

The Influence Analysis of Price Match, Quality, and Product Distribution on the Decision to Purchase the Sparepart for Palm Oil Processing Machine in CV Anugrah Ibu Pertiwi

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ABSTRACT

Purchasing decisions are actions of consumers to buy or not to product. Of the various factors that influence consumers in purchasing a product or service, consumers usually always consider the quality, price, and products that are already known by the public. This study aims to determine the effect of price, quality, and distribution of products on the decision to purchase spare parts for palm oil processing machinery at CV Anugrah Ibu Pertiwi. This research is a type of hypothesis testing research with the research population is regular customers of palm oil processing. The sample selection is implemented by census (saturated) which is a method for collecting and analyzing data from all research populations, which is 30 respondents. The data used are primary and secondary, both qualitative and quantitative. This research is an associative explanatory research using a quantitative approach. The analytical method used is multiple linear regression method by first classical assumptions. The results of this study demonstrate that partially the price and quality of the product has a positive and significant influence on purchasing decisions while the distribution of products does not significantly influence purchasing decisions. However, price match, quality, and distribution of products significantly influence the decision to purchase palm oil processing machine spare parts products simultaneously.

Keyword: Price Match, Quality, Product Distribution, Purchasing Decision, Palm Oil

INTRODUCTION

The progress and growth of the company increased, it can be seen from the amount of turnover (large orders received by the company) and the volume of sales of the products. One of strategy in increasing turnover is to provide a reasonable price. Price becomes a very easy reference to compare with offers of similar products from different vendors. Then, product quality is also a consideration of buyers in deciding their annual purchase contract. Quality is the ability of the company to produce goods in accordance with technical specifications which are the records of each requested product. Product quality can be seen both physically and during use. Where the age of the product produced must be in accordance with the initial agreement agreed by both parties, the buyer and the seller. And the last is distribution, in this case interpreted as the distribution of products from production companies to consumers. Distribution becomes important considering this is closely related to the period (time) the product must be used to replace the previous product. These three things must work together so that they can influence consumers in future purchasing decisions.

CV AnugrahIbu Pertiwi is engaged in manufacturing and producing spare parts specifically in the palm oil processing industry. In maintaining customer

confidence, companies must produce and distribute goods (products) that consumers want at reasonable prices, satisfying product quality and timely distribution processes. So the company is able to understand consumer behavior in its target market. The survival of a company depends very much on its consumer behavior. Based on sales transaction data in 2015-2017 which stated that the sales target was not reached, there was a delay in the distribution of orders from the agreed schedule and there was a product return because it was not in accordance with customer standards but the PO (Purchase Order) of the customer had increased, the researcher felt the need to do research on the effect of price, quality and product distribution on specific purchasing decisions on operational spare parts for palm oil processing factories in Indonesia.

Price

Price is a benchmark value of goods or services. Kotler states that price is one of the marketing mix that generates revenue, the other elements produce costs. According to Kotler and Armstrong's on Sabran (2012), in the price variable there are several main price activity elements which include price lists, discounts, price discounts, and payment periods. According to Kotler and Armstrong's translation on Sabran (2012), there are four indicators whose prices are:

1. Price affordability.
2. Price compatibility with product quality.
3. Price competitiveness.
4. Price compatibility with benefits.

Price also communicates the position of the intended value of the company to the market about its products and brands. In this case, price is a way for a seller to differentiate his offer from competitors. So pricing can be considered as part of the function of product differentiation in marketing. In general, sellers have several goals in determining the price of their products. Price can be a determining factor that influences purchasing choices, this is still a reality in third world countries, among poor social groups, as well as on daily

staples. But in the past decade, factors other than price have shifted to being relatively more important in the buying process.

Product quality

According to the American Society for Quality Control, product quality is the overall completeness and characteristics of the product or service that affects its ability to satisfy both stated and implied needs. Meanwhile, according to Kotler and Armstrong, product quality is the ability of a product to carry out its functions, including reliability, durability, permanence, ease of operation, and product improvement, as well as other valuable attributes.

