

Analysis of Quality of Service, Price and Product Quality to Purchase Decisions in PT. Japfa Sidoarjo

Muslikhun

Department of Management STIE Mahardhika
Jl. Wisata Menanggal 42 A Surabaya, Indonesia
muslikhun64@gmail.com

Abstract

The problem of purchasing decisions by consumers is based on several things that are no less important. Because the purchase decision is the initial door for the company to prove that the product offered is a quality product with a level of service that satisfies consumers. Talking about purchasing decisions, the company should be able to know the factors that motivate consumers so that they can decide to buy a product. The data used in this study is quantitative by using multiple linear regression analysis of the finite population, namely all customers of PT. Japfa who made transactions at PT. Japfa, which amounted to 55 respondents. Research in the form of a survey is used to obtain data from customers of PT. Japfa is natural (not artificial), but the researchers carried out treatments in data collection, by distributing questionnaires and structured interviews. The results showed that the service, price, and product quality simultaneously had a significant effect on the purchasing decisions of PT. Japfa is the most dominant influence on consumer purchasing decisions PT. Japfa is a price variable.

Keywords

Service, price, quality, consumer decisions, multiple linear regression

1. Introduction

The demand for fulfilling customer satisfaction is one of the missions that must be fulfilled because without customers any business venture will be meaningless (Pakurár et al., 2019). Customer satisfaction is the result of the accumulation of consumers or customers in using products and services. Customers will be satisfied if after buying the product and using the product it turns out that the quality of the product is good. Satisfaction will occur if the company can provide products, services, prices, and other aspects by expectations or exceeding customer expectations. Customers will be satisfied if their expectations are met or will be very satisfied if their expectations are exceeded (Almsalam, 2014). Five main drivers make customers feel satisfied, namely: product quality, price, service quality, emotional factors, related to costs, and ease of obtaining products and services (Zhafirah et al., 2021). The basic needs of human life include physical needs consisting of food, clothing, and shelter. Where a person will try to meet these needs as before meeting the needs of others. PT. Japfa is one of the links in the food supply chain, namely poultry feed, especially chicken and eggs.

However, economic conditions are getting weaker, wherein in 2014, the world bank lowered its projection for global economic growth from 3.2% to 2.8% and developing countries from 5.3% to 4.8%. Asian countries, including the ASEAN region, are feeling the impact of the weakening economic conditions in the United States and Europe (Capannelli, 2014). However, even though economic growth slowed slightly in 2014, developing countries in ASEAN remained the fastest-growing region in the world. Indonesia is one of the countries experiencing the impact of the global economic slowdown. In addition, Indonesia's economic condition is influenced by the attitude of most investors who choose to wait and see towards the Government's work program for the next five years.

These conditions have an impact on the Indonesian economy in many aspects. Some of the impacts experienced by Indonesia were falling commodity prices, lower than expected government spending, slow credit expansion followed by an increase in interest rates, a decline in Indonesia's exports abroad, depreciation of the rupiah against foreign currencies, and high inflation. These impacts ultimately reduced the purchasing power of consumers in 2014. Their consumer purchasing power in 2014. The company faced problems with the declining purchasing power will certainly affect the people's purchasing power of poultry. The price of doc and broiler chickens

weakened, thereby lowering the company's profit margin, especially from the chicken breeding unit. Therefore, the Company made a strategic move by reducing the number of doc production at the end of 2014 by applying early culling for the poultry parent. This action is an effort to reduce production costs and reduce losses from the Chicken Breeding unit. Division of Livestock Beef cattle has been affected by the weakening purchasing power resulting in lower selling prices of beef, in addition to an increase in the price of feeder cattle imported from Australia. The combination of these two causes the division's operating margin to decline.

The domestic animal feed industry plays a very important role in supporting the livestock industry in providing the availability of meat consumption and its derivative products for the community as an additional source of protein. Feed accounts for 70% of the total cost of livestock production, so it remains a bright business. PT. Japfa Sidoarjo is one of the companies engaged in the animal feed industry. The development of the company PT. Japfa Sidoarjo unit is currently able to cover all areas of the island of Java. The challenge faced in the future is the company can increase sales volume for all products produced accompanied by an increase in company profits during increasingly fierce competition. This research is deemed necessary to answer the challenges of the animal feed business, especially at PT. Japfa unit Sidoarjo, so the author chose the title "Analysis of service quality, price and product quality on the decision to purchase animal feed at PT. Japfa Unit Sidoarjo".

