

The Effect Of Price, And Product Quality On Purchasing Decisions For Promag Drugs In Surabaya (Case Study on S1 Management Students at Sunan Giri University Surabaya)

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Received: 5 July 2024
Revised: 10 July 2024
Accepted: 13 July 2024

Abstract

The purpose of this study was to determine and analyze the effect of price and product quality on Promag purchasing decisions in Surabaya, where the intended object was S1 Management students at Sunan Giri University Surabaya. The research method used is quantitative method. The sample determined was 50 people, the data collection technique used a questionnaire and the analysis technique used was multiple linear regression analysis techniques. The results showed that price did not have a significant positive effect on Promag purchasing decisions in Surabaya. This shows that the price factor has not been able to play an important role in influencing consumer decisions to buy the promag. This means that price is no longer part of consumer priorities in buying promag drugs, because of course for healing all kinds of drugs will be purchased, as well as promag drugs. In contrast to product quality which has a positive influence on Promag purchasing decisions in Surabaya. This shows that consumer perceptions of the quality of Promag products have a significant impact on their decision to buy the ulcer drug.

Keywords: price, product quality, purchase decision

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How to Cite: Firdausiyah, R., Adawiyah, R., & Munir, M. (2024). The Effect Of Price, And Product Quality On Purchasing Decisions For Promag Drugs In Surabaya (Case Study on S1 Management Students at Sunan Giri University Surabaya). *International Journal of Education, Information Technology, and Others*, 7(3), 174-183. <https://doi.org/10.5281/zenodo.13682083>

INTRODUCTION

The use of Promag medication in Surabaya reflects the significant health challenges in the city. Ulcer, which is often caused by unhealthy diet, stress and other factors, is a common problem faced by Indonesians. According to Rahmah et al (2019), the prevalence of digestive disorders such as ulcers tends to be high in big cities like Surabaya, with many people relying on antacid medications to relieve their symptoms. Although the availability of various antacid drugs on the market, such as Promag, allows for effective and safe treatment, what factors actually influence the purchase decision of Promag drugs in Surabaya still needs to be studied further to understand consumer behavior in depth.

Based on data from the Top Brand Award, it shows that the most popular ulcer drug in the community is Promag. The following is data from the Top Brand Award:

| Brand | TBI | |
|---------------|--------|-----|
| Promag | 34.00% | TOP |
| Mylanta | 26.30% | TOP |
| Polysilane | 7.10% | |
| Antasida Doen | 5.70% | |
| Dexanta | 3.40% | |
| Omeprazol | 3.30% | |
| Magasida | 3.10% | |
| Konimag | 2.20% | |
| Cimetidine | 1.90% | |

Figure 1: Most popular ulcer medicines based on Top Brand Award

Source: Top Brand Award

Figure 1 shows that Promag is the most popular among the public as one of the ulcer medicine products. The percentage of enthusiasts reached 34%, followed by Mylanta Medicine. This shows that there is a lot of competition for ulcer drugs. Therefore, it is necessary to maintain the position of the Top Brand Award that has been achieved by improving product quality and more affordable prices without reducing the efficacy caused.

In the competitive pharmaceutical market, price and product quality are crucial factors influencing consumer purchasing decisions in Surabaya. Mafaza's study (2022) indicates that consumers tend to consider price as a primary factor when selecting antacid medications. Another study by Fitriani et al. (2021) corroborates that price and product quality are the main predictors of consumer purchasing behavior for medications in Surabaya. Consumers often opt for products that provide the best value according to their needs, balancing both effectiveness and cost.

Product quality is a significant factor in purchasing decisions for medications. Research by Kurniawan & Sari (2017) demonstrates that product quality heavily influences purchasing choices. This study emphasizes that medications perceived as effective and safe have greater appeal to consumers in Surabaya. Safety and quality are also primary concerns for consumers when selecting pharmaceutical products for use. Besides price and product quality, marketing and promotional strategies play a crucial role in shaping consumer purchasing behavior in the pharmaceutical market. Fitriani et al.'s research (2021) highlights that effective promotions can influence consumer perceptions of products and boost sales in competitive markets like Surabaya. Effective marketing strategies, including attractive advertising and promotions, can sway consumers to choose Promag over other available medications in the market.

Based on the issues outlined above, the following problems can be formulated: 1) Is there an influence of price on the decision to purchase Promag in Surabaya?; 2) Is there an influence of product quality on the decision to purchase Promag in Surabaya?; and 3) Is there an influence of both price and product quality on the decision to purchase Promag in Surabaya?

