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THE EFFECT OF PRODUCT QUALITY, BRAND, AND PRICE ON CONSUMER PURCHASING DECISIONS AT PT. BUANA RANTAI BERKAT ABADI

Veronica, Dessy Haryanti*, Falvian Wantara, Gilbert Stephenson, Paulus Rianto, Nurmaidah Ginting,

Prima Indonesia University
**dessyhu10@gmail.com*

Abstract

Researchers took the object of research at PT. Buana Rantai Berkat Abadi caused by a decrease in employee performance. Researchers conducted research at PT. Buana Rantai Berkat Abadi located at Jalan Glugur N0. 31-32. This research approach is quantitative research. Type of quantitative descriptive research. The nature of this research is explanatory descriptive research. The population in this study were all customers of PT. Buana Rantai Berkat Abadi is as many as 133 customers. For testing the validity and reliability used by researchers were 30 customers and for the sample test were 100 customers. Before the regression model obtained is used to test the hypothesis, the model is first tested classic assumptions. The analysis model used is multiple linear regression analysis model, the coefficient of determination of simultaneous testing (F-Test) and partially (t-Test) Research Results as well as conclusions. The conclusion of this study is the quality of products and brands have a positive and significant effect on Purchasing Decisions at PT. Buana Rantai Berkat Abadi but the price does not affect purchasing decisions at PT. Buana Rantai Berkat Abadi. Simultaneously product quality, price and brand influence on purchasing decisions at PT. Buana Rantai Berkat Abadi.

Keywords: Product Quality, Price, Brand, Purchasing Decision.

1. Introduction

PT. Buana Rantai Berkat Abadi is a company engaged in the supply of spare parts for the needs of palm oil mills. The company, which was founded in 1995, provides all types of spare parts products for palm oil management purposes, focusing on the Power Transmission system, so that the company can provide better services such as guaranteed availability of stock and after sales service. As well as the availability of conveyor chains and transmission chains of various types and types. With this, the palm oil company and other companies can choose the conveyor chain as needed.

Purchase decisions for products offered at PT. Buana Rantai Berkat Abadi is suspected of having problems, even though the products offered are quite attractive to consumers. from sales data experienced a rise and decline in sales.

Sales at PT Buana Rantai Berkat Abadi can be seen that there are sales that do not reach the targets set by the company. Unachieved targets set by the company are caused by several factors including lack of customer satisfaction with the use of the product being sold, the price is too high and also the brand image which is not good.

Product quality is suspected to have problems where PT. Buana Rantai Berkat Abadi Lasting goods sold to consumers suffered a lot of damage after the goods were shipped including dynamos sent to malfunction, chains sent were incomplete, and also the gear did not match the size. This can cause a decrease in consumer confidence in the quality of products offered by the company.

Price is suspected to have experienced a problem where PT. Buana Rantai Berkat Abadi sells the product at a price that is quite high compared to its competitors. So that the product sales decline and also this can affect the brand image of these products where consumers can assume that the products offered by PT. Buana Rantai Berkat Abadi.

The brand is suspected of having a problem, many consumers give complaints in February where consumers complain that the coping cover is very quickly broken and also the chain that is given to consumers is very easy to loose and there are also some complaints about product problems complained by consumers such as taper bushings that are not according to size, incomplete PIV Chains and dynamo gear motors that are supposed to be durable still burn fast. This can affect consumer confidence in the quality of goods given to consumers that can directly affect consumer decisions in buying goods offered by companies to consumers

Based on the background above then identify the problem:

1. The quality of the product is still low so that it results in a significant return of goods from customers
2. Brand produced by PT. Buana Rantai Berkat Abadi is not well known by the public so consumers prefer other products
3. The price given to the customer is higher compared to its competitors
4. Customer purchasing decisions have decreased due to loss of trust in the product as seen from the frequent companies not achieving sales targets.

2. Literature Review

Product quality

According to Sangadji and Sopiah (2013), "Product quality can be defined as a thorough evaluation of customers for the good performance of goods or services" According to Hasan (2013) "It is very clear that from the standpoint of consumer behavior for example, perceptions and attitudes towards product quality and its suitability for themselves and their families, has a very big impact on the way they assess and make decisions to make purchases including repurchases. "

Brand

According to Setyaningrum (2015), "brand (Branding) is the main tool used by marketers to differentiate their products from other competing products. According to Sangadji and Sopiah (2013) The existence of a brand is very important for a product or service, not even emphasizing if a brand is often used as a criterion for evaluating a product when it wants to buy

Price

According to Tjiptono and Chandra (2012), price is a sum of money (monetary units) or other aspects (non-monetary) that contain certain utilities / utilities needed to get a product. According to Laksana (2011), demand is the amount of certain goods and services that consumers are willing to buy at certain conditions and times, thus the demand has a close relationship with the selling price. This is because the selling price is one of the main conditions that affect the willingness to buy from consumers.

