

The Effect of Product Quality, *Brand Trust*, Price and Sales Promotion on Purchase Decisions on Royal Residence Surabaya (Case Study in PT. Propnex Realti Visit)

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ABSTRACT

This study aims to explore the decision to purchase Royal Residence Housing products in Surabaya. Exploration of Royal Residence Housing products is carried out using quantitative research methods. Data testing is done by questionnaires analyzed using statistical analysis such as validity and reliability tests and multiple linear regression analysis with the help of SPSS 21.0 for Windows. The results showed that the independent variable (product), product quality, brand trust, price and promotion simultaneously had an effect on the dependent variable, namely the purchase decision to produce conclusions, that is, accepted. This is evidenced by the significance value of 0.000 or less than 0.05 and the value of $F_{count} (61.441) > F_{table} (2.71)$. There is a significant and not significant partial effect of the independent variable on the dependent variable. Through the results of calculations that have been done with a significant level of results of 0.000 is smaller than 0.05.

Keywords: Product quality, *Brand Trust*, Price, and Sales Promotion

I. INTRODUCTION

Background and Motive of Research

The level of need to have a place to live (house) is currently increasing. In big cities, where population growth continues to increase plus the flow of urbanization that has never subsided, the need for housing has become one of the basic human needs which is very urgent.

A house besides its main function as a place of residence for its inhabitants, is also a benchmark for the existence of the owner's social status, in fact, people often buy a house because of economic purposes, namely as a place to live, also as a place to conduct business activities. In this case study the author discusses several factors or variables that influence the decision to buy a house at Royal Residence Surabaya through the agent company PT. Propnex Realti Tunjungan. PT. Propnex Realti Tunjungan.

The product offered by the Royal Residence Housing



Figure 1. Siteplan Housing Royal Residence Surabaya 1st Floor



Figure 2. Siteplan Housing Royal Residence Surabaya Level 2

PT. Propnex Realti Tunjungan faces, problems at prices that are still considered too high by some consumers are considered to affect sales targets that are not as expected. According to Gitosudarmo (2000) price is the amount of money needed to obtain a number of goods along with certain services or a combination of both. Price is the second control factor that can be handled by sales or marketing management to understand the core point of decision making concerning pricing. Based on the price definition above, it can be concluded that the price is the amount of money that must be spent by consumers to get the product or service they buy to meet their needs and each variation has a price as well.

Based on the background the problem that has been raised is

1. Are there significant influences, simultaneously, product quality variables, brand trust, prices and sales promotions on purchasing decisions at Royal Residence Surabaya Housing.
2. Is there a significant, partially, variable in product quality on purchasing decisions at Royal Residence Surabaya Housing.
3. Is there a significant, partially, variable brand trust effect on purchasing decisions at Royal Residence Surabaya Housing.
4. Is there a significant, partially, variable price effect on purchasing decisions at Royal Residence Surabaya Housing.
5. Is there a significant influence, partially, on sales promotion variables on purchasing decisions at Royal Residence Surabaya Housing.

The purpose of this study was to analyze the quality of products, brand trust, prices and sales promotions against purchasing decisions at Royal Residence Surabaya Housing.

II. LITERATURE REVIEW

Marketing

The definition of marketing according to Stanton (2003) is a whole system that deals with business activities that aim to plan, determine prices, to promote, and distribute goods or services that will please both actual and potential buyers' needs.

Product Quality

According to Kotler and Armstrong (2003) product quality is the ability of a product to carry out all its functions, including durability, reliability, accuracy produced, ease of operation and repair, and other attributes that are valuable to the product as a whole.

Brand Trust

According to Lau and Lee in. Tjahyadi (2006) *brand trust* is defined as the customer's desire to rely on a brand with the risks faced because the brand's expectations will lead to positive results.

Price

According to Kotler and Armstrong (2008) the price is "a sum of money billed for a product or service, or the sum of all the values given by the customer to benefit from owning or using a product or service".

