

Original Article

The Effect of Product Innovation, Product Quality, and Product Price on Purchasing Decisions of STIKBAB Snacks

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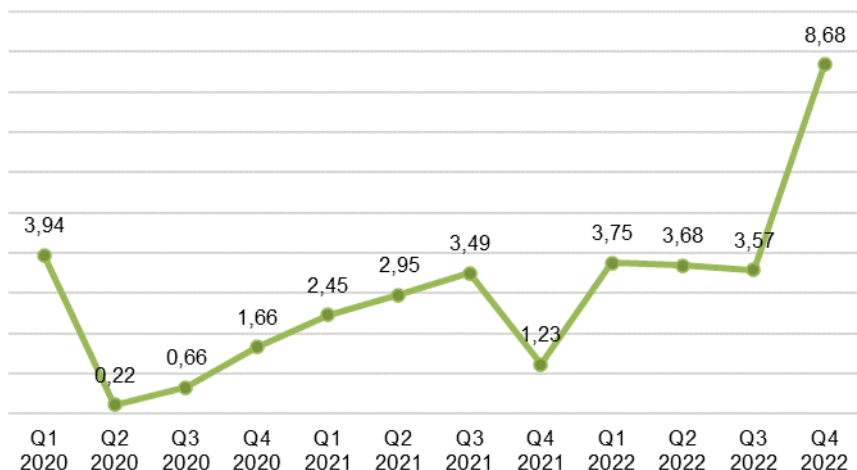
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Abstract: This research purposes to determine the effect of Product Innovation, Product Quality, and Product Price on Purchasing Decisions of STIKBAB snacks in Bogor City. The population in this research were consumers of STIKBAB snacks in Bogor City. The sample used was 96 respondents using the purposive sampling technique. This research uses a quantitative approach with the data analysis method Structural Equation Modelling - Partial Least Square. The results showed that Product Innovation has a positive and significant effect on Purchasing Decisions, and Product Price has a positive and significant effect on Purchasing Decisions. Meanwhile, Product Quality has a positive but insignificant effect on Purchasing Decisions. Variable Product Innovation has the greatest effect on Purchasing Decisions compared to Variable Product Quality and Product Price.

Keywords: Product Price, Product Innovation, Purchasing Decisions, Product Quality.

I. INTRODUCTION

The development of the business world in Indonesia is now growing very rapidly, one of which is in the snack business. Large industries and micro or small-scale household industries compete to produce and market various types of snack products. In supporting the economy and the rate of economic growth, currently the growth of the household industry has a very important role.



Source: www.bps.go.id

Fig. 1 Food and Beverage Industry Growth Rate 2020—2022

The growth rate of Gross Domestic Product (GDP) in the food and beverage industry in the fourth quarter of 2022 experienced a positive increase of 8.68%. Where previously, in the second and third quarters, there was a slight decline from 3.75% in the first quarter to 3.68% in the second quarter, then fell again to 3.57% in the third quarter. The increase in Gross Domestic Product growth in the food and beverage industry in the fourth quarter of 2022 is said to be much better than GDP growth in 2020 and 2021 previously. The increasing growth of the food and beverage industry will have an impact on competition in the food and beverage market, especially in small, micro or home-scale snack food industries.

Various food businesses are spread on the market with offers of various types, flavors, sizes and prices that can be selected and purchased according to consumers' desires and needs. The more food businesses spread across the market, the



more it will trigger increased competition in the food business market, which will have an impact on sales of these products. Various small micro businesses or similar home-based snack food industries are vying to win the market competition, such as the Mie Lidi Si Umang snack business, Morang-Moreng Kebab Chips, Kebab Chips, and STIKBAB (Kebab Skin Sticks). STIKBAB is one of the snack food innovation products that is still on a home industry scale and already has a Home Industry Product permit from the Health Service and has obtained MUI Halal legality which has been running for approximately 5 years and was founded in 2018. STIKBAB offers its products to consumers in a wide choice of flavors, sizes and prices.

