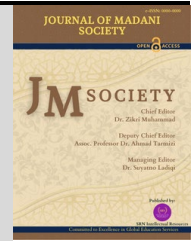




Journal of Madani Society

Journal homepage: <https://journal.srnintellectual.com/index.php/jmsc>



Original Article

The Impact of Product Quality, Price and Distribution Channels on Purchasing Decisions: A Case Study of Keris Center in Aeng Tong-Tong, Sumenep

Nur Qoudri Wijaya ^{a,*}, Budiyanto Budiyanto ^a and Karyani Eka Wati ^a

^a Department of Management Science, School of Economics of Indonesian (STIESIA), Sukolilo, 60118 Surabaya, Jawa Timur, Indonesia; budiyanto@stiesia.ac.id (B.B.), karyaniekawati1966@gmail.com (K.E.W.)

* Correspondence: nurqoudri@wiraraja.ac.id (N.Q.W.)

Citations: Wijaya, N.Q., Budiyanto, B., & Wati, E.K., (2024). The Impact of Product Quality, Price and Distribution Channels on Purchasing Decisions: A Case Study of Keris Center in Aeng Tong-Tong, Sumenep. *Journal of Madani Society*, 3(1), 81-87.

Received: 19 April 2024

Accepted: 26 July 2024

Accepted: 8 August 2024

Published: 31 August 2024

Abstract: Indonesia, a nation rich in natural resources and cultural heritage, holds immense potential for its citizens' benefit. The country's diverse cultural landscape encompasses tangible and intangible elements, including the Keris, an ancestral artifact imbued with noble values. Aeng Tong-Tong Village, recognized as one of the top 50 tourist villages in ADWI 2022, stands out for its historical and cultural significance, particularly in Keris production. The Keris, known as Tosan Aji in Javanese, is a respected iron embodiment with consistent main components across regions. Sumenep district, home to Aeng Tong-Tong Village, has earned the title "City of Keris" due to its high concentration of master craftsmen, with its significance in Keris production acknowledged by UNESCO. This study examined the influence of product quality, price, and distribution channels on purchasing decisions for senta Keris in Aeng Tong-Tong Village. Descriptive analysis revealed generally favorable conditions across all research variables. The t-test results showed significant effects of product quality ($p = 0.037$), price ($p = 0.000$), and distribution channels ($p = 0.036$) on purchasing decisions. Hypothesis testing confirmed that all variables significantly influenced purchasing decisions ($p = 0.000$). Product quality impacts decisions due to the distinct characteristics of Aeng Tong-Tong Keris, featuring typical Sumenep shapes and decorations. Price influences decisions as there is no standardized benchmark, with prices varying based on pamor and pendok uniqueness. Distribution channels affect decisions through diverse networks, including collectors and retailers, enhancing product accessibility. These findings highlight the importance of these factors in shaping consumer behavior towards senta Keris purchases in Aeng Tong-Tong Village.

Keywords: Product quality; Price; Distribution channels; Consumer behaviour; Marketing strategy; Purchasing Decisions.



Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY 4.0) license (<https://creativecommons.org/licenses/by/4.0/>).

1. Introduction

Indonesia, a vast nation with abundant natural resources, possesses significant potential that, if properly managed, could greatly benefit its citizens (Wijatno, 2009). The country boasts a rich cultural heritage with distinct regional characteristics, often reflecting social status or ethnic nuances. This heritage encompasses both tangible and intangible elements, including Keris, an ancestral cultural artifact imbued with noble values (Irawan & Indawati, 2021). Aeng Tong-

Tong Village gained prominence after being recognized as one of four tourist villages from East Java Province in the top 50 ADWI 2022. Its selection in the "Best Tourism Village" category of ADWI 2022 is not without merit. The village's designation as an industrial center stems from the community's skills and historical and cultural significance, particularly in Keris production. In Javanese, Keris is referred to as *Tosan Aji*, a term derived from "*tosan*" (iron) and "*aji*" (respected) (Anekawati et al., 2021). The Keris is a unified object with consistent main components across regions, primarily Keris blades. It represents an iron embodiment with respected beliefs (Herli & Purwanto, 2023). Sumenep district has earned the "city of Keris" moniker due to its high concentration of master craftsmen, particularly in Aeng Tong-Tong Village. UNESCO has also acknowledged Sumenep's significance in Keris production (Anekawati et al., 2021). Researchers' observations indicate that many nobles possess Keris as a weapon or symbol. Product quality is a crucial factor in purchasing decisions.

