

The Influence of Product Quality, Service and Price on Motorcycle Purchasing Decisions at PT Astra Honda Motor Unaaha

Bindarto¹

Universitas Lakidende

JL. Sultan Hasanuddin, No. 234, Wawotobi, Lalosabila, Kec. Unaaha, Kabupaten Konawe, Sulawesi Tenggara

e-mail: bindartoahmad@gmail.com

ABSTRACT

This study aims to determine product quality, service quality, and price effects on motorcycle purchasing decisions at P.T. Astra Honda Motor Unaaha. The population in this study amounted to 35 respondents. The analytical method in this study used validity testing, reliability testing, multicollinearity testing, heteroscedasticity testing, and hypothesis testing. Data analysis was carried out with the help of the SPSS 26 program. The results of this study indicate that the variables of product quality, service quality, and price simultaneously has a significant effect on the variable Decision to Purchase a Motorcycle at P.T. Astra Honda Motor Unaaha, the variable Product Quality partially has a positive and significant impact on the Decision to Purchase a Honda Motorcycle at P.T. Astra Honda Motor Unaaha, the variable Quality of Service partially has a positive and significant effect on the Motorcycle Purchase Decision variable at P.T. Astra Honda Motor Unaaha, the price variable has a positive and significant impact on the decision to purchase a motorcycle at P.T. Astra Honda Motor Unaaha.

Keywords: *Product Quality, Service Quality, and Price on Purchasing Decisions*

Introduction

The development and growth of the automotive industry are currently running so rapidly. This is shown by the continued increase in the community's vehicles. One of the automaton industries that is very visible in its development is motorcycles, motorcycles born with various brands, models, types, colors, and other specifications [1][2][2]. All this is in line with the increasing activity of the population in various aspects. This shows that the motorcycle industry is experiencing fierce competition, with a growing number of business actors entering this industry [3]. Many companies engaged in the motorcycle business are present to meet the driving needs of the community, resulting in competition between similar companies in presenting the advantages of their products in capturing the attention of consumers [4]. Amid this intense competition, many parties implement business policies to achieve the desired market share [5]. The choice of the public is undoubtedly a great opportunity for automotive business people, especially in the field of two-wheeled motorized vehicles, to continue to boost their sales by implementing the right marketing strategy [6]. Innovation that can meet consumers' needs and tastes is necessary if business people do not want to lose their consumers and grow the demand for their products [7].

Companies generally have difficulty monitoring, understanding and analyzing consumers precisely and correctly, given the many factors affecting consumers and the differences for each individual [8]. Thus, companies must be able to monitor the changes of their consumers, including consumers, to obtain or choose products [9]. Meanwhile, on the consumer side, in selecting products that suit consumer needs, information about products is necessary so that the products purchased are biased to meet consumer needs[10].

In the decision-making process for consumers, the consumer must know the product [11]. In making consumer decisions, consider many factors that influence purchasing decisions [12]. With information and input from consumers regarding several factors that influence consumers' purchasing decisions, the news and input can be considered for companies [13]. After the company knows what consumers are thinking, the company can update the marketing strategy implemented to achieve sales goals [14].

In consumer behavior, many factors influence consumers' purchasing decisions. These factors are product quality, service quality, and price. Indirectly, quality affects a consumer to purchase of a product [15]. Today's consumers are very critical. In choosing a consequence, the decision to buy a product

is strongly influenced by the assessment of the quality of the product [16][17][17].

Product quality is one of the essential considerations in consumers' purchasing decisions. Some dare to spend quite expensive money as long as the quality of the product is guaranteed, but often what consumers want is that the product has a low price but has high quality[18].

Service quality also plays a vital role in attracting consumers to make purchases. Satisfactory service quality will encourage consumers to purchase the products or make repurchases. According to [19], The quality of service reflects the comparison between the level of service that the company delivers and customer expectations. Service quality is realized through fulfilling customer needs and desires and the accuracy of delivery in offsetting or exceeding expectations. Suppose a company is able to provide good service, directly or indirectly. In that case, its service image will be widespread because the satisfaction felt by its customers will be conveyed by customers from one customer to another in chains [20]. In addition to product and service quality, another factor influencing the purchase decision is the product's price. The high price makes consumers think twice about buying a product.

