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The effect of product quality and brand awareness on buying decisions through purchase satisfaction as a mediation variables in pt. diski anugerah jumanta

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Abstract

This study aims to determine product quality and brand awareness of customer purchasing decisions through purchasing satisfaction at PT. Diski Anugerah Jumana. The population in this study were customers of PT. Diski Anugerah Jumana. The sample used includes 63 corporate consumers who make purchases taken by accidental

sampling. The data analysis technique used path analysis. The results showed an effect of product quality and brand awareness on customer purchasing decisions through purchase satisfaction. The higher the consumer's satisfaction with the goods purchased, the greater the purchasing decision.

Keywords: Product Quality, Brand Awareness, Purchase Satisfaction, Buying Decisions

1. Introduction

Decision making is a process of assessing and selecting from various alternatives according to certain interests by determining an option that is considered the most profitable. The assessment process usually begins with identifying the main problems affecting the objectives, compiling, analyzing, and selecting these various alternatives, and making the decisions that are considered the best. The final step in the process is an evaluation system to determine the effectiveness of the decisions that have been taken.

Consumers need a lot of information to be more convincing about the decisions they will make. Consumers, in this case, already have specific criteria for the goods they will choose. Extensive decision making also involves multiple-choice decisions and considerable cognitive and behavioral efforts. Finally, this decision-making tends to take a while. However, some consumers require less time than other consumers to make decisions.

PT. Diski Anugerah Jumanta has consumers from other companies who need their products. The company is a manufacturing company established in Indonesia and is experiencing a sharp level of competition with other companies. The company tries to win this competition by increasing customer satisfaction, such as improving product quality, improving service quality, and brand awareness to consumers to win the company's competition with other companies.

Housing sales in type BR1 (Bananas Residence 1) in 2017 were 17 units, varying from a land area of 71 square meters to 108 and a building area of 36 to 45 square meters. Sales in 2018 decreased to 11 units. This decrease was 54.45%. The sales of type BR 2 (Bananas Residence 2) houses in 2017 amounted to 4 units and in 2018 were six units, an increase of 50%. This house has a land area of 95 to 111 square meters, while the building area is 110 square meters. Rahayu type house sales are the sale of a house that is more extensive. In 2017, home sales amounted to 9, while in 2018, it was five units or a decrease of 44.4%. Based on the data above, only the house type BR2 has increased sales from 2017 to 2018. Meanwhile, the types of houses BR1 and Rahayu experienced a decline. This shows that home-buying decisions made by the company have also decreased.

Factors that influence consumer purchasing decisions are product quality, brand awareness, and purchase satisfaction. Product quality is all goods and services related to consumer desires, which are superior to the product being sold according to the customer's expectations. Product quality is formed by several indicators, including ease of use, durability, clarity of function, diversity of product sizes, and others (Zeithalm, 1988). Consumers always evaluate the performance of a product. This can be seen from the product's ability to create product quality with all its specifications to attract consumers to make purchases of the product. Based on the discussion above, it can be said that the quality provided by a product can influence consumer purchasing decisions for the product being offered.

Product quality is the ability of a product to carry out its functions, including durability, reliability, ease of operation and repair, and other valuable attributes. To improve product quality, companies can implement a program "Total Quality Management (TQM)." In addition to reducing product damage, the main objective of total quality is to increase consumer value.

Another factor that influences purchasing decisions is brand awareness. Brand Awareness relates to brand memory in the minds of consumers. Brand awareness is important for producers because consumers will tend to buy products that are well known or remembered by them. The higher the level of brand awareness means that a brand is more remembered or in consumers' minds than other brands.

Furthermore, brand awareness is not just a memory but also a learning process for consumers. Building brand awareness is usually done for a long time because memorization can work with repetition and reinforcement. In reality, brands with high recall rates are old brands. Consumers will tend to buy products with brands they are familiar with compared to products with foreign brands to their ears.