Sales Promotion

According to Tjiptono (2008), sales promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate product purchases immediately or increase the amount of goods purchased by customers.

III. RESEARCH METHODS

Research Structure

Based on the objectives and relevant literature, this study proposes a research model of the effects of Product Quality, *Brand Trust*, Price and Sales Promotion, and the model is shown in Figure 3:

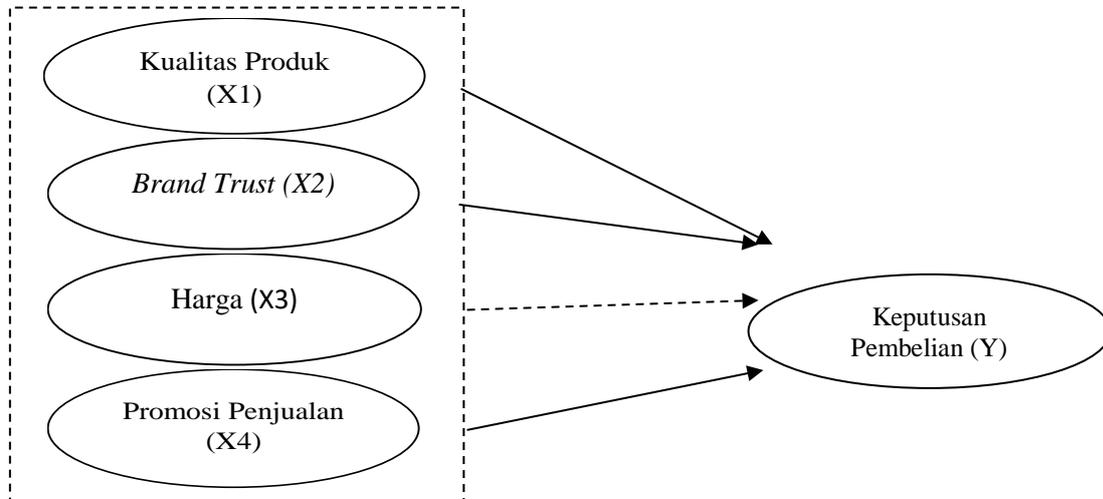


Fig. 3. Research Framework

Research Hypotheses

H1: Product Quality, *Brand Trust*, Price and Sales Promotion simultaneously have a significant effect on purchasing decisions at Royal Residence Surabaya Housing.

H2: Product Quality, *Brand Trust*, Price and Sales Promotion have a partial influence on purchasing decisions at Royal Residence Surabaya Housing.

H3: Which of the Product Quality, *Brand Trust*, Price and Sales Promotion has a dominant influence on purchasing decisions at Royal Residence Surabaya Housing.

The type of research

The type of research used in this research is the correlational quantitative method of descriptive research approach and verbal analysis.

Population and Sampling

The population in this study were all consumers of PT. Propnex Realty Tunjungan with a total sample of 100 people.

Types, Sources and Data Collection Techniques

The variable in this study used is the first independent variable (X1) is Product Quality, the second independent variable (X2) is *Brand Trust*, the third independent variable (X3) is Price, the fourth independent variable (X4) is the Sales Promotion and the dependent variable used in this study is a Purchasing Decision.

Data Analysis Techniques

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1. Test Validity and Reliability
2. Test of Classical Assumption
3. Multiple Linear Regression Test

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e$$

Where :

Y: Purchase Decision

a: Constants

b₁, b₂, b₃, b₄: Regression coefficients for variable X₁

X₁: Product Quality Variable

X₂: Variable *Brand Trust*

X₃: Price Variable

X₄: Sales Promotion Variables

e: Error, variable interference

4. Hypothesis testing
 - a. Partial Test (T Test)
This test aims to examine whether the independent variables (product quality, *brand trust*, price, and sales promotion) on the dependent variable (purchase decision) have a partial or separate influence.
 - b. Test F
The F test is used to determine the effect of the Royal Residence House Purchase process based on product quality, *brand trust*, price, and sales promotion), as a simultaneous purchasing decision process.

