



The Effect of Product Quality and Promotion on Purchase Decisions on Umkm Products UD. Kunyahan Medan

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ABSTRACT

This study was conducted with the aim of determining how much influence product quality and promotion have on consumer decisions in purchasing products from MSMEs Kunyahan operating in Medan City. The type of research used is associative research with a quantitative approach. The data analysis technique applied is multiple linear regression, using the help of SPSS software version 25. The number of samples in this study was 71 respondents who were consumers of Kunyahan products, consisting of 17 people who made purchases directly (offline) and 54 people through online purchases. Data collection was obtained through questionnaire distribution. The results of the study indicate that both product quality and promotion have a significant and positive influence on purchase decisions, both individually (partially) and simultaneously (simultaneously). Thus, improving product quality and implementing the right promotional strategy can be the main driving factors in increasing consumer purchasing decisions for MSMEs Kunyahan products

INTRODUCTION

The development of the business world in Indonesia has experienced a significant increase every year. This phenomenon encourages some people to leave permanent jobs and choose to become entrepreneurs, especially because of the more promising profit prospects. One of the sectors that is growing rapidly is the culinary industry. The culinary business requires its entrepreneurs to continue to innovate in creating new products that are able to meet the needs and desires of consumers. Therefore, entrepreneurs are required to have creativity in developing products and strategies to attract market attention in order to be able to compete and appear different from other culinary entrepreneurs.

Culinary is not just a commodity, but also part of the culture of society that is closely related to everyday life. This condition is utilized by culinary business actors to compete competitively in offering various food and beverage products. The culinary business is one of the most potential business opportunities because food is a primary need of society. The more varied and innovative the types of food offered, the greater the opportunity for this business to be accepted by the community. Delicious taste and good product quality are the main attractions in increasing consumer purchasing interest.

In the midst of the opening of globalization, business actors are required to continue to adapt to the dynamics of increasingly tight industrial competition. Globalization has driven significant changes in the business world, including in the marketing aspect. To survive and win the competition, every company is required to have an effective and efficient marketing strategy. One of the efforts made is to create products that have added value and are in accordance with consumer trends. This can only be realized if the company has competent and innovative human resources in developing quality products.

Each product has different characteristics in terms of design, brand, price, and taste. These differences will affect consumer perception in determining purchasing decisions. Therefore, elements such as packaging design, logo, competitive price, and product quality are important factors in attracting consumer interest.

UD. Kuyahan Medan is one of the MSMEs engaged in the snack sector, especially processed potato products into potato chips. The flagship product of this business is potato chips with the trademark "KRIKEN", which was initiated by Fifin Suprianti since 2019. KRIKEN chips come in three flavors, namely: Kriken Balado (has a combination of sweet, salty, and spicy flavors), Kriken Original (made from red potatoes with a savory and crunchy taste), and Kriken Teri (a combination of the Balado variant and a mixture of Medan's typical anchovies). The marketing strategy currently being implemented is mostly carried out online, and has collaborated with several partners such as Napoleon, Menara, Amanda, Hotel Arya Duta outlets, DPRD Office, MUI Wakaf, as well as through exhibitions and sponsorships. The current production capacity reaches 200 packs per day with a size of 250 grams per pack.

The researcher's interest in this business is based on the promising business potential and the opportunity to help business owners develop product quality and expand market access. To increase consumer appeal and encourage purchasing decisions, the company seeks to innovate in flavor variants that suit

the tastes of the younger generation, set affordable prices, and ensure product quality is maintained.

LITERATURE REVIEW

Purchase Decisions

Purchase decisions are an important aspect of consumer behavior that describes the process of evaluating and making decisions to buy a product. Kotler & Armstrong (2019) state that purchasing decisions are how individuals, groups, or organizations evaluate the various alternatives available and then choose the option that is considered the most profitable. According to Tjiptono (2014), purchase decisions do not occur spontaneously, but through a sequential process starting from problem recognition, information search, alternative evaluation, purchasing decisions, to post-purchase evaluation. These stages reflect that consumers are active players in determining the final decision.

Furthermore, Tjiptono (2016) identified two main factors that influence purchase decisions, namely:

1. Personal Factors, Including age, gender, income, occupation, lifestyle, and individual personality that play a role in determining purchasing preferences. These factors are also often used as the basis for market segmentation.
2. Psychological Factors, Consisting of perceptions, motivations, learning, beliefs, and attitudes that influence how a person assesses and responds to a particular product.

