



**THE EFFECT OF PRODUCT PACKAGING AND PRICE ON ONLINE PURCHASE DECISIONS OF SME PRODUCTS WITH PURCHASE INTEREST AS INTERVENING VARIABLES (CASE STUDY ON ONLINE BUYERS OF FOOD AND BEVERAGE SME PRODUCTS IN MAKASSAR CITY)**

**Atirah Ridwan<sup>1</sup>, Nuraeni Kadir<sup>2</sup>, Muhammad Ismail<sup>3</sup>**

<sup>1</sup> Master of Management, Faculty of Economics and Business, Hasanuddin University; atirahridwan@gmail.com

<sup>2</sup> Faculty of Economics and Business, Hasanuddin University; nuraeinikadir@gmail.com

<sup>3</sup> Faculty of Economics and Business, Hasanuddin University; ismail.pabo.hamma@gmail.com

**ABSTRAK**

This study aims to determine the effect of product packaging and price on online purchasing decisions for SME products through purchase intention as an intervening variable. This research is quantitative, and the data used is primary data, namely, data obtained from distributing questionnaires to research subjects. The population in this study are consumers who have purchased SME products online in Makassar. The sampling technique used was purposive sampling with a total sample of 100 respondents. The analytical method used in this study is the partial least squares PLS method with the help of the SmartPLS 3.0 program. The study's findings indicate that (1) packaging has a positive and significant effect on interest in purchasing SME Makassar products; (2) prices have a positive and significant effect on interest in purchasing Makassar City SME products; (3) packaging has a positive and significant effect on online purchasing decisions for Makassar City SME products; and (4) price does not have a positive and significant effect on online purchasing decisions for Makassar City SME products. (5) Interest in buying has a positive and significant effect on online purchasing decisions for Makassar City SME products; (6) packaging has a positive and significant effect on online purchasing decisions through interest in buying Makassar City SME products; and (7) price has a positive and significant effect on online purchasing decisions through interest in buying Makassar City SME products.

**Keywords:** *Packaging, Price, Interest in buying, dan online purchasing decisions*

**A. INTRODUCTION**

Indonesia's digital economy potential continues to increase. In 2020, the value of Indonesia's digital economy was recorded at 44 million USD or 631 trillion rupiah. In 2025, it is estimated that it will reach 124 million USD or 1,744 trillion rupiah. Currently, the number of internet users in Indonesia has reached 196.7 million. As many as 17.8% of these internet users come from Java, the province with the highest internet users in Indonesia. The high number of internet users has a positive correlation with the increase in the digital economy. The potential for Indonesia's digital economy is derived from the high number of internet users in the

country. With such high internet penetration, business processes are experiencing digital transformation during this pandemic (Ministry of Finance Data, 2020). Changes in digital transformation result in changes in buying behavior. This change occurred as a result of the emergence of various marketplaces in Indonesia. Its existence necessitates the use of online sales by businesses such as UKM in order to reach a broader audience.

Food small and medium enterprises (SME) are one type of business that can represent and have prospects in the development of the city of Makassar. Examples of packaged food SME products in Makassar include shredded catfish, shredded milkfish, shredded crab, Daeng chocolate, Ananda chocolate, banana brownies, disco nuts, cashews, fried corn, and so on. However, the processed products of SME that are currently widely marketed seem to be just to meet consumer needs, even though consumers have many other considerations that cause them to be interested in arriving at a decision to buy a product.

## **B. RESEARCH METHODS**

### **1. Research Design**

In this study, researchers used a quantitative approach. This approach is a type of research that has its specifications, namely, being systematic, planned, and clearly structured starting from the beginning of the research to the research design, both regarding research objectives, research subjects, research objects, data samples, data sources, and methodology.

### **2. Population and Sample**

In this study, the population consisted of Makassar residents who had made online purchases of food and beverage SME products. This study used the probability sampling technique with the simple random sampling method, where the sample was selected from the population based on the willingness of the sample members. Because the population in this study was large and infinite (infinite), it was impossible to calculate the sample size using the Slovin formula. Based on the calculation above, the number of samples in this study was 99.99 respondents, which were then rounded up to 100 respondents.

