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The Effect of Product Quality and Promotion on Purchasing Decisions

(Study at A Company Engaged in The Field of Weapons Systems and Commercial Products)

Abstract

As a nation endowed with a diverse cultural heritage and vast reserves of natural resources, Indonesia requires the acquisition and utilization of state-of-the-art defense equipment and technology. The Panzer Anoa is a military armored vehicle manufactured by a company specializing in the production of armament systems and commercial products. This vehicle serves the purpose of personnel transportation, commonly referred to as armored personnel carriers (APCs). Over the past three years, there has been a noticeable decrease in the sales of the Panzer Anoa, a product manufactured by a company producing Main Equipment Armament Systems and commercial goods. According to the data provided by the company operating in the Main Armament System Equipment industry and commercial products, 25 units were sold within three years. This figure falls significantly short of the predetermined target of 72 units, resulting in a sales percentage of merely 34.72%.

The study employed a quantitative research methodology characterized by a descriptive and verification approach. The sample consisted of 54 respondents selected using a stratified random sampling technique. In gathering supporting data and information, primary data is utilized, specifically in the form of questionnaire data directly obtained from a company operating in Armament Systems Primary Equipment and commercial products.

The study's findings demonstrated that each statement item exhibited validity, as indicated by values exceeding 0.30 and reliability, with results surpassing 0.60. The study findings indicate that the product quality factor exhibited a high significance level, with a coefficient of 0.981. Similarly, the promotion factor strongly influenced the purchase decision, as evidenced by its coefficient of 0.977. Furthermore, the purchase decision itself was found to be significantly influenced by various factors, with a coefficient of The t-test yielded Tcount values of 3.981 ($p < 0.001$) and 2.826 ($p < 0.001$), both of which exceed the critical Ttable value of 2.007. attributable to other factors.

Another factor that has yet to be examined is the value of 0.263, or 26.3%. Furthermore, it is noteworthy that the influence of product quality is more pronounced, with a total effect of 0.4361 or 43.61%, compared to the total effect of promotion, which stands at 0.3002 or 30.02%. It is advisable for companies operating in the Armament System Primary Equipment and commercial products sector to place a high emphasis on product quality. These results can be

achieved by consistently enhancing the features of the Anoa Panzer and streamlining its operational processes.

Keyword: Product Quality, Promotion, Purchasing Decision

Introduction

Indonesia has a diverse cultural legacy and ample natural assets, rendering it vulnerable to various external and internal challenges from the colonial period to the present day. Hence, our country must possess national defense capabilities, which the government implements through the proactive establishment of defense systems, such as the development of Main Weapons Systems or Alat Utama Sistem Persenjataan (Alutsista). In order to safeguard the territorial integrity of the nation, it is imperative to establish a comprehensive defense system that encompasses the entirety of the national territory. Furthermore, the acquisition of military equipment, commonly called Alutsista, has the potential to exert a significant impact on a nation's standing within global politics.

In the contemporary landscape of heightened commercial rivalry, enterprises must comprehensively comprehend the determinants that shape consumer buying choices to endure and prosper within the marketplace. Within this particular context, it has been determined that product quality and promotion are two significant factors that possess the potential to impact consumer purchasing decisions.

Each organization has a unique marketing strategy to advertise and sell its products. *Strategy* is a multifaceted methodology encompassing the operationalization of concepts, systematic organization, and implementation of actions within a designated temporal framework. An effective approach encompasses the coordination of team members, the establishment of thematic frameworks, the identification of supportive factors that align with rational principles, the allocation of resources in an efficient manner, and the implementation of tactics that facilitate the successful attainment of objectives. After the formulation of the strategy, the subsequent phase involves its execution.

The ongoing pandemic believes in contributing to suboptimal purchasing decisions. Economic and financial considerations, technological advancements, political influences, cultural dynamics, product quality, pricing strategies, geographical proximity, promotional activities, tangible evidence, human interactions, and operational processes influence consumer purchasing decisions. Consequently, it influences consumer attitudes by facilitating information processing and aiding in the formation of purchasing decisions. The purchasing decisions made by consumers influence by their perception of a product, which instills a sense of assurance in the validity of their choices. The level of customer confidence in their purchasing decisions indicates the degree to which customers believe in their choice of a specific product.

Marketers must prioritize product quality, which can be effectively reinforced through strategic advertising and reasonable pricing strategies. This condition suggests that the quality of a product has a substantial impact on attracting consumer attention and influencing their purchasing choices.

