THE EFFECT OF PRODUCT DIVERSIFICATION ON PURCHASE DECISIONS

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ABSTRACT

Amanah Souvenir Center Blitar City is a shop that provides processed snack products in the form of snacks including opak gambir, mongso honey, geti etc. This research aims to determine whether product diversification has an influence on consumer purchasing decisions at the Amanah Souvenir Center in Blitar City. In this paper, a survey research method is used with a quantitative research approach and data management software, namely Statistical Product and Service Solution (SPSS) version 16.0. The data was collected by distributing questionnaires or questionnaires to the respondents and the hypothesis analysis technique was carried out using the partial test method or t-test to 60 respondents. Based on a series of analysis and testing shows that for testing with t-test obtained a value of 0.009. In the t-test obtained a value of less than 0.05 it can be interpreted that there is a positive and significant influence between product diversification on consumer purchasing decisions at the Amanah Souvenir Center Store in Blitar City.

Keywords: *product diversification, purchase decisions*

1. INTRODUCTION

Currently, along with the development of the era of increasingly fierce business competition, business actors are required to be more careful in determining the right strategy to get consumers' attention and survive in the market. In this case, it is necessary to increase consumer buying interest which will lead to consumer motivation and desire to actualize the needs and satisfaction of consumers.

A small example is a business unit in the field of typical souvenirs from an area. The existence of demands for the needs and satisfaction of consumers, business actors, especially in the field of regional specialties, must be careful in determining the products to be marketed to win the competition in order to influence the buying interest of the public and tourists. Therefore, business actors must be observant in seeing opportunities by knowing what customers or target markets need and want and provide a sense of satisfaction as expected by increasing efficiency and effectiveness.

One of the factors that influence the competitive advantage of a product in the market is product diversification. Product diversification is a process of searching and making products develop or form new markets or both, with the

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aim of growing and increasing income, marketability, and flexibility (Santoso, 2011). With this, the company must be able to find what the wants and needs of consumers are, and then try to develop products to be able to meet consumer satisfaction so that consumers choose many product choices before consumers decide to make purchases of products sold by the company.

The purchase decision is one of the stages in the purchase decision-making process before post-purchase behavior. According to Kotler and Armstrong (2016), in consumer behavior there is a part called purchasing decisions. This behavior includes how a person, group or organization selects, purchases and uses goods, services, ideas and experiences in order to fulfill what they want and need.

Consumer purchasing decision making can be interpreted as a process to choose one of a number of alternatives to solve problems through real action, this is because the decision to make a purchase is the final stage of the consumer to determine a product to be purchased in accordance with his wishes. Furthermore, consumers can evaluate what is selected and then can consider the next steps to be taken, whether consumers will make a purchase and use the product again or not.

The food sector industry is currently experiencing quite tight competition. One of the business strategies of the Amanah Souvenir Center Blitar City is by implementing diversification of products sold in store windows to meet consumer desires and with the aim of increasing production sales and staying afloat in today's global competition. Product diversification is carried out in this effort to help the business progress of the Amanah Souvenir Center Shop Blitar City, but in doing this business there are many competitors with similar businesses.

This study aims to verify that whether product diversification is an independent variable (X) and purchasing decisions are the dependent variable (Y) it is influential and significant or not. Observing the description of the problem that has been described previously, so that it becomes interesting to study, namely the effect of product diversification on purchasing decisions (a case study at the Amanah Souvenir Center Store in Blitar City).

2. METHODOLOGY

In this paper, conducting research using a descriptive quantitative research approach. This research was conducted by distributing questionnaires or questionnaires to consumers at the Amanah Souvenir Center Store in Blitar City to obtain quantitative data regarding the Effect of Product Diversification on Purchase Decisions. This research was conducted at the Amanah Souvenir Center, Blitar City. While the time of this research was carried out for 6 months, namely from June 2022 to November 2022.

