

EFFECT OF PRODUCT QUALITY, PRICES AND SERVICES AGAINST PURCHASE DECISIONS AT PT. INDOONESIAN DEPOT

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ABSTRACT

Keywords:
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This study aims to examine and analyze the effect of Product Quality, Price and Service on job satisfaction at PT. Indonesian Depot. The decrease in job satisfaction can be seen from employees who resign from the company. At PT. Depo Indonesia has a problem with company decisions, which can be seen from the sales targets that are not achieved at the company. On the quality of products owned by PT. Depo Indonesia still receives complaints from customers regarding the quality of its products, such as car spare parts, car lights, and others. The high price even though it is accompanied by the provision of a guarantee shows that the price given is still relatively high, as evidenced by the large number of buyers who only ask for the price. Service is part of service to customers that is carried out before and after purchase. However, in practice, there are still customers who are not satisfied, as can be seen from the number of purchases that have not been maximized. This study uses quantitative research with the sample used is 103 people. The data analysis method used multiple linear regression. Simple random sampling was used as a sampling method. In the t-test on product quality variables with values (2.124 > 1.984), price (2.798 > 1.984) and service quality (5.116 > 1.984) partially positive and significant effect on purchasing decisions at PT. Indonesian Depot. In the F test, the variables of product quality, price and service quality showed a positive and significant influence with a value (20,482 > 2.70) on purchasing decisions at PT. Indonesian Depot This study uses quantitative research with the sample used is 103 people. The data analysis method used multiple linear regression. Simple random sampling was used as a sampling method. In the t-test on product quality variables with values (2.124 > 1.984), price (2.798 > 1.984) and service quality (5.116 > 1.984) partially positive and significant effect on purchasing decisions at PT. Indonesian Depot. In the F test, the variables of product quality, price and service quality showed a positive and significant influence with a value (20,482 > 2.70) on purchasing decisions at PT. Indonesian Depot This study uses quantitative research with the sample used is 103 people. The data analysis method used multiple linear regression. Simple random sampling was used as a sampling method. In the t-test on product quality variables with values (2.124 > 1.984), price (2.798 > 1.984) and service quality (5.116 > 1.984) partially positive and significant effect on purchasing decisions at PT. Indonesian Depot. In the F test, the variables of product quality, price and service quality showed a positive and significant influence with a value (20,482 > 2.70) on purchasing decisions at PT. Indonesian Depot In the t-test on product quality variables with values (2.124 > 1.984), price (2.798 > 1.984) and service quality (5.116 > 1.984) partially positive and significant effect on purchasing decisions at PT. Indonesian Depot. In the F test, the variables of product quality, price and service quality showed a positive and significant influence with a value (20,482 > 2.70) on purchasing decisions at PT. Indonesian Depot In the t-test on product quality variables with values (2.124 > 1.984), price (2.798 > 1.984) and service quality (5.116 > 1.984) partially positive and significant effect on purchasing decisions at PT. Indonesian Depot. In the F test, the variables of product quality, price and service quality showed a positive and significant influence with a value (20,482 > 2.70) on purchasing decisions at PT. Indonesian Depot.

1. INTRODUCTION

The world of marketing is always related to the company's ability to sell its products. The company's ability to maintain its sales will be a benchmark for a company to compete with other companies. In selling products, the company always gets various responses from buyers as people who make purchases. PT. Depo Indonesia is the official distributor of Depo Auto Parts Ind. Co., Ltd, the world's largest manufacturer of car headlights. Established in 1977, Depo runs its business with practical principles in the industrial sector. They concentrate on the development of Research & Development in order to achieve their goal especially to continue to innovate.

Product quality is a combination of all product characteristics in meeting customer expectations. On the quality of products owned by PT. Depo Indonesia still receives complaints from customers regarding the quality of its products, such as car spare parts, car lights, and others. The high price even though it is accompanied by the provision of a guarantee shows that the price given is still relatively high, as evidenced by the large number of buyers who only ask for the price. Service is part of service to customers that is carried out before and after purchase. However, in practice, there are still customers who are not satisfied, as can be seen from the number of purchases that have not been maximized. Purchase decisions are decisions that are considered by customers before making a purchase of a product, goods or services. At PT. Depo Indonesia has a problem with company decisions, which can be seen from the sales targets that are not achieved at the company. Based on the background of the problems that occur in the company, the researchers conducted a study with the title "The Effect of Product Quality, Price and Service on Purchase Decisions at PT. Indonesian Depot."