In order to achieve the achievement of a business in increasingly tight market competition, Product Innovation is needed to maintain and increase the competitiveness of the Micro, Small and Medium Enterprises (MSME) industry, so that consumers will be more interested in deciding to buy products that are offered with new flavors in the product that have existed before, especially among Generation Z and millennial consumers who are faced with various choices of competing products that continue to develop their Product Innovation (Akbar, 2023), according to Prasetyo et al. (2018:37), Product Innovation is an interesting new impulse, so innovative ideas can be proposed deliberately to achieve interesting goals and development strategies.

In developing and improving previously existing Product Innovation, a business must maintain or improve its Product Quality. Where, consumers will always prioritize the quality of a product While opting to purchase a product. According to Kotler and Keller (2016: 164), Product quality refers to a set of components and qualities of a product or service that influence its capacity to fulfill stated or assumed requirements.

Product quality refers to a set of components and qualities of a product or service that influence its capacity to fulfill stated or assumed requirements. Product Quality is the most important thing that companies or producers need to pay attention to because Product Quality is closely related to consumer Purchasing Decisions.

Apart from increasing Product Innovation and Product Quality, a business must set more competitive prices according to its quality. A consumer will see price as a consideration when making purchasing decisions about a product. According to Suhardi et al. (2022:54), price is a measure of a person's satisfaction according to the amount of value given to the product they buy. The right price is a price that is comparable to the Product Quality so that it can satisfy consumers. The formulation of the problem in this research is:

1. Does product innovation effect the purchasing decisions for STIKBAB snacks in Bogor City?
2. Does product quality effect the purchasing decisions of STIKBAB snacks in Bogor City?
3. Does product price effect the purchasing decisions of STIKBAB snacks in the city of Bogor?

II. LITERATURE REVIEW

A) *Purchasing Decisions*

Consumers are generally faced with various choices when buying a product or service that is offered to fulfil their needs and desires. In the face of these many choices, consumers will consider whether or not to buy a product. According to Tjiptono in Sari and Soebiantoro (2022: 854), Purchasing Decisions are consumer efforts in seeking information and assessing the capability of a product or brand to meet their needs. According to Diwyartha et al. (2022: 54), the factors that affect Purchasing Decisions include Product Quality, Product Innovation, packaging, labelling, guarantee, service, and price. According to Schiffman and Kanuk in Maharani (2019: 13), indicators of Purchasing Decisions include:

1. Product selection is where consumers choose whether to buy a product or allocate money for other purposes.
2. Brand selection, which is when buying a product, Consumers must determine which brand to purchase since every manufacturer has distinct distinctions and characteristics.
3. Supplier selection, namely in deciding which retailer to go to, consumers need to make their own decisions because the preferences of each consumer are different.
4. The number of purchases, namely decisions regarding the number of products to be purchased, can be made by consumers.

B) *Product Innovation*

The development of consumer tastes that are increasingly changing, requires a business always to create Product Innovation to maintain and improve the competitiveness of a business in increasingly fierce market competition. A business that offers Product Innovation in accordance with the wants and needs of consumers that provides a competitive advantage over its competitors will attract consumers to decide to buy a product. Product Innovation is a strategy conducted by entrepreneurs to improve, perfect, develop, and complement products that have been previously produced (Sudarmanto et al., 2022: 52).

According to Sudarmanto et al. (2022: 54-56), there are several objectives of product innovation, including improving product quality, fulfilling consumer wants, creating new markets in society, discovering and implementing expertise, modifying or replacing items, boosting product efficiency, and increasing company branding. According to Kotler and Armstrong in Islamey and Maskur (2023: 769), Product Innovation indicators include:

1. Product Quality is the level of a product that can do its job in the best possible way to build on previously gained consumer confidence.
2. Product variants are product characteristics that can be seen as a competitive tool and differentiator between the products developed by the company and competitors' products.
3. Product style and design are another way to add value to consumers, where style only configures certain products, while design has a concept that is more than just style.

