

## THE INFLUENCE OF PRODUCT QUALITY AND PROMOTION TO CUSTOMER'S PURCHASE DECISION AT RAGEY 21 POLITEKNIK

### PENGARUH KUALITAS PRODUK DAN PROMOSI TERHADAP KEPUTUSAN PEMBELIAN PELANGGAN DI RAGEY 21 POLITEKNIK

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**Abstract:** Nowadays, there are many business competitors that causing many choices for the customers to make a purchase. Therefore, the company must carry out the marketing strategy properly in order to attract customer's purchase decision. Good product quality and attractive promotions are important factors in customer purchase decision process so that repeat purchases can occur. The aims of this research are to analyze the influence of product quality and promotion to customer purchase decision in Ragey 21 Politeknik. This research uses questionnaires data collection techniques with the respondent data of 100 people. This study uses Multiple Linier Regression with the help of SPSS 25. The result of this study showed that product quality and promotion has a positive influence on customer purchase decision partially. Simultaneously, product quality and promotion has a positive influence on customer purchase decision. It is important for Ragey 21 to keep building and maintaining the quality of the product. The promotions have been done well, it needs to be improved in the delivery of information to the customer, so that the customer can easily recognize and comprehend the information provided.

**Keywords:** product quality, promotion, customer purchase decision

**Abstrak:** Saat ini, banyaknya pesaing bisnis yang menyebabkan banyak pilihan bagi pelanggan untuk melakukan pembelian. Oleh karena itu, perusahaan harus menjalankan strategi pemasaran dengan baik agar dapat menarik keputusan pembelian pelanggan. Kualitas produk yang baik dan promosi yang menarik merupakan faktor penting dalam proses keputusan pembelian pelanggan, sehingga dapat terjadi pembelian ulang. Penelitian ini bertujuan untuk menganalisis pengaruh kualitas produk dan promosi terhadap keputusan pembelian pelanggan di Ragey 21 Politeknik. Penelitian ini menggunakan teknik pengumpulan data angket dengan data responden sebanyak 100 orang. Penelitian ini menggunakan Regresi Linier Berganda dengan bantuan SPSS 25. Hasil penelitian ini menunjukkan bahwa kualitas produk dan promosi berpengaruh positif terhadap keputusan pembelian konsumen secara parsial. Secara simultan kualitas produk dan promosi berpengaruh positif terhadap keputusan pembelian pelanggan. Penting bagi Ragey 21 untuk terus membangun dan menjaga kualitas produk. Promosi sudah dilakukan dengan baik, perlu ditingkatkan dalam penyampaian informasi kepada pelanggan, agar pelanggan dapat dengan mudah mengenali dan memahami informasi yang diberikan.

**Kata Kunci:** kualitas produk, promosi, keputusan pembelian pelanggan

## INTRODUCTION

### Research Background

Business competition in the food and beverage sector is getting tougher day by day, because of the frequent increase and growth of restaurants with different characteristics. Every company generally has the same goal, to make a profit and run its business in the long term. Business in the culinary field is quite promising because it offers a product that is a basic human need: food. This opportunity is used by culinary business people to compete in meeting consumer wants and needs with the products offered.

In the world of doing business, product quality is very important for the company because it supports the market share competition. Product quality is one of the determinants of a restaurant's success, with the type of quality food and delicious taste being one of the factors for customers in purchasing decisions. Product quality is the main key to getting the trust and loyalty of the wider community. According to Kotler and Armstrong (2012), product quality is a potential strategic weapon to beat competitors. Only the company with the best product quality will grow rapidly and in the long run will be more successful than other companies.

Promotion very important for the company, promotion can make customers who are not interested in a product can change their mind to be interested in the product. With promotion, companies can tell or communicate their products to customers so that customers can find out the advantages of these products and can make customers interested in trying and then making a decision to buy the product. According to Boone and Kurtz (2004), promotion is the process of informing, persuading, and influencing a purchase decision.