Previous research has noted distinct differences between Keris produced by Sumenep Master and those made in Java. These differences are evident in the variety and uniqueness of the patterns, shapes, and *pamor* (surface carvings) found on Keris (Pratama, 2019). Keris craftsmen in Aeng Tong-Tong Village employ special and secret techniques in their production processes. However, the Keris Center faces challenges regarding facility development, accessibility, and attraction enhancement, with limited support from village management and the Sumenep Regency government. Field observations revealed significant price variations for Keris. Ordinary Keris ranged from Rp.500,000 to Rp.1,000,000, mid-range pieces from Rp.1,000,000 to Rp.5,000,000, and high-end Keris from Rp.6,000,000 to hundreds of millions of rupiahs. The production time varies from one month for standard pieces to several months for masterpiece-quality Keris. Pricing is not standardized and depends on the *pamor* and *pendok* of each Keris, with unique features commanding higher prices. Distribution channels play a crucial role in marketing by facilitating the delivery of goods and services to consumers (Eduar & Nidyawati, 2021). Researchers have observed that Keris sellers in Aeng Tong-Tong village lack official marketplace accounts, which could potentially streamline consumer-purchasing decisions.

Currently, Keris purchases in Aeng Tong-Tong are made through direct visits to the location or by resellers. Purchasing decisions are the result of various consumer considerations (Faadhilah 2018). The Keris in Sumenep adds value to the region, particularly for foreign tourists, given its UNESCO recognition since 2005 (Anekawati et al., 2021). The quality of Sumenep Keris is indisputable, with a time-consuming production process that requires attention to its aesthetic value, function, and benefits. This study examines the effects of product quality, price, and distribution channels on purchasing decisions for Keris in Aeng Tong-Tong Village.

2. Literature Review

Product quality is critical for marketers, as it directly influences consumer value and satisfaction through product or service performance. Companies use products to conduct business operations (Sari & Prihartono, 2021). Consumers and customers pay particular attention to product quality, especially those who seek to maintain the quality of marketed products (Sinulingga, 2021). Product quality can be defined as the physical condition, properties, and functions of goods or services based on a quality level adjusted for reliability, ease of use, suitability, and other components designed to meet customer satisfaction and needs. Kotler and Keller (2016), Kotler and Kevin (2009), and Purnaningrum et al. (2018) identify three indicators that affect product quality: product specifications, product performance, and product display. Product specifications encompass the total characteristics of goods or services that fulfill customer needs and wants. Product performance refers to the basic benefits of the product and whether it meets user expectations. Product display is defined as the ease with which customers can locate desired products based on their presentation. As Kotler and Armstrong (2014) outlined, product quality dimensions include performance, specialty, and reliability. Performance is measured over a specified period based on predetermined conditions or agreements. Specialty refers to useful aspects that enhance the basic function, including options and development. Reliability is the probability of a component or system performing its specified function within a designated timeframe under designed operating conditions. Price is crucial in influencing buyers' choices for goods and services. Sari and Prihartono (2021) define price as the monetary value assigned to goods or services or a measure of the cash value purchased for various uses. Price is an economic mechanism that distributes offers among customers in the market and serves as an indicator of supply and demand.

Kotler and Keller (2016) identify four price indicators: price range, alignment between price and product quality, competition, and affordability. The price range represents the monetary value of goods or services in a particular market at a specific time. The alignment between price and product quality suggests consumers are willing to pay more for higher-quality products. Price competition involves sellers attempting to attract consumers by offering lower prices than competitors. Price affordability refers to consumers' ability to pay the price set by the company. Distribution or, marketing, or trade channels are routes or series of intermediaries that deliver goods from producers to consumers (F. Wijaya et al., 2019). These channels can be direct, indirect, or semi-direct. Novitasari (2021) identifies three indicators of distribution channels: transportation systems, product availability, and waiting time. Transportation systems involve the movement of people or goods within a structured order. Product availability relates to the ease of obtaining products and associated customer requirements. Waiting time is when people or goods spend in a queue awaiting service.

