The Influence of Product Quality, Service Quality, and Price on Consumer Decisions in Making Purchases at PT. Indomarco Pristama Medan

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ABSTRACT

This study aims to analyze and determine the effect of product quality, service quality, and price on consumer decisions in making purchases at PT. Indomarco Pristama Medan. Data collection by simple random sampling of 100 respondents or samples in this study. This research method uses multiple linear regression assisted by the application of SPSS 23 data processing. The results show that product quality has a positive and significant influence on consumer purchasing decisions at PT Indomarco Pristama Medan. Service quality has a negative and significant impact on consumer purchasing decisions at PT Indomarco Pristama Medan. Price has a positive and significant influence on consumer purchasing decisions at PT Indomarco Pristama Medan. Simultaneously shows product quality, service quality,y, and price have a positive and significant influence on consumer purchasing decisions at PT Indomarco Pristama Medan The adjusted R Square coefficient is 92.9% which shows that the variation of the purchasing decision variables can be explained by the variables of product quality, service, quality, and price. While the remaining 7.1% is influenced by other independent variables that cannot be explained in this study.

Keywords:

INTRODUCTION

In the face of intense competition and the demands of society, minimarkets need to carry out a good strategy in or detox the tight competition in the retail industry because the market competition that occurs between retail industries indirectly changes consumer behavior. One of the appropriate strategies used to face this tight retail industry competition is to improve the quality of the services or products offered. PT Indomarco Pristama Medan Branch or known as Indomaret is a leading minimarket orminimartusiness in Medan City by offering variofferss of products at varied and cheap prices compared to other retail businesses. Consumer decisions in every purchase have many factors that influence it.

Consumers prefer products or brands that are well known. Every consumer from children to adults knows PT Indomarco Pristama Medan (Indomaret). In addition, the purchase decision at PT Indomarco Pristama Medan (Indomaret) is quite high, because the operating hours are 24 hours. This has resulted in many people choosing Indomaret as a place to shop because their availability for 24 hours affects the decision to choose a place to shop very high.

The success of this retail business lies in the complete facilities provided, such as the provision of quality daily products at affordable prices (Pratama, 2018: 1). With the provision of complete facilities, consumers who are trying to meet their needs will come to retail businesses, both small and large. However, there are still many products that consumers are looking for a Indomarco Pristama Medan is easily found in other retail stores. This is a problem that arises from product quality and product availability that is sought to meet customer needs. Some so many people are familiar with the words PT. Indomarco Pristama Medan is very satisfied with the services they provide. "Welcome to Indomaret, happy

shopping!" is the hallmark of Indomaret employees as a form of very friendly service to customers. Trusted trust and extensive knowledge and ability to solve consumer problems when shopping at Indomaret or the like so that consumers feel satisfied and comfortable (Mahfuza, 2018: 3). However, based on the observations of researchers, there are employees who establish good service operational standards in providing education and assisting customers in finding the desired product so ten customers feel disappointed in choosing PT. Indomarco Pristama as a place to shop is still high. So they choose another place to fulfill their needs

Companies must strive to achieve the goal of creating and providing services and affordable prices to retain customers. Some products at PT. Indomarco Pristama Medan does tend to be cheaper, but the prices that this retail company has for some products are still cheaper than other retail companies. This needs to encourage PT. Indomarco Pristama must be able to determine a more effective selling price in winning the competition in order to stimulate purchasing decisions. Pt. Indomarco Pristama Medan

LITERATURE REVIEW
Product quality

According to Kotler and Armstrong (2014) which states that product quality is the ability of a product to perform its functions, in this case including overall durability, reliability, accuracy, ease of operation, and product repair, as well as other products attributes. According to Tjiptono (2014: 160,), there are indicators of product quality, namely follows: Performance, Features, Conformance to specifications, Durability, Aesthetics

Service quality

Service quality is a combination of traits and characteristics that determine the extent to which the output can meet the prerequisites for customer needs or assess to what extent these characteristics and characteristics meet their needs (Rahmawati, 2016: 23). Service quality indicators according to Meithana Indrasari (2019:65) are as follows: Reliability, Awareness, Attention, Accuracy

Price

According to Daga (2017: 79) price is a value that is exchanged by consumers for the benefits of owning or using a product or service. The element of price has a relative influence. According to Wulandari in Meithana Indrasari's (2019:42) book, six indicators characterize prices, namely as follows: Prices according to product quality, Price comparisons, Prices are affordable by consumers, Prices are in accordance waystations

Consumer purchasing decisions are the selection of an alternative action efficiently to be able to purchase the most preferred brand (Desiana, 2018: 65). There are three indicators in determining purchasing decisions (Kotler, 2014), namely: Stability in a product, Habits in buying products, and Spof eed buying a product.

