



The Effect of Product Quality, Personal Sales and Prices on CPO Purchasing Decisions at PT Kencana Persada Nusantara Medan

Ferdian¹, Stefie², Januardi³

Univesitas Prima Indonesia

Email : ferdiango98@gmail.com, stefie.teja@gmail.com

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ABSTRACT

This research conducted in PT Kencana Persada Nusantara Terrain that has a long standing and reputable engaged in oil palm. In this study aims to be able to analyze the quality of the product, personal selling and the price of the CPO purchase decision on PT Kencana Persada Nusantara Medan. The decrease in sales of CPO purchase decisions due to the quality of products, personal selling and the price of CPO. Population and sample in this research berjumlah 76 CPO customers. The research method using multiple linear regression analysis. The results of partial hypothesis testing research obtainablesimultaneously Quality Products, Personal Selling and Pricing positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan and partially Quality Products, Personal Selling and Pricing positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan. Hacyl coefficient determination Rsquare Adjusted values obtained for 0.322 this means that 32.2% of the variation of the dependent variable is the purchase decision can be explained by variations in the independent variable is free kualita products, personal selling and hargasedangkan the remaining 67.8% is explained by other variables not examined in this study, such as product differentiation, product innovation, product attributes and so on,

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1. Introduction

Purchasing decision becomes an important thing to note because it would be a consideration of how a marketing strategy that will be carried out by the company. PT. Kencana Persada Nusantara Terrain is a company engaged in the management of oil palm. The decline in CPO purchasing decisions in the company did not reach targets set by the company earlier.

Customer satisfaction can be formed if the customers get a quality product and in accordance with the price paid. A factor of product quality, customer CPO considers that if the results often have a poor quality so not as expected and triggered customer complaints.

Personal selling considered concrete steps in building customer relationships with the company. Issues of personal selling is marketing which is not a good schedule with the delivery system of CPO to the customer site encountered an error such as the CPO price, as well as marketing that informs not well due date of payment by phone to the customer.

Price is the amount of money that must be paid customers to get a product. If the price set by the company are not relevant to the quality and benefits of the product, the customer will be dissatisfied. In the price factor, the customer PT. Kencana Persada Nusantara Terrain considered that the selling price of CPO companies are often more expensive compared to other similar companies.

2. Literature review

2.1. Theory of Product Quality





According to Rachman (2010: 147), the quality of the product means the product's ability to perform its function.

According to Assauri (2014: 212), quality durable product indicates the size of the product, the product could trust, accuracy (precision) product, easy to operate and maintain as well as other attributes are considered.

According to Kotler and Keller (2015: 143), "The product quality is the totality of features and characteristics of the products or services that depend on its ability to satisfy stated or implied needs".

According to Tjiptono and Chandra (2012: 75), an indicator of the quality of the products include:

- 1) Performance (performance), the principal operating characteristics of the core product being purchased.
- 2) Features or additional features (features), which is a secondary or complementary characteristics.
- 3) Reliability (reliability), which is less likely to be damaged.
- 4) Compliance with the specification, the design and operations meet the standards.
- 5) Durability (durability), with regard to how long the product.
- 6) *serviceability*, Including the handling of complaints satisfactorily.
- 7) Aesthetics, the product appeal to the five senses.
- 8) Perceived quality (percieved quality), the image and reputation of the product.

2.2. Theory of Price

According to Malau (2017: 126), "The price is the basic measure of an economy because prices affect the allocation of factors of production."

According to Hasan (2014: 521), "Price is the monetary costs of all forms are sacrificed by consumers to acquire, own, use a combination of goods and services of a product".

According to Tjiptono and Chandra (2012: 315), "Price can be defined as the amount of money (monetary units) and / or other aspects (non-monetary) that contains utility / specific uses are required to obtain a product".

According to Tjiptono (2014: 194-196) as one of the elements of the marketing mix, pricing needs careful consideration, with respect to the strategic price of the following:

- 1) Price is the statement of the value of a product (a Statement of value).
- 2) Price is an obvious aspect (visible) for buyers.
- 3) Price is the major determinant of demand.
- 4) Prices directly related to revenue and profit.
- 5) Prices are flexible, meaning that can be adjusted quickly.
- 6) Price affect the image and positioning strategy.
- 7) Price is the No. 1 problem facing managers.

