

An Empirical Study: Suzuki All-New Ertiga Purchase Decision Based on Product Quality and Promotion at PT. Trans Sumatra Mainstay Sisingamangaraja Branch-Medan

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Abstract

This study's goal was to analyze the effect of product quality and promotion on purchasing decisions for the Suzuki All New Ertiga at PT. Trans Sumatra Mainstay Sisingamangaraja Branch. The research was carried out between March 2021 and June 2022 and employs a quantitative methodology. The data collection techniques employed are observations, documentation studies, and surveys on a Likert scale. Using Isaac and Michael's calculation formula, a sample of 162 clients from PT. The Sisingamangaraja Mainstay Branch of Trans Sumatra represents a fraction of the research population of up to 400 persons. The SPSS program's multiple linear regression analysis technique. According to the study's findings, a positive and significant influence on purchases is provided by product quality. Promotions have positive and significant influence on purchasing decisions. At PT. Mainstay of Trans Sumatra Sisingamangaraja Branch, promotion and overall product quality have a positive and significant impact on purchasing decisions. The quality of the product and the promotion can explain 91.9 percent of consumer purchasing decisions, according to the study's coefficient of determination (R²), which is 0.919.

Keywords: Product Quality, Promotion, Purchase Decision

1. Introduction

The business environment is becoming more competitive due to globalization, and each company must be able to meet client expectations, create products with advantages, and generate goods that set them apart from rivals. Customers are no longer reliant on a single brand because there are now more vehicle firms in Indonesia and other comparable products that are better and of greater quality. The more options consumers have, the simpler it will be for them to select products that meet their needs or preferences. Consumers are now more cautious and meticulous while interacting with any product released onto the market as a result of business.

According to Kotler and Armstrong (2014), a product's ability to satisfy expressed or actual customer wants determines the quality of the product. Businesses who employ quality as a strategic weapon will be able to dominate the market more effectively than their rivals. Consumers will be more cautious when making decisions regarding purchases as a result of the several companies that have produced products with the same model but varied quality.

According to a survey done by academics, PT. Trans Sumatra Andalan Sisingamangaraja Branch's products should be produced with the demands and preferences of customers in mind. As a result, buyers have a wide range of alternative product options before deciding to purchase a product that is being presented. This is a crucial marketing function for the business. The business can inform customers about its goods by promoting it. Consumers may be aware of a product's benefits, which may pique their curiosity in trying it before they decide whether to purchase it. Promotion is therefore a crucial component of marketing management since it has the power to persuade customers who weren't initially interested in a product to reconsider and alter their thoughts. Companies employ promotions to spur purchases so that customers are eager to purchase a certain brand and motivate salespeople to aggressively promote it.

In order to achieve a company's sales targets and encourage consumers to become customers, promotion is a crucial component. Customers should be able to test out or research the company's products, but they won't if they are unsure about them. Here is where a focused campaign is required, as it is anticipated to increase sales in a favourable way. However, in practice, many businesses refrain from running promotions due to a lack of funding. It is intended that the promotion will facilitate communication between manufacturers and consumers. The corporation may then attract new clients and keep hold of existing ones with the help of this communication. In addition, producers need to be able to satisfy clients, offer enticing services, and comprehend client requirements.

The purchase decision variable is used by the researcher since there is still room for research on the topic given the proliferation of products on the market and the requirement for customers to take a variety of factors into account when making purchases. When choosing which items and brands to purchase, the majority of consumers both individual consumers and corporate buyers go through essentially the same thought process. If the product is in line with what customers desire and need, purchases can be made by consumers.

Customers' dissatisfaction with the quality of products given by PT. Trans Sumatra Mainstay's Sisingamangaraja Branch is a phenomena that causes the company challenges with purchasing decisions. Consumers are not happy with the hues the company offers, according to observations. The fact that PT. Trans Sumatra Andalan Sisingamangaraja Branch still only produces pamphlets regarding specific car features like model, color, and others indicates a lack of advertising. Customers' dissatisfaction with the car's design and the company's color options is the cause of the decline in purchasing decisions.

The pre-survey data below was gathered with the intention of analyzing how the Suzuki All New Ertiga's marketing and product quality affected customers' decisions to buy at the PT. Trans Sumatra Mainstay Sisingamangaraja Branch:

Table 1: Pre-Survey Questionnaire Results

Statement	SA	A	U	D	SD	Amount
The Suzuki All New Ertiga PT. Trans Sumatra Mainstay Sisingamangaraja Branch provides a great view.	14	3	3	10	0	30
There are numerous types of the Suzuki All New Ertiga PT. Trans Sumatra Mainstay Sisingamangaraja Branch.	13	4	4	9	0	30
Less inventive and imaginative marketing tactics are used by PT. Trans Sumatra Andalan Sisingamangaraja Branch, which deters customers from purchasing the Suzuki All New Ertiga.	12	4	6	7	0	30
Due to PT. Trans Sumatra Mainstay Sisingamangaraja Branch's information and promotions, consumers are hesitant to purchase the Suzuki All New Ertiga.	13	7	1	9	0	30
Customers believe that the Sisingamangaraja Branch of Car Products PT. Trans Sumatra Mainstay is of excellent quality.	10	2	9	9	0	30
Customers are eager to refer PT. Trans Sumatra Mainstay Sisingamangaraja Branch to their friends and family for car products.	12	5	4	9	0	30

Information: SA=Strongly Agree, A=Agree, U=Undecided, D=Disagree, SD=Strongly Disagree
Source: Research Results, 2022

According to the survey's findings, some customers are still dissatisfied with the discounts and product quality offered by PT. Trans Sumatra Mainstay's Sisingamangaraja Branch. This is seen from the 10 responders who disagreed with the product quality statement that "The Suzuki All New Ertiga PT. Trans Sumatra Mainstay Sisingamangaraja Branch provides a great view" Of course, consumers claim that the display for this automobile product is still insufficient to pique their interest in buying it. The same is true of statements about promotions, such as "Due to PT. Trans Sumatra Mainstay Sisingamangaraja Branch's information and promotions, consumers are hesitant to purchase the Suzuki All New Ertiga". There were 9 responders that gave answers that they did not agree with. This demonstrates that the impact of product quality and advertising on consumer purchase decisions at the PT. Trans Sumatra Mainstay Sisingamangaraja Branch can be further examined.

2. Literature Review

2.1. Product quality

People will use a product to fulfill their wants and requirements, claim Kotler and Armstrong (2013). Anything that can be provided to a market for consideration, acquisition, usage, or consumption and may satisfy a want or need is considered a product. In order to examine the quality features of commodities, Munjiati (2015) identified quality dimensions and indicators, notably: 1) Features are additions to a product's fundamental qualities that make it complete. 2) Product dependability is the ability of a product to perform as expected, for instance, when multiple purchases of the same product are made, the quality is equivalent to that of a car bought from Sorum that has the same shape at various times of purchase. 3) Conformity is the act of adhering to standards, like in the case of a good car that complies with established criteria. 4) Product durability refers to how long a product will last under normal use. For instance, a good car is one that won't break down after several months of use. 5) Here, aesthetics refers to a product's look, such as a well-designed car with a pleasant sound.

2.2. Promotion

Lupiyoadi (2013) claims that one of the elements of the marketing mix that is crucial for businesses to use when promoting services and products is promotion. Promotional activities serve as a tool for influencing customers to use products or services in accordance with their needs and wants as well as a means of communication between businesses and consumers. Promotional tools are used to do this. Promotion is the practice of sharing the elements of the marketing mix, which are crucial for businesses to undertake while marketing their goods. The following are the promotion indicators: Promotional frequency, effectiveness, quantity, timing, and aims' determination or suitability (Kotler and Keller, 2016; Nasution, et al., 2019).

2.3. Purchase Decision

Before deciding to buy a product, customers go through many stages of decision-making, according to Kotler and Keller (2013). According to Setiadi (2013), purchasing behavior has meaning since both the actual exchange of money for goods and services and the decision-making process that leads to these activities are directly influenced by human activities. According to Ardiansyah (2012), the reasons for buying a product, the way information is processed to choose a brand, the stability of a product, making recommendations to others, and recurring purchases are the indications of purchasing decisions.

3. Methodology

This type of research is quantitative and carried out at PT. Trans Sumatra Andalan Sisingamangaraja Branch in March 2021 to June 2022. In this study, questionnaires with a Likert scale, study recording, and observation were employed as data gathering methods. The participants in this study were 400 customers of the PT. Trans Sumatra Mainstay Sisingamangaraja Branch. Using Isaac and Michael's calculating formula, sampling was done for this study. There were 162 buyers among the samples used in the data gathering. The SPSS (Statistical Product Software Solution) program is used by the data analysis tool to do multiple linear regression.

