The Positive Impact of Product Quality, Price, and, Promotion on Purchasing Decision of Toyota Innova Cars

Ingrid Winardy[1], Purnama Yanti Purba[2*], Charles Chaniago[3], Andika[4]

[1,2,3,4] *Program Studi Manajemen, Fakultas Ekonomi, Universitas Prima Indonesi, Indonesia*

ARTICLE INFO

ABSTRACT

The phenomenon of declining purchasing decisions can be seen from the fact that sales targets have not been achieved, product quality is not good, prices are not competitive, and promotional strategies are not yet attractive. This study aims to analyze the contribution of product quality, price, and promotion factors to the purchase decision of Toyota Innova at PT Perintis Perkasa. This research is a descriptive study using a quantitative approach. This study involved a sample of 131 consumers who were selected using a simple random sampling technique. Data were collected by providing an instrument in the form of a questionnaire. In addition to questionnaires, data were also collected through observation, interviews, and documentation studies. The data that has been collected is then analyzed using multiple linear regression analysis. The results of data analysis showed that the significance obtained was 0.001 (Sig < 0.05). These results indicate that H0 is rejected and Ha is accepted. Based on these results, it can be concluded that, partially and simultaneously, product quality, price, and promotion have a positive and significant contribution to purchasing a car with the Toyota Innova brand at PT Perintis Perkasa.

1. INTRODUCTION

The era of globalization has had a significant impact in various fields of human life, especially in the economic field (Ariani & Utomo, 2017; Puriansa & Donni, 2017). Various developments and advances in the economic field have increased competition in the economic field (Triyani et al., 2018). Therefore, economic actors are required to be able to create products that can compete with other products. It must be done to maintain its existence during intense competition as it is today (Permana, et al., 2017). The emergence of many new competitors in the same economic sector also makes competition between companies increasingly fierce. Appropriate marketing strategies are needed to influence consumer decisions to adapt and compete well (Thomas, 2016; Tjiptono, 2015). Marketing strategies that need to be considered include the quality of the goods offered, the price of the products offered to consumers, and the product promotion efforts undertaken. These factors need special attention to using or buying products from a company (Sayed, 2015).

PT Perintis Perkasa is a company engaged in buying and selling cars. One of the products offered is the Toyota Innova. The quality of Innova's products is still lacking, causing user discomfort. It triggers high consumer complaints in the form of the Innova suspension system being quite loud, wasteful, pulling performance less responsive. The automatic transmission is not good, and the cabin is not soundproof, and the engine sound still sounds rough. Price is the amount of value that consumers exchange for the benefits of having or using a product or service whose value is determined by the buyer and seller through bargaining or is set by the seller for the same price to all buyers. The price of the Toyota Innova is still quite high compared to its competitors. Many consumers stated that the price of the Toyota Innova was still not following the car's performance, thus triggering a decrease in purchasing decisions. Promotions carried out by a company can also influence consumers to make purchases from the company (Prawita et al., 2017; Triana & Retnosary, 2020). Companies that have planned their products well and have determined the selling price correctly have not guaranteed their marketing success. Promotional activities have not been effective due to the lack of attractiveness of gifts given to consumers and discounts given to Innova. It has not sparked consumer interest. Purchasing decisions have decreased, which is reflected in sales targets that cannot be achieved.

[*]Corresponding author.
 E-mail: purnama.js@gmail.com

Many studies have conducted studies on product quality, price, and promotion variables to consumer purchasing decisions. First, the study results indicate that product quality, price, promotion, and service quality affect the purchasing decision process by consumers (Petricia & Syahputra, 2015). In addition, previous research also shows that brand image and promotion have a positive contribution to purchasing decisions (Yuvita, 2019). In line with this, based on these studies, the red thread of the novelty of this research is to examine the contribution of product quality, price, and promotion to the decision to purchase a car with the Toyota Innova brand. This study aims to analyze the effect of Product Quality, Price, and Promotion on the decision to purchase a Toyota Innova car at PT Perintis Perkasa

