



The Influence of Product Quality, Price, and Personal Selling on Purchasing Decisions of Loyal Brands at PT Kawi Agung Kencana

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ABSTRACT

The purpose of this study is to examine the effect of Product Quality, Price and Personal Selling on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana. Decreasing Purchasing Decisions due to Product Quality, Price and Personal Selling. Researchers took a population of 176 customers in this study in 2019. The samples in this study were 122 customers and 30 customers for validity and reliability testing. The sampling technique used was simple random sampling. In this study, data collection related to the problems examined by researchers was carried out by means of questionnaires, interviews and documentation studies. Product Quality has a positive and significant effect on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana. Price, has a positive and significant effect on the Decision to Purchase Loyal Brand Stop Contacts at PT Kawi Agung Kencana. Personal Selling has a positive and significant effect on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana. Product Quality, Price, and Personal Selling have a positive and significant effect on the Purchase Decision for Loyal Brand Contact Stop at PT Kawi Agung Kencana.

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1. Introduction

Competition is getting tighter, causing each company to place an orientation on customer satisfaction as the main goal. Nowadays it is increasingly believed that the main key to winning the competition is to provide value and customer satisfaction to customers through quality products and services at competitive prices and promotions.

PT Kawi Agung Kencana is a company engaged in the sale of electrical equipment, located on Jalan Radak No, 11 Medan. In this company there has been a decrease in purchasing decisions for loyal brand sockets. The highest realization occurred in January amounting to Rp.1,452,510,000 or 96.83% because this month there is a sales package promotion by obtaining a substantial discount by fulfilling the specified purchase requirements. Meanwhile, the lowest realization occurred in March amounting to Rp 965,410,000 or 64.36% due to changes in payment which required the company name and VAT to be listed, which caused a decrease in sales at this company, changes in payment terms from three weeks to two weeks, often several products. not available in large quantities,

The phenomenon of customer complaints affects the level of socket purchasing decisions. The highest level of complaints occurred in July 2019 with five complaints in the form of socket products that customers ordered did not match the expected quality such as broken products, mismatched sizes, faded product colors, product codes that did not match what was ordered, and cracks occurred in product.

The price phenomenon is in the form of many complaints from customers that the price set is ineffective because the price set is quite high which is still not in accordance with the quality of the product offered to customers. The price comparison between Loyal sockets and Broco brand sockets is Rp. 50, - while the price comparison between Loyal sockets and Uticon sockets is Rp. 1,750. So as to make customers choose similar products with a balanced product quality and have a relatively cheaper price.

The phenomenon of personal selling can be seen from the achievement of many sales staff targets that are not achieved. In January, there were eight sales that achieved the target and in October 2019 the target achievement decreased drastically, only two sales achieved the target, including the number of customer



complaints regarding the marketing staff's inaction towards customer complaints, and the service provided was still not optimal and satisfied customers..

2. Literature review

2.1. Product Quality Theory on Purchasing Decisions

According to Nitisusastro (2015: 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 buying decisions wrong.

2.2. Effect of Price on Purchasing Decisions

According to Limakrisna and Susilo (2012: 61), price is a very important tool which influences purchasing decisions in the public sector.

2.3. The Theory of the Influence of Personal Selling on Purchasing Decisions

According to Assauri (2014: 278), with personal selling there is a direct influence that arises in face-to-face meetings between sellers and buyers, where there is communication of facts needed to influence purchasing decisions or using psychological factors in order to persuade and give courage in making decision.

2.4. conceptual framework

With a conceptual framework that can be described as follows:

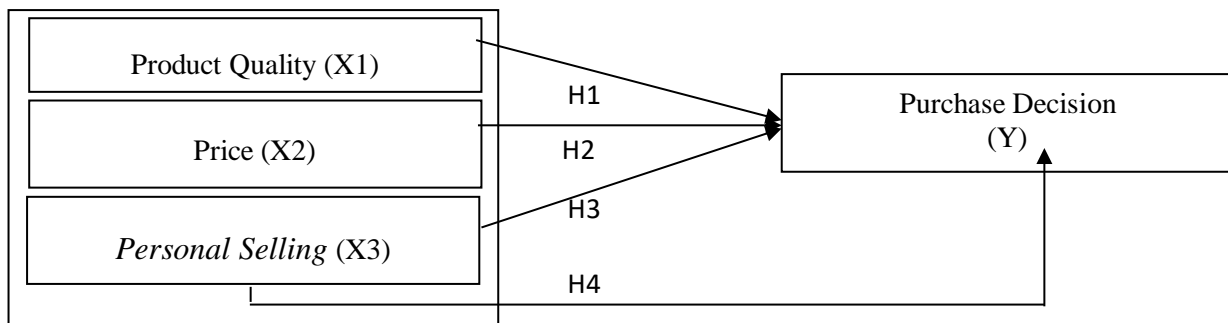


Figure 1. conceptual framework

2.5. Research Hypothesis

The hypothesis in this study is as follows:

- H1: Product quality affects the decision to purchase Loyal Brand Stop Contacts at PT Kawi Agung Kencana
- H2: Price affects the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana
- H3: *Personal Selling* influences the decision to purchase Loyal Brand Contact Stop at PT Kawi Agung Kencana
- H4: Product Quality, Price, and Personal Selling affect the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana.

3. Research methodology

Researchers took a population of 176 customers in this study in 2019. The samples in this study were 122 customers and 30 customers for validity and reliability testing. The sampling technique used was simple random sampling. In this study, data collection related to the problems researched by researchers was carried out by means of kuesioner, interview and documentation study.

3.1. Test the Validity and Reliability of Variable Instruments

A. Validity Test

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

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

- a. If $r_{count} > r_{table}$, then the question is declared valid
- b. If $r_{hitung} < r_{tabel}$, then the question is declared invalid

B. Reliability Test

According to Ghozali (2016: 47), reliability is a tool for measuring a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if a person's answer to a statement



is consistent or stable over time. UFor testing, the limit used is 0.60. This means that the criteria for an instrument are said to be reliable if the Alpha value is > 0.60.

4. Results and Discussion

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

Table 1.
Results of Multiple Linear Regression Analysis
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,853	2,458		1,161	.248
	Product quality	.313	.101	.253	3,096	.002
	Price	.243	.073	.271	3,328	.001
	PersonalSelling	.296	.094	.255	3,134	.002

a. Dependent Variable: Purchasing Decision

Source: Research Results, 2020 (Data processed)

$$Y = 2.853 + 0.313 X_1 + 0.243 X_2 + 0.296 X_3 + e$$

The explanation of the multiple linear regression above is:

- A constant of 2.853 states that if there is no or constant then the variables of product quality, price and personal selling are bound to purchasing decisions on amounting to 2.853 units.
- The regression coefficient of the product quality variable is 0.243 and is positive, this means that if each increase in the product quality variable 1 unit will increase the dependent variable of the purchase decision equal to 0.243 units with the assumption that other variables are constant.
- The price variable regression coefficient is 0.243 and is positive, this means that if each increase in the price variable is 1 unit, it will increase the dependent variable of the purchase decision by 0.243 units, assuming the other variables are constant.
- The regression coefficient for personal selling variable is 0.296 and has a positive value, this means that if each increase in the personal selling variable 1 unit will increase the dependent variable of the purchase decision by 0.296 units with the assumption that the other variables are constant.

4.1. Hypothesis Determination Coefficient

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

Table 2.
Determination Coefficient Test
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.565a	.319	.302	8.26229

a. Predictors: (Constant), PersonalSelling, Price, Product Quality

b. Dependent Variable: Purchasing Decision

Source: Research Results, 2020 (Data processed)

Table 2. The test results of the coefficient of determination obtained an Adjusted R Square value of 0.302, this means 30.2% of the variation in purchasing decision variables which can be explained by variations in product quality, price and personal selling variables while the remaining 69.8% (100% - 30.2%) explained by other variables not examined in this study, such as services, marketing strategies, brand awareness and so on.