Population can be interpreted as an area that includes the object of research which includes certain numbers and characters that have been selected by the researcher to be studied and a conclusion is sought (Sugiyono, 2014). In this study, the population was obtained based on the average number of buyers who bought products at the Amanah Souvenir Center Store in Blitar City for 1 month, namely as many as 60 buyers. Suryani and Hendriyadi (2015) suggest saturated

sampling is a sample that represents the total population with a population of less than 100. Based on this, in this study the total sample used is the same as the entire population, namely 60 respondents.

The process of analyzing data processed with SPSS software is carried out in several steps as follows:

A. Test Research Instruments

1. Validity Test

According to Siregar (2013) validity can be defined as a measure that shows that the measuring instrument can perform measurements according to what will be measured (valid measure if it is successful in measuring a phenomenon). This validity test can use the Pearson Correlation, which will calculate the correlation between the values obtained from the statement items used. A statement is considered valid if it has a significance level of less than 0.05 (Ghozali, 2016).

2. Reliability Test

The purpose of reliability testing is to know how big the level of data validity is to get the right data results and in accordance with the facts and can be used repeatedly at different times. To measure the reliability can be done with one measurement (Ghozali, 2016). This test uses the Alpha Cronbach (α) technique, namely if > 0.60 then it is said to be reliable (Siregar, 2013).

B. Classical Assumption Test

1. Normality Test

According to Budiantara and Zulfikar (2014) the data normality test has the aim of ensuring whether the research data sample is obtained from a population that has a normal distribution or not. In this test, there are several techniques that can be used, one of which is the Kolmogorov Smirnov test. There are several things that underlie the decision making on the Kolmogorov Smirnov Normality Test according to Ghozali (2016), including:

a. If the value of the test results get a value of more than 0.05, then the data used is normally distributed.

b. Conversely, if the test results get a value less than or equal to 0.05, then the data used is abnormally distributed.

2. Heteroscedasticity Test

The regression model is in the good category if neither heteroscedasticity nor homoscedasticity occurs. In order to know whether there is heteroscedasticity or not, the Glejser test is used. If it has a significance probability value of more than 0.05, it can be said that the regression model used does not have heteroscedasticity (Gujarati, 2012).

C. Hypothesis Test

Next is to test the hypothesis through Partial Test or also known as T-Test. In the T-Test, which is a test that measures how far the influence of an individual independent variable can describe variations in the acceptance and rejection of hypotheses (Ghozali, 2016). This test is carried out through several criteria including:

a. If he gets a value with a significance > 0.05, this means that the

hypothesis will be rejected or in other words that the regression coefficient is not significant. This shows that partially the independent variable has no effect on the dependent variable.

b. Conversely, if the significant value is less than or equal to 0.05, then the hypothesis can be accepted or in other words the regression coefficient is significant. This shows that partially the independent variable has an effect on the dependent variable.

3. RESULT AND DISCUSSION
a. Validity Test

Validity test is used to measure whether the questionnaire used is valid for use. If a questionnaire can explain the phenomenon of what will be measured then the questionnaire can be said to be valid. The validity test is used to measure the accuracy of a measuring instrument so that it can work as it should. A research instrument that can carry out its measurement function is said to have level validity and provide appropriate measuring results.

Siregar (2013) states that the validity test is a test used to find out whether a measuring instrument can measure what it wants to measure. To test the validity of the Pearson Correlation approach, this approach will calculate the correlation between the values obtained based on the statements submitted. If a statement gets a significance value of less than 0.05 then it is declared valid. Table 1 below is the result of the validity test carried out.

Items	Probability (Sig)	Description
X1	0.000	Valid
X2	0.000	Valid
X3	0.000	Valid
X4	0.000	Valid
Y1	0.000	Valid
Y2	0.000	Valid
Y3	0.000	Valid
Y4	0.000	Valid

Table 1. Results for Validity Testing (source: primary data was processed, 2022)

If you look at Table 1, it shows that the validity test is carried out to measure the presence or absence of each questionnaire item on the instrument under study, which is indicated in the significance column (2 tails) of the test results with SPSS. The results of the validity test on all research variables both on all indicators of product diversification variables (X) and all indicators of consumer purchasing decision variables (Y) indicate that the significance value is 0.000. From the validity test, it was obtained that the significance value for the X and Y variables was less than 0.05.

