The Role of Price in Mediating Product Quality on Purchasing Decisions at Cipadu Market, Tangerang City, Banten Province

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Abstract
This research aims to determine the role of price in mediating product quality on purchasing decisions at Cipadu Market, Tangerang City. This type of research is descriptive research with a quantitative approach using the path analysis method. The location of this research was at Cipadu Market. The sampling technique used accidental sampling because the researcher happened to meet the respondents directly. The research results show that; (1) Product quality has a significant effect on price; (2) Product quality has a significant effect on purchasing decisions; (3) Price has a significant effect on purchasing decisions. Product quality and affordable prices at Cipadu Market are interrelated, creating an attraction that influences consumer purchasing decisions, with a focus on customer satisfaction and trust, as well as business strategies to maintain low prices without sacrificing quality. Traders are advised to ensure high quality standards, offer a variety of products, collaborate with trusted manufacturers, and maintain competitive prices. Consumers are asked to provide reviews that give merchants insight into product quality and user satisfaction.

Keywords: Product Quality, Price, Purchasing Decisions, Customer, Cipadu Market

Abstrak

1. INTRODUCTION

Cipadu Textile Market in Tangerang City, Indonesia, is known as a textile trading center with a long history. Providing a variety of fabrics and textiles, including batik, silk, cotton, linen and brocade, this market is a major destination for buyers, tailors and textile traders from various regions. The main business actors in this market are cloth traders, selling retail and wholesale, while tailors and convection companies buy textile materials for clothing production. There are also accessories shops, sewing equipment sellers, and apparel traders, creating a complete market ecosystem for textile and clothing needs.

Research by Setiawan et al., (2015) shows that product quality has a significant impact on pricing, because consumers tend to pay more for products that offer superior quality. But research by Evelina et al. (2013) show that an affordable price does not always indicate low quality, nor does a high price always guarantee good quality, an affordable price reflects cost-effective production or marketing strategies, it does not always mean that the product has low quality.

The good and high quality of products at the Cipadu Market which are high at affordable prices are very popular with consumers. This is because efficient producers can manage production costs well, use modern technology, and optimize production processes. This can help them produce high-quality products without having to increase prices significantly.

Research conducted by Amalia (2022) shows that higher prices tend to make products less affordable for some consumers, while lower prices can increase purchasing power and create opportunities to dominate a larger market. Then research conducted by Tilaar et al. (2017) show that consumers form the perceived value of a product through a comparison between price and benefits received. If consumers believe that the value provided by the product is similar to or exceeds the price produced, the tendency to make a purchase will increase.

The existence of affordable prices at Cipadu Market creates a sustainable attraction for consumers, encouraging them to make this market a regular destination. Friendly prices provide an opportunity for consumers to explore a wide selection of high-quality textile materials without breaking their budget. As a result, consumers not only feel the freedom to explore various collections, but also feel more confident in making purchasing decisions regarding high-quality textile products. Therefore, Cipadu Market is not only an affordable shopping place but also a favorite destination for those who prioritize quality when choosing textile materials.

Damayanti (2021) research shows that consistent and maintained product quality can build consumer trust in the brand or product. This trust can influence purchasing decisions, especially if consumers feel that they are getting good value for the money they pay. Product quality in the research of Putro et al. (2014) linked to long-term satisfaction, consumers may be more willing to pay a higher price if they believe that the product will provide good performance and last a long time.

In previous research, very little has explored the role of price as a mediator between product quality and purchasing decisions with the textile materials market as the research object. The Cipadu market has a high level of product and seller variability. This research can explore the extent to which consumer perceptions influence the relationship between product quality, price and purchasing decisions.

This research will make a contribution by analyzing the role of price as a mediator specifically in the Cipadu Market, presenting results that can provide a new view on the dynamics of the relationship between product quality, price and purchasing decisions in this local market.
2. LITERATURE REVIEW

2.1. Product quality

Product quality is a measure or level of excellence or adequacy of a product in meeting or exceeding consumer expectations. Product quality covers various aspects, including brightness, durability, performance, design, and the product's ability to fulfill the desired function or need (Dahliani & Ahwal, 2021).

Product quality can also meet established standards or specifications, as well as the product's ability to compete in the market with similar products. Product quality greatly influences customer perceptions of the brand and can be a key factor in building customer trust and loyalty (Santoso, 2019).

