Product Quality towards Product Purchase Decisions

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Abstract

The purpose of this study was to prove the effect of product quality on product purchase decisions at PT Bank Mestika Dharma, Tbk Capem Sumatra Medan. The subject of this research is the customer of PT Bank Mestika Dharma, Tbk Capem Sumatra Medan. The population in this study was 238 customers and the sample was 70 people from the population with the sample calculation using the slovin formula. The data collection technique used a questionnaire in which the research method used was a quantitative method. Based on the t-test, it was found that the value of 0.075 means that the better the product quality, the greater the level of purchasing decisions. With a significance value of 0.041, it means that this variable has a significant effect on purchasing decisions, where the significance value is <0.05. Based on the results of the regression calculation, it can be seen that the coefficient of determination ($R2$) obtained is 0.256. This means that 25.6% of the variation in the Purchasing Decision variable can be explained by the Product Quality variable, while the remaining 74.4% is explained by other variables not proposed in this study.

Keywords
Product Quality, Purchase Decision

1. Introduction
Consumers today are very critical in choosing a product, until the decision to buy the product. As we all know that today's product offerings are very diverse and numerous. no exception for products that are currently experiencing very rapid development. This increasing number of choices makes many

consumers able to determine their choice of a product, of course it must be able to attract and make these consumers buy and be loyal to the product. Product quality is a potential strategic weapon to beat competitors. So only companies with the best product quality will grow rapidly, and in the long term these companies will be more successful than other companies. A company in issuing products should be tailored to the needs and desires of consumers. With good product quality, the desires and needs of consumers for a product will be fulfilled. If the quality of a product is maintained and is classified as good, customers will make purchasing decisions without any consideration, because they can be sure that they will feel that the product can meet their needs. Purchasing decision is an action or consumer behavior whether or not to make a purchase or transaction, whether or not the number of consumers in making decisions is one of the determinants of whether or not the company's goals are achieved (Kotler and Armstrong).Product quality is a dynamic condition related to products, services, people, processes, and the environment that meet or exceed expectations(Tjiptono).

After purchasing the product, the customer will experience some level of satisfaction or dissatisfaction. Customers will also carry out various activities after purchasing products that will be of interest to the bank. The bank's task has not been completed after the product is purchased by the customer, because customer satisfaction or dissatisfaction will affect the customer's behavior in making the next decision, therefore the bank must be sensitive to what its customers want with the aim of maintaining the stability of the customer's decision to save in the bank. PT Bank Mestika Dharma, Tbk is a national private company engaged in financial services. The author has conducted pre-research interviews with the leadership of PT. Bank Mestika Dharma, TbkCapem Sumatra, it turns out that there are still many cancellations of customer saving decisions, such as savings that use a time saving system, almost the same as savings in the form of deposits that affect customers' saving decisions, as well as the transfer of products from savings products to other products that are more profitable for the company. and customers, but some customers do not agree so that it affects the customer's saving decisions. This of course should be a serious concern for the company.

1.1 Objectives

The purpose of this study was to prove the effect of product quality on product purchase decisions at PT Bank Mestika Dharma, Tbk Capem Sumatra Medan

2. Literature Review

Product quality

Product quality is the ability of a product to carry out its functions, including reliability, durability, accuracy, ease of operation and product repair, as well as other valuable attributes (Kotler and G. Armstrong, 2018: 137). Product quality is one of the main positioning tools for marketers in the company, quality has a direct impact on product or service performance, therefore quality is closely related to customer value and satisfaction (Kotler and Armstrong, 2018:272)

According to Tjiptono and Gregorius, (2017: 75) Product quality has 8 main factors that are commonly used as the basis for making purchasing decisions, namely:

1. Performance, which relates to the basic operating characteristics of a product.
2. Features, namely product characteristics designed to enhance product functions or increase consumer interest in the product.
3. Reliability, namely the probability of failure or damage to the product within a certain period of time. The less chance of damage, the more reliable the product is.
4. Conformance, namely the level of conformity of the product with the standards that have been set. The extent to which the basic operating characteristics of a product meet certain specifications from consumers or no defects are found in the product.
5. Durability, namely how long or the age of the product in question lasts before the product must be replaced. The greater the frequency of consumer use, the greater the durability of the product.
6. Serviceability, namely speed and ease of repair and service.
7. Aesthetics, which involves the appearance of products that can be judged by the five senses (taste, aroma, sound, and so on).
8. Perceived quality, which is the result of using indirect measurements because there is a possibility that consumers do not understand or lack information about the product in question. So the consumer's perception of the product is obtained from the price, brand, advertising, reputation, and country of origin.