The attribute of product quality holds significant relevance within this particular context. Consumers tend to prioritize high-quality products, particularly when evaluating the acquisition of primary weapons systems and commercial goods associated with security and dependable functionality. Hence, it is imperative to ascertain the potential impact of superior product quality on consumer buying behavior within the specific industry framework.

In conjunction with product quality, promotional activities are also believed to influence consumer purchasing decisions. Through effective promotional strategies, companies in the field of main weapons systems and commercial products can enhance consumer awareness and influence their purchasing decisions toward Panser Anoa products. Nevertheless, the promotional strategies implemented thus far have yet to be deemed fully effective in capturing consumer attention while making purchasing decisions.

The implementation of effective promotional strategies has the potential to enhance consumer awareness of products and capture their attention. By implementing effective promotional strategies, companies can cultivate a favorable brand image and augment consumer perceptions of their products. Hence, it is imperative to assess the impact of promotional activities on consumer buying behavior within the specific industry context. Sales promotion is a temporary incentive to stimulate consumer interest and encourage them to try or purchase a particular product or service. Hence, in addition to product quality, the role of promotion is crucial in influencing purchasing decisions. If the level of product quality is high, yet the promotional efforts are not executed effectively, the sales performance will not reach its maximum potential.

In this particular context, it has been demonstrated through prior research that both product quality and promotion exert a substantial impact on consumers' decision-making process when it comes to making purchases. Nevertheless, it is imperative to consider the interplay between product quality and promotion. According to a study, the effectiveness of promotion can be enhanced by high product quality; similarly, good promotion can reinforce consumer perceptions of product quality. Hence, companies must incorporate product quality and promotion strategies to attain optimal outcomes.

Drawing upon the background information provided, ¹ this study aims to investigate the impact of Product and Promotion on Purchasing Decisions within a specific company operating in the domain of main weapons systems and commercial products. This study aims to assess and examine the degree of impact that Product and Promotion have on Purchasing Decisions within a company operating in the domain of primary weapons systems and commercial products.

Method

The study sample comprised individuals who purchased products from a company operating in the main weapons systems and commercial products field. The total population size was 54 individuals. The study employed a non-probability sampling method for sample determination. Probability sampling planning aims to acquire an approximate depiction of a collection of sample elements. In the context of non-probability sampling, sampling error estimation poses challenges, thereby limiting the researcher's ability to make direct generalizations of the findings to a broader population. This phenomenon attributes to the fact that most of the current population does not identify with any or all forms of non-probability sampling.

In order to assess the extent of a variable under investigation, it is imperative to employ a dependable and valid measurement tool, such as a scale or test, to ensure the accuracy of study findings and prevent any distortion of the true state of affairs. The evaluation of the research instrument encompassed three essential tests: Validity Test, Reliability Test, and Normality Test.

Data analysis in quantitative research involves systematically processing data obtained from respondents' responses to questions within each questionnaire item. Prior to conducting data analysis, it is necessary to preprocess the data. Once the data has been gathered from all participants, the researcher proceeds to categorize the data according to the variables identified from the entire sample. The data is then presented for each specific variable under investigation, and a tabulation process is conducted by assigning values by the designated system.

Data analysis is a method employed to ascertain how variables influence other variables. To ensure the utility of the gathered data, it must undergo processing or analysis before its incorporation into decision-making processes. The present study employs descriptive analysis and verificative analysis as the chosen data analysis methods.

Descriptive analysis is a research approach that systematically examines data by providing precise descriptions of the information gathered without making explicit conclusions or overarching generalizations. This study aims to conduct a verification analysis to validate research findings pertaining to the impact of **product quality and promotions** on **purchasing decisions** within a company operating in the domain of main equipment, weapons systems, and commercial products. In order to examine the association between the independent variables and the dependent variable, researchers employ a range of statistical techniques, including Pearson correlation analysis, product-moment correlation analysis, path analysis, and the researcher's dimensional coefficient analysis.

Results and Discussion

The study includes an examination of the demographic attributes of the participants, encompassing variables such as gender, age, occupation, position, and frequency of purchasing

products from a company operating within the domain of primary weapons systems and commercial products. A total of 54 individuals were examined as respondents.