According to Kotler & Armstrong (2016), price is the amount of money charged for a product and service or the amount of value that customers exchange to benefit from owning or using a product and service. Price is a value of money set by the company in return for the services or goods being sold and something else provided by a company in order to provide satisfaction to the consumer's will (Gerung, Sepang, and Loindong 2017). According to Kotler &

Armstrong (2016) there are four indicators that characterize price, namely: 1) Price affordability; 2) Price compatibility with product quality; 3) Price compatibility with benefits; and 4) Price according to ability or price competitiveness.

Product quality is the capacity of a product in its function which includes the process and improvement of other valuable products to satisfy needs that can meet consumer expectations (Krisna, Arifin, and Puspitojati 2021). Product Quality (Quality Product) is the product's expertise in carrying out its functions covering reliability, durability, repair, and ease of use and other properties (Gerung et al., 2017). According to Tjiptono, F and Chandra (2016) product quality can be measured through several dimensions as follows: 1) Performance; 2) Features; 3) Reliability; 4) Confirmation (conformance); 5) Durability; 6) Serviceability; 7) Aesthetics; 8) Perceived quality.

According to Purwaningsih & Susanto (2021), purchasing decisions are consumer actions in deciding on a product that is considered to be a solution to the needs and desires of these consumers. Purchase Decision is a decision carried out by customers who are influenced by social class, culture, family and as a reference / reference group that wants to build a behavior in a person and then make a purchase (Febiola and Saputro 2023). According to Kotler and Keller (2016: 235) in the research journal Solihin et al., (2019) indicators of the consumer purchasing decision process can be seen from the following characteristics: 1) Recognition of Needs; 2) Information Search; 3) Alternative Evaluation; 4) Buying Decision; 5) Post-Purchase Behavior.

Researchers use quantitative research methods. Quantitative research according to (Sugiyono 2019), is a research method based on the philosophy of positivism, as a scientific or scientific method because it has fulfilled scientific rules concretely or empirically, objectively, measurably, rationally, and systematically. The data collection method in this study uses the questionnaire method as primary data with the measurement scale used in this study is a Likert scale or Likert scale. The population in this study were active students who had consumed promag drugs. The number of samples in this study were 50 respondents. The sampling technique used was purposive sampling. Quantitative data analysis is an analysis used to test the relationship between variables in research using calculations or statistical tests of the data obtained and derived from questionnaire answers in the form of primary data. The analysis technique used in this research is multiple linear regression analysis techniques.

RESEARCH METHOD

The literature review was conducted through the following steps. First, searching for appropriate sources using Google Scholar and electronic databases from several academic fields such as education and psychology to identify CT-related articles (Hafnidar et al., 2021; Saputra et al., 2021). The search focused primarily on peer-reviewed theoretical and empirical studies on teaching students CT skills in English class. Following items and their combinations were used: 'thinking skill', 'critical thinking skills', 'teaching critical thinking skills', 'English learning'. Second, abstracts were read to screen the initial list of articles for the three topics (importance of thinking skills, CT skills in English class, teachers training in CT skills). These three topics were used to form the base of the

present study. Third, each journal was read to identify the main points of view and results of the research. Finally, the views and findings were combined and organized under those three categories in a logical and compact way.

RESEARCH RESULTS AND DISCUSSION

a. Instrument Test Results

1) Validity Test Results

Validity test can be seen from r count greater than r table and positive value, then the item or statement or indicator is declared valid. The following are the results of the Validity Test that have been processed:

Table 1 Validity Test Results

| Variabel | Item | R Hitung | R Tabel | Keterangan |
|----------------------------------|------|----------|---------|------------|
| Variabel Harga (X1) | X1.1 | 0,837 | 0,1975 | Valid |
| | X1.2 | 0,893 | 0,1975 | Valid |
| | X1.3 | 0,813 | 0,1975 | Valid |
| | X1.4 | 0,686 | 0,1975 | Valid |
| Variabel Kualitas Produk (X2) | X2.1 | 0,687 | 0,1975 | Valid |
| | X2.2 | 0,716 | 0,1975 | Valid |
| | X2.3 | 0,626 | 0,1975 | Valid |
| | X2.4 | 0,724 | 0,1975 | Valid |
| | X2.5 | 0,677 | 0,1975 | Valid |
| | X2.6 | 0,671 | 0,1975 | Valid |
| | X2.7 | 0,566 | 0,1975 | Valid |
| | X2.8 | 0,581 | 0,1975 | Valid |
| Variabel Keputusan Pembelian (Y) | Y1 | 0,709 | 0,1975 | Valid |
| | Y2 | 0,784 | 0,1975 | Valid |
| | Y3 | 0,601 | 0,1975 | Valid |
| | Y4 | 0,743 | 0,1975 | Valid |
| | Y5 | 0,855 | 0,1975 | Valid |

