

## CHAPTER II LITERATURE REVIEW

### A. Rice

Rice is the result of processing agricultural products called rice (*Oryza sativa*). Rice is a food commodity that is used as a staple food for Asian nations, especially Indonesia, Thailand, Malaysia, Vietnam, Japan, and Myanmar (Ambarinti, 2007). There are three types of rice that grow in Asia, namely indica, javanoca, and japonica. In the record of rice cultivation authorized by a Chinese emperor in 2800 BC, rice was grown from China to Ancient Greece, from Persia to Africa. On migrating across continents and around the world.

The systematics of rice plants, are as follows:



Kingdom	:	<i>Plantae</i>
Subkingdom	:	<i>Tracheobionta</i>
Super Division	:	<i>Spermatophyta</i>
Division	:	<i>Magnoliophyta</i>
Class	:	<i>Liliopsida</i>
Subclass	:	<i>Commelinidae</i>
Ordo	:	<i>Poales</i>
Famili	:	<i>Poaceae</i>
Genus	:	<i>Oryza</i>
Species	:	<i>Oryza sativa</i>

Source: Grist (1960)

Rice is a grain of rice that has been removed from the outer husk (husk) which becomes coarse bran. Rice is grain whose husk has been discarded by grinding and soaking using peelers and grinders as well as grinding tools. According to Timbul

Haryono (1997) quoted by Haryadi (2010), the habit of eating rice in the form of rice has a long history. Rice comes from the word *weas* in ancient Javanese, as written in the Tajiyang inscription in 901. Furthermore, the type of staple food is chosen, among other things, based on the idea of whether the food can be stored for a long time without heavy damage. Rice is chosen as a staple food because natural resources and the environment support its supply in sufficient quantities, easy and fast processing, providing enjoyment when eating, and safe in terms of health.

Rice is one of the basic needs for the Indonesian people. The largest part of carbohydrates in rice is starch and only a small part of pentosan, cellulose, hemicellulose, and sugar. Between 85% to 90% of the dry weight of rice is starch. The pentosan content ranges from 2.0-2.5% and sugar 0.6-1.4% by weight of broken rice. Thus it is clear that the physicochemical properties of rice are primarily determined by the properties of its starch, since its main constituent is starch. Based on the amylose content, rice (excluding glutinous rice) can be grouped into low-amylose rice, which is 10-20% amylose, medium amylose rice, which contains 20-25% amylose, and high-amylose rice, which is commonly called "hard rice", contains 25-33% amylose. The main vitamins in rice are thiamine, riboflavin, niacin, and pyridoxine. Minerals in rice mainly consist of the elements phosphorus, magnesium and potassium. In addition, there is calcium, chlorine, sodium, silica, and iron (Haryadi, 2006).

The most commonly consumed type of rice is white rice, although there are several other types of rice such as brown rice, black rice, and brown rice. White rice is more consumed because it has a better texture and taste (Ekowati & Purwestri, 2016).

White rice is the easiest to find in the market so it is called ordinary rice. This rice is called white rice because it has undergone a milling process where the rice husk and *bran* layer are peeled clean, so that the rice appears pure white. The rice, which has the Latin name *Oryza sativa*, has clear white and somewhat transparent seeds because it only has a small amount of aleuron, and the anamylose content is generally about 20%. The texture of white rice is somewhat sticky, soft and

has a fluffy and attractive taste, so this rice is loved by the public. White rice is a source of calories and carbohydrates. However, the content of white rice is relatively lower than other rice (Khalil, 2016) in Alpiyani (2022:14).

Rice is the main raw material to meet the nutritional needs of most Indonesian people. This result is considered very high compared to the consumption of other staple foods. The price also varies according to the quality and product, such as in the general range of Rp10,000 to Rp15,000. Various choices of white rice based on product type, packaging, price, taste and others as well as the influence of the environment, culture, social class, purchasing power, motivation and lifestyle shape different consumer behaviors (K. Kusno *et al.*, 2018).

## **B. BULOG**

BULOG is a state-owned company engaged in food logistics as a supporter of the realization of the three pillars of food security in a joint and balanced manner. The three pillars of food security in question are the pillars of food availability, food accessibility both physically and economically, and food stability both in terms of price and supply

The pillar of availability can be fulfilled from domestic production or from abroad if the adequacy of domestic production experiences a deficit. The affordability pillar can be realized by providing food commodities that can be easily reached by end household consumers based on the economic ability to obtain the food commodity in question. Meanwhile, the pillar of stability can be realized by ensuring the sustainability or continuity of supply and price stability of food commodities that can be expected by consumer households at all times and in every place.

### **1. The Role of the Logistics Affairs Agency (BULOG)**

As an institution tasked with implementing the government's rice policy. According to Suparmin (2006), the role of BULOG in the future is highly dependent on the policies set. Experience shows that BULOG is able to adapt by sharing the tasks given to it thanks to its extensive and scattered logistics network. In its operations, BULOG can carry out the task of purchasing grain, rice, or other food to

protect farmers or other needs. Carry out the absorption and distribution of food commodities to the public based on the purchase and sale policy with the provisions of the Reference Price or Cost of Purchase/Retail Sale., Price Flexibility, and Highest Retail Price based on the provisions set by the government.

In addition, BULOG stores rice or other food reserves in its warehouses to meet the needs of government food reserves, both for routine outlets to the government or the society, as well as for incidental needs such as handling natural disasters, refugees, or other emergencies. BULOG's logistics network can also be used to assist the national logistics system in the distribution or trading of other rice. The system and network developed by BULOG currently have a fairly wide reach to villages.

## 2. Duties and Functions of BULOG

The tasks given to BULOG based on the Decree of the President of the Republic of Indonesia Number 29 of 2000 concerning the Logistics Affairs Agency Article 2 states that BULOG has the task of carrying out general government and development tasks in the field of logistics management through the management, inventory, distribution, and control of rice prices, as well as logistics service businesses in accordance with the applicable laws and regulations.

1. Determination of policies and guidance in the field of logistics management in accordance with general government policies and applicable laws and regulations
2. Planning in the field of operations, logistics services, finance and human resources
3. Implementation of operational activities
4. Implementation of activities in the field of logistics services business
5. Financial and resource management
6. Supervision of the implementation of the duties of all elements within BULOG
7. Resource management for the implementation of BULOG's tasks effectively and successfully.

### **A. SFSP (Stabilization of Food Supply and Price) Program**

The Indonesian government's program, known as SFSP (Stabilization of Food Supply and Price) Program, is a program that has been running since 2023. This program is run by BULOG to maintain the stability of food prices, especially rice commodities, in the domestic market. The main goal of this program is to keep rice prices affordable for low-income communities and ensure the availability of rice throughout Indonesia, especially in the event of price spikes or supply crises.

In accordance with the Letter of the Head of Bapanas Number 02/TS.03/K/1/2022 concerning the Assignment of Stabilization of Rice Supply and Prices (SFSP) at the Consumer Level in 2022, BULOG is assigned to implement the SFSP program at the consumer level. One of the programs implemented is the distribution of SFSP rice. SFSP rice at the consumer level is distributed by BULOG either directly or indirectly.

In the direct distribution of SFSP rice, BULOG distributes SFSP rice through the Food Price Availability and Stabilization Task Force (KPSH Task Force) and government institutions/agencies/agencies. Generally, the distribution of SFSP rice is carried out directly to food-prone and disaster-prone areas and social assistance in order to meet the basic needs of the underprivileged community.