4.2. 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)

ANOVA_b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3780,707	3	1260,236	18,461	.000a
	Residual	8055,325	118	68,265		
	Total	11836,033	121			

a. Predictors: (Constant), PersonalSelling, Price, Product Quality

b. Dependent Variable: Purchasing Decision

Source: Research Results, 2020 (Data processed)

Table 3. Degree of freedom 1 ($df_1 = k - 1 = 4 - 1 = 3$), and degrees of freedom 2 ($df_2 = nk = 122 - 4 = 118$), where n = number of samples, k = number of variables, then the value of F table at the level of confidence significance 0.05 is 2.68. The test results obtained by the value of F count ($18.461 > F$ table (2.68)) and a significance probability of $0.000 < 0.05$, meaning that H_a is accepted and H_o is rejected, i.e. simultaneously Product Quality, Price, and Personal Selling have a positive and significant effect on the decision. Purchasing Loyal Brand Stop Contacts at PT Kawi Agung Kencana.

4.3. 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)
Coefficients_a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,853	2,458		1,161	.248
	Product quality	.313	.101	.253	3,096	.002
	Price	.243	.073	.271	3,328	.001
	PersonalSelling	.296	.094	.255	3,134	.002

a. Dependent Variable: Purchasing Decision

Source: Research Results, 2020 (Data processed)

The t-table value for the 0.05 probability at degrees of freedom ($df = 122 - 4 = 118$) is 1.980. 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 $3.096 > 1.980$ and a significant value obtained was $0.002 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Product Quality has a positive and significant effect on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana.
- b. The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.328 > 1.980$ and significant obtained $0.001 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Price, has a positive and significant effect on the Purchase Decision for Loyal Brand Stop Contacts at PT Kawi Agung Kencana.
- c. The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.134 > 1.980$ and the significant obtained was $0.002 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Personal Selling has a positive and significant effect on the Purchase Decision for Loyal Brand Contact Stop at PT Kawi Agung Kencana.

4.4. Discussion

A. Effect of Product Quality on Purchasing Decisions

The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.096 > 1.980$ and a significant value obtained was $0.002 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Product Quality has a positive and significant effect on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana. These results are in line with research conducted by Setiawan (2015) and Nitisusastro (2015: 159) consumers need to know about the characteristics of a product if consumers don't know information about the characteristics of a product, they can make a buying decision. Complaints to the company are due to the product that the customer ordered does not match the expected quality, such as broken products, mismatched sizes, faded product colors, product codes that do not match what was ordered, and cracks occur in the product. The highest level of complaints occurred in July with five complaints, but in May and June there were no complaints from customers due to the purchase of new stocks of Loyal products which caused the goods to be in new condition.

B. Effect of Price on Purchasing Decisions



The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.328 > 1.980$ and significant obtained $0.001 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Price, has a positive and significant effect on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana. These results are in line with research conducted by Dewi (2017) and Limakrisna and Susilo (2012: 61), the price is a very important tool as a factor that influences purchasing decisions in the public sector. The purchase decision is also influenced by the Loyal socket price. The following is the price data for Loyal with Competitors. Loyal socket prices are higher than the prices of competitors' products. The price comparison between Loyal sockets and Broco brand sockets is Rp.50, - while the price comparison between Loyal sockets and Uticon sockets is Rp.1,750.

C. The Influence of Personal Selling on Purchasing Decisions

The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.134 > 1.980$ and the significant obtained was $0.002 < 0.05$, means that H_a is accepted and H_o is rejected, namely partially Personal Selling has a positive and significant effect on the Purchase Decision for Loyal Brand Contact Stop at PT Kawi Agung Kencana. These results are in line with research conducted by These results are in line with research conducted by Dewi (2017) and Assauri (2014: 278), With personal selling there is a direct influence that arises in face-to-face meetings between sellers and buyers, where there is communication. facts needed to influence purchasing decisions or use psychological factors in order to persuade and give courage to decision making. The number of sales is ten people in the Medan area, six people and four people in areas outside Medan.

5. Conclusion

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

- a. Product Quality has a positive and significant effect on the Purchase Decision of Loyal Brand Contact Stop at PT Kawi Agung Kencana.
- b. Price, has a positive and significant effect on the Decision to Purchase Loyal Brand Contact Stop at PT Kawi Agung Kencana.
- c. *Personal Selling* has a positive and significant effect on the Decision to Purchase Loyal Brand Contact Stop at PT Kawi Agung Kencana.
- d. Product Quality, Price, and Personal Selling have a positive and significant effect on the Purchase Decision for Loyal Brand Contact Stop at PT Kawi Agung Kencana.

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