RESEARCH METHODS

The type of research used is by using quantitative methods. Quantitative research is generally carried out on samples taken at random so that the conclusions of the research results can be generalized to the population where the sample is taken. Explanatory research is to test the hypothesized relationship between variables. In this type of research, it is clear that there is a hypothesis that will be tested for truth. The population in this study were all customers of PT. Indomarco Pristama Medan from December 2021 to January 2022 amounted to 2,324,272 subscribers. obtained a total sample of 100 samples from Customers'

PT. Indomarco Pristama Medan from January 2022 to February 2022 was the respondent Analysis of the data used in this study is multiple linear regression. Multiple linear regression equation implies that in a regression equation there is one dependent variable and more than one independent variable
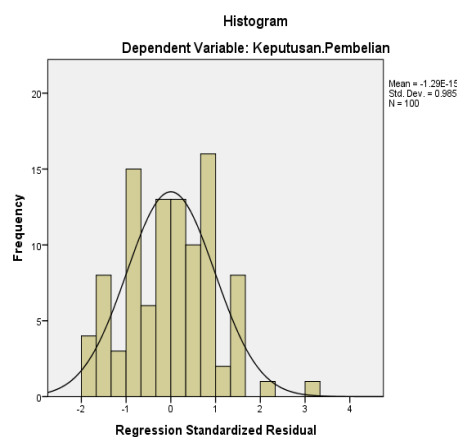
RESEARCH RESULTS AND DISCUSSION
Normality test

In the Normality Test, it can be done through two test steps, using graphs, namely in three ways:
a. Histogram Graph
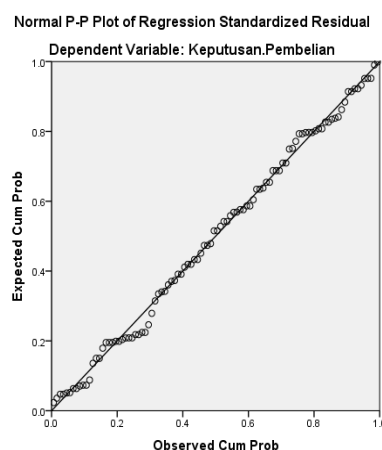The test results of this study can be seen in the graph below:

Gambar 3.1.
Source: Processed primary data, 2022

Based on Figure 3.1. above, it can be seen in the histogram graph that the histogram deviates to the left and the right, thus the data is normally distributed.
a. Normal *Probability Plot*

Gambar 3.2.
Source: Processed primary data, 2022

Based on Figure 3.2. above, it can be seen that the image display shows that the distribution data is on the diagonal line, and accompanies the line so that the data is normally distributed.

The test below is carried out using the Kolmogorov Smirnov. non-parametric statistical test.

Table 1: Data Normality Test Results (Kolmogorov-Smirnov)
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.83726605
Most Extreme Differences	Absolute	.069
	Positive	.069
	Negative	-.047
Test Statistic		.069
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
Source: Processed primary data, 2022.

Based on Table 4.5 it can be seen that the value of Asymp.Sig. (2-tailed) is 0.200 > 0.05. this means that the value is above the significant value of 5% (0.05). Therefore, the Kolmogorov-Smirnov (K-S) test also states that the residual data are normally distributed.

Multicollinearity Test.

