

# The Influence of Product Quality On Car Puchase Decision

Jogi Morrison Simanjuntak
Prgram Sutudi Magister Manajemen
Fakultas Pasca Sarjana
Universitas Komputer Indonesia
Bandung, Indonesia
jogi.bcaf@gmail.com

Rahma Wahdiniwaty

Program Studi Magister Manajemen

Fakultas Pasca Sarjana

Universitas Komputer Indonesia

Bandung, Indonesia

rahma@unikom.ac.id

*Abstract*— The purpose of the researcher is to know how much influence the quality of the product to the purchase decision of HX Cars. Almost all industries are experiencing growth as a result of globalization, not least with the automotive industry in Indonesia, especially in the car industry. The Indonesian occupation assumes HXas a car brand that has reliable engine quality, easily accessible parts, ease of maintenance, and relatively higher after-sales price when compared to other brands. One of HXproduct that is HX Cars, which currently has constraints with product quality is problematic on master braking. The case study was conducted at HX Automotive Company Bandung. The research method used qualitative and quantitative. Data obtained through questionnaires, field observations and interviews. One hundred respondents become a sample of research. Data collected through questionnaires processed by path model that influenced the purchase decision of HX Cars. The results of the data done with the SPSS showed the quality of the product has a positive effect on product quality.

# Keywords—quality of product and purchase decision

# I. INTRODUCTION

Almost all industries experience development as a result of globalization, especially in the automotive industry in Indonesia. This can be seen from the increasing number of cars owned by the public at present, which is reflected in the activities of cars in large cities. The city of Bandung is one of the biggest cities in Indonesia, the development of the automotive industry is very rapid, as evidenced by the high mobility and use of cars. With the development of the car industry in the city of Bandung, supported by many HX Dealers making HXas one of the favorite brands in the selection of alternative car purchases. And the type of city car is a favorite by consumers because it is more fuel efficient and relatively cheap tax.

HX Automotive Company, who formed in 2014, is the third official HX Dealer in Bandung. HX Automotive Company Bandung with an address on Jl. Ahmad Yani no.352, East Bandung, West Java, is equipped with integrated sales and after-sales services (sales, service, spare parts) in accordance with the standards of the Bandung HX

Dealer. HX Cars is the main choice for city cars and is the backbone of HXsales.

Judging from the sale of HX Cars at HX Automotive Company In the early 2014 opening of the HX Dealer, the sale of HX Cars from 2015 (514 units) until 2016 (1079 units) experienced a fairly rapid sales growth. In 2017 (789 units) sales of HX Cars experienced a significant decline [1].

There are many factors that influence the productivity of sales, one of the quality of the product due to the re-call of HX Cars due to the problem with the product braking master. As a result, the decision to purchase HX Cars cars decreased [2]. The results of previous studies concluded that in the study found product quality was one of the factors that became a predictor of consumer purchasing decisions[3]. Subsequent research shows that the quality of products from automotive products meets the criteria for product quality that consumers want to encourage them to decide to buy the product [4].

And the factors that affect the quality of the product itself are performance, features, conformity with specifications, durability, reliability, serviceability, aesthetics, and perceived quality [5]. This illustrates the magnitude of the influence of product quality on purchasing decisions Purchasing decision is a consumer decision that is influenced by financial economy, technology, politics, culture, product, price, location, promotion, physical evidence, people and, process. So that it forms an attitude to consumers to process all information and draw conclusions in the form of responses that appear what products will be bought [6].

People who are interested in product quality studies are automotive producers because they can provide insight into why people buy car products with good quality products and specifications, and the results provide superior and reliable products [7]. To achieve this truth, the researcher intends to conduct research with the title Effect of Product Quality on the Purchase Decision of HX Cars [8].



#### II. METHOD

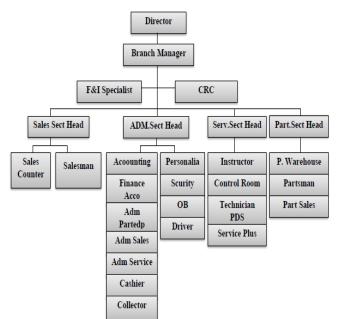
The method in this study uses descriptive verification, descriptive method is a method of researching the status, group of people, an object, a system of thought or a class of events in the present. [9] The unit of analysis is HXYani's consumer and conducted a census with a total of 100 consumers. Data analysis was carried out by testing the validity and reliability testing using SPSS 23. The results showed that there was a positive impact on product quality on the purchase decision of HX Cars.