Based on the decision-making validity test proposed by Ghozali (2016), that a statement is said to be valid if the significance level is below 0.05, so that when viewed from the output of the validity test on SPSS it can be concluded that all indicators of product diversification variables (X) and all decision variable indicators consumer purchases (Y), this means that all items in the questionnaire are declared valid.

b. Reliability Test

The purpose of the reliability test is to find out whether the data is reliable or not to get the correct data results and in accordance with the facts and can be used repeatedly at different times. To test reliability, Cronbach's Alpha (α) approach is used, where if you get a value greater than 0.60, it can be said to be reliable (Siregar, 2013). Tables 2 and 3 show the results of the reliability tests carried out.

Reliability Statistics	
Cronbach's Alpha	N of Items
.616	4

Table 2. X Variable Reliability Test Results
(Source: primary data was processed, 2022)

It can be seen in Table 2, that the results of the Reliability Test of Variable X the value of Cronbach's Alpha is 0.616, so it is known that the value is more than 0.60. Based on the decision-making rules for the validity test proposed by Siregar (2013), it can be concluded that in this study all research instruments on variable X were declared reliable.

Reliability Statistics	
Cronbach's Alpha	N of Items
.679	4

Table 3. Y Variable Reliability Test Results
(Source: primary data was processed, 2022)

It can be seen in Table 3, that the results of the Reliability Test of Variable Y the value of Cronbach's Alpha is 0.679, so it is known that the value is more than 0.60. Based on the decision-making rules for the validity test proposed by Siregar (2013), it can be concluded that in this study all research instruments on variable Y were declared reliable.

c. Normality Test

This test is useful to determine the normality of the data distribution used in the regression model both on the dependent variable and the independent variable. The distribution of data that is normal or close to normal shows that the regression model is good. Kolmogorov Smirnov test is one approach that can be used to test normality. The following is the basis for making decisions on the Kolmogorov Smirnov Normality Test according to Ghozali (2016), including:

a. If the value of the test results get a value of more than 0.05, then the data used is normally distributed.

b. Conversely, if the test results get a value less than or equal to 0.05, then the data used is abnormally distributed.

The results of the normality test on the SPSS test can be seen in Table 4.

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		60
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.12018301
Most Extreme Differences	Absolute	.062
	Positive	.062
	Negative	-.046
Kolmogorov-Smirnov Z		.481
Asymp. Sig. (2-tailed)		.975
a. Test distribution is Normal.		
b. Calculated from data.		

Table 4. SPSS Output Results for Normality Testing
(Source: primary data was processed, 2022)

In Table 4, the results of the normality test show that the Asymp.Sig (2-tailed) value is 0.975. This means that the residual variable is above 0.05, so the data used is normally distributed. The research data is said to have a normal distribution or the normality test can be met.

d. Heteroscedasticity Test

The next test is the heteroscedasticity test, where this test aims to find out the variance and residuals from one observation to another on the regression model used. This test usually uses an approach called the Glejser test with the condition that the significance probability value gets a value greater than 0.05, then the regression model does not occur heteroscedasticity (Gujarati, 2003). The results of the heteroscedasticity test on the SPSS test can be seen in Table 5. Based on Table 5 it is known that the significance value (Sig.) for the Product Diversification variable (X) is 0.85. This shows that the results of the heteroscedasticity test on the variable x are greater than 0.05. This shows that the regression model used does not have symptoms of heteroscedasticity.