Table 2 Multicollinearity Test Results
Coefficients

Model	Collinearity Statistics	
	Tolerance	VIF
Product quality	.152	6.597
Service Quality	.173	5.792
Price	.182	2.207

a. Dependent Variable: Purchase Decision
Source: Processed primary data, 2022

Based on table 3.3 above, it can be seen that the tolerance for each independent variable is 0.152 job satisfaction, 0.173 motivation, and 0.182 communication. Meanwhile, the VIF value for each independent variable is job satisfaction of 6.597 < 10, motivation of 5.792 < 10 and communication of 2.207 < 10. So the related data is free from multicollinearity.

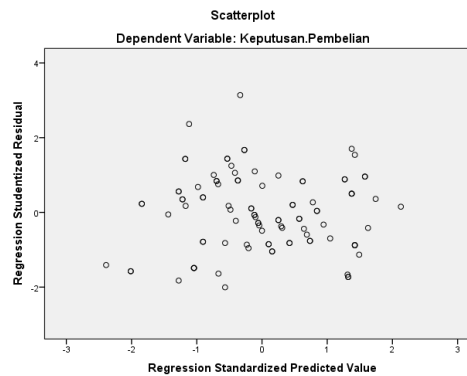**Heteroscedasticity Test**
Plot Chart

Figure 1. Scatterplot Graph
Source: Processed primary data, 2022

Based on Figure 1 above, it can be seen that the distribution of the points is irregular to form a certain pattern, even away from 0. So it can be concluded that the data is free from heteroscedasticity.

Glejser Test

The way to see the presence or absence of heteroscedasticity is by using the glejser test. That is as follows:

Table 3: Glejser Test
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.092	.642		.143	1.000
Product quality	.089	.037	.166	2.375	1.000
Service quality	.323	.050	.423	6.480	1.000
Price	.308	.071	.410	4.321	1.000

a. Dependent Variable: Purchase Decision
Source: Processed primary data, 2022

Table 3 shows the value of sig. independent variables that are greater than the significance value (> 0.05). So it can be concluded that this regression model does not experience heteroscedasticity

RESEARCH RESULTS AND DATA ANALYSIS
Research Model

From the research, there are two independent variables, namely job satisfaction, motivation and communication and the dependent variable is employee performance. The regression equation used is as follows:

$$Y = 0{,}092 + 0{,}089X_1 + 0.323 B_2 X_2 + 0{,}308 X_3 + e$$

Table 4: Linear Regression Analysis
Coefficientsᵃ

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.092	.642		.143	.887
Product quality	.089	.037	.166	2.375	.020
Service quality	.323	.050	.423	6.480	.000
Price	.308	.071	.410	4.321	.000

a. Dependent Variable: Decision.Purchase

Source: Processed primary data, 2022

Based on table 3.5 above, the regression model is obtained, so it can be seen:

A   = 0,092
b_1 = 0,089
b_2 = 0.323
b_3 = 0,308
e   = 0,05

Coefficient of Determination

Table 5: Coefficient of Determination
Model Summaryᵇ

odel	R	R Square	Adjusted R Square	Std. The error in the Estimate
	.964ᵃ	.929	.927	.850

a. Predictors: (Constant), Price, Quality.Service, Quality.Product.Purchase

b. Dependent Variable: Decision Purchase

Source: Processed primary data, 2022

Based on table 3.6. above it can be concluded that:

1. R = 0.964 indicates a high correlation between product quality, service quality, and price variables on purchasing decisions

2. The value of the Adjusted R Square coefficient is 92.9% which shows that the variation of the purchasing decision variables can be explained by the product quality, service quality, and price variables. While the remaining 7.1% is influenced by other independent variables that cannot be explained in this study.

Simultaneous Hypothesis Testing (F Test)

Table 6: Simultaneous Test (F Test)
ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	912.790	3	304.263	420.880	.000[b]
Residual	69.400	96	.723		
Total	982.190	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant), Price, Quality.Service, Quality.Product.Purchase
Source: Processed primary data, 2022

From table 6. above, it can be seen that Fcount is 420.880 more than Ftable, which is 2.70 with Sig 0.000 <0.05. The related results show that simultaneously Hi is accepted and Ho is rejected. This means that product quality, service quality, and price simultaneously and significantly affect the purchase decision of PT Indomarco Pristama Medan.

