



## The Influence of Service Quality, Brand Image And Distribution To The Decision To Purchase Palmanco Cooking Oil At PT. Palmanco Inti Sawit Medan

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### ARTICLE INFO

### ABSTRACT

#### Article history:

Received: 10-7-2020

Revised: 29 -7- 2020

Accepted: 01-8-2020

#### Keywords:

Service Quality;

Brand Image;

Distribution;

Purchase Decision.

This research was conducted at PT Palmanco Inti Sawit Medan. The purpose of this study is to examine and analyze the influence of Service Quality, Brand Image and Distribution on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan. There is a decrease in purchasing decisions caused by Service Quality, Brand Image and Distribution. This research approach is based on a quantitative approach. The population in this study amounted to 167 customers and the number of samples in the study were 118 customers. The sampling technique used was random sampling. The test uses a linear regression analysis. The conclusion in this study is that Service Quality, Brand Image and Distribution have a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan

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## 1. Introduction

PT Palmanco Inti Sawit Medan is a company engaged in the production of edible oil. As for PT Palmanco Inti Sawit Medan has various brands of edible oil in the form of Palmanco, Hidayah and IRT. In this study only discuss and examine palmanco brand edible oil. Palmanco brand edible oil experienced sales that could not increase. This marks low customer purchasing decisions. This sales that cannot increase causes the company to have difficulty in achieving sales targets. The lowest target realization occurred in October 2019 at 66% due to price increases and changes in repayment time.

The quality of service at this company for Palmanco edible oil customers is still not optimal and good, resulting in many customers to complain to the company. The most complaints occurred in April 2019 with 17 complaints. The quality of service that is often considered by customers is still not good, in the form of a level of responsiveness in the return transaction process and complaints that are not handled so quickly that customer feelings of disappointment arise in the company's marketing. This has resulted in many customers who have not yet increased the number of palmanco products to the company.

Image the palmanco brand is still not attractive to customers because the new palmanco brand was launched compared to competitors such as Bimoli, Sunco which were previously outstanding and known to customers plus innovative promotions. While the quality of service is considered by the customer to be still not good, namely the responsiveness in the return process and complaints that are not handled so quickly that customer disappointment arises with the company's marketing. This has resulted in many customers who have not increased their purchases of Palmanco products from the company. With a brand image that is not yet good, it makes it difficult for the company to find new customers. In 2019, there were only 19 new subscribers. The advertising strategy that has been launched is still lacking so that many customers are not aware of this brand so that it is difficult to make sales.

The distribution of palmanco products has not been effective as evidenced by the many complaints related to delivery that is not on time. Distribution problems resulted in customer complaints to the company. The most complaints occurred in March 2019 with 14 complaints. The number of transportation is still small, so it requires a long distribution time. Some complaints from customers are regarding inaccuracies in time, errors in delivery of goods and damaged products.

## 2. Research methods

This research approach is based on a quantitative approach. In this study, researchers used quantitative



descriptive research methods. The research characteristic used is descriptive explanatory. The population in this study amounted to 167 customers. The number of samples in this study were 118 customers and to test the validity and reliability of 30 customers outside of the research sample

**2.1. Data collection technique**

In this study, there are three data collection techniques used, namely:

1. Questionnaires were distributed to Palminco oil research customers.
2. Interviews were conducted with several customers of Palminco edible oil.
3. The documentation study used is the report on target and realization of sales boxes, complaint reports, number of customers and company profiles and so on.

**2.2. Types and Sources of Data**

Sources of data in this study are:

- a) Primary data were obtained through interviews and research questionnaires distributed to customers of Palminco edible oil
- b) Secondary data, for example, books and journals related to this research.

**2.3. Identification and Operational Definition of Research Variables**

**Table 1.**  
Operational Definition and Variable Measurement

Variable	Definition	Indicator	Measurement Scale
Service quality (X1)	Comparison of the results of the consumer's view between expectations and reality. Source: Adam (2016: 13)	1. Reliability 2. Responsiveness 3. Guarantee (Assurance) 4. Empathy, including the ease in establishing relationships, 5. Physical evidence (tangibles) Source: Tjiptono (2015: 75)	Likert scale
Brand Image (X2)	Is considered the kind of association that comes to the mind of consumers when they remember a particular brand. " Source: Sangadji and Sopiah (2016: 327)	1. Idea 2. Confidence 3. Values of interest 4. Features that make it unique Source: Hasan (2013: 20)	Likert scale
Distribution (X3)	Interrelated institutions to make products or services ready for use or consumption. Source: Alma (2015: 49)	1. Distribution costs 2. Market coverage (market penetration) 3. Customer service (customer service) 4. Communication with the market and control of the distribution channel network. 5. Sometimes a secondary factor Source: Tjiptono (2015: 372-373)	Likert scale
Buying decision (Y)	The decision to consume is also based on the experience gained when making a previous purchase so it can be said that the company's marketing mix performance affects customer value. " Source: Hurriyanti (2015: 72)	1. Complex buying behavior 2. Purchasing behavior reduces mismatches 3. Buying behavior out of habit 4. The buying behavior looks for variety Source: Malau (2016: 233)	Likert scale

