is known as the customer value model, in which consumers evaluate products based on a combination of price and quality factors. If consumers believe that the benefits they receive are comparable to or exceed the price they pay, they will consider the product to have high value. Conversely, if the benefits received are not worth the price, the perception of value will be low.

Empirical research by Rao & Monroe, (1989) demonstrates that price and product quality interact to influence consumer value perceptions. They found that the relationship between price and quality is not always linear. For example, at very low price levels, a price increase can significantly improve quality perceptions. However, at very high price levels, an additional price increase may not have a significant impact on perceived quality, as consumers may already perceive the product's quality as the best. In addition, research by Kirmani & Rao, (2000) Revealed that factors such as brand and company reputation also play an essential role in determining how price and quality interact. A strong brand and good reputation can strengthen consumers' perceptions of product quality, even if prices are relatively high. Conversely, a brand that is less recognized or has a poor reputation may need to offer a lower cost to attract consumers. In the context of automatic motorcycles, research by Hossain & Ahmed, (2018) suggests that product quality, encompassing engine performance, reliability, and safety features, has a significant impact on purchasing decisions. They found that consumers are willing to pay more for motorcycles that offer superior quality and better safety features. This suggests that in the automotive market, particularly for automatic motorcycles, the relationship between price and product quality is a crucial factor in influencing purchasing decisions.

Research Design and Methodology

This research employs a quantitative approach, where the data obtained are presented in numerical form and analyzed using statistical methods. Data were collected through questionnaires that partially tested the effect of price and product quality. The research population consists of people who use motorbikes in the Entrop area, as defined by Sugiyono, (2018) as an area characterized by specific attributes and characteristics. The sample was taken using the judgment sampling method, which involves selecting a sample based on the desired population characteristics, with the criteria that respondents have purchased or used automatic motorcycle products and have seen motorcycle advertisements on television. To determine the sample size, the Cochran formula was used, with a 95% confidence level and a 10% margin of error, resulting in a minimum sample size of 97 respondents. Primary data collection was conducted by distributing questionnaires to a predetermined sample. This questionnaire employs a Likert scale with five levels of responses, ranging from "strongly agree" (score 5) to "disagree" (score 1), to assess respondents' perceptions of price and product quality. In addition, researchers also made direct observations at the research location, namely at Astra Motor Entrop, to obtain more in-depth and accurate data. Secondary data used in this study were obtained from various sources, including the internet and related institutions, to complement and support primary data. Data analysis was conducted by evaluating data quality through validity and reliability tests. The validity test was performed to ensure that the questionnaire accurately measured what it was intended to measure, while the reliability test assessed the consistency of measurement results over time. Before conducting hypothesis testing, the data were examined using classical assumption tests, which included normality tests, multicollinearity tests, autocorrelation tests, and heteroscedasticity tests. To test the research hypothesis, multiple linear regression analysis was employed to examine the relationship between the variables of price (X1), product quality (X2), and purchasing decisions (Y). The results of the analysis show that both price and product quality have a significant influence on buying decisions for matic motorbikes at Astra Motor Entrop. These findings offer practical guidance for managers in developing effective marketing strategies.

Findings and Discussion

Findings

From Table 1, it can be seen that the results of the validation test yield a good value for the indicators of each variable X and Y, indicating that each statement in this study is valid and capable of measuring the purchasing decision variable. Based on Table 1, the results of the analysis using SPSS 21 indicate that the Cronbach's alpha values for the price variable (0.872), product quality (0.949), and purchasing decisions (0.792) are reliable, as the values exceed 0.60. Thus, the validation and reliability tests demonstrate that the research variables possess a level of validity and reliability that meets the established standards. Therefore, this data can serve as a basis for decision-making or hypothesis testing in subsequent research. These test results provide a solid basis that the data obtained can be trusted to produce valid findings.