Purchase Decision

According to Hasan (2016) the concept of customer behavior explains customer purchasing decisions, after they express their perceptions of value

Framework

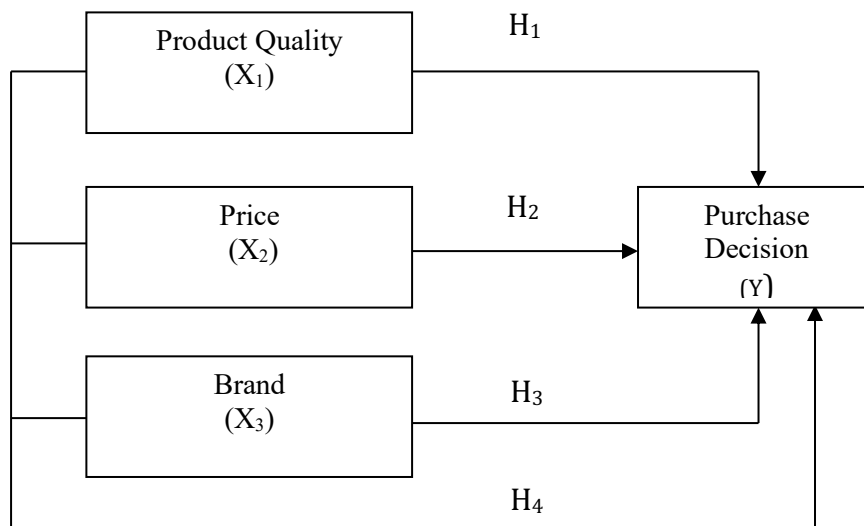


Figure 1. research framework

Source: Processed research data, 2019.

3. Methods

The research approach used is a quantitative approach. This type of research used in this research is quantitative descriptive. The nature of research in this study is Explanatory Research.

Variable Operational and Measuring Scale

Operational Variable Operations

Exogenous variables are represented by product quality, price and brand on purchasing decisions.

The Measurement Scale

Likert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena. In research, this social phenomenon has been specifically determined by the researcher, hereinafter referred to as the research variable.

Population and Sample

Population

The population in this study were all customers of PT. Buana Rantai Berkat Abadi from January to December 2018 ranged from 133 customers. The sampling technique in this study uses simple random sampling. According to Siregar (2014), researchers used the Slovin formula in sampling. The sample calculation results after rounding results obtained a sample of 100 consumers and for testing the validity and reliability will be taken 30 customers outside of the sample used in the study.

Data Collection Techniques

Data Collection Uses Primary Data and Secondary Data

Validity and Instrument Reliability

Test using SPSS 25 program data.

Validity

According to Manulang and Pakpahan (2014), a valid test is used to measure the validity or validity of a questionnaire, where a questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. to measure the data is valid or can not be seen from the results of the Pearson Correlation not below 0.361 and significantly below 0.05.

Reliability

According to Manulang and Pakpahan (2014), reliability is a tool to measure a questionnaire which is an indicator of a variable or construct. Reliability is said to be good if it has a Cronbach's Alpha value greater than 0.60.

4. Results and Discussion

Product Quality

Product Quality Variable (X1) of 0.385 which has a positive value, meaning that for each increase in disciplinary variable by 1 unit, the value of the purchasing decision will increase by 0.385 units assuming that the product quality variable is fixed. The value of $t_{count} > t_{table}$ is $3.939 > 1.98498$ and also a Significant value of $0.000 < 0.05$. Based on the results obtained, rejecting H_0 and accepting H_a for product quality variables, which means partially product quality (X1) has a positive and significant effect on purchasing decisions (Y) at PT. Buana Rantai Berkat Abadi.

Brand

Brand Variable (X2) of 0.255, which is positive, meaning that every increase in brand variable is 1 unit, the value of the purchase decision will increase by 0.255 units assuming that the brand variable is fixed. T value $> t_{table}$ is $2.407 > 1.98552$ and also a Significant value of $0.018 < 0.05$. Based on the results obtained, rejecting H_0 and accepting H_a for brand variables means that partially the brand (X2) has a positive and significant effect on purchasing decisions (Y) at PT. Buana Rantai Berkat Abadi

Price

Price variable (X3) is 0.147, which is positive, meaning that for every increase in price variable by 1 unit, the value of the purchase decision will increase by 0.147 units assuming that the variable price is fixed. The value of $t_{count} < t_{table}$ is $1.054 < 1.98498$ and also a Significant value of $0.295 > 0.05$. Based on the results obtained, then accepting H_0 and rejecting H_a for the price variable which means partially the price (X3) does not significantly influence the purchase decision (Y) at PT. Buana Rantai Berkat Abadi.

