

DETERMINATION FACTORS OF BUYING DECISION AT THE INDONESIAN CIGARETTE INDUSTRY

Jun Dita Pangestu¹, Ginanjar Rahmawan²

^{1,2}Management Department of Sekolah Tinggi Ilmu Ekonomi Surakarta
Corresponding Author: ditapangestu27@gmail.com

ABSTRACT

This research aimed to understanding the decision of buying of Djarum Super cigarettes, especially in Surakarta. The decision is influenced by several factors, namely brand image, price and product quality. This research is conducted with a quantitative approach, which is a method used to assess a population and / or a particular sample. The people of Surakarta as the population in this study determined a sample of 50 respondents who filled in patented benchmarks using purposive sampling. The data obtained were then processed statistically using SPSS (Statistical Package for Social Science). The output of processed data explains simultaneously and partially that purchasing decisions are influenced by product quality, brand image and price which have a significant influence. The output of the analysis of the coefficient of determination (adjusted R²) shows that 52.6% of purchasing decisions are influenced by variables of brand image, price and product quality and another 47.4% are influenced by other variables outside the variables studied.

Keywords : Brand Image, Price, Product Quality, Purchase Decision

INTRODUCTION

The progress of people's lifestyles affects the community as consumers in meeting their needs, be they basic needs or needs that are higher than basic needs. The consumption of cigarettes is one example of meeting the needs of a consumer. Based on the results of research conducted on May 1 - 31 2018 to 1000 respondents consisting of active and passive smokers, it was stated that the contribution of young smokers aged 18-24 years was 33.03%, followed by the largest contribution of smokers, namely 44.75% at the age of 25 - 38 years, and the rest is filled by smokers aged 39 years with a contribution of 41.75%. The results of this study were quoted from CNN Indonesia based on a statement from the School of Strategic and Global Studies, the Indonesian National Guarantee Study Center. The increase in demand for cigarette products by consumers has a positive impact on companies, especially those engaged in cigarette production. This impact causes the number of cigarettes with various names and variations to continue to increase due to existing competition. PT. Djarum Super is a cigarette manufacturing and trading company that produces various kinds of cigarettes, one of which is the Djarum Super cigarette which is well known by the public. PT. Djarum Super has a good image and companies that have a good image in the eyes of consumers are generally more attractive and foster a sense of consumer confidence that the quality of the product is good. The purchase decision is influenced by many factors including brand image, price and quality of the product itself.

The content of economic value in a product is a definition of price. Peter and Olson (2005: 56) argue that if price is one of the core factors for consumers seen from economic reasons and psychological reasons, therefore price fixing is the design of the sales instrument. Reflections of thoughts on a brand and formed because of the information and experience of

the brand are the meaning of brand image according to Setiadi (2003: 180). Products that are able to apply their functions which include reliability, durability, ease of operation, accuracy, and other features that are of value as a whole to the product are called product quality as quoted by Kotler and Armstrong (2004: 347). The results of the research by Nur Aulia Agustinus, Seno Sumowo, Bayu Wijayantini (2018) that purchasing decisions are significantly and positively influenced by factors of product quality, brand image and price. Decision making in the activity of purchasing products by individuals regarding the offers made by the seller is the meaning of the purchase decision. Kotler and Armstrong (2001) assume that the stages in the decision-making process are the stages where consumers as buyers buy the product are the meaning of the purchase decision.

Based on the background of this problem, this research has the title "The Effect of Product Quality, Price and Brand Image on Purchasing Decisions of Djarum Super Cigarettes". The purpose of the study was to determine the decision to buy Djarum Super cigarettes is influenced by the brand image, the decision to buy Djarum Super cigarettes is influenced by the quality of the product, the decision to buy Djarum Super cigarettes is influenced by the price.

THEORITICAL FRAMEWORK

Brand Image

A series of thoughts that are in the minds of consumers about a name is called a brand image. The correlation of a brand will strengthen according to the experience and the amount of information obtained. Consumer trust in a brand is the meaning of the brand image stated by Kotler and Armstrong (2008: 225). Da Silva and Alwi (2006) suggest a brand image indicated as follows: 1)The level of physical attributes is that consumers are familiar with the brand name, an image that represents the logo and the brand symbol. 2)The level of functional implication is an accepted result or use. 3)The physical implication is an emotion in the form of feeling happy and comfortable when wearing it.

According to Ferrinadewei (2008), image is a design in which consumers create for a subjective reason and personal emotions. A brand image can also be called a reflection of a product, whether a product will be directly proportional to the image of the product itself, but the brand image can also be influenced by the company itself.

According to Kotler (2000) the effectiveness of brand image is reflected in three things, namely 1) Development of product characteristics that convey the value of product benefits, 2) Specific product characteristics and different from competitors can be conveyed, 3) Channeling emotional and rational strength.

Price

One important factor in buying and selling a product, be it goods or services, is price. One of the things used by consumers as a consideration for a purchase decision. Several major cases are related to prices, where there is a conflict over prices and demand which is always inversely proportional, when the price goes up, the demand goes down, and vice versa (Kotler, 2011). According to Kotler and Armstrong (2001: 439) price has four parameters that describe the price, including: Affordability of prices, analogy between price and product quality, price competitiveness, an analogy between price and benefits.

Funds that are exchanged for products and services are the definition of price according to Private Basu and Irawan (2000). The price dimension positively affects the following people:

1. Value awareness is a condition in which consumers compare product quality with product prices.
2. Price awareness is a condition in which lower prices are the focus of consumers.
3. Coupon offers are conditions in which consumers respond to a temporary reduction in product prices.
4. Sales offer, a condition in which consumers respond to a special price reduction.
The negative price dimension affects people by involving the following circumstances:
 - a) The interaction between price and quality is a condition in which consumers determine the quality indicators using the price basis.
 - b) b.Establishing the perception of a favorable price character based on sensitivity to other people's perceptions of status signs at a higher price.

