The Influence of Promotion, Product Quality, and Brand Image on Buyer Decisions and the Implications for Customer Satisfaction

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Abstract

This research aims to analyze promotions, product quality, and brand image on purchasing decisions and their implications for customer satisfaction. The research was structured in the form of Cluster Stratified Random Sampling with a sample size of 325 respondents, the Alanisis Method used Structural Equation Modeling (SEM). The research results concluded that the total influence of the Product Quality variable on customer satisfaction for Small Industrial Village (PIK) products is in the Fair to Good category, this indicates that customer satisfaction is not optimal. The magnitude of the influence of Brand Image on Purchase Decisions for Small Industrial Village Shoe Products (PIK) with a total influence of 21.09 percent. Meanwhile, the magnitude of the influence of Promotion on Purchasing Decisions for Small Industrial Village Shoe Products (PIK) has a total influence of 23.57 percent, while the magnitude of the influence of Purchasing Decisions on Customer Satisfaction from Small Industrial Village Shoe Products (PIK) has a total influence of 80.51 percent.

Keywords: Promotion, Product, Brand, Buyer, Customer Satisfaction

1. Introduction

Marketing is very important in line with the increasingly high and increasing public demand for quality products, making competition increasingly fierce in a business environment that continues to develop.

When a company produces products, it should be adjusted to the needs and desires of consumers. In this way, the product can compete in the market, giving customers many alternative product choices before deciding to buy a product being offered.

The Small Industrial Village (PIK) has developed several shoe craftsmen in the Small Industrial Village (PIK) totaling 89 people. This was inseparable from the increasing number
of orders because it was assessed that Small Industrial Village (PIK) shoe products had very good quality to meet customer tastes at that time. The Small Industrial Village (PIK) is known as a center for small and medium business development in DKI Jakarta Province.

The future customer trend is to Pay Less, Expect More, and Get More. The customer of the future is a customer who has higher expectations, demands more, wants higher and more consistent quality, more choice, more convenient stores, and more valuable service, but at a lower cost, faster time, with less effort, and lower risk.

Customer satisfaction is not the only factor in creating customer loyalty. A high level of satisfaction does not necessarily result in repeat purchases and increased sales, this is by the findings of Griffin (2003) in Mardalis (2005) stating several factors that influence customer loyalty include service quality, company image, switching barriers, and customer satisfaction.

2. Research Methods

The method used in this research is the survey method. Where research is used to obtain existing facts and symptoms and look for factual information (Sugiyono 2018).

2.1. Variable

The data required in this research can be grouped into 5 (five) variables. The research variables can be detailed as follows:

a. Product Quality (X1) is the product's ability to perform its function, this includes the product's useful life, reliability, ease of use and repair, and other values.

b. Brand Image (X2) is what customers think and feel when they hear or see a brand and what customers learn about the brand.

c. Promotion (X3) is a promotional tool that we are familiar with, which includes sales promotions, advertising, public relations events, and direct marketing.

d. Customer purchasing decisions (Y) are a person's activity in the form of action in response to stimuli launched by marketers or producers.

e. Customer Satisfaction (Z) is non-random behavior, which is indicated by purchases, based on decision-making units.

2.2. Collection Techniques

a. Population is a group of individuals who have certain characteristics determined through the researcher's subjective assessment (expert judgment). In social research, the population and sample are very important, because this is where all research will be obtained from.

b. Samples in a study, usually sampling is done because the population is very large in number, besides requiring large costs and a long time and adequate resources must be available.

c. Interviews are carried out through direct communication to obtain the data needed to obtain and especially explore data, both primary data and secondary data.

d. Observations were made at the Cakung Small Industry Village (PIK) Shoe Industry Center in the city of Cakung Small Industry Village (PIK)

e. The research questionnaire is in the form of a list of structural statements/questions asked to respondents selected as samples to obtain primary data.

2.3. Data analysis
Descriptive data analysis aims to describe customer characteristics, customer responses to product quality, brand image, promotions on purchasing decisions, and their implications for customer satisfaction for Cakung Small Industry Village (PIK) shoe products. This analysis was also carried out to obtain an overview of respondents’ answers to the research variables.

3. Results and Discussion

3.1. Technical Service Unit (UPT)

In the reform era, regional autonomy was established in 2021, the DKI Jakarta Regional Office of the Department of Industry and Trade and its assets were handed over to the authority of the DKI Jakarta Provincial Government, including the Cakung Small Industrial Village (PIK) Leather Goods Technical Services Unit (UPT).