C) Product Quality

A consumer will judge whether a product is good or bad according to the Product Quality offered by a business. Therefore, in developing its products, a business or business must establish and improve the quality of a product that is able to meet the needs and desires of consumers. Product quality refers to the components and qualities of a product or service that influence its capacity to meet stated or envisioned needs. (Kotler and Keller, 2016: 164).

According to Limakrisna and Purba (2019: 76-77), there are three levels of products, namely the core product, the actual product, and the augmented product. According to Kotler and Keller in Indriani et al. (2023: 78-79), Product Quality indicators include:

1. Product durability is a measure of how long a product can last properly before it needs to be replaced or damaged.
2. Product speciality is the consumer's view of the features or advantages of the product.
3. Product reliability, is the main functional and product characteristics purchased.
4. Conformity to specifications is how far the design and performance meet predetermined standards.
5. Product aesthetics is the product's ability to appeal to the five senses.

D) Product Price

In attracting consumers, a business must determine the right price for the product to be marketed, because price is an important factor as a consideration for consumers to decide whether to buy the product or not. Price is the amount of money that includes certain benefits/uses needed to receive a product (Tjiptono and Chandra, 2020: 412).

According to Tjiptono (2015: 298-309), pricing methods consist of four groups, namely demand-based pricing methods, cost-based pricing methods, profit-based pricing methods, and competition-based pricing methods. According to Kotler in Fathorrahman (2021: 219), Product Price indicators include:

1. Price affordability, that is, the company sets a price that can be reached by consumers.
2. Price compatibility with quality is that when choosing between two products, consumers tend to choose a higher price because they consider the difference in quality between the two products.
3. Price competitiveness is when consumers generally compare prices with other similar products when buying a product so that higher or lower prices greatly affect consumer Purchasing Decisions.
4. Conformity of price to benefits, is that consumer Purchasing Decisions are affected by the benefits obtained from the product compared to the value paid to buy it.

III. RESEARCH METHODS

A) Research Methods

The research method is a scientific approach used to obtain data with specific purposes and benefits (Sugiyono, 2021: 2). This research is a quantitative approach because the data collected in this research are in the form of numbers. The analysis is conducted using statistics, with the purpose of obtaining partially significant results related to the variables to be studied. This research uses an associative method, which has a causal nature or focuses on the cause-and-effect relationship between two or more variables, with the purpose of knowing the relationship between these variables.

B) Population and Sample

The population in this research are consumers of STIKBAB snacks in Bogor City, with the exact number of the population unknown. In this research, a non-probability sampling technique was used to select samples with a purposive sampling approach. Where, the sample is determined by the criteria of having bought STIKBAB snacks at least 1 pcs and domiciled in Bogor City. A total of 16 indicators were used in this research. Thus, the sample studied was 96 (6 × 16) samples, namely STIKBAB consumers as respondents.

C) Data Collection Technique

In this research, using primary data was obtained directly from the owner of STIKBAB and questionnaires were distributed to respondents. Several methods were used to collect data in this research, including:

1. Observation is a method of collecting information that involves direct observation of the object under research.
2. Documentation is a collection of information obtained from past events. This information collection is done through written and electronic documents that serve as support to complement other information.
3. Questionnaire is an information collection method that involves respondents being asked a series of questions or statements in written form.

The data measurement method used in this research is Likert Scale. Categories ranging from 1-5 are commonly used on the Likert Scale, where the assessment score for each number is listed in Table 1.

Table 1: Likert Scale

Statement	Score
Very Agree (SS)	5
Agree (S)	4
Neutral (N)	3
Disagree (TS)	2
Very Disagree (STS)	1

Source: Sugiyono (2021:93)

D) Research Variables and Operational Variables

The endogenous variable (dependent variable) used in this research is Purchasing Decisions (Y). The exogenous variables (independent variables) that will be examined in this research are Product Innovation (X1), Product Quality (X2), and Product Price (X3). To clarify the operational variables, researchers will describe them in Table 2.

