Price and Product Geographic Origin Influencing Purchase Decisions and Acceptance of Dell PCs in Indonesia During Covid-19

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Abstract

At the end of the year 2019, the world has been informed by a Pandemic called Covid-19. Currently, President Joko Widodo is appealing to all Indonesian residents to do their work and study by home (WFH & SFH) to avoid the spread of covid-19. Companies which are engaged in electronics, especially computers, have their income increase from consumer's buying. PC Dell is also a company which produces and sells computers. Buying decisions on Dell PCs will increase with a good income and geographic product quality. From the sales results, PC Dell's sales were decreasing from Quartal 2 in 2020. This study aims to determine the impact of price and geographical quality product on purchasing decisions at PC Dell in Indonesia during Pandemic, Covid-19. The research method uses quantitative methods with descriptive and verification approaches. Data collection by distributing questionnaires to PC Dell's Consumers as many as 100 respondents. The results of research using quantitative methods show a coefficient value of 59,6%, it can be concluded that the effect of Price and Quality Product on Purchasing Decisions is 59.6% while the remaining 41.4% is influenced by other variables not examined in this study.

Introduction

At the end of 2019, the world has been informed about the coronavirus pandemic or A.K.A Covid-19. This information is based on WHO's report file number 37 about Covid-19 on 26 February 2020. "For the first time, since the onset of symptoms of the first identified case of COVID-19 on 8 December 2019, there have been more new cases reported from countries outside of China than from China." Indonesia became one of the countries that also got influenced by covid 19 around February until now. President Joko Widodo officially announced the first case of covid-19 in Indonesia at Istana Negara on March 2, 2020. 2 citizens of Indonesia which got positive covid-19 were engaged with a Japanese citizen that came to Indonesia.

President Joko Widodo has requested all of its Indonesia citizens to increase alertness towards the spread of coronavirus or covid-19. According to President Joko Widodo, one of the ways that we must start reducing activity outside is by doing SFH (Study from Home) and WFH (Work from Home). This ongoing pandemic has made many people do activities that are not as usual, including work from home, and study from home which must be doing by online using gadgets like computers, laptops, smartphones, etc. This is the reason that PC's and Laptops market growth sales were increasing. In IDC and Gartner's report, at Q2 2020, even in this slow economic market, the growth in sales on PCs and laptops is still increasing than before. All of this was based on a request by President Joko Widodo and also the Trend that became a must thing to do that work and study is done through online, that people must have at least a laptop to do its office job.

Dell has been selling its product to many countries over the world, including Indonesia. Dell became a pretty good laptop's brand in Indonesia, even on the world until now. The following are the income results on PC Dell from 2020.

Quartal	Shipment	Market share (%)	2Q19 Shipment	2Q19 Market share (%)	Growth sales revenue (%)
1Q20	10,158	19.7	9,944	16.9	2.2
2Q20	10.648	16.4	10.680	16.9	-0,3
3Q20	10,827	15.2	11,343	16.5	-4.6
4Q20	13,199	16,6	12,127	16,9	-2,9

Gartner.com

Based on the table above, since entering Q2 2020, Dell's growth sales got decreased. As the factors that affect sales, it can be searched on the inside of the company. The factors that affect sales from within the company are the buyers 'impressions of the products, the buyers' impressions of the goods and services and the accompanying services, and the policy on the selling price of products that the company implements, this will affect the size of the number of sales of goods and services. **(**Agustien & Haryono, 2021; Amron, 2018; Brynjolfsson & Hitt, 2000; Davis et al., 2021; De, 2020**).** Thus, a pre-survey was carried out using the marketing mix (4P) as an assessment which showed the results that the price and product geographic origin had a less satisfactory value compared to the other two values. place and promotion.

Research Purpose:

1.   Understand the influence of price towards PC Dell purchase decision in Indonesia.
2.   Understand the influence of product geographic origin towards PC Dell purchase decisions in Indonesia.
3.   Understand the influence of price and product geographic origin towards PC Dell purchase decisions in Indonesia.