2. Literature Review

2.1. Purchasing Decision

Suharno and Sutarso (2010) stated the stages for a buying situation beginning with the introduction of the problem and ending with a review of purchasing performance. The stages in purchasing decisions include needing recognition, information search, alternative evaluation, product and supplier selection, and post-purchase evaluation. According to Tjiptono (2015) the factors that consumers consider in making a purchase include Product, Price, Service, and Location. The purchase decision is the selection of two or more alternative purchasing decision options, meaning that a person can make a decision, there must be several choices. The decision to buy can lead to how the decision-making process is carried out. The form of the purchase decision-making process can be classified as including Confidence to buy, Interest in facilities, Trust, and Convenience.

2.2. Service Quality

Tjiptono (2015) states that service quality is an advantage possessed by a service that can only be assessed by customers. Zeithaml and Bitner (2018) suggest that service quality is the total experience that can only be evaluated by the customer. Service quality is a measure of a comprehensive assessment of the level of good service. Two main things that affect service quality are expected service and perceived service. If the service received or felt is more pleasant than expected, it will lead to satisfaction, on the contrary, if the service received or perceived is less than expected, it is said to be of poor service quality. According to Irawan and Swastha (2008), service quality is highly dependent on three things, namely systems, technology, and people. The popular service quality concept is equal which is believed to have 5 dimensions, namely tangible, reliability, responsiveness, assurance, and empathy.

2.3. Price

Price is the amount of money that consumers have to pay to get a product or service. In the marketing mix, price is one of the important factors that can affect the marketing of a product. Price is always a concern for buyers before they decide to buy goods/services offered by a company. From the habits of consumers, it can be concluded that the pricing strategy greatly influences the sales and marketing of the products offered. Kotler and Keller (2015) state companies must consider many factors in determining the price. The clearer the company's goals, the easier it is to set prices. According to Kotler and Keller (2015), the main objectives of price-fixing include the ability to survive, maximum profit, maximum market share, maximum market milking, leading product.

2.4. Product Quality

Definition according to Suharno and Sutarso (2010) market for attention, possession, and consumption, which can satisfy consumer wants or needs. In a narrow sense, products are tangible objects, such as tables, chairs, cars, books, and so on. According to Irawan and Swastha (2008), product quality is a global dimension and has six elements: performance, durability, features, reliability, consistency, and design. According to Lupiyoadi (2011), product quality is the extent to which the product meets its specifications. The value given by the customer is measured based on the reliability, durability, and performance of the physical form and image of the product.

2.5. Product Classification

Kotler and Keller (2015) classify products based on purchasing habits, namely consumer goods, and industrial goods:

- 1) Consumer goods, including:
 - a. Consumers usually buy convenience goods immediately and with minimum effort
 - b. Shopping goods that are characteristically compared to consumers based on suitability, quality, price, and style
 - c. Specialty goods, namely goods that are considered unique and require special effort to obtain.
 - d. Unsought goods, goods that fall into this category are goods that consumers do not know and do not think of buying.
- 2) Industrial goods, including:
 - a. Materials and parts
 - b. Capital goods, and
 - c. Supplies and business services

Suharno and Sutarso (2010) also classified into two products based on whether the product is purchased. Figure 1 on the following page illustrates the classification.

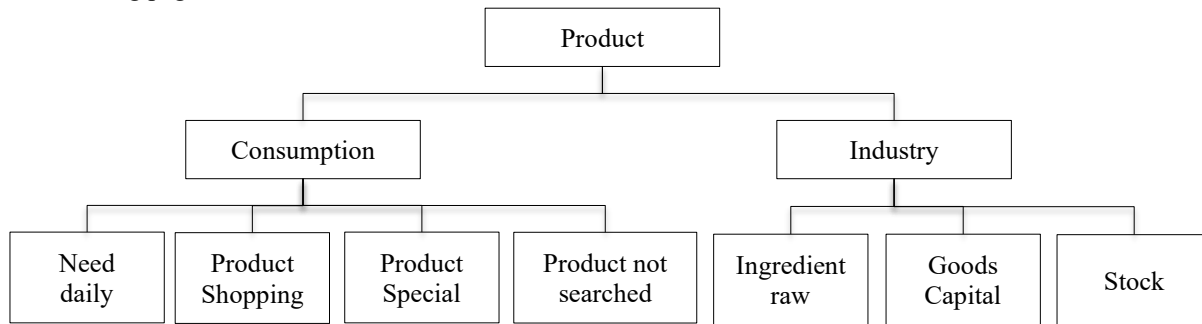


Figure 1 Product Classification Based on Buyer Intentions (Suharno and Sutarso, 2010)