Kotler and Armstrong say that product quality is one of the main positioning tools of marketers. Quality has a direct impact on the performance of the product or service, therefore quality is closely related to value and customer satisfaction. In the narrow sense, quality is defined as "free from damage". Product quality shows the size of the durability of the product, the reliability of the product, the precision (precision) of the product, easy to operate and maintain it. From a marketing point of view, quality is measured in terms of the buyer's perception of the quality of the product. Most products supplied or held initially begin at one of four levels of quality, namely low quality average (moderate) quality, good quality (high) and very good quality.

David A. Garvin introduces 8 (eight) quality dimensions (1987), namely:

1. Performance / performance. These are qualities related to the main characteristics of a product. Take the example of a television. The main performance images that are demanded are images of clarity or brilliance that can be watched properly. At the same time, for a moment the silence of the voice that was pleasant to hear (clear, good and pleasant to the ears for a long time).
2. Features / features. These are supporting or complementary characteristics but are related to the main characteristics of a

product. For example, from a product of a four-wheeled vehicle (car), consumers require a full range of supporting features. Moreover, it's just that it includes a DVD / CD player, sensor or reverse camera and car remote control.

3. Reliability / reliability. This dimension is related to the ability of products to meet certain time and requirements. Say the product is reliable in many ways, but its useful life is short, this is not a reliable product type.
4. Conformity / suitability. Someone must choose between the quality and quantity of the product on the one hand and the standards desired on the other. That is why, every product has a standard or specification that is raw.
5. Safety / durability. This is about the durability of a product that must be replaced with a new one. Long life for certain products. The warranty period provided by the manufacturer reflects this to a degree.
6. Ease of service / serviceability. There are two things about this. Namely, after-sales service provided by the manufacturer as agreed upon by the spare parts; and repair repairs if damage occurs and there is a repair service center (service center) that is easily reached by consumers.
7. Esthetic / beauty / aesthetics. This indicator is the most easily recognizable to consumers, because it relates to the appearance / form, sound, taste or smell of a product. The appearance of a cellphone (old school generation / G1-G3, pre Android regime) that you want to buy doesn't match the sound clarity it generates.
8. Impression Quality / perceived quality is the impression of a product received by consumers. This quality dimension is related to consumer perceptions of product or brand quality. Such as Seiko watches, XIAOMI cellphones, Toyota cars, Canon cameras, Toshiba laptops, and Hewlett Packard printers. For lower

middle class consumers, the product is considered quality

Product Distribution

According to Kotler (2001) distribution is a group of organizations that make a process of channelling an item or service to be used or consumed by consumers (buyers). Therefore to deliver goods from producers to consumers is very important distribution activities. Without distribution, the goods produced will not reach consumers. The time factor plays an important role. The benefits of goods will be maximized if the goods needed can be obtained when needed. Conversely, the distribution that is not timely will cause losses for producers or consumers, is producers lose profits and consumers' satisfaction is reduced.

There are several important factors that must be considered by companies regarding distribution channels according to Keegan in YudhiKoesworodjati (2006), namely:

1. Transportation system that is a way to deliver products to consumers
2. The availability of products in accordance with the demand characteristics of the location, time, and desires of consumers
3. Time distribution namely how long the consumer must wait until the goods arrive at the consumer itself.

Purchase Decision

Kotler (2005), states that purchasing decisions are a process of solving problems that consist of analyzing needs and desires, searching for information, evaluating sources of selection for alternative purchasing, purchasing decisions, and behavior after purchasing. The decision to buy is one of the main components of consumer behavior. Kotler (2002) suggests that the buying process goes through five stages. The stages of consumer purchases include:

1. Introduction to the problem (problem recognition); the buying process begins with a problem or need that is felt by

consumers. Consumers perceive the difference between the desired state with the current situation in order to arouse and activate the decision process.