Review of Literature

Price

Price is the amount of value (possibly plus several items) needed to obtain several combinations of a product and service that accompanies it. (Dunga, 2020; Jayasooriya, 2021; Daluwathumullagamage & Sims, 2020)
As for the indicators in price, it is:
1.   Affordability price.
2.   Suitability of Price with product quality.
3.   Competitiveness of price.
4.   Suitability of price with benefit.

Product

Products are anything that can be offered to a market to satisfy wants or needs, including physical goods, services, experiences, events, people, places, property, organizations, information, and ideas. (Kaneko & Nojiri, 2008; Matthews Mokoena, 2020; Melike Avci, 2020; Meyer Hassan, 2020)
As for the Indicator in product, it is:

1.   Form,
2.   Feature,
3.   Performance quality,
4.   Quality impression,
5.   Durability,
6.   Reliability,
7.   Service convenience,
8.   Style,
9.   Design.

Purchase Decision

The full customer purchasing decision is a process that derives from all their experiences in learning, selecting, using and even getting rid of a product. (Muhammad et al., 2020; Mullins et al., 2013; Nair, 2021)
As for the indicator in purchase decision, it is:

1.   Purpose in purchasing a certain product.
2.   Information processing until brand selection
3.   Constancy on certain product
4.   Give recommendation to other people
5.   Re-purchase

Research Method

Research according to objectives includes 2 categories, namely Basic or Fundamental or Pure Research and Applied Research. (Nayan et al., 2020; Obrenovic et al., 2020; Prasetyo & Fuente, 2020; Prawiyogi et al., 2020; Qureshi, 2020). Based on research according to its objectives, this research is a basic / pure research. This study uses a questionnaire as primary data. The questionnaire was distributed to 100 respondents who had bought PC Dell's product that has been released since 2018 at least once. The questionnaire uses an instrument that is made based on the respondent's statement regarding the value of the independent variable indicator of price, product geographic origin and purchasing decisions. Respondent data is tabulated, then processed and interpreted. This study uses the IBM SPSS 20 as its instrument process.

Results and Discussion

Statistical Analysis

To state the size of the contribution between one variable and another, it can be determined by looking at the table Model Summary and at the following R Square.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797[a]	.596	.589	2.182

a. Predictors: (Constant), Kualitas Produk, Harga

b. Dependent Variable: Keputusan Pembelian

Based on the table above, it can be seen how much influence the contribution given by Price (X1) and Product geographic origin (X2) to Purchasing Decisions (Y), through the coefficient of determination (Kd).

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	769.308	2	391.008	103.054	.000[b]
	Residual	340.159	97	3.487		
	Total	1109.467	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant), Product Quality, Price

Based on the table above, the value of Fcount> Ftable (103.054> 3.09) with a significant level of Fcount <0.05, namely (0.000 <0.05) then H0 is rejected.
Next is a multiple linear coefficient analysis test which is used to determine how much influence all the independent variables in the regression model have.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.870	1.209		-.782	.037		
	Price	.223	.017	.259	4.113	.000	.683	1.117
	Product Quality	.425	.062	.531	6.085	.000	.683	1.117

a. Dependent Variable: Purchase Decision

Based on the results of the multiple linear regression in the table, the estimation above is obtained in the following equation:

$Y = -1.870 + 0.223 X_1 + 0.425 X_2 + e$
Explanation   :
1)   The constant or intercept is -1.870 (negative) if the price and product geographic origin are equal to zero, then the purchase decision value is -1.870, meaning that it has a negative

effect. A negative constant means that there is a decrease in the number of purchasing decisions by -1,870.

2)   Price (X1) has a positive value of 0.223, meaning that a good price increase will increase the decision to purchase Dell PC products in Indonesia.

3)   Product geographic origin (X$_2$) has a positive value of 0.425, which means that an increase in good product geographic origin will also increase the purchasing decision for Dell PC products in Indonesia.

Based on the results of the analysis, it can be interpreted that consumer attitudes, including price and product quality, have an influence on purchasing decisions, it can be seen from fcount> ftable or 103.054> 3.09 in the ANOVA table, meaning that H0 is rejected and H1 is accepted, it means that the price and product geographic origin have an effect of 59.6% on purchasing decisions for Dell PC products in Indonesia, with a significant and acceptable hypothesis statement.