Table 1. Characteristics of Respondents

No	Characteristics	Frequency	Presentation
1.	Gender		
	- Man	53	98%
	- Woman	1	2%
2.	Age		
	- 17 – 26 Years	0	0%
	- 27 – 36 Years	0	0%
	- 37 – 46 Years	4	7%
	- 47 – 56 Years	45	84%
	- Over 56 Years	5	9%
3.	Work		
	- TNI AD	34	63%
	- TNI AL	10	37%
	- TNI AU	0	0
4.	Position		
	- Captain	4	7%
	- Major	18	34%
	- Lieutenant Colonel	27	50%
	- Colonel	5	9%
5.	How often to buy the product		
	- Once 6 Months	0	0%
	- Once a year	0	0%
	- Above 1 Year	54	100%

Researchers conduct validity testing to evaluate the degree to which a research questionnaire accurately measures the intended constructs. Determining an instrument's validity is contingent upon its capacity to measure the intended variables or constructs precisely. Validity criteria are determined by establishing that a questionnaire item deems valid if the correlation coefficient (r) equals or exceeds 0.3. In contrast, an item considers invalid if its correlation coefficient is less than or equal to 0.3. A test instrument's validity level is closely linked to its ability to evaluate the intended constructs or demonstrate the intended measurement accurately.

Reliability testing conducts to ascertain a research instrument's enduring and consistent nature throughout its lifespan. This condition implies that when a research instrument is employed repeatedly, the outcomes will exhibit high consistency. A measure deems reliable when the Cronbach Alpha coefficient equals or exceeds 0.60.

Table 2. Validity and reliability test results

Instruments	Product Quality	Promotion	Buying Decision
1	0.954	0.642	0.921
2	0.939	0.868	0.924
3	0.880	0.765	0.723
4	0.907	0.880	0.745
5	0.830	0.928	0.888
6	0.920	0.867	0.870
7	0.884	0.867	0.747
8	0.916	0.870	0.958
9	0.822	0.894	0.791
10	0.844	0.898	0.883
11	0.921	0.784	0.797
12	0.898	0.881	0.632
13	0.724	0.836	0.849
14	0.881	0.921	0.901
15	0.819	0.888	0.940
Cronbach Alpha	0.981	0.977	0.974

The table presented above demonstrates that all items of the research instrument exhibit favorable outcomes. The results of the calculations indicate that all items satisfy the minimum validity criterion of 0.300. This result implies that the research instrument is valid, enabling accurate measurement of product quality, promotion, and purchasing decisions. The Cronbach's Alpha coefficients for the three research variables, namely Product Quality, Promotion, and Purchase Decision, exceed the threshold of 0.6, with values of 0.981, 0.977, and 0.974, respectively. Hence, the variable instruments are deemed reliable, signifying their capacity for repeated utilization in research, with the expectation of obtaining relatively consistent outcomes.

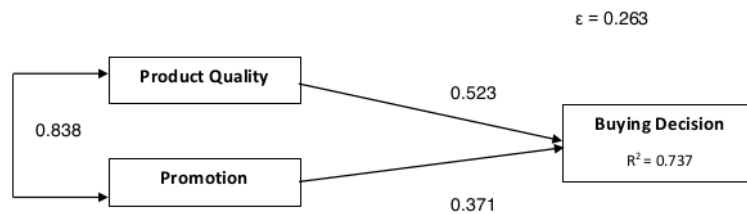


Figure 1. Path Analysis

The Pearson product-moment correlation analysis conducts to assess the degree of association between multiple independent variables that were the focus of our investigation. Based on the correlation mentioned above findings, it is apparent that a positive association and impact exist between **the variables of product quality and promotion**.

In order to assess the combined impact of the **independent variables**, specifically **product quality and promotion**, on the **dependent** variable, which pertains to the decision to make a purchase, we can analyze the R-Squared (R^2) value within the Model Summary. The formula for calculating the coefficient of determination is as follows:

$$Kd = R^2 \times 100\%$$

$$Kd = 0,737 \times 100\%$$

$$Kd = 73,7\%$$

The calculation of the remaining or residual determines by utilizing the subsequent formula:

$$\varepsilon = (1 - R^2) \times 100\%$$

$$\varepsilon = 26,3\%$$

The coefficient of determination indicates a strong relationship between **product quality and promotion** variables and their impact on purchasing decisions for Panser Anoa products, with a value of 0.737. The findings of this study indicate that the variables of **product quality and promotion** account for 73.7% of the influence on purchasing decisions, leaving the remaining 26.3% to be attributed to other variables that were not incorporated into the research model.

The variables of Product Quality (X1) and Promotion (X2) exhibit a strong positive correlation, as indicated by a correlation coefficient of 0.838. The findings of this study indicate a significant and robust correlation between the variables of Product Quality (X1) and Promotion (X2). In addition to the findings above, it is observed that the regression coefficient (path coefficient) between the **Product Quality variable (X1) and the Purchase Decision variable (Y)** is 0.523, while the regression coefficient value (path coefficient) between the **Promotion variable (X2) and the Purchase Decision variable (Y)** is 0.371.