IV. RESULTS AND DISCUSSION

Demografi Customer

Table 1. Characteristics Customers

Gender	Total	Percent (%)
Man	64	64.0
Women	36	36.0
Total	100	100.0
Age	Total	Percent (%)
20-25 year	12	12.0
26-30 year	29	29.0
31-35 year	16	16.0
36-40 year	12	12.0
41-45 year	31	31.0
Total	100	100.0
Work	Total	Percent (%)

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Housewife	9	9.0
Private employees	27	27.0
Civil servants	14	14.0
Entrepreneur	43	43.0
Student	7	7.0
Total	100	100.0

Test Validity and Reliability

Based on the validity of all statement items has a correlation value that is greater than r table (greater than 0.1966), so that all items submitted questions are declared valid and feasible for analysis. Based on the reliability of all variable values, both the independent variable and the dependent variable all meet the requirements, meaning that all items are declared reliable or reliable.

Multiple Analysis Test Results

Table 2. Results of Multiple Regression Analysis Test

Variabel	Koefisien Regresi	T_{hitung}	Sig.
Konstanta		-0.403	0.688
Product Quality (X1)	0.362	4.779	0.000
Brand Trust (X2)	-0.14	-0.130	0.897
Price (X3)	-0.555	7.335	0.000
Sales Promotion (X4)	0.026	0.230	0.819
Fhitung	: 61.441		
Signifikan	: 0.000		
R	: 0.849		
R²	: 0.721		
Adjusted Rsquare	: 0.709		

By entering the values obtained from the SPSS calculations above, multiple regression equations can be obtained, that is:

$$\hat{Y} = a + b_{x1} + b_{x2} + b_{x3} + b_{x4}$$

$$\hat{Y} = 0.325 + 0.362_{x1} + -0.14_{x2} + -0.555_{x3} + 0.026_{x4}$$

Description:

1. The constanta number of -0.403 states that if there is no variable in product quality, brand trust, price, and sales promotion, then the decision to purchase Royal Residence Housing products is 0.403 units

2. Regression coefficient 0.362 (X1), states that each addition of 1 (one) unit will increase the purchasing decision 0, 362 units.
3. Regression coefficient -0.14 (X2), states that each addition of 1 (one) unit will increase the purchasing decision of -0.14 units.
4. Regression coefficient of 0.555 (X3), states that each addition of one 1 (one) unit will increase the purchasing decision by 0.555 units
5. Regression coefficient of 0.026 (X4), states that each addition of one 1 (one) to units will increase the purchasing decision by 0.026

T Test

This shows that product quality, brand trust, price and purchase promotion variables have a significant and not significant effect on the purchasing decisions of Royal Residence Housing. Based on respondents' answers about product quality, brand trust, price, and sales promotion it turns out that the price variable is the most dominant variable that influences the purchase decision of Royal Residence Housing. It also has t count = 4.779 (for product quality variables) > t count = -130 (for brand trust variables) < t count = 7.335 (for price variables) and t count = 0.230 (for sales promotion variables). product quality, brand trust, price and sales promotion partially influence the purchase decision of Royal Residence Housing.

F Test

Thus conclusions can be drawn, which is obtained F count is 61.441 with a significant level of 0.000. While the value of Ftable = 2.71 by looking at table F and how to read the table from df (degree of freedom) Regression with nominal 3 and df (degree of freedom) Residual with nominal 86. Because probability (0.000) is much smaller than 0.005 then the regression model can be used to predict purchasing decisions. In accordance with the decision-making criteria of the F test, which is the Fcount value (61.441) > Ftable (2.71), the independent variables jointly influence the dependent variable, or product quality, brand trust, price and sales promotion are jointly influential significant to the Royal Residence Housing purchase decision. This means that the hypothesis states that simultaneously the variable quality of the product, brand trust, price and sales promotion affect the purchase decision of the Royal Residence Housing can be accepted.