In distribution partnerships with modern retailers and retailers, the ordering process is quite simple, namely only need to submit a request through CDER (Commodity Distribution Expenditure Request). Orders can be placed even if only for one type of product, and once the payment or transfer process is completed, the goods will be sent to the ordering party immediately. There is no minimum order requirement for retail or modern retail traders, so partners have the freedom to order the number of products according to their respective needs without any specific quantity restrictions.

As part of efforts to strengthen the distribution network, Perum BULOG has set a number of important requirements, especially for RPK (Rumah Pangan Kita) and TPK (Toko Pangan Kita) partners. RPK (Rumah Pangan Kita) is one of the strategic programs run by Perum BULOG with the aim of bringing people's access to

quality food closer. RPK acts as BULOG's official distribution partner in charge of selling various staple food commodities—both BULOG's production products such as fortivit rice, setra ramos rice, our rice, our sweet sugar, our cooking oil, and others. Government products such as SFSP rice are directly delivered to consumers in easy-to-reach residential environments.

The ease of becoming a member or partner of RPK makes many retail traders interested, because it only requires a copy of ID card, a copy of NPWP, and a copy of a Business Identification Number (BIN) with the type of retail trader business for commodities according to the commodities sold by Perum BULOG. With the ease of registration to become a friend of RPK, traders and distributors can quickly make initial purchases of SFSP rice commodities to be sold to consumers.

TPK (Toko Pangan Kita) is one of the official distribution networks developed by Perum BULOG with the aim of building a business partnership pattern in the staple food trade sector. TPK is designed to reach various business segments, both small and medium-scale, in order to expand public access to affordable and quality food commodities. TPK ownership is divided into three categories, namely: TPK owned by BULOG whose capital comes entirely from Perum BULOG; TPK partners with Regional Governments which are jointly managed based on a cooperation scheme; and TPK partners with traders or business actors (Business Partners). In the type of partnership TPK, there is a minimum provision of fees that must be incurred in each transaction as part of the purchase system. Similar to RPK (Rumah Pangan Kita), TPK also sells various staple food products from BULOG and other food products provided by the government.

The ease of becoming a member or partner of RPK makes many retail vendors interested, because they only need a copy of their ID card, a copy of their NPWP, and a copy of their Business Identification Number (BIN) with the type of retail trader's business for commodities in accordance with the commodities sold by BULOG. With the ease of registering to become a friend of RPK, traders and distributors can quickly make initial purchases of SFSP rice commodities to be sold to consumers.



TPK (Toko Pangan Kita) is one of BULOG's distribution networks that focuses on developing business partnership patterns for various segments of the staple food trading business (wholesale or retail) in traditional market locations. The ownership of TPK itself is divided into three, namely TPK owned by BULOG, TPK Partners with the Regional Government, TPK with Market traders (Business Partners). There are two types of TPK in BULOG, namely wholesale TPK, where products will be distributed to retail traders and retail traders will sell products to end consumers. In addition, there is TPK retail, which is TPK's business partners who will sell products directly to end consumers.

The ease of becoming a TPK member or partner makes many retail vendors interested, because they only need a copy of their ID card, a copy of their NPWP, filling out a registration form, a business certificate from the market manager, and land/place for outlets in the market. The minimum purchase order for partner TPK is Rp. 5.000.000,-. With the ease of registering to become a friend of RPK, traders and distributors can quickly make initial purchases of SFSP rice commodities to be sold to consumers.

In an effort to maintain accessibility in each region, the price of SFSP (Stabilization of Supply and Food Prices) rice in each zone has undergone an adjustment. This is due to geographical factors and logistics costs that also determine the price of SFSP rice.

Table 3. SFSP Rice Prices in 2025

<b>Zone</b>	<b>Region</b>	<b>HET Rice SFSP</b>
I	Jawa, Lampung, Sumatera Selatan, Bali, Nusa Tenggara Barat, dan Sulawesi	12.573,-/kg
II	Sumatera except Lampung dan Sumatera Selatan, Nusa Tenggara Timur, dan Kalimantan	12.500,-/kg
III	Maluku dan Papua	13.427,-/kg

Based on information from the table 3, showing the highest retail price (HRP) of Government Reserve rice for the SFSP program in various regions of Indonesia in 2025. Zone I, which includes areas such as Java, Lampung, South Sumatra, and Bali, sets the HET at Rp. 12.573 per kilogram. Meanwhile, for Zone II, which covers the Sumatra region (except Lampung and South Sumatra), the HET is set at Rp. 12.500 per kilogram. Zone III, which includes areas such as Nusa Tenggara, Kalimantan, Maluku, and Papua, has a HET of Rp. 13.427 per kilogram. This data shows that the price of SFSP rice varies by region, adjusted to market conditions and local distribution.

BULOG's strategy to ensure the accessibility of community rice at affordable prices while considering local factors causes the price of SFSP rice to be cheaper than local rice and the difference in price in each zone. SFSP rice has become more competitive and can become the main choice of the community, especially in the midst of increasing demand for staple foods. However, price differences between zones are based on factors such as transportation prices, the purchasing power of local people, and the state of the market in each region. As a result, this method not only increases people's access to rice, but also helps stabilize food prices nationally through adjustments that suit local needs.



## D. Consumer

According to Damiani *et al* (2017) Consumers come from foreign languages (Dutch/English), consumers and consumers whose literal meaning is buyers. Another definition of consumer is user, connoisseur, utilizer, eater, receiver, listener, and others.

Consumers are an important part of business because they enable a company to sell, market, and offer its products. According to Law Number 8 of 1999 concerning Consumer Protection, consumer is any person who uses goods and services available in society, either for the benefit of themselves, their families, other people, or other living beings and not for trading (Chapter 1 number 2). In addition, it is also explained in this law, that the definition of consumer can actually be divided into three parts, namely:

1. Consumer in the general sense, namely the user, user or beneficiary of goods or services for a specific purpose.
2. Intermediate consumers, i.e. users, users or beneficiaries of goods and services to be produced (Producers) into other goods or services or to trade them (distributors) for commercial purposes, intermediate consumers are the same as business actors, and
3. The end consumer, that is, the user, user or beneficiary of consumer goods and services to meet the needs of himself, his family, or household and not to be retraded.

Based on the above understanding, it can be explained that consumers are any users of goods or services that are needed to meet their needs and desires and are not to be retraded.

According to Sangadji and Sopiah (2013), consumers are classified into two types, namely individual consumers and organizational consumers. Individual consumers are the people or individual individuals who purchase products (goods, services, or ideas) for their own consumption, with family members, or with friends.

For example, Andi buys food for herself, Ani buys pens for her sister, and Budi buys flowers for her friends.

Organizational consumers are defined as institutions or agencies that buy products (goods, services, or ideas) to be traded or for the benefit of the agency/institution. For example, cooperative A buys elementary, junior high, and high school uniforms to sell to the community, the National Police buys uniforms for its members, and foundation X buys ATK for the foundation's needs.

### **E. Consumer Behavior**

Definition of consumer behavior according to Schiffman and Kanuk (1994) consumer behavior is behavior shown by consumers in searching, buying, using, evaluating, and spending products and services that they hope will satisfy their needs. Meanwhile, according to Loundon and Bitta in Simanora (2004), consumer behavior is a decision-making process that requires individual activities and evaluating, acquiring, using, or regulating goods and services. Meanwhile, according to Enjel *et al* (2006), consumer behavior is more emphasized as actions taken by consumers to achieve and meet their needs, both to use, consume, and spend goods and services, including the decision process that precedes and follows.

Consumer behavior is the stages of steps taken and carried out by a person/individual or group of people in order to meet their needs and desires.

Consumer behavior is the underlying things for consumers to make purchase decisions. When consumers make a decision, consumers will conduct a post-purchase evaluation in the form of feedback that marketers can use as the basis for preparing marketing strategies (Assael, 2014).