4. Result and Discussion

The purpose of the validity test is to evaluate the data obtained using the employed measuring device (questionnaire). 30 customers made up the validity test sample in this study. The findings of the study's validity are shown in Table 2:

Table 2: Validity Test Results

Variable	Statement Items	Correlation Pearson	Value Measurement	Information
Product quality (X ₁)	Q1	0.913	0.5	Valid
	Q2	0.863	0.5	Valid
	Q3	0.923	0.5	Valid
	Q4	0.910	0.5	Valid
	Q5	0.893	0.5	Valid
Promotion (X ₂)	Q1	0.812	0.5	Valid
	Q2	0.768	0.5	Valid
	Q3	0.884	0.5	Valid
	Q4	0.872	0.5	Valid
	Q5	0.896	0.5	Valid
	Q6	0.905	0.5	Valid
Purchase Decision (Y)	Q1	0.963	0.5	Valid
	Q2	0.940	0.5	Valid
	Q3	0.899	0.5	Valid
	Q4	0.767	0.5	Valid
	Q5	0.850	0.5	Valid
	Q6	0.899	0.5	Valid

Source: Research Results, 2022

According to Table 2, the *r* count for product quality (X₁), promotion (X₂), and purchase decisions (Y) is more than the *r* table's (validated) 0.5 value. If the alpha coefficient is greater than the value in the *r* table, the results of the Pearson Moment Product Correlation on the indicator questionnaire can be accepted.

If the study variables employ dependable and trustworthy tools, reliability refers to the degree of consistency and stability of data and findings. Table 3 contains the findings from this study's reliability test:

Table 3: Test Results for Reliability

Variable	Cronbach's Alpha	Information
Product quality (X_1)	0.968	Reliable
Promotion (X_2)	0.979	Reliable
Purchase Decision (Y)	0.975	Reliable

Source: Research Results, 2022

Table 3 demonstrates that the elements of good reliability for product quality, promotion, and purchasing decisions have been met; in other words, this research instrument is trustworthy and its level is sufficient because it has achieved 1 (above 0.70). This study's normality test was conducted utilizing the histogram graph, which is loaded in Figure 1:

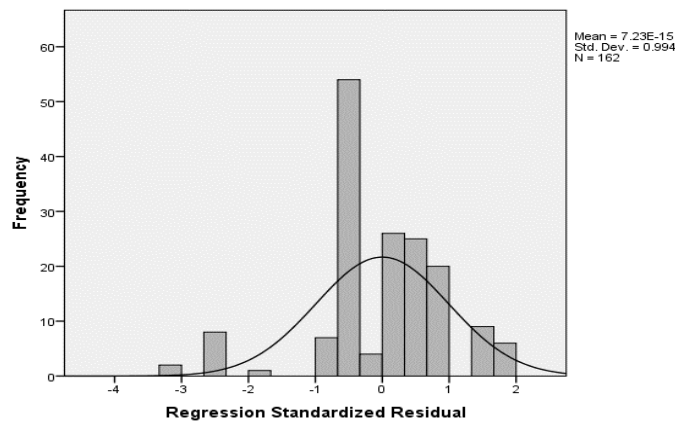


Figure 1: Histogram Graph
 Source: Research Results, 2022

The data has showed a normal curve that perfectly creates a concave on the basis of the histogram graph. If the line has developed an upward concave, it is considered to be normal. The One-Sample Kolmogorov Smirnov Test is a statistical test that can be used to observe normality, as shown in Table 4:

Table 4: Kolmogorov-Smirnov Test. One-Sample Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		162
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	.40114074
Most Extreme Differences	Absolute	.183
	Positive	.083
	Negative	-.183
Kolmogorov-Smirnov Z		2.335
Asymp. Sig. (2-tailed)		.099
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Research Results, 2022

The significant value of Asymp. Sig. (2-tailed) for all variables is 0.099, as shown in Table 4. All variables have a normally distributed distribution if the significance level is larger than 0.05 and the residual value is normal. The VIF (Variance Inflation Factor) and tolerance values can be used to examine the multicollinearity present in a regression model. Table 5 shows the VIF value based on the data analysis findings:

Table 5: Multicollinearity Test Results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product quality (X ₁)	.151	6.615
	Promotion (X ₂)	.151	6.615

a. Dependent Variable: Purchase Decision (Y)

Source: Research Results, 2022

It can be inferred from Table 5 that there is no multicollinearity across independent variables in the regression model as the variable has a VIF value of less than 10 and a tolerance value of less than 10%.

Figure 2 displays the outcomes of the heteroscedasticity test performed on the data used in this investigation.

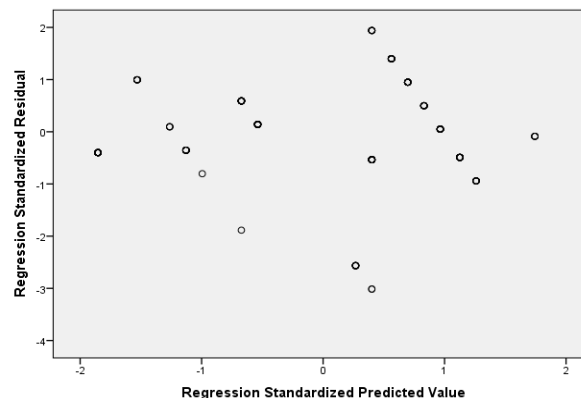


Figure 2: Scatterplot of Heteroscedasticity Test

Source: Research Results, 2022

Figure 2 demonstrates that there is no discernible pattern in the data distribution around the Y axis and that this regression model is free of heteroscedasticity symptoms. Table 6 can be loaded with the regression analysis results:

Table 6: Multiple Linear Regression Test Results

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.379	.247		74.518	.000
	Product quality (X1)	.182	.028	.371	6.406	.000
	Promotion (X2)	.218	.021	.606	10.475	.000

a. Dependent Variable: Purchase Decision (Y)

Source: Research Results, 2022

Table 6 demonstrates that the value (Constant) is 18.379 and that the product's quality is 0.18. (0.218). The research's straightforward linear regression equation is thus: $Y = 18.379 + 0.182 X_1 + 0.218 X_2$. Constant (a) has a value of 18.379, indicating that if the product quality and promotion variable is 0, the value, which is 18.379, is positive. The product quality variable's regression coefficient value, which is 0.182, is positive. This suggests that if other variables remain constant, the purchase decision will increase by 0.182 if product quality increases by 1 percent. The promotion variable's regression coefficient value, which is 0.218, is positive. This suggests that, if all other factors remain unchanged, a promotion increase of 1% will result in an increase in the purchase decision of 0.218%.

The t-count value obtained for each variable can be examined based on Table 6. With a significance level of 5 percent (0.05), the t-table value for n-k (162-3) is 159 and is equal to 1.654. Given that the t-count value for product quality was 6.406 when compared to the t-table value of 1.654, the analysis's findings indicate that the t-count value was higher than the t-table value, or $6.406 > 1.654$. As a result, H_0 is rejected and H_a is approved since the significant value is smaller than the probability value of 0.05 or $0.000 < 0.05$. Therefore, it can be said that product quality influences purchases in a positive and significant way. The analysis's findings showed that, compared to the t-table value of 1,654, the t-value for promotion was 10,475. If $10,475 > 1,654$, the estimated t achieved exceeds the value in the t table. As a result, H_0 is rejected and H_a is approved since the significant value is smaller than the probability value of 0.05 or $0.000 < 0.05$. Therefore, it can be said that promotion influences purchases in a positive and significant way.

Table 7 contains the results of a simultaneous test using SPSS.

Table 7: F Test Results (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	295.753	2	147.877	907.564	.000 ^b
	Residual	25.907	159	.163		
	Total	321.660	161			

a. Dependent Variable: Purchase Decision (Y)
 b. Predictors: (Constant), Promotion (X2), Product quality (X1)

Source: Research Results, 2022

With a Sig level of 0.000 and a calculated F value of $907.564 > F$ table 2.66, Table 7's

computed F value is 907,564; thus, the sig value is 0.000 > 0.05. This demonstrates that Ho is unfounded, allowing it can be asserted that promotion and product quality work in concert to influence purchasing decisions in a positive and significant way. Table 8 contains the findings from the subsequent investigation that included the coefficient of determination:

Table 8: R² Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.959 ^a	.919	.918	.404
a. Predictors: (Constant), Promotion (X2), Product quality (X1)				
b. Dependent Variable: Purchase Decision (Y)				

Source: Research Results, 2022

Based on Table 8, the value of R² demonstrates a multiple correlation, with a correlation of 0.959 or 95.9 percent between product quality and promotions and purchase decisions. This indicates that the two people are closely connected; the larger R, the closer the connection. R displays a coefficient of determination of 0.919, indicating that 91.9 percent of purchase decisions are impacted by product quality and advertising, with the remaining 8.1 percent being influenced by other factors not covered in this study.

The findings of Silaban et al. (2019) study demonstrate that promotions and product quality have a positive and significant influence on consumer purchase decisions. The activities of people who are directly involved in obtaining and using the provided commodities are the main focus of decision-making. The choice to purchase anything cannot be made abruptly or independently; rather, it requires consumer stimulation.

Additionally, Product Quality and Promotion were discovered by Batara and Oktafani (2017) to have a positive and significant impact on the Purchase Decision variable. By paying attention to product quality and advertising, consumer purchase decisions can be improved. Therefore, as a tactic to compete in the market, manufacturers must pay attention to the quality of the things they make and the manner in which they sell their products.

Sriwardiningsih and Bharata (2016) also discovered that advertising and product quality had a positive and significant impact on consumers' purchasing decisions. Profits for the business will come from high-quality products and marketing campaigns that positively impact consumer decisions. The study's findings demonstrate that product quality and advertising do in fact support the prevailing theory.

5. Conclusion

The study's findings are: based on the findings of the analysis and discussion. Product quality somewhat influences purchases in a positive and significant way. Purchase decisions are positively and significantly impacted by promotions. At PT. Trans Sumatra Mainstay Sisingamangaraja Branch, both product quality and promotion have a positive and significant influence on purchasing decisions.

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