Source: Data processed 2022

The number declared valid if r-count > r-table (0.197) indicates that all 17 questions answered by 50 people are valid, as shown in the table above. Therefore, the statement is considered correct.

2) Reliability Test Results

The Cronbach Alpha reliability test is one of the many available in the SPSS (Statistical Program for the Social Sciences) statistical software program. If a variable or construct's Cronbach Alpha score is greater than 0.60, it is an accurate way to compare expectations and actual results.

Table 2. Reliability Test Results

| Variabel | Cronbach Alpha | Ketentuan Reliabel | Keterangan |
|----------------------------------|----------------|--------------------|------------|
| Variabel Harga (X1) | 0,814 | 0,6 | Reliabel |
| Variabel Kualitas Produk (X2) | 0,758 | 0,6 | Reliabel |
| Variabel Keputusan Pembelian (Y) | 0,742 | 0,6 | Reliabel |

Source: Data processed 2022

From the table above, it can be seen that each variable has a Cronbach Alpha greater than 0.60. So it can be concluded that of the 100 respondents who

have participated in filling out the questionnaire regarding the Promag drug purchase decision.

b. Classical Assumption Test Results

1) Normality Test Results

The Normality Test is used to test a series of data and determine whether the research data has a normal distribution. The results of normality testing with the Kolmogrov-Smirnov method are presented in the following table:

**Table 3 Data Normality Test Results
One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|----------------------------------|----------|-------------------------|
| N | | 50 |
| Normal Parameters ^{a,b} | | |
| Mean | | .0000000 |
| Std. Deviation | | 1.94361567 |
| Most Extreme Differences | Absolute | .068 |
| | Positive | .067 |
| | Negative | -.068 |
| Test Statistic | | .068 |
| Asymp. Sig. (2-tailed) | | .200 ^{c,d} |

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: data processed, 2023

The normality test results are declared successful or there is normally distributed data if the value ($\text{sig} > 0.05$). Based on the results of the normality test in the table above using the Kolmogrov-Smirnov method, the Asymp. Sig. (2-tailed) 0.200 which means greater than the significant level of 0.05, it can be concluded that this data is normally distributed.

2) Multicollinearity Test Results

Multicollinearity can be seen from the tolerance value and Variance Inflation Factor (VIF). Between variables are declared free from multicollinearity relationships if the tolerance value is more than 0.10 or the VIF value is less than 10 (Ghozali, 2016). The following are the results of the multicollinearity test:

Table 4 Multicollinearity Test Results

| | | Coefficients ^a | | | | Collinearity Statistics | | |
|-------|------------|-----------------------------|------------|---------------------------|-------|-------------------------|-----------|-------|
| Model | | Unstandardized Coefficients | Std. Error | Standardized Coefficients | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | 1.852 | 3.032 | | .611 | .544 | | |
| | TOTAL_X1 | .179 | .177 | .160 | 1.012 | .317 | .424 | 2.359 |
| | TOTAL_X2 | .479 | .131 | .580 | 3.668 | .001 | .424 | 2.359 |

a. Dependent Variable: TOTAL_Y

Source: Processed Questionnaire Data (Output SPSS Ver. 25.0)

The multicollinearity test results prove that all independent variables in this study are free from multicollinearity symptoms. Free from multicollinearity symptoms because the highest VIF value of 2.359 is below 10 and the tolerance value of 0.424 is more than 0.10. This means that between the two independent variables in this study are free from multicollinearity relationships.

