

# The Effect Of Price And Product Quality On Sales Volume In SMEs Products Kota Pari Village

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**Abstract-**The goal of every business is to make a profit, and there are many ways to achieve this. The company reached, including the increase in volume sales along with SMEs products in Kota Pari village Pantai Cermin District, Serdang Bedagai Regency, with the aim of further sales growth. Check is designed to analyze the influence of price and product quality on sales volume. partial and simultaneous sales. This study used linear regression analysis doubles. The data used is primary data that comes from the random distribution of the questionnaires directly to SMEs customers in Kota Pari Village. 30 samples were used respondents. The test is carried out in three steps: validity and reliability tests, tests Classical hypotheses and hypothesis tests. The test results show that the value of the coefficient marks ( $R^2$ ) of 0.95 or 95%, while the remaining 5% is influenced by other variables. Partial examination and contextual examination of the price and quality of the product has a significant impact on sales volume. MSMEs in the city of Paris should really do this pays attention to the price and quality of the product because these two variables are very important has an impact on sales volume.

**Keyword-** SMEs, quality on sales, profit, sales volume

## I. INTRODUCTION

SMEs Kota Pari Products are one of the businesses that operates in the food sector, especially market snacks, which continues to develop well by providing quality and trendy products to win competition in similar products. The large number of businesses operating in the food sector compete with SMEs Kota Pari in attracting consumers, which means that SMEs must be able to maintain the quality of their products so that the desired goals can be achieved. SMEs Kota Pari products set relatively cheaper prices than competitors running similar businesses. SMEs Kota

Pari products set varied prices and also provide the best product quality with the aim of attracting consumers. The author feels interested in conducting research on SMEs Kota Pari, because the SMEs products have many customers, although there are still few product variations, but MSMEs Kota Pari still produce in quite large quantities. MSMEs in Kota Pari village provide lower prices, as well as quality products and services that are able to provide satisfaction to customers, because without the knowledge of the SMEs Kota Pari, consumers compare the prices offered by SMEs Kota Pari with prices those offered by competitors, at traditional markets in other villages, when compared with the prices offered by SMEs Kota Pari, there is a difference between IDR 1,000 to IDR 2,000.

Price is a value exchange that can be equated with money or other goods for that benefit obtained from a good or service for a person or group on certain time (Deliyanti Oentoro, 2012) then the product will sell well, vice versa if consumers reject it then a review is needed the selling price. There is a possibility that consumers have a mismatch after making a purchase because maybe the price is considered too much expensive or because it doesn't fit wishes and previous images. Apart from the price side, the success of a sale lies on the quality of the product itself. Quality A product is the totality of its characteristics and characteristics a product or service on ability to satisfy stated or implied needs (Kotler, 2005:49).

Through our promotions can tell, inform consumers regarding the current product marketed. Quality is very important important since world market competition getting tighter. Intense competition This was triggered by conditions of globalization which is progressing faster. Genre capital, resources and products increasingly free to



cross boundaries country. In this regard, product people from abroad are increasingly free to enter domestic market. A capable company produce with high quality, and competitive prices, are likely to dominate the market. If the product quality is good, then it will be easily accepted by customers, but if quality the product is not suitable the customer wants then with will easily be rejected by customers. Packaging variations and flavor variants variety will be easy attracts the attention of consumers, because, The current customer condition is very critical in determining a purchase product. Customers will feel satisfied because the product is very desired quality. "At the present time, Quality is not just an effort to meet specification requirements that has been determined or attempted to reduces damaged products, but broader than that

According to SMEs Kota Pari, with a marketing strategy in terms of price and quality, consumers will be more interested in making purchases, because currently consumers are very discerning in making purchases and generally prefer cheaper prices with quality that meets their expectations. That way, consumers will not switch to competitors, thereby automatically increasing the sales volume of SMEs Kota Pari itself. Facing intense competition in the field of food product marketing, the demand for affordable prices and high quality products has become a necessity for consumers to introduce. The importance of pricing and product quality is an advantage for a company in increasing its sales. The more frequently a product is introduced to consumers by improving and guaranteeing product quality, the more motivated consumers feel to own the product. On this basis, SMEs Kota Pari realize that to increase sales volume, product price and quality are important in influencing consumer product purchasing decisions. The promotional mix is a priority in introducing a product to make product purchasing decisions. In general, consumers who want to purchase a product always look for product introductions with the aim of making comparisons and conducting direct reviews in accordance with the form of promotion which provides information for consumers in making a decision.

## II. LITERATURE REVIEW

### A. PRICE

Price According to (Deliyanti Oentoro, 2012) Price is an exchange value that can be equated with money or other goods for the benefits obtained from a good or service for a person or group at a certain time. Price interacts with all other elements in the marketing mix in marketing for determine the effectiveness of each element and the entire element. To set prices, three important price elements must be taken into account, namely margin, price increases and competition. The first step in increasing prices

is to calculate costs that are directly related to goods or services. In the business world prices have many names, for example in the world of product trade it is called price, in the banking world it is called interest, or in the accounting services business, consultant it is called a fee, the cost of transportation for a taxi or telephone is called a tariff, while in the world of insurance it is called a premium.

