

Effect of Price, Personal Selling and Service Quality in Increasing Car Tire Purchase Decisions at PT Tyre Master Mandiri Indonesia

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ABSTRACT

This study aims to examine the effect of price, personal selling, and service quality in increasing car tire purchase decisions at PT Tyre Master Mandiri Indonesia. This study uses quantitative methods with data obtained from PT Tyre Master Mandiri Indonesia. The type of research data is quantitative data. The data sources used are primary and secondary data. Primary data is data obtained from the results of research observations. In this study, primary data originated from distributing questionnaires directly to consumers where the results of the data were collected and processed by the researchers themselves. The population that will be used in this study are employees of PT Tyre Master Mandiri Indonesia, amounting to 105 people. Based on the results of data analysis, partially the price has a significant effect on purchase decisions while personal selling and service quality do not have a significant effect on purchase decisions. Simultaneously price, personal selling, and service quality simultaneously or together have a significant effect on purchase decisions at PT Tyre Master Mandiri Indonesia.

Keywords: Price, Personal Selling, Service Quality, Purchase Decisions

INTRODUCTION

Product sales activities are closely related to product purchasing decisions by customers. At this time product purchasing decisions decreased somewhat due to many competing companies in the market and made it easy for customers to determine

their products. Today's customers have a much greater and more varied demand for value because they are faced with a variety of choices in the form of goods and services that they can buy. In this case the seller must be able to compete in price, have a personal selling that offers their products and the services provided to consumers can be satisfactory.

There are problems that are often faced by companies, especially decreased sales due to decreased purchasing decisions made by consumers. This happened at PT Tyre Master Mandiri Indonesia. This company is engaged in the distributor of car tires which is facing a declining sales rate in 2020 especially during the Covid-19 pandemic.

The decline in purchasing decisions for car tires was due to the higher price of tires that the company sold than those of competitors. The tires that the company sold were of good quality, but consumers often did not pay attention to the details of these differences. Consumers prefer cheap tire prices.

This decreasing purchasing decision is also due to the company having a limited number of personal selling and personal selling frequently visiting customer stores irregularly resulting in customers switching to competing companies. Personal selling visits were not routine due to travel routes that were not in accordance with limited time, especially during the Covid-19

pandemic, visits to customer stores were also limited.

The decrease in purchasing decisions is caused by employees being slow in providing services such as via telephone where employees are often late in picking up the phone, customer complaints are slow to respond to. Confirmations between employees and customers are often late so that customers feel that the service provided by the company is still low, while customers want their complaints to be quickly responded to.

This study aims to examine the effect of price, personal selling, and service quality in increasing car tire purchase decisions at PT Tyre Master Mandiri Indonesia.

LITERATURE REVIEW

Effect of Price on Purchase Decisions

According to Herlambang (2014:34), price is an amount of money paid by consumers to producers to get a product.

According to Sunyoto (2014:193), high levels of satisfaction can increase customer loyalty and prevent customer turnover, reduce customer sensitivity to prices, reduce marketing failure costs, reduce operating costs caused by increasing the number of customers, increase advertising effectiveness and improve business reputation.

According to Tjiptono (2014:348), satisfied customers tend to be more loyal, not easily tempted to switch to suppliers that offer cheaper prices and has the potential to spread positive experiences to others.

According to Sudaryono (2015:230), a penetration price can be applied to new products, namely a low initial price to attract buyers or a floating price (price skimming), which is a high initial price because the product is considered different from existing products in the market.

Effect of Personal Selling on Purchase Decisions

According to Assauri (2011:277), personal selling is an oral presentation by a

company to one or more prospective buyers with the aim that the goods or services offered can be sold.

According to Assauri (2014:282) sales promotion is a promotional activity apart from advertising, personal selling and publicity, which can encourage consumer purchases, and which can increase the effectiveness of distributors by holding display exhibitions, exhibitions, demonstrations and various sales activities. others, which are done intermittently, and are not routine.

According to Alma (2011:185), personal selling is the only way of sales promotion that can arouse the hearts of buyers immediately, and at that place and time it is also hoped that consumers can make a decision to buy.