2. Search for information (information search); after consumers feel the need for an item or service, then consumers look for information both stored in memory (internal) and information obtained from the environment (external).
3. Alternative evaluation (validation of alternative); after the information is obtained, the consumer evaluates various alternative choices in meeting those needs.
4. Purchase Decisions; Consumers who have made choices about various alternatives usually buy the most preferred product, which forms a decision to buy.
5. Post-purchase behavior; Consumer satisfaction or dissatisfaction with a product will affect subsequent buying behavior. If the consumer is satisfied, most likely will make a repeat purchase.

Conceptual Framework

The topic of this research relates to the analysis of the effect of price, quality and distribution of products on purchasing decisions. This analysis is seen as important in an effort to see how much influence the marketing mix which consists of the suitability of price, quality and distribution of the decision to purchase spare parts for palm oil processing machinery. Schematically, the conceptual flow in the acquisition of this thesis can be seen in Figure 1.

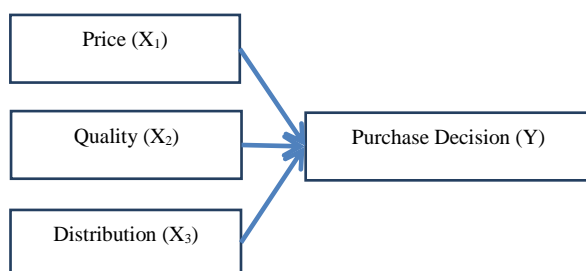


Figure 1. Conceptual framework

Hypothesis

H_0 : There is no significant effect of price, quality, and distribution on purchasing decisions.

H_1 : There is a significant influence on price, quality, and distribution on purchasing decisions.

RESEARCH METHOD

This type of research is associative explanatory research, namely research that aims to determine the effect or also the relationship between two or more variables. This research uses a quantitative approach to the type of survey research. Data was collected through interviews and questionnaires obtained from primary data sources namely customers of CV AnugrahIbu Pertiwi then processed using multiple linear regression analysis to determine whether there is a relationship and the influence of price, quality, and distribution on purchasing decisions. The measurement uses a Likert scale with an ideal range of scores according to the interval scale ranging from 1 to 5 because there are five alternative answers. Data analysis using SPSS v.22 software.

The population in this study were all consumers in CV AnugrahIbu Pertiwi specifically on procurement staff totaling 30 companies. Sampling refers to the opinion of Roscoe in Sugiyono (2010) which states that the number of samples in correlation analysis or multiple regression is at least 10 times the number of research variables (in this study consist of three variables). Therefore, the numbers of samples used in this study were 30 people.

RESULT AND DISCUSSION

Normality test

The results of the normality test using the Kolmogorov Smirnov Test approach can be seen in Table 1:

Asymp.Sig (2-tailed) value of 0.917. This value is greater than the significance level $\alpha = 0.05$. Then it can be concluded that the residual value is normally distributed.

Table 1. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		30
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	.16696161
Most Extreme Differences	Absolute	.102
	Positive	.101
	Negative	-.102
Kolmogorov-Smirnov Z		.556
Asymp. Sig. (2-tailed)		.917
a. Test distribution is Normal.		

Source: the results of data processing with SPSS

Multicollinearity Test

Table 2. Recapitulation of Tolerance Value and VIF Value from Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Price	.398	2.511
	Quality	.506	1.978
	Distribution	.700	1.429

Source: the results of data processing with SPSS

Based on Table 2 shows that the VIF value below 10 and the tolerance value are not smaller than 0.1, this means that among the independent variables in this study there is no relationship or do not have a relationship with each other so it can be concluded that the regression model does not exist Multicollinearity.

Heteroscedasticity Test

Scatterplot

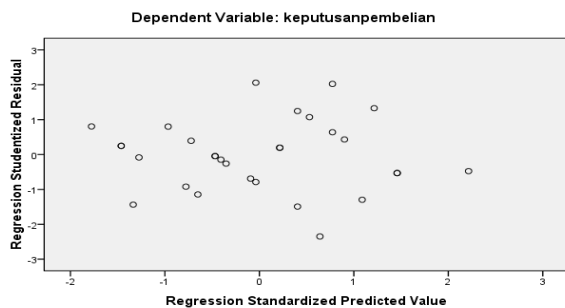


Figure 2. Heteroscedasticity Test Results
(Source: Results of data processing using SPSS)

Heteroscedasticity testing uses scatterplot charts. The following is a scatterplot graph display of the regression model in this study which is presented in Figure 2.

