

CHAPTER 2

THEORY AND LITERATURE

2.1 THEORY

2.1.1 Electric Vehicle

An electric vehicle refers to a vehicle that obtains a driving force through an electric motor based on the power produced from fossil fuels or alternative energy sources. An electric vehicle (EV) is driven by electric energy generated through a battery and a motor, and thus there is no use of petroleum by the vehicle itself. Electric vehicles no longer need to use internal combustion engines, so electric vehicles' electric vehicles correspond to the engines of conventional traditional vehicles, and storage batteries correspond to conventional fuel tanks. Electric vehicles are divided into

Hybrid Electric Vehicle (HEV),

HEV is a vehicle type that allows users of internal combustion engine cars to easily experience eco-friendly vehicles. HEV stores electrical energy in a battery in a vehicle body by engine driving and regenerative braking, and then an electric motor intervenes to improve fuel efficiency and increase the mileage.

Plug-in Hybrid Electric Vehicle (PHEV),

PHEV is an electric vehicle in the intermediate stage between a HEV and a BEV. PHEV has a relatively large battery capacity and a charging terminal. The PHEV combines the advantages of an electric vehicle and a hybrid vehicle, so it is possible to realize pure electric power, zero-

emission driving, etc. In addition, the driving distance of the vehicle may be increased through the mixed power method.

Battery Electric Vehicle (BEV),

The BEV is driven only by an electric motor without an internal combustion engine. Since the BEV is driven only by the power of a battery and an electric motor, it does not generate air pollution and has little noise. BEV may charge electricity to a battery in a vehicle body from an external charger to drive only by using an electric force. The biggest advantage of BEV is that it can be used as an eco-friendly car, and it can be operated at a much lower price than gasoline or diesel.

2.1.2 Consumer's Reaction to Electric Vehicle.

The younger and higher the educational background, the higher the interest in electric cars. In addition, the higher the understanding and sensitivity of the environment, the higher the perception of oil costs, greenhouse reduction emissions, and eco-friendliness when using electric vehicles. On the one hand, consumers expressed concern about short mileage and uncertainty about new technologies for electric vehicles. It is said that providing consumers with sufficient information on the mileage of electric vehicles and improving the interface design of electric vehicles would improve consumers' negative perceptions of electric vehicles {According to Moons & De Pelsmacker (2012)}

2.1.3 Customer behavior.

This can be determined by the study of individuals, groups, and organizations and also includes the processes used to select secure and dispose products, services and to satisfy needs and the impacts on the consumer and society

Study about Consumer Behavior is really important because consumer is our king and income source for business, so if we create the right product/services to the right market through the right way and media or in simple term the right marketing strategies, we have more opportunity for consumer to choose our product or services then our profit can be increase. Various factors influence the customers behavior in different ways these factors may include family/friends, occupation and lifestyle but the biggest influencing factor is the intention to buy or purchase intention. And in this study will shall find out what's the behaviors of electric car customers in bandar Lampung

2.1.4 Purchase intention.

According to Xu et al. (2017) and Javed (2015), intention is the state where a person is willing to perform some behavior, or it can be considered as an immediate antecedent behavior stated that purchase intention posed to influence someone to buy the product again when they go to the market in next purchase. Customers tends to buy something again if the product possessed a several characteristics that can fulfil their needs such as the product must be suits with their religion, health, safety and quality aspects (Veluri, 2012; Beggs et al., 1981;

Caulfield et al., 2010 in Abu-Alkeir, et.al., 2020). Most people tend to have the purchase intentions when they believe or trust the company or brand they are buying from. And of 2022 some of the companies that have attracted and gained peoples trust are Apple (iPhone,

mac) Samsung (galaxy s) but all this is due to the perception these customers have towards these companies and their products.

Table of previous papers/journals.

