

ANALYSIS OF PRODUCT QUALITY, PRODUCT DIVERSIFICATION, AND PRICE ON PURCHASING DECISIONS OF HNI HPAI BUSINESS CENTRE PRODUCTS IN MEDAN 4 (A CASE STUDY OF MUSLIMS IN MEDAN CITY)

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Abstract. This study aims to analyze the influence of product quality, product diversification, and price on purchasing decisions of Business Centre HNI HPAI products in Medan City. The research background is based on the increasing need for halal products in Indonesia, especially in the herbal-based health product category. The research method uses a quantitative approach with a survey of 112 HNI HPAI consumers in Medan City. The independent variables consist of product quality, product diversification, and price, while the dependent variable is purchasing decision. Data were analyzed using multiple linear regression, with the results showing that all independent variables have a significant positive effect on purchasing decisions. The coefficient of determination of 67.2% indicates that these three variables explain most of the variation in purchasing decisions. This study concludes that product quality has the most dominant influence, followed by price and product diversification. The practical implication of this research is the need for companies to maintain product quality, increase product variety, and offer competitive prices to strengthen competitiveness in the halal herbal product market.

Keywords: product quality; product diversification; price; purchasing decisions; halal products

I. INTRODUCTION

Indonesia is the country with the largest Muslim population in the world, with Muslims accounting for 87.2% of the total population of approximately 270 million people, according to data from the Central Statistics Agency (BPS). The demand for halal products in Indonesia continues to experience significant growth, with the halal product market valued at USD 184 billion in 2023, according to the State of the Global Islamic Economy report. This reflects the growing awareness among Indonesian Muslims of the importance of consuming products that comply with Islamic law, as stated in the Qur'an, Surah Al-Maidah verse 88. The demand for halal products is not limited to food and beverages but also extends to other categories such as pharmaceuticals, cosmetics, and health products.

From the perspective of Islamic economics and finance, there are general principles applied within financial systems and institutions to ensure Sharia compliance and to distinguish Islamic finance from conventional finance. These principles are not only based on ethics but also on rationality. The primary objective of these principles is not only to ensure financial instruments are Sharia-compliant but also to support social responsibility and contribute directly to economic growth and development (Soemitra, 2021).

The capital market in Indonesia adopts a gradual approach to integrating Islamic principles. Capital market regulations are still largely dominated by conventional practices and rules, so

Islamization is carried out incrementally through the development of Sharia-compliant halal products (Soemitra, 2016). Despite challenges in the development of this industry, Indonesian society shows strong enthusiasm for halal products. This indicates that the concept of halal is not merely a religious obligation but also part of a modern lifestyle (Batubara & Harahap, 2022).

In fulfilling the need for halal products, PT HNI HPAI emerges as one of the companies committed to providing halal herbal products through a network-based marketing system. PT Herba Penawar Alwahida Indonesia (HPAI) is a company engaged in the production and distribution of high-quality halal products. Established in 2012, HPAI is committed to developing the Islamic economy in Indonesia through business and MSME empowerment (hni.net, n.d).

HPAI was officially founded on March 19, 2012, initiated by 18 Muslim business and herbal experts, including H. Agung Julianto, H. Rofik Hamanto, and H. Muslim M. Yatim. Previously, the company was founded in September 1987 and officially launched on July 15, 1995. HPAI offers more than 80 herbal products, such as habbatussauda, Radix coffee, olive oil, and but-but oil, which provide health benefits. In 1999, HPAI faced challenges due to the economic crisis, resulting in a significant reduction in its workforce. To survive, HPAI developed new products, including Radix Fried Chicken and Radix Cola. The company began operations in Indonesia in 2000 through PT Garmaputra as the main distributor. In 2009,

this Malaysia-based company officially entered Indonesia as PT Alwahida Indonesia, which later grew rapidly to become one of the pioneers in the halal herbal business in the country (Febriansyah, 2021).

The company obtained halal certification from DSN-MUI in 2016 under decree number KEP-03/DSN-MUI/VII/2016, affirming its commitment to producing guaranteed halal products. HNI HPAI's market share in the national halal herbal industry reached 15% in 2023, showing significant growth since its establishment. The company has also received various awards in the halal product sector, including the Indonesia Halal Industry Awards in 2023.