2.3. theories About Personal Selling

According to Sangadji and Sopiah (2013: 18), the sale of an individual is an oral presentation in a conversation with one or more prospective buyers who intended to create sales.

According to Alma (2016: 185), personal selling is the most important way tidap easily repeated, can create a two-way communication between the seller and the buyer.

According to Hasan (2013: 604), personal selling (personal selling) is an orally perentasi form with one or more potential buyers with the goal of buyers.

According to Hasan (2013: 606), personal selling strategy is as follows:

- 1) *Leads and referrals*, The seller must be able to continuously produce instructions.
- 2) *Making telephone appointments*, when it managed to obtain leads and refrerrals.
- 3) *Establishing rapport*, humanism build familiarity and interaction with customers.
- 4) *presentation*, This stage can be a nightmare when a presentation is not appropriate.
- 5) *Close the deal*, at this stage in case the attitude, able to calm consumers.
- 6) *The delivery stage*, stage test of whether the company proves its promise.
- 7) *The service stage*, Seller provides the time and energy to serve the consumer.
- 8) *Follow-up and cross sell stage*, systems that warn when to follow up

2.4. theories About Buying decision

According to Sopiah and Sangadji (2013: 332), covering all the consumer decision making process through the consumer to identify problems, find solutions, evaluate alternatives and choose among the options.





According to Abdurrahman (2015: 43), consumers purchasing decisions take further action after purchase, based on their satisfaction or dissatisfaction.

According Hutabat and Manullang (2013: 50), the purchase decision is a purchase process can be viewed as a series of stages.

According Sudaryono (2015: 119), any decision to buy has a structure of seven. These components are:

- 1) The decision about the type of product
- 2) Decisions about the shape of the product
- 3) Decisions about brand
- 4) Decisions about the seller
- 5) The decision about the number of products
- 6) Decisions about the time of purchase
- 7) The decision on how to pay

2.5. conceptual framework

With a conceptual framework that can be described as follows:

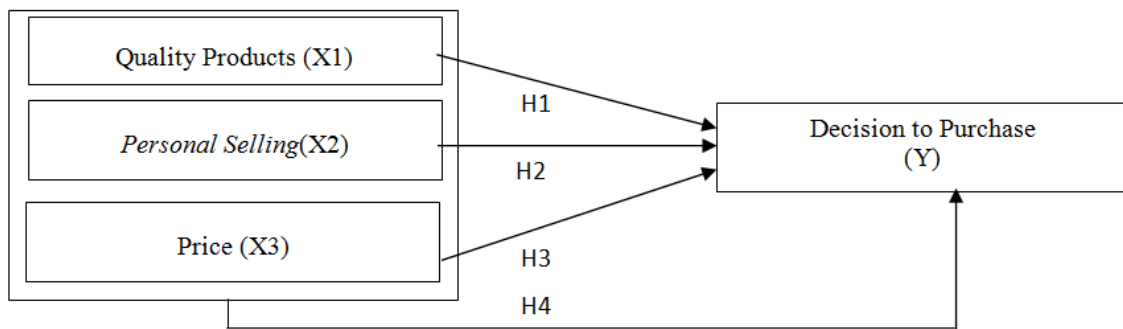


Image 1. conceptual framework

3. Research methodology

According Arikunto (2016: 173), Population is the subject of research. Researchers took population in this study were 76pelanggan. The sample is partially or representative population sample population teliti. Metode this study using saturated sampling. The sample in this study amounted to 76 people. In this study, data collection related problems studied by the researchers is done by kuesioner, interviews and documentation study.

3.1. Validity and Reliability Instruments Variable about the validity test

According Sujarweni (2014: 192), a validity test is used to determine the feasibility of the items in a list of questions to define a variable.