Purchasing decisions are an integral part of consumer behavior, which studies how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Adabi, 2020). Kotler and Keller (2016) outline four dimensions of purchasing decisions: problem recognition, information search, evaluation of alternatives, and purchase decision. Problem recognition is the initial stage where individuals become aware of unmet needs. Information search involves seeking relevant information to fulfill these needs. Evaluation of alternatives is the process of comparing various options to solve identified problems. The purchase decision represents the final choice made by the consumer.

3. Materials and Methods

The research methodology employs a descriptive quantitative approach. Descriptive research aims to gather information about the status or characteristics of a specific population or area, or to map facts based on a particular framework at the time of the study (Abdullah, 2018). Data analysis will be conducted using statistical techniques through the SPSS For Windows 26 application. The quantitative method was chosen to determine whether there is a significant influence between this study's independent and dependent variables. The population for this study comprises consumers of the Aeng Tong-Tong kris. As the population size is unknown, non-probability sampling with a purposive sampling technique will be utilized. This technique involves selecting sample members based on specific criteria, such as having purchased crises from Aeng Tong-Tong and being at least 17 years old. The sample size is determined using the Roscoe formula, as cited by Muri Yusuf (2017), Minimum sample size = $10 \times \text{number of variables}$ and Sample size = $20 \times 4 = 80$ respondents. Data will be collected through the distribution of questionnaires containing closed-ended questions. Variable measurement will be conducted using a 5-point Likert Scale, with the following scoring method:

1. Strongly Agree (SS) = 5
2. Agree (S) = 4
3. Neutral (N) = 3
4. Disagree (TS) = 2
5. Strongly Disagree (STS) = 1

Data analysis will include validity and reliability tests. The validity test will assess whether the questionnaire effectively measures the intended constructs. An item is considered valid if its calculated r value is greater than the r table value at a 0.05 significance level and shows a positive correlation with the total score (Ghozali, 2018). The reliability test will measure the consistency of the questionnaire results over repeated use. According to Ghozali (2018), reliability is a measure of a questionnaire's ability to indicate a variable or construct consistently. A questionnaire is deemed reliable if respondents' answers to statements remain consistent over time..

4. Results

The result of construct validity using corrected item-total correlation provides valuable insights into the effectiveness of individual items in measuring the intended construct. This method evaluates the correlation between each item and the total score of the remaining items on the scale, excluding the analyzed item. A corrected item-total correlation value of 0.30 or higher is considered acceptable, indicating that the item contributes to the overall construct validity. Items with correlations above 0.50 demonstrate strong validity, while those between 0.30 and 0.49 exhibit moderate validity. However, items with correlations below 0.30 are weakly associated with the construct and may require revision or removal. For example, in an analysis of a 20-item instrument, 15 items with correlations above 0.30 would indicate strong construct validity for most of the scale. In contrast, items below this threshold would need careful review. The findings from this analysis guide decisions about retaining, revising, or eliminating items, ensuring the final instrument is reliable and effectively measures the intended construct.

Table 1. Result of Construct Validity

Variable(s)	Item(s)	Corrected Item- Total Correlation	Decision
Product Quality	X1.1	0,819	Valid
	X1.2	0,554	Valid
	X1.3	0,610	Valid
Price	X2.1	0,753	Valid
	X2.2	0,775	Valid
	X2.3	0,780	Valid
	X2.4	0,695	Valid
Distribution Channel	X3.1	0,399	Valid
	X3.2	0,400	Valid

Variable(s)	Item(s)	Corrected Item-Total Correlation	Decision
Purchase Decision	X3.3	0,528	Valid
	Y1	0,572	Valid
	Y2	0,601	Valid
	Y3	0,566	Valid
	Y4	0,664	Valid