Product quality is one of the main factors influencing purchasing decisions. Product quality reflects the extent to which a product meets consumer needs or expectations. Product performance, durability, and aesthetics are important indicators in determining quality. In the context of HNI HPAI's products, superior quality is demonstrated through the use of natural herbal ingredients, product effectiveness, and compliance with halal standards.

Product diversification is an important strategy for expanding market share and reaching more consumers. Diversification allows companies to offer a variety of product options that match consumer preferences and needs. HNI HPAI has shown success in diversification by offering more than 70 product types, ranging from cosmetics to health supplements, meeting consumer needs across different segments.

Price plays a significant role in purchasing decisions, especially in price-sensitive markets. Consumers tend to compare product prices with the value they receive. HNI HPAI adopts a competitive pricing strategy that still reflects premium quality, even though its product prices are relatively higher than other herbal products. This strategy aims to attract consumers seeking a balance between price and quality.

Purchase decisions are the final result of the consumer evaluation process of various factors such as quality, product diversification, and price. In this case, HNI HPAI consumers are influenced by trust in the quality of halal products, the variety of available options, and competitive prices. Additional factors such as company reputation and halal certification further strengthen consumer confidence in choosing HNI HPAI products.

Currently, PT HNI HPAI offers 72 types of herbal health products with price ranges from IDR 27,000 to IDR 790,000. These price variations are intended to reach different consumer segments, although they are relatively higher than conventional herbal products in the market. Data shows that sales of HNI HPAI products increased significantly in 2023 compared to the previous year. The following is a comparison of HNI HPAI's product prices with those of its competitors.

Table 1. HNI HPAI Product Price Data and Comparison with Competitor Products

No.	Product Code	Product Name	HNI Product Price (IDR)	Competitor Price (IDR)
1	KDC1	Beauty Day Cream	60,000.00	80,000.00
2	KMG1	HNI Moisturizing Gel	40,000.00	60,900.00
3	KNC1	Beauty Night Cream	70,000.00	123,000.00
4	KZM1	Zareen Essence Toner Mist	35,000.00	99,900.00
4	KZS1	Zareen Bright Glow Serum	60,000.00	175,000.00
5	KBB2	Ad Nat. Bodywash Brightening	50,000.00	64,000.00

Source: PT. HNI/HPAI Product Price Catalog & Oriflame

Table 1 presents the price comparison data between HNI HPAI products and those of its competitor, particularly Oriflame. From the table, it is evident that HNI HPAI products are relatively more affordable. For instance, HNI HPAI's BEAUTY DAY CREAM is priced at IDR 60,000.00, while a similar product from Oriflame is priced at IDR 80,000.00. This difference gives HNI HPAI a competitive advantage in attracting price-conscious consumers without sacrificing quality.

Table 2. HNI HPAI Product Sales Data

Month	2023 (IDR)	2024 (IDR)
January	396,896,960	140,302,600
February	262,249,610	174,335,620
March	241,076,960	198,201,610
April	196,502,250	175,720,850
May	238,863,160	250,163,500
June	177,089,820	229,233,510
July	157,769,380	172,823,500
August	150,791,190	176,560,500
September	255,445,790	154,001,000
October	168,950,800	203,237,000
November	176,486,560	143,413,500
December	277,386,550	174,827,500

Source: <https://hsis.hni.net>

Table 2 presents HNI HPAI product sales data from January to December for the years 2023 and 2024. Based on the table, sales in 2024 show significant fluctuations compared to the previous year. For example, in May 2024, sales increased to IDR 250,163,500 compared to the same month in 2023, which only reached IDR 238,863,160. This trend reflects the influence of external factors and the company's marketing strategies to maintain competitiveness in the market.

Research by Chairunnisa (2023) shows that product quality—covering performance, features, and specification conformity—significantly influences consumer purchasing decisions. A study conducted by Wulandari (2018) reveals that price has a significant effect on the purchasing decisions of HNI HPAI products, particularly among consumers seeking a balance between quality and price. Meanwhile, research by Fatmiwati et al. (2020) highlights the important role of product diversification in attracting consumer interest.