Table 2.1 previous papers

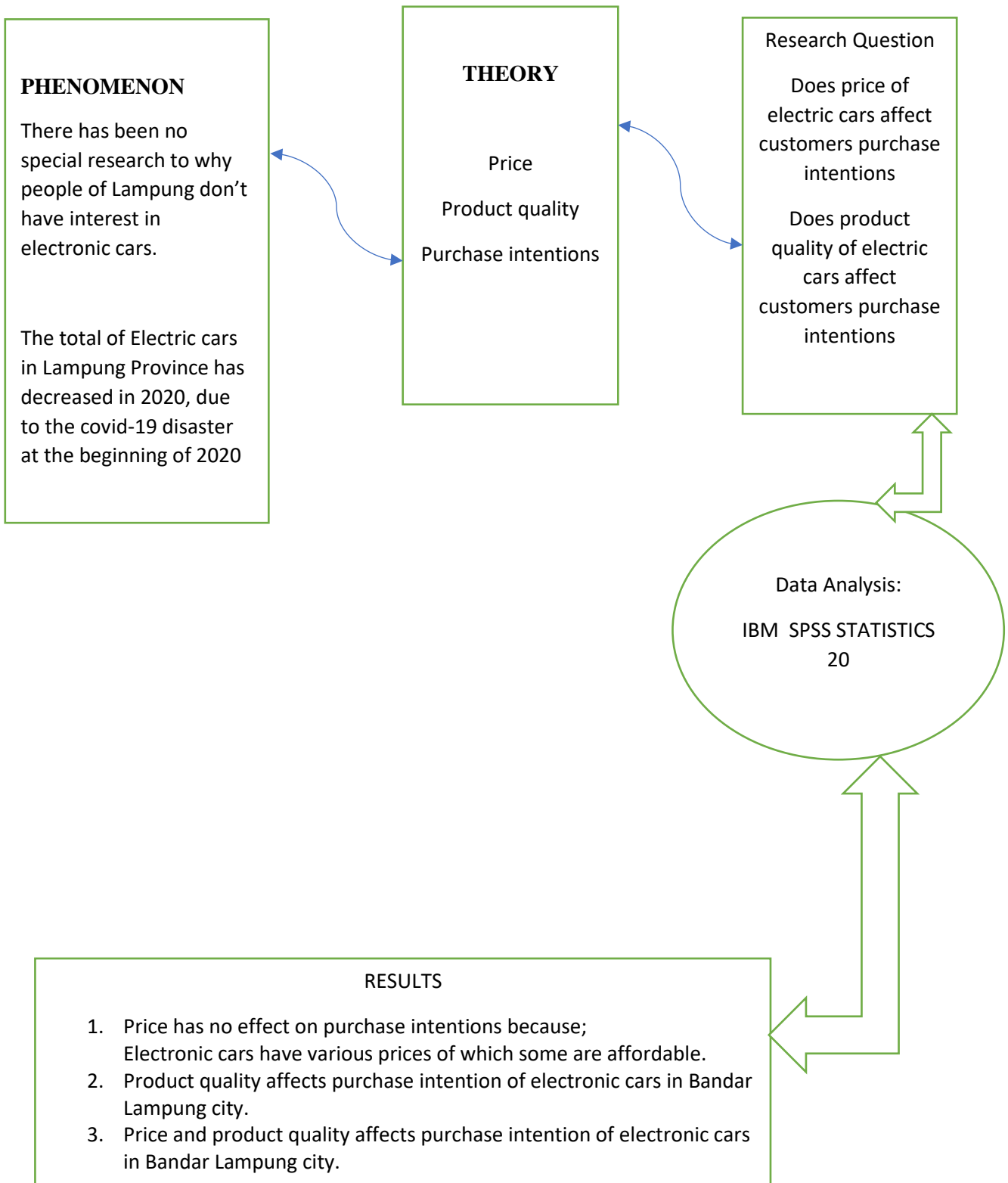
| No. | Author | Title | Results |
|-----|--|---|---|
| 1 | D Grewal, J. Baker and N Borin 1998 | The effect of store name, brand name and price discounts on consumers' evaluations and purchase intentions | The research showed that there is a significant effect of brand name to purchase intentions |
| 2 | Amron Amron 2018 | The Influence of Brand Image, Brand Trust, Product Quality, and Price on the Consumer's Buying Decision of MPV Cars | Brand image, brand trust and product quality strongly influence consumers buying decision of mpv cars |
| 3 | Xiao yang Donga, Bin Zhanga, Bo Wanga, and | Urban households' purchase intentions for pure electric vehicles under subsidy contexts | It was discovered that cost factors don't matter in the urban household's purchase intentions of pure electronic car in china |