Table 1. Cakung Small Industrial Village (PIK) Facilities

<table>
<thead>
<tr>
<th>No</th>
<th>Facility</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Showroom/outlet/shop</td>
<td>376</td>
</tr>
<tr>
<td>2</td>
<td>trading center</td>
<td>52</td>
</tr>
<tr>
<td>3</td>
<td>Raw and supporting materials shop</td>
<td>38</td>
</tr>
<tr>
<td>4</td>
<td>Shoelast industry</td>
<td>38</td>
</tr>
<tr>
<td>5</td>
<td>Tool/spare parts industry</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>Packaging industry</td>
<td>51</td>
</tr>
<tr>
<td>7</td>
<td>Rubber sole industry</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Technical Services Unit (2021)

Thus the proposed conceptual hypothesis has been tested and can be accepted. The complete structural model for substructure 1 can be described as follows:

![Figure 1. Brand Image and Promotion on Purchasing Decisions](source)

Source: Lisrel data processing results (2021)

The calculation results obtained show that purchasing decisions are influenced by product quality, brand image, and promotion, both partially and simultaneously. Based on the correlation value and path coefficient obtained from the calculation results with Lisrel 8.72, it can be seen the magnitude of the direct and indirect influence of Product Quality, Brand Image, and Promotion on Purchasing Decisions as follows:

Table 2. Direct and Indirect Influence of Product Quality, Brand Image, and Promotion
Variables on Purchasing Decisions

<table>
<thead>
<tr>
<th></th>
<th>Path Coefficient</th>
<th>Direct Influence</th>
<th>Influence Through</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Product Quality</td>
<td>Brand Image</td>
</tr>
<tr>
<td>Product Quality</td>
<td>0.4913</td>
<td>24.14%</td>
<td>9.06%</td>
<td>7.61%</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.3469</td>
<td>12.03%</td>
<td>9.06%</td>
<td>5.12%</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.3293</td>
<td>10.84%</td>
<td>7.61%</td>
<td>5.12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>47.02%</strong></td>
<td><strong>16.66%</strong></td>
<td><strong>14.18%</strong></td>
</tr>
</tbody>
</table>

Sumber: Hasil olah data (2021)

Based on the table above, it can be seen that product quality, brand image, and promotion on purchasing decisions and customer satisfaction are influenced by direct and indirect influences. The direct influence of the Product Quality variable on Purchasing Decisions is 24.14%, while the indirect influence through Brand Image and Promotion respectively is 9.06% and 7.61%. The direct influence of the Brand Image variable on Purchasing Decisions is 12.03%, while the indirect influence through Product Quality and Promotion respectively is 7.61% and 5.12%. The direct influence of the Promotion variable on Purchasing Decisions is 10.84%, while the indirect influence through Product Quality and Brand Image respectively is 7.61% and 5.12%.

3.2. Simultaneous Hypothesis Testing

Simultaneous influence of Product Quality, Brand Image, and Promotion variables on Purchasing Decisions using the following statistical hypothesis:

\[ H_0 : \gamma_1, \gamma_2, \gamma_3 = 0 \quad \text{There is no significant influence of Product Quality, Brand Image, and Promotion on Purchasing Decisions} \]

\[ H_a : \gamma_1, \gamma_2, \gamma_3 \neq 0 \quad \text{There is a significant influence on Quality} \]

With test criteria: Reject H0 if Fcount > Ftable

To test this hypothesis, calculations are carried out using the following formula:

\[
F = \frac{R^2/(n-1)}{(1-R^2)/(n-k)}
\]

Based on the calculations, the Fcount value is 571.3173, where the criteria for rejecting H0 are if Fcount is greater than Ftable or F0> Ftable, with degrees of freedom v1=3 and v2 = 325–3–1 and a confidence level of 95%, then from the F distribution table The Ftable value obtained for F0.053.325 = 3.0435. Because 571.3173 is greater than 2.6327, H0 is rejected, meaning that it can be concluded that there is a linear relationship between Product Quality, Brand Image, and Promotion on Purchasing Decisions, or it can be interpreted that there is a joint influence between Product Quality, Brand Image and Promotion on Purchasing Decisions.

