Efforts to Increase Consumer Buying Interest and Satisfaction through the Influence of Price and Product Perception on the Social Safety Net West Nusa Tenggara Gemilang

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ABSTRACT

The social safety net (JPS) is one of the eight flagship programs of West Nusa Tenggara (NTB) Gemilang. JPS is an aid provided by the government in the form of a package containing nine staples for communities affected by the pandemic. This research aims to test the influence of price and product perception on consumer buying interest and consumer satisfaction in the people who receive the help of JPS NTB Gemilang. NTB people who received this program package became a population in this study, with 100 respondents taken from each province in NTB using questionnaires and data analysis using the structural equation model. The results showed that price perception affects consumer buying interest, products affect consumer buying interest, price perception affects consumer satisfaction, products affect consumer satisfaction. This research resulted in the perception of prices by the community and local products used in the program can increase people's buying interest in products in the program and provide satisfaction felt by the community after receiving packages in the JPS NTB Gemilang program.

1. Introduction

Social restriction policies impact the Indonesian economy, especially people's buying interests. As a result, household spending has declined, and the economy itself is experiencing a slowdown in growth. The policy of social restrictions itself in Indonesia occurred in several stages in early 2020, which is the beginning of the Covid-19 pandemic. The policy was issued when the increase in the number of people affected by Covid-19 is a large-scale social restriction in several provinces. The number of Covid-19 sufferers continues to increase, especially in Jakarta and Surabaya, Indonesia's two most populous provinces.

The lack of trust in the government about Covid-19 spreading by the community makes the number of people affected by Covid-19 increase, followed by the number of deaths caused by Covid-19. In order to reduce the mobility of the population, the government issued a policy that imposes restrictions on community activities (PPKM) that have an impact on the poor and the business world. However, the number of increases and those exposed to the Covid-19 virus have decreased with this government implementing PPKM Jawa-Bali, PPKM Mikro, PPKM emergency, and

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the last is PPKM level three and four.

The restriction policy carried out by the Indonesian government impacts the social-economic decline, education that must be done online so that it affects the family economy, and public services that must keep their distance. All of these impacts will be felt in 2020. The impact felt by the company makes some companies lay off some of their employees without benefits, or in layoffs, this resulted in a growing unemployment rate and affected the purchasing power of the people who began to decline until workers who used to have income now have no income and the only survival by reducing their spending on goods and services.

West Nusa Tenggara is one of the provinces in Indonesia affected by Covid-19. Data released by Garda NTB on September 9, 2020, showed two thousand four hundred and sixty (15.86%) treated, two thousand two hundred sixty-nine (78.24%) recovered, and one hundred and seventy-one (5.90%) died. From the data's exposure, covid-19 is still endemic in NTB. This condition causes a decrease in community activity from before covid-19 further this causes the number demand for services decreases; this condition is especially felt by people who work in the informal sector. Macro-acceptance of sectors also experienced a decline in workers' incomes in sectors that absorb many labourers. The implication of this is a decrease in people's purchasing power. (Yuniati et al., 2020)

The social safety net (JPS) is one of the eight flagship programs of West Nusa Tenggara (NTB) Gemilang. In addition to being the flagship program of NTB Gemilang, JPS NTB Gemilang is also a continuation of the JPS program proposed by the central government for communities affected by covid-19 in each province. JPS is an aid provided by the government in the form of a package containing nine staples for communities affected by the pandemic.

The impact of the JPS Gemilang NTB program is to increase the buying interest of people who had decreased due to the pandemic. This program can restore the level of public trust in the government and trust the information provided by the government about Covid-19. In 2020 the JPS Gemilang program was run with three stages for three months. The thing that is different from the central government JPS is the help of nine staples (Sembako) whose products use local products derived from SMEs NTB itself.

There are several problems in the spread of products at JPS Gemilang I where the SMEs involved only amount to 150, and the person in charge of the provision of this program is submitted to the Social Service and the Provincial Industrial Office. This shows that the production capacity of SMEs is low; SMEs are limited in distribution, as well as the existence of products that are not following the needs of the community. This causes the product to be defective and not on time.

Such products consist of Sembako, health masks, and supplement packages. The Sembako package consists of rice, eggs, cooking oil, and fish processed products from SMEs NTB spread in Sumbawa and Mataram. The mask package and supplement consist of daily masks, soy milk/ginger sorbet, liquid soap, eucalyptus oil, and moringa leaf tea. Each stage carried out, the number of SMEs involved increases to the third stage of the number of SMEs involved amounting to 4,000 SMEs.