In certain situations, consumers are susceptible to prices. Specific segments view relatively high prices positively, and there are also opposing views. High product prices also lead to good product quality, and vice versa. Low prices Some consumers think that the products offered do not have good quality [21][21]. In today's competition, companies are required to provide quality products. They have more value with good quality, so these products will permanently be embedded in the minds of consumers because consumers are willing to pay a certain amount of money to buy quality products [21].

Currently, Indonesia is a potential market for the transportation industry. Many people make motorcycles the leading choice as a means of transportation. The choice of motorbikes as a means of transportation for the community is due to various things, including faster travel times when using motorbikes, more cost-effective motorcycles, and inadequate public transportation. Another factor supporting the increasing use of motorcycles among the public is the ease with which people buy motorcycles with credit payments [22].

P.T. Astra Honda Motor Unaaha is a trading company selling Honda motorcycle products. The company was founded in 2002 at Jalan Sapati Tumpas, Unaaha. Maintaining and growing new demand is certainly not easy for business people. The concept of

sales believes that consumers and business enterprises if left unchecked, will not regularly buy enough of the products offered. In addition, the job of marketing is not how to find the right consumer for a product but how to find the right product for the consumer. Thus, manufacturers must continue innovating to maintain and grow new demand. In terms of proper pricing and the consumer's purchase price, it will help consumers drop choices on the product.

Research Methods

Population and Sample

According to [23], the population is a generalized area of objects/subjects with specific qualities and characteristics. It is set by the researcher to be studied, and then conclusions are drawn. The total population in this study is all customers or those who have just bought a *motorcycle* at PT Astra Honda Motor Unaaha. However, it is not known precisely how much the population is.

The sample is part of the number and characteristics that such a population has. If a large population of researchers is unlikely to study everything in a population, for example, due to limited funds, energy, and time, researchers can use samples from that population [23].

In determining the sample, the main conditions in deciding it should be met in the study. The intention is that the model used must be able to represent the population that has been stated above. However, it does not have to be identical to the people or duplicate the population. The critical sample can be representative of the population [24]. The sampling technique in this study uses a random sampling technique, sampling in this random technique, and the researcher estimates that each sample in the population is equally positioned from the aspects to be studied. Of course, some criteria allow for these similarities. In this study, sampling used the Lemeshow formula with a formula whose population does not know the exact number [25].

Lemeshow formula

$$n = z^2 p(1-p)/d^2 \dots (1)$$

where

n : Sample

p : proportion of an unknown population (0.5)

d : shows the distance in both directions

z : the default glad is far from the average value

z value 95% confidence level then z value = 1.960 and d value is used 10%, while p value is 0.5 so $p(1-p)$ value = 0.25. So, following the formula above, it can be seen that the sample was 96 respondents.

Data Collection Methods

Data collection in this study was carried out in the following ways:

- a. The interview is data collection using questions and answers from respondents who purchased a motorcycle at PT Astra Honda Motor Unaaha.
- b. Documentation is the collection of data by recording the data obtained through interviews, through the objects and subjects to be studied, and studying documents about the issue and thing under study. To get this data, the researcher took several books, brochures, websites, and examples of previous researchers related to this study.
- c. In the questionnaire, the author made several lists of questions asked to respondents who had or often purchased motorcycles at PT Astra Honda Motor Unaaha.

Data Measurement Methods

In this study, the authors used the Likert Scale to measure research instruments with predetermined variables. According to [26], the Likert Scale measures the attitudes, attitudes, and perceptions of a person or group of people about social phenomena. The answer to each instrument that uses a Likert scale has a gradation from very positive to very negative.