3.3. Hypothesis Test
The influence of the Purchase Decision variable (Y1) on Customer Satisfaction (Z) requires statistical testing, so the statistical hypothesis is as follows:

**H₀:** β₁ = 0: There is no significant influence of Purchasing Decisions on Customer Satisfaction

**H₁:** β₁ ≠ 0: There is a significant influence of purchasing decisions on customer satisfaction

Test criteria: Reject H₀, if t calculated is greater than t table or t₀>table, with df = 325 – 1 – 1

**Table 3 Partial Test Results of Purchasing Decisions on Customer Satisfaction**

<table>
<thead>
<tr>
<th>Structural</th>
<th>Path coefficient</th>
<th>t-count</th>
<th>t-table</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>β₁</td>
<td>0.8973</td>
<td>7.7021</td>
<td>1.9672</td>
<td>H₀ is rejected, there is a significant influence of Purchasing Decisions on Satisfaction</td>
</tr>
</tbody>
</table>

Source: Data processing results (2021)

For the path coefficient Y to Z = 0.8973, the count value is 8.6326 by taking a significance level α of 5%, then the value of stable or t₀ = 0.05.325 = 1.9672, so because count = 8.6326 is greater than t table = 1.9672, then H₀ is rejected or in other words Purchasing Decisions affect Customer Satisfaction by 0.8973 so that every increase in Purchasing Decisions will increase Customer Satisfaction by 0.8973 units.

### 3.4. Model Feasibility Testing

The results of the model feasibility test show that the research model has met the goodness of an econometric model criteria or characteristics that can be expected and are described as follows:

### 3.5. Theoretical Plausibility

This research model shows that the test results are by expectations and HR management theory which is the basis for studying the influence of Product Quality, Brand Image, and Promotion on Purchasing Decisions and their implications for Customer Satisfaction.

**Table 4. Model Fit Test Results**

<table>
<thead>
<tr>
<th>Relationship Between Variables</th>
<th>Preestimation</th>
<th>Postestimation</th>
<th>Suitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Influence of Product Quality on Purchasing Decisions</td>
<td>+</td>
<td>+</td>
<td>In accordance</td>
</tr>
<tr>
<td>The Influence of Brand Image on Purchasing Decisions</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>
The Effect of Promotions on Purchasing Decisions | + | + |
The Influence of Purchasing Decisions on Customer Satisfaction | + | + | In accordance

3.6. Accuracy of The Estimates of The Parameters

This research model produces a path coefficient estimator that is accurate or unbiased and significant. The analysis assumptions are met and the probability of statistical error from the model is very low (p-value = 0.000) or below the specified significance level of 0.05 for all hypotheses.

3.7. Explanatory Abilities

This research model has a high ability to explain the relationship between the phenomena of the management variables studied. Standard Error (SE) is smaller than ½ times the absolute value of the path coefficient (SE < ½ ρ)

3.8. Hypothesis Test 1

There is an influence of Product Quality, Brand Image and Promotion on Purchasing Decisions

| SE Product Quality | = | 0.0487 < ½ (0.4913) |
| SE Brand Image | = | 0.0573 < ½ (0.3469) |
| SE Promotions | = | 0.0701 < ½ (0.3293) |

3.9. Hypothesis Test 2

There is an influence of Purchasing Decisions on Customer Satisfaction SE Purchasing Decisions = 0.1165 < ½ (0.8973)

3.10. Forecasting Abilities

This research model has a high predictive ability for the behavior of the dependent variable as shown by the high coefficient of determination of the model which approaches or exceeds 50% with the following details:

a. The influence of product quality, brand image, and promotion on purchasing decisions is 77.86%.

3.11. The influence of purchasing decisions on customer satisfaction is 80.51%.

Thus, it can be concluded that the model prepared has met the criteria for model feasibility (the goodness of an econometric) which is based on a strong theoretical perspective so that it can contribute to the development of science and policy or problem-solving.

4. Discussion

Based on the results of descriptive analysis and verification analysis of the influence of product quality, brand image, and promotion on purchasing decisions which have an impact on customer satisfaction, researchers need to further discuss the conditions and phenomena related to the variables mentioned above and which are useful for improving customer satisfaction.
4.1. Descriptive Discussion

The descriptive discussion in this research is intended to discuss the variables, dimensions, and indicators that have been carried out in the descriptive analysis above. In this discussion, we will discuss the highest average value and the lowest average value given by respondents to the questionnaire as material to explain conclusions and suggestions.

4.2. Product Quality Variables

Based on the table in the previous sub-chapter, it is known that respondents' perceptions of the dimensions of performance, reliability, durability, and security are in the quite good category.

The performance dimensions measured by 7 indicators show quite good results. This result is shown by the average value for performance of 3.38 which is in the quite good category. This result is supported by the indicator that has the largest average value, namely "that the Cakung Small Industrial Village (PIK) shoe products have models in various sizes" with an average of 3.45. Apart from that, what needs to be improved is "that Cakung Small Industrial Village (PIK) shoe products need to have a variety of features" because according to customer perception, this condition is the lowest with an average value of 2.23. So, to increase the performance dimension, new features need to be added to improve the quality of Cakung Small Industrial Village (PIK) shoe products.