In testing the validity of the research instrument, the author uses SPSS for Windows using bivariate correlation or the Pearson Product Moment of Pearson (Pearson Product Moment Correlation) with the following criteria:

- 1) If $r_{hitung} > r_{tabel}$, then the question is valid
- 2) If $r_{hitung} < r_{tabel}$, then the question is declared invalid

test Reliability

According Ghozali (2016: 47), is a tool to measure the reliability of a questionnaire which is an indicator of variables or constructs. A questionnaire said to be reliable or reliable if someone answers on the statement is consistent or stable over time. Untuk testing, boundary used is 0.60. That is the criteria of an instrument is said to be reliable if the Alpha value > 0.60 .

Data Analysis Techniques

Classic assumption test

Normality test



According to Sujarweni (2014: 52) the normality test aims to determine the distribution of the data in variables that will be used in research. Data that is good and decent used in the study is data that has a normal distribution.

1) **Statistic test**

Normality of the data can be viewed using the normal test Kolmogorov Smirnov namely:

- a) If $\text{sig} > 0.05$ then normal distribution
- b) If $\text{sig} < 0.05$ then the distribution is not normal

2) **test Graph**

The method is more reliable to look at the histogram graph comparing the plot and probability cumulative distribution of the normal distribution. If residual data distribution is normal, then the line that represents the actual data will follow a diagonal line.

test Multicollinearity

According to Sujarweni (2014: 185) the multicollinearity test is required to determine whether there is an independent variable that has the similarity between the independent variables in the model. If the tolerance values > 0.1 and $\text{VIF} < 10$.

test Heteroskedasticity

According to Sujarweni (2014: 186) the heteroscedasticity test aimed at testing the residual variance difference an observation period to another period of observation. Heteroscedasticity test can be done by using the scatterplot graph and Glejser test is to test the level of significance. Glejser test criteria are:

- a) If $\text{sig} > 0.05$ then there is no heteroscedasticity
- b) If $\text{sig} < 0.05$ then occurs heteroskedasticity

3.2. Research Model

Referring to the objectives and hypotheses of the study, the research model used is the linear regression analysis berganda. Dengan formula:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information:

- Y = Purchase Decision
- X_1 = Quality Products
- X_2 = *Personal Selling*
- a = Price
- $b_{1,2}$ = Regression Coefficients
- e = Standard error

coefficient of Determination

According to Sujarweni (2015: 164), the coefficient of determination (R^2) was used to determine the percentage change in the dependent variable (Y) caused by the independent variable (X). If the coefficient of determination (R^2) greater, then the percentage change in the dependent variable (Y) is caused by the independent variable (X) is increasing. If the coefficient of determination (R^2) is getting smaller, the percentage change in the dependent variable (Y) caused by the independent variable (X) is lower.

Simultaneous Hypothesis Testing (Test-F)

According to Sunyoto (2013: 137), F test is used to determine the effect of the independent variable on the dependent variable together. With its decision-making criteria are:

- 1) $H_0: b_1, b_2 = 0$ (independent variables simultaneously has no effect on the dependent variable.)
- 2) $H_1: b_1, b_2 \neq 0$ (independent variables simultaneously affect the dependent variable.)

In this study Fhitungakan compared with F table at a significance level (α) = 5%. Criteria F-test research hypotheses are:

- H_0 if $F \text{ count} \leq F_{\text{table}}$ to a significant level $\alpha = 5\%$
- H_a accepted if $F \text{ count} > F_{\text{table}}$ for a significant level of $\alpha = 5\%$

Hypothesis Testing In Partial (t-test)

According to Sunyoto (2013: 135-136), t test is used to determine whether there is a relationship or significant impact (significant) between the independent variable on the dependent variable partially with the following provisions:

- a) $H_0: b_1, b_2 = 0$ (independent variables partially no effect on the dependent variable.)
- b) $H_1: b_1, b_2 \neq 0$ (independent variables partially no effect on the dependent variable.)





In this study tcount will be compared with the value ttable,pegambilan decision criteria are:
H0 if $-t_{table} \leq t \leq t_{table}$ (with a significant level $\alpha = 5\%$)
H1 accepted if $t < -t_{table}$ or $t > t_{table}$ (with a significant level $\alpha = 5\%$).