2.6. Conceptual Framework of Research

This research was conducted to determine whether the factors of product quality, price, and service quality have a significant influence on purchasing decisions at PT. Japfa. Based on the framework of the thought process in Figure 2, the conceptual framework of the research is compiled as follows:

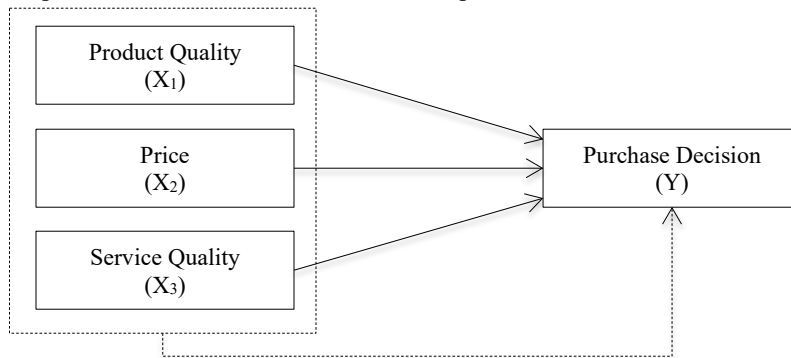


Figure 2 Conceptual Framework of Research

2.7. Hypothesis Research

The hypothesis is a temporary answer to the formulation of research problems. Based on the background, problem formulation, literature review, thought process framework, and conceptual framework in this study, the following hypotheses can be formulated:

- 1) Product quality, price, and service quality simultaneously significantly influence the purchasing decision of PT. Japfa Unit Sidoarjo.
- 2) Product quality, price, and service quality partially significantly influence the purchasing decision of PT. Japfa Unit Sidoarjo.
- 3) Service quality is a variable that has a dominant influence on purchasing decisions of PT. Japfa Unit Sidoarjo.

3. Research Methodology

In this study, a quantitative approach was used where survey methods were used. Data were taken randomly on consumers of PT. Japfa. This research is also causal explanatory in the form of a survey that aims to determine the causal pattern between the variables: service quality. The population in this study is finite, namely all customers of PT. Japfa who made transactions at PT. Japfa. which amounted to 55 respondents. The sample of this study was taken as many as 55 samples, namely 55 customers of PT. Japfa, so in this study using population sampling.

The decision for buyers is a consumer decision taken after he pays attention to all aspects and then makes a selection of the available alternative decisions. The variable indicators are Confidence in buying, Interest in competitive selling prices, and Confidence in comfort. Service quality is a measure of a comprehensive assessment of the level of good service and can only be assessed by customers. Indicators for measuring service quality variables are adapted from the opinion of Irawan and Swastha (2008), including Tangible, which is related to office cleanliness, comfortable waiting room, office cleanliness, reliability, which is related to employee quality, accuracy, and speed of delivery of ordered goods, responsiveness, namely speed response to customer complaints, Assurance, namely the replacement of damaged, defective or lacking goods and Empathy, namely service: friendliness and courtesy to customers.

Price is the amount of money given for a product or service. The indicator of price can be stated in the consumer's assessment of the amount of financial sacrifice given about specifications in the form of product quality. These indicators include the suitability of product prices with product quality, price comparisons with other and similar product prices, product price conformity with the benefits obtained. Product quality is a description of the physical product of books sold to customers of PT. Japfa. Indicators for measuring the quality of products adapted from the opinions of Tjiptono (2015), which consists of Performance, features, reliability, conformance to specifications, durability, aesthetic. The analytical method used in this research is a quantitative analysis using multiple linear regression analysis. Hypothesis testing in this study was carried out by using a computer program SPSS 22.0 under windows.

4. Results and Discussion

4.1. Description of Research Variables

Descriptive statistical descriptions are used to determine the frequency distribution of respondents' responses to research variables. The purpose of descriptive analysis is to describe respondents' responses to the variables of product quality, price, service quality, and distribution as well as customer satisfaction at PT. Japfa. Based on the field data obtained, the results of the calculation of the mean or average of the respondents' responses (answers) to the statement items/questions of the variable mean.