Purchase decision

Purchase decisions arise because of objective research or because of emotional impulses. The decision to act is the result of a series of activities and mental emotional stimulation. The process of analyzing, feeling and deciding, is basically the same as that of an individual in solving his problems. Purchasing decision making can be classified into two groups, namely final consumers (individuals) or organizational consumers (industrial consumers, consumers between business consumers) (Tjiptono, 2017:19). The buying process takes place long before the actual purchase and continues long after. For this reason, marketing needs to focus on the entire decision-making process, not just the buying process. The indicators for purchasing decisions according to (Kotler and Keller). Purchasing decisions are processes in purchasing, which include:

1. The process in product selection, namely the selection of products that are carried out in accordance with what consumers need when buying.
2. The selection of what products to buy is which product brand will be chosen by consumers,
3. Selection of purchasing channels, here the buying channel is the place that consumers choose to buy, whether through agents or distributors. Recognition of needs Finding alternative evaluation of information Purchasing decisions Post-purchase behavior
4. Determining the time of purchase, namely choosing the right time for consumers to make purchases, usually the time is determined if consumers have free time or are not active.
5. The number of purchases is how many consumers buy products according to their needs.

3. Methods

This research uses quantitative research methods. Quantitative research methods are research methods based on the philosophy of positivism, used to examine certain populations or samples, sampling

techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the aim of testing predetermined hypotheses. (Veronica et al.).

Analysis of Research Measuring Tools

The analysis of the measuring instruments used in this study are as follows:

Simple linear regression to find out how much influence the independent variable has on the dependent variable. Regression is used to measure the influence of the independent variable on the dependent variable and predict the dependent variable using the independent variable (Ciamas et al.). Simple linear regression is used to determine the effect of Brand Awareness on Purchase Decisions

The hypothesis test used is a partial hypothesis test (t test). Hypothesis testing is used to determine the correct hypothesis between the two hypotheses made, namely Ho and Ha. In order to test the hypothesis, the authors use the t-test which is processed by finding the t-value and then the results are compared with the t-table (Situmorang et al.). The decision-making rule in the t-test using SPSS 25 with a set significance level of 5%. The criteria are determined by comparing the value of t arithmetic with t table using the critical price table t table with a predetermined significance level of 0.1 ($\alpha = 0.1$). The decision making criteria are as follows: If t count > t table, then there is an effect or the hypothesis is accepted. If t count < t table, then there is no effect or the hypothesis is rejected.

The coefficient of determination ($R2$) essentially measures how far the model's ability to explain variations in the dependent variable is. The determination test aims to determine the extent to which the variable X (quality of service and price) can affect the variable Y (customer satisfaction) (Lonardi et al.). As for how to calculate the coefficient of determination, namely:

$$KD = R^2 \times 100\%$$

Where:

KD = Coefficient of Determination

R^2 = Correlation Coefficient

4. Data Collection

In this study using a data collection technique in the form of a questionnaire, which is an attempt to collect information by submitting a number of written questions to be answered (Elvina et al.). In this study the respondents are customers of PT. Bank Mestika Dharma, Tbk Capem Sumatra Medan.

Population and Sample The population in this study are customers who save at Bank PT. Bank Mestika Dharma, TbkCapem Sumatra Medan as many as 238 customers. This research uses incidental sampling method. Incidental sampling is a sampling technique based on chance, that is, anyone who coincidentally/incidentally meets a researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source (Elvina et al.). The number of samples determined in this study was calculated using the slovin formula (Febriyana et al.). The following is the formula for determining the sample

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

Information :

 n = Sample size

N = Population size

e = Percent slack

By using the value of e of 10%,the number of samples is obtained as follows:

n = $\frac{238}{1 + 238.(0,1)^2}$ = 70,41 then rounded to 70 respondents.

