



THE EFFECT OF PRODUCT PRICES ON CONSUMER PURCHASE DECISIONS AT UD GEMILANG ASRI RATTAN

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ABSTRACT

This study aims to determine and analyze the effect of product price on consumer purchasing decisions at UD Gemilang Asri Rattan. The type of research used is quantitative research with a causal associative method. The population in this study were all consumers who had conducted transactions at UD Gemilang Asri Rattan, with the sampling technique using non-probability sampling through the incidental sampling method to obtain a sample of 30 respondents. Data collection was carried out by distributing structured Likert-scale questionnaires that had been tested for validity and reliability. Data analysis techniques used include descriptive analysis, model feasibility test (F-test), simple linear regression analysis, coefficient of determination test (R²), and partial hypothesis test (t-test) assisted by the SPSS program. The regression analysis produced the equation $Y = 6.344 + 0.582X$. Based on the model feasibility test results, an F-value of 65.700 was obtained with a significance of 0.000 (<0.05), indicating that the regression model is highly feasible to use. The result of the coefficient of determination test (R²) showed a value of 0.701, which means the product price variable contributes 70.1% in explaining the variation of consumer purchasing decisions. The hypothesis test result (t-test) proves a t-value of 8.106 with a significance of 0.000 (<0.05), so H₀ is rejected and H₁ is accepted. The conclusion of this study indicates that the product price has a positive and significant effect on consumer purchasing decisions at UD Gemilang Asri Rattan.

INTRODUCTION

The Micro, Small, and Medium Enterprises (MSMEs) sector plays a very crucial role in national economic growth in Indonesia. One of the subsectors that has great potential in absorbing local labor and utilizing natural resources optimally is the creative craft industry, especially the rattan craft industry. This industry is not only required to produce functional products, but also must be able to compete in the midst of competitive market dynamics in order to maintain the sustainability of its business. For every business actor, understanding the factors that drive consumer actions in making decisions to transact is one of the main indicators of business success. This is because the company's business continuity and revenue growth are basically shaped by the accumulation of consistently positive consumer purchasing decisions (Kotler & Keller, 2016).

From a marketing management perspective, consumers' actions to choose, buy, and consume a product are greatly influenced by various elements of the marketing mix, where the price variable is often one of the most sensitive elements for customers. Price is the only component of the marketing mix that directly generates revenue for the company, while the other components tend to incur costs. From a consumer's point of view, price is often used as a basis for consideration before making a purchase decision. Piyoh et al.,(2024) Proving that price has a positive and significant effect on consumer purchase decisions, where consumers tend to make purchases if the price offered is considered to be in accordance with the benefits received. In addition, Gracia et al.,(2024) It was also found that price affordability, price conformity with product quality, and price competitiveness are important factors influencing consumer purchasing decisions.

UD. Gemilang Asri Rattan is one of the business actors engaged in the rattan-based handicraft and furniture industry. As a business that faces competition from modern furniture manufacturers and fellow rattan craftsmen, UD. Gemilang Asri Rattan is required to have the right marketing strategy, especially in determining the selling price of his products. Prices that are too high have the potential to reduce consumer buying interest, while prices that are too low can reduce the company's profits. Therefore, companies need to set prices that are in accordance with the quality and value of the products offered in order to be able to attract consumers to make purchases.

Previous research conducted by Audimas et al.,(2024) In the furniture business sector, it shows that prices have a significant influence on consumer purchase decisions. The results of the study indicate that the better the consumer perception of the price of a product, the greater the tendency of consumers to make purchases. The findings show that pricing

strategies are one of the important factors that need to be considered by furniture and handicraft business actors in improving consumer purchasing decisions.

However, until now it is not known exactly how much product prices affect consumers' purchasing decisions at UD. Gemilang Asri Rattan. Therefore, this study was conducted to analyze the influence of product prices on consumer purchase decisions in UD. Gemilang Asri Rattan so that it can provide input for companies in formulating a more effective pricing strategy and in accordance with market needs.

Table 1 UD Monthly Sales Data. Gemilang Asri Rattan in 2026

Moon	Average Main Product Price (Set)	Sales Volume (Units)	Percentage Change
January	IDR 2,100,000	7	-
February	IDR 2,100,000	5	-28,57%
March	IDR 2,200,000	5	0%
April	IDR 2,250,000	4	-20%
May	IDR 2,200,000	7	+75%

Referring to Table 1, it shows the movement of sales volume against the price policy implemented by UD. Gemilang Asri Rattan. In February, although the price was stable at IDR 2,100,000, the sales volume decreased by 28.57%. A more visible dynamic occurred when the company gradually raised prices due to operational adjustments, where in April the price reached a high point of IDR 2,250,000 and had an impact on a decrease in sales volume to the lowest figure, which was 4 units (down 20% from the previous month). The price increase is very clear in May 2026 when the average price of the product is lowered again to IDR 2,200,000, the direct sales volume jumped sharply by 75% to touch 7 units again. This fluctuation phenomenon strengthens the initial indication that the determination of the nominal selling price has a strong attachment to the consumer's purchase decision in determining the quantity of exploitation of rattan product transactions in the store.