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Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	3.948	1.262		3.130	.003
X	-.133	.076	-.224	-1.754	.085
a. Dependent Variable: AbsRes					

Table 5. SPSS Output for Heteroscedasticity Test Results
(Source: primary data was processed, 2022)

e. Partial Test

The next test is the t-test or Partial Test. This test is obtained from the outputs obtained in the SPSS application, which can be seen in the Coefficients table. The SPSS output for the results of the t-test values can be seen in the sig column. In the t-test, which is a test that measures how far the influence of an individual independent variable can describe variations in the acceptance and rejection of hypotheses This test is carried out through several criteria including:

a. If he gets a value with a significance > 0.05, this means that the hypothesis will be rejected or in other words that the regression coefficient is not significant. This shows that partially the independent variable has no effect on the dependent variable.

b. Conversely, if the significant value is less than or equal to 0.05, then the hypothesis can be accepted or in other words the regression coefficient is significant. This shows that partially the independent variable has an effect on the dependent variable.

The results of the partial test (t-test) can be seen in Table 6 below.

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	9.868	2.340		4.217	.000
X	.382	.141	.336	2.717	.009
a. Dependent Variable: Y					

Table 6. SPSS Output For T-Test Results
(Source: primary data was processed, 2022)

If we look at Table 6, it is known that the significance (Sig.) for the Product Diversification variable (X) is 0.009. From the test results, it can be seen that the

significance value (Sig.) of the X variable is less than 0.05, this means that the conclusion is that the hypothesis is accepted (Ha is accepted and Ho is rejected). So, the regression coefficient and the independent variable partially have a significant effect on the dependent variable.

f. Discussion

Based on the results of the Partial Test on the SPSS Version 16.0 test which can be seen in Table 6, it was found that the significance value (Sig.) for the independent variable got a value of 0.009. The significance value (Sig.) is less than 0.05, so it is known that the hypothesis that has been taken previously is that Ho (presumed that there is no effect of product diversification on consumer purchasing decisions) is rejected and Ha (allegedly there is an effect of product diversification on consumer purchasing decisions) is accepted. Based on these results, it is found that partially the independent variable has a significant influence on the dependent variable and the regression coefficient of the X variable is positive, meaning that there is a positive influence between product diversification on consumer buying decisions. That is, the more product diversification increases, the purchasing decisions will increase and conversely the more product diversification decreases, the purchasing decisions will decrease.

The results obtained are the same as previous research, namely research by Ela Sabrina (2020), namely "The Effect of Product Diversification on Purchase Decisions at the Feandra Cake Shop Pekanbaru in Review from Islamic Economics". Where the results of the study using the Partial Test or t test indicate that the significance value (Sig.) 0.000 is less than 0.05, this means that in this study reject Ho and accept Ha, which indicates that product diversification has a positive influence on purchasing decisions at Feandra Cake Shop Pekanbaru. Another research was carried out by Rojaya Simbolan in 2017 with the research title "The Effect of Product Diversification on Consumer Purchase Decisions (Study at the Gulton Souvenir Shop, Tomok Village, Samosir Regency)" where the results of research with Partial Test or t-test found that product diversification variables had a positive effect and significant to consumer purchasing decisions at Gultom Souvenir Shop, Tomok Village, Samosir Regency.

4. CONCLUSION

This study has carried out a series of analyzes and tests, so the conclusion of this study is based on the results of the partial test (t-test) that the proposed hypothesis is that there is an effect of product diversification on purchasing decisions can be accepted or in other words reject Ho and accept Ha. So, this means that there is a positive and significant influence between product diversification on consumer purchasing decisions. As for suggestions that can be given for research sites, namely, Amanah Souvenir Center Stores in Blitar City should always review and evaluate the condition of their products so that the existence of their products can increase the number of purchases made by consumers and customers. In addition, the Amanah Souvenir Center Store in

Blitar City should be consistent and structured in diversifying products while taking into account every market development, consumer wants and needs so that product diversification can be carried out effectively and efficiently. Product diversification should be accompanied by holding promotions so that product marketing can run smoothly.

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