2. METHODS

This research is a descriptive study using a quantitative approach. This study uses multiple-cross sectional analysis, which is research that looks for patterns of relationship or influence of two or more variables (Sugiyono, 2012). This study analyzes the effect of Product Quality, Price, and Promotion on Toyota Innova Car Purchase Decisions at PT Perintis Perkasa. The relationship between variables in this study is presented in Figure 1.
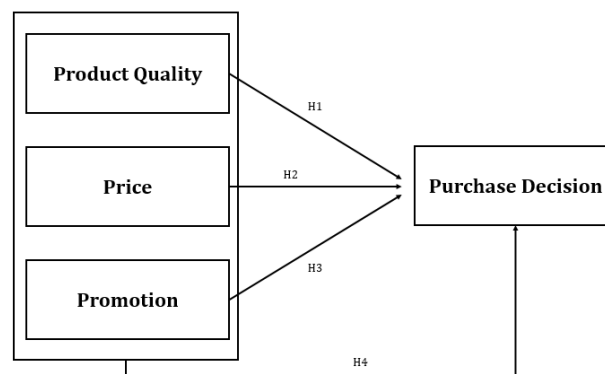

Figure 1. Research Design

This research was conducted at PT Perintis Perkasa Medan, which is located on Jl. General Gatot Subroto No. 220. Medan, North Sumatra, Indonesia 20114. The population in this study was 194 customers from January to December 2019. The sample was selected using a simple random sampling technique. The sample in this study was 131 consumers. Data collection in this study used a non-test method with an instrument in the form of a questionnaire. The questionnaire used includes consumer perceptions of product quality, price, promotion, and purchasing decisions. The indicators used in the instrument are presented in Table 1. The questionnaire instrument has gone through the stages of testing the validity and reliability. For testing the validity and reliability, 30 consumers were taken from the rest of the population not used in the sample. Data collection was also carried out using interview techniques and documentation studies. The data analysis used in this research is multiple linear regression analysis. The prerequisites analysis was carried out before multiple linear regression analyses, normality, multicollinearity, and heteroscedasticity test.

Table 1. Instrument Grid

Variable	Variable Operational Definition	Indicator
Product quality	The ability of a product to perform its function includes durability, reliability, ease of use, repairability, and other properties.	a. Product capabilities b. Product function c. Product advantages d. Product durability e. Product value
Price	Money determined by the company in exchange for goods or services traded and something else held by a company to satisfy customer desires	a. An affordable price b. Able to compete with other companies c. Decision support factors d. Price match with benefits.

Variable	Variable Operational Definition	Indicator
Promotion	Marketing activities seek to disseminate information, influence and remind the company's target market and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned.	a. disseminate information b. Selling products c. Promotions are carried out so that consumers are loyal to the products offered d. Target market
Purchasing Decisions	An integration process used to combine knowledge to evaluate two or more alternative behaviors and choose one of them	a. The desire for a product b. Evaluate before buying c. Result of purchase decision d. Consumer satisfaction e. Loyal to the product

3. RESULTS AND DISCUSSIONS

Result
Analysis Prerequisite Test Results

This study's prerequisite analysis tests include data distribution normality test, multicollinearity test, and heteroscedasticity test. The results of the prerequisite analysis test are presented as follows. The normality of the data distribution was statistically calculated using Kolmogorov-Smirnov analysis. The analysis of the normality of the data distribution in this study is presented in Table 2. Based on the results of these calculations, a significant score was obtained $0.075 > 0.05$. Thus, the test results show that the data is normally distributed.

Table 2. Kolmogorov Smirnov Normality Test

		Unstandardized Residual
N		131
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	9.99114331
Most Extreme Differences	Absolute	0.112
	Positive	0.112
	Negative	-0.065
Kolmogorov-Smirnov Z		1.280
Asymp. Sig. (2-tailed)		0.075

Multicollinearity can be seen from the score of tolerance and variance inflation factor (VIF). The results of the multicollinearity test are presented in Table 3. Based on the results of these calculations, the tolerance score is > 0.1. The VIF score for the variables < 10 means that product quality, price, and promotion in this study do not occur multicollinearity.

Table 3. Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	4.132	2.920		1.415	0.159		
	Product quality	0.244	0.070	0.279	3.471	0.001	0.855	1.170
	Price	0.302	0.092	0.265	3.284	0.001	0.852	1.173
	Promotion	0.184	0.075	0.195	2.444	0.016	0.867	1.154

The heteroscedasticity test aims to test the difference in residual variance from one observation period to another observation period. Heteroscedasticity testing can be done by using the glacier test. The results of the heteroscedasticity analysis are presented in Table 4. Based on these calculations, a significant score > 0.05 that there is no heteroscedasticity problem.