Then a partial test of the variable price and product geographic origin is performed.

Price

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.574a	.335	.329	2.606

a. Predictors: (Constant), Price (X1)

Based on the table above, the coefficient of determination (Kd) can be concluded that the effect of price (X1) on purchasing decisions (Y) is 33.5%, the remaining 66.5% is influenced by other variables.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.870	1.209		-.782	.000
	Price	.223	.017	.259	4.133	.000

To calculate the t-table value, the significant level used in this study is 5% or the significant level (a) = 0.05, with degrees of freedom df = n-k, it means df = 100 – 3 = 97

T$_{table}$ = (α ; df)

        = (0.05; 97)
        = 1.98472

Based on the calculation of the statistical test in the table, it can be seen that (tcount> ttable) or (4.133> 1.98472) means that H0 is rejected and H1 is accepted. This means that there is a significant influence between price on purchasing decisions for Dell PCs in Indonesia by 33.5% with a significant and acceptable hypothesis.

Managerial Implications

The Dell PC price variable is already in a good ranking, and can increase the price, but by increasing the price, it is expected that a better product geographic origin level is expected to be able to compete in the market with similar markets to further optimize the value of the Dell PC. Dell PCs must also be able to maintain and improve the positive product geographic origin they already have and improve them to keep abreast of current technological trends, along with the desires of many market consumers, and still improve system service as well as ease in using Dell PC

products.

Product quality

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.730a	.583	.577	2.364

a.   Predictors: (Constant), Product geographic origin (X2)

The coefficient of determination can be concluded that the effect of product geographic origin (X2) on purchasing decisions (Y) is 58.3%, the remaining 41.7% is influenced by other variables.

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Product Quality	.425	.062	.531	6.086	.000

Based on the calculation of the statistical test in the table, it can be seen (tcount> ttable) or (6,086> 1.98472) means that H0 is rejected and H1 is accepted.

Hypothesis Testing Result

From the discussion above, it can be concluded that the hypothesis test results are in the following table.

H1	Accepted
H2	Accepted
H3	Accepted

Conclusion and Suggestion

Conclusion

1. Dell PC prices in Indonesia can be said to be good, or affordable, with the quality according to user needs, this can be seen from the responses of respondents regarding prices and user needs. Dell PC specifications that suit user needs and affordable prices are one of the reasons users choose Dell PCs.
2. The quality of Dell PC products can be said to be good; this can be seen from the responses of respondents regarding the quality of Dell PC products. Dell PC products have a wide range of products with attractive designs, are easy to use, and are durable. This is one of the reasons for the decision to buy a Dell PC on the product geographic origin factor.
3. The decision to buy Dell PC products can be said to be good, but judging by the responses of respondents regarding comparisons with other products, the decision to purchase Dell PC products is still at a fairly good value, in this case the researcher concludes that comparisons with other similar products can be wrong one reason for the decline in purchases of Dell PC products in 2020.
4. Prices given by Dell PC products are positive and meaning that an increase in prices can increase purchasing decisions for Dell PC products.

5. The quality of Dell PC products is positive and meaning that improving product geographicorigin can increase purchasing decisions for Dell PC products.

Suggestion

1. Judging from the results of the respondents' answers, the researchers suggest that the Dell PC in determining product sales prices are more competitive with other similar products, as well as the quality of comparison with other products. In terms of product quality, Dell PCs can increase the budget for sales of Dell PC products that use the Alienware system software, compared to sales of Dell PC products with the aim of making office products. Researchers suggest this, because seen from the respondents' answers, technological advances also need to follow trends to increase sales, which in this case, Dell PCs in Indonesia should further increase product manufacturing using the Alienware software system, as Asus prioritizes products using ROG, Lenovo with Legion, etc.

2. As for things that can be maintained and improved again, namely regarding the quality of Dell PC products, by utilizing the service level (call-in) that has been prioritized by Dell PCs, because this is a specific value that has been used by Dell PCs in product development to date.

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