Purchase satisfaction also affects decision making—customer Satisfaction. Consumer satisfaction is consumer feelings after comparing what he received and what he expected (Umar, 2005) ^[6]. If he is satisfied with the value provided by a product or service, a customer is very likely to be a customer for a long time. This level of purchase satisfaction is caused, among others, by product specifications that do not meet consumer expectations. Based on a preliminary survey of consumers who have bought products made by the company, it shows that the company's house model does not meet consumer expectations. Therefore it is necessary to conduct a study of customer satisfaction and its impact on consumer purchasing decisions.

2. Literature Review

2.1 Product Quality

According to Kotler (2005) ^[8], the definition of a product is anything that can be offered to the market to get attention, buy, use, or consume that can satisfy a desire or need. Conceptually, the product is a subjective understanding from the producer of something that can be offered to achieve organizational goals by meeting the needs and activities of consumers, according to the competence and capacity of the organization and market purchasing power.

According to Kotler and Keller (2008) ^[9], products are a key element in the overall market offering. Products can also be defined as producers' consumer perceptions through their production (Tjiptono, 2008) ^[12]. Based on some of the definitions above, a product is a collection of tangible and intangible attributes, including packaging, color, price, quality and brand plus services, and sales reputation.

2.2 Brand Awareness

Brand awareness is related to brand memory in the minds of consumers. Brand awareness is important for producers because consumers will tend to buy products that are well known or remembered by them. Brand Awareness has four levels, which are as follows:

1. The unaware brand is the lowest level in the brand pyramid, where consumers are not aware of a brand.
2. Brand recognition is a minimum level of brand awareness, which is important when a buyer chooses a brand when making a purchase.
3. Brand recall is a recall of a brand without assistance because it is different from recognition.
4. Top of mind is the brand that is first remembered when consumers are asked about a product category that can be recalled spontaneously without assistance.

The higher the level of brand awareness means that a brand is more remembered or in consumers' minds than other brands. Furthermore, brand awareness is not just a memory but a learning process for consumers about a brand. Building

brand awareness is usually done for a long time because memorization can work with repetition and reinforcement. In reality, brands with high recall rates are old brands. Consumers will tend to buy products with brands they are familiar with compared to products with foreign brands to their ears.

According to Susanto and Wijanarko (2004) ^[11], a strong brand is a clear, valuable, and sustainable differentiator in the face of fierce competition, spearheading the company's competitiveness and very helpful in marketing strategies. Keller (1993) ^[7] also states that brand equity is the desire of a person to continue using a brand or not. The measure of brand equity is strongly related to loyalty and measuring from new users to loyal users.

2.3 Purchase Satisfaction

Consumer satisfaction is consumer feelings after comparing what he received and what he expected (Umar, 2005) ^[6]. If he is satisfied with the value provided by a product or service, a customer is very likely to be a customer for a long time.

According to Kotler and Keller (2007) ^[7], quoted from a marketing management book, it is said that customer satisfaction is the feeling of pleasure or disappointment of someone who appears after comparing the performance (results) of the product thought to the expected performance. Satisfying consumer needs is the desire of every company. Apart from being an important factor for the company's survival, satisfying consumers' needs can increase its advantage over the competition. Consumers who are satisfied with products and services tend to buy back products and reuse services when the same needs reappear later. This means that satisfaction is a key factor for making repeat purchases, which is the largest portion of the company's sales volume.

2.4 Buying Decision

Decision making is the most important aspect of management activities. Decision making is a daily job in management, so we need to know what decision making is, how we arrive at a decision, what the decision is, the levels of classification, and its types. Also, it is also necessary to know decision-making techniques, approach methods, theories, ethics in decision making, the role of bureaucracy in decision making, and the relationship between decision making and problem-solving.

The decision means choice, that is, the choice of two or more possibilities. However, it is hardly a choice between right and wrong, but what often happens is a choice between "almost right" and "maybe wrong."

