

Consumer Purchase Intention The Products Of Small And Medium Enterprises (MSMEs) In The Province Of West Nusa Tenggara

ABSTRACT

This study investigates the effect of trust, product quality, and perception variables on consumer buying interest in micro and medium-sized products (MSMEs) included in the JPS Gemilang program. This research is quantitative by taking 100 samples and testing the hypothesis using structural equation modeling (SEM) analysis. The results showed that the trust variable had no significant effect on consumer buying interest. On the other hand, the variable price perception and product quality positively affect consumer buying interest. Quality products accompanied by affordable prices will attract consumers to buy MSME products. The COVID-19 pandemic has caused people to become more frugal in spending their money and buying primary and health needs.

Keywords: Purchase intention, Product quality, Price, trust, SEM

1. INTRODUCTION

The spread of the virus Covid-19 still is concerned various countries, has been causing a health crisis to the economy. One of the sectors affected is the business like small and medium enterprises (SMEs) that has an essential role in the economic system in Indonesia. It has been proven that SMEs can survive amid the crisis which occurred in the year 1998. When Indonesia became one of the Countries affected by Covid-19, SMEs became the hope of the backbone of the economy of the Country. Very important to keep the availability of capital, labor, production activities, and other things to face the impact of the pandemic that SMEs do not collapse. The government is trying to bring economic recovery programs to improve the purchasing power of society as well as economic stimulus—funds issued by the government of 15,24 trillion to be given to 12.7 million perpetrators of SMEs.

The provincial government of West Nusa Tenggara is one area that has more attention to Micro, Small, and Medium Enterprises (SMEs) to be able to be involved in the strategic programs of the local government. This is an attempt to give the stimulus to the economic activities of the society and the introduction of products of SMEs in West Nusa Tenggara. Hopefully, from this program, more and more people will know the products of SMEs and are interested in buying as part of the fulfillment of the community's needs. The JPS Program a Resounding is implemented in three stages. There is an increase in the number of SMEs involved in each stage.

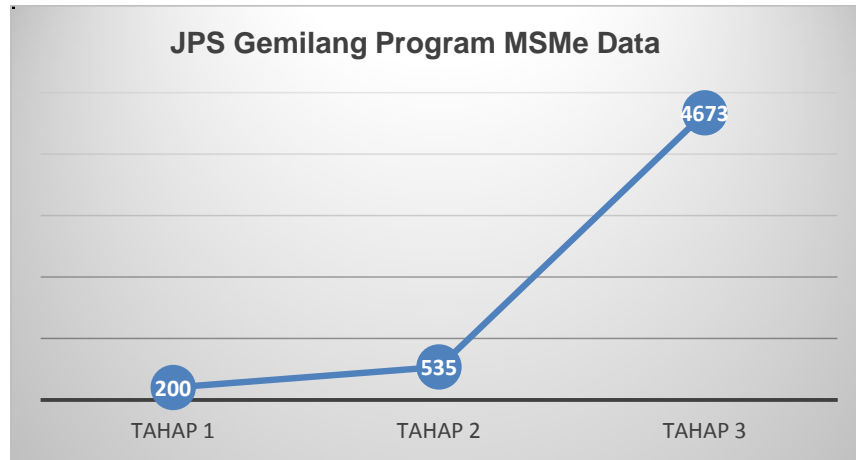


Figure 1. The number of SMES involved in the program JPS glorious
 Source (biroadpim.ntbprov.go.id)

This program schemes to buy SMEs' products and then channel them into social assistance to those affected economically by the pandemic Covid-19. Help is given in the form of Food packages and Package Supplements-Mask, in the form of 10 kg of rice, eggs, 20 grains, coconut oil/fry, soy milk, tea moringa, eucalyptus oil/clove, liquid soap/stem, as well as the mask is non-medical. The number of recipients JPS Resounding as much as 350,000 head of the family are distributed in 3 stages with detail as follows:

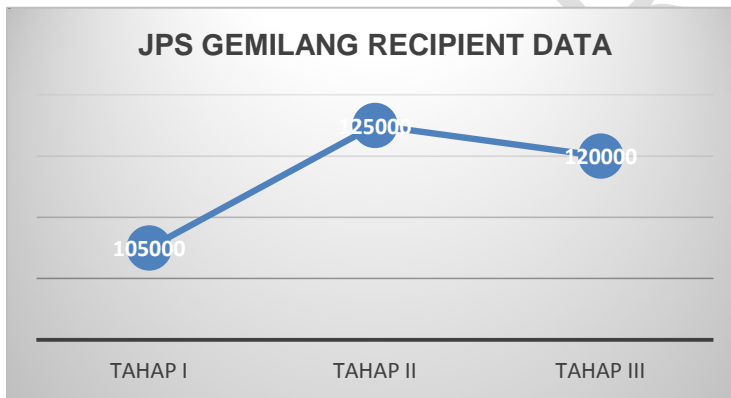


Figure 2. The number of recipients JPS each stage

The recipient of the aid JPS Resounding cloud-based data of the village and the village community of the poor and vulnerable poor in the Data Integrated Welfare Social (DTKS) as well as affected communities, other than the data sector/community proposals (non-DTKS), with the details of phase I as much as 105.000 Kir Beneficiaries (KPM) (99.000 DTKS and 6,000 non-DTKS), stage II as 125.000 KPM (110.119 DTKS and 14.881 non-DTKS) and phase III as much as 120.000 KPM (110.130 DTKS and 9.870 non-DTKS). The distribution of the aid package phase III seen from figure 2. already distributed 100% to the total 110.130 DTKS package that spread in 10 regencies/cities in the province of Nusa Tenggara Barat.

Involving SMEs in the JPS program Gemilang is not limited to buying products but coupled with guidance to maintain product quality. According to Kotler and Armstrong (2014), the quality of the product is the product's ability to demonstrate its functionality, including product durability, accuracy, ease of use, easily repaired, and other product attributes. Making the products has good quality has become a compulsory thing for SMEs so that the resulting products can compete amid an environment of industrial competition.

The quality of the products of SMEs will either cause the perception of trust by society, in the end, people did not hesitate to re-purchase. According to research, Kusumawati and Saifuddin (2020) expressed that trust

affects consumer buying interest. The great trust of the consumers can make purchases of these products. Other considerations for consumers to be interested in the products of SMEs are the excellent quality product, and the price that the market can accept will make the products of SMEs the leading choice of the community. The perception of the price of a product has the role of importance in the buying public's interest. It is in line with the research Retnowulan (2017) stated that the perception of the price affects consumer buying interest. Buying interest is part of the planning before the consumer decides to buy the desired product. According to Ashari (2012:246), interest to buy is a sense of attraction experienced by the consumer of a product (goods or services) that is affected by the attitude out of consumers and the consumer itself. Based on this, then research to find out whether the variables of trust, perception of price, and quality of the product affect the interest to buy the products of SMEs.

2. METHODS

The presence of Micro, Small, and Medium Enterprises (SMEs) contribute positively to the growth of the Indonesian economy, the increase in the Gross Domestic Product (GDP), as well as the absorption of labor (Gunartin, 2017). Buying products with the consideration of quality has become one of the phenomena in the community, including SMEs. Product quality is a reason strong people are interested in buying the products of SMEs (Masrurin, 2020). According to (Kotler & Armstrong, 2009), the quality of the product has several indicators, namely: performance, Feature, Reliability, Conformance, Durability, Aesthetics. With attention to the indicator that will make SMEs trusted by the community. Trust believes that a party will find that what is desired from the other party was not what he was afraid of the other party (Mao, 2010).

The storm of the pandemic Covid-19 that hit Indonesia has a significant impact on SMEs' activity, so it is necessary to approach the macro is the government's policy through the economic recovery and the approach of the micro-management of SMEs in business (Thaha, 2020). Covid-19 makes many people lose purchasing power; one of the business strategies that SMEs can utilize is affordable pricing. According to Kotler & Armstrong (2009), indicator price is price affordable, price who can compete, price by the facilities available. Price perception can influence consumer buying interest (Wirayanthi and Singgih, 2019). With the program (JPS) gemilang by the government of the province of West Nusa Tenggara be a fundamental movement forms of government support to SMEs, by buying products of MSMEs to be a social aid to the community with the hope to benefit from the program JPS Resounding as well as in the future will buy the products of SMEs. The increasing knowledge of the community at the significant presence of SMEs, hopefully, not only for consumption in the local community but tourists local and foreign Countries who come to Nusa tara west. Return a purchase of a product by consumers is likely to occur due to the affected by interest (Suryana & Eliyandi, 2013). According to Ferdinand (2006), purchase interest can be identified using the indicator of interest transactional, interest referential, interest preferential interest, and exploratory.

This research is quantitative, using the method of data analysis using Structural Equation Modeling (SEM). The Object of research is the community the recipient of the aid program (JPS) gemilang spread across eight districts. This study was conducted to October-December 2021. The researcher distributes questionnaires to 100 respondents as the sample to get the data, and the sampling technique is Purposive Sampling. This research is to know the influence of product quality, trust, price perception on buying interest of the community.