Discussion

Product quality is considered an important thing in determining the choice of a product by consumers. Products offered must be a product that is truly well tested in terms of quality. Because for consumers who are prioritized is the quality of the product itself. Consumers will prefer and choose products that have better quality when compared to other similar products that can meet their needs and desires. Quality determination is one way to win competition in the market, because quality is one way of placing a product in the minds of consumers.

According to Kotler and Armstrong (2003) product quality is the ability of a product to carry out all its functions, including durability, reliability, accuracy produced, ease of operation and repair, and other attributes that are valuable to the product as a whole. Brand Trust is a perception of reliability from the consumer's point of view based on experience, or more on the sequence of transactions or interactions characterized by the fulfillment of expectations for product performance and satisfaction (Ferinnadewi, 2008). Trust is built up because of the hope that other parties will act according to the needs and desires of consumers.

Brand trust is the willingness of the average consumer to depends on the ability of a brand to carry out all its uses or functions (Chaudhuri and Holbrook, 2001). Instruments used to measure brand trust are based on instruments developed by Chaudhuri & Holbrook (2001).

Price is a unit of value given to a commodity as information on the counterparty of the producer / owner of the commodity. In economic theory, it is stated that the price of an goods or service whose market is competitive, the high and low prices are determined by market demand and supply. With the right pricing, consumers will not feel burdened and will not result in a decrease in the purchasing power of consumers, which in turn will achieve the company's goals of achieving sales as much as possible so as to create profits for the company.

According to Kotler and Armstrong (2008) the price is "a sum of money billed for a product or service, or the sum of all the values given by the customer to benefit from owning or using a product or service".

Sales promotion is one form of marketing communication that aims to attract new consumers, influence consumers to try new products, encourage more consumers, attack competitors' promotional activities, increase purchases without plans or seek closer cooperation with retailers, as a whole. sales promotion techniques only affect the short term. According to Tjiptono (2008), the definition of sales promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate product purchases immediately or increase the amount of goods purchased by customers. Conclusions and Suggestions.

V. CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the results of data analysis obtained from the calculated value on the product quality variable is 4.779 while the t table is 1.988 then $t_{count} > t_{table}$ $4.779 > 1.988$ with a significant level of 0.000. Because $t_{count} > t_{table}$ then. This indicates that product quality (X1) partially has a significant effect on consumer loyalty (Y). So that the influence of product quality on purchasing decisions shows that the high quality of products contributes significantly to the purchase decision of Royal Residence Surabaya Housing.

Based on the results of the analysis the data obtained from the t-count value on the brand trust variable is -130 while the t table is 1.988, $t_{count} < t_{table}$ $-130 < 1.988$ with a significant level of 0.897. Because $t_{count} < t_{table}$, this indicates that brand trust (X2) partially has no significant effect on purchasing decisions (Y). So that the influence of brand trust on purchasing decisions shows that the high brand trust contributes significantly to the purchase decision of Royal Residence Surabaya Housing.

Based on the results of analysis of data obtained from the results of the F test (simultaneous influence test). The calculated F-value is 61.441 $>$ F table 3.09 with a significant level of 0.000. Because $F_{count} > F_{table}$ then. This indicates that product quality (X1), brand trust (X2), price (X3), and sales promotion (X4) together or simultaneously have a significant effect on purchasing decisions (Y). So that the influence of product quality, brand trust, price, and sales promotion together or simultaneously have a significant effect on purchasing decisions, indicating that high product quality, brand trust, price, and sales promotion together will make a real contribution to purchasing decisions Royal residence in Surabaya.

Advice

Based on the analysis of the research stated earlier, the following suggestions can be taken:

1. For PT. Propnex Realti Tunjungan: To further increase its brand trust to the wider community, so that later prospective customers will be interested and then trust the company. After that consumers will increase their purchasing decisions.
2. For future researchers: The results of this study should be used as a basis for deepening the study of marketing management. Which is adapted to new theories in the future. And it is recommended to look for different locations so that you can compare the results of existing research with research that will be implemented.

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