Literacy Of Selling Prices, Raw Materials and Product Quality On Purchasing Decisions Through Consumer Loyalty As A Mediating Variable In Smes In Klambir V Village, Deli Serdang Regency

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Abstract— The development of a village is very important for the surrounding community, one of the village's progress is through good business, good natural resources and professional human resources. This means that progress in a village can be realized more quickly. Klambir V village is often hampered in deliveries, therefore many entrepreneurs increase the selling price of products because the raw materials produced in this village are no longer viable, so raw materials are imported from outside the area, so production will also affect the materials. The increase in raw materials and poor quality has influenced the lack of people to buy. This is a phenomenon in Klambir V village. Consumer buying interest is the stage where consumers form their choice between several brands that are included in the choice set, then at this stage consumers will decide to buy the product or not. The process of buying interest starts from the emergence of a need for a product or brand, then the processing of information by the consumer, then the consumer will evaluate the product or brand. The results of this evaluation ultimately give rise to the intention or intent to buy before consumers actually make a purchase.

Keywords—Selling Price, Raw Materials, Product Quality and Purchasing Decisions Through Loyalty

I. Introduction

The development of a village is very important for the surrounding community, one of the village's progress is through good business, good natural resources and professional human resources. This means that progress in a village can be realized more quickly. Business is additional income besides having a fixed salary as an employee. Klambir V village is a village that has very good human resources in addition to the civilization of life around them. The atmosphere in the village is considered very cool because it has very shady trees and lots of plants or agriculture, making the village cool and beautiful.

The entrepreneurs or traders in the village are very worthy of the road to the village being very good and in addition the agricultural produce is quite smooth, but in the last few months in the village of Klambir V the road to the village has experienced problems due to population density and in addition to Damage to roads resulting in traffic jams or difficulty in access to the village resulting in problems. Moreover, the entry of raw materials is very difficult, resulting in reduced production of both food and other materials. This is starting to be hampered by raw materials so that the selling price of the product really influences consumer buying interest. Many entrepreneurs are starting to worry because there are frequent delays in raw materials or production so that the selling price starts to decrease and will automatically increase, meaning the number of purchases will decrease slightly.

Klambir V village is often hampered in deliveries, therefore many entrepreneurs increase the selling price of products because the raw materials produced in this village are no longer viable, so raw materials are imported from outside the area, so production will also affect the materials. The increase in raw materials and poor quality has influenced the lack of people to buy this phenomenon in Klambir V village. In recent developments, many traders, especially SMEs, who make a product have been forced to increase the selling price, apart from that, both delivery and costs. Other operations influence purchasing decisions.

With the increase in selling prices, many traders are almost no longer trading, because the amount of raw materials is starting to increase and this is compounded by the very disturbed road access and the products produced are also different from the previous quality, so the role of SMEs in Klmbir V village almost closed. Road access will influence consumer buying interest and good quality also guarantees consumers to buy.

II. Ease Of Use

A. Understanding Consumer Buying Interest

Consumer buying interest is the stage where consumers form their choices among several brands that are included in the choice set, then at this stage consumers will decide whether to buy the product or not. The buying interest process starts from the emergence of a need for a product or brand, then the processing of information by consumers , then consumers will evaluate the product or brand. The results of this evaluation ultimately give rise to the intention or intent to buy before consumers actually make a purchase

According to Kotler (2018), purchasing interest is how likely consumers are to buy a brand and service or how likely consumers are to make a purchase in the near future. In this case, buying interest can be measured using indicators such as

buying intention, propensity to buy, and buying confidence. To influence consumer buying interest, Kotler (2018) emphasizes the importance of factors such as product quality, price, promotion and distribution. Good product quality can increase consumer buying interest, while affordable prices can attract buying interest from consumers who are price sensitive. Effective promotions can also influence consumers' buying interest by attracting their attention and providing relevant information about the product. Easy and efficient distribution can also increase consumer buying interest by making it easier for them to access products

Consumer loyalty is a customer's attitude in the form of commitment and fidelity to a brand, shop, manufacturer, service, or other identity over a certain period of time which is characterized by consistent repeated purchases or use in situations where there are many choices of products or services that can meet their needs and customers have the ability to get it.