Marketers can understand consumers through their daily sales experience to consumers. Models of consumer behavior (Blackwell *et al*, 2005), namely:

#### **1. Dual stimulation (Marketing Stimulus and Other Stimulus),**

Marketing stimulus is a stimulus run by producers or marketers, it can be in the form of a marketing mix strategy (product, price, place, and promotion). while

other stimuli more affect consumer behavior, environmental factors, which include economic, political, cultural, and technological conditions.

## 2. Consumer Black Box

The dimensions of this consumer behavior model include consumer characteristics and consumer decision-making processes. Examples of consumer characteristics are gender, age, education level, income, social class, culture, and so on. The process of taking consumers begins with problem recognition, information search, purchasing decisions, and buying behavior.

## 3. Consumer Response

Consumer responses include product choice, brand choice, supplier choice, determination at the time of purchase, number of purchases. Next, it will be described about the main factors that influence consumers to make purchase decisions.

### 1. Types of Consumer Behavior

Every customer makes a variety of types of product purchases, from searching for, and using different brands and products over a period of time. Customers often make decisions every day or at any time without realizing that they have made those decisions.

Based on the level of buyer engagement and the level of differentiation between brands, Assael (2001) distinguishing four categories of consumer purchasing behavior. The following image shows the types of buy decision making:

Table 4. Types of Consumer Behaviour

	HIGH ENGAGEMENT	LOW ENGAGEMENT
<b>DECISION</b>	Complicated Buying Decisions	Buying Behavior That Seeks Variety
<b>HABIT</b>	Purchasing Behavior Reduces Inconvenience	Habitual Buying Behavior

Source: Assael, (2001)

### 1. Complex Decision Making

Complex buying behavior consists of three stages. First, the buyer makes a belief about the product; second, they build attitudes about the product; and third, they make careful purchasing choices. Complex buying behaviors are shaped by consumers who are deeply involved in the buying process and are aware of the many differences between brands. Complex buying behavior often occurs when products are expensive, rarely bought, risky, and highly expressive.

This type of consumer influence hierarchy consists of trust, evaluation, and behavior. Consumers are heavily involved in the buying process because they are involved in the decision-making process such as the emergence of needs, searching for information, evaluating brands, and deciding what they buy. Certain purchasing behaviors result from these two relationships. Consumers become more involved in buying activities if the goods to be purchased are expensive, rarely bought, risky, and very memorable. Not only do consumers not know how the product is classified, but they also don't know much about the product itself. For example, one can buy a private car even though they may not be aware of what they are looking for.

### 2. Purchasing Behavior to Reduce Discomfort (Brand Loyalty)

When consumers are heavily engaged in the purchase, and consumers sometimes don't notice much difference between different brands. This buying behavior occurs for the purchase of risky, expensive, and relatively quick products due to invisible brand differences. When encountering these consumers, the hierarchy of influence begins with behavior.

For example, a person who shops to buy a rug (Carpet). Buying a rug is an engagement decision because it is expensive and has to do with self-identification, but the buyer is most likely to argue that the rug is of similar quality. Buyers usually

have a response to the price or that provides convenience. Consumers will pay attention to information that influences their purchase decisions.

### 3.LimitedDecisionMaking

Consumers do not engage in this type of behavior. Consumers buy products in stores that have a certain brand. Consumers behave in pursuit of diversity rather than satisfaction. Therefore, this action does not recognize the brand. Trust, behavior, and evaluation form this type of consumer influence hierarchy. This type of consumer only makes decisions and does not feel involved in the buying process. This type of buying behavior that often seeks diversity usually occurs in products that are frequently purchased, reasonably priced, and customers who often try new brands.

### 4.HabitualPurchasingBehavior(Inertia)

Customers in this case buy products based on habit rather than brand loyalty. They buy products repeatedly because they already know the product, not because of the brand. After purchasing a product, customers no longer consider their reasons for purchasing the product. Products such as sugar, salt, bottled mineral water, detergents, and other products often experience this behavior. In some buying situations, there is low customer engagement but a large brand difference; Customers often switch to other brands. Consumers like this prefer trust over behavior. These consumers do not do evaluations, so they only buy certain brand items based on habits and are not involved in the buying process. This kind of consumer behavior triggers inertia.

## 2. Consumer Characteristics

Consumer characteristics refer to the traits, attributes, and behaviors of individuals that influence their decision-making process when purchasing goods or services (Kertayoga, *et al*, 2023). According to Sumarwan (2011), consumer characteristics include, demographics, consumption behavior, psychographic profiles and personal characteristics. In the process of making purchasing decisions by consumers, it is necessary to identify characteristics to find out the specific needs

of consumers. The consumer characteristics used in this study use demographic characteristics.

#### **a. Consumer Demographics and Subcultures**

Culture describes the values, ideas, attitudes, and actions of a nation. Culture is also reflected by various products produced by a society, even culture is also reflected by various works of art and all kinds of objects in a society. The culture that exists in a society can be subdivided into several smaller parts, or what is commonly called a subculture. According to Mowen and Minor (1998), defining a sub-culture is a subdivision of a national culture that is based on some unifying characteristics, such as social status or nationality, and whose members share similar patterns of behaviour that are distinct from those of the national culture. It can be concluded that a culture will consist of several other small groups, which are characterized by differences in behavior between these small groups. The concept of subculture is closely related to demographics. Demographics will describe the characteristics of a population. (Sumarwan, 2011).

##### **i. Age**

Understanding the age of consumers is important, because consumers of different ages will consume different products and services. Age differences will result in differences in tastes and preferences for brands. The life cycle of a consumer will be determined by his age. Marketers must understand what the needs of consumers of various ages are, then create a variety of products that can meet these needs. Marketers may not be able to market their products to all age groups. Therefore, marketers must choose the age group of consumers who are their target market. (Sumarwan, 2011).

##### **ii. Education and Employment**

Education and work are two interconnected consumer characteristics. Education will determine the type of work done by a consumer. A person's profession and job will affect the income he receives. A person's level of education will also affect the values he adheres to, the way of thinking, the way of view, and even his perception of a problem. Consumers who have better education will be



very responsive to information, education also influences consumers in product and brand choices. Different education will cause consumer tastes to be different. Marketers must understand the needs of consumers with different levels of education, and what products can meet those needs. Next, the marketer determines the target consumers they will serve (Sumarwan, 2011).

## **b. Consumer Economics**

### **i. Income**

Income is a reward received by a consumer from work done to earn a living. Income is generally received in the form of money. Income is a material resource that is very important for consumers. Because with that income, consumers can finance their consumption activities. The amount of income will describe the amount of purchasing power of a consumer. Purchasing power will describe the number of products and services that can be bought and consumed by a consumer and all members of his family. Marketers need to know the consumer income that their target market is, because consumer income will be an important indicator of the number of products that consumers can buy (Sumarwan, 2011).

### **c. Consumer Social Class**

Social class is another form of grouping society into different classes or groups. Social class will affect the type of product, type of service, and brand that consumers consume. Social class also influences a consumer's choice of shops, educational places, and vacation spots. Consumers also often have a perception of the relationship between one type of product or a brand and the social class of consumers. Social class is the division of society into different classes or different strata. These differences will affect the consumption behavior of a person or family (Sumarwan, 2011).

## **F. Factors Influencing Consumer Purchase Decisions**

According to Setiadi (2003), the purchase decision of buyers is greatly influenced by cultural, social, personal, and psychological factors of buyers. Most of these are factors that marketers can't control, but should really take into account.