Table 1. Research Instrument Test Results

Variables	Indicator	Pearson Correlation	Coef. Significance	Info	Cronbach's Alpha (a)	Reliability Standard	Info
Price	X1.1	0,817	0,000	Valid	0,872	0,60	Reliable
	X1.2	0,873	0,000	Valid			
	X1.3	0,845	0,000	Valid			
	X1.4	0,865	0,000	Valid			
Product Quality	X2.1	0,877	0,000	Valid	0,949	0,60	Reliable
	X2.2	0,848	0,000	Valid			
	X2.3	0,856	0,000	Valid			
	X2.4	0,879	0,000	Valid			
	X2.5	0,840	0,000	Valid			
	X2.6	0,868	0,000	Valid			
	X2.7	0,918	0,000	Valid			
	X2.8	0,806	0,000	Valid			
Purchase Decision	Y1.1	0,803	0,000	Valid	0,792	0,60	Reliable
	Y1.2	0,802	0,000	Valid			
	Y1.3	0,776	0,000	Valid			
	Y1.4	0,764	0,000	Valid			

Source: *Processed Data (2024)*

Table 2 shows that the p-values are 0.000 for variables X1, X2, and Y. Therefore, in this study, it can be said that the assumption of normality in the research is not violated, as the test results are statistically significant. The calculation result of the variance Inflation Factor (VIF) is 2.332, and the tolerance value is 0.429, meaning that there is no multicollinearity.

Based on the results of the heteroscedasticity test in Figure 1, it can be observed that the points are randomly scattered around zero on the Y-axis without forming a clear pattern. Therefore, it can be concluded that there is no indication of heteroscedasticity in this regression model.

Table 2. Normality and Multicollinearity Test Results

Test	Variables	Kolmogorov-Smirnov	df	Sig.	Shapiro-Wilk	df	Sig.	Tolerance	VIF
Tests of Normality	Total Price	0.178	112	0.000	0.899	112	0.000		
	Total Quality.Product	0.204	112	0.000	0.863	112	0.000		
	Total Purchase Decision	0.182	112	0.000	0.940	112	0.000		
Multicollinearity Test	Price							0.429	2.332
	Product Quality							0.429	2.332

Source: Processed Data (2024)

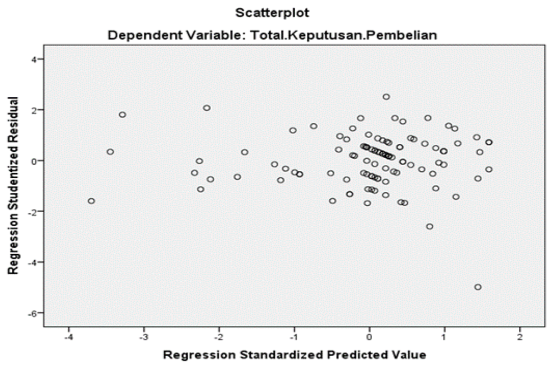

Figure 1. Heteroscedasticity Test

Table 3. T Results (*Partial Hypothesis*) and F Test (*Simultaneous Hypothesis*)

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig	Collinearity Statistics		df	Mean Square	F
	B	Std. Error	Beta			Tolerance	VIF			
1 (Constant)	3.759	0.969		3.878	0.000					
Total. Price	0.091	0.089	0.094	1.018	0.311	0.448	2.232			
Total Product Quality	0.327	0.044	0.692	7.498	0.000	0.448	2.232			
ANOVA										
Regression					.000^b	534.335		2	267.168	69.939
Residuals						416.379		109	3.820	
Total						**950.714**		**111**		

a. Dependent Variable: Total.Purchase.Decision
b. Predictors: (Constant), Total.Product.Quality, Total.Price
Source: Processed Data (2024)

Table 4. Hypothesis Test and Coefficient of Determination R^2

Model	Unstandardized Coefficients		Standardized Coefficients			R	R Square	Adjusted R Square	Std. Error of the Estimate
	B	Std. Error	Beta	t	Sig.				
1 (Constant)	4.057	0.987		4.111	0.000	.750	.562	.554	1.954
Price	0.098	0.094	0.102	1.050	0.296				
Product Quality	0.421	0.061	0.670	6.920	0.000				