Although ordinary decisions are said to be the same as choices, there are important differences between them. Decisions are "real choices" because choices are defined as choices about goals, including choices about how to achieve those goals, whether at the individual level or the collective level. The decision related to the process is the final state of a more dynamic process, labeled decision-making. Decisions are seen as processes because they consist of a series of related activities and are considered wise actions. Furthermore, Amirullah (2002: 61) states that: "Decision making is a process of assessing and selecting from various alternatives following certain interests by determining an option that is considered the most profitable."

Decision making has important meaning for the back and forth of an organization, especially because the future of an organization is largely determined by current decision making. The importance of decision making is seen in terms of the power to make decisions, namely whether to follow the

pattern of centralization or decentralization. Apart from being seen in terms of power, decision-making is also seen from the point of view of its presence. That is, without a theory of administrative decision making, we cannot understand whether to predict management actions so that we cannot improve management effectiveness.

3. Research Method
Time and Location of Research

The research will be conducted in April-May 2020 by taking the location at PT. Diski Anugerah Jumana.

Research Design

This study uses an explanatory analysis approach. This means that every variable presented in the hypothesis will be observed by testing the independent variable's causal relationship to the dependent variable.

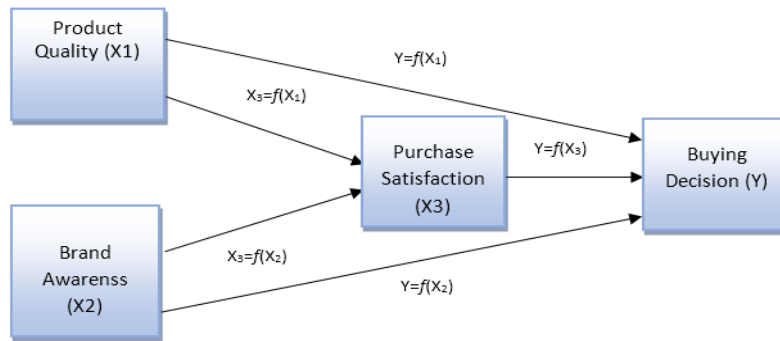


Fig 1: Research Model

Population and Sample

The population in this research is the customers of PT. Diski Anugerah Jumana. While the sample used includes 63 corporate consumers who make purchases taken by accidental sampling.

4. Result

Overall this analysis involves all the variables being analyzed, namely product quality (X1), brand awareness (X2), satisfaction (X3) and buying decisions (Y). This analysis uses path analysis with the overall picture as follows. The standardized coefficient value of X1 and X2 on Y can be seen in the following table.

Table 1: The standardized coefficient value of the effect of X1 and X2 on Y

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16,477	2,965		5,557	,000
	Product_Quality	,709	,135	,444	5,258	,000
	Brand_Awareness	,554	,085	,553	6,552	,000

a. Dependent Variable: Buying_Decision

The standardized coefficient value of the influence of X1 and X2 on X3 can be seen in the following table.

Table 2: The standardized coefficient value of the effect of X1 and X2 on X3

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,910	1,255		5,508	,000
	Product_Quality	,931	,057	,547	16,326	,000
	Brand_Awareness	,762	,036	,713	21,280	,000

a. Dependent Variable: Purchase_Satisfaction

Table 3: The standardized coefficient value of the effect of X3 on Y

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,333	2,666		3,500	,001
	Purchase_Satisfaction	,794	,064	,846	12,410	,000

