The Influence of Product Quality, Service Quality and Brand Trust on Purchase Decisions and Their Implications on Customer Satisfaction on Indihome Services

Agung潘muji and Achmad Fachrodji

ABSTRACT

The purpose of this study is to determine the effect of product quality, service and brand trust on purchasing decisions and their effect on customer satisfaction with Indihome services. The subjects of this study are Indihome users in the DKI Jakarta area. The study was conducted with 145 respondents. Determine the sample size using purposive sampling technique. The method used in this study uses Structural Equation Modeling (SEM) with the Smart-PLS analysis tool. The results of this study show that product quality, service and brand trust have a significant effect on purchasing decisions, product quality has no significant effect on customer satisfaction, service quality has a significant effect on customer satisfaction, and brand trust has no significant effect on customer satisfaction, purchasing decisions have no significant effect on customer satisfaction, significantly increase customer satisfaction.

Keywords: Brand Trust, Customer Satisfaction, Product Quality, Purchase Decision, Service Quality.

I. INTRODUCTION

In today's era, the need for information technology is very important for the international community. In the current era of globalization, the need for information technology is important for the international community. In Indonesia itself, both the government and the private sector are starting to realize the need for technology. With the changing lifestyle of today's society, we need access to diverse, convenient, fast and reliable information. PT Telkom Indonesia is engaged in information and communication technology services, aiming to meet the needs of the community through various services, one of which is Indihome. Indihome has an average speed of 7.1 mbps and ranks only 9th out of 10 internet network providers. On the other hand, PT Telkom Indonesia has positive growth from 2016-2020.

II. LITERATURE REVIEW

A. Product Quality

Kotler and Keller (2012) show that product quality is everything that can be offered to the market to meet demand. Product sales include: physical goods, services, events, people, places, properties, organizations, information, and ideas. Furthermore, Kotler and Keller (2012) suggest that the product concept proposes, that customers like the product and offer the highest quality performance or innovative features. Therefore, managers in an organization always pay attention to the quality of their products. According to Abdurrahman (2015), product quality is one of the main positioning tools for marketers. Quality goes hand in hand with value and customer satisfaction. Simamora and Kusmiyati (2017) measure product quality from several aspects, namely: taste, aroma, texture, menu variants, and cleanliness.

B. Service Quality

According to Tjiptono (2009) Six criteria are proposed for what is considered good service quality, namely: professionalism and skills; attitudes and behavior; accessibility and flexibility; reliability and trustworthiness; recovery; reputation and trust. In principle, service quality is to fulfill customer promises, so that the object of service can be satisfied and expressed. Quality has a relationship with customer satisfaction, where quality provides encouragement to consumers to establish close ties with service provider organizations. In the long term, these connections allow service organizations to take a closer look at customer expectations and their needs.

C. Brand Trust

According to Tjiptono (2009:261) Six criteria are proposed for what is considered good service quality, namely: professionalism and skills; attitudes and behavior; accessibility and flexibility; reliability and trustworthiness; recovery; reputation and trust. In principle, service quality is to fulfill customer promises, so that the object of service can be satisfied and expressed. Quality has a relationship with customer satisfaction, where quality provides encouragement to consumers to establish close ties with service provider organizations. In the long term, these connections allow
service organizations to take a closer look at customer expectations and their needs.

D. Purchase Decision

Tjiptono (2009), the purchase decision is the stage where consumers analyze the problem, seek information about a particular product or brand and evaluate the problem-solving abilities of each alternative, and then make a decision to buy. Kotler and Keller (2012, p. 192), the purchase decision is the customer's decision to make a purchase after evaluating several factors such as the brand, where to buy, how much to buy, when to buy, and what payment methods can be made. According to Schifflman and Kanuk (2015), the most common understanding, purchasing decisions are choices between two or more alternatives. That is, one must have other options when making decisions. Alternative choices faced can be in the form of buying or not, the choice between different brands, the choice of where and where to buy, and so on.

E. Customer Satisfaction

According to Kotler and Keller (2012), consumer satisfaction is the level of consumer feelings after comparing the perceived product performance with expectation. Consumer satisfaction in the business world is one of the manifestations of the market. At the same time, this increase has the potential to lead to an increase in sales in the short or long term, as well as an increase in market share due to repeat purchases (Tjiptono, 2009).

H1: Product quality has an effect on purchasing decisions for Indihome products.
H2: Service Quality has an effect on Indihome product purchasing decisions.
H3: Brand Trust has an effect on Purchase Decisions for Indihome products.
H4: Product quality has an effect on customer satisfaction for Indihome products.
H5: Service Quality has an effect on customer satisfaction for Indihome products.
H6: Brand Trust has an effect on customer satisfaction for Indihome products.
H7: Indihome product purchase decisions affect customer satisfaction for Indihome products.

The research method applied in this research is a quantitative research method with a descriptive approach. The dependent variable that will be applied to this research is taking customer satisfaction, the independent variables that will be applied to this research are product quality, service quality, and brand trust.

The intervention variable in this research is purchase decision. The sample is a sample that is limited to certain types of people according to the conditions determined by the researcher. The criteria for respondents in this research are people who use indihome products, live in Jakarta with a total population of 145 people. Data collection techniques included questionnaires and document assessment. The data analysis method is carried out using a structural comparison modeling (SEM) approach based on partial least square (PLS) to analyze research hypothesis.

IV. RESULTS AND DISCUSSION

A. Measurement Model Evaluation

The reliability test was carried out by calculating the composite confidence value which was the index reliability value for the variable test. Whether the reliability test can be increased by Cronbach's alpha value. A variable is said to bear composite reliability if the composite confidence value is > 0.7 and that it passes Cronbach's alpha when Cronbach's alpha is > 0.7.