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| | Zhaohua Wanga 2017 | in China: Do cost factors matter? | |
| 4 | Krishnan V Koshy B 2021 | Evaluating the factors influencing purchase intention of electric vehicles in households owning conventional vehicles. | The main factor influencing purchase intentions were product quality and lack of proper information about the electric cars |
| 5 | Anam Bhatti 2018 | Sales Promotion and Price Discount Effect on Consumer Purchase Intention with the Moderating Role of Social Media in Pakistan | It was proved that social media plays a big role in marketing in Pakistan and sales promotion and price discount have a significant effect on purchase intentions |
| 6 | Dr. Vahidreza Mirabi, Hamid Akbariyeh and Hamid | A Study of Factors Affecting on Customers Purchase Intention | The most outstanding factors found out by this research were brand image and trust, product quality, customer perceptions. |

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|---|---|---|---|
| | Tahmasebifard 2015 | | |
| 7 | Shih-fen s. Chen, Kent b. Monroe and yung-chien Lou 1998 | The effects of framing price promotion messages on consumers' perceptions and purchase intentions | Promotion messages were found out to being effective towards the purchase intentions of customers. |
| 8 | Sung Young Kim and Min Jung Kang | A Study on the Factors Influencing the Purchase of Electric Vehicles | Lack of detailed information about electric cars was the biggest negative influencing factor where by most people didn't know much about EV's |
| 9 | Amir Mahmud, kamaruzaman Jusoff and St. Hadijah 2013 | The Effect of Service Quality and Price on Satisfaction and Loyalty of Customer of Commercial Flight Service Industry | Service quality of commercial flight service industry was discovered to have a big impact on their loyalty |

| | | | |
|----|--|--|--|
| 10 | Baruna Hadi Brata, Shilvana Husani and Hapzi Ali 2017 | The Influence of Quality Products, Price, Promotion, and Location to Product Purchase Decision on Nitchi At PT. Jaya Swarasa Agung in Central Jakarta | Product quality, promotion and location were discovered to influence purchase intentions in Jakarta Indonesia. Price seemed to have no significant effect due to numerous people owning more expensive cars. |
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2.1.5 Research Framework



2.2 Literature review.

This section discusses the 2 key factors from the literature and their effects on the intention to buy EVs which are x1 price x2 product quality towards Y which is the purchase intention.

2.2.1 Price {X1}

Price

Price is a way for a seller to distinguish his offer from competitors so that pricing can be considered as part of the function of differentiation of goods in marketing, prices are also very relative (Zulaicha & Irawati, 2016).

According to (Kotler & Keller, 2012) A price is an amount of money billed for a product or service, or the sum of all the value provided by a customer to benefit from owning or using a product or service. Price is something that must be given to customers to get the advantages offered by the marketing mix (Arianty, 2015). Price is the amount of money and goods needed to obtain a combination of other goods accompanied by the provision of services (Kotler, 2013).

Based on some of the understandings above, it can be concluded that price is the entire value of a good or service provided in the form of money or nominal which has been determined as the exchange rate for goods or services and their benefits. The price is also as a sum of money to be paid to obtain the right to use the product. Price in purchasing decisions can be a factor influencing purchasing decisions to influence consumers' decisions in purchasing a product, marketers usually modify their prices. Consumers' understanding of prices has an important impact on pricing policy. Consumers can have expectations about the relationship between price and quality.

The Role of Price

Price has important roles to determine success or failure a business according to Sutojo (2001: 64-49), roles of price are:

1. Price is a determiner of demand on market.

Market has 2 characteristics, elastic and inelastic market. In elastic market, price means everything, changes in price means changing in demands, but price doesn't really give huge impact on inelastic market. In elastic market, price inversely proportional to demand, if the price goes up, demand goes down sometimes significantly.

2. Price determines sales and profit.

Sales in a period mean price of product times the quantity of sold products. And profit is sales minus cost of production. So price is one of the key to determine sales and profit because without price, there will be no sales and profit.

3. Price determine market segmentation

Price determine segmentation of the market, higher price from the average price of a product means customers segmentation are from middle-up class. Same as the lower price from average means customers segmentation are from middle-low class. Changing price could change the customer segmentation.