According to Sunyoto (2015:153-154) a sales promotion encourages someone to take a product at a retail store and try it by offering something tangible (gifts, price reductions, etc.). In short, most sales promotions are oriented towards changing consumer buying behavior immediately.

Effect of Service Quality on Purchase Decisions

According to Sunyoto (2012:236), service quality is an effort to fulfill the needs and desires of consumers and the accuracy of its delivery to balance consumer expectations.

According to Tjiptono (2014) in the case of service marketing, the dimensions of quality that are most often used as references are:

1. Reliability
2. Responsiveness
3. Guarantee
4. Empathy
5. Physical Evidence

According to Sunyoto (2014:181) "The amount of service provided by the seller after the purchase will influence the decision in his purchase."

A purchasing decision is the next stage after an intention or desire to buy;

however the purchase decision is not the same as the actual purchase.

According to Sunyoto (2014:283), sellers need to structure the overall buying decision to help consumers make decisions about their purchases. Each buying decision has a structure of seven. These components are:

1. Decisions About the Type of Product
2. Decisions About the Shape of The Product
3. Decisions About Branding
4. Decisions About the Seller
5. Decisions About the Number of Products
6. Decisions About When to Buy

According to Kirom (2012:29), "The policy to improve the quality of service is part of the company's efforts to improve the image of service to consumers who are getting worse. Consumers have to protect their interests in obtaining the products or services they buy."

According to Priansa (2017:91) good service and convenience provided by distributors or retailers to consumers, making consumers always choose that location to buy the products they need.

RESEARCH METHODS

This study uses quantitative methods with data obtained from PT Tyre Master Mandiri Indonesia. The type of research data is quantitative data.

t Test (Partial)

Table 1. t Test (Partial)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19.416	3.499		5.549	.000
	Price	.296	.076	.359	3.892	.000
	Personal Selling	-.560	.829	-.576	-.675	.501
	Service Quality	.639	.842	.648	.759	.450

a. Dependent Variable: Purchase Decisions

F Test (Simultaneous)

Table 2. F Test (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	210.791	3	70.264	5.445	.002 ^b
	Residual	1303.342	101	12.904		
	Total	1514.133	104			

a. Dependent Variable: Purchase Decisions

b. Predictors: (Constant), Price, Personal Selling, Service Quality

The data sources used are primary and secondary data. Primary data is data obtained from the results of research observations. In this study, primary data originated from distributing questionnaires directly to consumers where the results of the data were collected and processed by the researchers themselves.

The population that will be used in this study are employees of PT Tyre Master Mandiri Indonesia, amounting to 105 people.

Regression analysis is used to measure the strength between two or more variables, it also shows the direction of the relationship between variables. Regression analysis in this study is like the t test (partial) and the F test (simultaneous).

RESULT

Descriptive Statistics

Respondents in this study were 105. The lowest total answer for the price variable was 8, while the highest total answer from the price variable was 37. The lowest total answer for the personal selling variable was 18, while the highest total answer for the personal selling variable was 36. service is 18 while the highest total answer for service quality variable is 36. The lowest total answer for purchasing decision variable is 22 while the highest total answer for purchasing decision variable is 39.

Based on the Table 1 and 2 results of data analysis, partially the price has a significant effect on purchase decisions while personal selling and service quality do not have a significant effect on purchase decisions. Simultaneously price, personal selling, and service quality simultaneously or together have a significant effect on purchase decisions at PT Tyre Master Mandiri Indonesia.

CONCLUSION AND SUGGESTION

Based on the results of data analysis, partially the price has a significant effect on purchase decisions while personal selling and service quality do not have a significant effect on purchase decisions. Simultaneously price, personal selling, and service quality simultaneously or together have a significant effect on purchase decisions at PT Tyre Master Mandiri Indonesia.

Suggestions from the results of this study are:

1. Implementation of personal selling PT Tyre Master Mandiri Indonesia must be able to influence consumer purchasing decisions by carrying out personal selling activities according to consumer wants and needs. The implementation of personal selling is meant to market the product according to the consumer and tell the product according to the actual situation to the consumer so that the consumer is not disappointed with the product.
2. The implementation of the service quality of PT Tyre Master Mandiri Indonesia must be improved, because consumers will feel comfortable if the

quality of service provided is satisfactory.

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