### **3. Method of Collecting Data**

Data collection in this study was carried out by distributing open questionnaires to respondents who had purchased SME products online. Respondents were asked to answer questions by selecting the answers that had been provided using a Likert scale that contained five levels of answer choices regarding the respondent's agreement with the statements put forward. Respondents filled out statements via the Google form link, which was distributed via social media, and questionnaires were given directly at the store.

### **4. Data Analysis Technique**

This study uses data analysis using SmartPLS software. PLS (partial least squares) is a component or variant-based Structural Equation Model (SEM). This analysis consists of two sub-models, namely the measurement model (outer model) and the structural model (inner model).

## C. ANALYSIS AND DISCUSSION

### 1. Measurement Models (*Outer Model*)

There are three criteria for assessing the outer model, namely convergent validity, discriminant validity, and composite reliability.

#### 1. *Convergent Validity*

The results of the estimation of the PLS model show that there are several indicators that have a loading factor value below 0.7, namely X2.4, Z1.3, Z1.5, Z1.6, Y1.3, and Y1.4. So it can be interpreted that these indicators are invalid and must be removed from the PLS model in order to meet the requirements of convergent validity. A second stage test was performed by reviewing the loading factor value of each construct. Following all valid indicators, it is known that all indicators of each variable already have a loading factor greater than or equal to 0.70, implying that all indicators are valid indicators for measuring the construct.

#### 2. *Discriminant Validity*

Discriminant validity is a form of evaluation to ensure that the variables are theoretically different and proven statistically. Tests were carried out using the results of cross-loading and the Average Variant Extracted (AVE) can also be used to test discriminant validity, provided that each variable has a value of  $>0.5$ . So it is known that there are no validity problems with the model tested.

#### 3. *Composite Reliability*

**Tabel 1. Realibility Test Results**

Variabel	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
Price	0,844	0,927
Packaging	0,754	0,842
Interest of Buying	0,724	0,839
Purchasing decisions	0,545	0,806

*Sumber : Processed Data, 2022*

All variables measured in this study have Cronbach's alpha values and composite reliability values  $> 0.7$ , so all variables are reliable.

### 2. Structural Models (*Inner Model*)

**Tabel 2. R-Square Test Results**

	Packaging	Price	Interest of Buying	Purchasing decisions
<b>R-square</b>	-	-	0,431	0,431
<b>Adjusted R-Squares</b>	-	-	0,413	0,419
<b>Cronbach's Alpha</b>	0,844	0,754	0,724	0,545
<b>Q-Square</b>	-	-	0,240	0,257

*Sumber : Processed Data, 2022*

Based on the R-Square calculation, a value of 0.431, or 43.1%, is obtained, which means that it can be interpreted that the research model can explain 43.1% of the contribution to the influence of packaging, price, purchase intention, and consumer purchasing decisions.

**Tabel 3. Direct Effect of Research Variables**

Variable	T-statistic	P-Values	Keterangan
X1 → Z	5,284	0,000	Significant
X1 → Y	2,580	0,010	Significant
X2 → Z	3,236	0,001	Significant
X2 → Y	0,331	0,741	Insignificant
Z → Y	5,332	0,000	Significant

*Sumber : Processed Data, 2022*

1. The test results show that packaging has a significant positive effect on purchase intention, as seen from the T-statistic value, which is above 1.96, which is equal to 5.284, and a significance value of  $0.000 < 0.05$ .
2. The test results show that price has a significant positive effect on purchase intention, as seen from the T-statistic value, which is above 1.96, which is equal to 3.236, and a significance value of  $0.001 < 0.05$ .
3. The test results show that packaging has a significant positive effect on purchasing decisions, as seen from the T-statistic value, which is above 1.96, which is equal to 2.580, and a significance value of  $0.010 < 0.05$ .
4. The test results show that price has no effect and is negative (insignificant) on purchasing decisions, as seen from the T-statistic value, which is below 1.96, which is equal to 0.331, and a significance value of  $0.741 > 0.05$ .
5. The test results show that purchase intention has a significant positive effect on purchasing decisions, as seen from the T-statistic value, which is above 1.96, which is equal to 5.332, and a significance value of  $0.000 < 0.05$ .