4.2. Validity Test

Validity is defined as a measure of how strong a test instrument performs its measuring function. If the validity obtained is higher, then the test will hit the target more and show what should be shown. The results of the validity test are shown in Table 1.

Table 1 Instrument Validity Test Results

No.	Variable	Item Question	Correlation Value	Sig.	Description
1	Quality of Service	X1.1	0.824	0.000	Valid
		X1.2	0.886	0.000	Valid
		X1.3	0.896	0.000	Valid
		X1.4	0.775	0.000	Invalid
		x1.5	0.908	0.000	Valid
2	Price	X2.1	0.823	0.000	Valid
		X2.2	0.904	0.000	Valid
		X2.3	0.853	0.000	Valid
3	Product Quality	X3.1	0.871	0.000	Valid
		X3.2	0.833	0.000	Valid
		X3.3	0.688	0.000	Valid
		X3.4	0.873	0.000	Valid
		X3.5	0.748	0.000	Valid
		X3.6	0.764	0.000	Valid
4	Buyer Decision	Y1	0.927	0.000	Valid
		Y2	0.913	0.000	Valid
		Y3	0.907	0.000	Valid

Source: Processed data (2021)

The results of the validity test in Table 1 show that all indicators of service quality, price, product quality and purchasing decisions have a significant correlation result less than 0.05 (Sig. < 0.05), it is stated that all indicators are valid for further analysis.

4.3. Instrument Reliability Test

The results of the research variables reliability test, namely service quality, price, product quality, and purchasing decisions are shown in Table 2.

Table 2 Results of Instrument Reliability Test

Variable	Alpha Value	Information
Quality of Service (X ₁)	0.909	Reliable
Price (X ₂)	0.824	Reliable
Product Quality (X ₃)	0.915	Reliable
Purchase Decision (Y)	0.904	Reliable

Source: Processed data (2021)

Table 2 shows coefficient Cronbach's Alpha for each variable research is greater than 0.6, it can be concluded that the research variables, namely the variables of service quality, price, product quality, and purchasing decisions can be trusted (reliable) for further analysis.

4.4. Classical Assumption Test

In multiple linear regression analysis, several classical assumptions must be met, to produce an estimator that is accurate and close to or equal to reality. These basic assumptions are known as classical assumptions.

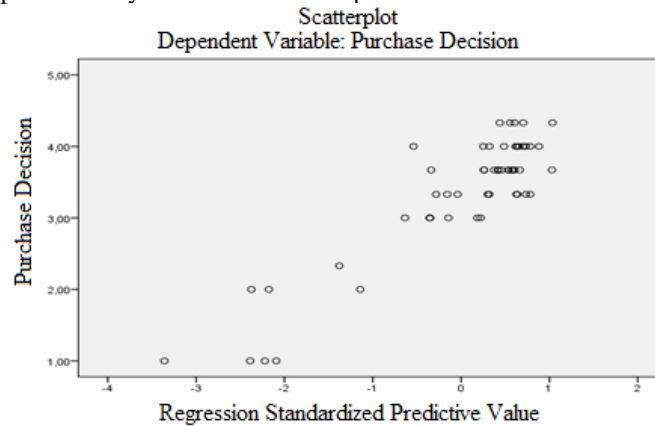


Figure 3 Scatterplot for Purchase Decision

Figure 3 shows that there is no clear pattern, where the points spread above and below the number 0 on the Y-axis so that the resulting multiple linear regression model does not occur heteroscedasticity, so the analysis can be continued. The regression model contains correlations between the independent variables, the can be carried out Variance Inflation Factor (VIF) value, if the value is VIF less than 10 then it is stated that there is no multicollinearity.

Table 3 Detection of Symptoms of Multicollinearity

Variable	Tolerance	VIF
Service Quality (X ₁)	0.153	6.521
Price (X ₂)	0.379	2.639
Product Quality (X ₃)	0.136	7352

Source: Processed data (2021)

Table 3 shows that the amount of VIF for each independent variable appears to be below 10, so it can be concluded that there is no multicollinearity between the independent variables, so the analysis can be continued.

4.5. Normality Test

Normality test is a test tool used to test whether the variables used in the regression model have a normal distribution or not. Based on the results of the Normality Test with a computer tool that uses the SPSS program. 21.00 results obtained:

Table 4 Results of Calculation of Normality Test Data

Parameter	Service quality	Price	Product	Purchase Decision
Asym.Sig (2-tailed)	0.072	0.051	0.074	0.097
Kolmogorov-Smirnov	1.848	1.828	1.674	1.633
Mean	3.455	3.256	3.358	3.346

Source: Processed data (2021)

Based on Table 4 above, it can be seen that the value of Asymp sig (2-tailed) is $0.097 > 0.050$, this is by the provisions that have been set, it can be concluded that the data is normally distributed and can be used in research.