Marketers must understand these factor to anticipate their impact and adjust marketing strategies to stay competitive. Although it cannot be controlled, understanding these factors allows marketers to create adaptive solutions.

### **1. Cultural factors**

Consumer behavior can be influenced by cultural factors that surround it. These cultural factors include:

#### **a. Culture**

Culture in general is a meaning shared by most people in a social group (Peter and Olson, 2000). Meanwhile, according to Schiffman and Kanuk (2007), culture is defined as the sum of the beliefs, values, and habits learned that help direct the consumer behavior of certain members of society. In line with the opinion of Peter and Olson (2000), that the content of culture is the beliefs, attitudes, goals and values held by most people in an environment, in addition to the meaning of behaviors, rules, habits, and norms that are adopted by some people. Culture is the most basic determining factor of a person's desires and behavior. When other creatures act on instinct, then human behavior is generally studied. A growing child gains a set of values, perceptions, preferences, and behaviors through a socialization process involving the family and other social institutions.

#### **b. Subcultures**

According to Kotler and Armstrong (2001), a subculture is a group of people with a shared value system based on common experiences and life situations. Each culture is made up of smaller subcultures that provide more specific identification and socialization for its members. There are several types of subcultures, namely age, religion, social class, gender, ethnicity, and region. Each of these subcultures greatly influences consumer behavior.

#### **c. Social class**

group in a society, which is hierarchically organized and whose members share similar values, interests, and behaviors. Consumer buying behavior is greatly influenced by the social class occupied by consumers or According to Mowen and Minor (2002), social class is a relatively fixed starter in societies with different

statuses, wealth, education, possessions, and values. A social class is a relative, homogeneous and long-lasting the social class coveted by consumers.

## **2. Social factors**

Social factors are the state of society that is influenced by the environment and the values of its members, both from reference groups, families, and roles and status. Reference groups include groups that have a direct or indirect influence on a person's attitude or behavior. The family is the most important consumer purchasing organization because it has the most direct influence on daily purchasing behavior. Social factors are a group of people who closely consider similarities in status or community values and continuously socialize among themselves both formally and informally (Lamb, 2010).

Social factors such as reference, family, and social roles and status influence purchasing behavior (Kotler and Keller, 2008):

### **a. Family**

A family is a group of two or more people who are related by blood, marriage, adoption, and residence (Engel, 2006). The family can be divided into two, namely the orientation family, which is a person's parents. It is from parents that a person gets views on religion, politics, economics, and feels the ambition of prubadi values or self-esteem and love. The procreation family, that is, the life partner of a family's children, is a buyer organization that is the most important consumer in a society and is intensively researched. Family has a very strong influence on buyer behavior. This is understandable because in a family one family member and another family member has the same influence and role when making daily purchases (Setiadi, 2003).

### **b. Reference groups**

A person's reference group consists of all groups that have a direct or indirect influence on a person's attitude or behavior. Some, among them are primary groups, which have quite continuous interaction, such as family, friends, neighbors, and peers. Secondary groups, which tend to be more formal and whose interactions

are less sustainable. The group that a person wants to be a member of is an aspiration group. A group whose behavior or behavior is not liked by individuals is called a dissociative group (separatism) Setiadi, (2003). A reference group can serve as a comparison and a source of information for a person so that the behavior of its members when buying a certain branded product will be influenced by the reference group.

#### c. Roles and Statuses

A person generally participates in groups during his or her family, club, and organization. A person's position in each group can be identified in the role and status of Setiadi, (2003). A person's position in each group can be identified in roles and statuses. Roles consist of activities that a person is expected to do according to the people around them. Each role carries a status that reflects the awards given by society. People often choose products that show their status in society.

### 3. Personal factors

According to Sumarwan (2011), differences in a person's personality will affect their behavior in choosing or buying products, because consumers will buy an item that suits their personality. Personality is related to the difference in the most basic characteristics in human beings (inner psychological characteristics), these differences are the unique characteristics of each individual. Personality characteristics can be described into three, namely: 1) personality describes individual differences, 2) personality shows consistency and lasts for a long time, and 3) personality can be capricious.

According to Kotler (2009), purchasing decisions can also be influenced by personal characteristics, including:

#### a. Age and Stage of Life Cycle

Generally, a person will make a purchase decision according to their age, there will be a change in each product that will be purchased by adjusting their age. And the stages that a consumer goes through also affect the purchase decision following a person's maturity stage in meeting needs (Isnan, 2020). According to

Setiadi (2003), consumption is also influenced by the family life cycle, number, age, and gender of people in the household. Marketers must also pay great attention in determining the target market and developing suitable products and marketing for each stage of the transition period such as marriage, divorce, illness, and others.

b. Job

The goods and services that a person buys are influenced by their job. Office workers are more likely to buy suits and ties than manual workers. Marketers are trying to find job groups that have a larger-than-average interest in their goods and services. A business even specializes in marketing its products to certain demographic groups. Therefore, computer software companies will create a wide range of products for accountants, brand managers, engineers, lawyers, and doctors. Marketers are trying to find a group of employees who are more interested than others in a particular product or service (Setiadi, 2003).

c. Economic Situation

What is meant by a person's economic state consists of disposable income (its level, stability, and pattern), savings and assets (including percentages that are easy to turn into money), the ability to borrow and the attitude towards spending on savings. A person's economic situation in deciding to buy is one of the factors that will be carefully calculated. The goods purchased must be adjusted to their income Setiadi, (2013). For example, Budi may consider buying an expensive camera if he has enough income to spend, savings, or the ability to borrow.

d. Lifestyle

Lifestyle shows how a person lives his life, spends money, and makes use of his time (Mowen and Minor, 2002). Lifestyle in an economic view shows how an individual allocates his income and how his consumption patterns are. A person's lifestyle is influenced by social class, education, beliefs, environment, and others. For example, lifestyle is a lifestyle that returns to nature and a lifestyle that cares about health (Sangadji & Sophiah, 2013)

f. Personality

Each individual has its own unique characteristics. The set of behavioral characteristics that are possessed by individuals and are permanent is commonly called personality. Personality is a consistent and long-lasting pattern of behavior. Therefore, personality variables are deeper than lifestyle. Understanding the personality of the consumer will be invaluable to marketers. With the personality that a person has, it can be analyzed in the selection of a certain product or brand. Knowing that consumer behavior is more permanent, (for example, women always try to avoid foods that contain high sugar content even though they actually like sweet taste), marketers can use such behavior by offering food with low sugar content but with a sweet taste (Setiadi, 2003).

#### **4. Psychological Factors**

Psychological factors as part of the influence of the environment in which he lives and lives in the present without ignoring the influence of his life or anticipation in the future (Kotler, 2009). Psychological factors are a person's purchasing choices influenced by four main psychological factors, namely motivation, perception, knowledge, and confidence and stance.

Psychological factors are a way used to recognize brand feelings, collect and analyze information, formulate thoughts and opinions in taking action (Lamb, 2007).

##### **a. Motivation**

According to Setiadi (2003), motivation is the willingness to spend a high level of effort towards the goals to be achieved, which is conditioned by the ability to make efforts to meet an individual need. Related to consumers, motivation can be interpreted as an impulse that moves consumers to decide to act towards achieving goals, namely meeting various needs and desires. Some needs are biogenic, these needs arise from a certain physiological state, such as hunger, thirst, restlessness and discomfort. Other needs are psychogenic, namely needs that arise from certain physiological conditions, such as the need to be recognized, the need for self-esteem or the need to be accepted by Setiadi (2003).