The goal of customer loyalty is to build attachment to a brand or company, increase profitability, increase recommendations, and retain customers in the long term. By having loyal customers, companies can reduce marketing costs and increase efficiency in business operations. Apart from that, loyal customers also tend to give positive recommendations to others, which can help the company expand market share and increase sales. To achieve customer loyalty goals, companies need to pay attention to factors that influence loyalty, such as product or service quality, competitive prices, trust in the brand or company, customer satisfaction, effective communication and promotions, attractive loyalty programs, quality of service and facilities. , and positive customer experiences by paying attention to these factors, companies can increase customer loyalty and achieve their business goals.

Selling price can be defined as the amount of money or exchange value charged by a business unit to buyers or customers for goods or services sold or delivered. Selling price includes the basic price of the product or service which has been added to the profit desired by the seller. Selling price is the value determined by the company in exchange for traded goods or services. In the context of setting selling prices, some experts also link it to an important element in the marketing mix that generates revenue for the company. Selling prices can be adjusted to product features, distribution channels and marketing communications.

Product quality can be defined as the physical condition, properties and function of products, both goods and services, which reflect the level of excellence adapted to durability, reliability, ease of use, suitability, repair and other components made to meet consumer satisfaction and needs. . Product quality also includes the product's ability to perform its function well, including durability, reliability, accuracy and ease of use.

In a business context, maintaining and improving product quality is essential to retain consumers, meet their needs, and achieve competitive advantage. Product quality can influence consumer perception, customer satisfaction, and company brand image. Therefore, companies need to pay attention to and manage product quality well in order to meet consumer expectations and needs and maintain a competitive advantage in the market.

III. Researc Methods

Types of Research Scope

This research uses quantitative methods, with research methods using primary and secondary data. In scientific studies, the scope of research is defined as a method of limiting the problems and knowledge to be studied. If it is related to the process of making research, then scope means the limits of the subject that we will research. In this sense, the scope can be in the form of limitations on the problem being addressed and the number of subjects studied and the material to be discussed as well as the variables we will examine..

A. Method of collecting data

Data collection was carried out to obtain the information needed to achieve the research objectives. Researchers will later distribute questionnaires to residents in Klambir V Kebun Village.

B. The classical assumption test

is a testing requirement that must be met first in linear regression analysis. The capital in this research must be free from classical assumptions, namely normality, multicollinearity, heteroscedasticity *and autocorrelation.Equations*

The analysis model used in this research is the multiple linear regression model. According to Sugiyono (2014: 277), multiple linear regression analysis predicts the condition (rise and fall) of the dependent variable (criterium), if two or more independent variables as predictor variables are manipulated (increased). lower the value). The multiple linear regression analysis model is useful for finding out the regression coefficients and their significance so that they can be used to answer hypotheses.

$$Y = pyx_1\, X_1 + pyx_2\, X_2 + pyx_3\, X_3 + pyz\, Z + e_2:$$

Y = Employee Performance (Dependent Variable) pyx1
X1 = Direct relationship between X1 and Y pyx2
X2 = Direct relationship between X2 and Y pyx3
X3 = Direct relationship between X3 and Y pzx1
X1 = Direct relationship between X1 and Z pzx2
X2 = Direct relationship between X2 and Z pzx3
X3 = Direct relationship X3 with Z pyz
Y = Direct relationship between Z and Y
e1 = Error term (Estimator error) Equation I
e2 = Error term (estimator error) Equation II
- Coefficient of Determination

The coefficient of determination (R2) essentially measures how far the model's ability is to explain variations in the dependent variable. The coefficient of determination value is between zero and one. A small R2 value means that the ability of the independent variables to explain variations in the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed parenthesis (like this). (A parenthetical sentence is punctuated within the parentheses.)

