

**ANALYSIS OF THE EFFECT OF PRODUCT QUALITY, PRICE AND  
HALAL LABELING ON PURCHASING DECISIONS  
(Case Studies Abon Sapi Pada Suka 68 Boyolali)**

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***Abstract***

*The purpose of this study was to collect data that could be used to provide a definitive explanation of the impact of elements such as product quality, price, and halal labeling on consumer purchasing choices. In this study, quantitative research design was used as research design. One way of data collection is through the use of questionnaires, which are then examined through the application of multiple regression. Based on research findings, there is a positive and significant influence on purchasing decisions that can be caused by three factors: (1) product quality, (2) price, and (3) halal labeling. There are a total of 85.4% of factors influencing the purchase of Abon Daging Sapi Pada Suka 68 Boyolali. These factors include product quality, product price, and halal label. While the remaining 14.6% was influenced by additional factors that were not studied in this study.*

**Keywords:** *product quality, price, halal labeling, purchasing decision*

**1. Introduction**

Currently, the ability of a corporation to maintain its market share is influenced by the increasingly fierce competition that exists in the commercial world. The success of a company can be measured by the number of customers who buy and enjoy the goods it offers. Achieving success in managing its business is the goal of every company. Abon Daging Sapi Pada Suka 68 Boyolali, a micro, small and medium enterprise (MSME) that produces side dishes and snacks made from beef. Together with other micro, small and medium enterprises (MSMEs), Abon Daging Sapi Pada Suka 68 Boyolali needs to rise and compete with other business actors.

MSMEs can implement many strategies to stimulate buyer demand. These efforts include improving product quality and competitive pricing. If a product is labeled halal, it will certainly attract consumers to buy it. This is because consumers want to buy goods that are not only cheap but also provide quality. According to Lupiyoadi and Hamdani (2008), purchasing decisions involve an understanding of consumer behavior, specifically the activities consumers carry out when choosing to buy or utilize certain products or services. It is important to pay close attention to the decisions made regarding the purchase because this choice will definitely be considered when determining the next marketing strategy to be implemented by the company.

To meet the stricter standards of the company, a business must offer a superior product with added value that sets it apart from the products of its competitors. Product quality is an aspect that is no less important than other aspects. Because, to maintain the continuity of a company in the midst of increasingly fierce competition today, it is very important to maintain and improve product quality. There will be significant benefits for both business and operational development from this. According to Kotler and Keller (2009), products and services that will be received by prospective customers must be in accordance with needs, of high quality, and meet

their wants or needs. This includes experiences, events, people, places, properties, organizations, information, and ideas. Kotler and Keller (2009) define product quality as the ability of a product to perform its intended function. This capacity includes the durability and consistency of the product, as well as other desired overall product characteristics. The quality of a product is determined by various factors and functions, including longevity, independence from other products or components, exclusivity, comfort, and external appearance (color, shape, packaging, etc.) (Saragih, MM., 2018). The best quality product line will be able to grow rapidly and be able to control a larger market share.

When making a purchase, consumers consider several factors, including price, in addition to the quality of the goods. The value of an item is also determined by its price, which serves as a medium of exchange to obtain goods or services at the time of purchase. According to Maruapey et al. (2022), consumers are able to see and understand the price of a product. Price refers to the monetary value that consumers must pay to acquire a particular product or service. (Alma, 2007). Pricing a product is an important component that plays a role in marketing the product in the business world. When shoppers shop for a product, the main issue they consider is price, both high and low. The price paid in return for goods or services also determines the value of the product. For customers, price is a visible and tangible factor. (Maruapey et al., 2022).

In addition to product quality and price, the inclusion of halal labels also plays an important role in the consumer decision-making process in choosing goods and services. The Indonesian Ulema Council defines a halal label as a description, symbol, or writing that indicates the halalness of a product on its container. Policy Number 39 of 2021 Number 2 regulates the matter. There are rules governing that halal certificates must be included on any product guaranteed entry, circulation, trade, or trade in Indonesia. What is meant by "label" is a collection of information displayed on product packaging, as revealed by (Savitri & Putra, 2022).