Table 1 shows the validity of the data tested using the corrected item-total correlation method, where each item's correlation value was compared to the critical value from the r-table. With a significance level of 5% ($\alpha = 0.05$), the threshold for validity was set at an r-table value of 0.219. This means that any question or statement in the questionnaire with a corrected item-total correlation value greater than 0.219 is considered valid. Items that exceed this threshold demonstrate a strong and consistent relationship with the scale's total score, indicating that they effectively measure the intended construct. Conversely, items with correlation values below 0.219 may not sufficiently contribute to the overall measurement and could be considered invalid, requiring further review or removal. In this analysis, all question items or statements in the questionnaire were found to have corrected item-total correlation values greater than 0.219. As a result, every item was declared valid, confirming that the questionnaire is reliable for collecting data related to the measured construct. This outcome underscores the robustness of the questionnaire and ensures that each item contributes meaningfully to the overall reliability and validity of the instrument. Overall, using corrected item-total correlation provides an objective basis for evaluating the validity of individual items, helping researchers ensure the quality and accuracy of their measurement tools. The questionnaire is validated as a reliable instrument for further data analysis by adhering to this statistical standard.

Construct reliability, often assessed using Cronbach's Alpha, measures the internal consistency of a questionnaire or scale to determine how well the items collectively measure the intended construct. Cronbach's Alpha produces a reliability score ranging from 0 to 1, with higher values indicating stronger internal consistency. The interpretation of these values is as follows: a score of 0.90 or above indicates excellent reliability, signifying that the items are highly consistent, and the scale is very reliable. Scores between 0.80 and 0.89 reflect good reliability, suitable for most research purposes, while values from 0.70 to 0.79 indicate acceptable reliability, though some refinement of items may be beneficial. Scores between 0.60 and 0.69 suggest questionable reliability, requiring closer examination and possible scale revision. Scores below 0.60 indicate poor reliability, suggesting that the items do not effectively measure the construct and require significant modifications or redesign. For example, a questionnaire yielding a Cronbach's Alpha value of 0.85 would demonstrate good reliability, showing that the scale is consistent and appropriate for use in research. Conversely, a value of 0.58 would indicate poor reliability, signaling the need for revising or removing problematic items to improve the scale. Cronbach's Alpha provides a quantifiable measure of reliability and highlights areas that may need improvement. Achieving a high-reliability score ensures that the instrument is dependable, consistent, and capable of accurately measuring the construct, thereby enhancing the credibility of the data collected and the overall research outcomes.

Table 2. Result of Construct Reliability

Variable(s)	Cronbach Alpha	Threshold	Decision
Product Quality	0,807	>0,60	Reliable
Price	0,886	>0,60	Reliable
Distribution Channel	0,630	>0,60	Reliable
Purchasing Decisions	0,789	>0,60	Reliable

Table 2 shows the result of construct reliability. The results of the data analysis indicate that all variables assessed using Cronbach's Alpha have values greater than 0.60, confirming that they meet the criteria for reliability. This demonstrates that the questionnaire or scale used in the study has acceptable internal consistency, meaning the items within each variable are sufficiently correlated and work together to measure the intended construct effectively. Cronbach's Alpha is a widely used statistic for evaluating the reliability of a scale, with values ranging from 0 to 1. Higher values indicate stronger internal consistency, reflecting that the items on the scale reliably measure the same underlying concept. In exploratory research, a minimum Cronbach's Alpha value of 0.60 is often considered acceptable. When this threshold is exceeded, the variable is deemed reliable, signifying that the instrument can consistently capture the construct it is designed to measure.

In this study, the fact that all variables achieved Cronbach's Alpha values above 0.60 is a positive outcome. This finding suggests that the instrument is reliable and suitable for further analysis. A reliable instrument ensures that the data collected is consistent and free from significant measurement errors, improving the overall quality and credibility

of the findings. Furthermore, this consistency ensures that repeated measurements would yield similar results, which is critical for establishing the dependability of the instrument in different research contexts. For instance, a variable with a Cronbach's Alpha value of 0.75 reflects a satisfactory level of reliability, showing moderate internal consistency. Similarly, a variable with an Alpha value of 0.85 demonstrates strong reliability and indicates that the items are highly cohesive. The absence of variables with Alpha values below 0.60 further strengthens the evidence for the robustness of the instrument used in this study. These results highlight the importance of Cronbach's Alpha in validating research tools. The study confirms that all variables exceeded the reliability threshold and provide a strong foundation for accurate and meaningful data collection. Researchers can have confidence in the instrument's ability to consistently measure the intended constructs, essential for drawing valid conclusions and making informed decisions based on the findings. Thus, the analysis establishes that all variables in the study are reliable, as evidenced by Cronbach's Alpha values exceeding 0.60. This reliability validates the instrument as a well-designed and dependable tool suitable for future research while ensuring the credibility and accuracy of the collected data.

