



The Influence of Product Quality, Brand Image and Promotion on Purchase Decisions for Hori LED Lights in Bogor City

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ABSTRACT

This study aims to determine the effect of product quality, brand image and promotion on purchasing decisions for Hori LED lamps in the city of Bogor. The population in this study were consumers of Hori LED lamps, with a sampling technique using the method Proportional sampling so that 100 respondents were obtained using data analysis, namely multiple linear regression analysis. The results of the study indicate that simultaneously the quality of the product, brand image and promotion have a positive and significant effect on purchasing decisions, partially indicating that all independent variables of product quality, brand image and promotion have a positive and significant effect on purchasing decisions

INTRODUCTION

At this time, many people have switched to LED lights rather than other lights because they have low wattage, cool lighting, bright light and various appearances. PT. Honoris Industry as a multinational company, is one of the largest manufacturers in the Indonesian lighting market always trying to produce innovative, energy-efficient and environmentally friendly products. Hori is known as a trendsetter and innovator in lighting technology. In line with world issues and in Indonesia regarding limited electricity supply related to increasingly expensive fuel, Hori as a lighting manufacturer always tries to produce energy-efficient and environmentally friendly products such as Hori LED lights, However, in 2020 PT. Honoris experienced a decline in purchasing decisions as seen in the following table:

Table 1. Achievement of Sales Target of PT. Honoris Industry in 2020

No	Month	Sales Target (Rp)	Sales Realization (Rp)	Target Achievement	Information
1	January	263,000,000	132,000,000	50.19%	Not achieved
2	February	263,000,000	153,000,000	58.17%	Not achieved
3	March	263,000,000	125,500,000	47.71%	Not achieved
4	April	263,000,000	128,500,000	48.84%	Not achieved
5	May	263,000,000	185,000,000	70.34%	Not achieved
6	June	263,000,000	290,500,000	110.45%	Achieved
7	Jill	263,000,000	156,000,000	59.31%	Not achieved
8	August	263,000,000	80,000,000	30.41%	Not achieved
9	September	263,000,000	166,500,000	63.30%	Not achieved
10	October	263,000,000	131,000,000	49.80%	Not achieved
11	November	-	-	-	-
12	December	263,000,000	305,000,000	115.96%	Achieved
	Average	263,000,000	168,454,545	64.05%	Not achieved

Source: PT. Honoris Industry, 2020

The failure to achieve sales in 2020 is suspected to be due to several factors such as product quality, brand image and promotion. To find out the decline in purchasing decisions, the author conducted a pre-survey on 3 variables to 30 respondents with the results: on product quality, product damage during one year reached 2% and based on the results of the pre-survey, it was stated that the quality of the Hori LED Lamp product was still relatively low, because from the results of the pre-survey, most consumers did not know that the Hori LED Lamp product had a long life. Long up to 3 years or more.

Brand image can also influence purchasing decisions, the results of the pre-survey stated that the brand image is still considered good, because from the results of the initial pre-survey of the research, the majority of consumers said that consumers are not yet familiar with Hori LED Lamp products.

In addition, promotions on purchasing decisions with pre-survey results state. The promotion that Hori LED Lamps have is still relatively low, because from the results of the initial pre-survey of the research, most consumers No know Hori LED Light products.

LITERATURE REVIEW

1. X1 : According to Tjiptono (2014:27) product quality is a dynamic condition which relates to products, services, people, processes and environments that meet or exceed expectations. The indicators include:
 - Performance
 - Privilege
 - Addition
 - Reliability
 - Specification conformity
 - Durability
 - Aesthetic value.
2. X2 : According to Tjiptono (2015:49) brand image is a description of consumer associations and beliefs towards a particular brand. The indicators:
 - Confession
 - Reputation
 - Attractiveness
 - The image that the brand itself has.
3. X3 : According to Kotler and Keller (2016:89), promotion is an activity that describes a product that is packaged to make it more attractive to buyers. The indicators are as follows:
 - Advertising
 - Sales promotion
 - Public relations
 - Personal selling
 - Direct marketing.
4. Y : According to Kotler (2016:46) a purchasing decision is a choice made by a buyer regarding a product. The indicators are:
 - Purchase certainty
 - Buyer habits
 - Providing recommendations
 - Repeat purchase.

Hypothesis

H1 : Product quality, brand image and promotion simultaneously has a positive and significant effect on purchasing decisions.

H2 : Product quality has a positive and significant effect on purchasing decisions.

H3 : Brand image has a positive and significant partial effect on purchasing decisions.

H4 : Promotion has a positive and significant partial effect on purchasing decisions.

METHODOLOGY

Descriptive verification with a quantitative approach using 2 variables such as: Independent variables (product quality, brand image, promotion) and dependent variables (consumer satisfaction) of research respondents. Based on the calculation result sample by using the Lame show formula, the number sample the result obtained was 96.04sample, and will be rounded up to 100 respondents. To obtain supporting data, the author conducted a literature study, interviews, observations and questionnaire distribution. Data testing begins with validity and reliability, continued with classical assumption testing and ended with multiple linear regression.

