

THE INFLUENCE OF PRODUCT QUALITY, PROMOTION, PRICE, TRUST AND PURCHASE DECISIONS ON CONSUMER LOYALTY AT PT. X

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Abstract:

Increasingly intense competition between product provider institutions recently is not only caused by globalization. But more because customers are getting smarter, price conscious, more demanding, less forgiving, and approached by many products. Consumer loyalty is an important factor in maintaining existence in market competition, increasing sales and as a step in purchasing decisions and to achieve goals. This study uses quantitative methods. The aim is to determine customer loyalty and purchase decisions as intervening variables. The research sample is all consumers at PT X with a total sample of 150 respondents. The data analysis method used in this study is SPSS and also Smart PLS version 3. The results of this study indicate product quality, promotion, price, significant trust in purchasing decisions. as well as a significant purchase decision on customer loyalty.

Keyword: Product quality, promotion, price, trust, purchase decision, consumer loyalty.

INTRODUCTION

A company is an activity carried out by individuals and organizations related to the production, business, purchase or exchange of goods or services, for the purpose of (Lindawaty, 2017). The word business comes from the English language, specifically business means good. In a simple context what does it mean to be busy doing an activity or job that benefits someone. Business to business (B2B) is a term used to describe a business transaction or business relationship between two businesses or organizations, rather than between a business and an end consumer.

According to Kotler & Keller (2015). Business-to-business (B2B) refers to a product, service, or information transaction involving at least two organizations as perpetrators of the transaction. Business-to-business (B2B) refers to trade between two organizations, whether in the form of products, services, or resources (Michael E. Porter, 2017). In general, business to business (B2B) is a business model in which a company that sells products, services, or solutions to other companies as consumers will use them in its operations, or integrate them into its own products or services. B2B transactions typically involve larger order quantities and more complex contracts than business-to-consumer (B2C) transactions.

In order to seize the market and be consistent in trade, this research is held by prioritizing several variables such as product quality, promotion, price, trust, purchase decisions and

consumer loyalty. Supported Overall, the manufacturing processing industry sector experienced an increase in growth rate seen from the rate and source of growth, producers felt very positive growth, because demand from consumers and prices of these products were very good. That condition makes some producers increase production in maximum quantities. Growth prospects in the manufacturing industry in Indonesia have increased rapidly. This optimism refers to the condition of the Indonesian state in 1998 which experienced a monetary crisis in the New Order era, the economy experienced a downturn. However, after going through several phases, Indonesia was able to rise and begin to develop after a dozen years of experiencing a monetary crisis.

METHOD

The method of quantitative research is to test a theory, present a fact or describe statistics, show relationships between variables and some are in the nature of developing concepts, developing understanding, or describing many things (Raihan, 2019). This study analyzes specifically, the influence of product quality, promotion, price, trust and purchasing decisions on consumer loyalty at PT X. This study also describes the influence and relationship of the variables contained in this study. The approach used is a quantitative approach, because the data used in this study is tied to numbers or scales, in addition to the type of research whose specifications are systematic, planned, and clearly structured from the beginning to making a research plan (Sugiyono, 2015).

RESULTS AND DISCUSSION

1. Understanding Consumer Loyalty

Loyalty is a word taken from the word loyal which means loyal, customer loyalty can also be interpreted as consumer loyalty, which is taken without coercion and born from consumer self-awareness, actually loyalty is the fruit of effort. . created by companies for customer satisfaction, which can influence customer behavior (Kotler & Keller, 2015). According to Kotler (2009) Loyalty can be achieved in two stages: (1) the company must be able to satisfy the needs and desires of customers. This gives them a positive experience with the product and (2) the company needs to maintain a relationship with the customer in order for them to buy that product again. According to Freddy Rangkuti (2019), literally loyal means loyalty or loyalty can be interpreted as something loyal. This loyalty is received without coercion, but is born of an understanding of the past self. Consumer satisfaction efforts are more likely to influence consumer attitudes. On the other hand, the concept of consumer loyalty explains more about the attitude of buyers.

Consumer Loyalty Indicators

According to (Jill Griffin, 2015) There are four types of loyalty that occur when attachment is low and high with low and high repeat buying patterns. The types of consumer loyalty are: a) No Loyalty For various reasons, some consumers do not develop loyalty or loyalty to a particular product or service. A low level of attachment with a low level of purchase indicates a lack of loyalty. Basically, companies should avoid this group of non-loyalty to become a target market

because they will not be loyal consumers. b) Weak loyalty (inertia loyalty) Inertia loyalty is a type of consumer loyalty where there is a strong interest in repeat purchases. Consumers with this attitude mostly buy based on habits, the reason for buying products or services comes from comfort factors arising from the situation. c) Latent loyalty: This type of loyalty is a relatively high level of loyalty or affection with a low rate of repurchase. Consumers with repurchase loyalty attitudes also rely on the influence of situational factors rather than their own attitudes. d) Premium loyalty: This loyalty is evident when high engagement goes hand in hand with buyback activity. This type of loyalty is definitely what every company expects from all major companies.