5. Results and Discussion

5.1 Numerical Results

Based on the results of data processing through data processing software, the following results are obtained:

Table 1 Simple Linear Regression Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25,144	5,198		4,837	0,000
Product Quality	0,075	0,125	0,076	0,599	0,041

a. Dependent Variable: Purchase Decision

Source: Processed Data (2022)

Based on the table above, it can be seen that the regression equation formed is:

Y=a+bX

Y=25,144+0,075x

From these equations, it can be explained that the Brand Awerness variable has a positive direction of the coefficient on the Purchase Decision:

1. The constant of 13,271 states that if there is no X then the product quality is 0,592.
2. The Product Quality Coefficient gives a value of 0.592 which means that if the product quality is getting better, then consumer satisfaction will increase.

The formulation of the hypothesis used is:

Ha: Product Quality Affects Purchase Decisions

Based on the value of Unstandardized coefficients B for the Product Quality variable, it affects the Purchase Decision of 0.075. This result has a positive value, meaning that the better the product quality, the greater the level of purchasing decisions. The significance of the influence of the independent variable on the dependent variable can be seen from the value of Sig in the last column, the significance value for the Purchase Decision variable is 0.041, meaning that this variable has a significant effect on purchasing decisions, where the significance value is <0.05, so the conclusion is acceptance.

Determination coefficient test (R^2)

The value of the coefficient of determination is determined by the value of R square as can be seen in the table below

Table 2 Results of the Coefficient of Determination
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0,369^a	0,256	0,110	3,821

a. Predictors: (Constant), Product Quality
b. Dependent Variable: Purchase Decision

Source: Processed Data (2022)

The results of the regression calculation can be seen that the coefficient of determination (R^2) obtained is 0.256. This means that 25.6% of the variation in the Purchasing Decision variable can be explained by the Product Quality variable, while the remaining 74.4% is explained by other variables not proposed in this study.

5.2 Proposed Improvements

To maintain product quality, companies should be able to improve the quality of their products to make it easier to use their current savings products and also give gifts to active customers so that they can increase the number of purchasing decisions or saving at PT Bank Mestika Dharma, Tbk.Further researchers can develop this research by examining other factors that can influence purchasing decisions, such as price factors, promotions. Further researchers can also use other methods in researching related to purchasing decisions, for example through in-depth interviews so that they can explore more in-depth information from respondents.

5.3 Validation

Product quality is one of the main positioning tools for marketers in the company, it also has a direct impact on product or service performance, therefore product quality is closely related to customer value and satisfaction which is then taken into consideration by various alternatives in making purchasing decisions (Kotler and Armstrong, 2018:272). The results of this study support previous research conducted by(Hasibuan, 2018)with the research title Effect of Price and Product Quality on Purchase Decisions, which shows that partially the quality variable has a probability value of 0.000 <0.05, meaning that it is significant. While the tcount value of the product quality variable is 4,037 > 1,690 ttable, so that product quality influences the purchasing decision of Palm Sugar in SimpangEmpat Village, SeiRampahSubdistrict, Sergai Regency, North Sumatra Province.

6. Conclusion

The product quality variable has a positive direction coefficient on purchasing decisions with a value of 0.075, which means that the better the product quality, the purchasing decisions will increase. The significance value for the product quality variable is 0.041, meaning that this variable has a significant effect on the level of consumer satisfaction, where the significance value is <0.05 so the conclusion is the acceptance of Ha or in other words Product Quality has a significant effect. influence purchasing decisions. The calculation results can be seen that the coefficient of determination (R^2) obtained is 0.256. This means that 25.6% of the variation in the Purchasing Decision variable can be explained by the Product Quality variable, while the remaining 74.4% is explained by other variables not stated in this study.

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Biography

Ivana Destine Lunanda is a student of Politeknik Cendana, Medan, Indonesia in Management Major