

Analysis of Influence Factors Decision to Purchase of Msme Products in Tomohon City

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Article Information

Received: November 10, 2022

Accepted: December 11, 2022

Published: January 12, 2023

Keywords: *consumer orientation, price, place, ease of access, MSME products.*

ABSTRACT

Along with the dynamics of consumers who are always trying to find products that can answer their needs and desires, it is very important for marketers to know what factors have a positive influence on consumer purchasing decisions, especially in an increasingly competitive business environment. This also applies to MSME product marketers. This study aims to determine the influence of customer orientation factors, price factors, location factors, and ease of access factors on purchasing decisions for MSME products in Tomohon City. This research uses associative method. The research instrument uses a Likert scale with an analytical technique, namely factor analysis. The research was conducted on 75 respondents as a sample using accidental sampling technique. The results showed that there were four factors with an eigen value above 1.00 and a cumulative variance value of 69.86. This cumulative variance value means that the four factors are able to explain the considerable variability of the data (above 50%). Customer orientation factors are factors that influence consumer purchasing decisions. Customer Orientation has an eigen value of 3.33 and a variance percentage of 22.61%. The price factor is a factor that influences consumer purchasing decisions. Price has an eigen value of 3.11 with a variance percentage of 20.75%. Place factor is a factor that influences consumer purchasing decisions. Place has an eigen value of 2.76 with a variance percentage of 18.40%. The ease of access factor is a factor that influences consumer purchasing decisions. Ease of access has an eigen value of 1.28 with a variance percentage of 8.55%. Thus the consumer orientation factor, price, place, and ease of access effect on purchasing decisions of MSME products in Tomohon City.

INTRODUCTION

Business competition is unavoidable for marketers to keep their business afloat. Competition that occurs is not only experienced by large-scale businesses but also by MSMEs where these conditions can be a challenge as well as an opportunity for marketers in the MSME industry. The competition that occurs is also caused by consumer behavior which is increasingly demanding products that match what they need and want. Having the right strategy from MSME marketers to attract consumers to buy is important so that challenges in the business environment can be turned into opportunities.

Several important factors in influencing purchasing decisions need to be pursued by MSME marketers, including consumer orientation, price, location and ease of access. Suarniki (2015) explained that consumer orientation is one of the factors that can affect marketing performance. Appropriate consumer orientation can spur marketing performance to focus on consumer needs so that products marketed are able to increase consumer desire to buy. The results of research conducted by Haryanto et al. (2017) also explains that consumer orientation has a significant positive effect on marketing performance, this is in line with Zhou, Yim & Tse (2005) which explains that consumer orientation can improve marketing performance.

Pricing strategy is also an important factor, especially now with the emergence of many new competitors in the MSME industry who are very aggressive with attractive pricing strategies. According to Kotler & Keller (2018) price is the amount of money charged for a particular product. When consumers pay a certain amount, there is hope of getting a product according to consumer perceptions. The right price strategy can increase consumer buying interest, this is in line with Cagatay's research (2021). Other factors such as location and ease of access are also important considerations for consumers when deciding to buy. A place that is easy to find physically and access that does not make it difficult for consumers is a combination of factors that need to be pursued by MSME product marketers.

The growth of MSMEs in the last few years has also been felt in Tomohon City. The Covid-19 pandemic has not actually become a barrier to the emergence of new MSMEs in the midst of the difficult situation they are experiencing. Data from the Office of Cooperatives and SMEs in Tomohon City shows a significant increase in the number of SMEs from 6,026 business units in 2019 to 13,280 business units. This condition certainly creates a hyper competitive situation where MSME marketers have to compete with other marketers, not even just fellow marketers in the MSME industry but with marketers whose business scale is larger so that the right marketing strategy focuses on factors that can increase consumer purchasing decisions for products. MSMEs are mandatory.

Based on the background previously described, a study was conducted with the title "Analysis of Factors Influencing Consumer Purchase Decisions on MSME Products in Tomohon City".