2. Product Quality

Quality is the most important part in creating a product. Quality products are products received by customers in accordance with customer needs and desires. According to Kotler (2015). Product quality is a comprehensive evaluation of customers on the goodness of goods and services. In addition, the product is a set of attributes both tangible and intangible, including color, price, good name of the maker, good name of the store that sells and factory services received by buyers to satisfy desires (Alma & Hurriyati, 2016). According to Wijaya (2011), product quality is a total combination of the characteristics of a product derived from marketing, production planning and maintenance that makes the product work used to meet customer or consumer expectations. Product quality is a characteristic of a product or service depending on its ability to satisfy stated or assumed customer needs.

Product Indicators

According to Tjiptono (2018), terdapat dua jenis dimensi kualitas produk diantaranya :

a. Kualitas tingkatan (quality level) Pada level ini, kualitas produk identik dengan kualitas kinerja, yaitu kemampuan produk untuk melakukan tugasnya. b. Kualitas kualitas (quality consistency). Konsistensi Dalam dimensi keseragaman mutu, mutu produk identik dengan kesesuaian, yaitu kebebasan dari kerusakan produk dan keseragaman pada tingkat sasaran. Menurut Tjiptono (2018), Product attributes are product elements that are considered important by consumers and form the basis of repeated purchase decisions including a) Brand (brand) is a term name, symbol mark or symbol color, design, motion or combination of other product attributes that are expected to provide identity and sensation to competing products b) Packaging (package) is a process related to the design and manufacture of containers (container) or wrapper (wrapper) for a product. c) Labeling is closely related to packaging. A label is a part of a product that conveys information about the product and the seller. According to Kotler (2009), Product level in developing products requires knowledge for the company regarding the product level. Here is an explanation of the five levels of products among them. At the basic level of core benefits where the service or benefit is actually purchased by the customer. The second level of marketing should be turning core benefits into basic products

Understanding Islamic Financial Institutions does not have much difference from Conventional Financial Institutions, it's just that Islamic Financial Institutions have principles that are not the same as Conventional Financial Institutions, namely Islamic legal principles in banking and financial activities based on fatwas issued by institutions that have the authority to determine fatwas in the field of sharia (Imaniyati, 2011).

3. Promotions

Promotion is the process of marketing strategy as a way to communicate using the composition of the promotion mix with the market. From the above it can be concluded that promotion is all the ways that can be done to increase the visibility of a product, service, brand and company (Kotler & Keller, 2015). According to Sitorus & Utami (2017) quoted from Tjiptono (2008), promotion is one of the determining factors for the success of a marketing program. Kotler & Keller (2016), Promotion as an activity that is shown to influence consumers so that they can become familiar with the products offered by their company and then they become happy and buy the product.

Promotion Indicators

According to Freddy Rangkuti (2019), Types of promotion that are often used include: a) Advertising (advertising) Advertising uses paid media such as television, radio, print media, online, and outdoor advertising to convey promotional messages to target audiences. The purpose of advertising is to increase brand awareness, provide information about products or services, and influence purchase behavior. b) Personal Selling: Personal selling means direct interaction between a company's sales force and potential customers. Personal selling is often used in situations involving complicated purchases or products that require detailed descriptions. The goal of personal selling is to build relationships with customers, provide product information directly, and influence purchasing decisions. c) Sales promotion Promotional campaigns include activities designed to encourage immediate purchases, such as discounts, coupons, giveaways, contests, or loyalty programs. The purpose of sales promotion is to stimulate immediate purchase action and speed up the purchase decision process. Direct marketing is direct communication with customers through various channels including email, mail, telemarketing, text messaging and marketing through digital channels. The goal of direct marketing is to deliver promotional messages directly to target customers, offer special offers and get direct responses from customers. e) Public relations

Public relations includes efforts to build and maintain a positive image of the company, including through press conferences, organizing events, sponsorships, and collaborating with the media. The purpose of PR is to build trust, increase brand awareness and manage public perception of the company.

4.Price

According to Kotler & Keller (2016), Price is the amount of money charged for a product or service and the amount of value a consumer exchanges for ownership or use of the product or service. Medium according to Luis & Moncayo (2018), Price is not the main thing. However, it is always the reason for changes in demand. In addition, price is a complex concept. Pricing decisions are influenced by many competitive factors and market considerations, but some of them are highly subjective and can never be measured. Addressing these factors is fundamental in the negotiation process (Newman & Scodro, 2000).