Figure 1. JP Gemilang local products in 2nd and 3rd phase

Research related to JPS scintillating and buying interest was conducted by Hartina (2021), which tested how the coordination and collaboration system in the distribution of Social Safety Net (JPS) Packages was brilliant at the beginning of the Covid-19 pandemic in the West Nusa Tenggara Province in 2020. This paper uses a qualitative research approach with a data analysis model, Miles & Huberman. The data analysis results showed that the NTB Provincial Government has carried out coordination and collaboration with multi-parties in succeeding JPS Gemilang. In addition, a study by Yuniati et al. (2020) about the impact of the Covid-19 pandemic on the purchasing power of NTB people. The study stated that people's purchasing power decreased during the Covid-19 pandemic.

Prayogo et al. (2021) examine the determinants of purchasing power of Indonesian people during the Covid-19 pandemic in 2020 resulting in a significant difference between people's purchasing power before and during the Covid-19 pandemic. Many become outliers and leverage points, and partially the level of open unemployment, the number of investment project realizations, and the average length of school significantly affect the purchasing power of people in Indonesia in 2020.

Our study aimed to discuss how the perception of prices and products to consumer satisfaction and people's buying interests and products is applied by the NTB provincial government related to the policy to provide JPS Gemilang in the form of packages containing local products from the empowerment of SMEs. This study aims to test the influence of price and product perception on consumer satisfaction and people's buying interest after receiving the JPS Gemilang NTB package.

2. Literature Review
Price perception

In Schiffman et al. (2013), price perception is how consumers view prices as high, low, and fair. This has a strong influence on buying interest and satisfaction in purchasing a product. If the customer has a good perception of the price and service received by the customer by expectations, then customer satisfaction will increase.

Consumers will pay more attention to the price perception if the product to be purchased is a daily requirement, such as food, beverages, and other basic needs. This becomes a challenge for companies in determining the correct price perception for their products so that consumers are interested in buying. In business competition, the price perception offered by competitors can be lower with the same quality or

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even with better quality. So that in determining the price perception of a product or service sold, the company is required to pay attention to consumers and competitors.

Cheap price perception is an essential source of satisfaction because they will value money. Low price perception gives rise to products, not quality conversely, high price perception gives rise to product quality. Price Perception assessment can be seen from the conformity between a consumer's sacrifice to the value he received after making a purchase, and from there, the consumer will get from the product or service. A positive is the result of a sense of satisfaction with a purchase he made, while a negative is a form of consumer dissatisfaction with the product or service he bought.

Product

A product is something that the manufacturer offers to the consumer to meet his needs and desires. It should also be emphasized that consumers buy products to satisfy needs and aim to satisfy desires. According to Kotler (2003), a product is everything offered to the market to get attention, purchased, used, or consumed that can satisfy a desire or need. While the understanding of products, when viewed from the perspective of marketing, is everything that can be bargained to the market to be noticed, owned, used, or consumed, and can provide satisfaction to the wants and needs of the market. Consumers who feel they are compatible with a product and the product can meet their needs and desires.

Consument satisfaction

According to Tjiptono et al. (2012), consumer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the perception of the performance or results of a product with the expectations he has. Abidin et al. (2020) define satisfaction as the emotional impact of consumers on a product after they have evaluated

their product usage. When consumers obtain what is by their expectations, of course, consumers will feel satisfied.

Consumers satisfied with the products and services received tend to return to using the products received. According to Sunyoto (2015), consumer satisfaction is one of the reasons that consumers decide to shop somewhere. When consumers are satisfied with a product, they are likely to continue buying and using it and tell others about their pleasant experience with the product.

Buy interests

According to Assael (2010), buying interest is the tendency of consumers to buy a brand or take actions related to purchases as measured by the level of likelihood of consumers making purchases. At the same time, consumer buying interests interpreted by Kotler et al. (2016) is consumer behaviour in which consumers desire to buy or choose a product based on experience in choosing, using and consuming, or even wanting a product.

The lower the consumer's confidence in a product will lead to decreased consumer buying interest. Interest is described as a situation in which the consumer has not taken any action, which can be used as a basis for predicting the behaviour or action. So buying interest itself is a behaviour summarized from consumers in which there is confidence in the quality and price offered to consumers.