4.6. Results of Multiple Linear Regression Analysis

This study uses multiple regression analysis to see the effect of the product, price, service quality, and distribution on customer satisfaction of PT. Japfa. Based on the calculation in Appendix 6 known as summarized in Table 5.

Table 5 Regression Analysis

Variable	Coefficient of Determination	T	Sig	Partial(r)	r2
Quality of Service	0.387	2.197	0.033	0.866	0.750
price	0.276	2.568	0.013	0.795	0.632
Product Quality	0.447	2.277	0.027	0.877	0.769
R = 0,903 R Squared = 0,816 Adjusted Squared = 0,805		F Change = 75,400 Sig. = 0.000 Constant = 0.390 Durbin – Watson = 2.033			

Source: Processed data (2021)

Based on the results of the calculations in Table 5, it can be made a multiple linear regression equation models of service quality, price, and product quality on purchasing decisions, as follows:

$$Y = 0.390 + 0.387 X_1 + 0.276 X_2 + 0.447 X_3$$

The multiple linear regression equation generated from The current study can be explained as follows:

- 1) The intercept constant of 0.390 is the intersection of the regression line with the Y-axis which shows the average customer satisfaction at a constant time or service quality (X_1), price (X_2), and product quality (X_3) equal to zero.
- 2) The X_1 regression coefficient of 0.387 indicates that if the service quality variable is increased by 1 unit, the purchasing decision will increase by 0.387 assuming the other independent variables remain.
- 3) The X_2 regression coefficient of 0.276 shows that if the price variable is increased by 1 unit then the purchase decision will increase by 0.276 assuming the other independent variables are constant.
- 4) The X_3 regression coefficient of 0.447 indicates that if the product quality variable is increased by 1 unit, the purchasing decision will increase by 0.447 assuming the other independent variables remain.

4.7. Hypothesis Testing

1) First Hypothesis Test

Based on the regression results above, it is known that R square (R^2) is 0.816 or 81.60% which shows the contribution or contribution of the service quality variable (X_1), price (X_2), and product quality (X_3) together or simultaneity on the purchase decision (Y) is very strong. While the rest ($100\% - 81.60\% = 18.40\%$) was contributed by other variables that were not taken into account in the study. Multiple correlation coefficients were used to measure the simultaneous closeness of the relationship between the variables of service quality (X_1), price (X_2), and product quality (X_3) together on purchasing decisions (Y). Multiple correlation coefficient is indicated by (R) of 0.903. These results indicate that the correlation or relationship between service quality (X_1), price (X_2), and product quality (X_3) together on purchasing decisions (Y) has a very strong relationship level. Based on the output results, it is known that the calculated F coefficient is 75,400. Then based on the table value, it is known that the F table in DF (3:51:0.05) is 2.786 so the F count is greater than the F table. Furthermore, from the significance level, it is known that the significance value of 0.000 is far below the number ($\alpha = 5\%$) indicating the effect of service quality (X_1), price (X_2), and product quality (X_3) together on purchasing decisions (Y) is significant. These results indicate that the ups and downs of purchasing decisions (Y) are determined by how well the variables of service quality (X_1), price (X_2), and product quality (X_3) are perceived by consumers of PT. Japfa. related to service quality, price, and product quality applied by the company. From the results of these calculations, the first hypothesis states that service quality, price, and product quality simultaneously have a significant effect on purchasing decisions at PT. Jpfa is acceptable and significant.

2) Second Hypothesis Test (t-test)

The t-test was conducted to determine the level of significance of the influence of the independent variable partially, by determining the formulation of the hypothesis as follows:

a. Formulation of the hypothesis

$H_0: H_i = 0$, meaning X_i partially does not affect Y.

$H_0: H_i \neq 0$, meaning that X_i partially affects Y.

b. Determination of Critical Value

The critical value of the t-test is determined by comparing between t-count and t-table at a significance level of 0.05 and $n = 55$, it is known that the significance level is 95% and $df = n - 2 = 53$ then the critical value of the t-test is ± 2.006 .

c. Comparison of t-count values with t-tables.