Table 4. Gletjer test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	5.927	1.787		3.316	0.001
	Product quality	0.034	0.043	0.075	0.790	0.431
	Price	0.022	0.056	0.037	0.392	0.696
	Promotion	0.010	0.046	0.020	0.212	0.833

Multiple Linear Regression Analysis Results

Hypothesis testing used in this research is by using multiple linear regression analysis. The regression model used in this study is presented in Table 5.

Table 5. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.132	2.920		1.415	0.159
	Product quality	0.244	0.070	0.279	3.471	0.001
	Price	0.302	0.092	0.265	3.284	0.001
	Promotion	0.184	0.075	0.195	2.444	0.016

The explanation of the multiple linear regression above is a constant of 4.132, stating that if it is not present or constant, then the product quality, price, and promotion variables the purchase decision is 4.132 units. The regression coefficient of the product quality variable is 0.244 and is positive. It means that if every 1 unit increase in the product quality variable will increase the dependent variable for purchasing decisions by 0.244 units assuming the other variables are fixed. The regression coefficient of the product quality variable is 0.302 and is positive. It means that if every 1 unit increase in the product quality variable will increase the dependent variable of purchasing decisions by 0.302 units, the other variables are fixed. The regression coefficient of the promotion variable is 0.184. It is positive if every increase in the promotion variable by 1 unit will increase the dependent variable of purchasing decisions by 0.184 units assuming that the other variables are fixed.

Hypothesis Determination Coefficient

The results of the coefficient of determination test show the Adjusted R Square Vscore of 0.280. It means that 28% of the variation in purchasing decision variables can be explained by variations in product quality, price, and promotion variables. In comparison, the remaining 72% (100% - 28%) is explained by other variables not examined in this study, such as service quality, product innovation, location, etc.

Simultaneous Hypothesis Testing (F Test)

The F statistic test shows whether all the independent variables included in the model have a simultaneous effect on the dependent variable. Based on the analysis results, the F table score at the 0.05 significance level of confidence is 2.68. The test results obtained the score of Fcount (17.850) > Ftable (2.68) and a significant probability of 0.000 <0.05. It means that Ha is accepted and Ho is rejected. Simultaneously Product Quality, Price, and Promotion have a positive and significant effect on purchasing decisions for Toyota Innova at PT Perintis Perkasa Medan.

Partial Hypothesis Testing (t Test)

The t-test is used to determine whether there is a significant (significant) relationship or influence between the independent variables partially on the dependent variable.

Table 6. Partial Test (t-Test)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.132	2.920		1.415	.159
	Product quality	.244	.070	.279	3.471	.001

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Price	.302	.092	.265	3.284	.001
Promotion	.184	.075	.195	2.444	.016

The t_{table} score for the probability of 0.05 at the degree of freedom (df) 127 is 1.979. Thus the results of partial hypothesis testing can be explained as follows: The results of the calculation of partial hypothesis testing obtained tcount > ttable or 3.471 > 1.979 and significant obtained 0.001 < 0.05. It means that Ha is accepted and Ho is rejected. Product Quality positive and significant effect on the Decision to Purchase Toyota Innova Cars at PT Perintis Perkasa Medan. The results of the calculation of partial hypothesis testing obtained tcount > ttable or 3.284 > 1.979 and significant obtained 0.001 < 0.05. It means that Ha is accepted and Ho is rejected. Price has a positive and significant effect on Purchase Decisions for Toyota Innova Brand Cars at PT Perintis Perkasa Medan. The results of the calculation of partial hypothesis testing obtained the score of tcount > ttable or 2.444 > 1.979 and significant obtained 0.016 <0.05. It means that Ha is accepted and Ho is rejected. The promotion has a positive and significant effect on the Purchase Decision of Toyota Innova at PT Perintis Perkasa Medan.