4. Results and Discussion

PT. Kencana Persada Nusantara Terrain is the palm oil companies that produce CPO (Crude Palm Oil) and PK (Palm Kernel). PT. Kencana Persada Nusantara Terrain be a precursor to develop a business that is applied to the palm oil mill as a target in the future. PT. Kencana Persada Nusantara Terrain focus on continuing to develop the system to be superior in palm oil mills in Indonesia. Seeing the many opportunities that exist, PT. Kencana Persada Nusantara Terrain continue to progress and develop and compete with other major companies in the oil palm processing. Based on the strict quality management system in the company, PT. Kencana Persada Nusantara Terrain want to be a company that excels in terms of palm oil processing well-integrated, highly reputable and contribute to improving the welfare of the people which is his vision.

The mission of PT. Kencana Persada Nusantara Terrain are as follows:

- a) Running a business with the best business principles, innovative and highly competitive.
- b) Upholding the values of professionalism and good corporate governance.

Classic Assumption Testing

testing Normality

- a) Statistic test

Normality test statistic can use a non-parametric statistical tests Kolmogorov-Smirnov (KS) test criteria are:

- 1) If the significance value > 0.05 , then the normal distribution of data.
- 2) If the significance value < 0.05 , the data are not normally distributed.

Testing statistical normality using the Kolmogorov-Smirnov.

Normality Test table

One-Sample Kolmogorov-Smirnov Test

		Residual unstandardized
N		76
Normal Parameters, b	mean	.0000000
	Std. deviation	10.12929077
Most Extreme Differences	Absolute positive	.129
	negative	-.069
Kolmogorov-Smirnov Z		1,122
Asymp. Sig. (2-tailed)		.161

a. Test distribution is Normal.

b. Calculated from data.

Source: Data Processing SPSS, 2019

The test results for normality using the Kolmogorov-Smirnov test showed a significant value $0.161 > 0.05$. Thus the Kolmogorov Smirnov test results showed normal distribution of data.

testing Multicollinearity

Multicollinearity can also be seen from the value of tolerance and variance inflation factor (VIF). Multikolinearitas testing results in this study are:

Table Test Multicollinearity Coefficientsa

Model		collinearity Statistics	
		tolerance	VIF
1	Product quality	.910	1,099
	Personalselling	.884	1,132
	Price	.848	1,180





Coefficientsa

Model		collinearity Statistics	
		tolerance	VIF
1	Product quality	.910	1,099
	Personalselling	.884	1,132
	Price	.848	1,180

a. Dependent Variable: Keputusan Pembelian
Source: Data Processing SPSS, 2019

Tolerance value > 0.1 and VIF < 10 on a test multicollinearity does not happen correlation between independent variables.

testing Heteroskidastity

Heteroskedastisitas testing aimed at testing the residual variance difference an observation period to another period of observation. There are several ways to detect the presence or absence of heteroscedasticity:

Table Test Heteroskidastity
Coefficientsa

Model		Coefficients unstandardized		standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	5927	2,407		2463	.016
	Product quality	.053	.067	.097	.793	.430
	Personalselling	.035	.069	.063	.505	.615
	Price	.007	.112	.008	.061	.951

a. Dependent Variable: ABSUT
Source: Data Processing SPSS, 2019

The significant value of the independent variable quality of the product is 0.430 > 0.05, the independent variable of personal selling is 0.615 > 0.951 0.05 hargaialah free dan variabel > 0,05. Dengan Gletjer thus of the test results can be said to not be a problem heteroscedasticity.