A comparison of t-count values and t-tables for each variable is shown in Table 6.

Table 6 Comparison of the T-Table With T-Compute

Variable	t-table	t-test	Description
Quality of Service (X_1)	2,006	2,197	Significant effect
Price (X_2)	2.006	2.568	Significant effect
Product Quality (X_3)	2.006	2.277	Significant effect

Source: Processed data (2021)

d. Decision

(1) Based on the comparison of the value of t arithmetic with t-table where t count for the variable quality of service (X_1) shows the value t count $2,197 > t$ -table 2.006, then concluded the service quality partially influence on purchasing decisions.

(2) Based on the comparison value t-count with t-table where t-count for the price variable (X_2) shows the t-count value of $2.568 < t$ -table of 2.006, it is concluded that the price partially has a significant effect on the purchasing decision of PT. Japfa.

(3) Based on the comparison of the value of t arithmetic with t-table where t count for the variable quality of the product (X_3) indicates the value t count $2,277 > t$ -table 2.006, then summed up the quality of the product is a partially significant effect on purchasing decisions.

From the test results influence From each independent variable partially it is known that all independent variables consisting of service quality variables (X_1), price (X_2), and product quality (X_3) partially have a significant effect on purchasing decisions (Y). Therefore, the second hypothesis is that service quality, price, and product quality partially significantly influence purchasing decisions at PT. Japfa is completely acceptable and significant.

3) Third Hypothesis Test

Based on the results of multiple linear regression calculations presented in Table 4.10, wherefrom the results of these calculations each independent variable consisting of service quality variables (X_1), price (X_2), and product quality (X_3) partially all have a significant effect on purchasing decisions. Then from the results of the t-test, it is known that the price variable has the most dominant influence on the decision to purchase animal feed. Therefore, the third hypothesis which states that price is a variable that has a dominant influence on animal feed purchasing decisions can be accepted.

4.8. Discussion

Based on the results of the research analysis, further discussion will be carried out on the results of the analysis to answer the formulation of the problems that have been proposed in the study. The discussion is made by looking at the causality relationship that occurs as proof of the hypothesis raised in the current study by the data used and theoretical and empirical studies.

The theories or results of empirical research that have been carried out by previous researchers will be used as a basis for discussing research results. Whether the theory or empirical research results support or contradict the results of hypothesis testing carried out in this study or reject. Furthermore, some of the limitations of this research are also stated so that there are efforts towards further development. Discussion of the relationship or influence of product quality, price, service quality, and distribution on customer satisfaction PT. Japfa as follows:

1) Simultaneous Effects of Service Quality (X_1), Price (X_2), and Product Quality (X_3) on Purchase Decisions (Y)

It is known that the variables of service quality (X_1), price (X_2), and product quality (X_3) simultaneously has a significant effect on purchasing decisions (Y) as evidenced by the results of the calculation of R square (R^2) of 0.816 or 81.60% which shows the contribution or contribution of jointly is very strong. Then from the F table, the calculation results are 75,400 which is greater than the calculated F of 2,786 with a significance level of

0.000, much smaller than the value of $\alpha = 5\%$. This shows that consumer purchasing decisions are influenced by the variables of service quality (X_1), price (X_2), and product quality (X_3). Therefore, management pays more attention to the three variables used in this study to accelerate consumer purchasing decisions in making decisions to buy company products to increase sales and company existence about company goals.

2) The Effect of Service Quality (X_1) on Purchase Decisions (Y)

Based on the results of testing the second hypothesis, the magnitude of the correlation coefficient of the service quality variable (X_1) on purchasing decisions (Y) = 0.866 with a t value of 2.197 which is greater than the value of the t table is 2.006 with a significance level of 0.033 which is smaller than the value ($\alpha=0.05$). The path coefficient is positive, meaning that theoretically the relationship or influence of service quality on purchasing decisions is unidirectional, this gives meaning if consumers' perceptions of the quality of services provided by PT. Japfa. is getting better (positive), than the purchase decision of PT. Japfa is increasing. Conversely, if the customer's perception of the quality of services provided by PT. Japfa is decreasing (negative), then the decision to buy PT. Japfa. getting lower/decreasing. The description of respondents' perceptions (55 customers of PT. Japfa) on the service quality variable on average shows positive. Of the five questions asked for the service quality variable, the customer's perception of the highest average is reliability $X_{1,2}$ with an average of 3.655. This means that most customers perceive service quality in terms of reliability as the main indicator that drives purchasing decisions. Then the smallest average is the assurance indicator $X_{1,4}$ with an average value of 3.145. Here it can be interpreted that assurance makes service quality tend to be less good. The relationship between this research and management is that management should maintain reliable service, which is related to the quality of services provided by employees, accuracy, and speed of delivery of ordered goods. While dealing with assurance, management should improve and provide understanding or training on how to feel what customers feel so that customers will feel cared for. Replacement of goods received in damaged or defective conditions should be carried out immediately after receiving information from the customer, even if possible before there is a complaint or confirmation of defective goods from the customer, management should be able to find out and not until the defective goods are received by the customer.