The present study has examined the impact of two variables, namely Product Quality (X1) and Promotion (X2), on Customer Satisfaction (Y). The research findings and data analysis indicate that these variables collectively account for 73.7% of the influence on Customer Satisfaction. The remaining 26.3% is attributed to other variables not investigated in this study. The factors that contribute to purchasing decisions include product quality and promotional efforts. Marketers must prioritize quality and reinforce it through advertising and competitive pricing strategies to minimize consumer decision-making when considering product purchases. Product quality and promotional activities significantly influence consumer interest, thereby optimally influencing their purchasing decisions. Therefore, the hypothesis posited in this study

can be substantiated, indicating that product quality and promotion influence purchasing decisions within a company operating in the weapons systems and commercial products sector.

Two key factors can influence Consumer purchasing decisions: product quality and promotion. When making purchasing decisions, consumers typically consider the product's quality. In the sectors of the Main Armament Systems Industry and commercial products industry, wherein safety and reliable performance hold paramount significance, the utmost importance is placed on ensuring high product quality. This study provides empirical evidence supporting the assertion that product quality substantially impacts consumer buying behavior.

Promotion plays a significant role in exerting influence over consumer purchasing decisions. The implementation of a proficient promotional strategy has the potential to enhance consumer consciousness regarding the product and elicit their curiosity. By implementing effective advertising strategies, companies can cultivate a favorable brand image and enhance consumer perceptions of their products. The results of this study emphasize the substantial impact of promotions on consumer buying behavior.

The prioritization of product quality and its reinforcement through advertising and fair pricing holds significant importance for marketers. In this particular context, a symbiotic relationship between product quality and promotion must exist. Companies must ensure that the products they offer exhibit high quality and align with consumers' specific requirements and preferences. Furthermore, it is imperative to employ efficient promotional strategies to enhance consumer awareness and stimulate interest in the product. By implementing effective promotional strategies, companies can enhance the quality of their products, thereby fostering a consumer environment that promotes spontaneous purchasing behavior.

Therefore, the quality of a product and promotional activities significantly influence the attraction of consumer attention and the formation of optimal purchasing choices. The results of this study provide empirical evidence that substantiates the hypothesis positing that both product quality and promotion substantially impact decision-making processes within a company operating in the weapons systems and commercial products sector. This result demonstrates that the company's endeavors to enhance product quality and promotion strategies can contribute to generating profitable purchasing decisions for the company.

Within the Primary Armament System Industry and its corresponding commercial products, companies must recognize the significance of prioritizing product quality and implementing efficient promotional strategies. Companies can enhance customer satisfaction and attain improved sales outcomes by effectively meeting consumer expectations for product quality and implementing suitable promotional strategies. Hence, it is imperative for corporations to consistently enhance the caliber of their offerings and devise promotional tactics that align with consumer demands in order to secure a competitive advantage within a fiercely contested market.

Conclusion

The authors can derive the subsequent conclusions based on the provided discourse analysis and empirical findings about the impact of product quality and promotional activities on consumer purchasing behavior within a company operating in the weapons systems and commercial products sector. The quality of a product significantly influences the purchasing decisions of consumers. This study demonstrates that products of high quality elicit a favorable response from consumers, thereby augmenting the probability of a purchase. In order to exert influence over consumer purchasing decisions, companies must guarantee the provision of products that exhibit a high level of quality.

Promotion exerts a substantial impact on consumer purchasing decisions. Promotional endeavors that are successful, such as visually appealing advertisements, sales promotions, or other marketing initiatives, can impact consumers' perceptions of products and stimulate their inclination to engage in purchasing behavior. In order to enhance consumer purchasing decisions, companies must cultivate efficacious promotional strategies.

The interaction between product quality and promotional activities influences consumers' purchasing decisions. The efficacy of promotion can be enhanced by high product quality, whereas favorable promotion can elevate consumer perceptions regarding the quality of the product. In order to achieve optimal purchasing decisions, it is imperative for companies to simultaneously consider and integrate two key factors: product quality and promotion strategies.

The study was carried out within companies operating in the Weapons Systems Primary Equipment sector and those involved in producing commercial products. However, the findings of this research may have wider implications. The impact of product quality and promotional activities on consumer purchasing behavior is a significant determinant across diverse industries and sectors. Hence, the findings of this study serve as a valuable point of reference for other organizations in formulating and refining their marketing strategies.

To enhance consumer purchasing decisions, companies must prioritize enhancing product quality and the development of efficacious promotional strategies. By comprehending and enhancing these variables, organizations can enhance their competitiveness in the marketplace and attain sustained success.

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