3) Heteroscedasticity Test Results

The heteroscedasticity test aims to determine whether the regression model in this study occurs inequality of variance and residuals between one observation to another. The presence or absence of heteroscedasticity symptoms in this study can be seen from the scatterplot graph below:

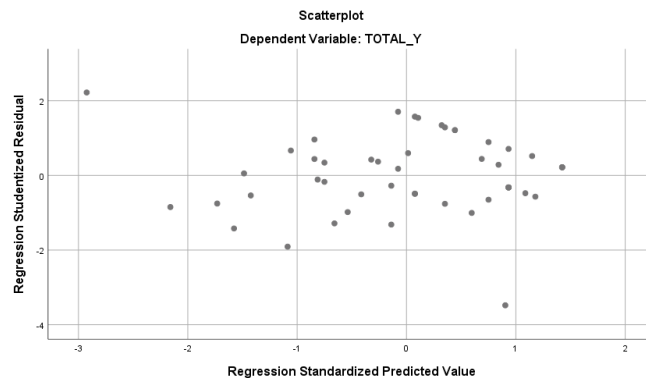


Figure 2 Graph of Heteroscedasticity Test Results

Source: Processed Questionnaire Data (Output SPSS Ver. 25.0)

The results of the heteroscedasticity test on the scatterplot show that there are points that spread randomly so that a clear pattern is not formed. In addition, the points also spread well above and below zero on the Y axis. This means that the regression model in this study does not have symptoms of heteroscedasticity, so it is appropriate to use it to predict Y.

c. Multiple Linear Regression Analysis Test Results

Multiple linear regression analysis aims to determine whether or not the influence value between the price variable (X1) product quality (X2) and purchasing decisions (Y) (Ghozali, 2016). The following are the results of multiple linear regression analysis through the SPSS Version 25.0 program:

Table 5. Multiple Linear Regression Analysis Results

| | | Coefficients ^a | | | | | |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics |
| | | B | Std. Error | Beta | | | |
| 1 | (Constant) | 1.852 | 3.032 | | .611 | .544 | |
| | TOTAL_X1 | .179 | .177 | .160 | 1.012 | .317 | .424 2.359 |
| | TOTAL_X2 | .479 | .131 | .580 | 3.668 | .001 | .424 2.359 |

a. Dependent Variable: TOTAL_Y

Source: Processed Questionnaire Data (Output SPSS Ver. 25.0)

From table 5, the following multiple linear regression line equation results are obtained:

$$Y = a + b1.x1 + b2.x2$$

$$Y = 1.852 + 0.179x1 + 0.479x2$$

- a. The constant value (a) is 1.852. So that if the price value (X1), product quality (X2) is 0 (zero), then the purchase decision (Y) is in position 1.852.
- b. b1 (X1 regression coefficient value) is 0.179. This shows that the price variable (X1) has a positive influence on purchasing decisions (Y). This means that every 1 point increase in the price variable, it affects the purchasing decision by 0.179, assuming that it does not examine other variables.
- c. b2 (X2 regression coefficient value) is 0.479. This shows that the product quality variable (X2) has a positive influence on purchasing decisions (Y). This means that every 1 point increase in the product quality variable, it affects the purchase decision by 0.479, assuming that it does not examine other variables.

According to the results of the analysis above, it can be seen that the regression coefficient value of each variable has a positive value (+). A positive value means that each variable has a corresponding influence on purchasing decisions (Y). So that if the variable (X) increases, the variable (Y) will also increase.

d. Hypothesis Test Results

The purpose of conducting the t statistical test is to determine the value of the influence of the price variable (X1) and product quality (X2) on the purchasing decision variable (Y) individually. The following are the results of the t test in this study:

Table 6. Statistical Test Results t

| | | Coefficients ^a | | | | | |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics |
| | | B | Std. Error | Beta | | | |
| 1 | (Constant) | 1.852 | 3.032 | | .611 | .544 | |
| | TOTAL_X1 | .179 | .177 | .160 | 1.012 | .317 | .424 2.359 |
| | TOTAL_X2 | .479 | .131 | .580 | 3.668 | .001 | .424 2.359 |

a. Dependent Variable: TOTAL_Y

Source: Processed Questionnaire Data (Output SPSS Ver. 25.0)

Based on the independent variables, there are two testing processes carried out individually, the following are the results of the hypothesis testing of each variable:

1) Price variable on purchasing decisions

The t statistical test was conducted to test the first hypothesis which reads "The price variable has a positive effect on purchasing decisions". If you look at the results of the t statistical test in the table above, the significance value of price (X1) on purchasing decisions (Y) is 0.317 greater than 0.05. In addition, the calculated t value is 1.012 less than the t table of 1.985. Based on this, there is no partial influence. So it can be concluded that there is no significant effect of the price variable (X1) on purchasing decisions (Y). This means that the first hypothesis (H1) is rejected or not proven correct.