Product Quality

Product quality is the main indicator in assessing the extent to which a product is able to meet consumer expectations. Kotler and Keller (2016) state that product quality reflects the ability of a product to perform its functions consistently, including aspects of durability, reliability, accuracy, and overall usability. According to Tjiptono (2019), product quality is also closely related to customer perceptions of the product's utility value. When quality is able to meet or even exceed customer expectations, it will positively influence purchasing decisions.

Assauri (2018) identified several important factors that influence perceptions of product quality, namely:

1. Product Function: The product must be able to fulfill its function optimally in accordance with the consumer's purpose in purchasing the product.
2. Product Outer Appearance: Physical appearance such as design, packaging, and color are the initial assessments in consumer perception of quality.
3. Product Cost: Price is often used as an indicator of quality by consumers. Higher priced products are often associated with better quality.

Promotion

Promotion is a strategic activity carried out by companies to introduce products to the market and persuade consumers to make purchases. Kotler and Armstrong (2019) define promotion as a marketing communication activity that aims to convey the benefits of a product and shape consumer preferences for it. Promotion is also a two-way communication tool between producers and

consumers that can increase awareness, strengthen brand position, and encourage sales growth.

Promotion indicators according to Kotler and Armstrong (2019) consist of:

1. Advertising, Mass communication media such as television, radio, internet, and print media are used to reach a wide audience with a consistent promotional message.
2. Sales promotion, A form of short-term encouragement such as discounts, vouchers, or direct prizes that aim to increase purchase volume in a short period of time.
3. Public relations, Communication strategies to build a positive corporate image through activities such as sponsorship, media coverage, and social involvement.

METHODOLOGY

This study uses a quantitative approach. According to Sugiyono (2019), the quantitative method is a research approach based on the positivist paradigm which aims to test hypotheses and explain the relationship between variables objectively through numerical data. The object of the study was carried out at UD. Kuyahan Medan as the study location.

The determination of the number of samples in this study is based on the Slovin formula, which is a statistical formula used to determine the sample size of a finite population. The population in this study was 240 people, with a margin of error of 10%, resulting in a sample of 71 respondents. The following is the calculation using the Slovin formula:

$$n = \frac{N}{1 + Ne^2}$$
$$n = \frac{240}{1 + 240(0,1)^2}$$
$$n = 70,588 \text{ rounded to a total of 71 people.}$$

Information:

n : Sample Size

N : Population Size

e : Desired Error Rate

Thus, the number of samples used in this study was 71 respondents, consisting of 17 respondents who made purchases offline and 54 respondents who made purchases online. The sampling technique was carried out using Nonprobability Sampling, specifically using the Accidental Sampling technique. This technique was chosen because it allows researchers to take samples based on chance meetings in the field, provided that the individuals met are considered relevant and appropriate as sources of research data.

RESULTS AND DISCUSSION

1. Data Quality Test

a. Validity Test

Table 1. Eligibility of Each Question on the Variable

Variables	Question to	Symbol	rcount	rcritical	Information
Product Quality (X1)	1	X1.1	.494	0.30	Valid
	2	X1.2	.497	0.30	Valid
	3	X1.3	.627	0.30	Valid
	4	X1.4	.762	0.30	Valid
	5	X1.5	.539	0.30	Valid
	6	X1.6	.457	0.30	Valid
	7	X1.7	.539	0.30	Valid
	8	X1.8	.762	0.30	Valid
	9	X1.9	.667	0.30	Valid
	10	X1.10	.665	0.30	Valid
Promotion (X2)	1	X2.1	.719	0.30	Valid
	2	X2.2	.664	0.30	Valid
	3	X2.3	.666	0.30	Valid
	4	X2.4	.577	0.30	Valid
	5	X2.5	.726	0.30	Valid
	6	X2.6	.673	0.30	Valid
Purchase Decision (Y)	1	X1.1	.693	0.30	Valid
	2	X1.2	.654	0.30	Valid
	3	X1.3	.574	0.30	Valid
	4	X1.4	.672	0.30	Valid
	5	X1.5	.544	0.30	Valid
	6	X1.6	.436	0.30	Valid
	7	X1.7	.594	0.30	Valid
	8	X1.8	.724	0.30	Valid
	9	X1.9	.724	0.30	Valid
	10	X1.10	.682	0.30	Valid