From a theoretical perspective, consumer purchasing decisions are a complex process involving multiple considerations. Marketing theory by Kotler and Keller (2016) emphasizes the importance of the product mix in marketing strategies to enhance a company's competitiveness. A recent survey conducted by the Institute for Islamic Economic Studies in 2023 found that 78% of Muslim consumers in Indonesia consider halal certification as the main factor in health product purchase decisions. This further strengthens HNI HPAI's strategic position in the national halal herbal product market.

Based on the aforementioned phenomena and findings, this study aims to analyze the influence of product quality, product diversification, and price on purchasing decisions of HNI HPAI products in Medan City. The selection of Medan as the research location is based on the consideration that the city is one of HNI HPAI's largest consumer bases in Sumatra, with significant sales growth over the past three years. This study is also expected to provide practical contributions to the development of halal product marketing strategies in Indonesia, particularly in the herbal health product segment.

A. Product Quality

Kotler and Keller (2016) define product quality as the characteristics of a product that are capable of satisfying customer needs and desires. Quality encompasses various aspects, including durability, reliability, and aesthetics. Customer attitude refers to an individual's tendency to choose and use a product or service with the aim of achieving maximum satisfaction (Nabila, Nurbaiti, & Harahap, 2023). In the context of halal products, quality also includes the assurance of halal status, which is a crucial factor for Muslim consumers (Fatmiwati et al., 2020). Product quality is the fundamental foundation of a product's marketing success. With good quality, a company can meet customer needs, differentiate its products from competitors, and ultimately create customer satisfaction.

Tjiptono (2019) explains that product quality is a combination of attributes and characteristics that determine the extent to which an output can fulfill customer requirements. Meanwhile, Garvin, as cited in Yamit (2018), states that product quality is the totality of features and characteristics of goods and services that affect their ability to meet stated and implied needs. From these views, it can be concluded that product quality is the totality of a product's features and characteristics that influence its ability to satisfy consumer needs, whether explicitly or implicitly expressed (Hikmah et al., 2024).

A study by Chairunnisa (2023) shows that product quality significantly influences purchasing decisions. Quality, which includes product features and alignment with consumer needs,

increases consumer trust in the product. Consumers tend to purchase products that meet their expectations, especially when the products are guaranteed to be halal and safe. Furthermore, as stated in the study by Harahap & Tambunan (2022), monetary policy through instruments such as SBI (Bank Indonesia Certificates) and SBIS (Sharia Bank Indonesia Certificates) impacts economic growth and public consumption. This suggests that macroeconomic factors can also influence consumer purchasing decisions in various business sectors, including those based on sharia principles.

B. Product Diversification

Product diversification refers to a company's strategy to offer a variety of products to meet the diverse needs of the market (Kotler & Armstrong, 2014). According to Khamidi in Budiman et al. (2022), product diversification is a strategic move for companies aiming to reduce dependence on a single type of product. This strategy enables companies to reach a broader market segment and increase competitiveness. Assauri (2018) explains product diversification as an effort to expand the range of goods sold and a company strategy to increase market penetration. Furthermore, Gitosudarmo (2020) interprets product diversification as an expansion of the selection of goods and services sold by the company through introducing new products or modifying the types, colors, styles, sizes, and variants of existing products to maximize profits.

Based on these definitions, it can be concluded that product diversification is a business development strategy by expanding the variety of products offered, either through new products or by modifying existing ones.

This strategy provides significant benefits, especially in reducing financial risk. With a wide product portfolio, companies can avoid relying solely on a single product that may be vulnerable to market fluctuations. According to Zeithaml and Berry (1990), services are economic activities whose outcomes are not physical products or constructions.

Fatmiwati et al. (2020) found that product diversification significantly influences purchasing decisions. Consumers are more likely to choose companies offering a wide range of products because it provides flexibility and ease in fulfilling their needs, thereby enhancing brand loyalty. This includes aspects such as design, materials, performance, and benefits provided to consumers. In modern industry, product quality often becomes central to business strategy due to its substantial impact on brand reputation and customer loyalty (Nesi & Iku, 2021).