Discussion

The results of the calculation of partial hypothesis testing obtained tcount > ttable or 3.471 > 1.979 and significant obtained 0.001 < 0.05. It means that Ha is accepted and Ho is rejected. Product Quality has a positive and significant effect on Purchase Decisions for Toyota Innova Brand Cars at PT Perintis Perkasa Medan. The quality of Innova's products is still lacking, causing user discomfort. It triggers high consumer complaints in the form of the Innova suspension system being quite loud, wasteful, pulling performance less responsive. The automatic transmission is not good, and the cabin is not soundproof, and the engine sound still sounds rough. From these results, consumer behavior, for example, perceptions and attitudes towards product quality and its suitability for themselves and their families, greatly impacts how they assess and make purchases, including repeat purchases. (Adam & Foster, 2000; Santosa, 2019; Sumiati & Mujanah, 2018). The results of the calculation of partial hypothesis testing obtained tcount > ttable or 3,284 > 1,979 and significant obtained 0.001 < 0.05. It means that Ha is accepted and Ho is rejected. Price has a positive and significant effect on Purchase Decisions for Toyota Innova Brand Cars at PT Perintis Perkasa Medan. Price is the amount of value that consumers exchange for the benefits of owning or using a product or service whose value is determined by the buyer and seller through bargaining or is set by the seller for the same price to all buyers (Fristiana et al., 2012; Kukar-Kinney et al., 2012). The price of the Toyota Innova is still quite high compared to its competitors. Many consumers stated that the price of the Toyota Innova was still not following the car's performance, thus triggering a decrease in purchasing decisions. From these results, the element of price has a relative influence. Therefore, some consumers are sensitive to price.

The results of the calculation of partial hypothesis testing obtained the score of tcount > ttable or 2.444 > 1.979 and significant obtained 0.016 <0.05. It means that Ha is accepted and Ho is rejected. The promotion has a positive and significant effect on the Purchase Decision of Toyota Innova at PT Perintis Medan. The tools used to promote a product can be chosen in several ways: advertising, sales promotion, publicity, and personal selling, which is called the promotional mix (Petricia & Syahputra, 2015; Sumiati & Mujanah, 2018). Promotions carried out by a company can also influence consumers to make purchases from the company. Companies that have planned their products well and have determined the selling price correctly have not guaranteed their marketing success. Promotional activities have not been effective due to the lack of attractiveness of gifts given to consumers and discounts given to Innova. It has not sparked consumer interest. From the results, promotion is an activity to influence consumers to become familiar with the company's products and then become happy and then buy the product (Petricia & Syahputra, 2015; Rustam, 2019). The recommendations offered based on the findings of this study are to improve product quality, such as waste and responsive performance. Improve the pricing system that triggers consumer interest. Improve promotions that attract and benefit consumers to conduct research with different variables and a larger place of research such as service quality, product innovation, location, etc.

4. CONCLUSION

Partially, product quality has a positive and significant effect on purchasing decisions for Toyota Innova at PT Perintis Perkasa Medan. Partially the price has a positive and significant effect on the Toyota Innova Purchase Decision at PT Perintis Perkasa Medan. Partially promotion has a positive and significant

effect on the Purchase Decision of Toyota Innova at PT Perintis Perkasa Medan. Simultaneously Product Quality, Price, and Promotion have a positive and significant impact on the Purchase Decision of Toyota Innova at PT Perintis Perkasa Medan.

5. REFERENCES

Adam, E. E., & Foster, S. T. (2000). Quality improvement approach and performance: multisite analysis within a firm. *Journal of Quality Management*, *5*(2), 143–158. https://doi.org/10.1016/s1084-8568(01)00018-9.

Ariani, A., & Utomo, M. N. (2017). Kajian Strategi Pengembangan Usaha Mikro Kecil Dan Menengah (Umkm) Di Kota Tarakan. *Jurnal Organisasi Dan Manajemen*, *13*(2), 99–118. https://doi.org/10.33830/jom.v13i2.55.2017.

Fristiana, D. A., Prihatini, A. E., & Listyorini, S. (2012). Pengaruh Citra Merek dan Harga terhadap Keputusan Pembelian pada Ramai Swalayan Peterongan Semarang. *JIAB: Jurnal Ilmu Administrasi Bisnis*, *1*(2), 118–127. https://ejournal3.undip.ac.id/index.php/jiab/article/view/839.