2.2. Price

Price has a very crucial role, because if the price of a product is too high, it can result in reduced buyer interest, while if the price is too low, the seller's profits can be reduced. The seller's or trader's decision to set prices will have a direct impact on income, sales, or even potential losses if price setting is not done carefully (Nasution, 2019).

In history, prices were generally determined through a negotiation process between buyers and sellers. Sellers will usually offer a higher price than they actually expect, while buyers will try to bargain for a lower price than their expected payout. Through this bargaining process, they finally reached an agreement on a price that was acceptable to both parties (Saragih, 2015).

Several key elements related to the price concept involve (Amalia, 2013): (1) Market, where price is determined by the interaction between supply and demand; if demand is high and supply is low, prices tend to increase, and vice versa; (2) Subjective value, which reflects individual perceptions of the value or usefulness of a product; (3) At the business level, prices can be influenced by factors such as production costs, marketing strategies, and company goals, and pricing can be a tool to achieve business goals; (4) Non-monetary aspects, where prices are not only related to money but can also be sacrifices or non-monetary consequences that must be borne to obtain goods or services; (5) Assessment and compromise, where buyers make assessments and compromises related to price, comparing the value of the product with the amount of money that must be paid to make a purchasing decision (Amalia, 2013).

Setting prices that reflect superior levels of quality can be a very effective strategy in creating a competitive advantage for a company. In this context, when the price of a product corresponds to a high level of quality and competitors are unable to match or match this level of quality, then the company can establish its position in the market (Ratnaningtyas et al., 2022).

This competitive advantage not only creates strong differentiation between the company's products and competitors' products, but can also provide a significant boost to the company's brand image and reputation. Consumers tend to view products with a high level of quality as superior and reliable choices (Mayasari et al., 2021).

2.3. Purchasing Decision

Purchasing decisions are actions or processes carried out by consumers or organizations to select and purchase a product or service from various options available on the market. Purchasing decisions involve a series of steps taken by individuals or groups in searching, looking for, and selecting products or services that are considered to meet their needs or desires (Sari, 2020).
Several important aspects in purchasing decisions include (Harahap, 2015): (1) The process begins with recognizing a need or desire; (2) Consumers seek information about products or services that might meet their needs; (3) Consumers emit various available alternatives, comparing the features, benefits, and prices of products or services; (4) After discussion, consumers make decisions to purchase certain products or services influenced by various factors, including price, quality, brand, and psychological factors; (5) The physical act of purchasing a product or service. This can be done in person at a physical store or via an online platform; (6) After purchase, consumers can make their decisions which influence consumer loyalty and their influence on certain brands or products.

### 2.4. Hypothesis Development

Production of high quality products requires higher production costs. Production costs can increase due to the use of high quality raw materials, the application of sophisticated production technology, and the implementation of strict quality control standards (Rosita & Satyawisudarini, 2017). Products that present superior quality to consumers can encourage them to pay higher prices, because they are considered to provide value commensurate with the investment made (Fernando & Aksari, 2018).

Good product quality can increase consumers' willingness to pay higher prices, consumers who seek quality excellence prefer to pay to get products that meet or exceed their expectations (Putro et al., 2014). Consistent product quality can build customer trust which can influence customer loyalty, where customers who are satisfied with product quality will be more loyal and willing to pay higher prices (Fikri et al., 2016). On the basis of the explanation above, this research hypothesis can be formulated as follows:

**H<sub>1</sub>**: Product quality has a significant effect on price

High product quality can build consumer confidence in the product, consumers tend to have more trust and feel confident in their purchasing decisions if they believe that the product purchased is of good quality (Oktavenia & Ardani, 2019). Product quality that meets or exceeds consumer expectations can create added value, consumers tend to feel satisfied and the value obtained from the purchase can strengthen future purchasing decisions (Nadiya & Wahyuningsih, 2020). Based on the description above, the hypothesis of this research is:

**H<sub>2</sub>**: Product quality has a significant effect on purchasing decisions

Affordable prices tend to make products more accessible to a wider market segment, while high prices may limit product accessibility (Gunarsih et al., 2021). Price forms the consumer's perceived value of the product, consumers tend to assess whether the product provides value in accordance with the price they pay which is adjusted to the benefits provided which can increase the perceived value (Mulyadi, 2022). Based on the description above, the hypothesis of this research is:

**H<sub>3</sub>**: Price has a significant effect on purchasing decisions

Price and product quality together shape consumers' perception of value. Consumers tend to make comparisons between expected product quality and price and performance. If consumers feel that quality equals or exceeds price, they may be more inclined to make a purchasing decision (Damayanti, 2021).