In Table I, it is known that the combined reliability value for all research fields > 0.7 is with a value of 0.869 to 0.916 and Cronbach's alpha is a value of > 0.7 with a value of 0.801 to 0.895. These results prove that all the variables meet the criteria, so it can be concluded that all variables have a good level of reliability. In addition, the mean value of extract variance (AVE) was also used for each variable where the AVE value should be > 0.5 for a good model.

In Table II, the AVE value for all known variables is > 0.5 with values ranging from 0.579 to 0.626. That is why it can be said that each variable has a good convergence value.

**Table I: Reliability Test (Reliability)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach alpha’s</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality</td>
<td>0.916</td>
<td>0.895</td>
<td>Reliable</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.882</td>
<td>0.833</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Trust</td>
<td>0.887</td>
<td>0.825</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.875</td>
<td>0.821</td>
<td>Reliable</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.869</td>
<td>0.801</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

**Table II: Average Variance Extracted (AVE) Value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality</td>
<td>0.579</td>
<td>Reliable</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.601</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Trust</td>
<td>0.587</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.586</td>
<td>Reliable</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.626</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

**Table III: Evaluation of the Inner Model/Coeficient of Determination (R2)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction (Y)</td>
<td>0.447</td>
</tr>
<tr>
<td>Purchase Decision (Z)</td>
<td>0.135</td>
</tr>
</tbody>
</table>

Fig. 1. Theoretical framework.

III. METHODS
In Table III, it is known that the R-square value in the response variable is:

i. The R-square value is 0.135 in the purchase decision variable. This explains that the predictive variables, namely product quality, service quality, and brand trust, can explain purchasing decisions by 13.5%. The remaining 86.5% is influenced by factors other than the research model among product quality, service, and brand trust regarding purchasing decisions.

ii. In the response variable for customer satisfaction, the R-square value is 0.447. This explains that the predictive variables, namely product quality, service, and brand trust and purchasing decisions, can explain 44.7% customer satisfaction. While the remaining 55.3% is influenced by factors other than the research model, including product quality, service, and brand trust, and purchasing decisions.

Based on the data processing carried out, the results can be used to answer the research hypothesis. Hypothesis testing in this research is made by testing the value of the TS statistic, where the research hypothesis can be explained as the value of the T-statistic.

1) Hypothesis

H0: There is no effect between the independent and dependent variables.
H1: There is a partial effect between the independent and dependent variables.

2) Decision making criteria

T test at significance level (α) = 5%
Reject H0 and accept H1 if it > 1.96;
Accept H0 and reject H1 if it < 1.96.

V. CONCLUSION AND SUGGESTIONS

A. Conclusion

a) Product quality has a strong effect on purchasing decisions.
b) Service quality has a strong effect on purchasing decisions.
c) Brand trust has a strong effect on purchasing decisions.
d) Product quality does not have a strong effect on customer satisfaction.
e) Service quality has a strong effect on customer satisfaction.
f) Brand trust does not have a strong effect on consumer satisfaction.
g) Purchase decisions do not have a strong effect on consumer satisfaction.

B. Suggestion

On the product quality variable, based on the indicator with the highest value, namely "indihome products have good durability," the indihome service provider must maintain and improve this aspect. Based on the indicator with the lowest value, namely "indihome products have good performance" this must be noticed and must be corrected immediately that by increasing indihome performance (speed and stability) the internet network will have a positive impact on customers.

On the service quality variable, based on the indicator with the highest value, namely "Guaranteed customer comfort during subscription" PT Telkom Indonesia must maintain and improve these factors in order to make customers safe and comfortable while subscribing to indihome. Based on the indicator with the lowest value, namely "fast response given to customers". Customers must be provided with responsive service so that they can be free from problems during their subscription, PT Telkom Indonesia must increase the number of available technician resources so as to speed up the repair process and increase the speed of response and repair work if the customer is damaged.

On the brand trust variable, based on the indicator with the highest value, namely "Customers trust the products and services provided by Indihome". So PT Telkom Indonesia must maintain its reputation and competence in order to increase customer confidence to use indihome. Based on the indicator with the lowest value, namely "Consumers trust and believe in the Indihome provider company". PT Telkom Indonesia as a state-owned company and Indihome service provider must contribute more and benefit the Indonesian people and contribute to a better community life.

For further research, it is expected to be able to develop other variables as a reference to be studied at a later stage.

REFERENCES


DOI: http://dx.doi.org/10.24018/ejbmr.2022.7.5.1620

Vol 7 | Issue 5 | September 2022

101
Agung Pamuji is a student in Master of Management, Department of management at Mercu Buana University, Jakarta, Indonesia. He has completed his bachelor degree in Information System at Budiluhur University, Jakarta, Indonesia. He is interested in research areas that are related to marketing strategic management.

Dr. Achmad Fachrodji, M.M, He is a President Director of Balai Pustaka (Persero). He already became the Production Director of PT. Inhutani I, one of the State-Owned Enterprise (BUMN) which its working areas are in East Kalimantan and South Sulawesi. A significant change happened in the constitutional in that period of time, it was the implementation of regional autonomy which became a challenge for business activities.

In 2005, after four years being a successful Production Director of PT. Inhutani, He was promoted as the Marketing Director of Perum Perhutani. become a lecturer in the Post Graduate program of Mercu Buana University in Jakarta, and I am accountable for some subjects, which are:

1. Distinctive Strategic Management;
2. Marketing Strategic;
3. Entrepreneurship and Innovation Management;
4. Customer Development Strategic;
5. Consumer Behaviour and Marketing Communication

He has done all of the above, be it in business or education with great pleasure.