**Tabel 3. Specific Indirect Effects of Results**

Correlation	Path Coefficient	T-statistic	P-Values	Keterangan
X1 → Z → Y	0,191	3,739	0,000	Significant
X2 → Z → Y	0,150	2,804	0,005	Significant

*Sumber : Processed Data, 2022*

6. The test results show that packaging has a significant positive effect on purchasing decisions through purchase intention, as seen from the T-statistic value, which is above 1.96, which is equal to 3.739, and a significance value of  $0.000 < 0.05$ .
7. The test results show that price has a significant positive effect on purchasing decisions through purchase intention in terms of value. The T-statistic is above 1.96, which is 2.804, with a significance value of  $0.005 < 0.05$ .

### 1. The Effect of Packaging on Interest in Buying

From the results of the data analysis, it is known that there is an effect of packaging on consumer buying interest; the result is that the P-values that form the influence of packaging on consumer buying interest are 0.000 plus the T-statistics are positive, so it is stated that packaging has a positive effect on consumer buying interest. This is in accordance with the opinion of Leonor Crossley (Abdullah et al., 2013), who stated that the way each product is packaged plays a big role in the decision to buy it or not.

This indicates that the more attractive the packaging of an SME product that is viewed online, the more it will generate interest in buying SME products offered by business actors. These results reinforce previous research by Willy et al. (2019), which stated the same thing: product packaging, which can include names, brands, colors, typography, and images, has a fairly high perception in the minds of consumers when they are interested in a product.

## **2. The Effect of Price on Interest in Buying**

From the results of data analysis, it is known that price has a positive and significant effect on consumer buying interest. This shows that the suitability of prices for SME products offered online will attract consumers to shop online. Shah et al. (2014) state that price is the most visible part of the product and is an important element in the marketing mix. Consumers will tend to choose low prices for products whose specifications are known. In this study, consumers pay attention to the price element according to consumer affordability when choosing SME products online that are displayed more competitively. Other research supported by the findings of this study is research conducted by Baariq et al. (2021) and Khoiratun et al. (2019), each of which states that there is a positive effect of price on buying interest.

## **3. The Effect of Packaging on Purchasing Decisions**

From the results of data analysis, it is known that there is an effect of packaging on consumer purchasing decisions; the result is that the P-values that make up the effect of packaging on consumer buying interest are 0.010 plus a positive T-statistic value, so that packaging has a positive effect on purchasing decisions. This implies that SME product packaging is not just a product container but also something that influences consumer purchasing decisions, because only by looking at the outside appearance of the packaging do consumers have a good perception of the product. so that consumers will immediately determine their purchases of SME products offered online.

The results of research from Silayoi and Speece (2007) state that packaging can influence purchasing decisions because consumers will only consider the structural packaging to ensure whether SME products are well protected or not. This is none other than because of the various choices of packaging, both in terms of shape, size, and material. Danger (1987) also stated that packaging with good quality and light materials will tend to be the consumer's choice in purchasing.

## **4. The Effect of Price on Purchasing Decisions**

From the results of data analysis, it is known that there is a significant influence of price on purchasing decisions, referring to the original sample value, which is positive (-0.037) with a P-value of 0.741 > 0.05, indicating that price (X<sub>2</sub>) has a negative effect on purchasing decisions (Y<sub>1</sub>). In this study, the price is defined as its affordability and compatibility with quality. Online SME products are shown to be cheaper and more economical, and are considered by consumers to be affordable, but the quality of each is not optimal. So price selection in purchasing decisions is in accordance with the affordability of consumers when selecting SME products online. This is because the consumer's perception of the size of a price can be said to be expensive, cheap, or just not the same; this depends on individual perceptions of the consumer's living environment and conditions (Schifman and Kanuk, 2000).