### B. PRODUCT QUALITY

Product quality According to Kotler and Armstrong (2012) is "Everything that can be offered to the market to get attention, be purchased, used or consumed that can satisfy a want or need". Mc Charty and Perreault (2003) state that, "Products are the results of production that will be thrown to consumers to be distributed and used by consumers to meet their needs."

### C. SALES VOLUME

Sales volume is a measure that shows the number or size of goods or services sold (Mulyadi, 2005). Sales volume is sales expressed in terms of the number of sales, the number of physical units or the amount of money that must be achieved. In a company, the goal of marketing is to increase profitable sales volume in the sense that it can generate optimal income and increase profits. The following will explain the definition of sales volume according to experts, Simamora, Hendry (2000) defines sales volume as follows: Sales volume is the number of units of products or services that can be sold. Mulyadi (2005) defines sales volume as follows: Volume Sales is a measure that shows the number or size of goods or services sold.

## III. METHOD

This research was an explain research that proves the causal relationship between brand, product quality, and price as independent variables and sales volume as the dependent variable. The research framework of this study is presented in Figure 1. The method used in this research was quantitative data (Ferdinand, 2006). In obtained primary data, the author used a questionnaire as a basis for obtaining answers from respondents. This research was conducted at the Samana Mart Store. This research was using purposive sampling technique where the data is examined using measurements by considering individual choices by deliberately selecting respondents, where the population or respondents selected are respondents who did not believe and can provided the necessary information. The data collection technique used a questionnaire, with a sampling technique to 94 consumers. In this research, questionnaire was using as the data collecting method. The questionnaire was created using a Likert scale. The Likert scale was a scale that used several questions to measure a

behavior and answered from respondents (Ghozali, 2018). On the Likert scale, the measurement used was five points of choice; (5) strongly agree, (4) agree, (3) neutral, (2) disagree, and (1) strongly disagree. To verify the proposed hypothesis, validity and reliability were tested to determine the accuracy of the questionnaire. Then the classical assumption test was carried out using SPSS 20. The classical assumption test includes the normality test, to measure the dependent variable and the independent variable on a data that is normally distributed or not. Furthermore, multicollinearity test to see no symptoms of multicollinearity symptoms. Then the heteroscedasticity test was to determine the variant discomfort in a regression

#### IV. RESULTS AND DISCUSSIONS

##### A. RESULTS

The research results show that the price variable has a positive and significant influence on sales volume in Pari City MSMEs. These results provide empirical evidence that the prices provided by MSMEs which include price affordability, price match with quality, price competitiveness, price match with benefits can influence sales volume. The research results show that the product quality variable has a positive and significant influence on sales volume in MSMEs in Pari City. These results provide empirical evidence that the product quality provided by Pari City MSMEs, which includes durability, product features, aesthetics, conformity with specifications, can influence sales volume.

The two independent variables studied, namely price and product quality, the sales volume of SMEs Kota Pari products is determined more by product quality. This is because product quality has a calculated t value of 7.672 which is greater than price with a calculated t value of 1.564. This means that the better the quality of SMEs Kota Pari products, the price will be able to increase and ultimately the price will increase sales volume. So for this reason, SMEs Kota Pari must maintain superior product quality which is found in the quality of the use of raw materials, so that it becomes an attraction for products with good quality.

##### B. DISCUSSIONS

Sales volume can be explained using several indicators, including achieving sales volume and making a profit. The influence of price and product quality on sales volume, as described above, has proven the theory that has accumulated over time regarding the factors that influence sales volume. Sales volume is influenced by two environmental factors, namely, uncontrolled environmental factors, namely factors that influence sales outside the company, including: company resources and objectives, competitive environment, economic and technological environment, political and legal

environment and political and cultural environment. The second is uncontrollable factors, namely factors that influence sales outside the company, including: company resources and goals, competitive environment, economic and technological environment, political and legal environment and political and cultural environment. The second, namely controlled environmental factors, are factors that influence sales volume within the company, including: product, selling price, distribution and promotional costs.

The above opinion is strengthened by the opinion of Philip Kotler (2009), the factors that greatly influence the high and low sales include the first, namely the selling price. The selling price is very important in influencing sales of the goods or services produced. Can the goods or services offered by the company be reached by target consumers? Second, quality or product quality, with good quality, consumers will remain loyal to the company's products. Likewise, if the quality of the product offered is not good, consumers will turn to other products. Based on the opinions of these experts, it appears that the price and product quality factors studied in this research are factors that can influence the sales volume of SMEs Kota Pari. A controlled environment is a factor that influences sales volume within a company, including: product, selling price, distribution and promotional costs. The above opinion is strengthened by the opinion of Philip Kotler (2009), the factors that greatly influence the high and low sales include the first, namely the selling price. The selling price is very important in influencing sales of the goods or services produced. Can the goods or services offered by the company be reached by target consumers? Second, quality or product quality, with good quality, consumers will remain loyal to the company's products. Likewise, if the quality of the product offered is not good, consumers will turn to other products. Based on the opinions of these experts, it appears that the price and product quality factors studied in this research are factors that can influence the sales volume of SMEs Kota Pari.

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