Partial Hypothesis Testing (t-Test)

Table 7: T-Test
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.092	.642		.143	.887
Product quality	.089	.037	.166	2.375	.020
Service quality	.323	.050	.423	6.480	.000
Price	.308	.071	.410	4.321	.000

a. Dependent Variable: Purchase Decision
Source: Processed primary data, 2022

Based on table 7 above shows that :
1. The t-test of the product quality variable (X1) has a tcount of 2,375 with a significance of 0.000. Hypothesis Hi is accepted because tcount is greater than ttable, namely 2,375 > 1,984. And Significant 0.02 is less than 0.05, meaning that the product quality variable (X1) has a positive and significant influence on purchasing decisions (Y)
2. The t-test of the service quality variable (X2) has a tcount of 6.480 with a significance of 0.000. Hypothesis Hi is accepted because tcount is greater than ttable, namely 6,480 > 1,984. And the significant level of 0.000 is less than 0.05, meaning that the service quality variable (X2) has a positive and significant influence on purchasing decisions (Y)
3. The t-test of the price variable (X3) has a tcount of 4.321 with a significance of 0.000. Hypothesis Hi is accepted because tcount is greater than ttable, namely 4.321 > 1.984. And Significant 0.000 is less than 0.05, meaning that the price variable (X3) has a positive and significant influence on purchasing decisions (Y)

RESULT

Effect of Product Quality (X1) on Purchase Decisions (Y)

Based on the results of the individual test or t-test, it can be seen that the tcount is 2,375 with a significance of 0.000. Hypothesis Hi is accepted because tcount is greater than ttable, namely 2,375 > 1,984. And Significant 0.02 is less than 0.05, meaning that the product quality variable (X1) has a positive and significant influence on purchasing decisions (Y). This means the quality of the products provided by PT Indomarco Pristama Medan. will have a real impact on the decisions of consumers or potential consumers in choosing these retail outlets to meet their needs

The Influence of Service Quality (X2) on Purchase Decisions (Y)

Based on the results of the Individual test or t-test, it can be seen that the quality of service (X2) has a tcount of 6,480 with a significance of 0.000. Hypothesis Hi is accepted because tcount is greater than ttable, namely 6,480 > 1,984. And the significant level of 0.000 is less than 0.05, meaning that the service quality variable (X2) has a positive and significant influence on purchasing decisions (Y). This means that the ability of PT Indomarco Pristama Medan in providing services to consumers will have a real impact on the decisions of consumers or potential consumers in choosing these retail outlets to meet their needs.

Effect of Price (X3) on Purchase Decision (Y)

Based on the results of the individual test or t-test, it can be seen that the price variable (X3) has a tcount of 4.321 with a significance of 0.000. Hypothesis Hi is accepted because tcount is greater than ttable, namely 4.321 > 1.984. And Significant 0.000 is less than 0.05, meaning that the price variable (X3) has a positive and significant influence on purchasing decisions (Y) This means that management's ability to set appropriate and affordable prices can have an impact on consumer decisions or potential consumers in choosing outlets retailers to meet their needs**.**

The Influence of Product Quality, Service Quality, and Price on Purchase Decisions

Simultaneous test results can be seen that Fcount is 420.880 more than Ftable, which is 2.70 with Sig 0.000 <0.05. The related results show that simultaneously Hi is accepted and Ho is rejected. This means that product quality, service quality, and price simultaneously and significantly affect the purchase decision of PT Indomarco Pristama Medan. The value of the Adjusted R Square coefficient is 92.9% which shows that the variation of the purchasing decision variables can be explained by the product quality, service quality, and price variables. While the remaining 7.1% is influenced by other independent variables that cannot be explained in this study

CONCLUSIONS

Based on the results of the analysis and discussion, in this study, it can be concluded that:
1. Partially shows that product quality has a positive and significant influence on consumer purchasing decisions at PT Indomarco Pristama Medan.
2. Partially, it shows that service quality has a negative and significant impact on consumer purchasing decisions at PT Indomarco Pristama Medan.
3. Partially, it shows that the price has a positive and significant influence on consumer purchasing decisions at PT Indomarco Pristama Medan.

4. Simultaneously shows product quality, service quality, and price positively and significantly affect consumer purchasing decisions at PT Indomarco Pristama Medan.

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