3) Effect of Price on Purchase Decisions

Based on the results of testing the second hypothesis, the magnitude of the correlation coefficient of the price variable (X_2) on purchasing decisions (Y) = 0.795 with a t value of 2.586 greater than the t table value of 2.006 with a significance level of 0.013 is smaller than the value ($\alpha=0.05$). The path coefficient is positive, meaning that theoretically the relationship or influence of price on purchasing decisions is unidirectional, this gives meaning if the customer's perception of the price set by PT. Japfa is getting better (positive), than the consumer purchasing decision of PT. Japfa is increasing. On the other hand, if the customer's perception of the price set by PT. Japfa. is decreasing (negative), then the consumer purchasing decisions of PT. Japfa. getting lower / lower. Description of the perception of respondents (55 consumers of PT. Japfa) on the average price variable shows positive. Of the three questions posed for the price variable, the customer's perception of the highest average is in the item Comparison of prices with the prices of other and similar products ($X_{2,2}$) with an average of 3,400. This means that most customers perceive price in terms of price comparison with the price of other and similar products as the main indicator that drives purchasing decisions. Then the smallest average is the indicator of product price conformity with product quality ($X_{2,1}$) with an average value of 3,127. Here it can be interpreted that the suitability of product prices with product quality makes prices tend to be less good. The relationship between this research and management is that management should consider the price policy that is set in addition to maintaining quality conformity but also paying attention to other competitors. Because after all the economic nature of the customer must also be considered. By paying attention to more and more competitors, the company will become a printing company, especially books, as a market leader.

4) The Influence of Product Quality on Purchase Decisions

Based on the results of testing the second hypothesis, the magnitude of the correlation coefficient of the product quality variable (X_3) on purchasing decisions (Y) = 0.877 with a t value of 2.277 greater than the t table value of 2.006 with a significance level of 0.027 less than value ($\alpha=0.05$). The path coefficient is positive, meaning that theoretically the relationship or influence of product quality on purchasing decisions is unidirectional, this gives meaning if the customer's perception of the product quality of PT. Japfa is getting better (positive), than the consumer purchasing decision of PT. Japfa. more increasing. On the other hand, if the customer's perception of the quality of the products produced by PT. Japfa is decreasing (negative), then the decision to buy PT. Japfa is getting lower/decreasing. Description of respondents' perceptions (55 customers of PT. Japfa) on the product quality variable on average shows positive. Of the six questions asked for the product quality variable, the customer's perception of the highest average is on the reliability item $X_{3,3}$ with an average of 3.491. This means that most customers perceive product quality in terms of reliability, which is less likely to be damaged or fail to

be used, for example, products do not break quickly as the main indicator that drives consumer purchasing decisions. Then the smallest average is the performance indicator ($X_{3.1}$) with an average value of 3,291. Here it can be interpreted that performance makes product quality tend to be less good. The relationship between this research and management is that management should further improve product quality, especially those related to reliability, namely the possibility of failure to use. This can be done by improving product quality, such as a better composition of raw materials so that product durability can be accounted for by customers.

5) Variables that have a dominant influence on customer satisfaction

Based on the results of multiple linear regression calculations, wherefrom the results of these calculations each independent variable consisting of service quality variables (X_1), price (X_2), and product quality (X_3) partially all have a significant effect on decisions purchase. Then from the results of the t-test, it is known that the price variable has the most dominant influence on consumer purchasing decisions of PT. Japfa in Sidoarjo. About management, management should be able to calculate in such a way that it can meet market needs. Please note here that the average consumer is a company or product that will be used as one of the raw materials for livestock. So that the element of competitive price becomes a separate calculation for consumers. The results of this study are in line with the research of Janice et al. (2017) which shows that price is the dominant factor that consumers consider when buying a product. This price is related to the economic sacrifices made.