Source: Processed Data (2024)

The t-test is used to determine whether independent variables have a partial effect on purchasing decisions. Based on Table 3, the impact of each independent variable is as follows: Price on Purchasing Decisions. The probability value (sig) of 0.311 (above 0.05) indicates that price has no significant effect on purchasing decisions; therefore, the null hypothesis (H0) is accepted. Product Quality in Purchasing Decisions: The p-value (sig) of 0.000 (below 0.05) indicates that product quality has a significant effect on purchasing decisions, so the alternative hypothesis is accepted. This proves that consumers like the quality of Honda products. According to Kotler (2009), product quality refers to a product's ability to demonstrate its intended function. Based on Table 3, it can be seen that the calculated F-value is 69,939, with a significant level of 0.000, whereas the F-table value is 3.08.

Based on the hypothesis test criteria, Fhitung> F table and a substantial level of 0.000 <0.05. Thus, the results of this analysis indicate that Ha is accepted and Ho is accepted, meaning that the Price and Product Quality variables simultaneously have a positive and significant effect on motorcycle purchasing decisions at Astra Honda Motor in Entrop.

Based on Table 4, the regression equation (***Y = 4,057 + 0.098X1 + 0.421X2***) it can be seen that the constant is 4,057, indicating that the sales of Honda products increase by 4,057 units if the independent variable is zero. Price (X1) with a regression coefficient of 0.102 shows a minimal positive effect on purchasing decisions, only 10.2 percent. Product Quality (X2), with a coefficient of 0.670, shows a significant impact of 67% on purchasing decisions. This means that increasing the quality of Honda products aligns with growing consumer purchasing decisions. Table 4 shows that the R-squared value is 0.562, or 56.2%, indicating that both price and product quality variables simultaneously have a significant effect on consumers' purchasing decisions, accounting for 56.2% of the variance. Meanwhile, 43.8% of purchasing decisions are influenced by factors that are not directly observable.

Discussion

Price on Purchasing Decisions

The results of this study indicate that price has no significant effect on the decision to purchase an automatic motorcycle. This finding suggests that price is not the primary factor influencing consumers' decisions when buying an automatic bike. The interpretation of these results shows that consumers of matic motorcycles in the research area tend not to consider price a significant factor in their decision-making. It can be inferred that other factors, such as product quality, brand, additional features, and after-sales service, have a more significant influence on their purchasing decisions. In a marketing context, companies should focus more on improving other aspects of their products and services rather than simply competing on price. The research hypothesis stating that price has a significant effect on the decision to purchase an automatic motorcycle is rejected based on the results of this study. Consumers are not particularly sensitive to price when buying an automatic motorcycle in the research area. This finding aligns with the theory that, in some instances, particularly for products with high emotional or functional value, factors such as quality and brand are more important than price. Therefore, a more effective marketing strategy is to enhance product quality, establish brand trust, and provide superior after-sales service. This research also demonstrates that by prioritizing product and service quality, companies can improve customer satisfaction and loyalty. Consumers who are satisfied with both the quality and service are more likely to make repeat purchases and recommend products to others, which in turn can increase the company's sales and market share. These results may also be influenced by the consumption culture of Papuan society, which places greater importance on product reliability and quality than price.

In marketing theory, price is often regarded as one of the key elements in the marketing mix that can significantly influence purchasing decisions. However, the findings of this study align with several theories that suggest, in some instances, especially for products with high emotional or functional value, other factors—such as quality, brand trust, and service—are more important than price. According to Zeithaml (1988), perceived consumer value is a combination of perceived quality and the price paid; however, quality often carries greater weight in purchasing decisions, especially for products with high levels of involvement, such as motor vehicles. The results of this study are consistent with several previous studies, which have found that price is not the primary determinant in purchasing decisions for specific products. For example, research by Jin and Yong (2005) indicates that for luxury products, product quality is a more significant factor in influencing purchasing decisions than price. This research is also consistent with the findings by Varki and Colgate (2001), who found that in markets with intense price competition, consumers pay more attention to aspects of product quality and features rather than just price. However, this finding contradicts some studies that suggest that price is a significant factor in purchase decisions, especially in the context of more commodity products or in markets with very intense price competition. For example, research by Tellis and Gaeth (1990) found that in everyday product categories, consumers are susceptible to price changes. This difference may be attributed to variations in the market context and the type of product being studied.