The purchase decision according to Kotler and Keller (2012) is the decision to continue or not to continue the purchase. The purchase decision is also a process of making a purchase decision which includes determining what to buy or not to buy and the decision is obtained from previous activities. Factors that can influence consumer purchasing decisions include product, price, promotion and place or what is known as the marketing mix.

Ragey 21 is the object of research to determine whether product quality and promotion have an influence on customer purchasing decisions. Ragey 21 is a business that has existed since 2014 and Ragey 21 branches in Politeknik consisted in 2015 followed by several other branches in North Sulawesi. Many causes that influence the behavior of consumer for making purchase decision of goods or services in this case products of Ragey 21. The qualities that Ragey 21 provides are constantly being developed and maintained. Promotions that are carried out, simply by using billboards with a large font of price will attract attention for those who want to eat well but still save money. Based on the background, the author wants to find out whether product quality and promotion have influence on customer purchase decision at Ragey 21 Politeknik.

### **Research Objective**

The objectives of this research are:

1. To find out the influence of product quality and promotion on customer purchase decision at Ragey 21.
2. To find out the influence of product quality on customer purchase decision at Ragey 21.
3. To find out the influence of promotion on customer purchase decision at Ragey 21.

## **THEORETICAL FRAMEWORK**

### **Purchase Decision**

Kotler and Keller (2012) stated that purchase decision is a consumer's decision forming preferences for existing brands in the choice set, the consumer also can form an intention to buy a brand that most preferred. It can be concluded that purchasing decisions are a way for individuals or groups to choose their needs by considering two alternatives or more based on consumer knowledge so that they can decide to buy a product.

### **Product Quality**

According to Kotler and Armstrong (2012), product quality is the ability of a product in performing its function, this includes overall durability, reliability, accuracy, ease of operation and product repair as well as other product attributes. Product quality is the understanding that the product offered by the seller has more selling value than competing products. That way the company tries to focus on quality products and compare them with products offered by competitors. However, the product with the best appearance is not the product with the best quality if the appearance is not needed and desired by the market. When a product has been able to perform its functions, it can be regarded as a good product quality.

### **Promotion**

Promotion is to advertise a product or brand, generate sales, and create brand or brand loyalty. According to Czinkota and Ronkainen (2004), promotion is the direct way an organization tries to reach its publics, this is performed through the five elements of the promotion mix including advertising, sales promotion, personal selling, public relations and the direct marketing. Promotion can also be defined as all actions taken to inform or offer products and services with the aim of attracting potential consumers to buy or consume.

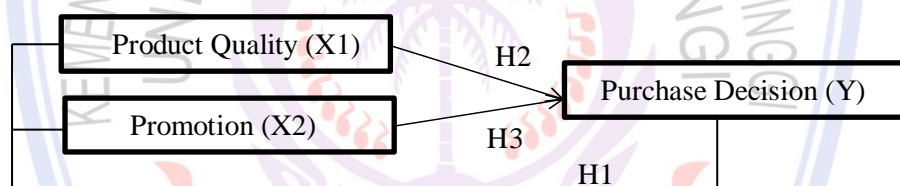
### Previous Research

Amron (2018) examined the effect of product quality, price, and brand image on buying decision of city car product in Semarang, Indonesia. The primary data was obtained from 100 respondents who had city cars. Surprisingly, from the three independent variables, it was found that the variable of product quality had greater effect compared with those of price and brand image. In other hand, the one with the smallest effect on buying decision was brand image. The study recommends the managements of city car companies to pay attention to the elements of product quality, price and brand in preparing their promotional programs in order to attract more consumers to buy city car.

Beni, Wahab and Widiyanti (2019) analyzed how much influence prices and promotions on purchase decisions on cement at PT. Semen Baturaja (Persero), Tbk and the dominant influential variables. The sample numbers in this research by using 150 respondents. The technique used in sampling of this research was purposive sampling. The method of analysis is by using multiple linear regression analysis. The results of the analysis in this research indicate that the price and promotion variables have a positive value and significant effect on purchase decisions and independent variable that has a positive value, significant influence and dominant influence is the price variable on cement purchase decisions at PT. Semen Baturaja (Persero), Tbk