According to Engel, *et al* (1994) in, motivated behavior is initiated by the activation of needs or the recognition of needs. Needs or motives are activated when there is an adequate mismatch between the actual state and the desired state. As the incompatibility increases, the result is the activation of a state of arousal that is spurred as a drive. The stronger the impulse, the greater the urgency of the response felt. The activated needs are finally expressed in behavior and purchase in the form of two types of benefits, namely utilitarian benefits and hedonic benefits. Utilitarian benefits are objective functional product attributes while hedonic benefits are emotional responses, sensory pleasure and aesthetic considerations.

#### b. Perception

According to Stanton (2001), perception can be defined as the meaning that we associate based on past experiences, stimuli that we receive through the five senses. Reinforced by Hawkins and Coney (2005) who stated that perception is the process of how stimuli are selected, organized, and interpreted. Our perception is shaped by three processes: the characteristics of the stimulus (physical, visual, or verbal communication form) that can affect the individual's response, the relationship of the stimulus to its surroundings, and the conditions within ourselves.

#### c. Ability and knowledge

Ability is the ability and efficiency to perform certain tasks. The ability that marketers are interested in is an individual's ability to learn where the learning process is a change in a person's behavior caused by information and experience.

#### d. Beliefs and attitudes

According to Kotler and Armstrong, belief is a person's descriptive thinking about something. Beliefs can be based on real knowledge, opinions, or beliefs and can carry emotional charges or not. Marketers are attracted to the belief that people formulate specific products and services, because this belief structures the image of products and brands that influence buying behavior. When there are some false beliefs that hinder purchases, marketers will want to launch a business to correct them. Attitude describes a person's relatively consistent evaluation, feelings and

tendencies towards an object or idea. Attitude puts a person in a frame of mind about liking or disliking something, about approaching or staying away from it.

The results of previous research conducted by Putri (2019) at Ar-Raniry State Islamic University explained that the influence of product quality, price and brand image on purchase decisions, product quality, price and brand image have a positive influence on purchase decisions, which has been proven to be true. This means that product quality, price and brand image are factors that can encourage consumers to buy a product. These three factors are factors that can be controlled by marketers. By effectively managing these factors, marketers can influence consumer perceptions, build strong brands, and drive profitable purchasing decisions.

### **1. Product Quality Factors**

The results of the post-consumption evaluation process show whether or not customers are satisfied with their experience with a particular product or brand. If they are satisfied, they will be more motivated to buy and reuse the product, but if they are not satisfied, they will be disappointed and stop using it.

Sumarwan (2011) provides a theory on how customer satisfaction or dissatisfaction is formed. His theory, The Expectancy Disconfirmation Model, says that customer satisfaction and dissatisfaction are influenced by the comparison between what customers actually get from the product they buy and what they actually get from the product. When customers buy a product, they have expectations about how the product will look.

Kotler and Amsrong (2016) stated that product quality is the ability of a product to carry out its functions, including reliability, durability, precision, ease of operation and product improvement as well as other valuable attributes. Product quality is the ability of a product to provide the appropriate results of what consumers want (Mowen & Minor, 2012). Based on the above understanding, it can be concluded that product quality is a product that has the ability with good results so that it is in accordance with what consumers want.

According to Tjiptono (2015) in Purwanto (2021), in evaluating satisfaction with a certain product, service, or company, consumers generally refer to various indicators. An indicator that is often used in evaluating satisfaction with a product.

There are several dimensions of product quality according to Kotler and Keller (2016), consisting of:

1. Performance is the characteristics of the operations and core products purchased. For example, speed, convenience, and comfort in use.
2. Durability, related to how long the product can be used. This dimension includes the technical life as well as the economic life of the product.
3. Conformance, the extent to which the design characteristics of an operation meet pre-established standards. For example, quality and design control, operational characteristics standards.
4. Features, secondary characteristics or traps.
5. Reliability, it is unlikely to be damaged or unused. For example, quality and design control, operational characteristics standards.
6. Esthetic (aesthetics), the attractiveness of the product to the five senses, for example artistic models or designs, colors, and so on.
7. Perceived quality, is the consumer's perception of the overall quality or superiority of a product. Usually due to a lack of knowledge about purchasing the attributes or characteristics of the product to be purchased, the purchase perceives the quality from the aspects of price, brand name, advertising, company reputation, and the country of manufacture.

## **2. Price Factors**

According to Kotler and Amstrong (2012) in Gunarsih *et al*, (2021), price can be narrowly defined as the amount of money charged for a product or service. Or it can be broadly defined, price is defined as the amount of money that a consumer must pay to obtain or acquire a product or service. Consumers will consider the price before deciding to buy it, and consumers will also compare the price with their choice of product or service, then will evaluate the suitability of the price with the value of the product or service and the amount of money spent. Another definition related to

price is the customer's consideration of the product's price feasibility and its ability to buy the product. Price is the most important decision variable taken by customers to buy a product. Price is one of the determining factors in brand selection related to consumer decisions to buy customers (Dananjaya, 2014) in Pratiwi, *et al* (2021)

According to Kotler and Armstrong (2008) there are 4 indicators that characterize prices, namely:

- a. Price affordability, is the purchasing power of consumers at the prices set by the company
- b. Price compliance with product quality. The price set by the company is in accordance with the quality of the products sold
- c. Price competitiveness. How does the product compare with competitor products?
- d. Matching price with benefits. The benefits of the products sold are in accordance with the benefits obtained by consumers

The purpose of pricing is basically four types, namely:

- a. Profit-oriented goals.
- b. Volume-oriented goals.
- c. The goal is image-oriented.
- d. The purpose of price stabilization and other objectives (Nasution *et al.*2019:8).

The price level can be affected by many factors. According to Swastha and Sukotjo (2007) in Pratiwi, *et al* (2021), the price level that occurs is influenced by several factors, such as:

i. Economic Situation

The state of the economy greatly affects the level of price perception that prevails. In the period of price perception is at a level of the lowest value.

ii. Supply and Demand.

Demand is a number of goods purchased by a buyer at a certain level of price perception. Generally, a lower level of price perception will increase the requested amount more. Bid is an amount offered by a seller at a certain level of price perception. In general, the perception of higher prices encourages a larger amount

offered. According to economic theory, price perception will be determined at a point where the demand curve and the supply curve meet.

### iii. Demand Elasticity

Another factor that can affect the determination of price perception is the nature of market demand. The nature of market demand not only affects the determination of price perception, but also affects the volume that can be sold. For some types of goods, the price perception and sales volume are inversely proportional, that is, if there is an increase in price perception, then sales will decrease and vice versa.

### iv. Competition

The perception of the selling price of several kinds of goods is often influenced by the existing competitive situation. The state of competition consists of (Swastha & Sukotjo, 2007) in Pratiwi, *et al* (2021):

#### a. Competition is not perfect

For goods produced from factories (manufactured goods) with certain brands sometimes experience difficulties in marketing. This can be due to the perception that the price is higher than similar goods with other brands. This state of the market is called imperfect competition, where the goods have been differentiated by giving a brand.

#### b. Oligopoli

In an oligopoly state, several sellers dominate the market, so that the perception of the set price can be higher than if it were in perfect competition.

#### c. Monopolies

In a monopoly state, the number of sellers in the market is only one, so the determination of price perception is greatly influenced by several factors, such as: demand for the goods concerned, price perception of substitute/substitute goods and price perception regulations from the government.

### v. Cost

Cost is the basis for determining price perception, because a level of price perception that cannot cover costs will result in losses. On the other hand, if a level of

price perception exceeds all costs, both production costs, operating costs and non-operating costs, it will generate profits.