Table 2: Operational Variables

Variable	Definition	Indicator	Indicator Code	Measurement
Purchasing Decisions (KPB)	Purchasing Decisions is a process when consumers are faced with several alternative choices available, so that consumers actually decide to buy one of the products offered according to their needs and desires by feeling satisfaction with the product they bought.	1. Product selection 2. Brand selection 3. Supplier selection 4. Purchase amount	KPB1 KPB2 KPB3 KPB4	Likert Scale
Product Innovation (IP)	Product Innovation is a stage of creating new ideas conducted by business actors as an attractive strategy to improve, develop, complement, and perfect pre-existing products by providing more advantages than competitors.	1. Product quality 2. Product variants 3. Product style and design	IP1 IP2 IP3	Likert Scale
Product Quality (KP)	Product Quality is a characteristic of a product that is able to meet quality standards to meet or exceed consumer desires so as to provide satisfaction to consumers.	1. Product durability 2. Product features 3. Product reliability 4. Conformity to specifications 5. Product aesthetics	KP1 KP2 KP3 KP4 KP5	Likert Scale
Product Price (HP)	Product Price is the amount of money required as a	1. Affordability 2. Price matches	HP1	Likert Scale

	means of payment to obtain the product or service purchased.	3. quality Price competitiveness 4. Matching price with benefits	HP2 HP3 HP4	
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E) Data Analysis Method

This research uses SEM - PLS (Structural Equation Modelling - Partial Least Square) data analysis techniques by measuring the model (outer model), model structure (inner model), and hypothesis testing.

IV. RESULTS AND DISCUSSION

A) Respondent Characteristics

In this research, respondent data was categorized by gender, age, occupation, purchase of STIKBAB in the past month, and address/residence.

Table 3: Respondent Characteristics

Criteria	Characteristics	Amount	Percentage
Gender	Male	31	32.3%
	Female	65	67.7%
Age	7—15 Year	5	5.2%
	16—24 Year	59	61.5%
	25—33 Year	25	26%
	34—42 Year	2	2.1%
	> 42 Year	5	5.2%
Occupation	Student	54	56.25%
	Private Employee	23	23.96%
	Civil Servant	1	1%
	Other	18	18.75%
STIKBAB Purchases in the Last Month	1—5 pcs	50	52.1%
	6—10 pcs	23	24%
	11—15 pcs	6	6.3%
	16—20 pcs	9	9.4%
	> 20 pcs	8	8.3%
Address/Domicile	Bogor Barat	24	25%
	Bogor Selatan	7	7.3%
	Bogor Tengah	6	6.3%
	Bogor Timur	7	7.3%
	Bogor Utara	35	36.5%
	Tanah Sareal	17	17.7%

In this research, female respondents dominated 67.7% compared to male respondents. This is because women more often enjoy snacks as snacks to accompany activities or snacks in their leisure time. In addition, when women buy a product, women are considered more selective in considering several factors before deciding to buy a product. Then, the age range of 16-24 years dominates 61.5% compared to other age ranges. This is because the 16-24 age range is Generation Z and millennials, who are the target market for snack food businesses that always keep up with the development of contemporary snack food tastes. According to their occupation, respondents who are still students dominate 56.25% compared to private employees, civil servants, and others. This is because students tend to prefer to consume contemporary snacks as snacks in their leisure time or snacks to accompany activities. Then, purchases of STIKBAB snacks 1-5 pcs dominated 52.1% compared to the range of other STIKBAB purchases. In this case, it can be seen that there is still a lack of consumer loyalty to buy STIKBAB snacks because STIKBAB is just a snack that is not the main food commonly consumed daily by humans, which consists of staple foods such as side dishes and vegetables. Also, respondents who live in the North Bogor sub-district dominate 36.5% compared to other sub-districts. In this case, it is possible that respondents who reside in the North Bogor Sub-district have a higher percentage of respondents than Central Bogor Sub-district, with fewer respondents than other sub-districts, even though STIKBAB is located in the Central Bogor Sub-district. This is because STIKBAB markets its products online and offline. Where, STIKBAB offline marketing is available in several partnership and reseller places so that STIKBAB can be more easily reached by consumers from anywhere.