3. Methods

This study is a quantitative study with associative analysis. This is intended to find out the relationship and or influence between two or more variables, while the population in this study is the entire West Nusa Tenggara community that received the assistance of the JPS NTB Gemilang program. To determine the sample size taken from the population, researchers used a formula put forward by Slovin with a confidence level of 90% with a value of e = 10%. Then, the sample

in this study as many as 100 people using random sampling is a sampling of sample members from the population that is done randomly regardless of the strata in that population. Data collection methods use questionnaires distributed through google forms and given to each province in NTB. The questionnaire uses a measurement scale of one to four. The endogenous variables in the study were Consumer Satisfaction (Y1) and Buying Interest (Y2) from JPS NTB Gemilang. The exogenous variables in the study were Price Perception (X1) and Product (X2) from JPS NTB Gemilang.

Before testing hypotheses to predict relationships between latent variables in structural models, first,

evaluate the measurement model for the verification of indicators and latent variables that can be tested next. This evaluation is done to evaluate the relationship between the contract and the indicator.

4. Results and Discussion

Measurement of validity can be shown in convergent validity and discriminant validity where convergent validity is determined using factor loading parameters and AVE values. Give this the result of a correlation between the indicator and its construct that shows the value of outer loading > 0.70. Outer loading values can be seen in table 1.

Table 1. Outer loading results

Price perception		Product		Consumer satisfaction		Buy interest	
X1.1	0,84	X2.1	0,83	Y1.1	0,84	Y2.1	0,88
X1.2	0,92	X2.2	0,81	Y1.2	0,77	Y2.2	0,94
X1.3	0,94	X2.3	0,84	Y1.3	0,81	Y2.3	0,91
X1.4	0,84	X2.4	0,74	Y1.4	0,87	Y2.4	0,90

Source: Result SmartPLS

From the results of data processing with SmartPLS shown in table 1, that the majority of indicators on each construct variable in this study have a loading factor value greater than 0.70 and is said to be valid which can be interpreted that the higher the value of loading factors on each construct means the higher the contribution of the indicator to the construct.

Discriminant validity

Discriminant Validity is done by looking at the value of cross-loading of construct measurements. After processing data using SmartPLS 3.0 cross-loading results can be shown in table 2.

Table 2. Discriminant validity results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Consument satisfaction	0,84	0,85	0,89	0,68
Buy interest	0,93	0,93	0,95	0,83
Price perception	0,91	0,91	0,94	0,79
Product	0,82	0,83	0,88	0,65

Source: Result SmartPLS

In the above reliability test obtained composite reliability value for each research, a variable is above 0.7, which can be explained as follows: Product obtained 0.88, Price perception obtained 0.94, Buy interest gained 0.95, and consumer satisfaction gained 0.89. Furthermore, Cronbach's alpha values obtained values for each variable above 0.80 and 0.90, indicating that all research variables have good reliability values. Convergent validity values are better indicated by the higher correlation between indicators that make up a construct. The AVE value shown in table 2 indicates that the four latent variables have an AVE value above the minimum criteria, which is 0.5, so that the convergent validity measure is good or it can be said if it has met convergent validity criteria with this good value it can be used as an illustration of the condition of the interrelationship between variables is also good so that further tests can be done.

Inner model testing

Evaluation of the inner model or test of structural models was aimed to see the direct and indirect influences between variables. The evaluation of the inner model with PLS-SEM begins by looking at the Variant Analysis (R2) or Determination Test, i.e. to find out the magnitude of the influence of independent variables on the dependent variable; the value of the coefficient of determination can be shown in Table 3.

Table 3. Result R-square

	R-Square	R-Square Adjusted
Consumer Satisfaction	0,75	0,75
Buy Interest	0,63	0,62

Source: Result SmartPLS

Based on table 3, R-square values show that price and product perception can explain the variability of consumer satisfaction constructs by 75%, and other constructs explain the remaining 25% beyond those studied in this study. While the perception of prices and products could explain the variability of constructs of buying interest by 63%, other constructs explained the remaining 37% beyond those studied in this study.