**H<sub>4</sub>**: Price mediates product quality and has a significant effect on purchasing decisions
3. RESEARCH METHOD

3.1. Types of research

This research is a quantitative type that uses the path analysis method utilizing Smart PLS. The research location is located at Cipadu Market, a trading center that has an important role in selling textile materials both retail and wholesale. The focus of the research is to analyze the role of price as a mediator in the influence of product quality on purchasing decisions.

3.2. Population and Sample

The population that is the research subject is all groups of consumers who visit Cipadu Market with the aim of buying textile materials. To obtain representative data, the research involved 100 respondents, because according to Cooper & Emory (2012), for a population whose size is not definitely identified, the sample is set directly at 100 respondents. This assumption shows that the absolute size (number) of the sample is more important than the size of its proportion to the population. A sample size of 100 is considered to fulfill the requirements for a representative sample. This agrees with Fraenkel and Wallen (2012) that the minimum sample size for research is 100 respondents.

3.3. Data collection

Data was collected by distributing questionnaires with a Likert scale, which has a rating range from 1 to 5. The sample was chosen by chance using the Accidental Sampling method, where the researcher met the respondent by chance. This approach allows researchers to obtain diverse and in-depth insights from respondents who happen to be part of the research sample.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Question Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Product</td>
<td>X1.1 Textile products at Cipadu Market meet the expected quality standards</td>
</tr>
<tr>
<td></td>
<td>X1.2 Textile products at Cipadu Market have good durability</td>
</tr>
<tr>
<td></td>
<td>X1.3 The availability of color and product size choices at the Cipadu Market is adequate</td>
</tr>
<tr>
<td></td>
<td>X1.4 Textile products at Cipadu Market have clear and informative material labels</td>
</tr>
<tr>
<td></td>
<td>X1.5 The choice of textile product sizes at Cipadu Market is adequate for consumer needs</td>
</tr>
</tbody>
</table>
Variabel | Quisioner Item |
--- | --- |
Price | X2.1 Prices for textile products at Cipadu Market are competitive compared to other places |
| X2.2 Cipadu Market offers competitive and affordable prices for textile products |
| X2.3 Cipadu Market provides many choices with varying prices for textile products |
| X2.4 Cipadu Market offers discounts or promotions that make prices more affordable |
| X2.5 The price of textile products at Cipadu Market is in accordance with the quality provided |
Purchasing Decision | Y1 I purchased textile products at Cipadu Market because I already knew the product's advantages |
| Y2 I purchased textile products at Cipadu Market because it was easy to get information from friends and social media |
| Y3 I buy textile products at Cipadu Market because they are better than other textiles |
| Y4 I purchased textile products at Cipadu Market because of suggestions from other people, both conventional and digital |
| Y5 I purchased textile products at Cipadu Market because I was satisfied with the quality |

3.4. Data analysis

This research uses path analysis methods with the support of Smart PLS software. The data analysis process includes several key steps, such as validity testing to ensure the validity and trustworthiness of the data used, reliability testing to measure the accuracy of the research instrument, coefficient of determination to achieve which the regression model can explain variations in the data, and finally, hypothesis testing to test and validate relationships between the variables being investigated.

4. RESULTS AND DISCUSSION

4.1. Results

Table 1. Characteristics of Respondents

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>37</td>
<td>37%</td>
</tr>
<tr>
<td>Female</td>
<td>63</td>
<td>63%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 30 years old</td>
<td>28</td>
<td>28%</td>
</tr>
<tr>
<td>31 - 45 years old</td>
<td>56</td>
<td>56%</td>
</tr>
<tr>
<td>&gt; 45 years old</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary</td>
<td>5</td>
<td>5%</td>
</tr>
</tbody>
</table>
The table above shows that 63 female respondents, or 63%, constitute the majority of visitors at Cipadu Market. This can be explained by the fact that Cipadu Market offers textile products that are generally sought after or used by women, such as clothing, fabrics, and accessories. Therefore, most likely, female consumers feel more interested in visiting the market.

Apart from that, 56 respondents aged 31 to 45 years seem to be the group who most often shop for textile materials at Cipadu Market. This condition may be due to the fact that people in this age range are often in a period of life where they may already have an established job, a stable income, and a higher level of financial freedom compared to younger age groups. Therefore, they are better able to purchase textile products.