#### III. RESULTS

# A. Company Profil

HX Automotive Company is the third official HX Dealer in Bandung. HX Automotive Company Bandung with an address on Jl. Ahmad Yani, East Bandung, West Java, is equipped with integrated sales and after-sales services (sales, service, spare parts) in accordance with the standards of the Bandung HX Dealer. HX Automotive Company Bandung has a comfortable and modern showroom that can display up to 6 of the newest HXcars in Bandung. HX Dealer Ahmad Yani Bandung has a magnificent smoking area, customer lounge and showroom that has been equipped with an executive lounge lounge, Wi-Fi & Internet Corner services, and Kids Corner. For after-sales service, HX Automotive Company Bandung has service facilities equipped with 13 general repair bays, 6 quick service bays, and spooring balancing facilities. HX Automotive Company Bandung also has an area of spare parts to ensure availability of HX parts with more complete and faster for consumers in the Bandung area. The presence of HX Automotive Company Bandung will meet the needs of customers for HX services and products in the city of Bandung, where the number of HXconsumers in the Bandung area continues to increase from year to year.

# B. Organizational Structure



HX AhmadYani with an organizational structure for operational tasks of a business activity. In accordance with the function of the workers, the implementation of each task for each work done.

### C. Test For Valdity and Realiability

The table above illustrates the results of the validity test for each question on the Product Quality Variable (X1), can be seen in Table 1.

TABLE I. ILLUSTRATES THE RESULTS OF THE VALIDITY TEST FOR EACH QUESTION ON THE PRODUCT QUALITY VARIABLE (X1).

Question	Validity Coefficient	Tipping Point	Conclusion	
P1	0,880	0,195	Valid	
P2	0,883	0,195	Valid	
Р3	0,919	0,195	Valid	
P4	0,875	0,195	Valid	
P5	0,910	0,195	Valid	
P6	0,858	0,195	Valid	
P7	0,909	0,195	Valid	
P8	P8 0,894		Valid	
P9	P9 0,890 0,1		Valid	
P10	0 <u>0,821</u> 0,195		Valid	
P11	0,880	0,195	Valid	
P12	0,883	0,195	Valid	
P13	0,856	0,195	Valid	
P14	0,866	0,195	Valid	
P15	0,933	0,195	Valid	
P16	0,926	0,195	Valid	

Based on the table above, the highest r count value is 0.933 and the lowest r count is 0.821, because all questions have a calculated r value that is higher than the critical point (0.195) meaning that all the questions are valid, can be seen in Table 2.

TABLE II. PRODUCT QUALITY VARIABLES

Variabel	r hitung	Titik kritis	Kesimpulan
Kualitas Produk (X1)	0.982	0.7	Reliabel

Based on the table above, Product Quality Variables have a reliability coefficient value (r count) that is greater than 0.7 so that it is concluded that the variable product quality is reliable.



# D. Test For Valdity and Reliability

Description analysis to describe the respondent's response to each item statement categorized into 5 categories Very Good, Good, Fairly Good, Not Good, Very Bad, seen in Table 3.

TABLE III. TEST FOR VALDITY AND REALIABILITY

Indicator	Skor	Mean	Kategori
Kinerja	815	4,08	Good
Daya Tahan	832	4,16	Good
Kesesuaian dengan Spesifikasi	807	4,04	Good
Fitur	814	4,07	Good
Keandalan	806	4,03	Good
Pelayanan	836	4,18	Good
Estetika	841	4,21	Very Good
Kualitas Produk yang dipersepsikan	832	4,16	Good
Total	6583	4,12	Good

Overall the processing results presented in the table produce a total score of 6583 with an average of 4.12. The average value is entered into the continuum line, the measurement of which is determined in the following way:

- Maximum Index Value = 5
- Minimum Index Value = 1
- Interval distance = [maximum value minimum value]: 5
  - = [5 1]: 5
  - = 0.8
- Overall average = [(total score): (number of respondents x number of questions)]
  - = [(6583): (100x16)]
  - =4.11

TABLE IV. SCORE OF RESPONDENT'S RESPONSE TO EACH ITEM STATEMENT CATEGORIZED

		(4,12)					
Not Very Good		Not Good	Pretty Good	Good	Very Good		
1,00	1,80	2,60	3,40	4,20	5,00		

From the calculation in the table 4 shows the score obtained is 6583 with an average of 4.12. So from that we can

conclude that the respondent's response to the overall product quality is in a good category. Products with good quality and trustworthy will always be embedded in the minds of consumers, because consumers are willing to pay some money to buy the product. Product quality is determined by a set of uses and functions, including performance / performance, durability, conformity with specifications, product aesthetics, and also perceived quality / product impression (Mullins and Boyd in Kotler 2009: 362).

#### E. Analys

Signs of regression coefficients independent variables indicate the direction of the relationship of the variables concerned with the Purchase Decision, seen in Table 5.