Kukar-Kinney, M., M.Ridgwaya, N., & B.Monroe, K. (2012). The Role of Price in the Behavior and Purchase Decisions of Compulsive Buyers. *Journal of Retailing*, *88*(1), 63–71. https://doi.org/10.1016/j.jretai.2011.02.004.

Permana, A.A.J., Kertiasih, N. K., & Budhayasa, I. . (2017). Video Profil Sebagai Sarana Promosi Efektif Dalam Menunjang Eksistensi Program Studi Manajemen Informatika. *JST*, *1*(1).

Petricia, D., & Syahputra. (2015). Pengaruh Kualitas Produk, Harga, Promosi dan Kualitas Pelayanan terhadap Proses Keputusan Pembelian (Studi pada Konsumen Kopi Progo Bandung). *Eproceeding of Management*, *2*(2), 2117–2124.

Prawita, R., Swasty, W., & Aditia, P. (2017). Membangun Identitas Visual Untuk Media Promosi Usaha Mikro Kecil Dan Menengah. *Jurnal Sosioteknologi*, *16*(1), 27–42. https://doi.org/10.5614/sostek.itbj.2017.16.1.3.

Puriansa, J., & Donni. (2017). *Perilaku Konsumen Dalam Persaingan Bisnis Kontemporer* (C. Alfabeta (ed.)).

Rustam, T. A. (2019). Pengaruh Kualitas Produk, Citra Merk dan Promosi terhadap Keputusan Pembelian Spare part pada Bengkel Aneka Motor Kabupatan Padang Pariaman. *Owner (Riset Dan Jurnal Akuntansi)*, *3*(2), 320–328. https://doi.org/10.33395/owner.v3i2.159.

Santosa, A. T. (2019). Pengaruh Kualitas Pelayanan, Kualitas Produk, Store Atmosphere, Dan E-Wom Terhadap Proses Keputusan Pembelian (Survei Terhadap Konsumen Zenbu-House Of Mozaru Paris Van Java, Bandung). *Jurnal Manajemen Maranatha*, *18*(2), 148–158. https://doi.org/10.28932/jmm.v18i2.1613.

Sayed, M. A. (2015). Does Brand Experience Build Customer's Satisfaction and Loyalty in the Automobile Industry. *Journal of Marketing and Consumer Research*, *15*(1), 103–112.

Sugiyono. (2012). *Metode Penelitian Pendidikan (Pendekatan Kuantitatif, Kualitatif dan R&D.* Alfabeta.

Sumiati, S., & Mujanah, S. (2018). Persepsi Kualitas Produk, Persepsi Harga dan Promosi Terhadap Keputusan Pembelian Tas Sophie Paris pada Mahasiswa. *AMAR (Andalas Management Review)*, *2*(2), 1–10. https://doi.org/10.25077/amar.2.2.1-10.2018.

Thomas, J. F. (2016). Analisa Pengaruh Rebranding Terhadap Brand Association Dengan Brand Image Sebagai Variabel Intervening Terhadap Customer Loyalty Pada PT Telkom Indihome Surabaya. *Jurnal Strategi Pemasaran*, *3*(2), 1–10. http://publication.petra.ac.id/index.php/manajemen-pemasaran/article/view/4438.

Tjiptono, F. (2015). *Strategi Pemasaran*. Andi Offset.

Triana, N. N., & Retnosary, R. (2020). Pengembangan Model Pemasaran Batik Karawang sebagai Produk Unggulan Daerah. *Jurnal Inovasi Dan Pengelolaan Laboratorium*, *2*(1), 21–27.

Triyani, W., Mahmudi, B., & Rosyid, A. (2018). Pengaruh Pertumbuhan Aset terhadap Nilai Perusahaan dengan Profitabilitas sebagai Variabel Intervening. *Jurnal Tirtayasa Ekonomika*, *13*(1), 107–129.

Yuvita, H. (2019). Pengaruh Brand Image Dan Sales Promotion Terhadap Keputusan Pembelian Melalui Brand Equity (Survei Terhadap Nasabah Bank Bni Syariah Di Kota Palembang). *MIX: Jurnal Ilmiah Manajemen*, *9*(1), 431–440. https://doi.org/10.22441/mix.2019.v9i3.004.