4.3. Overview of Brand Image Variables

The results of the analysis of the description of the brand image variable for each statement item which is measured using three dimensions, namely: superiority of brand associations, strength of brand associations, and uniqueness of brand associations as listed in Table 4.9 in the previous sub-chapter are in the quite good category.

4.4. Overview of Promotion Variables

The sales promotion dimension as measured by 3 indicators shows quite good results, this result is shown by the average value of 3.38 which is included in the quite good category. The sales promotion dimension can be said to be quite good because "there are additional incentives that are given from time to time to Cakung Small Industry Village (PIK) shoe products" with an average value of 3.38. Meanwhile, the indicator with the smallest average value is "that there are discounts that are given at any time to Cakung Small Industrial Village (PIK) Shoe products" with an average value of 3.36.

4.5. Overview of Buyer Decision Variables

The problem recognition dimension as measured by 5 indicators shows quite good results with an average value of 3.80. The indicator that has the largest average value is "that customer knows exactly the location of the Cakung Small Industry Village (PIK) shoe product shop" with an average value of 3.40, while the smallest is the indicator "that customers know exactly when the product shop is "Cakung Small Industrial Village (PIK) shoes are busy" with an average value of 3.42. So, to increase the dimension of Problem Recognition, craftsmen must be able to accommodate buyers so that the shoe shop in the Cakung Small Industry Village (PIK) always looks busy.
4.6. Overview of Customer Decision Variables

The purchasing intensity dimension measured by 4 indicators shows quite good results with an average value of 3.38. The indicator that has the largest average value is "that if the Cakung Small Industry Village (PIK) shoe product shop releases a new product then customers will buy it" with an average value of 3.40, while the smallest is the indicator "that if customers will buy shoes again, then the customer will buy at the Cakung Small Industrial Village (PIK) shoe product shop" with an average value of 3.36. So, to increase the Purchase Intensity dimension, shoemakers in the Cakung Small Industrial Village (PIK) must be able to maintain the desire to make repeat purchases from buyers.

4.7. Verification Discussion

The verification discussion aims to explain the causal relationship between variables and is linked to the results of previous research and theoretical studies so that it can provide a position that the research being conducted currently supports, answers, or even rejects the theory.

4.8. Dimensions Forming Product Quality Variables

Based on the results of the variable construct analysis in the previous sub-chapter, product quality is formed by 4 (four) dimensions, namely the dimensions of performance, reliability, durability, and safety as in Table 4.13. If we sort the dimensions that form product quality with the largest loading factor value to the smallest, the following order is obtained: reliability/reliability dimension with a loading factor value of 0.7762 with an r2 value of 60.25%, performance dimension with a loading factor value of 0.7727 with an r2 value of 59.70%, the security dimension with a loading factor value of 0.7649 with an r2 value of 58.51% and the durability dimension with a loading factor value of 0.6859 with an r2 value of 47.05%.
4.9. Dimensions Forming Brand Image Variables

Based on the results of the variable construct analysis in the previous sub-chapter, brand image is formed by 3 (three) dimensions, namely the dimensions of brand association excellence, brand association strength, and brand association uniqueness as in Table 4.14. If we sort the brand image forming dimensions with the largest to the smallest loading factor values, the following order is obtained: the dimension of brand association superiority which has a loading factor value of 0.8527 with an r2 value of 72.72%, the dimension of brand association strength which has a loading factor value of 0.7733 with an r2 value of 59.80% and the brand association uniqueness dimension which has a loading factor value of 0.6830 with an r2 value of 46.65%.

4.10. Dimensions Forming Promotion Variables

Based on the results of the variable construct analysis in the previous sub-chapter, promotion is formed by 6 (six) dimensions, namely the dimensions of sales promotion, advertising, special events, publications, direct marketing, and sales force as in Table 4.15. If we sort the promotion-forming dimensions with the largest to the smallest loading factor values, the following order is obtained: direct marketing which has a loading factor value of 0.7658 with an r2 value of 58.65%, publications which have a loading factor value of 0.7537 with r2 value is 56.80%, special events/events have a loading factor value of 0.7480 with an r2 value of 55.95%, sales promotions have a loading factor value of 0.6821 with an r2 value of 46.53%, advertising has a loading factor value of 0.6494 with an r2 value of 42.17% and salespeople have a loading factor value of 0.5328 with an r2 value of 37.43%.