Price becomes one of the keys that influence buying process of a product. Price could change the customer's mind of a product, could change the market segmentation and also change the customer's buying power and impact to the demand of product. For consumer, price is the key to purchase some goods or services, because in consumer's mind, price could picture the quality of

product. And for producer, price is something important to keep running the business and for the future of the company

Price Dimension

According to Kotler dan Keller (2009:63), price dimensions are:

- Price List

Price list is information about the value of product or service that customers have to give to get the value of its product or service

- Discount

Level of reducing price by seller to consumer in purpose to increase sales.

- Allowance

Level of reducing price by seller in a period of time or in some event.

- Payment Period

Payment periods is easing a payment given the seller to of consumers of looseness a period of time a payment made the consumers in the transaction.

- Credit Term

The credits are system a payment in loans provided seller to consumer in fixed term in addition of interest payments / tax which must be paid.

Price Concept

According to (Alma, 2016). "What attaches is that economic theory, the notion of price, value and utility are concepts related to pricing. What is meant by utility and value as follows:

1) Utility,

Utility is an attribute attached to an item, which allows the item to meet the needs, desires, and satisfy consumers.

Utility is an attribute or factor that has the potential to satisfy certain needs and desires.

There are five main types utilities, namely:

- a) Form Utility
- b) Place Utility
- c) Time Utility
- d) Information Utility
- e) Ownership Utility

2) Value

is the value of a product to be exchanged for another product, this value can be seen in a barter situation that is exchanged for another product i.e. the exchange of goods for goods Nowadays economic activity does not use barter system anymore but has used money as a measure called price (price) is the value of an item expressed by money.

Price is as the amount of money (monetary unit) and or other aspects (non-monetary) that contain certain utilities/uses necessary to obtain a service. Utility is an attribute or factor that has the potential to satisfy certain needs and desires.

There are 3 main types of utilities, namely:

1) Form Utility

Related to the production/conversion process, which is a physical or chemical change that makes a product more valuable.

2) Place Utility

Formed if the product is available in those locations where the customer wants to buy it.

3) Time Utility

Created when a product is available when needed by potential customers.

Pricing Objectives

The purpose of pricing is divided into three orientations, namely (Arianty2015):

- 1) Revenue, most businesses are oriented towards, only non-cash or public service companies usually focus on break-even.
- 2) Capacity, some business sectors usually align between demand and supply and take advantage of maximum production capacity.
- 3) Customers, usually the pricing provided is quite representative by accommodating all types of customers, market segments and differences in purchasing power by using a discount system.

Factors Affecting the Price

According to (Abdullah & Tantri, 2010), as for the factors affecting the price level as follows:

- 1) State of the Economy
- 2) Supply and Demand
- 3) Elasticity of demand
- 4) Competition
- 5) Cost
- 6) Goals of the manager
- 7) Government Oversight

Price Indicators

According to (Kotler & Armstrong, 2014), There are four sizes that characterize the price, are:

- 1) Affordability of prices.

Consumers ability to reach prices that have been set by the company, products are usually one type of expensive price with prices set by many consumers who buy products.

- 2) Price according to the ability or competitiveness of the price.

consumers often compare the price of one product with another. In this case, the high price of a product is highly considered by consumers when buying the product.

3) Compliance of price with product quality.

Price is often used as an indicator of quality for consumers often choose a higher price between two products because consumers see a difference in quality. If the price is higher, consumers think that the quality is also better.