**3. Results of Research Data Analysis**

The formula for the multiple linear regression equation is as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

The regression model used is as follows:

**Table 2.**  
Results of Multiple Linear Regression Analysis  
**Coefficientsa**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.625	2,394		.261	.794
	SERVICE QUALITY	.112	.056	.140	2008	.047
	CITRAMEREK	.614	.080	.572	7,697	.000
	DISTRIBUTION	.146	.068	.159	2,147	.034

a. Dependent Variable: Purchasing decision  
Source: Research Results, 2019 (Data processed)

$$Y = 0.625 + 0.112 \text{ Service Quality} + 0.614 \text{ Brand Image} + 0.146 \text{ Distribution}$$

The explanation of the multiple linear regression above is:



- a) A constant of 0.625 states that if the independent variables are service quality, brand image and distribution are not there or constant, the dependent variable is the purchase decision on equal to 0.625 units.
- b) The regression coefficient for the independent variable service quality is 0.112 and has a positive value, this means that every increase in the independent variable of service quality 1 unit will increase the dependent variable of the purchase decision by 0.112 units with the assumption that the other variables are constant.
- c) The regression coefficient of the brand image independent variable is 0.614 and is positive, this means that every increase in the independent variable of 1 unit brand image will cause an increase in the dependent variable in purchasing decisions. on equal to 0.614 units with the assumption that other variables are constant.
- d) The regression coefficient for the independent variable distribution is 0.146 and is positive, this means that every increase in the independent variable in the distribution of 1 unit will cause an increase in the dependent variable in purchasing decisions. on equal to 0.146 units with the assumption that other variables are constant.

### 3.1. Hypothesis Determination Coefficient

*Adjusted R Square* R<sup>2</sup> denoted by R<sup>2</sup> is the value of the corrected coefficient of determination adjusting R<sup>2</sup> by dividing each sum of square by its respective degrees of freedom.

**Table 2.**  
Determination Coefficient Test  
**Model Summary b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713a	.509	.496	5,332

a. Predictors: (Constant), DISTRIBUTION, QUALITY OF SERVICE, CITRAMEREK

b. Dependent Variable: PURCHASE DECISION

Source: Research Results, 2020 (Data processed)

The coefficient of determination test results obtained an Adjusted R Square value of 0.496, this means that 49.6% of the variation in the dependent variable, namely purchasing decisions, can be explained by variations in the independent variables of service quality, brand image and distribution. while the remaining 50.4% (100% - 49.6%) is explained by other variables not examined in this study, such as innovation, customer motivation, marketing strategies and so on.

### 3.2. 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 3.**  
Simultaneous Test (Test F)  
**ANOVAa**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3359,198	3	1119,733	39,381	.000b
	Residual	3241,421	114	28,434		
	Total	6600,619	117			

a. Dependent Variable: PURCHASE DECISION

b. Predictors: (Constant), DISTRIBUTION, QUALITY OF SERVICE, CITRAMEREK

Source: Research Results, 2020 (Data processed)

Der degrees of freedom 1 (df1) = k - 1 = 4-1 = 3, and degrees of freedom 2 (df2) = nk = 118-4-1 = 114, where n = number of samples, k = number of variables, then the value of F table at the level of confidence the significance of 0.05 is 2.68. The test results obtained the calculated F value (39.381 > F table (2.68) and a significance probability of 0.000 < 0.05, meaning that simultaneously Service Quality, Brand Image and Distribution have a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti. Palm oil Medan.