Hasanah, Hestin and Hardiyansyah (2021) examined the influence of product quality and promotion on purchasing decisions. This analysis is a case study involving the Lanang Suhang soluble coffee brand in Talang Agung Village, Pajar Bulan District, Lahat Regency, South Sumatera, Indonesia. Data demonstrated that the soluble coffee brand has experienced growth of as much as 10% from the last 3 years of business operation. Data were collected through questionnaires and analysed using SPSS. Results reveal that product quality has no significant effects on purchase decisions. Conversely, the promotion has significant and positive effects on purchase decisions. Simultaneously, both product quality and promotion have significant and positive impacts on purchase decision of the Lanang Suhang soluble coffee brand located in the Talang Agung Village, Pajar Bulan District, Lahat Regency, South Sumatera, Indonesia. Practical implications are discussed.

### Conceptual Framework



**Figure 1. Conceptual Framework**

*Source: Data Processed (2021)*

## RESEARCH METHOD

### Research Approach

This study uses a quantitative research to find out whether product quality and promotion have an influence on purchasing decisions at Ragey 21. According to Cooper and Scindler (2006), quantitative research is a research design that approaches empirical studies to collect, analyze and display data in numerical form and try to make accurate measurements of something.

### Population, Sample, and Sample Technique

The population in this study were customers at Ragey 21. The sample of this research is restricted to 100 respondents to fill the questionnaire. In this research, the sampling technique used is Purposive sampling to collect the data. According to Sugiyono (2013), purposive sampling method is a sampling technique with certain considerations.

### Data Collection Method

In this study, the technique used to obtain primary data is distributed questionnaires. Questionnaire is data collection techniques that is done by giving a set of question to the respondent (Sugiyono, 2013). The data obtained from the respondents must have valid and reliable data. Five-point Likert Scale is used to measure the variables.



### Operational Definition of Research Variable

1. Product Quality. Related to the capabilities (food and beverage) at Ragey 21 according to customer desires or exceed expectations. (Indicators: Taste, features and esthetics)
2. Promotion. Related to everything that communicated by Ragey 21 for inform and remind customers regarding the products offered. (Indicators: Advertising, sales promotion and personal selling)
3. Purchase Decision. Related to the moment when the buyer decides to buy a product at Ragey 21 after considering or being influenced by product quality and promotional efforts. (Indicators: Information search, alternative evaluation and repeat order)

### Data Analysis Method

#### Validity and Reliability Test

To test the validity in this study, Pearson Product Moment is used, where the items are valid if r count are more than r table and a 5% significant level. Cronbach's Alpha formula is used to test the reliability, the data is reliable if the variable value of Cronbach's Alpha is more than 0.60.

#### Multiple Regression Analysis Model

According to Narimawati (2008), multiple linear regression analysis is an association analysis that is used simultaneously to examine the effect of two or more independent variables on one variable depending on the interval scale. Linear regression is statistical method used to analyze the relationship between two variables or more. The form of equation is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Description:

Y	= Purchase Decision
a	= Constant
X1	= Product Quality
X2	= Promotion
$\beta_1$	= Coefficient of Product Quality
$\beta_2$	= Coefficient of Promotion
e	= error

## RESULT AND DISCUSSION

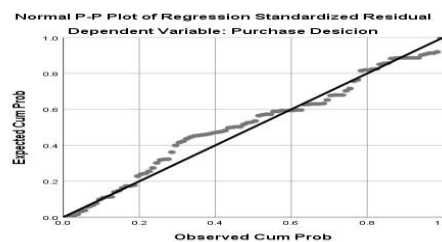
### Result

#### Validity and Reliability Test

The validity test is used Product Moment Correlation formula, if r value are more than r table, then the data is valid. The validity test result shows that each item of the variable product quality (X1), promotion (X2) and customer purchase decision (X3) has r value more than r table, with the 5% significance value. Based on the result, all of the variable is valid. Cronbach's Alpha formula was used to test the reliability of this study with SPSS software. The data is reliable if the item value is more than 0.6. The result shows that the Cronbach's Alpha value is greater than 0.6. It means the variables data of this study is reliable.