4) Price compatibility

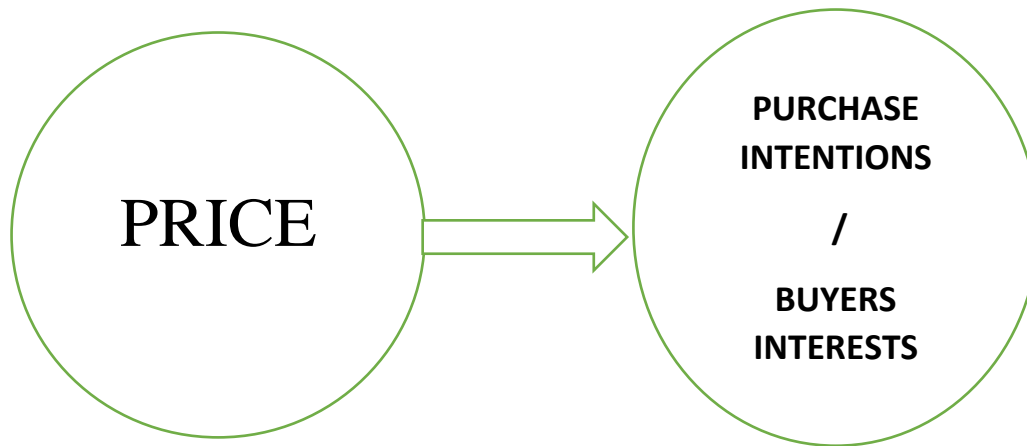
Consumers decide to buy a product if the perceived benefits are greater or equal to those that have been spent to obtain it. If consumers feel that the benefits of the product are less than the money spent, consumers will assume that the product is expensive and consumers will think twice about making a repurchase.

2.2.1.1 The Influence of Price on purchase intentions.

Price is the amount of money and goods needed for obtain a combination of other goods accompanied by the provision of services (Alma, 2016). Pricing objectives can support marketing strategy oriented to primary demand if the company believes that price which is cheaper can increase the number of users or the level of usage or repurchase in a particular product form or category. This is especially applying at earlier stages in the product life cycle, where either the main goal is to attract new customers. Cheaper price can reduce the risk of commenting try new products or can also increase value

a new product relative to other existing products (Nasution & Yasin, 2014).

Based on research (Nasution & Yasin, 2014), (Nasution & Lesmana, 2018), (Arif, 2016), (Gultom et al., 2020), (Gultom et al., 2020), and (Lubis, 2015) concluded that price has a significant effect on buying interest, this is indicated by a significance value of $0.014 < 0.05$ which shows that there is indeed a price effect on buying interest.



2.2.2 Product Quality {X2}

According to Philip Kotler in his book marketing management (2002: 448) “The product is everything that can be offered to a market to fulfill a need or desire”.

The book titled Operations Management, Heizer & Render (2009: 301) defines understanding the quality of as explained by the American society for quality, namely “quality is the totality of features and characteristic of a product or service that bears on its ability to satisfy stated or implied need”

Product quality is the ability of a product to perform its functions including, durability of reliability, accuracy of ease of operation and repair, as well as other valuable attributes (Habibah & Sumiati, 2016).

The quality of also is one of the most important decision consumers in an election products or service wanted by. By election products or services quality, will make customer loyalty rise. (Montgomery, 2009: 4)

Said the quality of having a lot of definition different and has variations who conventional up to more strategic. Conventional definition of the quality of the usually describes characteristic directly from a product as: performance, the reliability, easy to use, esthetic, and so on. (Vincent Gaspersz, 2002), In ISO 8402 (quality vocabulary), the quality is defined as totality of characteristics a product that support its ability to satisfy needs is specified. Quality often interpreted as customer satisfaction or confirmation of need. And products according to ISO 8402 are defined as a result of activity or process. A product may shape, shapeless, or mixture between them. With the definition this product is identified into three categories:

1. Goods, as: tire, paint, car, motorcycle, etc.
2. Software, as: computer program, financial reports, etc.
3. Services, as: construction, education, training, etc. So, by the presence of a quality on a product made, will have good effect on the company performance in in the business world function. Thus, companies should can maintain the quality of products or services they made that acceptable by the public at large.

Product Quality Objectives

A product is said to be of high quality if it meets the needs and desires of the buyer. Quality is determined by the customer, and their experience of the product or service. The objectives of product quality are as follows:

- 1) Strive so that the goods produced can reach the standards that have been set.
- 2) Strive to make the cost of inspections as small as possible.

- 3) Strive to make the design costs of a particular production as small as possible.
- 4) Strive to keep production costs as low as possible (Ta'arufi & Yamit, 2017).

Before consumers make a purchase decision process, they will look for quality, quality experience and proof of quality from companies that consumers know to use as a reference in collecting information.

Product Quality Dimension

Quality dimensions a factor measurement used to assess the quality. In the statistical quality control: A Modern Introduction (Montgomery, 2009: 4), said that it had eight quality dimensions. Eight dimensions is:

6. Performance

The characteristic basis of a product.