The findings of this study have several practical implications for the marketing strategies of companies that sell metric motorcycles. Companies should focus more on improving product quality, including engine performance, safety features, and ride comfort. Given that product quality has a significant influence on purchase decisions, improving these aspects can help attract more consumers. Companies should strengthen their brand image through effective marketing campaigns and superior after-sales service. Building consumer trust in the brand can be a more effective strategy than simply competing on price. Consumers who believe in the quality and reputation of the brand are more likely to make repeat purchases and recommend the product to others. Companies must prioritize after-sales service and the overall customer experience. Good after-sales service can enhance customer satisfaction and brand loyalty, which in turn can lead to increased future purchasing decisions. This includes reliable servicing, easily accessible spare parts provision, and responsive customer support. Product differentiation through innovation can be a key strategy. Offering innovative features not found in competing products can make the product more attractive to consumers, even if the price is higher. Innovations in engine technology, safety features, and ride comfort can be significant differentiating factors.

Fifth, companies need to conduct more in-depth market segmentation to understand the needs and preferences of different consumer segments. This segmentation allows companies to develop more targeted and effective marketing strategies. For example, younger consumer segments may be more interested in the latest design and technological features, while older segments may prioritize comfort and reliability. Ultimately, companies must continually conduct market research to track shifts in consumer preferences and behavior. The dynamic market environment requires continuous adjustments to marketing strategies to remain relevant and competitive. By monitoring market trends and consumer responses to the marketing strategies implemented, companies can make better and faster decisions in adjusting their product offerings and marketing strategies. Companies that successfully manage product quality, build brand trust, and provide superior after-sales service will have a more decisive competitive advantage over those that only compete on price. These findings offer practical guidance for companies in developing more effective marketing strategies that prioritize enhancing value for consumers.

Product Quality on Purchasing Decisions

The results of this study indicate that product quality has a significant influence on purchasing decisions for automatic motorbikes. The interpretation of these results suggests that an improvement in product quality is associated with increased consumer purchasing decisions. Consumers who perceive high product quality tend to be more confident and satisfied with their purchases, making them more likely to choose the product. The research hypothesis, which states that product quality has a significant effect on purchasing decisions for automatic motorbikes, is accepted based on the results of this study. This confirms that consumers are very concerned about product quality when buying an automatic motorcycle in the research area. This finding underscores the substantial impact of product quality on purchasing decisions, suggesting that companies should prioritize enhancing the quality of their products to attract more consumers and improve customer satisfaction.

Marketing theory suggests that product quality is a crucial element in the marketing mix, significantly influencing consumer perceptions and purchasing decisions. According to Garvin (1984), product quality encompasses various dimensions, including performance, features, reliability, fit, durability, service, aesthetics, and perceived quality. High-quality products typically meet or exceed consumer expectations, thereby increasing customer satisfaction and loyalty. The findings of this study align with this theory, indicating that high product quality influences positive purchasing decisions. Previous research also supports these findings. The survey by Sweeney and Soutar (2001) reveals a strong positive relationship between product quality and consumer satisfaction, as well as purchasing decisions. Consumers who are satisfied with product quality tend to be more loyal and willing to make repeat purchases. In the automotive sector, research by Parasuraman, Zeithaml, and Berry (1988) revealed that high product quality significantly increases customer satisfaction and loyalty. The results of this study are consistent with these findings, suggesting that enhancing product quality can positively influence purchasing decisions. However, some research suggests that the impact of product quality on purchasing decisions may vary depending on the type of product and market context. For example, research by Jin and Yong (2005) found that for luxury products, product quality is more dominant in influencing purchase decisions than price. In contrast, in markets with intense price competition, product quality may be less influential than price. Nonetheless, this study shows that in the context of automatic motorcycles, product quality remains a significant determinant in purchasing decisions.