Results of Data Analysis Research

Research Model

The regression model used is as follows:

Results of Testing Multiple Linear Regression Analysis
Coefficientsa

Model		Coefficients unstandardized		standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	.543	4,253		.128	.899
	Product quality	.271	.118	.229	2,297	.025
	Personalselling	.440	.122	.366	3,613	.001
	Price	.427	.199	.222	2,148	.035

a. Dependent Variable: Keputusan Pembelian
Source: Data Processing SPSS, 2019

$$\text{Purchasing Decisions} = 0.543 + 0.271 \text{ Product Quality} + 0.440 \text{ Personal Selling} + 0.427 \text{ Price} + e$$

Explanation of the above linear regression is:

- The constant of 0.543 states that free jikavariabel quality products, personal selling and the price does not exist or is constant then the dependent variable purchase decisions on amounted to 0.543 units.
- The regression coefficient independent variable of 0.271 and the product quality is positive, it is stated that if any increase in the independent variable quality of the products one unit will increase the dependent variable of 0.271 unit purchasing decisions assuming other variables remain.





- c. The regression coefficient independent variable personal selling amounted to 0.440 and is positive, it is stated that if each independent variable increase in personal selling one unit will increase the dependent variable of 0.440 unit purchasing decisions assuming other variables remain.
- d. The regression coefficient independent variable price of 0,427 and is positive, it is stated that if any increase in the price of one unit of independent variables will improve employee performance dependent variable of 0,427 units assuming other variables remain.

Hypothesis Testing Coefficient of Determination

Adjusted R Square R² merupakan denoted by the coefficient of determination corrected that adjusts R² dengan by dividing each sum of square with each degree freely.

Hypothesis Testing Table Coefficient of Determination (Adjusted R Square)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.591 ^a	.349	.322	10.33816

a. Predictors: (Constant), Price, Kualitasproduk, Personalselling

b. Dependent Variable: KeputusanPembelian

Source: Data Processing SPSS, 2019

Test results obtained by the value of Adjusted determination coefficient of 0.322 Rsquare this means that 32.2% of the variation of the dependent variable is the purchase decision can be explained by variations in the independent variable is free kualita products, personal selling and hargasedangkan the remaining 67.8% is explained by other variables not examined in this study, such as product differentiation, product innovation, product attributes and so on.

Simultaneous Hypothesis Testing

Statistical testing F basically indicates whether all the independent variables included in the model have a simultaneous effect on the dependent variable.

Simultaneous Hypothesis Testing Table

ANOVA^b

Model	Sum of Squares	df	mean Square	F	Sig.
1 Regression	4121.442	3	1373.814	12.854	.000 ^a
residual	7695.190	72	106.878		
Total	11816.632	75			

a. Predictors: (Constant), Price, Kualitasproduk, Personalselling

b. Dependent Variable: KeputusanPembelian

Source: Data Processing SPSS, 2019

The test results obtained F count (2.73) > F table (2.76) and the probability of significance of 0.000 < 0.05, meaning that simultaneous Quality Products, Personal Selling and Pricing positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan.

Hypothesis Testing Partial

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

Partial Table Hypothesis Testing

Coefficients^a

Model		Coefficients unstandardized		standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	.543	4,253		.128	.899
	Product quality	.271	.118	.229	2,297	.025
	Personalselling	.440	.122	.366	3,613	.001
	Price	.427	.199	.222	2,148	.035

a. Dependent Variable: KeputusanPembelian

Source: Data Processing SPSS, 2019





In this study obtained degrees of freedom ($df = 76 - 4 = 72$) is equal to 1.993. Thus the results of partial hypothesis testing can be described as follows: hacyl partial hypothesis testing calculation obtained by value $t_{count} > t_{table}$ or $2.297 > 1.993$ and significance probability $0.025 < 0.05$ which means that partial Product Quality positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan. The result of the calculation of partial hypothesis test obtained by value $t_{count} > t_{table}$ or $3.613 > 1.993$ and significance probability $0.001 < 0.05$ which means that the partial Personal Selling positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan. The result of the calculation of partial hypothesis test obtained by value $t_{count} > t_{table}$ or $2.148 > 1.993$ and significance probability $0.035 < 0.05$ which means that the partial price positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan.

5. Conclusion

The conclusion of this study are as follows:

- a) Product Quality partially positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Terrain,
- b) Partially Personal Selling positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan.
- c) Partially Prices positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan.
- d) Simultaneously Quality Products, Personal Selling and Pricing positive and significant impact on CPO Purchase Decision on PT. Kencana Persada Nusantara Medan.

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