The Likert Scale is a psychometric scale commonly used in questionnaires and is the most widely used Scale in survey research. In a Likert, the respondent determines the degree of disagreement with a question by selecting one of the available questions. The measurement of this Likert Scale is carried out by dividing the:

- a.Score 1 for a Strongly Disagreeing answer
- b.Score 2 for the Disagree answer
- c.Value 3 for Indecisive or Neutral answer
- d.4 for Agree answer
- e.5 for Strongly Agreeable answer

For the data obtained with the questionnaire to be valid and reliable, it is necessary to test the validity and reliability of the questionnaire on the items of questions/statements so that it can be known whether it is feasible to collect data.

Results and Discussion

Effect of Product Quality, Service Quality, and Price on Purchasing Decisions

Based on the simultaneous test, the Fcount value (16.636) is more significant than Ftable (2.31) with a p-value (0.000) <0.05. it can be concluded that simultaneously (simultaneously), the product quality variable (X1), service quality variable (X2), and price

variable (X3) have a positive and significant effect on purchasing decisions (Y). This is hypothesis one, which states that product quality, service quality, and price simultaneously have a positive and significant effect on purchasing decisions, meaning the quality of the products prepared, the quality of the servers provided, and the price set by P.T. Astra Honda Motor Unaaha is by what the buyer wants. The results of this study support the previous research conducted by Awang Wicaksana (2021) with the title The Effect of Service Quality, Product Quality, And Price on Product Purchase Decisions at Folk Store. The results of this study show that service quality, product quality, and price simultaneously affect purchasing decisions.

The Effect of Product Quality on purchasing decisions at P.T. Astra Honda Motor Unaaha

The results of hypothesis testing regarding the effect of product quality on purchasing decisions have a significance value (0.001) smaller than alpha (0.05), which is rejected and accepted. The coefficient result for the product quality variable is 3.318. This product quality has a positive effect on purchasing decisions. This is by hypothesis two, which states that product quality affects purchasing decisions, meaning the quality of products prepared by P.T. Astra Honda Motor Unaaha is by what the buyer wants.

The results of this study support previous research conducted by [27] with the title "Analysis of the Influence of Brand Image, Price, and Product Quality on the Purchasing Decision of Rown Division Brand Clothing Products in Surakarta." The results of this study show that product quality variables have a positive and significant effect on purchasing decisions

The Effect of Service Quality on Purchasing Decisions at P.T. Astra Honda Unaaha Motorcycle

The results of hypothesis testing regarding the effect of service quality on purchasing decisions have a significance value (0.031) smaller than alpha (0.05), so Ho is rejected, and Ha is accepted. The coefficient result for the price variable is 2,191. Thus the quality of service has a positive and significant effect on purchasing decisions. This is by hypothesis 3 (three), which states that the quality of service has a positive and significant impact on buying decisions, meaning the quality of services provided by P.T. Astra Honda Unaaha Motorcycle always offers product models that are always new and variegated, really cares about consumers' wishes and always feels what consumers feel, always keeps promises and provides exemplary service to consumers, is always responsive in overcoming problems with consumer complaints and provides service quickly and correctly, provides insurance if the product that consumers receive is

defective / damaged, provide insurance if the product that consumers receive is faulty/damaged and provides experts in solving consumer motor problems. The results of this study support previous research conducted by [28] with the title "The Effect of Service Quality, Price, Promotion, and Store Atmosphere on Asian Fashion Purchasing Decision Making." The results of his research show that the quality of service influences purchasing decisions.

The Effect of Price on Purchasing Decisions at P.T. Astra Honda Unaaha Motorcycle

The results of hypothesis testing on the effect of price on purchasing decisions have a significance value (0.000) smaller than alpha (0.05), so H_0 is rejected and H_a is accepted. The coefficient result for the price variable is 5.524. Thus the price has a positive effect on the purchase decision. This is by hypothesis four which states that price has a positive and significant impact on purchasing decisions, meaning the price set by P.T. Astra Honda Unaaha motorcycles is suitable and can be reached by consumers. The results of this study support previous research conducted by [29] entitled "The Effect of Price, Product Quality, and Service on the Decision to Purchase Fashion Products Through Social Media in Yogyakarta" Based on data analysis, it shows that: the price has a positive effect on the decision to buy fashion products through sausage media in Yogyakarta;

Conclusion

Product quality, service quality, and price positively and significantly affect purchasing decisions at P.T. Astra Honda Motor-Unaaha. This means the quality of the products prepared, the quality of services provided, and the prices set by P.T. Astra Honda Motor-Unaaha are good, can be felt, and can be felt by consumers so that these considerations will have an impact on purchasing decisions.