B) Evaluation of the Measurement Model (Outer Model)

According to Ghazali (2021: 67), the measurement model (outer model) is conducted with the purpose of evaluating the relationship between latent variables and their indicators. Evaluation of the measurement model (outer model) is conducted to evaluate validity and reliability.

a. Convergent validity

In evaluating convergent validity, it can be seen from the loading factor value, which describes how strong the construct correlation is with its indicators. If the loading factor value is > 0.7 , then the validity is considered fulfilled.

Table 4: Loading Factor Value

Variable	Indicator	Loading Factor Value	Remarks
Purchasing Decisions	KPB1	0.760	Valid
	KPB13	0.818	Valid
	KPB14	0.708	Valid
	KPB15	0.714	Valid
	KPB16	0.803	Valid
	KPB2	0.774	Valid
	KPB3	0.738	Valid
	KPB4	0.744	Valid
	KPB5	0.788	Valid
	KPB6	0.746	Valid
	KPB7	0.743	Valid
	KPB8	0.835	Valid
Product Innovation	KPB9	0.755	Valid
	IP10	0.832	Valid
	IP11	0.814	Valid
	IP12	0.763	Valid
	IP2	0.798	Valid
	IP3	0.778	Valid
	IP4	0.812	Valid
	IP5	0.753	Valid
	IP6	0.769	Valid
	IP7	0.863	Valid
	IP8	0.789	Valid
Product Quality	IP9	0.761	Valid
	KP1	0.820	Valid
	KP10	0.847	Valid
	KP11	0.822	Valid
	KP12	0.838	Valid
	KP13	0.810	Valid
	KP14	0.847	Valid
	KP15	0.800	Valid
	KP16	0.836	Valid
	KP17	0.769	Valid
	KP18	0.851	Valid
	KP19	0.828	Valid
	KP2	0.763	Valid
	KP20	0.789	Valid
	KP4	0.772	Valid
	KP5	0.769	Valid
	KP6	0.804	Valid
	KP7	0.727	Valid
	KP8	0.813	Valid
	KP9	0.829	Valid
Product Price	HP1	0.724	Valid
	HP10	0.812	Valid
	HP11	0.827	Valid
	HP12	0.824	Valid
	HP13	0.811	Valid

Variable	Indicator	Loading Factor Value	Remarks
	HP14	0.824	Valid
	HP15	0.879	Valid
	HP16	0.812	Valid
	HP2	0.850	Valid
	HP3	0.853	Valid
	HP4	0.768	Valid
	HP5	0.814	Valid
	HP6	0.815	Valid
	HP7	0.700	Valid
	HP8	0.793	Valid
	HP9	0.780	Valid

All statement indicators for each variable have a loading factor value > 0.7. Thus, all statement indicators used in each variable can be declared valid. In determining whether a variable is valid or not, it can also be seen from the AVE value. Where, the AVE value of each construct shows which variables act as reflective indicators (variables). Latent variables are considered valid if they have an AVE value > 0.5.

Table 5: Average Variance Extracted Value (AVE)

Variable	Average Variance Extracted (AVE)
Purchasing Decisions (Y)	0.584
Product Innovation (X1)	0.631
Product Quality (X2)	0.652
Product Price (X3)	0.651

The test results of the AVE value of Purchasing Decisions, Product Innovation, Product Quality, and Product Price variables show the AVE value > 0.5. Thus, all latent variables can be declared valid.

b. Discriminant validity

In testing discriminant validity, reflective indicators are used which are evaluated by the cross-loading value. Assume that every parameter has a higher cross-loading value on its construct than it does on the other ones. In that instance, the PLS model has high validity for discrimination.