On the other hand, a large number of respondents with a high school educational background, namely 49 people or 49%, were recorded as the main visitors to Cipadu Market. This may be because consumers with a high school education do not always reflect a low level of income or purchasing power. Most likely, they choose to shop at Cipadu Market because the market provides products at affordable prices, within their budget.

On the other hand, around 41 respondents who are entrepreneurs, especially those operating in the fashion or textile industry, are seen frequently visiting Cipadu Market. This can be explained by the need of these entrepreneurs for raw materials or finished products for their business. Therefore, the Cipadu Textile Market may be considered a suitable source to meet their needs in business.

### Table 2. Validity Test

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Average VarianceExtracted</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Product</td>
<td>0.786</td>
<td>Valid</td>
</tr>
<tr>
<td>Price</td>
<td>0.765</td>
<td>Valid</td>
</tr>
<tr>
<td>Purchasing Decision</td>
<td>0.798</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

Based on the analysis carried out, the validity of this research can be confirmed by seeing that all the variables involved have an average value of the variance extracted exceeding 0.50. Table 2 shows that each variable has an average variance extracted higher than 0.50. Therefore, it can be concluded that all variables in this study can be considered valid.
Table 3. Reliability Test

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Product</td>
<td>0,817</td>
<td>0,800</td>
</tr>
<tr>
<td>Price</td>
<td>0,877</td>
<td>0,832</td>
</tr>
<tr>
<td>Purchasing Decision</td>
<td>0,853</td>
<td>0,820</td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

Based on the results of the analysis in Table 3, it can be concluded that the reliability of this research can be known, considering that all the variables studied have Cronbach’s alpha and Composite Reliability values above 0.7, as seen in Table 3. Therefore, the conclusion is that all the variables in the research can be considered reliable.

Table 4. R-Square

<table>
<thead>
<tr>
<th>Variabel</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0,471</td>
</tr>
<tr>
<td>Purchasing Decision</td>
<td>0,602</td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

In Table 4, the R-Square value for price is 0.471. These results indicate that 47.1% of the price variable is influenced by product quality. Meanwhile, the remaining 52.9% was influenced by other factors outside this research.

Then the R-Square value for purchasing decisions is 0.602. These results show that 60.2% of purchasing decision variables are influenced by product quality and price. Meanwhile, the remaining 39.8% was influenced by other factors outside this research.

Table 5. Direct Effect

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Original Sample</th>
<th>Standard Deviation</th>
<th>t-Statistic</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Product → Price</td>
<td>0,679</td>
<td>0,199</td>
<td>3,412</td>
<td>0,003</td>
</tr>
<tr>
<td>Quality Product → Purchasing Decision</td>
<td>0,433</td>
<td>0,120</td>
<td>3,608</td>
<td>0,001</td>
</tr>
<tr>
<td>Price → Purchasing Decision</td>
<td>0,586</td>
<td>0,117</td>
<td>5,008</td>
<td>0,000</td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

In Table 5, it can be seen that the significance value for the product quality variable on price is 0.003, which means it is smaller than 0.05. Therefore, it can be concluded that product quality has a significant effect on price.

Meanwhile, the significance value for the product quality variable on purchasing decisions is 0.001, which means it is smaller than 0.05. Therefore, it can be concluded that product quality has a significant influence on purchasing decisions.

Meanwhile, the significance value for the price variable on purchasing decisions is 0.000, which means it is smaller than 0.05. Therefore, it can be concluded that price has a significant influence on purchasing decisions.
Table 6. Indirect Effect

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Original Sample (O)</th>
<th>Standar Deviation (STDEV)</th>
<th>t-Statistic (O/STDEV)</th>
<th>P-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Product</td>
<td>0,426</td>
<td>0,101</td>
<td>4,218</td>
<td>0,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Original Sample (O)</th>
<th>Standar Deviation (STDEV)</th>
<th>t-Statistic (O/STDEV)</th>
<th>P-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0,101</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Decision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2023)

In Table 6, it can be seen that the significance value of the product quality variable on purchasing decisions through price is 0.000, which means it is smaller than 0.05. Therefore, it can be concluded that product quality has a significant influence on purchasing decisions through price.