C. Price

Price is one of the key elements in the marketing mix that influences consumers' purchasing decisions. According to Tjiptono (2015), a competitive price should reflect the value perceived by the consumer. Consumers often compare price with product quality to determine whether a product is worth purchasing. Price refers to the monetary value expressed in rupiah used in a transaction, which is given to someone in exchange for goods or services (Prasetyo, Siregar, & Nurbaiti, 2022). Complementing this definition, Swastha (2020) explains that price is the amount of money required to obtain a certain combination of goods and services. Meanwhile, Alma (2018) states that price is the value of a good or service expressed in

monetary terms. Based on these three perspectives, it can be concluded that price is the exchange value paid by the buyer to obtain a product or service, reflecting its value and benefits.

Wulandari (2018) indicates that price has a positive influence on the purchasing decisions of HNI HPAI products. A price that aligns with product quality enhances consumer satisfaction and encourages repeat purchases. However, a price that is too high can become a barrier for certain consumer segments, particularly those in the lower-middle income group..

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II. RESEARCH METHOD

This study employs a quantitative approach using a survey method to examine the influence of independent variables (product quality, product diversification, and price) on the dependent variable (purchase decision). Data were collected through structured questionnaires distributed to 112 consumers of HNI HPAI products in Medan City. The population consists of all HNI HPAI consumers in Medan who have previously purchased and used the products. The sample was selected using a purposive sampling technique with the following criteria: (1) consumers who have used HNI HPAI products within the last three months, (2) aged 18 years or older, and (3) willing to complete the questionnaire in full. The total sample size of 112 respondents was determined using the Slovin formula with a margin of error of 5%.

The sampling was conducted using purposive sampling, targeting consumers who had used the products within the last three months. The data were analyzed using descriptive and inferential statistical methods. Validity and reliability tests were conducted to ensure the quality of the research instrument, while classical assumption tests (normality, multicollinearity, and heteroscedasticity) were carried out to assess the suitability of the regression model. Multiple linear regression analysis was used to examine the effect of the independent variables on the dependent variable, supported by partial test (t-test), simultaneous test (F-test), and coefficient of determination (R^2).

The operational definitions of the variables in this study are as follows:

- 1) Product Quality (X1): Measured based on durability, reliability, and conformity to specifications (Kotler & Keller, 2016).
- 2) Product Diversification (X2): Measured through the number of product variants, innovation, and product availability (Fatmiwati et al., 2020).
- 3) Price (X3): Measured through price conformity with quality, price relative to competitors, and affordability (Wulandari, 2018).
- 4) Purchase Decision (Y): Measured based on the process of need recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior (Kotler & Keller, 2016).

III. RESULTS AND DISCUSSION

1. Validity Test Results

Based on the validity test conducted on the four research variables, namely Product Quality (X1), Product Diversification (X2), Price (X3), and Purchase Decision (Y), all statement items were declared valid. This is indicated by the calculated r values being greater than the r table value (0.1852) at a significance level of 0.05 with a total of 112 respondents. The following table presents the validity test results:

Table 1. Validity Test Results

Vari able	Indicato r	r- calcula ted	r-table	Significa nce	α	Descripti on
X1	X1.1	0.832	0.1852	0.000	0.05	Valid
	X1.2	0.851	0.1852	0.000	0.05	Valid
	X1.3	0.812	0.1852	0.000	0.05	Valid
	X1.4	0.805	0.1852	0.000	0.05	Valid
	X1.5	0.820	0.1852	0.000	0.05	Valid
X2	X2.1	0.634	0.1852	0.000	0.05	Valid
	X2.2	0.705	0.1852	0.000	0.05	Valid
	X2.3	0.698	0.1852	0.000	0.05	Valid
	X2.4	0.721	0.1852	0.000	0.05	Valid
	X2.5	0.729	0.1852	0.000	0.05	Valid
X3	X3.1	0.661	0.1852	0.000	0.05	Valid
	X3.2	0.617	0.1852	0.000	0.05	Valid
	X3.3	0.823	0.1852	0.000	0.05	Valid
	X3.4	0.735	0.1852	0.000	0.05	Valid
	X3.5	0.735	0.1852	0.000	0.05	Valid
Y	Y1.1	0.611	0.1852	0.000	0.05	Valid
	Y1.2	0.728	0.1852	0.000	0.05	Valid
	Y1.3	0.729	0.1852	0.000	0.05	Valid
	Y1.4	0.452	0.1852	0.000	0.05	Valid
	Y1.5	0.606	0.1852	0.000	0.05	Valid
	Y1.6	0.508	0.1852	0.000	0.05	Valid
	Y1.7	0.676	0.1852	0.000	0.05	Valid