IV. USING THE TEMPLATE

A. Klambir Lima Kebun Village is in Hamparan Perak District, Deli Serdang Regency, North Sumatra Province. The distance from the Pancabudi Development University location to Klambir Lima Village is around 20 KM, with an estimated time of 30 minutes. On the way to Klambir Lima village, there are many things that we often see there, densely packed residents and many entrepreneurs or SMEs. The atmosphere that we see is a bit comfortable and nice because the village is still quite beautiful because there are still many fields and farms which are very beautiful to look at, we see that there are still many residents planting corn or some are hoeing and this looks like it can give you a little rest, right? our eyes because it is not towering buildings but very tall trees.*Authors and Affiliations*

Literacy regarding the selling price, raw materials and quality of this product which is being discussed in the research, Klmbir Lima village which is being studied is that there are a lot of visitors who attend or come to the village just for a visit but not a special visit, this is which is being looked at from their lives or income. From the data I got from the village of Klambir Lima, most of them still rely on trading or farming, even though what I see is that there are lots of traders and residents who don't necessarily buy at slightly higher prices.

B. Reliability testing is a tool used to measure the consistency of a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable or reliable if a person's answers to questions are consistent or stable over time (Ghozali, 2016). Cronbach's Alpha, if Item Deleted, the average data can be seen to be greater than > 0.60, then the variable is declared valid or valid (Reliable). The results of test II will later state whether the selling price, product quality and raw materials are appropriate or not, which will result in purchasing decisions through interest in purchasing a **product.**
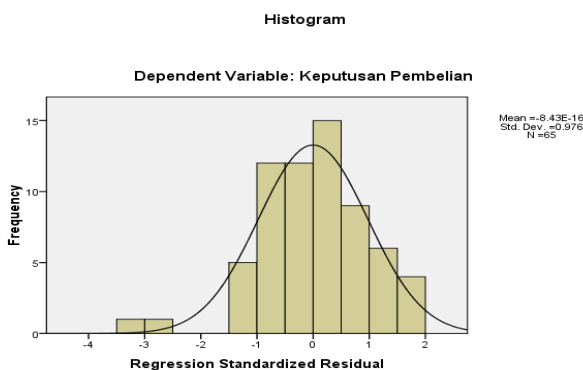
Histogram

In the histogram graph, the SPSS processing results above show that the histogram has a graph that has convexity in the middle. Apart from that, the graph also has a bell-like shape and is slightly tilted to the right. This indicates that the residual data is normally distributed. Meanwhile, the normality of data from the relationship between selling price (X1), product quality (X2), and raw materials (X3) on purchasing decisions (Z) can be seen in the following P-P Plot graph:

table title. Run-in heads, such as "Abstract", will require

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Predicted Value
N		65
Normal Parameters[a]	Mean	16.6769231
	Std. Deviation	.59271334
Most Extreme Differences	Absolute	.046
	Positive	.044
	Negative	-.046
Kolmogorov-Smirnov Z		.371
Asymp. Sig. (2-tailed)		.999
a. Test distribution is Normal.		

It can be seen from table 4.16 that the value of Asymp.Sig (2-tailed) is 0.999 > 0.05 and the significance value is normally distributed. This means that from the data test results, the value of Asymp,sig (2-tailed) is 0.999 > 0.05, meaning that the data is suitable to be continued and the value of the kolmogorove exceeds the limits of the applicable provisions..

Path analysis provides explicit causal relationships between variables based on theory. Arrows show the relationship between variables and each p value depicts the path and path coefficient. The aim of path analysis is to explain the direct and indirect effects of several variables as causal variables, on several other variables as effect variables Ghazali (2015). The path model in this research is shown in the following figure:.
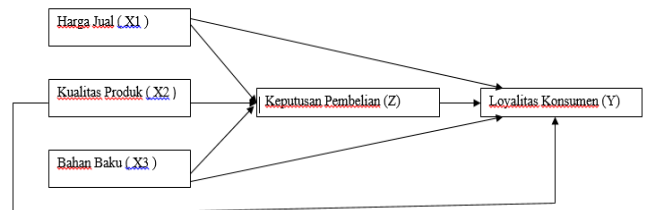
Based on the path model image in the image above, a relationship is proposed that selling price (X1), product quality (X2), and raw materials (X3) have a direct relationship to purchasing decisions (Z), but both selling price (X1), product quality (X2), and raw materials (X3) also have an indirect relationship through purchasing decisions (Z) to Loyalty (Y).The indirect influence of X1 through Z on Y is the multiplication of the beta value of Likewise, X2 and.

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