Figure 2 show that the points spread randomly and spread both above and below the number 0 on the Y axis. It can be concluded that there was no heteroscedasticity in the regression model in this study.

Table 3. Glejser Test

Model	t	Sig.
(Constant)	-.284	.778
Price	1.169	.253
Quality	-.255	.801
Distribution	-.365	.718
a. Dependent Variable: Res 1		

Source: Results of data processing using SPSS

Table 3 show that the sig value is greater than 0.05, it can be said that there is no heteroscedasticity deviation in the regression model made, in other words, it can accept the homoskedastity hypothesis.

Test Simultaneously (Test F)

To assess the independent variables together, you can use the F. test to test the hypothesis that the F test is carried out. If $F_{count} > F_{table}$, then the regression equation and the coefficient of correlation are significant, H_0 is rejected and H_1 is accepted. Or it can be seen from the significant alpha level (α) = 0.05 if the significance value is more than 0.05 then H_0 is rejected and H_1 is accepted.

Table 4. F Test Results of the Independent Variables of the Bound Variables Simultaneously

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.707	3	.569	25.458	.000 ^a
	Residual	.581	26	.022		
	Total	2.288	29			
a. Predictors: (Constant), distribution, quality, price						
b. Dependent Variable: Purchase Decision						

From the table it can be assessed that F_{count} is 25.458 indicating the calculated F_{value} (25.458) > from F_{table} (2.759) and

the significance level of the F test is 0.000 ($p < 0.05$) then H_0 is rejected and H_1 is accepted. Means that there is a significant

influence of price (X1), quality (X2), distribution (X3) on purchasing decisions (Y) simultaneously (simultaneously).

Partial Test (t Test)

Table 5. Partial Test Results (t Test)

Model		t	Sig.
1	(Constant)	.723	.476
	Price	3.332	.003
	Quality	2.564	.016
	Distribution	.820	.420

a. Dependent Variable: Purchase Decision
Source: Results of data processing using SPSS

Test hypothesis 1 (H1)

Analysis of the effect of price variables (X1) on the purchase decision variable (Y): because $t_{count} > t_{table}$ ($3.332 > 2.045$) it can be said that the price variable (X1) has a positive and significant effect on the purchase decision variable (Y) then H_0 is rejected and H_1 is accepted, other than that by using the Sig value contained in the table, then compared with a significant level of 0.05. If the Sig value is greater than the significant level then H_0 will be accepted, whereas if the Sig value is less than 0.05 then H_1 will be accepted and H_0 is rejected. The sig value in the table is 0.003 (< 0.05) so that it meets the H_0 rejection requirement, meaning there is a significant influence between the price variable (X1) on the purchase decision variable (Y).

Hypothesis test 2 (H2)

Analysis of the effect of the quality variable (X2) on the purchase decision variable (Y) because $t_{count} > t_{table}$ ($2.564 > 2.045$), besides the sig value of 0.016 (< 0.05), it can be said that the quality variable (X2) has a positive and significant effect on the purchase decision variable (Y) then H_0 is rejected and H_1 is accepted, meaning there is a positive and significant effect between the quality variable (X2) on the purchase decision variable (Y).

Hypothesis test 3 (H3)

Analysis of the effect of the distribution variable (X3) on the purchase decision variable (Y): because $t_{count} < t_{table}$

($0.820 < 2.045$), besides the sig value of 0.420 (> 0.05), it can be said that the distribution variable (X3) has no significant effect to the purchase decision variable (Y), then H_0 is accepted and H_1 is rejected, meaning there is no significant influence between the distribution variable (X3) on the purchase decision variable (Y).