Based on the test results above, all question items in the three research variables have a calculated rcount greater than the r critical (0.30), which indicates that the questionnaire instrument used has met the validity criteria. Thus, all statements in the questionnaire are suitable for use in the next data analysis process (Sugiyono, 2016).

b. Reliability Test

Table 2. Results Reliability of Each Variable

Reliability Statistics				
Variables	Cronbach's Alpha	N of Items	Cronbach's Alpha Minimal	Conclusion
Product Quality (X1)	0.760	10	0.70	Reliable
Promotion (X2)	0.784	6	0.70	Reliable
Purchase decisions(Y)	0.764	10	0.70	Reliable

Based on the results of the reliability test above, all variables have a Cronbach's Alpha value above 0.70, which means that all question items in the questionnaire for each variable have a good level of internal consistency. Thus, this research instrument is declared reliable and suitable for use in the next analysis process.

2. Classical Assumption Test

a. Normality Test

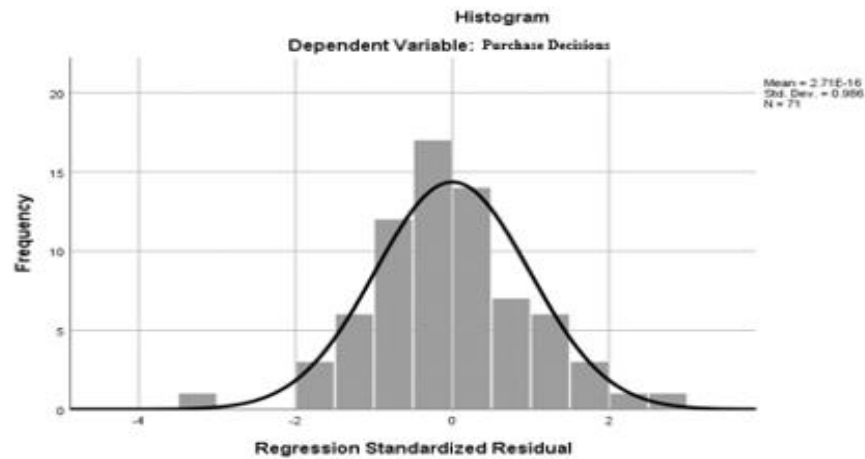


Fig 1. Histogram Test

In testing through histograms, the shape of the curve appears to gather in the middle and shows a distribution resembling a symmetrical bell shape (bell-shaped curve). This pattern reflects a data distribution that is not skewed to the left or right side, which is one of the characteristics of a normal distribution according to Leindarita and Andriansa (2022).

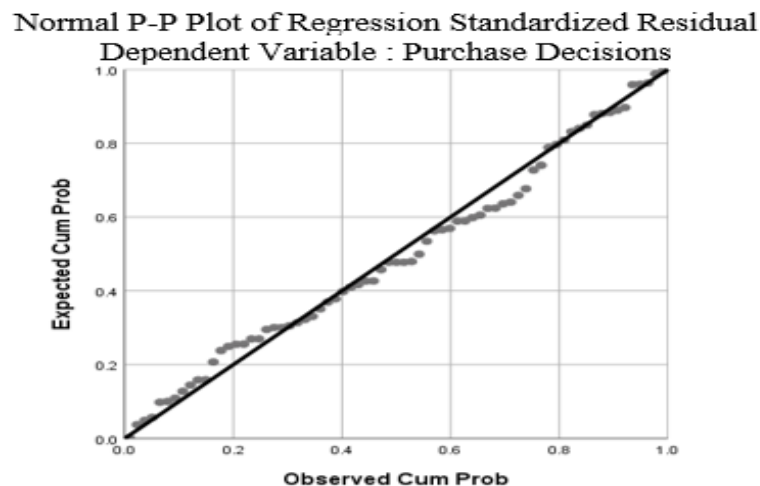


Fig 2. P Plot Test

Meanwhile, the results of the PP Plot graph show that most of the 94 data points are located around the diagonal line, and there are even many points that are right on the line. This distribution pattern reflects that the data from respondents' answers follows a normal distribution pattern. An even distribution and following the diagonal line is an indicator that the normality assumption has been met (Rejeki & Hadi, 2020).