2. Reliability Test

The reliability test results indicate that all research variables—Product Quality (X1), Product Diversification (X2), Price (X3), and Purchase Decision (Y)—have Cronbach's Alpha values exceeding the standard threshold of 0.60. Therefore, all variables meet the reliability criteria. This confirms that the research instrument has good internal consistency in measuring the specified variables. The reliability test results are as follows:

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Standard	Description
X1	0.877	0.60	Reliable
X2	0.623	0.60	Reliable
X3	0.632	0.60	Reliable
Y	0.710	0.60	Reliable

3. Normality Test

The normality test was conducted using the One-Sample Kolmogorov-Smirnov Test on a sample of 112 data points. The test yielded an Asymp. Sig. (2-tailed) value of 0.184, which is greater than the 0.05 significance level. This indicates that the residuals in the research data are normally distributed. Therefore, the normality assumption for this study is met. The normality test results are presented below:

Table 3. Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		112
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.09444101
	Absolute	.073
Most Extreme Differences	Positive	.031
	Negative	-.073
Test Statistic		.073
Asymp. Sig. (2-tailed)		.184 ^c

4. Multicollinearity Test

The multicollinearity test was conducted to ensure that no high correlations exist among the independent variables in the regression model. The test results show that the Tolerance values for variables X1, X2, and X3 are 0.397, 0.463, and 0.548, respectively—all above the minimum threshold of 0.10. Additionally, the Variance Inflation Factor (VIF) values are 2.516, 2.158, and 1.824, respectively—all below the maximum threshold of 10. Hence, it can be concluded that multicollinearity is not present among the independent variables. The results are summarized as follows:

Table 4. Multicollinearity Test

		Coefficients ^a	
		Collinearity Statistics	
Model		Tolerance	VIF
1	X1	.397	2.516
	X2	.463	2.158
	X3	.548	1.824

a. Dependent Variable: Y

5. Heteroscedasticity Test

The heteroscedasticity test was conducted to examine whether there is non-constant variance in the regression residuals, which could affect the reliability of the analysis. The test was performed using the Glejser method. The significance values for variables X1, X2, and X3 are 0.298, 0.863, and 0.213, respectively. Since all values exceed 0.05, it can be concluded that heteroscedasticity is not present. The test results are shown below:

Table 5. Heteroscedasticity Test

		Coefficients ^a		t	Sig.
Model		Unstandardized Coefficients	Standardized Coefficients		
1	(Constant)	.116	.032	3.627	.000
	Norm_X1	.052	.050	1.046	.298
	Norm_X2	-.010	.058	-.023	.863
	Norm_X3	-.108	.035	-.379	.213

a. Dependent Variable: ABS_RES

6. Multiple Linear Regression Equation

The regression results show that all independent variables (Product Quality, Product Diversification, and Price) have a positive effect on Purchase Decision. The Product Quality variable has the highest coefficient (0.394), indicating it has the most significant influence in enhancing purchase decisions. Product Diversification (0.240) and Price (0.294) also positively influence Purchase Decision, albeit to a lesser extent. The constant value of 0.066 suggests that even when all independent variables are zero, the Purchase Decision has a baseline value of 0.066. These results affirm that product quality, product diversification, and price are important factors influencing the purchase decisions of Business Centre HNI HPAI consumers in Medan.