The identification of the problems in this research is that the quality of the product is not good, it can be seen from the number of product returns that still often occur in the company, the price is still relatively high, it can be seen from the buyers who come only to ask the price, the service quality is still not good, it can be seen from the number of service complaints. accepted by the company, and purchasing decisions that are not optimal can be seen from sales that do not reach the target. The formulation of the problem from this research is how the influence of product quality on purchasing decisions at PT. Depo Indonesia, how is the effect of price on purchasing decisions at PT. Depo Indonesia, how is the influence of service on purchasing decisions at PT. Depo Indonesia, and how does product quality affect, prices and services on purchasing decisions at PT. Indonesian Depot. The purpose of this study was to test and analyze the effect of product quality on purchasing decisions at PT. Depo Indonesia, tested and analyzed the effect of price on purchasing decisions at PT. Depo Indonesia, tested and analyzed the effect of service on purchasing decisions at PT. Depo Indonesia, and tested and analyzed the effect of product quality, service quality and distribution channels on purchasing decisions at PT. Indonesian Depot. test and analyze the effect of service on purchasing decisions at PT. Depo Indonesia, and test and analyze the effect of product quality, service quality and distribution channels on purchasing decisions at PT. Indonesian Depot. test and analyze the effect of service on purchasing decisions at PT. Depo Indonesia, and test and analyze the effect of product quality, service quality and distribution channels on purchasing decisions at PT. Indonesian Depot.

Quality is one of the main tools to achieve product positioning. Quality states the level of ability of a particular brand or product in carrying out the expected function [5]. Product quality indicators are durability, reliability, accuracy, ease of use and repair and other valuable attributes [1]. Price is a monetary unit or other measure (including other goods and services) issued in order to obtain ownership rights or use of an item or service." [6]. Price indicators are: : Price affordability is the suitability of price with product quality, price competitiveness, price suitability with benefits, and buying discounts and discounts [3]. Service or service, namely the value related to the provision of services to consumers. The quality of service to consumers needs to be continuously improved [9]. In service to customers, there are several service elements that a producer must pay attention to, namely physical facilities, reliability, service alertness and speed, service certainty, convenience [11]. The purchasing activity that appears is only a stage of the whole process of consumer behavior [12]. The buying process consists of stages that begin with the introduction of needs and wants and do not stop after the purchase is made. The criteria in business market purchasing decisions used as indicators by researchers, namely from the producer side are the purchase intention: the product is purchased to be processed into other products, the objectives to be achieved: increase profits / reduce costs for use by the company, rationality: always rational,

decision criteria: Quality Cost Ratio, and other considerations (Influence on product cost and quality, quality conformity, and continuity of supply [2]. [10] Product quality is defined as a customer's overall evaluation of the good performance of goods or services. [7] Price is defined as a monetary unit or other measure that is exchanged in order to obtain ownership rights or use of an item or service. [8] Service to customers or better known as customer service is the key to the success of direct sales to consumers. Based on the background and formulation of the problem as well as the framework of thought, the hypothesis of this study, namely: H1: Product quality affects purchasing decisions at PT. Indonesian Depot. , H2:Price has an effect on purchasing decisions at PT. Depo Indonesia, H3: Service affects purchasing decisions at PT. Indonesian Depot, H4:Quality products, prices, and services affect purchasing decisions at PT. Indonesian Depot.

2. METHOD

2.1 Type and Data Source

The place of research is at Jalan Kayu Putih No. 38A, Mabar, Medan Deli Sub-district, Medan City, North Sumatra 20241, the time used for the study starts from February 2022 to April 2023. This research is quantitative in nature which is based on the philosophy of positivism which is used to examine certain populations and samples. The sampling technique is generally done randomly. The population in this study were employees of PT Depo Indonesia, amounting to 138 people, the number of samples of this study is 103 respondents and 30 employees will be taken from the rest of the population for testing data validity. The data collection technique in this study is observation, the form of research carried out by researchers by making observations, either face to face or indirectly through direct interviews or through communication, a list of questions (questionnaire), namely a list of questions containing questions to be filled out by respondents. Documentation study is carried out by collecting and studying data obtained from books, journals, magazines or data provided directly by the company's website related to the problem under study.

2.2 Analysis Method

To test the types of questions used in this study, researchers used validity and reliability tests. To test the normality of the data used in this study, researchers used the normality test, multicollinearity test, and heteroscedasticity test. The multiple linear regression equation in this study is $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$. With $Y =$ Purchase Decision, $X_1 =$ Product Quality, $X_2 =$ Price, $X_3 =$ Service and $b_{1,2,3} =$ Partial coefficient for each variable X_1, X_2, X_3 . To measure how much influence the independent variable (X) has on the dependent variable (Y), the researcher uses the coefficient of determination. To test the significance level of the independent variable regression coefficient together on the dependent variable, the researcher used a simultaneous test (f test).

3. RESULT AND DISCUSSION

3.1 Result

3.1.1 Multiple Linear Regression Analysis

Table 1. Results of Multiple Linear Regression Analysis

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2,339	1,540		1,519	.132
PRODUCT QUALITY	.130	.061	.173	2,124	.036
PRICE	.196	.070	.242	2,798	.006
SERVICE QUALITY	.279	.055	.431	5.116	.000

a. Dependent Variable: PURCHASE DECISION

Source: SPSS Results, 2022

$$Y = 2.339 + 0.130 X_1 + 0.196 X_2 + 0.279 X_3$$

The explanation of multiple linear regression above is:

1. A constant of 2,339 statements that product quality, price and service quality on purchasing

decisions is 2,339 units if there is no or constant.