c. Kolmogorov-Sminov test

Table 3. Data Normality with Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		88
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.92795579
Test Statistics		0.076
Asymp. Sig. (2-tailed)		0.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the results of the Kolmogorov-Smirnov test, the significance level of Asymp. Sig. (2-tailed) was 0.200. Because this significance value is greater than 0.05, it can be concluded that there is no significant deviation from the normal distribution. These results indicate that the residual data in the regression model has been distributed normally statistically, thus fulfilling one of the basic assumptions in classical linear regression (Bakti, 2020). Therefore, the regression analysis model used in this study is declared feasible in terms of the normality assumption.

d. Multicollinearity Test

Table 4. Multicollinearity Test Results

Coefficients ^a					
Model	Collinearity Statistics				Conclusion
	Tolerance	Minimum Tolerance	VIF	VIF Maximum	
1 (Constant)					No Multicollinearity Problem
Product Quality (X1)	.600	0.10	1,667	10	
Promotion (X2)	.600	0.10	1,667	10	

a. Dependent Variable: Purchase Decision (Y)

Based on the test results, both the Product Quality (X1) and Promotion (X2) variables have a Tolerance value above 0.10 and a VIF below 10. This means that there is no indication of multicollinearity between the independent variables, so that the regression model in this study has met one of the important requirements in the classical assumption (Rianto & Aseandi, 2020). Thus, each variable can be used further in the regression analysis process without worrying about distortion due to high correlation between independent variables.

e. Heteroscedasticity Test

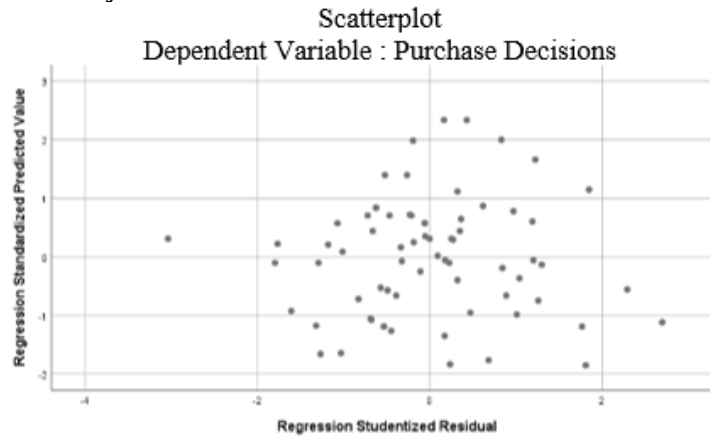


Fig 3. Scatterplot

The results of observations on the scatterplot graph show that 94 data points are randomly distributed, without forming a particular pattern, not gathered in one area, and evenly distributed above and below the horizontal line on the $Y = 0$ axis. This distribution pattern indicates that no symptoms of heteroscedasticity were found in the regression model used. Thus, the classical assumption regarding the constant residual variance has been met, and the results of the regression estimation can be considered stable and reliable (Sujarweni, 2016).

3. Multiple Linear Regression Analysis

Table 5. Multiple Linear Regression Test Results

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	Direction of Influence	Percentage of Influence
		B	Std. Error	Beta		
1	(Constant)	7.653	3.136			
	Product Quality (X1)	.610	.104	.596	Positive	59.6%
	Promotion (X2)	.340	.151	.229	Positive	22.9%

a. Dependent Variable: Purchase Decision (Y)

Based on the results of the analysis above, the form of the multiple linear regression equation obtained is as follows:

$$Y = 7.653 + 0.610X1 + 0.340X2 + e$$

The interpretation of the equation is described as follows:

1. The constant value of 7.653 indicates that if the variables Product Quality (X1) and Promotion (X2) are considered constant or have a value of zero, then the basic value of the Purchase Decision (Y) is at 7.653. This figure reflects the level of purchase decision without any influence from the two independent variables.
2. The regression coefficient of the Product Quality variable (X1) of 0.610 indicates that every one unit increase in product quality will cause an increase of 0.610 units in purchasing decisions, with a positive direction of

influence. This emphasizes that better product quality will encourage increased purchasing decisions by consumers.

3. The regression coefficient for Promotion (X2) of 0.340 indicates that a one-unit increase in promotion will increase purchasing decisions by 0.340 units. This indicates that an effective promotional strategy contributes positively to increasing consumer decisions in making purchases.