### Classical Assumption Test

#### Normality Test



**Figure 2. Normality Test**  
Source: Data Processed (2022)

The purpose of testing the assumption of normality is to prove that independent variable and dependent variables regression model have a normal distribution or not. Regression models are good if the data distribution is normal or near normal, if the data is scattered around the diagonal line and following the direction of the diagonal line, then the regression meets the assumption of normality.

### Multicollinearity Test

Multicollinearity test is used to test if there is correlation between independent variable in regression model or not. Table 2 shows that the tolerance value of Product Quality is 0.521 and value of Promotion is 0.521 and it means the tolerance value of these independent variable is more than 0.2. The VIF of Product Quality is 1.919 and value of Promotion is 1.919, the value of these variable is less than 10. It can be concluded that the result passed the test of tolerance and VIF.

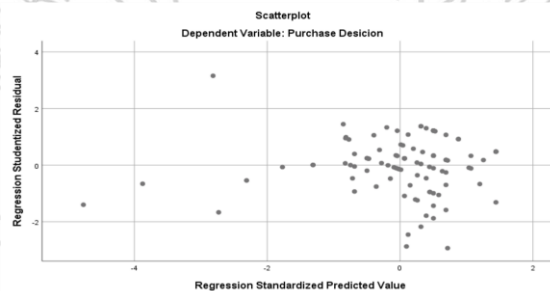
**Table 1. Multicollinearity Test**

Model	Collinearity Statistics	
	Tolerance	VIF
Product Quality	.521	1.919
Promotion	.521	1.919

Dependent Variable: Purchase Decision

Source: SPSS Data Proceed, 2022

### Heteroscedasticity Test



**Figure 3. Heteroscedasticity Test**

Source: Data Processed (2022)

Figure 3 shows the result of heteroscedasticity test using scatterplot the dots in the scatterplot spread above and below 0 in Y axis and not form in a clear pattern. It means that there is no heteroscedasticity in this regression model and can be used to predict the influence between dependent variable and independent variable.

### Multiple Linear Regression Analysis

**Table 2. Multiple Linear Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	2.077	1.580		1.315	.192
Product Quality (X1)	.098	.045	.239	2.169	.033
Promotion (X2)	.338	.086	.434	3.945	.000

Dependent Variable: Purchase Decision

Source: Data Processed (2022)

Based on the result in table 3, it can be shown through the regression equation as follows:

$$Y = 2.077 + 0.098X_1 + 0.338X_2 + e$$

The explanation of the multiple linear regression equation:

1. The constant value of the multiple linear regression equation is ( $\alpha$ ) 2.077 and positive. It can be interpreted that if Product Quality (X1) and Promotion (X2) are considered 0 (zero), the Purchase Decision (Y) will be 2.077.

- The value of regression coefficient for Product Quality (X1) is 0.098 and positive. This result shows that independent variable Product Quality (X1) increase one unit, then the dependent variable Purchase Decision (Y) is increasing 0.098. The performance of Product Quality affecting Purchase Decision, assuming the other variables are constant.
- The value of regression coefficient for the Promotion (X2) is 0.338 and positive. This result shows that if independent variable Promotion (X2) increase one unit, then the dependent variable Purchase Decision (Y) is increasing at 0.338. The performance of Promotion affecting Purchase Decision, assuming the other variables are constant.

**Table 3. Coefficient of Determination Test**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.623 <sup>a</sup>	.389	.376	2.27974

Source: Data Processed (2022)

Table 4 shows the correlation coefficient and coefficient of determination. If the coefficient correlation value close to 1, it means there is a relationship between independent variables and dependent variables. The R number 0.623, then the relationship between variables is strong. R square explains that 38.9%, Purchase Decision (Y) influenced by Product Quality (X1) and Promotion (X2). The rest of 61.1% influenced by the other factors that is not explain in this research.