RESULT

Before conducting further testing, the results of the validity and reliability tests in the study were all declared valid and reliable. The results of the survey of the characteristics of Hori LED lamp consumers can be summarized as follows:

Table 2. Summary of Hori LED Lamp Consumer Characteristics.

No	Characteristics	Consumer	Percentage (%)
1	Gender	Woman	65
2	Age	22-27 years old	52
4	Last education	High School/Vocational School	60
5	Work	Employee	56
6	Monthly Income	3,000,000 - 5,000,000	65

Source: Data processed 2021

In the classical assumption test, the results obtained were:

1. Normality

In this test, the results obtained were normally distributed

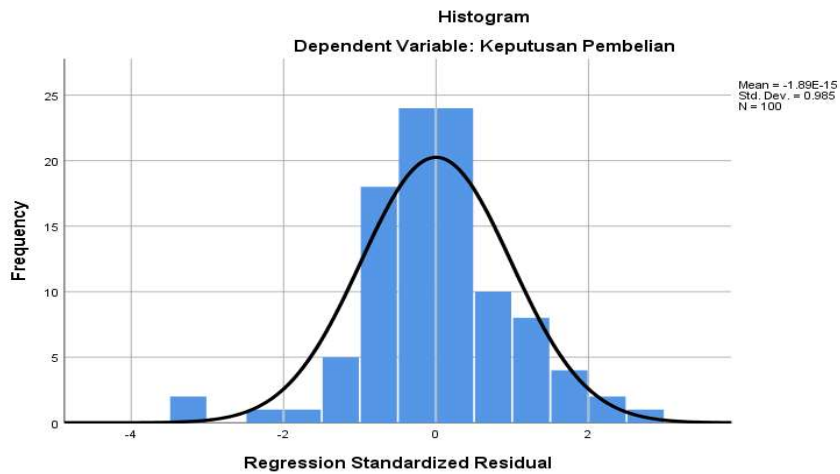


Figure 1. Results of Normality Test with Histogram Graph
 Source: Processed Data, 2021

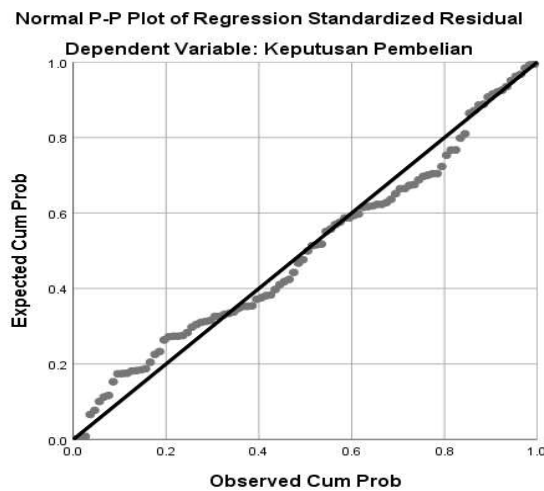


Figure 2. Results of Normality Test with Normal Probability Plot
 Source: Processed Data, 2021

2. Multicollinearity

It is said that there is no multicollinearity with the results:

Table 3. Results Multicollinearity Test Coefficients

Model	Coliarity Statistics		
	Tolerance	VIF	Decision
Product Quality	0.679	1,474	Multicollinearity Free
Brand Image	0.456	2,193	Multicollinearity Free
Promotion	0.479	2,088	Multicollinearity Free

Source: Processed Data, 2021

3. Heteroscedasticity

There is no problem with the data.

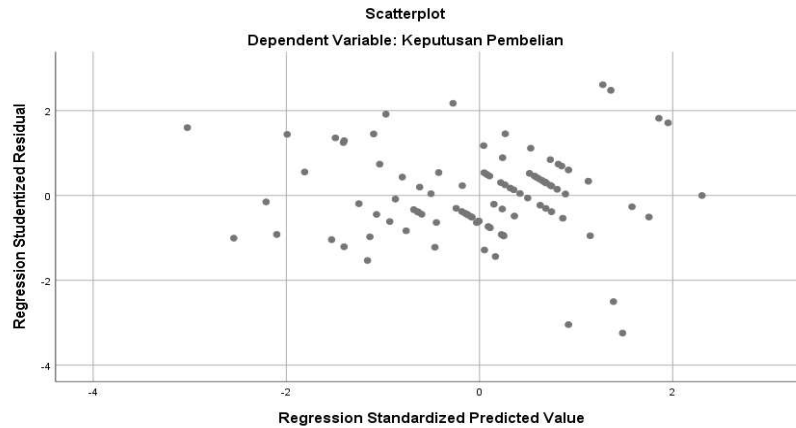


Figure 3. Test Results Heteroscedasticity

Source: Processed Data 2021

After going through several stages of testing, we arrived at a multiple linear regression analysis with the following results:

The results of multiple linear regression analysis can be seen as follows:

Table 4. Results of Regression Coefficients and Significance Tests Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,458	2.454		3.262	.000
	Product Quality	.102	.032	.130	1.955	.010
	Brand Image	.225	.078	.359	3,712	.000
	Promotion	.050	.020	.154	1.905	.003

a. Dependent Variable: Purchasing Decision

Source: Premier Data Processed, 2021

Getting the results of the regression model:

$$Y = 8.458 + 0.102 X_1 + 0.225 X_2 + 0.050 X_3$$

The magnitude of the influence of each variable has a different impact on product quality, the difference in value will not affect the other x variables.

The results of the multiple correlation analysis of this study can be seen as follows:

Table 5. Multiple Correlation Analysis Testing and Determination Coefficient

Model Summary ^b					
	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	1	.650a	.576	.589	1,667

a. Predictors: (Constant), Promotion, Product Quality, Brand Image

b. Dependent Variable: Purchase Decision

Source: Processed Data, 2021

Based on the table, the R figure of 0.650 is in the category of quite strong and positive and the r square value is 0.576. This means that the relationship between product quality, brand image and promotion with the purchase decision of Hori LED lamps is quite strong and the contribution of the research variable to Y is 57%. The positive correlation and contribution indicate that the product quality, brand image and promotion are high, the purchasing decision will be stronger.

Table 6. Results of Simultaneous Regression Coefficient Testing

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	343.173	3	230.128	45,524	.000b
	Residual	178,357	96	2.395		
	Total	598,320	99			

Source: processed data, 2021

In the simultaneous test, Ftable 3.090 was obtained. When compared with Fcount, it means that Ho is rejected and Ha is accepted. This means that product quality, brand image and promotion simultaneously have a positive and significant influence on the purchase decision of Hori LED lamps in the city of Bogor. From the results of the partial test, the following is a recapitulation of the overall t-test results:

Table 7. Partial Testing Recapitulation

No	Variables	Table	Thitung	Sig	Conclusion
1	Product Quality	1,660	1,955	0.010	Positive and significant impact
2	Brand Image	1,660	3,712	0,000	Positive and significant impact
3	Promotion	1,660	1,905	0.003	Positive and significant impact

DISCUSSION

Consumer responses to product quality show an average score of 4.10, including the good category. The Performance indicator gets the highest score of 4.19, which states that Hori LED Light is comfortable to use indoors and outdoors and Hori LED Lights do not get hot easily, for the lowest indicator, namely the Additional characteristics or features indicator with a value of 4.02, the company must make efforts by improving quality and increasing the type of watts, so that consumer interest in buying Hori LED lamp products increases and can compete with other lamp brands.

Consumer responses to brand image show an average score of 4.05, including the good category. On the image indicator owned by the brand itself, it gets the highest value of 4.09, which states that the Hori LED lamp brand gives a positive impression and provides the best solution for consumers, for the lowest indicator, namely the attraction indicator with a value of 4.01, the efforts that must be made by the company by increasing consumer attraction through more attractive advertisements so that consumer buying interest in buying Hori LED lamp products increases and can compete with other lamp brands.

Consumer response Promotion shows an average score of 3.95, including the good category. The Public Relations indicator gets the highest score of 4.01, which states that the Company communicates with the community through social services and sponsors humanitarian events. For the lowest indicator, namely the advertising indicator with a value of 3.88, the efforts that must be made by the company are to make advertisements as attractive as possible with creativity in order to impress consumers and make purchases on Hori LED Lamp products.

Consumer responses to purchasing decisions show an average score of 4.13, including the good category. The indicator of Buyer's Determination on the product gets the highest value of 4.22, which states that Buyer's Determination on the product has various types of watts that can make it easier for consumers to choose the one that suits their expectations. For the lowest indicator, namely the indicator of Giving recommendations to others with a value of 4.06, the efforts that must be made by the company are to expand its marketing in order to increase sales of Hori LED lamps.

CONCLUSION AND RECOMMENDATIONS

The conclusion of simultaneous and partial testing shows that all variables in the study have a positive and significant effect on purchasing decisions. Efforts that can be made to improve it include. The efforts that the company must make by improving the quality and increasing the types of watts, so that consumer interest in buying Hori LED lamp products increases and can compete with other lamp brands. The efforts that the consumer company must make through more attractive advertisements so that consumer interest in buying Hori LED lamp products increases and can compete with other lamp brands. In order to influence increased product sales, the company should. The efforts that must be made by the company are to make advertisements as attractive as possible and

creatively so that they can impress consumers and make purchases on Hori LED Lamp products.

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