### 3. Brand Image Factor

Sumarwan (2004) defines a brand as a symbol of the quality indicator of a product. Meanwhile, according to Stanton and Lamarto (2001), a brand is a name, term, symbol or special design, or some of these elements that are designed to identify the goods or services offered by the seller. Supporting these three opinions, the American Marketing Association in Kotler (2005) states that a brand is a name, term, sign, symbol, design or combination of such things, which is intended to identify the goods or services of a person or group of sellers, and to distinguish them from competitors' products. According to Kotler (2005), brands can have six levels of understanding, including attributes, benefits, values, culture, personality, and users.

In a company, the product must have a brand image because the brand image has a crucial role in influencing consumer decisions and the long-term success of the company's product brand. According to (Kotler & Keller, 2016) in Annisawati and Sitorus, 2022 states that the brand image is that consumers adhere to perceptions and beliefs according to the experiences they have felt and summarized in their memories. (Torres, 2017) Brand image is how a brand affects the perception, view of the public or consumers towards the company or its products. Boush and Jones (in Kahle & Kim, 2006) quoted in Nanda, R (2018), argue that brand image has several functions, including as a market entry, a source of added product value, a corporate store of value, and channel power.

According to (Simamora, 2008) in Nanda, R (2018), the components and dimensions of the brand image consist of three parts, namely:

1. Corporate image, which is a set of associations that consumers perceive a company that makes a product or service. In this study, the image of the creator includes: popularity, credibility, company network, and the user himself.



2. Product image, which is a set of associations that consumers perceive for a good or service. Includes: attributes of the product, benefits for consumers, and guarantees.
3. User image, which is a set of associations that consumers perceive towards users who use a good or service. Includes: the wearer himself, as well as his social status.

### G. Consumer Purchasing Decisions

Schiffman and Kanuk (2000) define a decision as the choice of action from two or more alternative options. A consumer who wants to choose must have an alternative choice.

Setiadi (2003) defines that the essence of decision-making is an integration process that combines knowledge to evaluate two or more alternative behaviors, and choose one of them. The result of this integration process is a choice that is presented cognitively as a behavioral desire.

### H. Consumer Purchasing Decision Making Process

The process used by consumers to make purchasing decisions consists of five stages (Setiadi, 2013), namely:

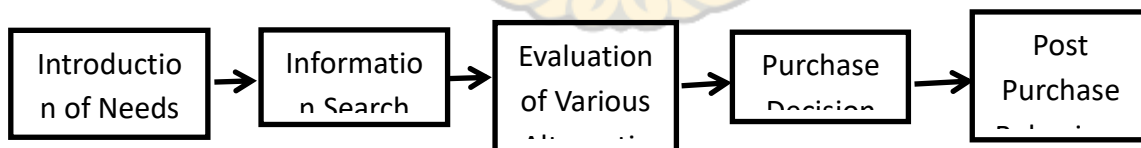


Figure 2. Purchasing Process

#### 1. Introduction of Needs

Needs recognition is the first stage of the buyer's decision-making process where the buyer feels the difference or real reality with the desired need. These needs can be felt by internal stimuli as well as external stimuli, such as a person's normal

needs which include, hunger, thirst, or sex increases to a certain level and turns into a compulsion. Or a need can arise because it is caused by an external stimulus of a person passing by a bakery and seeing freshly baked bread can stimulate his hunger.

## 2. Information Search

Information search is a stage in the purchasing decision-making process where consumers have become interested in seeking more information. When consumers have such a strong push for the product. The process of actively searching for information about products where he searches for reading materials, calls his friends, and does activities to learn about others. But if the product is out of reach, and the consumer has a strong drive, then the consumer will keep his needs in memory or search for information.

Consumers can obtain information from any source, for example:

- a. Personal sources: family, friends, neighbors, acquaintances
- b. Commercial sources: advertising, salespeople, distributors, packaging, displays
- c. Public sources: mass media, customer rating organizations
- d. Source of experience: handling, inspecting and using the product

## 3. Evaluation of various alternatives

Evaluation of various alternatives is a stage in the purchasing decision-making process where consumers use information to evaluate alternative brands in a single order of choice. There are several ways to judge decisions, while the model of the consumer evaluation process is now cognitive, this means that customers judge products primarily based on conscious and rational considerations. Consumers may develop a variety of brand beliefs about what sets each brand apart from the rest. Trust in a brand shapes a brand's image.

## 4. Purchase decision

Purchase decision is a stage in the purchase decision-making process until the consumer actually buys the product. At the evaluation stage, consumers form a preference for the brands found in the device of choice. Consumers also form the buying goal for the most preferred brands. However, two factors can affect the purpose of buying and the decision to buy. The first factor is the attitude of others, the

extent to which the attitude of others will reduce the alternatives of one's choice will be affected by two things, namely the intensity of the negative attitude of other people's choices and the motivation of consumers to fulfill the desires of others. If the attitude of the people is negative, then there will be a purchase transaction and if the person's view is negative, then the individual will review his intention to make a purchase transaction. Purchase goals are also influenced by unforeseen situational factors such as expected family income, expected prices, and expected product benefits. At the time when consumers want to buy products, unforeseen circumstances may arise and change the purpose of purchase.

#### 5. Post-purchase behavior

Post-purchase behavior is a stage in the purchase decision-making process where consumers take further action after purchasing based on the satisfaction or dissatisfaction they feel. After buying a product, consumers will experience a level of satisfaction or dissatisfaction, because consumers have expectations for the product they have used. Consumers form expectations based on messages obtained from sellers, friends, or other sources of information.

### **I. Structural Equation Modeling (SEM)**

Structural Equation Modeling (SEM) is a structural equation model that uses various types of models to describe the existence or absence of relationships between independent variables that are observed with the basic purpose of quantitative testing of the theory hypothesized by the researcher. Each group of variables represents a basic construct called a factor. In factor analysis, there are two main approaches, namely: Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). Exploratory Factor Analysis (EFA) is used when the number of factors to be formed is not determined in advance. Meanwhile, Confirmatory Factor Analysis (CFA) is used when the factors formed have been determined in advance (Yamin et al, 2009). Confirmatory Factor Analysis (CFA) is one of the multivariate analysis methods that can be used to confirm whether the built measurement model is appropriate.

Factor analysis is a multivariate statistical technique used to reduce and summarize a large number of dependent variables that are correlated with each other. The correlation between one factor and another is then identified as a dimension or factor. Broadly speaking, factor analysis aims to reduce data and interpret as new variables or formed variables (Sutopo, 2017). Supranto (2004) mentioned that factor analysis is a statistical technique that has the purpose of explaining the correlation between the observed variables by constructing several factors that are less than the number of original variables (reducing data from many variables to few variables), for example from 15 variables to 5 new variables that are said to be factors and still contain most of the information contained in the native variable.

According to Sutopo (2017) said that factor analysis is an analysis to: (1) extract unobservable variables (latent variables) from manifest variables (indicators) and reduce variables to new variables that are less numerous; (2) facilitate the interpretation of analysis results so that realistic and very useful information is obtained; (3) grouping and mapping objects (mapping and clustering) based on the characteristics contained in the factors; (4) checking the validity and reliability of research instruments (in the form of questionnaires); and (5) obtaining a factor score (loading factor).

Confirmatory Factor Analysis (CFA) is a priori based on the theory and concepts possessed. In this case, the researcher already knows how many factors must be formed and what latent variables are included in these factors (Gunawan, 2016). According to Bollen and Long (1993) in Wijayanto (2008), the SEM procedure will generally contain the following stages:

#### 1. Model specifications

This stage is related to the formation of an initial model of structural timing, before estimation is carried out. This initial model is formulated based on a theory or previous research.