4. Hypothesis Testing

a. Partial Test (t Test)

Table 6. Partial Test Results (t Test)

Coefficients ^a						
Model		tcount	ttable	Sig.	Sig. Requirements	Conclusion of Influence
1	(Constant)	2,440		0.017		
	Product Quality (X1)	5.875	1,676	.000	< 0.05	Significant
	Promotion (X2)	2.258	1,676	.027	< 0.05	Significant

a. Dependent Variable: Purchase Decision (Y)

The results of the t-test show that both independent variables, namely Product Quality (X1) and Promotion (X2), have a significance value (p-value) below 0.05, namely 0.000 and 0.027 respectively. This indicates that partially, both have a significant effect on the Purchase Decision variable (Y).

In addition, the calculated t count for X1 of 5.875 and X2 of 2.258 is greater than the t table of 1.676 (with degrees of freedom $df = n - k = 88 - 3 = 85$). Thus, the alternative hypothesis (H_a) is accepted and the null hypothesis (H_o) is rejected, which means that there is a partial real effect of variables X1 and X2 on Y.

From these results it can also be concluded that the most dominant variable in influencing purchasing decisions is Product Quality (X1) because it has the highest t_count (5.875) compared to Promotion (X2). This means that increasing product quality has a stronger influence on increasing purchasing decisions than promotion.

b. Simultaneous Test (F Test)

Table 7. Simultaneous Test Results (F Test)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1566.962	2	746,653	47,011	.000 ^b
	Residual	432,129	68	15,883		
	Total	1999.091	70			

a. Dependent Variable: Purchase Decision
 b. Predictors: (Constant), Product Quality (X1), Promotion (X2)

Based on the results of the F test, a significance value of 0.000 was obtained, which is smaller than the significance level of 0.05. This shows that simultaneously, the variables Product Quality (X1) and Promotion (X2) have a significant effect on Purchasing Decisions (Y). Thus, the alternative hypothesis (H_a) is accepted and the null hypothesis (H_o) is rejected.

In addition, the calculated F value of 47.011 is also greater than the F_{table} value of 3.10. The F table value is obtained from the degrees of freedom $df_1 = k - 1 = 2$ and $df_2 = n - k = 88 - 3 = 85$, in accordance with the F distribution at a significance level of 5%. It can be concluded that the regression model formed is feasible and significant to be used in explaining the simultaneous influence of independent variables on purchasing decisions.

c. Determination (R²) Test

Table 8. Results of Determination Test (R²)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 ^a	.580	.568	3.985
a. Predictors: (Constant), Product Quality (X1), Promotion (X2)				
b. Dependent Variable: Purchase Decision				

From the results of the determination test, the Adjusted R Square value was obtained as 0.568 or equivalent to 56.8%, which shows that the regression model is able to explain 56.8% of the variation in purchasing decisions (Y) through the Product Quality (X1) and Promotion (X2) variables.

Meanwhile, the remaining 43.2% (100% - 56.8%) is explained by other factors outside the research model, which are not observed or included in the analysis by the researcher. This reflects that although the model is quite good, there is still room for exploration of additional variables that may affect purchasing decisions.

CONCLUSION AND RECOMMENDATION

Based on the results of the data analysis conducted, it can be concluded that Product Quality and Promotion have a positive and significant influence, both partially and simultaneously, on Purchasing Decisions for UMKM consumers UD. Kuyahan Medan. Among the two variables, Product Quality is proven to be the most dominant factor in influencing consumer decisions. This means that the higher the quality of the product offered, the greater the likelihood of consumers to make a purchase.

However, the results of the study also indicate that UMKM UD. Kuyahan Medan still faces challenges in terms of product quality and promotional strategies used. Therefore, improvements in both aspects are important to increase business competitiveness amidst increasingly competitive market competition.

Suggestions

Based on the findings and analysis conducted, the researcher provides the following suggestions:

1. Improving Product Quality: MSMEs are advised to continue to develop creativity and innovation in product packaging, taking into account aspects of flexibility, visual appeal, and suitability to the evolving needs and tastes of consumers.
2. Optimizing Promotional Strategy: Promotional strategy needs to be focused on improving the quality of processed products by highlighting the distinctive taste and local uniqueness. The right promotion can shape positive consumer perceptions and encourage purchasing loyalty.

3. Focus on the Drivers of Purchasing Decisions: Since product quality and promotion have been proven to have a significant influence on purchasing decisions, MSMEs need to prioritize improvements and innovations in these two variables, in order to support increased sales and sustainable business growth.

FUTHER STUDY

This research still has delays, so it is necessary to conduct further research on the topic of The Effect of Product Quality and Promotion on Purchase Decisions on Umkm Products UD. Kunyahan Medan in order to improve this research and add insight for readers.

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