Table 1. Variable Operational

No	Variable	Indicator
1	Trust	Integrity Benevolence Competence Mayer (1995)
2	the Quality of the Product	Performance Feature

		Reliability
		Conformance
		Durability
		Aesthetics
		Kotler & Armstrong (2009)
3	the Perception of the Price	affordable
		The price that can compete
		The Price is by the facilities available to
		Kotler & Armstrong (2009)
4	Purchase Intention	Interest Transactional
		Interest Referensial
		Interest Preferential
		Interest Exploratory
		Ferdinand (2006)

3. RESULTS AND DISCUSSION

3.1. Validity

The validity of the identification is assessed based on the cross-loading measurement and configuration. Suppose the correlation between the configuration and measurement items is more significant than the other configuration. In that case, the configuration of the latent predicts the size of the block is better than the block size other (Ghozali, 2014). The rule of thumb to assess the validity of the discriminant, namely by looking at the value of cross-loading for each variable, should be more than 0.7 (Ghozali & Latan, 2015).

Table 2. The Validity Of The Discriminant Variables Of The Study

	Trust	the Quality of the product	purchase Interest	price perception
of Trust	0.790			
Quality products	-	0.858		
buying Interest	0.509	0.462	0.854	
Price	0.083	0.298	0.610	0.835

Based on the above table, all the variables were validated because the correlation value for one variable is greater than the value of the correlation of these variables with other variables.

3.2. Reliability

A reliability test is performed to show the instrument's accuracy, consistency, and accuracy in the measurement design. There are two ways to measure reliability: factor-alpha Cronbach and Composite Reliability. The rule of thumb to assess the reliability of the combination is that the value of the reliability of the joint is more significant than 0,7. I need to do it.

Table 3. The Reliability Of The Research Variables

	Cronbach 's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Trust	0.937	0.821	0.937	0.624
Quality products	0.960	0.965	0.965	0.736
buying Interest	0.963	0.965	0.967	0.729
Price	0.951	0.957	version 0.958	0.697

Based on the data table above, all the variables were declared reliable because the value of composite reliability is more significant than 0.7, and Cronbach's alpha is more significant than 0.6

3.3. Hypothesis Test

Model testing the relationship between variables (path analysis) and getting a suitable model for predesign (the structural model and regression analysis). Modeling of the complete consists of a measurement model (measurement model) and the structural model or causal model. The measurement Model was conducted to assess the discriminant's validity and validity, while the structural model, i.e., a model that describes the relationship-a relationship that was hypothesized.

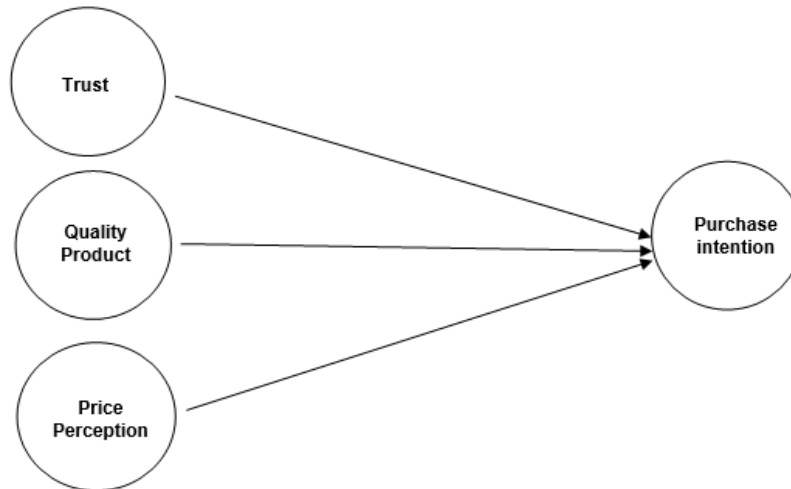


Figure 3. Model (P Values)

Table 4. The Results Of Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Trust -> buying Interest	0.144	0.132	0.194	0.741	0.459
Quality product -> buying Interest	0.403	0.390	0.127	3.183	0.001
perception of price -> buy Interest	0.443	0.444	0.102	4.362	0.000

Based on the above table, the trust does not affect the interest of the consumers because the value of t statistics of 0.741, which is smaller than t table = 1.66, and p values of 0.459, which is greater than 0.05. It shows that H1 is rejected. Trust does not significantly influence consumer purchase intention from the above result above. It is similar to Zakiyatul's (2021) research that trust does not affect consumer purchase intention. It contradicts the study of Kusumawati and Saifuddin (2020), stating the trust influences consumer buying interest.

Based on the test results, product quality has a positive and significant effect on consumer interest because the value of t statistics of 3,183 is more significant than t table = 1.66, and p values of 0.001, which is smaller than 0.05. It shows that H2 is accepted. The product will never forget product because consumers are willing to spend some money to buy a quality product with exemplary quality. Product quality is a significant factor in increasing buying interest on the consumer. This is by research terdahuli by Raharjo (2018) that the quality of the product takes effect against the interest of consumers buy. with attention to indicators of quality products such as performance, feature, reliability, conformance, durability, aesthetics consumers will feel.