7. Durability

The endurance element is long a product survive before the products should be replaced. The bigger frequency discharging consumers to products, the large also endurance products.

8. Conformance

Conformity performance and the quality of any products by standard, the minimization of disability products.

9. Perceived quality

Quality of being received and experienced by the consumer.

10. Features

Characteristic of products designed to complete function products or add interest consumers to products.

11. Aesthetics

Appearance products can be seen from looked, think, smell, and shape of products.

12. Reliability

The probability that products will work by satisfactory or not in a given time period. The less chance the damage on product, so that product reliable.

13. Serviceability

Ease of service or repairs a product when needed

Product Quality Benefits

According to (Kotler & Keller, 2012), there are several benefits obtained by creating good product quality, namely:

- 1) Improve the company's reputation.
- 2) Lowering costs.
- 3) Increase market share
- 4) International impact 5) Product liability
- 6) For the appearance of the product.
- 7) Embodying perceived qualities is important.

Factors Affecting Product Quality

According to (Kotler & Keller, 2012), Factors affecting Quality

The product is directly influenced by 7 basic fields, namely:

1) Market

The number of new and good products offered in the market continues to grow at an explosive rate.

2) Money

The increasing competition in many areas along with fluctuations in the world economy has lowered the profit margin. At the same time, the need for automation and mechanization is driving spending on new processes and equipment.

3) Management.

Quality responsibilities have been distributed among several special groups. Now the marketing department through its product planning function, must make product requirements.

4) Human.

The rapid growth in technical know-how and the introduction of all new fields such as computer electronics created a great demand for workers with specialized knowledge.

5) Motivation.

Research on human motivation shows that as an additional monetary reward, workers now need something that reinforces a sense of success in their work and recognition that they personally need donations for the achievement of donations for the achievement of the company's goals.

6) Material.

Due to the cost of production and quality requirements, engineering experts choose materials with stricter restrictions than before.

7) (Machinery and Mechanics)

The company's demand to achieve reduced costs and production volumes to satisfy customers has driven the use of factory equipment which has become more complicated and depends on the quality of the materials put into the machine aforementioned.

Product Quality Indicators

As for product quality indicators According to (Lupiyoadi & Hamdani, 2014), product quality has eight measurement dimensions consisting of the following aspects:

1) Performance.

Performance here leads to the core product character which includes the brand, measurable attributes, and individual performance aspects.

2) Product privileges

It can take the form of an additional product from a core product that can add value to a product.

3) Reliability

This dimension is related to the possibility of a product experiencing a malfunction at a period.

4) Conformance.

Another dimension related to the quality of an item is the suitability of the product with the stand in its industry.

5) Durability.

The measure of durability (durability) of a product includes the economic aspect as well as the technical aspect.

6) Serviceability.

Service capabilities can also be referred to as speed, competence, serviceability, and ease of the product to be repaired.

7) Aesthetics

Aesthetics is the most subjective dimension of measurement.

8) Perceived quality.

Consumers do not always have complete information about attributive products/ services.

The relationship between price and product quality is often misunderstood. It is often believed that the price of a product directly reflects its quality, and that the more expensive a product is, the better its quality. However, this is not always the case. While price and quality are often correlated, there are many other factors that influence the relationship between the two. For example, a product's brand reputation, marketing strategies, and production costs can all impact its price, even if its quality is not necessarily higher or lower than a similar product that is priced differently. In some cases, a higher price may be justified by superior materials, technology or craftsmanship, and in other cases, it may simply be a reflection of a company's branding and marketing efforts. Ultimately, consumers should evaluate each product on its individual merits and do their own research to determine if its price is an accurate reflection of its quality

2.2.1 Effect of Product Quality purchase intention

Product quality is closely related to consumer buying interest, because consumers prioritize good product quality before buying the product the Company will be able to provide quality in accordance with consumer desires. According to (Kotler & Keller, 2012), concluded quality product are the characteristics of the product or service that it depends on its ability to satisfy stated or stated consumer needs implied.