Table 6: Cross-Loading Value

Indicator	Purchasing Decisions (Y)	Product Innovation (X1)	Product Quality (X2)	Product Price (X3)
KPB1	0.760	0.629	0.642	0.627
KPB13	0.818	0.711	0.727	0.659
KPB14	0.708	0.653	0.653	0.586
KPB15	0.714	0.702	0.675	0.584
KPB16	0.803	0.708	0.723	0.686
KPB2	0.774	0.648	0.614	0.643
KPB3	0.738	0.666	0.603	0.567
.KPB4	0.744	0.630	0.600	0.669
KPB5	0.788	0.631	0.637	0.583
KPB6	0.746	0.613	0.596	0.605
KPB7	0.743	0.590	0.625	0.628
KPB8	0.835	0.677	0.728	0.706
KPB9	0.755	0.530	0.530	0.606
IP10	0.680	0.832	0.745	0.622
IP11	0.599	0.814	0.687	0.610
IP12	0.675	0.763	0.699	0.699
IP2	0.727	0.798	0.782	0.744
IP3	0.684	0.778	0.766	0.712
IP4	0.660	0.812	0.771	0.679
IP5	0.694	0.753	0.752	0.711
IP6	0.638	0.769	0.696	0.644
IP7	0.745	0.863	0.803	0.722
IP8	0.653	0.789	0.702	0.613
IP9	0.621	0.761	0.634	0.576

Indicator	Purchasing Decisions (Y)	Product Innovation (X1)	Product Quality (X2)	Product Price (X3)
KP1	0.781	0.833	0.820	0.773
KP10	0.643	0.719	0.847	0.794
KP11	0.733	0.740	0.822	0.749
KP12	0.665	0.752	0.838	0.747
KP13	0.701	0.754	0.810	0.785
KP14	0.690	0.752	0.847	0.778
KP15	0.645	0.751	0.800	0.760
KP16	0.688	0.768	0.836	0.759
KP17	0.656	0.751	0.769	0.727
KP18	0.721	0.790	0.851	0.795
KP19	0.658	0.796	0.828	0.762
KP2	0.629	0.731	0.763	0.660
KP20	0.719	0.763	0.789	0.733
KP4	0.684	0.723	0.772	0.692
KP5	0.691	0.692	0.769	0.718
KP6	0.698	0.735	0.804	0.712
KP7	0.551	0.646	0.727	0.630
KP8	0.673	0.711	0.813	0.674
KP9	0.684	0.730	0.829	0.784
HP1	0.610	0.593	0.671	0.724
HP10	0.642	0.705	0.724	0.812
HP11	0.642	0.716	0.752	0.827
HP12	0.746	0.739	0.762	0.824
HP13	0.621	0.659	0.705	0.811
HP14	0.694	0.662	0.754	0.824
HP15	0.771	0.754	0.782	0.879
HP16	0.696	0.679	0.714	0.812
HP2	0.715	0.704	0.819	0.850
HP3	0.718	0.729	0.820	0.853
HP4	0.541	0.613	0.730	0.768
HP5	0.691	0.703	0.769	0.814
HP6	0.630	0.640	0.711	0.815
HP7	0.525	0.571	0.631	0.700
HP8	0.635	0.643	0.675	0.793
HP9	0.659	0.725	0.778	0.780

The cross-loading value of each indication on its build is greater than the cross-loading value of each other indicator on its construct, with the overall cross-loading value of each indicator on the Purchasing Decisions latent variable, Product Innovation, Product Quality, and Product Price more than 0.7. Thus, the PLS model in this research has good discriminant validity and can be declared valid.

c. Reliability

Reliability testing is conducted to show the accuracy, consistency, and accuracy of the instrument in its measurement structure. A statement indicator can be declared reliable if it has a Cronbach's alpha value > 0.7 and a composite reliability value > 0.7.

Table 7: Cronbach's Alpha and Composite Reliability Value

Variable	Composite Reliability	Cronbach's Alpha	Remarks
Purchasing Decisions (Y)	0,940	0,948	Reliable
Product Innovation (X1)	0,941	0,949	Reliable
Product Quality (X2)	0,970	0,973	Reliable
Product Price (X3)	0,964	0,967	Reliable

The test results show that the Purchasing Decisions, Product Innovation, Product Quality, and Product Price variables have a Cronbach's alpha and composite reliability value of more than 0.7. Thus, all variables in this research can be declared reliable.