The relationship between product price and purchase decisions has been widely studied in various marketing studies, but the results obtained still show a difference in findings (research gap). Several studies show that price has a positive and significant effect on consumer purchasing decisions. Piyoh et al.,(2024) found that consumers are more likely to make purchases when the price offered is considered to be in line with the benefits received. In line with that, Gracia et al.,(2024) stating that price affordability, price compatibility with product quality, and price competitiveness are important factors that influence consumer purchasing decisions. The findings show that price is still one of the main considerations for consumers in choosing a product.

On the other hand, some studies reveal that in certain products, especially those that have artistic value and unique characteristics, price is not always the dominant factor in

determining purchasing decisions. Consumers often consider other aspects such as product quality, design, uniqueness, product image, and functional value obtained. This condition shows that the influence of price on purchase decisions is contextual and can be different for each type of business and the characteristics of consumers who are the target market.

Given the importance of consumer purchasing decisions for the sustainability of UD's business. Gemilang Asri Rattan and the need to understand consumer perception of the price of the products offered, this research is important to be carried out. The results of the research are expected to make a practical contribution for business owners in evaluating and developing more effective pricing strategies so as to be able to improve consumer purchasing decisions. Based on this background, this study aims to find out and analyze the influence of product prices on consumer purchase decisions in UD. Gemilang Asri Rattan.

METHODS

Quantitative research methodology is used in this study. Quantitative research includes examining relationships between factors using numerical data and statistical analysis. This approach aims to ascertain whether independent variables have a measurable and objective impact on dependent variables.

To find out the relationship or influence between Sharia Marketing (X) variables to increase sales (Y) at UD Gemilang Asri Rattan, this study uses an associative approach. The research data was collected by distributing questionnaires to participants who had used or bought goods from UD Gemilang Asri Rattan.

This research was conducted at UD Gemilang Asri Rattan, a company that produces and sells rattan furniture. The duration of this research project is 2026, including the preparation of proposals, data collection, data processing, and writing research reports

Formulas using equation

RESULTS AND DISCUSSION OF THE RESEARCH

This study uses a sample of 30 respondents who are active consumers and have made transactions to purchase rattan handicraft products at UD Gemilang Asri Rattan. Based on the questionnaire data collected, the characteristics of the respondents were grouped by gender and age as follows:

- Based on Gender: The majority of respondents were dominated by the male group, which was 18 people (60%), while female respondents amounted to 12 people (40%).
- Based on Age: Respondents have an age range that varies between 17 to 45 years, with the mean age being 32 years. This shows that rattan handicraft consumers are mostly dominated by productive age groups and adults who generally have the financial independence to make decisions to purchase household furniture products.

Indicator measurements for the variables Product Price (X) and Consumer Purchase Decision (Y) were carried out using the Likert Scale. Based on the tabulation of questionnaire data from 30 respondents, all answers were centered on the positive category, namely the "Agree" and "Strongly Agree" options. The absence of respondents who chose the neutral, disagreed, or strongly disagreed option indicates that consumer perception of product price suitability and commitment to purchase decisions at UD Gemilang Asri Rattan is in the very good category.

Determination Coefficient Analysis (R²)

Determination coefficient analysis is used to find out how much of the ability of an independent variable (Product Price) to explain the variation in changes in the dependent variable (Consumer Purchase Decision). The test results are presented in the following table:

Table 2 Determination Coefficient Test Results (Model Summary)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837a	.701	.691	.52134

a. Predictors: (Constant), x

Based on Table 2, a correlation value (R) of 0.837 was obtained, which shows that the direct linear relationship between the variable Product Price and Consumer Purchase Decision has a very strong level of tightness.

Meanwhile, the value of the determination coefficient (R Square) was obtained at 0.701. This figure contains a scientific meaning that 70.1% of the variation in the value of Consumer Purchase Decisions is determined by the factors that determine the price of products applied by the company. The remaining 29.9% (100% - 70.1%) were explained by other marketing stimulant variables or factors outside this research model, such as service quality, uniqueness of product design, physical location of outlets, and promotional strategies. The *Std. Error of the Estimate* value of 0.52134 (close to 0) confirms that the regression model formed has a very high level of prediction accuracy.

Model Feasibility Test (ANOVA/F Test)

The ANOVA test or F Test aims to determine whether the simple linear regression model formed has a decent level of model alignment (*goodness of fit*), so that valid independent variables are used to predict dependent variables. The test results are presented in the following Table 3:

Table 3 Model Feasibility Test Results (ANOVAa)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.857	1	17.857	65.700	<.001b
	Residual	7.610	28	.272		
	Total	25.467	29			

a. Dependent Variable: Y

b. Predictors: (Constant), x

Based on the data processing results in Table 3, it is known that the resulting F-calculation value is 65.700 with a significance probability level (*Sig.*) of 0.000 (written by the SPSS system with the notation <.001). Because the significance probability value is much smaller than the 5% error level specified ($0.000 < 0.05$), the regression model in this study is declared to be very feasible (*fit*). This proves that the Product Price variable (X) has a valid and significant linear ability to predict the value of a Consumer Purchase Decision (Y).