Based on the test results, price Perception has a positive and significant effect on consumer interest because the value of t statistics of 4.362, more significant than t table = 1.66, and p values of 0.000, which is smaller than 0.05. It shows that H3 is accepted. The factors that affect consumer buying interest are the perception and competitive price as the main attraction for consumers to purchase a product. In the research, Roni (2017) that the price is one factor that makes consumers interested. The price is always a consideration most when viewing a product. With current conditions, the pandemic of Covid-19 is the decreased purchasing power. The community is very selective in regulating spending on the pandemic. It is based on the research Pariama and Calendar (2021).

4. CONCLUSION

Using Structural Equation Modeling (SEM), the variable trust does not affect consumer buying interest based on the research results. In contrast, the quality of the product and the perception of the price affects consumer buying interest against the products of micro, small, and medium enterprises (MSMEs). Quality and price always be major indicators when consumers see a product, good quality with an affordable price considering the consumer's interest. The pandemic covid-19 makes people more economical the use of their money, and tend to buy products that are of primary and related to health. If you observe, then the micro, small, and medium enterprises (SMEs visible in the program JPS resounding have to attract a lot of consumer interest concerning the quality of the product, the packaging, and the lounge. Increasing consumer buying interest is expected to impact the increase in the use of the product local by the community.

REFERENCES

1. Hilly M, Adams ML, Nelson SC. A study of digit fusion in the mouse embryo. *ClinExp Allergy*. 2002;32(4):489-98.
2. Andespa, Roni. Factors that influence customer interest in saving in Islamic banks. 2017. Indonesia.
3. biradpim.ntbprov.go.id. What is JPS Gemilang? (2021). (Accessed, December 20, 2021). Available: <https://biroadpim.ntbprov.go.id/program-unggulan-ntb-gemilang/jps-gemilang/>.
4. Fuadah, Zakiyatul. The Effect of Promotion, Price Perception, Trust and Product Diversity on Consumer Purchase Interest During the Covid-19 Pandemic. Muhammadiyah University of Magelang. 2021. Indonesia.
5. Ghozali, I. Structural Equation Model Concepts and Applications with the Amos 22.0 Update Bayesian SEM Program, Semarang: Diponegoro University Publishing Agency. (2014).
6. Gunartin. Strengthening MSMEs as Pillars of Building the Nation's Economy.2017. Vol. 2 No. ISSN: 2502 – 5406. Indonesia.
7. Kotler, Philip and Kevin Lane Keller. (2009). Marketing Management. Thirteenth Edition: Volumes 1 and 2. (Ter Benjamin Molan) Fourth Printing. Jakarta: PT. Index. Indonesia.
8. Mao, Ding. A Study of Consumer Trust in Internet Shopping and The Moderating Effect of Risk Aversion in Mainland China. Hong Kong Baptist University. Management Journal. .2010.3(1) pp.1-50.
9. Masrurin, D. Laila. Analysis of location and product quality on consumer buying interest in Aisa Cookies Blitar SMEs. Journal of Applied Management Research (PENATARAN). (2020) . Vol. 5 No. 1. p. 1-17. Indonesia.
10. Pariama, Muhammad & Takwim. (2021). The Impact of the Covid-19 Pandemic on People's Buying Interest in Lambuya District, Konawe Regency, Southeast Sulawesi Province. *Dikdaya Scientific Journal*. 2021.11(2). Indonesia.
11. Raharjo, R. maulana & Heru Mulyanto. Product Quality, Brand Image And Consumer Buying Interest Of Cassava Chips. Journal of Entrepreneurial Management. IPWI Jakarta College of Economics ISSN 1858-1048. 2018. Vol. 15 No. 01. Indonesian.
12. Thaha, Abdurrahman Firdaus. The Impact of Covid-19 on MSMEs in Indonesia. *Brand Journal*. 2020. Volume 2 No. 1. e-ISSN 2715-4920. Indonesia.
13. Suryana, Popo & E. S. Dasuki. (2013). Analysis of Factors Affecting Purchase Decisions and Its Implications on Repurchase Interest. *Trichonomy*. 2013. Vol 12. No. 2. ISSN 1411-514X. Indonesia.
14. Wiryanthy, Noverita & Singgih Santoso. The Influence of Price, Brand Image and Quality on Interest in Buying Private Label Products. *JMD: Dewantara's Journal of Management & Business Research*. 2019. Vol 2 No 1. Indonesia.