Table 6. Multiple Linear Regression Equation

Independent Variable	Coefficient (B)
Constant	0.066
Product Quality (X1)	0.394
Product Diversification (X2)	0.240
Price (X3)	0.294

7. Hypothesis Testing Results

a. Coefficient of Determination (R²)

The coefficient of determination test results show an R Square (R²) value of 0.672, which means that 67.2% of the variation in the dependent variable (Purchase Decision) can be explained by the independent variables (Product Quality, Product Diversification, and Price). The remaining 32.8% is explained by other factors outside this model. The Adjusted R Square value of 0.663 indicates that the model has a good fit even after adjusting for the number of predictors. The R value of 0.820 indicates a very strong relationship between the independent and dependent variables. With a standard error of estimate of 0.096, the model is considered suitable for predicting purchase decisions at the Business Centre HNI HPAI in Medan.

Table 7. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820	.672	.663	.096

Predictors:
(Constant),
X3, X2, X1

b. F-Test Results

The F-test results show a significance value of $0.000 < 0.05$ and an F-value of $73.646 > F\text{-table } 2.688$. This indicates that the regression model is statistically significant and able to explain the relationship between the independent variables (Product Quality, Product Diversification, and Price) and the dependent variable (Purchase Decision). The Regression Sum of Squares (2.025) is higher than the Residual Sum of Squares (0.990), indicating that most of the variation in Purchase Decision is explained by the model.

Table 8. F-Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.025	3	.675	73.646	.000
Residual	.990	10	.099		
Total	3.015	11			

Dependent Variable: Y

c. t-Test Results

The results of the t-test indicate that the variables Product Quality (X1), Product Diversification (X2), and Price (X3) all have a significant influence on Purchase Decisions (Y). The t-value for Product Quality (X1) is 4.452 with a significance level of 0.000, for Product Diversification (X2) it is 2.329 with a significance level of 0.022, and for Price (X3) it is 3.765 with a significance level of 0.000. Since all significance values are below 0.05, it can be concluded that each independent variable has a statistically significant effect on the dependent variable. The regression model confirms that improvements in product quality, increased product diversification, and appropriate pricing strategies positively contribute to influencing consumer purchase decisions at the HNI HPAI Business Centre in Medan. The following table presents the detailed results of the t-test:

Table 9. t-Test Results

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
1	(Constant)	0.066	0.023	2.826
	X1	0.394	0.089	0.426
	X2	0.240	0.103	0.213
	X3	0.294	0.078	0.334

1. The Influence of Product Quality on Purchase Decisions

Based on the results of the regression test, product quality shows a significant positive effect on purchase decisions, with a coefficient value of 0.394, a t-value of 4.452, and a significance value of $0.000 < 0.05$. This result aligns with the findings of Wulan Arianti et al. (2023), who discovered that perceptions of product quality significantly influence purchase decisions, with a t-value of 12.870 and a regression coefficient of 0.640.

The analysis indicates that most respondents consider the quality of HNI HPAI products as the main factor in their purchase decisions. Respondents generally agree that the products meet their needs, are durable, and are made from high-quality materials. Additionally, many respondents find the product packaging attractive and functional, which adds value to their purchase decisions. Some respondents also stated that satisfaction with product quality increased their confidence to make repeat purchases. However, a small number of respondents felt that product quality could still be improved for better results. Therefore, it can be concluded that the higher the consumers' perception of product quality, the more likely they are to make a purchase.

This finding is also supported by Chairunnisa (2023), who revealed that product performance indicators, such as benefits and convenience that match customer expectations, along with the uniqueness of the product providing more than one benefit, influence purchase decisions. Research by Ayu Purnama et al. (2023) also showed a significant influence of product quality with a t-value of 3.336 and a significance level of 0.001. However, Irwany Handayani (2022) found that even though product quality was perceived as good, not all consumers made regular purchases due to unstable income factors.

2. The Influence of Product Diversification on Purchase Decisions

Product diversification in this study significantly affects purchase decisions, with a regression coefficient of 0.240, a t-value of 2.329, and a significance level of $0.022 < 0.05$. These findings are consistent with the research of Fatmiwati et al. (2020), which showed that product variety significantly contributes to purchase decisions, with a contribution of 75.7%.

Most respondents felt that the variety of products offered was quite diverse and capable of meeting their needs. The presence of various product types—in terms of taste, size, and category—was considered to provide greater flexibility in choosing products according to their preferences. Additionally, the ongoing introduction of new product innovations also attracts consumers to try other products.