2. The product quality coefficient, which is defined as 0.130 and is positive, which means that the purchase decision of 0.130 will increase the value of the purchase decision variable of that number.
3. The value of the price coefficient is 0.196 and is optimistic, which means that purchasing decisions can be increased by 0.196, which will increase the value of the purchasing decision variables of these values.
4. The value of the service quality coefficient is 0.279 and is positive, which means that the purchase decision will increase by 0.279, which will increase the value of the purchase decision variable.

3.1.2 Coefficient of Determination

Table 2. Results of the Coefficient of Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.619a	.383	.364	1.96235

a. Predictors: (Constant), SERVICE QUALITY, PRODUCT QUALITY, PRICE
 b. Dependent Variable: PURCHASE DECISION

The understanding of the determination test is 36.4% of the purchasing decisions which can be clarified by the variables of product quality, price and service quality in the results of the coefficient of determination test that is produced with an Adjusted R Square value of 36.4%, while the remaining 63.6% is explained by other variables not analyzed in this analysis.

3.1.3 Partial (t-test)

The t test is used to determine whether there is a significant (significant) relationship or influence between the independent variables partially on the dependent variable.

Table 3. Simultaneous Test (t Test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,339	1,540		1,519	.132
	PRODUCT QUALITY	.130	.061	.173	2,124	.036
	PRICE	.196	.070	.242	2,798	.006
	SERVICE QUALITY	.279	.055	.431	5.116	.000

a. Dependent Variable: PURCHASE DECISION

At the degrees of freedom (df) = 103-4 = 99, then the t table and the significance of 0.05 is 1,984.

The results of partial theory testing may be as follows:

1. From the hypothesis of product quality partially obtained 2.124 > 1.984 and significant obtained 0.036 < 0.05 which means H_a is approved, that is partially product quality has a strong and significant effect on purchasing decisions.
2. From the partial price hypothesis obtained 2.798 > 1.984 and significant obtained 0.006 < 0.05 which indicates that H_a is approved, that is partially the price has a positive and significant effect on purchasing decisions.
3. From the hypothesis of service quality partially obtained 5.116 > 1.984 and significant obtained 0.000 < 0.05 which means H_a is approved, that is, service quality has a positive and significant effect on purchasing decisions.

3.1.4 Simultaneous Test (F Test)

The F statistic test basically shows whether all the independent variables included in the model have a simultaneous effect on the dependent variable.

Table 4. Simultaneous Test (F Test)

		ANOVAa				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	236,615	3	78,872	20,482	.000b
	Residual	381230	99	3.851		
Total		617,845	102			

Dependent Variable: PURCHASE DECISION

Predictors: (Constant), SERVICE QUALITY, PRODUCT QUALITY, PRICE

With the df degree, the F table value at the 0.05 significance level of confidence is 2.70. The test results obtained the calculated F value (20.482) > F table (2.70) and the significance probability is 0.000 < 0.05, meaning that H_a is accepted and H_o is rejected, namely simultaneously product quality, price and service quality have a positive and significant effect on purchasing decisions.

3.2 Discussion

Effect of Product Quality on Purchase Decision

From the test results on the t test, it can be concluded from the research. The results of the analysis show that the t count is higher than the t table (2,408 > 1,984). H_1 is accepted and the product quality partially influences the purchasing decision. The first hypothesis accepted here proves that product quality is a factor that supports the development of purchasing decisions [4], [9] Product quality is defined as a customer's overall evaluation of the good performance of goods or services.

Influence of Price on Purchase Decision

From the test results on the t test, it can be concluded from the research. The results of the analysis show that the t count is higher than the t table (2,798 > 1,984). H_2 has the result that price has a strong and important influence on purchasing decisions. The second hypothesis accepted here proves that price is a factor that supports the development of purchasing decisions. [7] Price is defined as a monetary unit or other measure that is exchanged in order to obtain ownership rights or use of an item or service.

The Influence of Service Quality on Purchase Decisions

From the test results on the t test, it can be concluded from the research. The results of the analysis show that the t count is higher than the t table (5.116 > 1,984). H_3 has the result that service quality has a strong and important influence on purchasing decisions. The third hypothesis accepted here proves that service quality is a factor that supports the development of purchasing decisions. [8] Service to customers or better known as customer service is the key to the success of direct sales to consumers.

Influence Product Quality, Price and Service Quality on Purchase Decisions

From the test resultson the F test, it can be concluded from the research. The results of the analysis show that the F count is higher than the F table (20,482 > 2.70). H_4 shows that product quality, price and service quality have a strong and important influence on purchasing decisions. The fourth hypothesis accepted here proves that product quality, price and service quality together are supporting factors in developing purchasing decisions.

4. CONCLUSION

The conclusion of this study is a partial test of product quality variables partially and significantly positive effect on purchasing decisions at PT. Indonesian Depot. Partial testing of the price variable has a partial and significant positive effect on purchasing decisions at PT. Indonesian Depot. Partial testing of service variables partially and positively significant effect on purchasing decisions at PT. Indonesian Depot. Simultaneous testing shows the results of the variables of product quality, price and service have a simultaneous and significant positive effect on purchasing decisions at PT. Indonesian Depot.

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