### 3.3. 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 4.**  
Partial Test (t test)  
**Coefficientsa**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.625	2,394		.261	.794
	SERVICE QUALITY	.112	.056	.140	2,008	.047
	CITRAMEREK	.614	.080	.572	7,697	.000
	DISTRIBUTION	.146	.068	.159	2,147	.034

a. Dependent Variable: Purchasing decision  
Source: Research Results, 2020 (Data processed)

The t-table value for the 0.05 probability at degrees of freedom (df) = 118-4 = 114 is 1.981. Thus the results of partial hypothesis testing can be explained as follows:

- a) The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.008 > 1.981$  and the significance obtained was  $0.047 < 0.05$ , means that partially Service Quality has a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan.
- b) The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $7.697 > 1.981$  and the significant obtained was  $0.000 < 0.05$ , means that partially the Brand Image has a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan.
- c) The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.147 > 1.981$  and the significance obtained was  $0.034 < 0.05$ , means that partially the distribution has a positive and significant effect on the decision to purchase Palmanco cooking oil at PT Palmanco Inti Sawit Medan.

**3.4. Research Discussion**

**a. Effect of Service Quality on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan**

The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.008 > 1.981$  and the significance obtained was  $0.047 < 0.05$ , means that partially Service Quality has a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan. According to Sunyoto (2013: 57), if the product identity is clear and the product quality is good, and consumers are always looking for and buying repeatedly, it means that the company has succeeded in creating customers. For this reason, the company must maintain these customers with a constant marketing strategy in order to remain loyal customers of its products. The quality of service at this company for Palmanco edible oil customers is still not optimal and good, resulting in many customers to complain to the company. The most complaints occurred in April 2019 with 17 complaints. The quality of service that is often considered by customers is still not good, in the form of a level of responsiveness in the return transaction process and complaints that are not handled so quickly that customer feelings of disappointment arise in the company's marketing. This has resulted in many customers who have not yet increased the number of palmanco products to the company.

**b. The Influence of Brand Image on the Decision to Purchase Palmanco Cooking Oil at PT Palmanco Inti Sawit Medan**

The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $7.697 > 1.981$  and the significant obtained was  $0.000 < 0.05$ , means that partially the Brand Image has a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan. The results of this study are the same as the results of research by Dharma (2015) that brand image affects purchasing decisions. The research results are in line with the theory of mAccording to Sunyoto (2014: 104), if consumers hear of a product with a well-known and well-established brand name, there is no need to doubt it, consumers just have to choose a product with what specifications to buy, whether the physical size is large or small, color, price, shape, packaging, product facilities, and other competing products are also considered by consumers in deciding product purchases. Image the palmanco brand is still not attractive to customers because the new palmanco brand was launched compared to competitors such as Bimoli, Sunco which were previously outstanding and known to customers plus innovative promotions. WhileThe quality of service is considered by the customer to be still not good, namely the responsiveness in the return process and complaints that are not handled so quickly that customer disappointment arises with the company's marketing. This has resulted in many customers who have not increased their purchases of Palmanco products from the company. With a brand image that is not yet good, it makes it difficult for the company to find new customers. In 2019, there were only 19 new subscribers. The advertising strategy that has been launched is still lacking so that many customers are not aware of this brand so that it is difficult to make sales.



### **c. The Effect of Distribution on the Decision to Purchase Palmanco Cooking Oil at PT Palmanco Inti Sawit Medan**

The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.147 > 1.981$  and the significance obtained was  $0.034 < 0.05$ , means that partially the distribution has a positive and significant effect on the decision to purchase Palmanco cooking oil at PT Palmanco Inti Sawit Medan. According to Nitisusastro (2016: 170), the more companies use distribution channel companies, basically the easier it is for consumers to make purchases. The distribution of palmanco products has not been effective as evidenced by the many complaints related to delivery that is not on time. Distribution problems resulted in customer complaints to the company. Most complaints occurred in March 2019 with 14 complaints. The number of transportation is still small, so it requires a long distribution time. Some complaints from customers are regarding inaccuracies in time, errors in delivery of goods and damaged products.

## **4. Conclusion**

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

- a. The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.008 > 1.981$  and the significance obtained was  $0.047 < 0.05$ , means that partially Service Quality has a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan.
- b. The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $7.697 > 1.981$  and the significant obtained was  $0.000 < 0.05$ , means that partially the Brand Image has a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti Sawit Medan.
- c. The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.147 > 1.981$  and the significance obtained was  $0.034 < 0.05$ , means that partially the distribution has a positive and significant effect on the decision to purchase Palmanco cooking oil at PT Palmanco Inti Sawit Medan.
- d. The test results obtained the calculated F value ( $39.381 > F_{table}$  (2.68) and a significance probability of  $0.000 < 0.05$ , meaning that simultaneously Service Quality, Brand Image and Distribution have a positive and significant effect on Palmanco Cooking Oil Purchase Decisions at PT Palmanco Inti. Palm oil Medan.

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