## **2. Theoretical Foundation**

### **Product Quality**

For the purpose of this study, the theory developed by Kotler & Keller (2009) was used while defining the operational variable "product quality". Product quality, sometimes referred to as "product quality", is one of the instruments used by marketers to determine where their goods will be positioned in the market. Each company must choose the level of quality of its products to help improve or maintain the position of its products in the target market. Kotler & Keller (2009), define quality as the ability of a product to meet its intended purpose. The longevity of the product, brightness, accuracy of results, ease of use and maintenance, as well as other beneficial aspects of the product as a whole are all included in this capability. Product quality, on the other hand, is defined by Lupiyoadi & Hamdani (2008) as a dynamic condition that includes people, things, services, and environments that meet or exceed expectations.

### **Product Price**

Saladin & Buchory (2007) define "price" as a specific amount of money that a company charges its clients for the purchase or use of goods or services. According to Alma (2007), in order for the selling price to be considered fair, it must be sufficient to pay all costs incurred and reasonable profits. According to Tjiptono (2008), the term "price" indicates the monetary value and type of goods and services that may be exchanged by buyers to obtain a wide selection of goods and services provided by sellers. Choosing a pricing objective is one of many variables organizations need to consider when determining their pricing policies, as outlined by Alma

(2007). Find out what the demand is. Third, estimate costs. 4. Conduct price and bid analysis against competitors. 5. Establish your product pricing mechanism. Select the total cost of the item.

### **Halal Labeling**

Stanton as quoted in Syriac (2008), defines a label as an element of a product that communicates written information about the product or its seller. Government Regulation Number 69 of 1999 concerning Food Labels and Advertisements states that food labels must contain all necessary information about food, its parts, and the packaging parts that contain it. The information can be in the form of images, writing, a combination of both, or other forms. Therefore, food labels must contain the following information: the name of the product, its net weight or content, a list of ingredients, and the name and address of the company or organization responsible for producing or carrying the product. In accordance with the Ministry of Religious Affairs, the definition of halal is as follows: "it does not contain elements or ingredients haram or prohibited for consumption by Muslims, and its processing is not contrary to Islamic law." The Decree of the Minister of Religious Affairs of the Republic of Indonesia number 518 of 2001 which regulates the Inspection and Determination of Halal Food contains this understanding.

### **Purchase Results**

The behavior shown by customers when searching, providing, assessing, and buying products and services that are expected according to their needs is called purchasing decisions, as stated by Schiffman & Kanuk (2007). Purchasing decision, on the other hand, is a process that, according to Tjiptono (2008), involves the client in identifying a problem, finding out more about a particular brand or product, and offering a workable solution to the problem. In the end, this assessment leads to a purchase decision.

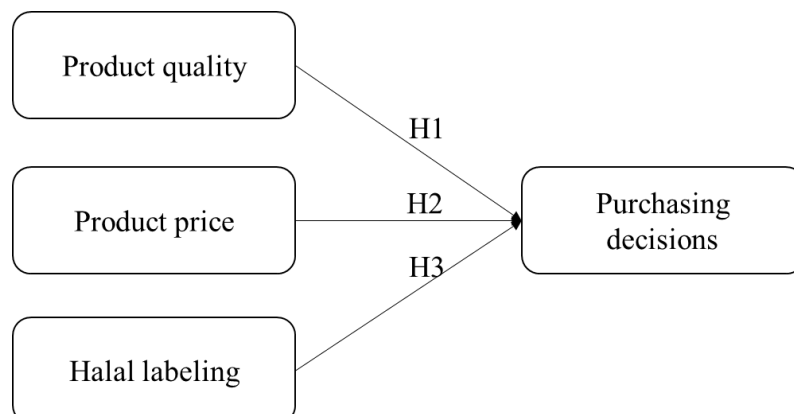
### **Hipotesis**

H1: Product quality has a positive and significant effect on purchasing decisions

H2: Product price has a positive and significant effect on purchasing decisions

H3: Halal labeling has a positive and significant effect on purchasing decisions

### **Research Framework**



### 3. Research Methods

This study aims to analyze the relationship between product quality, price, and the presence of halal labels in orders to assist consumers in making the right purchasing decisions. Purchasing Decision (Y) is an inherent variable, while Product Quality (X1), Price (X2), and Halal Labeling (X3) are the three independent variables. The respondents of this study were thirty customers who had made at least one purchase or prospective customers who were interested in buying Shredded Beef products at Suka 68 Boyolali. To collect data for the study, questionnaires and probability sampling (basic random samples) were used.