4.2. Discussion

4.2.1. The Influence of Product Quality on Price

Product quality has a significant influence on purchasing decisions at Cipadu Market, because consumers generally tend to choose products that have good quality which can create customer satisfaction and build trust, which in turn can influence purchasing decisions. The products offered at Cipadu Market are known to have a good reputation in terms of quality, customers may be more inclined to choose these products over competitors' products that do not have a good reputation.

Research conducted by Rosita & Satyawisudarini (2017) shows that good product quality can be an important factor in creating loyal customers. If consumers are satisfied with the quality of the product, they will most likely return to make repeat purchases.

Research conducted by Fernando & Aksari (2018) shows that product quality can influence consumers' perception of value, because consumers feel that the product provides good value for the money they pay, they are more motivated to make a purchase.

4.2.2. The Influence of Product Quality on Price

In this research, product quality has a significant effect on prices at Cipadu Market. This is because traders or producers at Cipadu Market try to keep the prices of their products low and affordable without sacrificing quality. This may reflect a business strategy to attract more consumers. Consumer preferences at Cipadu Market prefer high quality products but at affordable prices. This provides valuable insight into what consumers in that market consider important.

Research conducted by Oktavenia & Ardani (2019) shows that markets where the emphasis is on product quality and affordable prices are more competitive. Research conducted by Nadiya & Wahyuningsih (2020) shows that manufacturers who are successful in providing high quality products at competitive prices may have a competitive advantage, high product quality can improve the image of products that provide quality products without incurring large costs to purchase the product.

4.2.3. The Influence of Price on Purchasing Decisions

In this research, price has a significant influence on purchasing decisions at Cipadu Market. This is because affordable prices can be more in line with consumers' purchasing power at Cipadu Market, consumers tend to choose products or services that suit their budget. The Cipadu market is very competitive, competitive prices can be the main factor in attracting consumer attention. Consumers will most likely choose a product or service at a lower price if the quality is considered equivalent.
or adequate.

Research conducted by Mulyadi (2022) shows that manufacturers who sell products use marketing strategies that emphasize affordable prices, this can strengthen consumers’ perceptions of the importance of price in purchasing decisions. Research conducted by Gunarsih et al., (2021) shows that affordable prices make consumers believe that the products or services they buy still have adequate value and quality. This can strengthen the link between affordability and purchasing decisions.

4.2.4. The Influence of Product Quality on Purchasing Decisions through Price

In this research, product quality has a significant influence on purchasing decisions through prices at Cipadu Market. This is because affordable prices for quality products can increase the attractiveness of a product in the Cipadu Market, consumers tend to prefer products that provide more value, namely good quality at an affordable price. Consumers may be more motivated to buy products at affordable prices if they believe that the product still has good quality.

Research conducted by Damayanti (2021) shows that affordable prices are often a key factor in purchasing decisions. Consumers generally look for good value, where the quality of the product is commensurate with the price.

5. CONCLUSION

The quality of products at Cipadu Market has a big influence on purchasing decisions, because consumers tend to choose quality products that can create customer satisfaction and build trust. Affordable prices also play an important role, with traders trying to keep prices low without sacrificing quality, which reflects a business strategy to attract consumers in a competitive market. In this context, product quality and price are interconnected, where quality products at affordable prices can increase attractiveness and influence consumer purchasing decisions at Cipadu Market.

5.1. Limitation & Suggestion

The weakness in this research seems to be the limited variables that influence purchasing decisions, namely only including product quality and price variables. The theoretical suggestion of this research is that to increase the richness of the analysis and the accuracy of the findings, it is recommended to include additional variables that may have a significant influence, such as brand image, perceived value, customer service, and consumer psychology. By expanding the scope of variables, research can provide more holistic and in-depth insight into the factors that shape purchasing decisions. This more comprehensive understanding will support the development of more effective marketing strategies and provide a greater contribution to theoretical and practical understanding in certain market contexts, such as Cipadu Market in Tangerang City, Banten Province.

Practical suggestions from this research are: (1) For traders at Cipadu Market, ensure that the products sold meet high quality standards by choosing good materials and ensuring the production process is carried out carefully, then offering a wide choice of materials, products and models to meet the needs of various consumers, then collaborate with trusted manufacturers to guarantee the supply of quality raw materials and maintain consistent product quality; (2) Consumers who visit Cipadu Market are expected to provide reviews of the products they purchase so as to provide valuable insight into the quality and satisfaction of merchant users.
REFERENCE