Research purposes

The objectives in this study are:

1. To determine the influence of factors consumer orientation on purchasing decisions consumers on MSME products in Tomohon City.
2. To determine the influence of factors location on purchasing decisions consumers on MSME products in Tomohon City.
3. To determine the effect of the factor ease of access on purchasing decisions consumers on MSME products in Tomohon City.
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LITERATURE REVIEW

Consumer Orientation

According to Kotler and Armstrong (2018), consumer orientation is a company's orientation towards its customers with the aim of improving service to products, increasing sales, and customer satisfaction so that companies are able to earn profits. The consumer orientation indicators include:

1. Recognition as a consumer.

2. Convenience for consumers.
3. Treatment for consumers.
4. Regular consumer
5. Coverage of consumers consisting of all walks of life.

Price

Price is the amount of money charged for a product, or the amount of value exchanged by consumers for the benefits of owning or using the product (Swastha & Handoko, 2000). The scope of price indicators is as follows:

1. Cheap product prices where the prices of products offered are relatively cheap.
2. Accessible to all levels of society.
3. Affordable price compared to competitors.
4. Discounts given to consumers.
5. Compatibility of price with product quality.

The place

Place is a means for companies to deliver products to consumers, as a display area for company products so that affordability is a major consideration for consumers (Kotler and Armstrong, 2018). Place indicators are as follows:

1. Strategic position or location of the business.
2. Public transport coverage.
3. Availability of a large parking area for consumers.
4. Near shopping mall.

Consumer Purchase Decision

According to Kotler and Armstrong (2018) consumer purchasing decisions are the stages in the process of making consumer purchasing decisions to buy. Decision making is an individual activity that is directly involved in obtaining and using the goods offered. Meanwhile, according to Assauri (2004) purchasing decision is a decision-making process for purchasing which includes determining what to buy or not to make a purchase and the decision is obtained from previous activities. Purchasing decisions according to Private & Handoko (2000) are a problem solving approach to human activities to buy an item or service in fulfilling their wants and needs which consists of identifying needs and desires, searching for information, evaluation of alternative purchases, purchase decisions, and behavior after purchase. The stages of the purchasing decision process can be described in the following model:

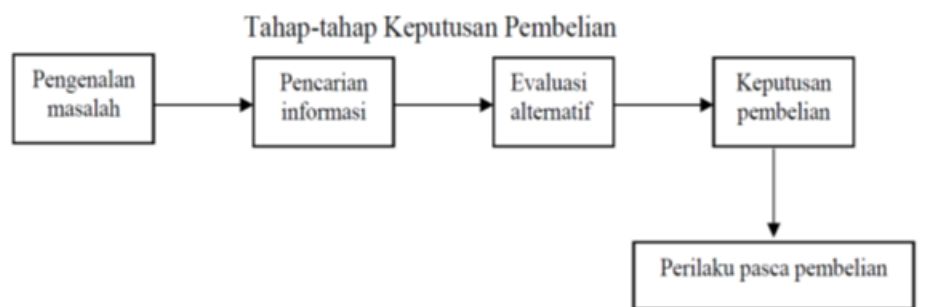


Figure 1. Purchasing Decision Process Model

Source: Private Basu & Hani Handoko (2000)

This model assumes that consumers carry out five stages in making a purchase. The five stages above do not always occur, especially in purchases that do not require high involvement in the purchase. Consumers may skip several stages and the sequence does not match.

Previous Research

Hong., et al (2021) research entitled Factors Influencing Consumer Purchase Interest at the Kota Bharu Hypermarket, Kelantan which aims to analyze the factors that influence consumer buying interest and finds that the price factor has a significant influence on consumer buying interest. Likewise, Sari's research (2013) entitled Analysis of Factors Influencing Consumer Decisions in Buying Garment Industry Products with the aim of research to determine the factors that influence consumer decisions in buying products by distributing questionnaires to 145 respondents and using factor analysis techniques to find that product factors, prices, distribution channels and promotions, culture, social, personal, psychological are factors that influence consumer purchasing decisions.

Another study by Harahap, et al (2017) entitled The Effect of Location and Product Completeness on Buying Decisions on SME Products found that location or place variables have a significant influence on consumer buying decisions.

