



The Influence of Product Quality, Distribution Channels and Customer Satisfaction on Purchasing Decisions of TOA Paint at PT Medan Warna Abadi

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ABSTRACT

The purpose of this study was to test and analyze the effects of Product Quality, Distribution Channels and Customer Satisfaction on the TOA Paint Purchase Decision at PT Medan Warna Abadi. The decline in purchasing decisions can be seen from not achieving sales targets. The product quality has decreased, which has triggered customer complaints. Distribution channels that are not optimal. Decreased customer satisfaction. The approach in this research is a quantitative approach. In this study, researchers used quantitative descriptive research methods. The total population of 149 customers and the sample in this study were all customers as many as 109 employees and used a sample collection technique, namely saturated sampling. The analyst method uses validity and reliability testing, classical assumption test, multiple linear regression analysis, coefficient of determination and hypothesis testing. The results of the calculation of the partial hypothesis testing Product Quality, Distribution Channels and Customer Satisfaction have a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi and simultaneously Product Quality, Distribution Channels and Customer Satisfaction have a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi

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1. Introduction

Someone's buying behavior can be said to be something unique, because the preferences and attitudes towards each person's object are different. The number of types of products offered in the market causes consumers to choose products to suit their needs and obtain the best quality products. Understanding consumer behavior is an important task of marketing management, so that consumers accept the products the company offers. By identifying the market, the company can find out what strategies will be used and used in selling its products so that consumers want to choose to use the company's products to meet their needs.

The decline in purchasing decisions resulted in the company not reaching the sales target for TOA paint products at PT Medan Warna Abadi.

The quality of TOA paint products has decreased. Less Durable bFor both exterior and interior, Toa paint does not offer any lasting benefits. For the 4 Season paint variant, this paint only provides 4 years of durability for the interior. This can be said to be less durable than Dulux paint which has a resistance of up to 5 years for interior and exterior. Another drawback of Toa paint is that it does not have a leak-proof paint variant. Even though leak-proof paint is much sought after and needed to protect homes from water seepage and leaks. The largest paint manufacturer in Thailand has not yet been able to dominate the paint market in Indonesia. This is probably due to its new appearance when compared to Dulux paint. Currently Dulux paint still dominates the market better than Toa paint.

As has been stated above, one of the important factors that support the achievement of marketing targets is the distribution channel, because the distribution channel is a channel used by producers to deliver or distribute goods from producers to consumers or industrial users. Distribution channels are still not optimal, causing the level of customer disappointment to increase. This is because the delivery schedule is not yet optimal, so it often experiences delays.

Customer satisfaction is the benchmark for the company how things go in the future or there are even some things that must be changed because the customer feels dissatisfied or disadvantaged. If consumers are not satisfied, of course, consumers will not come back again and may also complain about their dissatisfaction with other consumers. Of course this will be a threat to these entrepreneurs. TOA paint



customer satisfaction has decreased because the stock is often empty so it is difficult to meet the needs and desires of customers, service that is still not optimal, and price increases.

2. Research Methodology

This research was conducted on PT Medan Warna Abadi which is located at Medan Street. When the research began in November 2019 and is planned to be completed in April 2021, this research approach is based on a quantitative approach. In this study, researchers used quantitative descriptive research methods. The nature of the research used is descriptive explanatory.

The sampling technique used was simple random sampling. According to Sugiyono (2012: 64), simple random sampling is taking members of the sample from the population at random without paying attention to the strata in the population. To determine the number of samples, researchers used the Slovin formula, namely

$$n = \frac{Nn}{1 + Ne^2}$$

$$n = \frac{149}{1 + 149(0.05)^2}$$

$$n = 109 \text{ Customers}$$

The number of samples in this study were 109 customers. To test the validity and reliability of 30 customers taken from the rest of the population who are not used in the sample.