Price Indicators

Pricing by Tjiptono (2018), has three other objectives: a) Profit-oriented to achieve investment return targets, net sales profit and to maximize profits. b) Sales oriented to increase sales and to maintain / increase market share and sales. c) Status oriented to stabilize profits and to counter competition as for the purpose of price determination. d) Other objectives are that prices can also be set with the aim of preventing entry of competitors, maintaining consumer loyalty, supporting resale, or avoiding government interference. According to Kotler & Keller

(2016), intermediate pricing indicators a) Cost oriented pricing or cost-oriented pricing because pricing that takes into account costs and is not market-oriented there are two types, namely mark up pricing and cost plus pricing. b) *Main onented* pricing pricing by considering the state of demand, market conditions and consumer desires consisting of a) *perceived value pricing* of some product values in the consumer's view of what is produced by producers. b) *demand differential pricing / price discrimination* determination of the selling price of products with two or more types of prices. Can be based on *customer base, product version basis, place basis, time basis*.

5.Kepercayaan

According to (Delgado et al., 2022) quoted by M. Anang (2019) Trust is the expectation of brand trust and goodwill, and therefore trust reflects two things, namely brand trust, brand *reliability* and brand intent, *brand intensions*. According to Kotler & Keller (2016), Consumer trust is as a company's willingness to trust its business partners and depends on a number of interpersonal and organizational factors, such as the company's perception of competence, integrity, honesty, and good faith.

6.Trust Indicator

According to Sahatma & Suprpto (2012) quoting Mowen (2012), trust indicators can be measured by indicators: consistent in quality, understanding consumer desires, information composition with product quality, consumer trust, reliable products. There are several dimensions to be able to find out consumer trust, one of which according to Kotler and Keller (2016) There are four dimensions of consumer trust, which are as follows: a) *Benevolence*, which is how much a person believes believes that the seller behaves well to the consumer. b) *Ability*, is the current assessment of what a person can do. In this case, how does the seller convince the buyer and guarantee satisfaction and security in doing business. c) *Integrity*, is how much confidence a person has in the honesty of the seller to maintain and fulfill the agreement that has been made to consumers. d) *Willingness to depend, is the willingness of consumers to depend on sellers in the form of accepting risks or negative consequences that may occur.*

Purchasing Decision

According to Kotler & Keller (2015), The purchase decision is an evaluation stage, the consumer forms preferences between brands in the collection of options. Consumers may also form an intent to buy the most preferred brand. According to Enre et al (2020), According to (Alma & Hurriyati, 2016), stated that purchasing decisions are consumer decisions that are influenced by financial economics, technology, politics, culture, products, prices, locations, promotions, physical evidence, people and processes, thus forming an attitude to consumers to process all information and take conclusions in the form of responses that appear what products to buy.

Purchase Decision Indicators

As for the indicators of purchasing decisions according to Kotler & Keller (2015) Among them a) *Stability in a product* When making a purchase, consumers choose one of several alternative choices based on quality, quality and other factors that provide the ability for consumers to buy the product needed. Good product quality will build consumer enthusiasm so that it supports consumer satisfaction. b) *The habit of buying products*, is the repetition of something continuously in purchasing the same product, when consumers have made a purchase decision and they feel the product is inherent in their minds even the benefits of the product

have been hardened, consumers will feel uncomfortable if buying other products. c) Speed in buying a product Consumers often make a decision using simple choice *heuristics*. Heuristics itself is a process carried out by a person in making a decision quickly, using a general guideline in information. According to Hahn (2015), There are three indicators in the purchasing decision process There are three indicators in the purchasing decision process 1) consumer buying habits, their consumers need the product and use it regularly, so it will continue to buy the product. 2) Quality resulting from the consumer's purchasing decision By buying a product, he knows the benefits of the product he is buying. 3) Consumer engagement or loyalty is not a substitute for options that are usually purchased alongside competing products. that occurs when consumers are dissatisfied with the product they are buying.

Purpose and Function

Consumer loyalty is the main goal as a benchmark in making decisions and policies. The objectives of this study include:

- To find out whether product quality has a direct effect on purchasing decisions.
- To find out if promotions have a direct effect on purchase decisions.
- To find out if price has a direct effect on purchasing decisions.
- To find out if trust has a direct effect on purchasing decisions
- To find out whether purchasing decisions have a direct effect on consumer loyalty

KESIMPULAN

So it is concluded that can be taken from research on the effect of product quality, promotion, price, trust and purchase decisions on consumer loyalty, as follows: a) Testing product quality has a significant effect on purchasing decisions. And these results prove that an increase or decrease in product quality has a significant impact on the increase or decrease in the level of consumer purchase decisions on products sold or offered. b) test promotions for a significant effect on purchase decisions. From these results prove that promotion is essentially a form of marketing communication. Directly affect the level of purchasing decisions on a product. c) Testing price has a significant effect on purchasing decisions. From these results, it proves that the increase or decrease in price has a significant impact on the level of consumer purchasing decisions on the products sold or offered. d) Testing trust has a significant effect on purchasing decisions. From these results, it proves that trust is very important to have a significant impact on the level of consumer purchase decisions on products sold or offered. e) examine purchasing decisions with a significant effect on consumer loyalty. From these results, it proves that important purchasing decisions have a significant impact on the level of consumer loyalty.

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