These findings differ from the research conducted by Cindy (2015). Nur Sakinah et al. (2021) and Baariq et al. (2021) state that price has a positive effect on purchasing decisions. The findings of this study do not support the three studies above. Even though they have different results from the research conducted, previous studies have the same theory used, but different from the type of industry studied.

### **5. The Effect of Interest of Buying on Purchasing Decisions**

From the results of the data analysis, it is known that there is a significant influence between buying interest and purchasing decisions. Referring to the original sample value, which is positive (0.472) with a P-value of  $0.000 < 0.05$ , it means that consumer buying interest (Z1) has a significant positive effect on purchasing decisions (Y1). Based on the test, it can be seen that if consumer buying interest increases, purchasing decisions will also increase, and vice versa, if consumer buying interest decreases, purchasing decisions will also decrease. Consumer buying interest begins with the attitude of consumers who are interested in the products offered by SME products, starting from the stage of paying attention to the product, product interest, and the act of buying SME products. After consumers become interested, a desire to have the product will arise. If you already want them, consumers will choose to purchase SME products that they see online. This confirms that consumer interest in buying has a significant effect on purchasing decisions.

The results of this study support and strengthen the findings of previous research by Rizan et al. (2021) that variable purchase intention has a significant effect on purchasing decisions. This demonstrates that there is a significant influence in which any changes in the variable of purchase interest can increase consumer purchasing decisions.

### **6. The Influence of Packaging on Purchase Decisions through Consumer Purchase Interest**

From the results of the research that has been done with reference to the original sample value, which is positive (0.191) with a P-value of  $0.000 < 0.05$ , it can be interpreted that packaging (X1) has a significant positive effect on purchasing decisions (Y1) through consumer buying interest (Z1). SME products offered online pay attention to consumer needs with the right packaging. In fact, consumers can only see SME products from the images seen online. In the picture, you will see a photo of the SME product packaging. However, due to the growing development of digitalization, consumers experience changes in their attention to visible products. Over time, packaging that originally looks attractive and fresh will look outdated or give the impression of being worn out. This can result in consumers being disinterested, thereby influencing their decision to purchase SME products online. This confirms that packaging has a significant effect on purchasing decisions through consumer interest.

These results corroborate research by Martanti et al. (2022), which stated the same thing. This indicates that packaging with good design will increase consumer purchasing decisions through purchase intention as an intervening variable. Then there was also research conducted by Willy et al. (2019), where the

study stated that packaging variables have a significant effect on purchasing decisions through consumer interest.

## **7. The Influence of Price on Purchase Decisions through Consumer Purchase Interest**

From the results of the study referring to the original sample value, namely positive (0.150) with a p-value of  $0.005 < 0.05$ , it can be stated that price (X2) has a significant positive effect on purchasing decisions (Y1) through consumer buying interest (Z1). This implies that the displayed prices of SME products, both promo prices and discount prices, can attract consumer interest because there is a tendency for consumers to choose a product not because they really want the product but because they have the opportunity to have SME products at a lower price than usually. Consumers believe that product prices seen online appear more affordable because of the promotions available. so that consumers are motivated and interested in buying.

Other research supported by the findings of this study is research conducted by Cindy et al. (2019) and Nur Sakinah et al. (2021), both of which suggest that there is a positive effect of price on purchasing decisions mediated by buying interest. The results of this study support the results of the study even though no purchases were made online. In both of these studies, the industry studied was the retail industry with in-store purchases, while the research conducted was on online purchases. These results are also in line with previous research conducted by Baariq et al. (2021), which suggested that purchase intention mediates the effect of price on purchasing decisions with a positive and significant influence. This indicates that any change in product prices will result in higher consumer interest in shopping for SME products online.