4.11. Forming Customer Satisfaction Variables

Based on the results of the variable construct analysis in the previous sub-chapter, customer satisfaction is formed by 4 (four) dimensions, namely the dimensions of purchasing intensity, verbal community, price sensitivity, and complaints as in Table 4.17. If we sort the dimensions that form customer satisfaction with the largest to the smallest loading factor values, the following order is obtained: the purchase intensity dimension which has a loading factor value of 0.8184 with an r2 value of 68.94%, the price sensitivity dimension which has a loading factor value of 0.8048 with an r2 value of 62.95%, the oral communication dimension which has a loading factor value of 0.7364 with an r2 value of 59.92%, and finally the complaint dimension which has a loading factor value of 0.6932 with an r2 value of 56.06%.

4.12. The Influence of Product Quality, Brand Image, and Promotion on Simultaneous Purchasing Decisions

Product quality, brand image, and promotion simultaneously have a significant influence on purchasing decisions. The total contribution made by product quality, brand image, and promotion to purchasing decisions simultaneously is 77.86%, which is a direct and indirect influence. These results are supported by statistical tests that show that this effect is significant, which is based on the value of Fcount (571.317) > Ftable value (3.04). The contribution of the variable with the greatest influence on purchasing decisions is the product quality variable with a contribution of 33.19%, while the contribution of the variable with the smallest influence on purchasing decisions is the brand image variable with a contribution of 21.09%.

4.13. The Influence of Product Quality on Purchasing Decisions
Product quality partially has a significant influence on purchasing decisions. The total contribution made by product quality to purchasing decisions is 33.19%, which is obtained from direct influence at 24.14% indirect influence through brand image at 9.06 and promotion at 7.61%. These results are supported by statistical tests that show that this effect is significant, which is based on the magnitude of the count value (4.879) compared to the required table value (1.967).


Brand image partially has a significant influence on purchasing decisions. The total contribution made by brand image to purchasing decisions is 21.09%, which is obtained from direct influence of 12.03% and indirect influence through product quality of 9.06% and promotion of 5.12%. These results are supported by statistical tests that show that this effect is significant, which is based on the magnitude of the count value (4.5374) compared to the required table value (1.967).

4.15. The Effect of Promotion on Purchasing Decisions

Partial promotions have quite a significant influence on purchasing decisions. The total contribution made by promotions to purchasing decisions was 23.57%, which was obtained from direct influence at 10.84% indirect influence through product quality at 7.61%, and brand image at 5.12%. These results are supported by statistical tests that show that the effect is significant, which is based on the magnitude of the count value (4.324) compared to the required table value (1.967).

4.16. Purchasing Decisions on Customer Satisfaction

Partial purchasing decisions have a significant influence on customer satisfaction. The total contribution made by purchasing decisions to customer satisfaction is 80.51%. These results are supported by statistical tests that show that this effect is significant, which is based on the magnitude of the count value (8.633) compared to the required table value (1.967).

Based on the results of the variable construct analysis in the previous sub-chapter, purchasing decisions are formed by 5 (five) dimensions, namely the dimensions of problem recognition, searching, evaluating, selecting, and purchasing market as in Table 4.16. If we sort the dimensions that form purchasing decisions with the largest to the smallest loading factor values, the following order is obtained: the problem recognition dimension which has a loading factor value of 0.8278 with an r² value of 68.99%, the search dimension which has a loading factor value of 0.8184 with an r² value of 68.52%, the evaluating dimension has a loading factor value of 0.8062 with an r² value of 62.13%, the selecting dimension has a loading factor value of 0.6349 with an r² value of 43.73% and finally, the purchasing market dimension which has a loading factor value of 0.6137 with an r² value of 41.94%.

5. Conclusion

Based on the analysis and discussion above, several conclusions can be drawn, including the following:

a. The product quality condition of small industrial village (PIK) shoes is in the Fair to Good category with an average perception from respondents of 3,378 which is in the average range of 2,741 to 4,016;
b. The condition of the Brand Image of Small Industrial Village Shoes (PIK) is in the Fair to Good category with an average perception from respondents of 3,376 which is
in the average range of 2,683 to 4,070

c. The Promotional Conditions for Small Industrial Village Shoes (PIK) are in the Fair to Good category with an average perception from respondents of 3,373 which is in the average range of 2,721 to 4,025.

d. The condition of the decision to purchase small industrial village shoes (PIK) is in the category Fairly Good to Good with an average perception from respondents of 3.381 which is in the average range of 2.6. The condition of customer satisfaction with small industrial village shoe products (PIK) is in the Fairly Good to Good category with an average perception from respondents of 3.391 which lies in the average range of 2.677 to 4.084

e. There is a significant and positive influence of Purchasing Decisions on Customer Satisfaction from Small Industrial Village Shoe Products (PIK).

Reference