Convergent Validity

Table 1. Convergent Validity

| Questioner | Product Quality (X1) | | Brand (X3) | | Price (X2) | | Purchase Decision (Y) | |
|------------|----------------------|-------|---------------------|-------|---------------------|-------|-----------------------|-------|
| | Pearson Correlation | Sig | Pearson Correlation | Sig | Pearson Correlation | Sig | Pearson Correlation | Sig |
| 1 | 0,749 | 0,000 | 0,596 | 0,001 | 0,393 | 0,032 | 0,432 | 0,017 |
| 2 | 0,464 | 0,010 | 0,669 | 0,000 | 0,879 | 0,000 | 0,705 | 0,000 |
| 3 | 0,823 | 0,000 | 0,881 | 0,000 | 0,602 | 0,000 | 0,538 | 0,002 |
| 4 | 0,847 | 0,000 | 0,563 | 0,001 | 0,803 | 0,000 | 0,457 | 0,011 |
| 5 | 0,493 | 0,006 | 0,644 | 0,000 | 0,878 | 0,000 | 0,497 | 0,005 |
| 6 | 0,649 | 0,000 | 0,449 | 0,013 | 0,755 | 0,000 | 0,385 | 0,036 |
| 7 | 0,657 | 0,000 | 0,501 | 0,005 | | | 0,517 | 0,003 |
| 8 | 0,526 | 0,003 | 0,833 | 0,000 | | | 0,705 | 0,000 |
| 9 | | | | | | | 0,601 | 0,000 |
| 10 | | | | | | | 0,641 | 0,000 |

Source: Processed Research data SPSS 25, 2019

From the table above, indicates that all the above variables are Valid.

Reliability Test

Table 2. Reliability Test

| Variables | Cronbach 's Alpha | N of Items |
|-------------------|-------------------|------------|
| Product Quality | 0,802 | 8 |
| Brand | 0,788 | 8 |
| Price | 0,823 | 6 |
| Purchase Decision | 0,737 | 10 |

Source: Processed Research data SPSS 25, 2019

Composite Reliability and Cronbach's Alpha values on each variable are each worth more than 0.7 and 0.6.

Evaluation Of Structural Measurement (R-Square)

Table 3. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .545 | .297 | .275 | 3.48068 |

Source: Processed Research data SPSS 25, 2019

Adjusted R Square value is 0.275 meaning that the ability of variations in product quality (X1), price (X2) and brand (X3) can explain variations of performance by 27.5% and the remaining 72.5% is explained by independent variables not examined such as promotions, service quality and others.

Hypothesis Test

Table 4. Hypothesis Test

| Model | B | Std. Error | t | Sig |
|------------------------|----------|-------------------|----------|------------|
| <i>(Constant)</i> | 13.667 | 2.609 | 5.239 | 0.000 |
| <i>Product Quality</i> | 0.385 | 0.098 | 3.939 | 0.000 |
| <i>Brand</i> | 0.255 | 0.106 | 2.407 | 0.018 |
| <i>Price</i> | 0.147 | 0.140 | 1.054 | 0.295 |

Source: Processed Research data SPSS 25, 2019

Based on the above T-Statistic value, it can be concluded the entire H0 hypothesis is rejected and the H1 hypothesis is accepted, this is because the entire hypothesis has a T-Statistic value greater than the T-table.

5. Conclusion

Partial test results can be obtained $t_{count} > t_{table}$ is $3.939 > 1.98498$ and also a Significant value of $0,000 < 0.05$ which indicates that product quality (X1) has a positive and significant influence on purchasing decisions (Y) at PT. Buana Rantai Berkat Abadi. Partial test results obtained the results of the value of $t_{count} > t_{table}$ is $2.407 > 1.98552$ and also the Significant value of $0.018 < 0.05$ indicates the brand (X3) has a positive and significant effect on purchasing decisions (Y) at PT. Buana Rantai Berkat Abadi. Partial test results obtained results of the value of $t_{count} < t_{table}$ is $1.054 < 1.98498$ and also a Significant value of $0.295 > 0.05$ shows the price (X2) does not significantly influence the purchase decision (Y) at PT. Buana Rantai Berkat Abadi. Testing the results simultaneously obtained results $13,526 > 2.70$, and the significance of $0,000 < 0.05$ indicates that Product Quality (X1), Price (X2) and Brand (X2) have significant and significant influence on Purchasing Decisions (Y) at PT. Buana Rantai Berkat Abadi.

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