C) Structural Model Evaluation (Inner Model)

According to Fathorrahman (2021: 22), the structural model (inner model) is a model used to estimate the cause-and-effect relationship between latent variables.

a. R-Square

The R-Square value can explain the significant effect of specific exogenous latent variables on endogenous latent variables. The higher the R-Square value, it can be said that the prediction model and the proposed research model are getting better.

Table 8: R-Square

Variable	R-Square	R-Square Adjusted
Purchasing Decisions (Y)	0,760	0,752

The test results show that the Purchasing Decisions (Y) variable has an R-Square value of 0.760 or 76% and an Adjusted R-Square of 0.752 or 75.2%. This shows that the Purchasing Decisions (Y) model can be explained by the effect of Product Innovation (X1), Product Quality (X2), and Product Price (X3) by 75.2%. Meanwhile, the remaining 24.8% is explained by the effect of other variables not examined in this research, such as packaging, labelling, guarantees, and services. Thus, the effect of Product Innovation, Product Quality, and Product Price on Purchasing Decisions with an Adjusted R-Square value of 0.752 is indicated as a strong model.

b. Hypothesis Test

Hypothesis testing was done using the bootstrapping technique. Where, the model is evaluated by checking the significance value to understand the inter-variable. In this research, the p-value significance level of 0.05 (5%) and t-statistic > 1.96 were used.

Table 9: Bootstrapping - Path Coefficients Results

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P-Values
IP → KPB	0,464	0,468	0,156	2,980	0,003
KP → KPB	0,134	0,137	0,191	0,704	0,482
HP → KPB	0,308	0,303	0,113	2,741	0,006

H1: Product Innovation (X1) has a positive and significant effect on Purchasing Decisions (Y) with a beta coefficient value of 0.464, a t-statistic value of 2.980 > 1.96, and a p-value of 0.003 < 0.05. Thus, hypothesis 1 is accepted.

H2: Product Quality (X2) has a positive but insignificant effect on Purchasing Decisions (Y) with a beta coefficient value of 0.134, a t-statistic value of 0.704 < 1.96, and a p-value of 0.482 > 0.05. Thus, hypothesis 2 is rejected.

H3: Product Price (X3) has a positive and significant effect on Purchasing Decisions (Y) with a beta coefficient value of 0.308, a t-statistic value of 2.741 > 1.96, and a p-value of 0.006 < 0.05. Thus, hypothesis 3 is accepted.

D) Discussion

a. The Effect of Product Innovation (X1) on Purchasing Decisions (Y)

The study's findings support the notion that product innovation influences consumers' decisions to buy STIKBAB snacks in Bogor City in a favorable and noteworthy way. This is in line with research conducted by Alfiah and Aminah (2023) in a journal entitled "The Effect of Digital Marketing, Product Innovation, and Brand Image on Purchasing Decisions at the Lewo Factory Coffee Shop Surabaya" which states that Product Innovation has a significant effect on Purchasing Decisions.

The effect of Product Innovation on Purchasing Decisions is in accordance with the theory of Jauhari (2020: 227), which states that Product Innovation is the promotion of product features that can make the product superior to its competitors; if the product advantages, it will create added value for consumers. In addition, the effect of Product Innovation on Purchasing Decisions is also in accordance with the theory of Product Innovation goals according to Sudarmanto et al. (2022: 54-56), where creative and innovative products will always survive and can win the hearts of consumers. This can encourage a business or STIKBAB snack food business to innovate its products that are able to meet the needs and desires of consumers in accordance with consumer demands and expectations.

b. The Effect of Product Quality (X2) on Purchasing Decisions (Y)

According to the results of the research that has been conducted, it can be concluded that Product Quality has a positive, but not significant, effect on Purchasing Decisions for STIKBAB snacks in Bogor City. This is consistent with the study that was done by Fandiyanto et al. (2022) in a journal with the title "The Effect of Product Quality and Trust on

Purchasing Decisions with Consumer Satisfaction as an Intervening Variable at the Klabang Bondowoso Motorcycle Current Workshop,” which states that Product Quality has a positive, but not significant, effect on Purchasing Decisions.