The practical implications of this study's findings are significant for companies that sell automatic motorcycles. Companies should focus on improving the quality of their products. This includes various aspects such as engine performance, ride comfort, reliability, and safety features. By enhancing product quality, companies can attract more customers and boost customer satisfaction. Companies should invest in innovation to continuously improve the quality of their products. Innovations in engine technology, safety features, and ride comfort can make products more attractive to consumers. By offering innovative features not found in competing products, companies can differentiate themselves in the market and attract a more extensive consumer base. Companies must prioritize after-sales service and the overall customer experience. Good after-sales service can enhance customer satisfaction and brand loyalty, which in turn can lead to increased future purchasing decisions. This includes reliable servicing, easily accessible spare parts provision, and responsive customer support. Companies should build and strengthen their brand image. A strong and well-recognized brand can improve consumers' perception of product quality. Consumers who believe in the quality and reputation of the brand are more likely to make repeat purchases and recommend the product to others. Effective and consistent marketing campaigns can help establish and maintain brand trust and loyalty. Companies need to conduct more in-depth market segmentation to understand the needs and preferences of different consumer segments. This segmentation allows companies to develop more targeted and effective marketing strategies. For example, younger consumer segments may be more interested in the latest design and technological features, while older segments may prioritize comfort and reliability.

Companies must continually conduct market research to track shifts in consumer preferences and behavior. The dynamic market environment requires continuous adjustments to marketing strategies to remain relevant and competitive. By monitoring market trends and consumer responses to the marketing strategies implemented, companies can make better and faster decisions in adjusting their product offerings and marketing strategies. Companies that successfully manage their product quality, invest in innovation, and establish a strong brand image will have a more decisive competitive advantage over those that focus solely on price. These findings offer practical guidance for companies in developing more effective marketing strategies that prioritize increasing value for consumers. Thus, companies can enhance customer satisfaction and loyalty, which in turn can lead to increased sales and market share.

Price and Product Quality on Purchasing Decisions

The results of this study indicate that simultaneously, the price and product quality variables have a significant effect on the decision to purchase a matic motorcycle. The interpretation of these results suggests that, although these two variables play different roles, they can collectively influence consumer purchasing decisions. Consumers who feel that the price offered is commensurate with the quality of the product they receive tend to be more confident and satisfied with their purchase, thus increasing their likelihood of purchasing the product. The research hypothesis which states that price and product quality have a significant effect on purchasing decisions for automatic motorbikes is accepted based on the results of this study. Both price and product quality have a significant influence on purchasing decisions. This confirms that consumers do not only consider one factor, but a combination of price and product quality in making purchasing decisions.

In marketing theory, price and product quality are the two main elements in the marketing mix that can influence consumer perceptions and purchasing decisions. According to consumer value theory, perceived value is the result of consumers' evaluation of the benefits they receive relative to the price they pay. Garvin (1984) explains that product quality encompasses various dimensions, including performance, features, reliability, fit, durability, service, aesthetics, and perceived quality. High-quality products typically meet or exceed consumer expectations, thereby increasing customer satisfaction and loyalty. The findings of this study align with this theory, suggesting that high product quality, combined with competitive pricing, influences positive purchasing decisions. Previous research also supports these findings. The study by Sweeney and Soutar (2001) shows that both price and product quality have a strong positive relationship with consumer satisfaction and purchase decisions. Consumers who feel that they are getting good value from their purchases tend to be more loyal and willing to make repeat purchases. In the automotive sector, research by Parasuraman, Zeithaml, and Berry (1988) found that combining high product quality with competitive pricing significantly enhances customer satisfaction and loyalty. The results of this study are consistent with these findings, suggesting that the combination of price and product quality is a significant determinant in purchasing decisions. However, some research suggests that the impact of price and product quality on purchase decisions may vary depending on the type of product and market context. For example, research by Jin and Yong (2005) found that for luxury products, product quality is more dominant in influencing purchase decisions than price. In contrast, in markets with intense price competition, price may be more influential than product quality. Nonetheless, this study demonstrates that, in the context of automatic motorcycles, both price and product quality remain significant determinants of purchasing decisions.