### 4. Results And Discussion

#### Validity Test

**Table 1 Validity Test Result**

Variabel	r calculate	r table	Information
Product Quality	0,552	0,3	Valid
	0,686		
	0,506		
	0,776		
	0,746		
Product Price	0,801	0,3	Valid
	0,680		
	0,707		
	0,923		
	0,869		
Halal labeling	0,626	0,3	Valid
	0,734		
	0,839		
	0,633		
	0,653		
Purchase decision	0,819	0,3	Valid
	0,758		
	0,764		
	0,671		
	0,700		

Source: Data processing 2023

Findings from data processing can be used to obtain information on product quality, product prices, halal labels, and purchasing decisions. Given that the Pearson Correlation score exceeds 0.3, it can be concluded that questions related to product quality, product price, halal labeling, and purchasing decisions are considered valid.

## Reliability Test

**Table 2 Reliability Test Results**

Variable Name	The Value of Reliability Count	The Value of Reliability Table	Information
Product Quality	0,656	0,60	Reliabel
Product Price	0,849	0,60	Reliabel
Halal labeling	0,731	0,60	Reliabel
Purchase decision	0,788	0,60	Reliabel

Source: Data processing 2023

Findings from data processing show that there is a level of reliability of product quality, product price, halal labeling, and purchasing decisions of more than 0.6. This shows the dependence of product quality, product price, halal labeling, and purchasing decisions.

## Simple Linear Regression Analysis

**Table 3 Test Results t**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2.380	1.837		-1.296	.207
Product Quality	.330	.135	.290	2.453	.021
Product Price	.386	.119	.377	3.253	.003
Halal labeling	.376	.122	.361	3.074	.005

a. Dependent Variable: Purchase decision

The t-test results showed a t-value calculated product quality of 2.453 greater than 1.697. Furthermore, the significance value of product quality of 0.02 is less than 0.05. Therefore, it can be concluded that product quality has a positive and significant influence on purchasing decisions. It can be concluded that price has a positive and large effect on purchasing decisions, because the next result for the price variable has a calculated value of  $3.253 > 1.697$  with a significant value of 0.00. If the value is below 0.05, it means that the value is less than 0.05. The halal labeling variable showed a calculated value of 3.074 higher than 1.697 and a significant value of 0.00 lower than 0.05. These findings show that the inclusion of halal labeling has a positive and large impact on consumer purchasing choices.

**Table 4 Coefficients of Determinants**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924 <sup>a</sup>	.854	.837	1.13806

a. Predictors: (Constant), Labelisasi Halal, Harga, Kualitas Produk

Based on the value of the coefficient of determination also called R Square, we can estimate the magnitude of the influence of the independent variable (X) on the related variable (Y). The determinant coefficient achieved of 0.854 can be seen from the table containing the results of regression calculations. This shows that the purchase decision of Abon Daging Sapi Pada Suka 68 Boyolali is influenced by 85.4% Factors considered include product quality, product price, and the presence of halal labeling. In contrast, the remaining 14.6% were influenced by other factors not analyzed in the study.

## **5. Conclusion**

The results showed that product quality, price, and halal labels all had a good and significant effect on the purchase decision of Abon Daging Sapi Pada Suka 68 Boyolali. There are many other studies such as those conducted by Suari et al. (2019) and Wulandari & Iskandar (2018), also found that product quality has a positive and significant effect on purchasing decisions. Then, there is evidence that supports the claim (Sari & Prihartono, 2021; Supu et al., 2021) that price has a positive and real influence on purchasing decisions. Many studies (Susanti et al., 2021; Wibowo & Madusari, 2018) showed that halal labels have a positive and significant effect on people's purchasing decisions, thus providing confidence in halal label variables. Price, quality, and halal marking account for 85.4% of purchases. Other factors contributed to the remaining 14.6% of purchases.

## **Suggestion**

Advice for Abon Daging Sapi Pada Suka 68 Boyolali should improve the quality of its products so that consumers who buy are satisfied and make repeat purchases. This is because the product quality variable that has the lowest coefficient value compared to product prices, halal labeling.

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