2.1 Identification and Operational Definition of Research Variables

The operational definitions for each of the independent and dependent variables are:

Table 1.
Operational Definition and Variable Measurement

Variable	Definition	Indicator	Measurement Scale
Product quality (X1)	The product's ability to perform its function. Source: Rachman (2010: 147)	1. Performance 2. Reliability 3. Durability 4. Brand awareness Source: Sangadji and Sopiiah (2013: 188)	Likert scale
Dirtibusi Channel (X2)	Distribution channel is the channel or route chosen by the company to deliver products from the company to the final consumer or industrial user Source: Herlambang and Marwoto (2014: 116)	1. Distribution costs 2. Market coverage 3. Customer service 4. Communication with the market and control of the distribution channel network 5. Secondary factors Source: Kodrat (2019: 160)	Likert scale
Customer satisfaction (X3)	Consumer satisfaction is a measure of the success of the company's marketing strategy in marketing products. Measuring customer satisfaction is a difficult job and requires certain criteria. Source: Assauri (2014: 176)	1. Complaints and suggestions system 2. Customer satisfaction survey 3. <i>Ghost shopping</i> 4. <i>Lost customer</i> Source: Hasan (2013: 106-107)	Likert scale
Buying decision (Y)	An integration process that combines knowledge to evaluate two or more alternative behaviors, and selects one of them Source: Setiadi (2008: 415)	1. Complex buying behavior 2. Purchasing behavior reduces mismatches 3. Buying behavior out of habit 4. Purchasing behavior seeks variety Source: Malau (2016: 233)	Likert scale

3. Results and Discussion

3.1 Results of Research Data Analysis

Hypothesis testing used in this study is to use multiple linear regression analysis. The regression model used is as follows:

Table 2.
Results of Multiple Linear Regression Analysis

Model	Coefficients ^a					
	Unstandardized Coefficients			Standardized Coefficients		Sig.
	B	Std. Error	Beta	t		
1	(Constant)	3,906	3,687		1,059	.292
	Product quality	.363	.115	.272	3,154	.002
	Distribution channel	.197	.072	.249	2,740	.007
	Customer satisfaction	.214	.090	.214	2,374	.019

a. Dependent Variable: Purchasing decision

Source: Primary data processed, 2020

$$Y = 3.906 + 0.363 X_1 + 0.197 X_2 + 0.214 X_3 + e$$

The explanation of the multiple linear regression above is:

- A constant of 3.906 states that if there is no or constant then the variables of product quality, distribution channels and customer satisfaction then the purchase decision on 3,906 units.
- The regression coefficient for the product quality variable is 0.363 and is positive, this means that if each increase in the product quality variable 1 unit will increase the purchasing decision variable by 0.363 units with the assumption that the other variables are constant.
- The distribution channel variable regression coefficient is 0.197 and is positive, this means that if each increase in the distribution channel variable 1 unit will increase the purchasing decision variable by 0.197 units assuming the other variables are constant.
- The regression coefficient of the customer satisfaction variable is 0.214 and is positive, this means that if each increase in the customer satisfaction variable 1 unit will increase the purchasing decision variable by 0.214 units with the assumption that the other variables are constant.

3.2 Hypothesis Determination Coefficient

Following are the results of the coefficient of determination, namely:

Table 3.
Determination Coefficient Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.483 ^a	.233	.211	6,670	

a. Predictors: (Constant), Customer Satisfaction, Product Quality, Channel distribution

b. Dependent Variable: Purchasing decision

Source: Primary data processed, 2020

The coefficient of determination test results obtained Adjusted R Square value of 0.211, this means 21.1% of the variation in purchasing decision variables which can be explained by variations in product quality, distribution channels and customer satisfaction variables while the rest is 78.9% (100% - 21, 1%) is explained by other variables not examined in this study, such as promotion, products and so on.

3.3 Simultaneous Hypothesis Testing (Test F)

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

Table 4.
Simultaneous Test (Test F)

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1421,502	3	473,834	10,652	.000 ^a
	Residual	4670,847	105	44,484		
	Total	6092,349	108			

a. Predictors: (Constant), Customer Satisfaction, Product Quality, Channel distribution

b. Dependent Variable: Purchasing decision

Source: Primary data processed, 2020

The test results obtained by the value of F count (10.652) > F table (2.69) and a significance probability of 0.000 < 0.05, meaning that H_a is accepted and H₀ is rejected, i.e. simultaneously Product Quality, Distribution Channels and Customer Satisfaction have a positive and significant effect on the decision. Purchase of TOA Paint at PT Medan Warna Abadi.