Simple Linear Regression Analysis and Hypothesis Test (Partial t-test)

Simple linear regression analysis is used to determine the direction of the relationship and the magnitude of the influence of Product Price on Consumer Purchase Decisions. The values of the regression coefficient parameters are presented in the following Table 3:

Table 4 Results of Simple Linear Regression Analysis and t-Test (Coefficientsa)

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	6.344	1.129	5.617	<.001
	x	.582	.072	8.106	<.001

a. Dependent Variable: Y

Based on the output *Coefficients* in Table 4, the value of constant (a) is 6.344 and the regression coefficient of the variable Product Price (b) is 0.582, so that the formula of the simple linear regression equation is obtained as follows:

$$Y = 6.344 + 0,582 X$$

The regression equation can be scientifically interpreted as follows:

1. The Constant Value (a) of 6.344 means that if the variable Product Price (X) is assumed to be constant or has a value of zero (0), then the basic value of the formation of Consumer Purchase Decisions (Y) at UD Gemilang Asri Rattan has been formed as 6.344 units.
2. The Regression Coefficient of the Product Price Variable (b) of +0.582 has a positive value, which indicates the direction of the relationship (direct proportion). This means that every time there is an increase in positive perception of the suitability and affordability of Product Prices by 1 unit, it is predicted to increase the accumulated value of Consumer Purchase Decisions by 0.582 units.

Furthermore, to partially prove the truth of the hypothesis through the t-test, an analysis was carried out on the significance probability value on the total variable row X. Based on Table 3, a t-calculation value of 8.106 was obtained with a significance value (*Sig.*) of 0.000 (<.001). Since the significance value is much smaller than the specified real level ($0.000 < 0.05$), methodologically the test decision is H0 rejected and H1 accepted. Thus, it is empirically proven that Product Prices have a positive and significant effect on Consumer Purchase Decisions at UD Gemilang Asri Rattan.

The results of the study provide strong empirical evidence that the pricing policy applied by the management of UD Gemilang Asri Rattan plays a crucial role as the main stimulus for consumer purchasing actions. The dominant influence of the price variable which reached 70.1% reflects the phenomenon in the field that consumers of rattan crafts are very sensitive and selective about the nominal value of the money they invest in furniture products.

This strong attachment is based on the assessment of consumer satisfaction who considers the selling price determination scheme in this store to be rational, varies according to size, and is commensurate with the quality of the woven and the strength of the original rattan raw materials obtained. The compatibility between financial sacrifice and long-term functional benefits and aesthetic beauty creates a sense of security in consumers, ultimately locking in the decision to transact. The positive impact of this price perception not only stimulates initial transactions, but also encourages interest in repeat *orders* and fosters consumers' willingness to voluntarily recommend this rattan product to their close relatives.

Theoretically, the results of this study are very much in line with the marketing management principles from Kotler & Keller (2016) which states that price is the most flexible element of the marketing mix and is the main determinant in shaping consumer purchasing action decisions. In addition, these findings reinforce the academic foundation of previous research by Piyoh et al.,(2024) which confirms that consumers have a tendency to make purchases if the price offered is considered to be in accordance with the benefits received. This result is also confirmed by the study Gracia et al (2024) which states that affordability, price conformity with product quality, and price competitiveness are important determining factors that significantly dominate the strengthening of consumer purchasing decisions in the retail market.

CONCLUSION

Based on the results of statistical data analysis, hypothesis testing through the SPSS program, and the discussion that has been described in the previous chapter regarding the influence of product prices on consumer purchase decisions at UD Gemilang Asri Rattan, the final conclusions were obtained as follows:

1. Product Price variables have been proven to have a positive and significant influence on Consumer Purchase Decisions at UD Gemilang Asri Rattan. This is empirically proven through a partial test (t-test) which produces a t-calculated value of 8.106 with a significance probability level of 0.000, which is much smaller than the specified real level ($0.000 < 0.05$). The value of the regression coefficient with a positive value (+0.582) indicates that the relationship between the two variables is unidirectional; The better, more affordable, and the more rational the perception of rattan product prices in the eyes of consumers, the level of consumer purchase decisions will increase significantly.
2. The results of the model feasibility test (F Test) resulted in an F-calculation value of 65,700 with a significance value of 0.000 (< 0.05), which confirms that the simple linear regression model $Y = 6,344 + 0.582X$ is linear and very feasible (*fit*) to be used to predict the level of consumer purchase decisions based on product price indicators.
3. Based on the results of the determination coefficient analysis (R^2), the contribution of the *R Square* value obtained is 0.701. This figure reflects that the Product Price variable plays a very dominant role, which is 70.1% in explaining the variation in changes in Consumer Purchase Decisions at UD Gemilang Asri Rattan. While the remaining 29.9% was determined by other external factors outside the limits of this research model, such as the quality of store service, the uniqueness of the craft design, the physical location of the outlet, and the effectiveness of the promotional mix applied.

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