This means that the more product variety offered, the higher the consumer interest in purchasing the product. The study by Nonie Afrianty and Detri Agustina (2020) added

that consumer familiarity with product composition increases purchase interest, as composition information on packaging is perceived to reflect the safety and quality of the product. This indicates that product diversity should be accompanied by clear information about product composition and benefits.

4. The Influence of Price on Purchase Decisions

Price has a significant effect on purchase decisions, with a regression coefficient of 0.294, a t-value of 4.717, and a significance value of 0.000 (<0.05). The findings of Wulandari (2018) support this, showing that price has a significantly positive influence with a t-value of 3.570 and a significance value of 0.000.

Most respondents believe that the product price corresponds to the quality offered and feel that the benefits received are proportional to the price paid. However, some respondents compared the price of this product with other brands and felt that HNI HPAI products were slightly more expensive than competitors. Moreover, some respondents stated that HNI HPAI promotions or discounts could be an additional attraction in their purchase decisions. This shows that the more aligned the price is with consumer expectations, the greater the likelihood of making a purchase.

Recent research by Danang Hadi Sulaiman et al. (2022) also supports that price has a significant influence, with a t-value of $4.380 > t\text{-table } 1.657$. However, some studies show different results. Research by Zakiya Ulin Nukha (2021) and Rini Rahayu Kurnianti et al. (2021) found that price does not significantly influence purchase decisions. Afriyadi et al. (2024) also found that the influence of price on purchase decisions is relatively low (2.5%), even though price appropriateness with quality is still highly rated (92.1%).

The Simultaneous Influence of Product Quality, Product Diversification, and Price on Purchase Decisions

The simultaneous test results show that product quality, product diversification, and price collectively have a significant effect on purchase decisions, with an F-value of 73.646 and a significance value of 0.000. The R^2 value of 0.672 indicates that 67.2% of the variation in purchase decisions can be explained by these three variables.

The analysis shows that these three factors—product quality, product diversification, and price—jointly influence purchase decisions. Most respondents stated that they frequently repurchase HNI HPAI products and recommend them to others. The factor that most influences purchase decisions is product quality, followed by price and then product diversification. However, there are also respondents who consider other factors beyond the three variables, such as recommendations from friends or positive past experiences with the product.

The research by Fatmiwati et al. (2020) supports these findings, showing that product variety and price variables together contribute 75.7% to purchase decisions. The study by Rika Rahmi (2019) also demonstrated a strong simultaneous influence with an F-value of $48.160 > F\text{-table } 2.75$ and an Adjusted R Square of 0.675. These results highlight the importance of an integrated marketing strategy that simultaneously considers quality, product variety, and price.

IV. CONCLUSIONS

This study reveals that product quality, product diversification, and price have a significant influence on consumers' purchasing decisions at the HNI HPAI Business Centre Medan 4 (Case Study on the Muslim Community in Medan City). The conclusions are as follows: Product quality has the greatest influence on purchasing decisions, with a regression coefficient of 0.394, a t-value of 4.452, and a significance level of 0.000. Consumers are more likely to purchase products that are highly reliable, durable, and suited to their needs. Product diversification contributes to increasing consumer appeal, with a regression coefficient of 0.240, a t-value of 2.329, and a significance level of 0.022. Variations in product size, flavor, and category provide consumers with flexibility in choosing products, while continuous innovation in new products further stimulates purchase interest. Price has a significant impact on purchasing decisions, with a regression coefficient of 0.294, a t-value of 4.717, and a significance level of 0.000. Most consumers perceive the price of the products to be proportionate to the benefits provided, although some consider the price slightly higher compared to competitors. Promotions and discounts serve as additional incentives that increase consumer buying interest. These three factors simultaneously influence purchasing decisions, with an F-value of 73.646 and a significance level of 0.000. The coefficient of determination (R^2) of 67.2% indicates that product quality, diversification, and price collectively explain the majority of the variation in purchasing decisions, while the remaining percentage is influenced by other factors. A marketing strategy that focuses on improving product quality, innovating product variations, and implementing competitive pricing is essential for maintaining customer loyalty.

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