RESEARCH METHODS

This research is a quantitative research with techniques The analysis used is factor analysis. This analysis is a multivariate statistical technique that aims to describe several other variables (factors) that have original variables (Hair, et al., 1995). In factor analysis, the number of samples must meet the minimum requirements, namely 5 times the number of items in the study. Therefore, this study took a sample of $5 \times 15 = 75$ respondents. During the survey, the questionnaire was distributed to 100 respondents, but only 90 returned.

RESEARCH RESULTS AND DISCUSSION

Description of Research Variables

Table 1. Description of Research Variables

Variable Name	Variable Description	Mark (%)				
		5	4	3	2	1
Consumer Orientation	Recognition as a consumer (X1)	20%	66.7%	13.3%	0	0
	Convenience for consumers (X2)	5.6%	47.8%	33.3%	3.3%	10%
	Treatment for consumers (X3)	25.6%	50%	14.4%	10%	0
	Regular consumers (X4)	14.4%	54.4%	30%	1.1%	0
	Consumer coverage (X5)	0	36.7%	38.9%	13.3%	11,1
The place	Strategic Position (X6)	12.2%	38.9%	43.3%	5.6%	0
	Public transport coverage (X7)	30%	70%	0	0	0
	Parking lot (X8)	42.2%	43.3%	11.1%	3.3%	0
	Near shopping center (X9)	63.3%	36.7%	0	0	0
	Location convenience (X10)	7.8%	35.6%	28.9%	17.8%	0
Price	Cheap product price (X11)	5.6%	28.9%	28.9%	34.4%	2.2%
	All layers accessible (X12)	5.6%	12.2%	60%	10%	12.2%
	Price compared to competitors (X13)	35.6%	50%	13.3%	1.1%	0
	Discount (X14)	0	72.2%	20%	7.8%	0
	Compatibility of price with quality (X15)	27.8%	52.2%	16.7%	3.3%	0

Source: Processed Data, 2022

Table 1 above shows that:

1. The consumer orientation factor has a dominant distribution of values above 3. This means that respondents give the best value orientation to consumers.
2. The place factor has a distribution of dominant values above 3. This means that the respondent gives the best orientation value to the place.
3. The price factor has a dominant distribution of values above 3. This means that respondents give the best orientation value to price.

Validity and Reliability Test

Table 2. Validity and Reliability Test

Variable Name	Variable Description	Correlation (r) (Validity test)			Cronbach Alpha (Reliability Test)	
		Mark	Significant	Status	Mark	Status
Consumer Orientation	Recognition as a consumer (X1)	0.672	0.000	Valid	0.730	reliable
	Convenience for consumers (X2)	0.756	0.000	Valid		
	Treatment for consumers (X3)	0.848	0.000	Valid		
	Regular consumers (X4)	0.653	0.000	Valid		
	Consumer coverage (X5)	0.614	0.000	Valid		
The place	Strategic position (X6)	0.808	0.000	Valid	0.900	reliable
	Public transport coverage (X7)	0.890	0.000	Valid		
	Parking lot (X8)	0.886	0.000	Valid		
	Near shopping center (X9)	0.966	0.000	Valid		
	Location convenience (X10)	0.720	0.000	Valid		
Price	Cheap product price (X11)	0.756	0.000	Valid	0.899	reliable
	All layers accessible (X12)	0.697	0.000	Valid		
	Price compared to competitors (X13)	0.929	0.000	Valid		
	Discount (X14)	0.894	0.000	Valid		
	Compatibility of price with quality (X15)	0.926	0.000	Valid		

Source: Processed Data, 2022

Based on the table above, it can be said that all indicators or question items are valid. And for the reliability analysis it was found that the question items have measurement consistency.

Model Fit Test

1. *Barlett Test of Sphericity*

BTS value indicates whether the data in the factor analysis has a relationship with one another or not. BTS value is said to be significant if the maximum is 0.05. In this study, the BTS value

shows that the probability value is 0.000 and the chy square is 798, 682. Thus the factor analysis model obtained meets the requirements/feasibility of the model or a good model.

2. Kaiser-Meiyer-Olkin (KMO) Index

The aim of KMO is to analyze the adequacy of the sample or data used in the factor analysis. The provisions of the KMO value are 0.6. The results of this study indicate that the KMO value is 0.616. Thus the factor analysis matrix meets the adequacy so that the factor analysis model that is formed is feasible/can be continued or a good model.