Table 3. Result of Hypothesis Testing

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Error	Beta		
(Constant)	8,527	2,155		3,957	0,000
X1	-0,255	0,120	-0,234	-2,121	0,037
X2	0,367	0,095	0,417	3,845	0,000
X3	0,362	0,170	0,230	2,130	0,036
R	0,483 ^a		Adjusted R Square	0,203	
R Square	0,233		Standard Error Estimate	262,152	

a. Dependent Variable: Y

The hypothesis testing results indicate that product quality, price, and distribution channels significantly influence purchasing decisions at the Keris Center in Aeng Tong Tong Village. Table 3 shows that t-test analysis, the product quality variable has a significant value of 0.037, which is less than the threshold of 0.05, indicating that product quality significantly affects purchasing decisions. Similarly, the price variable shows a significant value of 0.000, confirming that price is critical in influencing purchasing decisions. The distribution channel variable also has a significant value of 0.036, demonstrating its significant impact on purchasing decisions. Furthermore, the coefficient of determination, represented by the Adjusted R Square value, is 0.233. This indicates that product quality, price, and distribution channels collectively explain 23.3% of the variance in purchasing decisions, while the remaining 76.7% is influenced by other variables not examined in this study. These findings highlight the importance of product quality, price, and distribution channels in shaping purchasing decisions while emphasizing the need for future research to identify additional factors contributing to these decisions.

5. Discussion

This study investigates the impact of product quality, price, and distribution channels on purchasing decisions. Descriptive analysis revealed generally favorable conditions, as evidenced by the high number of respondents agreeing with the conditions of each research variable. The t-test (partial) data analysis conducted on the product quality variable demonstrated a significant effect on purchasing decisions ($p = 0.037 < 0.05$), indicating a strong relationship between product quality and purchasing decisions. Similarly, the price variable significantly impacted purchasing decisions ($p = 0.000 < 0.05$), suggesting a strong relationship between price and purchasing decisions. The distribution channel variable also significantly affected purchasing decisions ($p = 0.036 < 0.05$), implying a strong relationship between distribution channels and purchasing decisions. Hypothesis testing results revealed that all four variables used in this study had a significant value of $0.000 < 0.05$. Consequently, it can be concluded that product quality, price, and distribution channels influence purchasing decisions for senta Keris in Aeng Tong-Tong Village. Product quality affects purchasing decisions due to the distinct characteristics of Keris produced in Aeng Tong-Tong Village compared to those manufactured in Java. The Keris from this region feature a typical Sumenep shape and decoration, such as the Hulu Donoriko shape and the Dhang-Odhangan Warangka. Price influences purchasing decisions, as field observations indicate no standardized price benchmark for Keris transactions. The price of a Keris depends on its pamor and pendok, with more unique features commanding higher prices. Distribution channels impact purchasing decisions because the distribution of Keris in Aeng Tong-Tong Village can occur through various means, including collectors and retailers. This diverse distribution network contributes to the product's accessibility and, consequently, affects purchasing decisions.

6. Conclusions

The study concludes that product quality, price, and distribution channels significantly influence purchasing decisions for kris sellers in Aeng Tong Tong Village, Sumenep. These variables are crucial determinants in the decision-making process. The findings align with both scientific studies and field observations, suggesting a high degree of validity. To enhance their market position, Keris sellers in Aeng Tong-Tong Village should focus on improving product quality, implementing competitive pricing strategies, and effectively targeting consumer segments. This approach will help mitigate concerns about product authenticity and build consumer trust. Further research should broaden and deepen the understanding of the target market. This study can serve as a valuable reference for students and researchers, potentially inspiring innovations in addressing purchasing decision challenges across various research contexts.

Author Contributions: Conceptualization, N.Q.W. and B.B.; methodology, N.Q.W.; software, N.Q.W.; validation, B.B. and K.E.W.; formal analysis, N.Q.W.; investigation, N.Q.W. and B.B.; resources, N.Q.W.; data curation, B.B. and K.E.W.; writing—original draft preparation, N.Q.W. and B.B.; writing—review and editing, N.Q.W., B.B. and K.E.W.; visualization, N.Q.W.; supervision, B.B. and K.E.W.; project administration, N.Q.W.; funding acquisition, N.Q.W. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: Not applicable.