Product quality is an effort or ability that done by the company in providing satisfaction for consumers, because Consumer satisfaction does not only refer to the physical form of the product, but a satisfaction package that can be obtained from product purchases (Lubis, 2015). Based on previous research (Aditi & Hermansyur, 2018), (Astuti & Abdullah, 2017), (Pharisees, 2018), (Gultom, Arif, & Fahmi, 2020), (Gultom, Budiarto, & Utami, 2020), and (Fahmi, 2016), concluded that quality the product has a positive effect on buying interest, where is the product attribute need more attention in improving the purchase decision of the Honda brand in the city of Medan.

2.2.3 Purchase intentions (Y)

Purchase Intention

According to (Schiffman & Kanuk, 2007), it is argued that purchase intention is a psychic activity that arises due to feelings and thoughts about something goods or services that are desired. Consumer buying interest is a hidden desire in consumers. (Savitri & Patricia, 2020). Consumers' buying interest is always veiled in each individual where no one can know what the consumer wants and expects. Consumers have their own identity in fulfilling their wishes in their minds.

Consumer purchase Intention is a respondent's initiative in making a decision to buy a product (Sepang & Joel, 2014). Initiatives towards the product are observed both from different aspects of the product that the consumer receives.

Purchase intentions are continuations of attention which is the starting point for the continuation of the desire to carry out the expected activities. Interest arises due to the presence of a positive stimulus that generates motivation.

Consumers' purchasing behavior begins and is influenced by a lot of stimulus from outside themselves, these can be in the form of marketing or the surrounding environment, after obtaining an idea then it will be processed in a person according to his characteristics, before that a purchase decision will be made. Therefore, to attract consumers, entrepreneurs can also maximize their indicators contained in the marketing mix, namely research and development of the market, product, price, location or place of business, and promotion (To attract consumers) Daulay & Saputra, 2019).

If a person has a high motivation towards a certain object, then he will be encouraged to behave in master the product. Conversely if his motivation is low, then he will try to avoid the object in question. The implication is that marketing is for the possibility that the person is interested in buying the product or brand that marketing offers or not.

It can be said that buying interest is a mental statement from consumers who reflect on the plan to buy a million products with a certain brand. This is very necessary for bookers to find out consumers' buying interest in a product, both marketers and economists use interest variables to predict consumer behavior in the future.

Stages of Buying Interest

According to (Kotler & Keller, 2012) there are various stages of buying interest and can be understood through the AIDA model as follows:

1) Attention.

This stage is the initial stage in assessing product or service according to the needs of potential customers, besides that potential customers also learn the products or services offered.

2) Interest.

In this stage, potential customers begin to be interested in buying the product or service offered, after getting more detailed information about the product or service offered.

3) Desire.

Potential customers begin to think about the products or services offered, because the desire and desire to buy begins to arise. In this stage, potential customers have begun to be interested in the products or services offered. This stage is characterized by the emergence of a strong interest from potential customers to buy and try the products or services offered.

4) Action.

At this stage, potential customers already have a high stability to buy or use the products or services offered.

However, in potential customers, doubts arise; they doubt whether products or services can provide solutions as has promised (Mackey, 2005). The last stage is Action. The action is also the last resort to buy as soon as possible or as part of the process by choosing the right words so those prospective customers will respond.

Brand Awareness

Aaker (1996) states that brand awareness is the ability of consumers to recognize and recall brands in different situations. In addition, brand awareness can also be interpreted as the brand awareness related to brand strength in consumer memory which has reflected in the ability of consumers to recall or recognize brands in different conditions (Keller, 1993). Brand awareness can be defined as to be the right moment when individuals realize the presence of an object or brand (Arboleda & Alonso, 2014). Based on the opinions of experts, it can be concluded that brand awareness consists of brand recall and brand recognition.

Thus, brand awareness can be defined as the ability of consumers to recognize and recall an object or brand. The consumers referred to the spectator of the 2018 Asian Games event directly or through the media such as television to remember the brand 361°, which become the official sponsor of the event in different situations. It is commonly believed that brand awareness can raise interest in buying. This statement was supported by Rossiter (2014), stating that brand awareness is the ability of buyers to identify (recognize or recall) a brand that is sufficiently detailed to make a purchase. In addition, it plays an essential role in evaluating consumer risk and the level of certainty of purchasing decisions. So, in the sponsorship context, it can be concluded that brand awareness is the ability of consumers to recognize and remember a brand that sponsors the event in different situations and creates a purchase intention.