5. Conclusion

Based on the results of data analysis and discussions that have been carried out, the conclusions that can be drawn from the research are as follows:

- 1) The variables of service quality, price, and product quality simultaneously have a significant effect on purchasing decisions of PT. Japfa. This is by the proof of the hypothesis in the previous chapter, which is evidenced by the results of calculations using the multiple linear regression method where the R square (R^2) number is 0.816 or 81.60% which shows the contribution or contribution of the service quality variable (X_1), price (X_2) and product quality (X_3) together or simultaneity on purchasing decisions (Y) is very strong. While the rest ($100\% - 81.60\% = 18.40\%$) was contributed by other variables that were not taken into account in the study. And the results of these calculations are also supported by the results of the f test which states that the calculated F value is 75,400. Then based on the table value, it is known that the F table in DF (3:51:0.05) is 2,786 so the calculated F is greater than the F table. Furthermore, from the significance level, it is known that the significance value of 0.000 is far below the number ($\alpha = 5\%$) indicating the effect of service quality (X_1), price (X_2), and product quality (X_3) together on purchasing decisions (Y) is significant. So that in terms of policy determination about purchasing decisions, management should use the variables that exist in the current study.
- 2) The variables of service quality, price, and product quality partially all have a significant effect on customer satisfaction of PT. Animal Feed As evidenced by the t-count for the service quality variable (X_1), the t-count value is $2.197 > t\text{-table } 2.006$. The second for the price variable is shown t-count for the price variable (X_2) shows the t-count value $2.568 < t\text{-table } 2.006$ and the third for the product quality variable is indicated by the results of the t-count calculation for the price variable (X_2) shows the t-value. The count for the product quality variable (X_3) shows the t-count value of $2,277 > t\text{-table of } 2,006$.
- 3) Among the 4 independent variables studied which consist of product quality, price, service quality, and distribution variables, the most dominant influence on consumer purchasing decisions PT. Japfa is a price variable. This means that price is the main component that can provide a decision in making a purchase.
- 4) Among the 4 independent variables studied, which consisted of service quality, price, and product quality variables, which had the least effect on the purchasing decision of PT. Japfa is a service quality variable.

References

- Almsalam, S., The Effects of Customer Expectation and Perceived Service Quality on Customer Satisfaction, *International Journal of Business and Management Invention*, vol. 3, no. 8, pp.79-84, 2014.
- Capannelli, G., The ASEAN Economy in the Regional Context: Opportunities, Challenges, and Policy Options, *ADB Working Paper Series on Regional Economic Integration no.145*, Asian Development Bank, Mandaluyong, 2014.
- Irawan., and Swasta, B., *Modern Marketing Management*, Liberty, Yogyakarta, 2008.
- Janice, D., Saerang, D.P.E., Pandowo, M., Analyzing Factors That Drive Consumer Purchase Decision Of Product At Hypermart Manado, *Jurnal EMBA*, vol.5, no.2, pp. 334-353, 2017.

- Kotler, P., and Keller, K.L., *Marketing Management*, Global Edition 15th Edition, Pearson, London, 2015.
- Lupiyoadi, R., and Hamdani, A., *Service Marketing Management*, Salemba Empat, Jakarta, 2011.
- Pakurár, M., Haddad, H., Nagy, J., Popp, J., and Oláh, J., The Service Quality Dimensions that Affect Customer Satisfaction in the Jordanian Banking Sector, *Sustainable*, vol.11, no.4, pp.1-24, 2019.
- Suharno, and Sutarso, Y., *Marketing In Practice*, Graha Ilmu, Yogyakarta, 2010.
- Tjiptono, F., *Marketing Strategy*, 4thed, Andi, Yogyakarta, 2015.
- Zeithaml, V., Bitner, M.J., Gremler, D., *Services Marketing: Integrating Customer Focus Across the Firm*, Mc Graw Hill, New York, 2018.
- Zhafirah, N., Relawati, R., Ariadi, B. Y., Service Quality, Product Quality, and Perception of Price for Consumer Satisfaction at Aqiqah Business, *Journal of Agricultural Socioeconomics and Business*, vol. 4, no. 2, pp. 142-153, 2021.

Biography

Muslikhun is a lecturer at STIE Mahardika Surabaya in the field of Management studies. Bachelor's education was completed in 2000 at STAI Al-Khoziny Buduran Sidoarjo. Postgraduate education was completed in 2011 at STIE Mahardika Surabaya.