Acknowledgments: The authors would like to thank the School of Economics of Indonesian (STIESIA), Indonesia for supporting this research and publication. The authors would also like to thank the reviewers for their constructive comments and suggestions.

Conflicts of Interest: The authors declare no conflict of interest.

References

- Abdullah, W. (2018). Blended learning model in improving learning effectiveness. *Fikrotuna*, 7(1), 855-866.
- Adabi, N. (2020). The influence of brand image, service quality and consumer confidence on indihome purchasing decisions at Witel Telkom Depok. *Journal of Management*, 12(1), 32-39.
- Anekawati, A., Herli, M., Purwanto, E., Rofik, M., Anita, A., & Yulastina, R. (2021). *Kajian Keris Sumenep*. Dinas Pariwisata Kebudayaan Pemuda dan Olahraga Kabupaten Sumenep
- Eduar, R., & Nidyawati, N. (2021). Distribution channels and promotion on the sales volume of Honda CB 150R motorbikes. *Journal of Management and Business*, 3(2), 93-103.
- Faadhilah, F. N. (2018). The influence of consumptive lifestyle and beauty vlogger as a reference group on cosmetic purchasing decisions case study on female teenagers who use Korean cosmetics in Surabaya. *Journal of Management Science*, 7(1), 133-142.
- Herli, M., & Wijaya, N. Q. (2023). Pemberdayaan Pengrajin Keris (Empu) Melalui Penguatan Modal Intelektual Dan Pemasaran Digital Di Desa Aeng Tong Tong Kabupaten Sumenep. *Jurnal Abdi Insani*, 10(3), 1587-1597.
- Irawan, A., & Indawati, N. (2021). KERIS: Structure-function-activity (A study with an ethnoarchaeological approach). *Journal of Social Studies Research and Education*, 15(2), 173-196.
- Kotler, P., & Armstrong, G. (2014). *Principle of marketing* (15th ed.). Pearson Prentice Hall.
- Kotler, P., & Keller, K. L. (2016). *Marketing management* (12th ed., Vols. 1-2). PT Index.
- Kotler, P., & Keller, K. L. (2009). *Marketing management* (13th ed., Vol. 1). Erlangga.
- Novitasari, D. (2021). Efforts to increase sales volume during the Covid-19 pandemic through optimizing promotion, price, and distribution channels at the Takwa Tofu Gudange Souvenir Center. *Journal of Applied Management Research (PENATARAN)*, 6(1), 55-63.
- Pratama, B. A. (2019). The creativity of the artisans to increase the income of the artisans in the village of Tong-Tong in Umenep district [Unpublished manuscript]. Wiraraja University.
- Purnaningrum, E., Masnuah, M., & Hanifah, H. Z. (2018). Online marketing development and product packaging play a role in selling power results. *Penamas Adi Buana*, 2(1), 7-10.

- Sari, R. M., & Prihartono, P. (2021). The effect of price and product quality on purchasing decisions. *MEA Scientific Journal (Management, Economics, & Accounting)*, 5(3), 1171-1184.
- Sinulingga, S. (2021). Tourism & Covid-19 (Coronavirus impact inventory to tourism stakeholders in North Sumatra). *Budapest International Research and Critics Institute-Journal*, 4(1), 170-179.
- Wijatno, S. (2009). *Introduction to entrepreneurship*. Grasindo.
- Wijaya, F., Andy, A., Vincent, V., Steven, S., & Harahap, R. A. (2019). The effect of distribution channels and service quality on purchasing decisions for Omron brand medical devices products at Pt. SumberMedika Indonesia Medan (Medical Device Distributor). *Jurnal Darma Agung*, 27(2), 973-986.
- Wijaya, R. J., Kristianto, B. D., Marta, R. F., & Wahyudi, S. (2021). Construction of tourism destination image of Juang45 Building Bekasi in Tribunnews online media news. *Perspektif*, 10(2), 599-608. <https://doi.org/10.31289/perspektif.v10i2.4863>