Hypothesis testing

Hypothesis testing is conducted based on the results of inner model testing, which includes R-square output, parameter coefficients, and t-statistics. To see if a hypothesis is accepted or rejected, among others, by considering the value of significance between contract, t-statistics, and p-values. The rules of thumb used in the study were t-statistics >1.96 with a significance level of the p-value of 0.05 (5%) and a positive beta coefficient. The test value of this research hypothesis can be shown in Table 4, and the results of this research model can be described as seen in Figure 2.
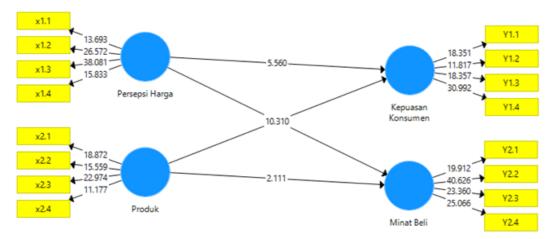
Figure 2. Model of research result

Table 4. Analyst path results

	Original sample (O)	Sample mean (M)	Standard deviation (StDev)	T statistics (|o/stdev|)	P values
Price perception -> Consument satisfaction	0,35	0,35	0,06	5,56	**0,00**
Price Pprception -> Buy interest	0,67	0,68	0,10	6,79	**0,00**
Product -> Consument satisfaction	0,63	0,63	0,06	10,31	**0,00**
Product -> Buy interest	0,20	0,19	0,09	2,11	**0,04**

Source: Result SmartPLS

The first hypothesis tests whether price perception positively affects consumer satisfaction. The test results showed a t-statistical value of 5.56. These results state a significant t-statistic because >1.98 with a p-value of < 0.05. This proves that price perception is proven to influence customer satisfaction positively.

The second hypothesis reads whether the product has a positive and significant effect on buying interest. This is evidenced by the statistical value of 2.11 greater than t table 1.98 and p-value of 0.04 smaller than 0.05, so it is proven that there is a significant favorable influence between a product with buying interest.

The third hypothesis states that price perception has a positive and significant effect on buying

interest. This is because the T-statistical result of 6.79 is more significant than T-table 1.98, and the p-value of 0,000 is smaller than 0.05, and it can be proven that there is a positive and significant influence between price perception and buying interest.

The fourth hypothesis states whether a product has a positive and significant effect on consumer satisfaction. This is based on the results in table 4, where the T-statistical value of 10.31 is more significant than T-table 1.98 and the p-value of 0.000 is smaller than 0.05, so there is evidence that the product has a significant positive effect on consumer satisfaction.

The results of this study state that price perception has a positive and significant effect on

consumer satisfaction. This can be interpreted that the higher the public perception of the price of products contained in the JPS Gemilang NTB package, the higher the satisfaction felt by the recipients of the program assistance. People feel happy with the package they get because of this pandemic, so they feel significantly helped by this help. This is in line with Maemunah's (2019) and Darma's (2020) research, which found that price perception has a positive and significant effect on consumer satisfaction.

The results of the second hypothesis in this study prove that there is a positive and significant influence on buying interest that can be stated that the increasing products to meet the needs and desires of the community that impact the pandemic, the more public buying interest in products that have been received in the JPS NTB Gemilang program. Previous research conducted by Bakti et al. (2020), Sukma et al. (2020) stated that the product has a positive and significant effect on people's buying interest.

The results of the third hypothesis found that price perception has a significant favorable influence on buying interest. Based on price perception results, price proves a positive influence on buying interest. The results stated that the higher people's perception of the price of local products, the higher the public's buying interest in local products due to their use and experience in consuming local products that they get in the JPS NTB Gemilang program. Previous research in line with the results of these findings conducted by Kusumawati et al. (2020) Joel et al. (2014) stated that price perception affects buying interest.

For this fourth hypothesis, the results obtained prove that the product proved to have a significant effect on consumer satisfaction. This can be interpreted as if consumers are satisfied with a product, they tend to continue to buy and use it and tell others about their pleasant experiences with the product. People who receive packages consisting of local products in JPS Gemilang NTB will feel satisfied with the product and the program because it can meet their wants and needs. They expect the JPS Gemilang NTB program to follow what they get. This is in line with previous research by Hamdun et al. (2019) and Yunitasari et al.(2016), which stated that products significantly affect consumer satisfaction.

5. Conclusion

The conclusions of this study found that price perception has a positive and significant effect on consumer satisfaction, and the results of hypothetical tests have proved this. The product has a positive and significant effect on consumer buying interest and is proven by hypothesis tests using SmartPLS. Price perception has a positive and significant effect on buying interest that the hypothetical tests have proved. The product has a positive and significant effect on consumer satisfaction, as evidenced by the hypothesis test results.

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