3.4 Partial Hypothesis Testing (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 5.
Partial Test (t test)
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,906	3,687		1,059	.292
	Product quality	.363	.115	.272	3,154	.002
	Distribution channel	.197	.072	.249	2,740	.007
	Customer satisfaction	.214	.090	.214	2,374	.019

a. Dependent Variable: Purchasing decision

Source: Primary data processed, 2020

The t-table value for the 0.05 probability in degrees of freedom (df) = 109-4 = 105 is 1.983. Thus the results of partial hypothesis testing can be explained as follows:

- The results of the calculation of hypothesis testing partially obtained $t_{count} > t_{table}$ or $3.154 > 1.983$ and the significance obtained is $0.002 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Product Quality has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.
- The results of the calculation of hypothesis testing partially obtained $t_{count} > t_{table}$ or $2,740 > 1,983$ and the significance obtained is $0.007 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Distribution Channels have a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.
- The results of the calculation of hypothesis testing partially obtained $t_{count} > t_{table}$ or $2.374 > 1,983$ and the significance obtained is $0.019 < 0.05$, means that H_a is accepted and H_o is rejected, namely that partially Customer Satisfaction has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.

3.5 Discussion

The results of the calculation of hypothesis testing partially obtained $t_{count} > t_{table}$ or $3.154 > 1,983$ and the significance obtained is $0.002 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Product Quality has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi. According to Nitisusastro (2012: 159) consumers need to know about the characteristics of a product if consumers do not know information about the characteristics of a product, they can make a purchase decision wrong. The quality of TOA paint products has decreased. Less Durable bFor both exterior and interior, Toa paint does not offer any lasting benefits. For the 4 Season paint variant, this paint only provides 4 years of durability for the interior. This can be said to be less durable than Dulux paint which has a resistance of up to 5 years for interior and exterior. Another drawback of Toa paint is that it does not have a leak-proof paint variant. Even though leak-proof paint is much sought after and needed to protect homes from water seepage and leaks. The largest paint manufacturer in Thailand has not yet been able to dominate the paint market in Indonesia. This is probably due to its new appearance when compared to Dulux paint. Currently Dulux paint still dominates the market better than Toa paint.

The results of the calculation of hypothesis testing partially obtained $t_{count} > t_{table}$ or $2,740 > 1,983$ and the significance obtained is $0.007 < 0.05$, means that H_a is accepted and H_o is rejected, namely that partially the Distribution Channel has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi. According to Nitisusastro (2016: 170), the more companies use distribution channel companies, basically the easier it is for consumers to make purchases. As has been stated above, one of the important factors that support the achievement of marketing targets is the distribution channel, because the distribution channel is a channel used by producers to deliver or distribute goods from producers to consumers or industrial users. Distribution channels are still not optimal, causing the level of customer disappointment to increase.

The results of the calculation of hypothesis testing partially obtained $t_{count} > t_{table}$ or $2.374 > 1,983$ and the significance obtained is $0.019 < 0.05$, means that H_a is accepted and H_o is rejected, namely that partially Customer Satisfaction has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi. According to Tjiptono (2015: 26), in evaluating satisfaction with a certain company, the determining factors used can be a combination of the determinants of satisfaction with products and services. Customer satisfaction is the benchmark for the company how things are going to be in the future or there are even some things that must be changed because customers feel dissatisfied or disadvantaged. If consumers

are not satisfied, of course, consumers will not come back again and may also complain about their dissatisfaction with other consumers. Of course this will be a threat to these entrepreneurs.

4. Conclusion

The conclusions from the results of this study are as follows:

- a. Partially Product Quality has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.
- b. Partially the Distribution Channel has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.
- c. Partially Customer Satisfaction has a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.
- d. Simultaneously Product Quality, Distribution Channels and Customer Satisfaction have a positive and significant effect on the TOA Paint Purchase Decision at PT Medan Warna Abadi.

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