Coefficient of Determination R2

Table 6. Results of the Determination Coefficient Analysis

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.864 ^a	.746	.717	.14950

a. Predictors: (Constant), distribution, quality, price
b. Dependent Variable: Purchase Decision

Source: Results of data processing using SPSS

Based on Table 6 can be seen the results of the R2 test with the coefficient of determination (R square) of the influence between the price variables (X₁), quality (X₂), and distribution (X₃) is a value of 0.717 meaning 71.7 % of the variation of the purchase results can be adjusted by variable price (X₁), quality (X₂), distribution (X₃), while accepted 28.3% explained by other causes not discussed in this study, such as service quality processes, processes, product variations and others.

Multiple Linear Regression Analysis

Table 7. Results of Multiple Linear Regression

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	.361	.500	
	Price	.449	.135	.522
	Quality	.382	.149	.356
	Distribution	.092	.113	.097

a. Dependent Variable: Purchase Decision

Based on Table 7 above it is known that the value of:

$$a : 0,361 \quad b_2 : 0,382$$

$$b_1 : 0,449 \quad b_3 : 0,092$$

So the multiple regression equation from the values above is:

$$Y = 0,361 + 0,449 X_1 + 0,382 X_2 + 0,092 X_3$$

Based on the pattern or form of influence, it can be concluded that the most

influential on purchasing decisions are the price of 0.449 and the quality of 0.382, while the distribution variable gives a positive but not significant effect of 0.092.

Effect of Price Variables on Purchasing Decisions on CV. AnugrahIbu Pertiwi

According to variable decryption of price variables can be seen that the average value of the results of respondents' questions on price variables of 4.11 (3.41 - 4.20). This means that the average respondent gave a high valuation of the price in accordance with the product specifications offered by the company CV. AnugrahIbu Pertiwi. Besides that, based on the t test (partial test), $t_{count} > t_{table}$ ($3.332 > 2.045$), it can be said that the price variable (X1) has a positive and significant effect on the purchasing decision variable (Y). This implies that if companies can sell quality products at prices that are relative to competitors, consumer purchasing decisions will increase.

Effect of Quality Variables on Purchasing Decisions on CV.AnugrahIbu Pertiwi

Hypothesis test results prove that product quality has a positive and significant effect on purchasing decisions, with t test results obtained for 2.564 ($t_{count} > t_{table}$) and sig values. 0.016 < 0.05 . So the company must continue to make improvements and innovations of the products produced in accordance with consumer desires. Improvements to the quality of the products produced will also improve purchasing decisions. In the midst of competitive competition and globalization, companies must be able to provide / produce high-quality products, because basically consumers will continue to demand improvements to the quality of products produced and always compare those produced against competitors' products. If the company ignores the quality of products produced primarily in terms of innovation, sooner or later the product will be left behind.

The Effect of Distribution Variables on Purchasing Decisions on CV.AnugrahIbu Pertiwi

Based on the results of descriptive variables on the distribution variable it can be seen that the average value of the respondents' statements on product quality is 3.97 and is included in the high category (3.41 - 4.20). An interesting distribution indicator is the most dominant indicator in the distribution variable with an index value of 4.03 and is included in the high category. While the variable indicators of product quality with the lowest index value of 3.90 and included in the high category.

While based on the results of the t test to analyze the effect of the distribution variable (X3) on the purchase decision variable (Y): because $t_{count} < t_{table}$ ($0.820 < 2.045$), besides that the sig value of 0.420 (> 0.05) it can be said that the distribution variable (X3) does not have a significant effect on the purchase decision variable (Y), then the distribution does not become significant to the purchase decision. This can be caused because in some cases in the distribution of products into the hands of consumers sometimes experience minor disruptions so that the product does not arrive on time. However, excellent product quality is the main thing consumers choose products from CV.AnugrahIbu Pertiwi

CONCLUSION

Price variables (X1) and product quality (X2) have a positive and significant effect on product purchasing decisions CV. AnugrahIbu Pertiwi

Variable distribution (X3), have a positive but not significant effect on purchasing decisions for CV AnugrahIbu Pertiwi

Based on the F test, it can be seen that price, quality, and distribution together have a significant effect on purchasing decisions.

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