The practical implications of the study's findings are significant for companies that sell metric motorcycles. Companies should focus on improving the quality of their products. This includes various aspects such as engine performance, ride comfort, reliability, and safety features. By enhancing product quality, companies can attract more customers and boost customer satisfaction. Consumers who are satisfied with product quality tend to be more confident and satisfied with their purchase, making it more likely that they will choose to buy the product. Companies must invest in innovation to continuously improve the quality of their products. Innovations in engine technology, safety features, and ride comfort can make products more attractive to consumers. By offering innovative features not found in competing products, companies can differentiate themselves in the market and attract a more extensive consumer base. Companies need to pay attention to competitive pricing strategies. Prices that are too high may deter consumers from making a purchase, while prices that are too low may create the perception that the product is of inferior quality. Therefore, companies need to strike a balance between price and product quality, ensuring that consumers perceive their purchases as offering good value.

Companies must prioritize after-sales service and the overall customer experience. Good after-sales service can enhance customer satisfaction and brand loyalty, which in turn can lead to increased future purchasing decisions. This includes reliable servicing, easily accessible spare parts provision, and responsive customer support. Consumers who feel valued and supported by the company tend to be more loyal and willing to make repeat purchases. Companies must build and strengthen their brand image. A strong and well-recognized brand can improve consumer perceptions of product quality. Consumers who believe in the quality and reputation of the brand are more likely to make repeat purchases and recommend the product to others. Effective and consistent marketing campaigns can help establish and maintain brand trust and loyalty. Companies need to conduct more in-depth market segmentation to understand the needs and preferences of different consumer segments. This segmentation allows companies to develop more targeted and effective marketing strategies. For example, younger consumer segments may be more interested in the latest design and technological features, while older segments may prioritize comfort and reliability. Ultimately, companies must continually conduct market research to track shifts in consumer preferences and behavior. The dynamic market environment requires continuous adjustments to marketing strategies to remain relevant and competitive. By monitoring market trends and consumer responses to applied marketing strategies, companies can make more informed and timely decisions in adjusting their product offerings and marketing strategies.

Conclusion

This study found that product quality has a significant influence on purchasing decisions, while price is not substantial individually but has a simultaneous effect when combined with product quality. This shows that consumers tend to choose products that provide the best overall value.

This research makes a significant contribution to both the realm of science and marketing practice. From a scientific perspective, this research adds to the understanding of how price and product quality jointly influence consumer purchasing decisions. In practice, the findings can help companies formulate more effective marketing strategies by emphasizing the importance of a combination of competitive pricing and high product quality. This study also highlights originality in the context of the motorcycle market, particularly in the research area, by providing specific insights that marketers can apply.

This study has several limitations that should be noted. First, this study is limited to a single geographical area, so the results may not be generalizable to a broader market. Secondly, the data used are quantitative data obtained through questionnaires, so they do not delve deeper into qualitative aspects such as consumer motivation and perception. For future research, it is recommended that a study be conducted with a broader sample and employ a qualitative approach to gain a more comprehensive understanding. Further research can also explore other factors that may influence purchasing decisions, such as promotions and brand loyalty. The quantitative approach has limitations in capturing the subjective nuances of consumers that can be reached through qualitative methods. Similar research also needs to be conducted in other areas such as Wamena, Nabire, or Timika to see if similar purchasing decision patterns are found. In the future, in-depth interviews can be used to gain deeper qualitative insights into consumer behavior.

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