#### 2. Identification

This stage is related to the study of the possibility of obtaining a unique value for each parameter in the model and the possibility of simultaneous equations has no solution.

### 3. Estimation

This stage is related to estimating the model to produce parameter values using one of the available estimation methods. The selection of the estimation method used is often determined based on the characteristics and variables analyzed.

### 4. Fit Test

This stage is related to testing the fit between the model and the data. Several Godness of Fit (GOF) criteria can be used to carry out this step.

### 5. Respecification

This stage is related to model re-specification based on the results of the previous stage of the compatibility test.

## **J. Previous Research**

Research by Permatasari (2017) Analysis of Factors Influencing Consumer Decisions in Purchasing Brown Rice at RMU Organic Rice Mill in Batang Anai District, Padang Pariaman Regency. The purpose of the research is to (1) identify the characteristics of brown rice consumers, (2) analyze the factors that affect consumer decisions in purchasing organic brown rice.

Sampling was carried out using non-probability sampling techniques, namely incidental sampling with a sample of 30 people. The data analysis used was multiple regression analysis.

Based on the results of the analysis that has been carried out, the majority of organic rice respondents are male, aged 41-50 years, marital status, number of family members 4-5 people, the last education of high school and college, namely Diploma/Bachelor's degree, civil servant work and monthly income of Rp. 2,500,000 to 3,500,000. The results of the study show that the influence of the independent variable on the bound variable, namely consumer purchase decisions, is 57.1%, while the remaining 42.9% is influenced by other variables that are not included in this

research model. Based on the results of the multiple linear regression analysis, the equation was obtained, namely  $Y = 5,384 + 0,075X_1 + 0,048X_2 + 0,190X_3 + 0,582X_4$ . Of the four factors that most dominantly influenced consumers' decision to buy brown rice, the psychological factor was 0.582 and the personal factor was 0.190. Cultural, social,  $X_1$  personal, and psychological factors together affect the decision to buy brown rice with an F count of 2,184. Meanwhile, in partial tests, psychological factors and personal factors had a significant effect on the decision to purchase brown rice with t-values calculated as 3.372 and 1.760. The rest did not have a significant effect on the purchase of brown rice.

The difference between the previous research and the research carried out is the analysis of the data used. The data analysis used to measure the factors influencing consumer purchase decisions will be used using descriptive analysis methods and Partial Least Square (PLS) analysis.

Research by Lestari et al (2025) the influence of prices, product quality, and brand image on purchasing decisions on SFSP rice in Surabaya. With the aim of research to (1) find out how much influence the price on purchasing decisions for SFSP rice products in Surabaya City, (2) Finding out how much influence the quality of the product on purchasing decisions for SFSP rice products in the city of Surabaya, (3) Finding out how much the effect of brand image on purchasing decisions for SFSP rice products in Surabaya City

Sampling is done using random sampling, which is a random sampling technique without considering strata in the population. The sample studied was 90 people. Data analysis used is a structural equation model analysis with the Smart PLS 3.0 application.

The results showed that price variables and product quality have a positive relationship on purchasing decisions and significantly affect the purchasing decision of BULOG rice in the city of Surabaya with a small p value of 0.05. Meanwhile brand image does not have significant affect the purchasing decision of BULOG rice in the city of Surabaya with a p value  $> 0.05$ .



The difference between previous research and research conducted is the variable used. Variables in this study are only 3 namely price, product quality, and brand image while in research researchers use 7 variables, namely cultural factors, social factors, personal factors, psychological factors, price factors, product quality factors, and brand image factors. The research location is also different in this previous study conducted research in the city of Surabaya while this research examined in the city of Padang

Research by Putri (2022) on Factors Influencing Consumer Purchase Decisions at Hai Coffee Coffee Shop in Padang Panjang City. The purpose of the research is to (1) describe the business profile of Hai Coffee, (2) analyze the factors that affect the purchase decision at Hai Coffee Coffee Shop. Sampling was carried out by the accidental sampling method with a sample of 70 people. The data analysis used was descriptive analysis and Partial Least Square (PLS) analysis. For the testing of each variable, confirmatory factor analysis (CFA) is used with the help of Smart PLS 3.0. From the results of the research, it is known that in running its business, Hai Coffee has 9 employees, initially only 7 employees divided into baristas, cooks, cashiers, and waiters. In sales, Hai Coffee earns between Rp. 1,000,000 - Rp. 3,000,000 per day and Rp. 30,000,000 - Rp. 40,000,000 per month.

The results of the study showed that 4 factors were found that had a significant influence on the purchase decision at Hai Coffee, namely social factors ( $X_2$ ), Psychological factors ( $X_4$ ), Product Quality Factor ( $X_5$ ), and service quality factors ( $X_6$ ) while cultural factors ( $X_1$ ) does not have a significant effect on purchasing decisions and personal factors ( $X_3$ ) does not have a significant effect on consumer purchase decisions on Hai Coffee.

The difference between previous research and the research carried out is the object of research. The research conducted analyzes the factors that affect consumers in purchasing SFSP (Food Supply and Price Stabilization) rice at the Traditional Market Pasar Raya Padang City.

Research by Tamara (2024) on Analysis of Factors Influencing the Decision to Purchase Telang Flower Drinks in Padang City. With the purpose of the research to, (1) describe the characteristics of consumers of telang flower drinks, (2) analyze the factors that affect the purchase decision of telang flower drinks. Sampling was carried out using a non-probability sampling technique, namely accidental sampling with a sample of 70 people. From the results of the study, it is known that the majority of consumers of telang flower drinks are dominated by female respondents. Most are 19-24 years old with the majority of respondents having their last high school education. Based on occupation, it is dominated by respondents who have the status of students/students and based on monthly income/allowance per month, the most respondents have a monthly income of Rp. 1,500,000 - Rp. 2,500,000

Factors that have a significant influence on the decision process to buy telang flower drinks are personal factors and psychological factors. Meanwhile, cultural factors, social factors, product factors, and service quality factors did not have a significant effect on the decision process to purchase telang flower drinks.

The difference between previous research and the research carried out is the object of the research. The research that will be conducted analyzes the factors that affect consumers in purchasing SFSP (Stabilization of Food Supply and Price) rice at the Traditional Market Pasar Raya Padang City.

Research by Putri et al (2022) The effect of prices, product quality, and brand image on purchasing decisions on Anak Daro's Rice in the traditional market of Bekonang Sukoharjo. With the aim of research to (1) find out how much influence the price on purchasing decisions for children's rice products in the traditional market of Bekonang Sukoharjo, (2) find out how much influence the quality of the product on purchasing decisions for children's rice products in the traditional market of Bekonang Sukoharjo, (3) find out how much the effect of brand image on purchasing decisions for children's rice products in the traditional market of Bekonang Sukoharjo.

Sampling is done using random sampling, which is a random sampling technique without considering strata in the population. The sample studied was 30

people. Data analysis used is multiple linear regression analysis based on the results of the multiple linear regression analysis, the equation was obtained, namely  $y = -757.785 + 0.938x_1 + 0.275x_2 + 0.138x_3 + e_i$ . Factors that dominate consumers for Daro's Children's Rice Purchasing Decisions are the price factor and brand image factor with the value of  $t \text{ count} > 1,994$ . While the product quality factor has no significant effect on consumer purchasing decisions with the value of  $t \text{ count} < 1,994$ .

The difference between previous research and research conducted is the variable used. Variables in this study are only 3 namely price, product quality, and brand image while in research researchers use 7 variables, namely cultural factors, social factors, personal factors, psychological factors, price factors, product quality factors, and brand image factors. The data analysis used is also different in this previous researcher using multiple linear regression analysis while this research uses SEM analysis.