3. Non Redundant (Model Fit Determination)

This value indicates what percentage of the data changes when rotated. The more data that changes, the better the factor analysis model is formed. The results of research in the field show that the non-redundant value is 48%. Based on these results, it can be concluded that the data that changes after rotation does not exceed 50% or the model is good.

Determination of Number of Factors

This step aims to find out how many new factors are formed from a number of initial variables in the study (from the total variables in the identification or operational definition of variables) in this case eigen value analysis and see whether the new factors formed can explain the variability of the data or initial variables or not . As well as looking at the level of representation of the new factor with all the initial data in this case the cumulative variance value analysis.

Table 3. Number of New Factors

No. New Factor	EigenValue	% Variance	% Cumulative Variance
1.	3,325	22,164	22,164
2.	3,112	20,746	42,910
3.	2,760	18,401	61,311
4.	1,283	8,551	69,862

Source: Processed Data, 2022

Based on the table above, it can be seen that there are four new factors formed from the initial research variables. The four new factors above meet the criteria because they have an eigen value above 1. Meanwhile, factors that have an eigen value below one will be excluded or not used.

New Factor Naming

The naming of the new factor (naming) aims to find a name that can represent the variables that are its members. With the condition that the new name represents as much as possible the variables that are its members (Hair et al, 1992). However, if the variables that make up the new factor are too varied (derived from different theoretical dimensions) then the basis for naming uses the concept of surrogate variable.

Table 4. Naming of New Factors

New Factor	Loading Variable	Factor Name	Loading Value	% Variance
1.	Regular consumers (X4)	Consumer Orientation	0.831	22,164
	Recognition as a consumer (X1)		0.806	
	Convenience as a consumer (X2)		0.769	
	Location Convenience (X10)		0.750	

	Treatment for consumers (X3)		0.749	
2.	Compatibility of price with quality (X15)	Price	0.865	20,746
	Price compared to competitors (X13)		0.808	
	Discount (X14)		0.781	
	All layers accessible (X12)		0.724	
3.	Parking Lot (X8)	The place	0.877	18.401
	Cheap product price (X11)		0.813	
	Consumer coverage (X5)		0.810	
4.	General Vehicle Coverage (X7)	Ease of Access	0.872	8,551

Source: Processed Data, 2022

Based on Table 4 above, the naming of the four new factors is consumer orientation, price, location, and ease of access.

Discussion

Consumer Orientation Factors

The Consumer Orientation Factor has an eigen value of 3.325 with a variance percentage of 22.614%. This means that the consumer orientation factor is a factor that influences consumer purchasing decisions for MSME products in Tomohon City. ConditionThe real results in the research object show that the consumer orientation factor is indeed a factor that influences consumer purchasing decisions on MSME products where customers come from various walks of life.

Price Factor

The price factor has an eigen value of 3.112 with a variance percentage of 20.746%. This means that the price factor is a factor that influences purchasing decisions on MSME products in Tomohon City. Based on the research results, the prices of MSME products can be reached by the community.

Place Factor

The place factor has an eigen value of 2.760 with a variance percentage of 18.40%. This means that the location factor is a factor that influences consumer purchasing decisions on MSME products in Tomohon where the location or location of MSME is considered strategic.

Ease of Access Factor

The ease of access factor has an eigen value of 1.283 with a variance percentage of 8.551%. The ease of access factor means that it is a factor that also influences consumer purchasing decisions on MSME products in Tomohon City where one of the considerations is that consumers can easily reach these places.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the discussion, it is concluded that the consumer orientation factor, the price factor, the location factor and the convenience factor are important factors that greatly influence consumer purchasing decisions on MSME products in Tomohon City. For this reason, the recommendations or suggestions that can be given are that MSME product marketers in managing their business must continue to focus on the factors that influence consumer purchasing decisions, where this is intended to further increase incentives for consumers to make purchases. Ease of access and location factors are no less important than consumer orientation

and price factors to increase consumer interest and purchase decisions considering the current high level of competition. Furthermore, further research needs to be carried out by other researchers considering the limitations in this study. Further researchers can examine other factors related to purchasing decisions or by modifying other factors to be used as new factors.

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