1. Unaware of Brand

Unaware of Brand is the brand that was first mentioned by consumers or that first appeared in the minds of consumers. In other words, the brand is the leading brand of various brands that exist in the minds of consumers (Keller, 1993).

2. Brand Recognition

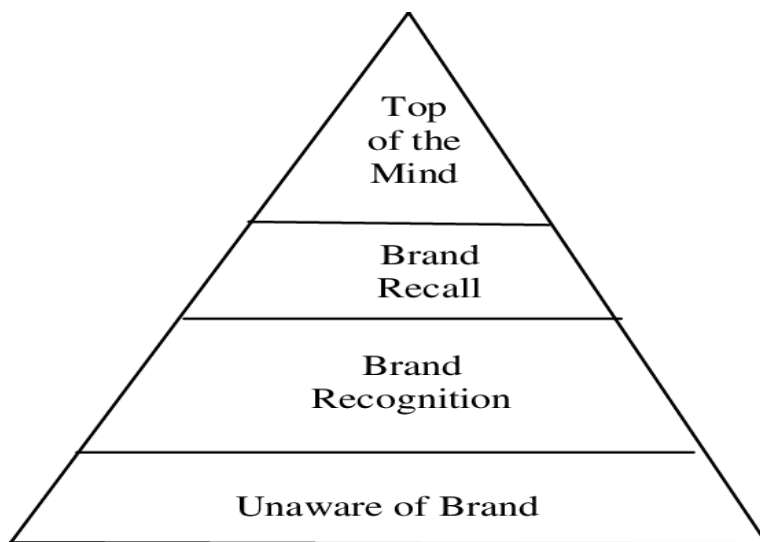
Consumers recognize brands when getting stimulation or assistance (Hakala, Svensson, & Vincze, 2012). Supported by Rossiter (2014) which states that brand recognition is the ability of buyers to recognize brand names when heard, or recognize brand logos when viewed.

3. Brand Recall

Brand recall requires consumers to spend more effort to take the brand from their memories while brand recognition only requires consumers to determine when the brand is seen or heard before (Lu, Chang, & H, 2014).

4. Top of Mind

The conditions when they become the most remembered in the minds of consumers (Rangkuti, 2002). When consumers can recall brands without any memory rocks (Hakala et al., 2012).example can Apple {iPhone }



Brand Awareness Pyramid (Aaker, 1991)

Purchase intention Indicator

According to (Ferdinand, 2012) buying interest can be identified through the following indicators:

1) Transactional Interest

is a person's tendency to buy products.

2) Reference Interest

is a person's tendency to refer product to others.

3) Preferential Interest

is an interest that describes the behavior of a person who has a primary preference for the product. This preference can only be replaced if something happens with the product of its preference.

4) Exploratory Interest

is this interest describe the behavior of a person who is always looking for information about the product he is interested in and looking for information to support the positive attitudes of the product?

Price and product quality are two critical factors that can influence a consumer's purchase intentions. Consumers tend to consider both price and quality when deciding whether to purchase a product. If a product is perceived to be of high quality, consumers may be willing to pay a higher price for it. Conversely, if a product's quality is thought to be low or inferior, consumers may not be willing to pay a high price for it. The relationship between price and quality can also affect consumers' perception of a product's value. If a product is priced too high for its perceived quality, consumers may feel that they are not getting their money's worth. On the other hand, if a product is priced too low for its perceived quality, consumers may question its reliability or effectiveness. Ultimately, the interplay between price and product quality can heavily influence a consumer's purchase intentions. An affordable price coupled with high-quality products

is likely to attract more buyers, while a high price coupled with low-quality products may drive potential customers away.

2.2.3.1 The Influence of Price and Product Quality on Purchase Intention

If we discuss buying interest/purchase intentions, then we will definitely discuss it regarding product quality and price. Because these two variables are very influence the purchase intention of potential consumers.

Consumers will see if the product is suitable to be purchased with the quality of the product and the price at which it offered.

Based on the results of research (Lubis, 2015) with the results of research in detail practically it can be said that there is a huge contribution of price and product quality to variable Purchasing interest. So, it can be said that there is influence between product quality and price on buying interest.