Research by Andika et al (2016) Analysis of Factors that Influence Consumer Decisions in Purchasing F1 Aina Corn at Koto Baru Batu Hampar Regency of Lima Puluh Kota. With the aim of research to analyze the effect of cultural, social, personal and psychological factors on consumer decisions in the purchase of F1 AINA corn's in Koto Baru Batu Hampar, Lima Puluh Kota Regency.

Sampling is done using random sampling, which is a random sampling technique without considering strata in the population. The sample studied was 74 people. The data analysis used is multiple regression analysis of based on the results of the multiple linear regression analysis, the equation was obtained, namely  $y = 3,967 + 0.940x_1 + 0.102x_2 + 0.175x_3 + 0.264 + e_i$ . Factors that dominate consumers for the decision to purchase corn F1 AINA corn are cultural factors with the value of  $t \text{ arithmetic} > 1,994$ . While social factors, personal factors, and psychological factors have no significant effect on consumer purchasing decisions with the value of  $t \text{ count} < 1,994$ .

The difference between previous research and research conducted is the analysis of data used in previous researchers using multiple linear regression analysis while this research uses SEM analysis.

Research by Azzani (2018) Effect of Product Quality, Prices, Services, and Consumer Trust on Decisions on Purchasing BULOG Rice at Lampung City. With the aim of research to analyze the quality factors of product, price, service, and trust of BULOG rice on consumer purchasing decisions

Sampling is done using random sampling, which is a random sampling technique without considering strata in the population. The sample studied was 70 people. Data analysis used is multiple linear regression analysis based on the results of the multiple linear regression analysis,

Factors that dominate consumers for BULOG rice purchasing decisions in Lampung City are prices and services while product quality factors and trust do not significantly affect purchasing decisions

The difference between previous research and research conducted is the analysis of data used in previous researchers using multiple linear regression analysis while this research uses SEM analysis.

## **K. Analytical Framework**

SFSP (Stabilization of Food Supply and Price) rice is one of the government programs through BULOG that aims to provide rice at affordable prices. Although this rice brand is not yet fully known by the public, this rice is starting to become an alternative choice for some consumers who are looking for rice options at a more economical price. In Padang City, there are many SFSP rice products sold in various traditional markets, one of which is the Pasar Raya Padang City. This is because the price is more affordable than local rice, making it an economical choice for consumers, especially in situations where rice prices tend to increase. Second, SFSP rice is also widely distributed through BULOG's partners, which include market traders and retailers in various locations, so that public access to this rice is quite easy.

In addition to offering a more affordable price than other local rice brands, SFSP rice produced by BULOG has also been clinically proven to be clinically safe for consumption as a daily staple. The low glycemic index content in SFSP rice

makes it safe to consume by various age groups. However, SFSP rice sales fluctuated throughout 2023 to 2024. These fluctuations are caused by differences in consumer taste preferences for the characteristics of SIPH rice, especially in terms of taste and texture. Many consumers reveal that the taste of SFSP rice does not suit their tastes, so the interest in buying this product is low. One of the main factors that also affect the decline in sales is consumer behavior in purchasing decision-making, which is greatly influenced by the perception of product quality and suitability with their expectations.

The development of SFSP rice products requires sellers to have insight into consumer behavior towards buying rice that consumers are interested in and competing with other rice products. The consumer demands are not limited to the fulfillment of his needs but also what they wants.

In order to understand the consumer behavior, producers or business owners need to understand how the characteristics of consumers buy SFSP rice based on demographic aspects such as age, origin, sex, occupation, residential status, revenue and last education. Descriptive analysis is used to describe the characteristics of consumers in detail, by processing raw data into more easily understood information. This technique involves descriptive statistical calculations such as distribution of frequency, percentage, average and standard deviation for each of the demographic variables studied. Through descriptive analysis, patterns related to consumer characteristics can be identified, for example age distribution can show the dominant age group that is the main consumer, or income can indicate consumer purchasing power.

After consumer characteristics are understood, research continues in the analysis of factors that influence the decision to purchase SFSP rice. The purchasing decision factor was analyzed using the Structural Equation Model (SEM) analysis. The Structural Equation Model (SEM) method is used to find factors that are able to explain the relationship or correlation between the various independent variables observed. Thus, this study provides two main outputs: in-depth understanding of the

characteristics of consumers and the factors that affect the decision to purchase SFSP rice. This result is expected to be the basis for producers in formulating strategies to improve the quality of products, services, and marketing.

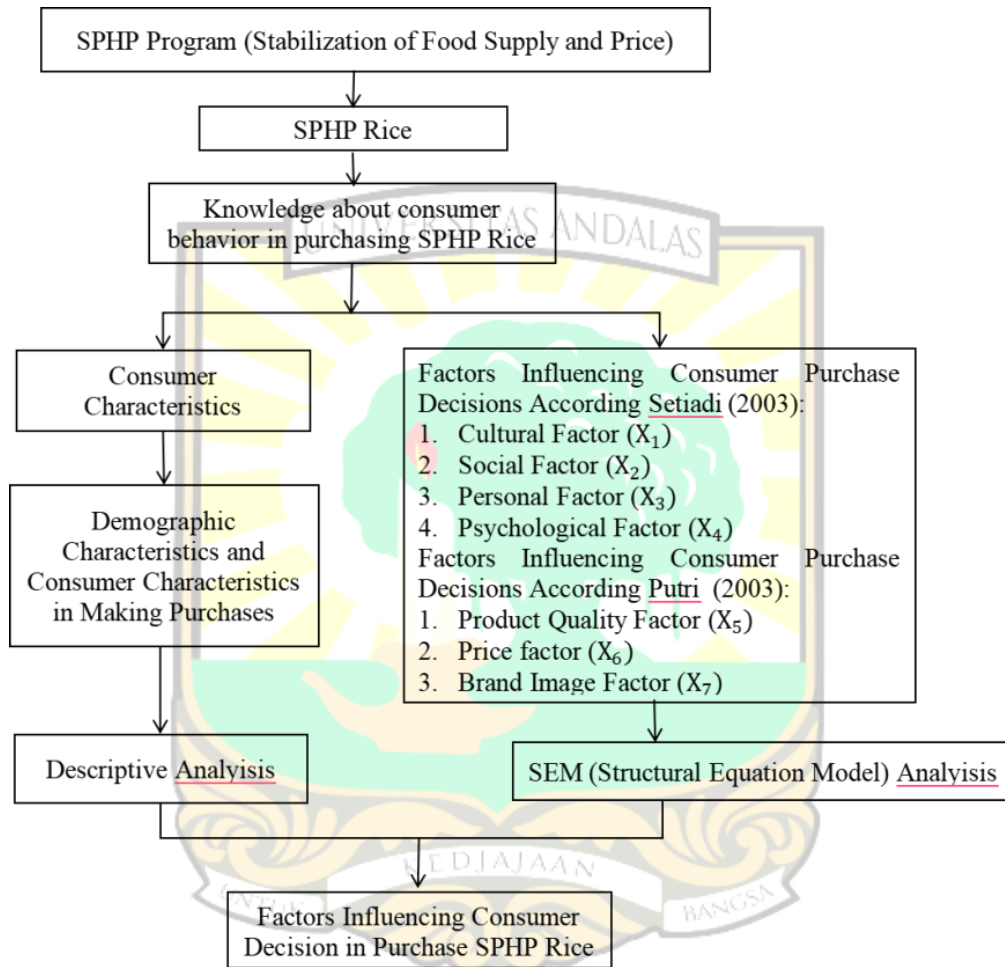


Figure 3. Analytical Framework Chart