### Hypothesis Testing

**Table 4. T-test**

Variable	Tcount	Ttable	Status
Product Quality (X1)	2.169	0.194	Accepted
Promotion (X2)	3.945	0.194	Accepted

Source: Data Processed (2022)

Based on the table 5 above, the result of the T-test as follow:

- Product Quality (X1) and Purchase Decision (Y), the table above shows Tcount = 2.169 > T-table = 0.194. This confirms that Product Quality (X1) has influence on Purchase Decision (Y). Then, the first hypothesis (H1) is accepted.
- The Promotion (X2) and Purchase Decision (Y), the table above shows T-count = 3.945 > T-table = 0.194. This confirms that Promotion has influence on Purchase Decision (Y). Then, the second hypothesis (H2) is accepted.

**Table 5. F-test**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	320.308	2	160.154	30.815	.000 <sup>b</sup>
	Residual	504.132	97	5.197		
	Total	824.440	99			

Source: Data Processed (2022)

Table 4.7 shows that F-count 30.815 with level of significance 0.000 since the value of F-count = 30.815 > F-table = 3.09. Based on the result, then means that Product Quality (X1) and Promotion (X2) as independent variables have significant effect on Purchase Decision as dependent variable. The third hypothesis (H3) is accepted.

### Discussion

#### Product Quality on Purchase Decision

The result of this study showed that product quality variable has influence on purchase decision. The result of this study supported by previous research conducted by Firmansyah (2021) with the result, product quality affects purchase decision. Stated that the product is an essential element in the decision-making process. The product includes all the planning that precedes the actual production, research, development, and all the services that accompany the product, such as installation and maintenance. Therefore, a good product is a

product that can meet and even exceed the expectations that consumers want when deciding to buy a product. Product quality is closely related to purchase decision, where product quality is one aspect of consumer considerations in deciding purchases. Good quality will lead to consumer satisfaction which in turn will make the consumer loyal to the product. Product quality is an important thing in determining the choice of a product by consumers. Products offered must be a product that is truly well tested in terms of quality. Consumers will prefer and choose products that have better quality when compared to other similar products that can meet their needs and desires. The maintained quality presented to consumers with a high quality is able to increase purchase decision.

### **Promotion on Purchase Decision**

The result of the research proved that promotion have influence on purchase decision at Ragey 21 Politeknik. This research accordance with research by Jodi et al (2022) with the result show that there is a significant positive effect between promotion and purchase decisions. The influence of advertising on customer purchase decision has a great influence because in the advertising itself provide information to the public, keep and touch with the community, and remind people. Sales promotion is one form of marketing communication that aims to attract new consumers, influence consumers to try new products, encourage more consumers, attack competitors' promotional activities, increase purchases without plans or seek closer cooperation with retailers, as a whole, sales promotion techniques only affect the short term. This means that promotion is very important in an effort to increasingly competitive market share. By doing promotions through interesting print/electronic media, it will influence consumers in making purchasing decisions.

### **Product Quality on Promotion on Purchase Decision**

Based on the calculation on F-Test, it can be seen on the table of F-Test. The result showed that product quality and promotion have influence on purchase decision. Which is  $F\text{-count} > T\text{-count}$ , this means that product quality and promotion have influence on purchase decision simultaneously. This research also in accordance with research by Hasanah, Hestin and Herdiyansyah (2021) with the result of the study showed that product quality and promotion affect purchase decisions at the Lanang Suhang Soluble Coffee brand simultaneously.

## **CONCLUSION AND RECOMMENDATION**

### **Conclusion**

Based on the analysis and discussion, there are three conclusion of this study:

1. Product quality and promotion have a positive influence on purchase decision of Ragey 21 Politeknik simultaneously.
2. Product quality have a positive influence on purchase decision of Ragey 21 Politeknik.
3. Promotion have a positive influence on purchase decision of Ragey 21 Politeknik.

### **Recommendation**

Based on the result of the study, the following are recommendation from the author:

1. It is important for Ragey 21 to keep building and maintaining the quality of the product, which is the feature, form, style and design.
2. The promotions have been done well, it needs to be improved in the delivery of information to the customer, so that the customer can easily recognize and comprehend the information provided.
3. This research expects that the results of this study can be beneficial as reference material for further researchers who research with the same concept. In future research, researchers will use different variables from the variables used in this study to obtain more varied results.

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