a. Dependent Variable: Buying_Decision

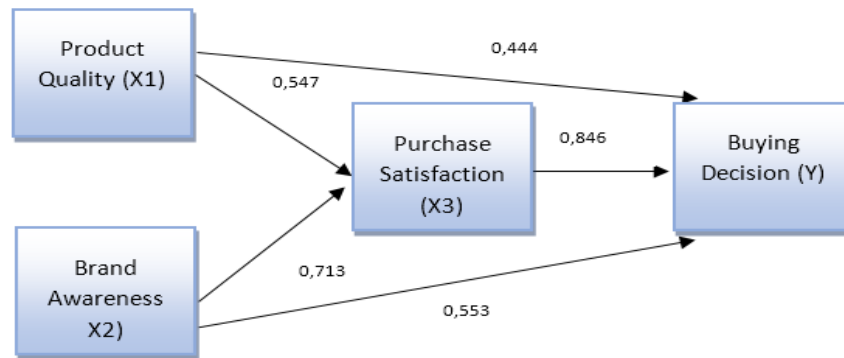


Fig 2: Overall Path Analysis Results

Path Analysis 1

The analysis on this path is the effect of product quality (X1) on purchasing decisions (Y). The loading factor value is 0.444. This value has a value equal to 5.557 with a significance of 0.05 or less than 0.05, so it can be said that product quality has a significant effect on purchasing decisions.

Path Analysis 2

The analysis on this path is the effect of brand awareness (X2) on purchasing decisions (Y). The loading factor value is 0.553. This value has a value equal to 5.258 with a significance of 0.05 or less than 0.05, so it can be said that brand awareness has a significant effect on purchasing decisions.

Path Analysis 3

The analysis on this path is the effect of customer satisfaction (X3) on purchasing decisions (Y). The loading factor value is 0.846. This value has a value equal to 12.410 with a significance of 0.05 or less than 0.05, so it can be said that customer satisfaction has a significant effect on purchasing decisions.

Path Analysis 4

The analysis on this path is the effect of product quality on customer satisfaction (X3). The loading factor value is 0.547. This value has a value equal to 16.326 with a significance of 0.05 or less than 0.05, so it can be said that product quality has a significant effect on customer satisfaction.

Path Analysis 5

The analysis on this path is the effect of brand awareness on customer satisfaction (X3). The loading factor value is 0.713. This value has a value equal to 21.280 with a significance of 0.05 or less than 0.05, so it can be said that brand awareness has a significant effect on consumer satisfaction.

Path Analysis 6

The analysis on this path is the effect of product quality on purchasing decisions (Y) through customer satisfaction (X3). The loading factor value of the effect of product quality on purchasing decisions directly is 0.444, while the effect of product quality on purchasing decisions through customer satisfaction is $0.547 \times 0.846 = 0.463$. This indirect effect is greater than the effect, or in other words, consumer satisfaction can increase the influence of product quality on purchasing decisions by $0.463 - 0.444 = 18.72\%$. In this case, it can be said that customer satisfaction is an intervening variable.

Path Analysis 7

The analysis on this path is the effect of brand awareness on purchasing decisions (Y) through customer satisfaction (X3). The loading factor value of brand awareness on direct purchasing decisions is 0.553, while the effect of brand awareness on purchasing decisions through customer satisfaction is $0.713 \times 0.846 = 0.603$. This indirect effect is greater than the effect, or in other words, consumer satisfaction can increase the influence of brand awareness on purchasing decisions by $0.603 - 0.553 = 0.05$ or 5%. In this case, it can be said that customer satisfaction is an intervening variable.

5. Discussion

In previous research, product quality affects purchasing decisions. The higher the product quality, the greater the buying decision. In other words, this influence is positive or unidirectional. This research was conducted on several consumers (Ackarajruangsri, 2013); (Wandi, Y., Zainal, V. R., Arafah, W., Subagja, I. K., & Saad, R. A. J., 2020). The results of this study are the same as previous studies' results, namely the higher the product quality, the greater the buying decision. In this case, the fourth indicator is features. Features are product characteristics designed to enhance product functionality or increase consumer interest in the product. The smaller value compared to other indicators should be further developed by the company.

In this study, brand awareness affects purchasing decisions. Several researchers also carried out the influence of brand awareness on purchasing decisions. Based on research, it is known that brand awareness affects purchasing decisions (Artiningtyas, I; Minarsih, M; and Hasiolan. 2014). One of the indicators, namely support, is the amount of funds spent on communicating the brand. This value is the smallest compared to other indicators, so that it needs to be continuously developed.