2) Product quality variables on purchasing decisions

The t statistical test was conducted to test the first hypothesis which reads "Product quality variables have a positive effect on purchasing decisions". If you look at the results of the t statistical test in the table above, the significance value of product quality (X2) on purchasing decisions (Y) is 0.001 less than 0.05. In addition, the calculated t value is 3.668 greater than the t table of 1.985. Based on this, there is a partial influence. So it can be concluded that there is a significant effect of product quality variables (X2) on purchasing decisions (Y). This means that the second hypothesis (H2) is accepted or proven correct.

e. Determination Test Results

In this study, the coefficient of determination test was also carried out which aims to test the goodness of the regression model so that it can be seen the magnitude of the relationship between price (X1) and product quality (X2) on the purchasing decision variable (Y).

**Table 7. Correlation and Determination Coefficient
Model Summary^b**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .709 ^a | .502 | .481 | 1.985 |

a. Predictors: (Constant), TOTAL_X2, TOTAL_X1

b. Dependent Variable: TOTAL_Y

Source: Processed Questionnaire Data (SPSS Ver. 25.0 Output)

Based on the table above, the correlation coefficient value is 0.709. This means that the value of the relationship between the price variable (X1) and product quality (X2) on purchasing decisions (Y) is strong (Ghozali, 2016). From the data above, the R Square (R²) value is also obtained at 0.502. So that the simultaneous influence value of the price (X1) and product quality (X2) variables on purchasing decisions (Y) is 50.2%. While the remaining 49.8% is influenced by other factors outside the independent variables.

f. Discussion

1) Price variable on purchasing decisions

Based on the results of these statistical tests, the significance value for the price variable (X1) on purchasing decisions (Y) is 0.317, which is greater than

the significance level set at 0.05. In addition, the calculated t value is 1.012 which is smaller than the t table value of 1.985. Based on these findings, it can be concluded that there is no partially significant effect between the price variable (X1) and purchasing decisions (Y). Therefore, the first hypothesis (H1) is rejected or not proven correct.

Based on the results of the analysis, it can be concluded that price does not have a significant positive effect on purchasing decisions for promag in Surabaya. First, brand loyalty plays an important role; consumers who already believe in the effectiveness of Promag are likely to keep buying it regardless of price changes. Second, the need for health products such as Promag used to treat digestive problems is often urgent, making consumers focus more on the benefits and reliability of the product rather than its price. Third, promotions and recommendations from medical personnel or people close to them can be more influential in purchasing decisions. Finally, the availability and accessibility of the product at various points of sale may also be a more significant determining factor than price. Therefore, although price is an important element in marketing, in the context of Promag.

2) Product quality variables on purchasing decisions

Based on the results of the statistical test, the significance value for the product quality variable (X2) on purchasing decisions (Y) is 0.001, which is smaller than the significance level set at 0.05. In addition, the calculated t value is 3.668, which is greater than the t table value of 1.985. Based on these findings, it can be concluded that there is a partially significant influence between the product quality variable (X1) and purchasing decisions (Y). Therefore, the second hypothesis (H2) is accepted or proven correct.

Based on the results of the analysis, it can be concluded that product quality has a significant positive effect on purchasing decisions for Promag in Surabaya. The reason is First, health products such as Promag which are used to treat digestive problems must have proven effectiveness so that consumers feel safe and confident in using them. When consumers feel real benefits and improved health conditions after using Promag, consumers tend to become loyal customers and even recommend the product to others. Secondly, consistent product quality can build a positive reputation and trust in the brand, which is important in the healthcare industry. In addition, products with high quality usually have a lower risk of side effects, thus increasing consumers' confidence in choosing and using Promag on an ongoing basis. Therefore, superior quality is a major factor influencing consumers' purchasing decisions, as health is a top priority and they tend not to compromise on this.

CONCLUSION

Based on the results of existing research, it shows that price does not have a significant positive effect on Promag purchasing decisions in Surabaya. This shows that the price factor cannot play an important role in influencing consumer decisions to buy promag. This means that price is no longer part of consumers' priorities in buying promag drugs, because of course for healing all kinds of drugs will be purchased, as well as promag drugs. In contrast to product quality which has a positive influence on Promag purchasing decisions in Surabaya. This shows that

consumer perceptions of the quality of Promag products have a significant impact on their decision to buy the ulcer drug.

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