Product quality positively and significantly affects purchasing decisions on P.T. Astra Honda Motor-Unaaha. This means the product quality (the impression of quality, reliability, and durability) prepared by P.T. Astra Honda Motor-Unaaha has been good, impacting the purchase decision.

The quality of service has a positive and significant effect on purchasing decisions at P.T. Astra Honda Motor-Unaaha. This means the quality of service (tangible, empathy, reliability, responsiveness, and guarantee) provided by P.T. Astra Honda Motor-Unaaha can be felt by consumers to impact purchasing decisions.

Price positively and significantly affect purchasing decisions on P.T. Astra Honda Motor-Unaaha. This means the price (price competition, price suitability, and affordability) set by P.T. Astra Honda Motor-Unaaha can be accepted by consumers to impact purchasing decisions.

Reference

- [1] G. P. Adirinekso, "The Influence of Brand Image, Perception of Trust, Perceived Convenience and Security Transactions on J.D. I.D. Customer Purchase Decision during the Pandemic Covid 19," *Proceedings of the International Conference on Industrial Engineering and Operations Management*, pp. 365–376, 2021. [Online]. Available: https://api.elsevier.com/content/abstract/scopus_id/85125963031
- [2] B. Dyck, "Sustainable marketing based on virtue ethics: addressing socio-ecological challenges facing humankind," *AMS Rev.*, vol. 11, no. 1, pp. 115–132, 2021, doi: 10.1007/s13162-020-00184-7.
- [3] R. Gümüş, "Role of Marketing Mix Perception and Participation on Repurchase Intention of Health Consumers," *J. Health Manag.*, vol. 24, no. 4, pp. 525–538, 2022, doi: 10.1177/09720634221128395.
- [4] N. A. M. Yusof, "A Quantitative Case Study on Customers' Expectations of Hotel Green Marketing," *Asia-Pacific J. Innov. Hosp. Tour.*, vol. 10, no. 3, pp. 447–462, 2021, [Online]. Available: https://api.elsevier.com/content/abstract/scopus_id/85125865513
- [5] D. Nikbin, "Marketing mix strategies during and after COVID-19 pandemic and recession: a systematic review," *Asia-Pacific J. Bus. Adm.*, vol. 14, no. 4, pp. 405–420, 2022, doi: 10.1108/APJBA-06-2021-0243.
- [6] W. M. Lim, "Transformative marketing in the new normal: A novel practice-scholarly integrative review of business-to-business marketing mix challenges, opportunities, and solutions," *J. Bus. Res.*, vol. 160, 2023, doi: 10.1016/j.jbusres.2022.113638.
- [7] D. de O. Rodrigues, "Marketing-mix metamorphosis and new trusted business practices," *Competitive Drivers for Improving Future Business Performance*, pp. 46–66, 2021. doi: 10.4018/978-1-7998-1843-4.ch004.