The effect of Product Quality on Purchasing Decisions is in accordance with the theory according to Kotler and Keller (2016: 164), which states that Product Quality is a set of components and characteristics of a product or service that effect its ability to meet stated or perceived needs. In this case, STIKBAB snacks are not yet fully able to meet consumer needs and expectations. Apart from that, the effect of Product Quality on Purchasing Decisions is also in accordance with the additional product level theory according to Limakrisna and Purba (2019: 76-77), which states that in many situations, products include features and services that provide additional value to transactions that exceed expectations. Consumers can be a determining factor that differentiates between competitors, although many consumers may consider it unimportant.

c. The Effect of Product Price (X3) on Purchasing Decisions (Y)

The study’s findings support the notion that product price influences consumers’ decisions to buy STIKBAB snacks in Bogor City in a favorable and noteworthy way. This is consistent with the study that was done by Azizah et al. (2022) in a journal with the title “The Effect of Brand Image, Product Quality, and Price on Purchasing Decisions for Cimory Yoghurt in Surakarta,” which states that Product Price has a significant effect on Purchasing Decisions.

The effect of Product Price on Purchasing Decisions is in accordance with the theory according to Suhardi et al. (2022:54), which states that Product Price is a measure of a person’s satisfaction according to the amount of value given to the product they purchased. The STIKBAB snack business can apply the price lining pricing method by determining different price levels according to consumer purchasing power and determining the below-market pricing method, where the STIKBAB snack business can determine prices that are cheaper than the product prices offered by competitors.

V. CONCLUSIONS AND SUGGESTIONS

A) Conclusion

The following are some conclusions which might be made about this research based on the tested research results and the discussed discussion:

1. The research results show that Product Innovation has a positive and significant effect on Purchasing Decisions for STIKBAB snacks in Bogor City; this means that continuing to develop Product Innovation from STIKBAB snacks will have an effect on increasing consumer Purchasing Decisions in purchasing STIKBAB snacks.
2. The research results show that Product Quality has a positive, but not significant, effect on Purchasing Decisions for STIKBAB snacks in Bogor City; this happens when consumers buy STIKBAB snacks without paying attention to the quality. However, there is a very small possibility of an effect on increasing consumer Purchasing Decisions in purchasing STIKBAB snacks, if STIKBAB improves its Product Quality.
3. The research results show that Product Price has a positive and significant effect on Purchasing Decisions for STIKBAB snacks in Bogor City. This means that the high and low prices offered for STIKBAB snacks will effect consumers’ Purchasing Decisions in purchasing STIKBAB snacks.

B) Suggestions

According to the research results, discussions and conclusions that have been described, suggestions that can be given are:

1. For Company

In this research, it is hoped that the STIKBAB snack business can continue to develop and improve its Product Innovation by creating more new flavor variants that follow developments in consumer tastes in order to attract all groups to enjoy STIKBAB snacks, such as offering barbeque, onion chicken, chilli chicken flavors green, black pepper chicken, seaweed, and other flavor variants that are unique and attract consumer tastes. Apart from innovating better, researchers also provide suggestions for the STIKBAB snack business to offer affordable prices not only for its fans but affordable prices for all groups, as well as setting various price levels with different sizes more according to consumers’ purchasing power and offering the price is cheaper than the price offered by competitors.

2. For Further Researchers

In the future, it is hoped that further researchers can develop and expand the scope of this research with research objects that can be replaced by further researchers in other similar snack businesses apart from STIKBAB. Future researchers can change the variables used from various factors that affect Purchasing Decisions other than Product Innovation, Product Quality, and Product Price, including packaging, labeling, guarantees, and service.

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