The higher the consumer's satisfaction with the goods purchased, the greater the purchasing decision. This influence is also positive. This study's results are the same as previous studies (Anderson, E. W; Fornell, C and Lehmann, D.R, 1994); (Muslih, M., Razak, I., & Subagja, I. K, 2020). The comparison indicator has the smallest loading factor. Comparison compares the expected performance of goods or services before buying with the perception of the actual performance of the goods or services. Consumers will feel satisfied when their pre-purchase expectations match or exceed their perception of the product's actual performance. This indicator should be taken into account by the company.

6. Conclusion and Suggestion

6.1 Conclusion

In the first line analysis, product quality (X1) affects purchasing decisions (Y). The loading factor value is 0.444. This value has a value equal to 5.557 with a significance of 0.05 or less than 0.05, so it can be said that product quality has a significant effect on purchasing decisions.

In the second line of analysis, brand awareness (X2) affects purchasing decisions (Y). The loading factor value is 0.553. This value has a value equal to 5.258 with a significance of 0.05 or less than 0.05, so it can be said that brand awareness has a significant effect on purchasing decisions.

In the analysis on the third path, customer satisfaction (X3) has an effect on purchasing decisions (Y). The loading factor value is 0.846. This value has a value equal to 12.410 with a significance of 0.05 or less than 0.05, so it can be said that customer satisfaction has a significant effect on purchasing decisions.

In the analysis on the fourth line, product quality has an effect on customer satisfaction (X3). The loading factor value is 0.547. This value has a value equal to 16.326 with a significance of 0.05 or less than 0.05, so it can be said that product quality has a significant effect on customer satisfaction.

In the fifth line analysis, brand awareness of customer satisfaction (X3). The loading factor value is 0.713. This value has a value equal to 21.280 with a significance of 0.05 or less than 0.05, so it can be said that brand awareness has a significant effect on consumer satisfaction.

The loading factor value of the effect of product quality on purchasing decisions directly is 0.444, while the effect of product quality on purchasing decisions through customer satisfaction is $0.547 \times 0.846 = 0.463$. This indirect effect is greater than the effect, or in other words, consumer satisfaction can increase the influence of product quality on purchasing decisions by $0.463 - 0.444 = 18.72\%$. In this case, it can be said that customer satisfaction is an intervening variable.

The loading factor value of the influence of brand awareness on direct purchasing decisions is 0.553, while the effect of brand awareness on purchasing decisions through customer satisfaction is $0.713 \times 0.846 = 0.603$. This indirect effect is greater than the effect, or in other words, consumer satisfaction can increase the influence of brand awareness on purchasing decisions by $0.603 - 0.553 = 0.05$ or 5%. In this case, it can be said that customer satisfaction is an intervening variable.

6.2 Suggestion

On the product quality variable, the features indicator has the smallest loading factor. Features are product characteristics designed to enhance product functionality or increase consumer interest in the product. The smaller value compared to other indicators should be further developed by the company. The recommended activity is to improve the company's product features, such as producing goods with unique characteristics that are different from those produced by competitors. Another activity is the need to conduct a market survey to find out what product characteristics consumers want.

Awareness brand improvement is made by looking at the support indicator because it has the smallest loading factor value. Support is the amount of money spent on communicating the brand. This value is the smallest compared to other indicators, so that it needs to be continuously developed. An activity that can be recommended is to review the funds spent to be able to

communicate products through advertising media, online media, television media, printed media, or using other media that are currently being carried out by many companies public transportation media.

To increase consumer satisfaction, it is necessary to think about consumer comparison indicators. The comparison indicator has the smallest loading factor. Comparison compares the expected performance of goods or services before buying with the perception of the actual performance of the goods or services. Consumers will feel satisfied when their pre-purchase expectations match or exceed their perception of the product's actual performance. This indicator should be taken into account by the company. Activities that need to be developed create a competitive advantage over the goods produced so that these goods will have a higher advantage compared to consumers with other products.

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