## **D. CONCLUSION**

Based on the research that has been done and the results of the data analysis that has been processed, it can be concluded that product packaging has a positive and significant effect on the Interest to buy online for SME products in the city of Makassar; Prices have a positive and significant effect on the interest in buying online for Makassar city SME products; Product packaging has a positive and significant effect on online purchasing decisions for Makassar city SME products; Price has no positive and insignificant effect on online purchasing decisions for Makassar City SME products; Interest in Buying has a positive and significant effect on online purchasing decisions for Makassar City SME products; Packaging has a positive and significant effect on online purchasing decisions through interest in buying Makassar City SME products; and Price has a positive and significant effect on online purchasing decisions through interest in buying Makassar City SME products.

## **E. REFERENCE**

- Abdullah et al. (2013) *Packaging Factors Influencing Consumer Purchasing Decisions (Online)*, Volume 1, Issue 5, International Journal of Humanities and Management Science. ISSN 2320-4036, EISSN 2320-4044.
- Baariq, Agung. (2021). *The Influence of Price and Promotion on Purchasing*

- Decisions Through Purchase Intention as an Intervening Variable* (Study on Consumers of Hypermart Paragon Semarang) Diponegoro University.
- Danger, Erik P. (1992). *Selecting color for packaging* Gower Technical Press Ltd.
- Ghozali, Imam. (2021). *Multivariate Analysis Application With IBM SPSS 26 Program*, 10th Edition Diponegoro University Publishing Agency.
- Hilmawan, Ipan. (2019). *The Influence of Product Quality and Price on Purchasing Decisions with Purchase Intention as an Intervening Variable (Study on Vario Motorcycle Consumers in Serang City)* E-ISSN: 2598-8107 P-ISSN: 2620-9500 Vol. 3, No. 3. Sultan Ageng Tirtayasa University.
- Khoiratun Nafilah, Dkk. (2019). *The Influence of Product Quality and Price on Purchasing Decisions and Purchase Intentions as Intervening Variables (Case Study of FEB Students at the Islamic University of Malang Who Consumed Instant Noodles)*, Islamic University of Malang.
- Kotler, Philip dan Kevin Lane Keller. (2007). *Marketing Management*, Twelfth Edition. Jakarta Index.
- Martanti, Agustini (2022). *Product Design and Online Promotion in Legaliya Boutique Purchasing Decisions with Consumer Buying Interests as Intervening Variables*. E-ISSN: 2964-898X, P-ISSN: 2964-8750. Vol. 1, No. 1, February 2022: 1–17. Abdul Rahman Saleh University, Situbundo.
- Mega Cindy, Dkk. (2019). *Price and Product Quality Influence on Purchasing Decisions with Purchase Intention as an Intervening Variable (A Case Study of Rocket Chicken Wolter Monginsidi in Semarang City)*. Diponegoro University.
- Rizan, Mohamad, dkk.(2021). *The Influence of Location, Price, and Promotion on Purchasing Decisions with Purchase Intention as an Intervening Variable*. State University of Jakarta.
- Sakinah,Nur dkk. (2021). *Product Quality And Price Have An Impact On Purchasing Decisions, With Purchase Intention Acting As An Intervening Variable*. Vol. 22: No. 2, October 2021, p. 192–202, ISSN 1693-7619, E-ISSN 2580-4170. The State Islamic University of Maulana Malik Ibrahim Malang.
- Sciffman, Leon dan Leslie Lazar Kanuk. (2000). *Consumer Behavior*, Seventh Edition. New Jersey. Prentice Hall.
- Shah, et al. (2013). *Role of Packaging in Consumer Buying Behavior: A Study of University Students in Peshawar Region, KPK, Pakistan International Review of Basic and Applied Sciences*, 35–41. University of Science and IT Peshawar Pakistan.
- Silayoi & Speece. (2007). *The Importance of Packaging Attributes: A Conjoint Analysis Approach* . *European Journal of Marketing*, 1495-1517.
- Willy, Siti Nurjannah. (2019). *The Influence of Product Packaging and Taste on Purchase Intentions That Impact Energy Drink Customers' Purchase Decisions*. E-ISSN: 2623-2081; P-ISSN: 2089-8177. Kalbis Indonesia Institute of Technology and Business.