- [8] A. Faritzal, "The Influence of Price, Product Quality, and Brand Image on Purchase Decisions for Ultra UHT Milk Products During the Covid-19 Pandemic in Indonesia," *Rev. Int. Geogr. Educ. Online*, vol. 11, no. 5, pp. 2378–2388, 2021, doi: 10.48047/rigeo.11.05.138.
- [9] A. Al-Fadly, "Differences Between Supplier and Customer Experiences of Marketing Mix in the Construction Industry," *Front. Built Environ.*, vol. 8, 2022, doi: 10.3389/fbuil.2022.811186.
- [10] S. A. HAMMAM, "The effect of user experience, brand image, and trust on purchase decision in social commerce facebook," *J. Theor. Appl. Inf. Technol.*, vol. 99, no. 19, pp. 4557–4568, 2021, [Online]. Available: https://api.elsevier.com/content/abstract/scopus_id/85117441398
- [11] M. Yusuf, "The effect of brand image, price, service, product quality and promotion on consumer buying decisions for car purchases: A case study of Bosowa Berlian Motor Inc. in Makassar," *Appl. Mark. Anal.*, vol. 7, no. 3, pp. 260–275, 2022, [Online]. Available: https://api.elsevier.com/content/abstract/scopus_id/85127888622
- [12] M. K. Jha, "Marketing Spreads its Wings in Library Services A Study of Role and Strategies of Marketing Information Products and Services," *Libr. Philos. Pract.*, vol. 2021, pp. 1–18, 2021, [Online]. Available: https://api.elsevier.com/content/abstract/scopus_id/85113751804
- [13] C. Lie, "The Influence of Brand Image on Consumer Purchase Intention and Its Impact on Portable Wi-Fi Modem Online Purchase Decision," *ACM International Conference Proceeding Series*, pp. 382–386, 2022. doi: 10.1145/3537693.3537753.
- [14] I. Kovač, "The importance and significance of the marketing mix elements in a fashion retailing," *InterEULawEast*, vol. 8, no. 1, pp. 15–38, 2021, doi: 10.22598/iele.2021.8.1.2.
- [15] P. Matura, "Marketing Mix Strategies of Small and Medium Tourism enterprises in Masvingo Province, Zimbabwe," *African J. Hosp. Tour. Leis.*, vol. 10, no. 3, pp. 1025–1047, 2021, doi: 10.46222/ajhtl.19770720-147.
- [16] C. S. Nunes, "Business within ethical marketing education: The upcoming challenges," *Research Anthology on Business and Technical Education in the Information Era*, pp. 1334–1350, 2021. doi: 10.4018/978-1-7998-5345-9.ch074.
- [17] G. Magnani, "The Cultural Adaptation of the Marketing Mix," *International Series in Advanced Management Studies*, pp. 93–130, 2022. doi: 10.1007/978-3-031-04832-6_4.
- [18] F. A. S. Binofai, "SWOT-4Ps analysis of UAE Organic food market," *2022 Advances in Science and Engineering Technology International Conferences, ASET 2022*. 2022. doi: 10.1109/ASET53988.2022.9734829.
- [19] N. A. K. Dam, "Key Aspects of Customer Intelligence in the Era of Massive Data," *Lecture Notes in Computer Science (including subseries Lecture Notes in Artificial Intelligence and Lecture Notes in Bioinformatics)*, vol. 12672, pp. 259–271, 2021. doi: 10.1007/978-3-030-73280-6_21.
- [20] B. Houghtaling, "A rapid review of stocking and marketing practices used to sell sugar-sweetened beverages in U.S. food stores," *Obes. Rev.*, vol. 22, no. 4, 2021, doi: 10.1111/obr.13179.
- [21] D. Dally, "The Impact Of 7p's Of Marketing on The Performance of The Higher Education Institutions," *Rev. Int. Geogr. Educ. Online*, vol. 11, no. 3, pp. 235–252, 2021, doi: 10.33403/rigeo.800488.
- [22] M. M. Shafiee, "How can green marketing lead to customer trust and green intention? Evidences from the automobile industry," *Int. J. Bus. Excell.*, vol. 25, no. 1, pp. 97–109, 2021, doi: 10.1504/IJBEX.2021.118180.
- [23] M. J. Luengo-Valderrey, "Ecological behaviour in times of crisis and economic well-being through a comparative longitudinal study," *J. Clean. Prod.*, vol. 359, 2022, doi: 10.1016/j.jclepro.2022.131965.
- [24] Y. P. Santana, "Marketing mix: a determinant factor of sme failure," *Univ. y Soc.*, vol. 13, no. 3, pp. 391–400, 2021, [Online]. Available: https://api.elsevier.com/content/abstract/scopus_id/85107995368
- [25] B. Othman, "The effect of service marketing mix elements and customer retention towards clothing store brands in China," *Ind. Textila*, vol. 72, no. 4, pp. 388–397, 2021, doi: 10.35530/IT.072.04.1777.