TABLE V.MULTIPLE REGRESSION ANALYSIS

	Co	oefficients <sup>a</sup>			
	Unstandardized Coefficients		Standardized Coefficients		
Model	<u>B</u>	Std. Error	Beta	t	Sig.
1 (Constant)	,347	,282		1,232	,221
Kualitas Produk (X1)	<u>,458</u>	,083	,460	5,524	,000

Regression coefficients for independent variables X1 are positive, indicating a unidirectional relationship between Product Quality (X1) and Purchase Decision (Y). Variable regression coefficient X1 of 0.458 means that for each increase in Product Quality (X1) equal to one unit will cause an increase in Purchasing Decision (Y) of 0.458, seen in Table 6.

TABLE VI. MULTIPLE CORELATION ANALYSIS

Model Summary <sup>b</sup>								
				Std. Error				
			Adjusted R	of the	Durbin-			
Model	R	R Square	Square	Estimate	Watson			
1	,637ª	,406	,400	,60966	2,099			

Based on the output above, the correlation coefficient value is 0.637. This shows that there is a strong relationship between product quality and purchasing decisions, seen in Table 7.

TABLE VII.KOEFISIEN DETERMINATION

Model Summary⁵							
				Std. Error			
			Adjusted R	of the	Durbin-		
Model	R	R Square	Square	Estimate	Watson		
1	,637 <sup>a</sup>	,406	,400	,60966	2,099		

Based on the table above, the value of Adjusted R square is 0.406 or 40.6%. This means that the Product Quality variable gives an effect of 40.6% on the Purchase Decision. While the remaining 59.4% is the contribution of other variables.

This can also be known from the journal: Denny Kristian and Rita Widayanai (2016) regression calculations can be seen that the R Square determination coefficient obtained is 0.402. This means that 40.2% of the variation in purchasing decisions can be explained by variations of the two independent variables namely product quality and price.



While the remaining 59.8% is explained by reasons outside the model, seen in Table 8.

#### TABLE VIII. TEST FOR PARTIAL

#### Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients		
Mo	del	В	Std. Error	Beta	<u>t</u>	Sig.
1	(Constant)	,347	,282		1,232	,221
	Kualitas Produk (X1)	,458	,083	,460	<u>5,524</u>	<u>,000</u>

The variable X1 has a calculated t value greater than the value of t table. Because the value of t count (5.524)> t table (1.985), then Ho is rejected. Therefore it can be concluded that partially there is a significant influence of Product Quality (X1) on Purchase Decisions (Y).

#### IV. CONCLUSION

The quality of the HX Cars car product is in a good category with a score of 6583 and an average of 4.12. The highest aesthetic indicator with a score of 841 with an average of 4.21 and the lowest indicator of reliability with a score of 806 with an average of 4.03. Regression coefficients for independent variables X1 are positive, indicating a unidirectional relationship between Product Quality (X1) and Purchase Decision (Y). Variable regression coefficient X1 of 0.458 means that for each increase in Product Quality (X1) equal to one unit will cause an increase in Purchasing Decision (Y) of 0.45. Judging from the variable quality of HX Cars car products already in good category and there are no bad categories. But there needs to be improvement in some indicators, especially reliability indicators that get the lowest average value compared to other indicators even though they are in good category but need attention from the company by applying High Quality Control to each core component (engine, brakes, gear box) from HX Cars.

# v. References

- [1] Anderson, E.N, "Food and Culture. New York: New York University Press", 2005.
- [2] Kotler, Philip. & Gary Armstrong, "Principle Of Marketing, 15th edition. New Jersey: Pearson Prentice Hall, 2014.
  - -----. 2012. Principle Of Marketing, 14th edition. New Jersey: Pearson Prentice Hall.
  - -----. 2012. Marketing Management, 14th edition. New Jersey: Pearson Prentice Hall.
- [3] Kotler, Philip and Kevin Keller, "Marketing Management", New Jersey:Pretice-Hall Published, Edition 14, 2012.
- [4] Kotler, Philip dan Gary Armstrong, "Principles Of Marketing", NewJersey: Prentice-Hall Published, Edisi 14, 2012.
- [5] Gaspersz, Vincent, "Production Planning and Inventory Control" PT Gramedia Pustaka Umum. Jakart, 2004.
- [6] Hassan, Shehu. U. dan Abubakar Ahmed, "Corporate Governance, Earnings Management and Financial Performance: A Case of Nigerian Manufacturing Firms", American International Journal of Contemporary Research, Vol. 2. No. 7. pp. 214-226, 2012.

- [7] Dwyer, F. Robert dan Tanner, John F, "Business Marketing: Connecting Strategy, Relationship and Learning" Edisi internasional. Singapore: McGraw-Hill, 2009.
- [8] Parvez, Noorjahan, "Impact of Service Quality, Trust, and Customer Satisfaction on Customer Loyalty" ABAC Journal, Vol. 29 No. 1 January-April, 2009.
- [9] Dodds, K.B., Monroe. D. Grewal, "Effect of Price, Brand and StoreInformation on Buyers Product Evaluation Journal of MarketingResearch.", Vol.28, No.3, pp.307-319, 1991.