Product Quality

The scope of product quality consists of the characteristics, characteristics, degree, type, rank, research that is used to differentiate one product from another. According to Komarrudin (1991: 253) the ability to use, class, level of suitability, quality characteristics, quality functions and names that are part of an organization is a description of quality. Garvin, quoting Fandy Tjiptono and Chandra (2002: 130), all sides of product offerings are reflected in the quality that can be felt by customers. Product quality is reflected in eight dimensions, namely:

1. Performance is the core operating characteristic of a spent parent product.
2. Features or additional features (features) are complements added to the product.
3. Reliability (reliability) is a minimum occurrence of badness in use.
4. Conformity with specifications (conformance to specification) is the observation of characteristic descriptions and operations that can complement the limits previously provided.
5. Durability is a calculation of the durability of a product or the length of time the product can be used.
6. Serviceability in the form of services provided as a forum for handling complaints, starting from before sales to processing and after sales.
7. Aesthetics is the beauty of a product that can be seen directly (physical form, model, design) by consumers which makes it attractive.
8. Perceived quality, is the view and the good name of the product and the company's responsibility for it.

Anything that has been colonized by producers for consumers in order to complement their needs and wishes in the form of goods and / services, experiences, places, and ideas is an understanding of prices according to Kotler and Keller (2009). According to Koler (2000), the objectives of product quality are as follows: 1) Goods produced in accordance with predetermined standards, 2) An estimate of the budget expenditures incurred for inspection, 3) Emphasis on the budget to reduce the design budget from production.

Buying decision

Kotler and Armstrong (2001) suggest that the stages in the decision-making process are the stages where consumers as buyers buy the product, which is the meaning of the purchase decision. Kotler (2005: 224-229) states that a purchasing decision has five stages of the process, which are as follows:

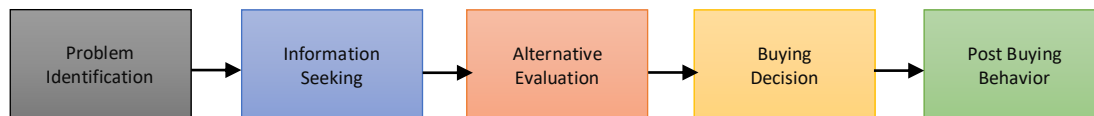


Figure 1. Buying Decision Process Kotler (2005)

First, Identification of the problem. Recognition of the problem is the initial stage in the purchasing process and when consumers know their needs, the purchasing process will occur because consumers will make purchases to fulfill their needs. Second, Looking for information. Needs that have been known and the impulse of strong needs, consumers will seek further information about their needs. Third, evaluation of alternatives, the information the purchaser has collected is used to evaluate several alternative brands. Fourth, Purchase decision. Consumers who decide to make a purchase will be at the stage of recognizing the type of purchase, the time of purchase and the purchase procedure where the buyer is sure to buy the product. Fifth, Post purchase behavior. The purchase process that is carried out will have a positive and negative impact on consumers. The positive impact given is that consumers feel satisfied and make it possible to make repeat purchases, while the negative impact is that consumers are not satisfied because they are not in accordance with consumer expectations. Decision making in the activity of purchasing products by individuals regarding the offers made by the seller is the meaning of the purchase decision.

Nugroho (2003) combines the process of combining attitudes of knowledge to improve two or more alternative behaviors and decide on one of them. The aspects used to measure consumer purchasing decisions according to Sutisna (2003) include two things, namely: Benefit association and frequency of purchase. Benefit association is The discovery of the uses contained in a product that has been taken up by consumers and associates it with the criteria for the usefulness of the product on brand characteristics. The usability benchmark used is to be able to think about the identity of the product when consumers are aimed at purchasing decisions. Frequency of purchase, a buyer's satisfaction with product performance can be felt when consumers have made a purchase of a product. The satisfaction felt by consumers can affect the level of product purchases by consumers in order to meet their needs.

Conceptual Framework

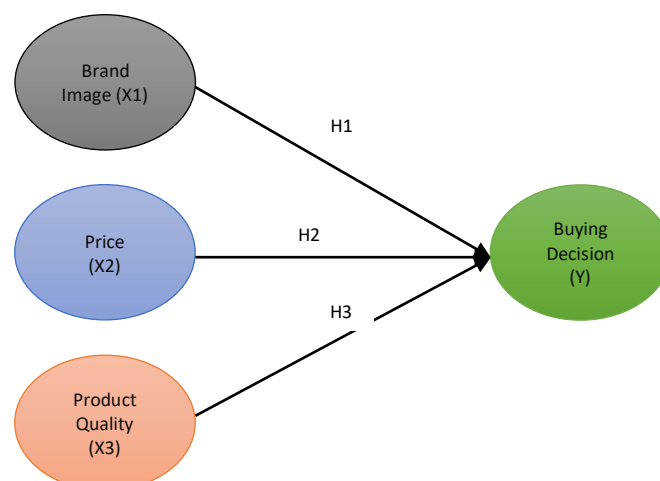


Figure 2. Conceptual Framework

METHODS

The method used in this research is a direct approach in the field to respondents with a population and a sample based on the previous one. The data that has been obtained are quantitative material for hypothesis testing. From the data that has been grouped then processed using SPSS (Statistical Package for Social Science) (Sugiyono, 2015: 8). The thing that is analyzed in the research is the effect of brand image, price, product quality on purchasing decisions of Djarum Super cigarettes. The sample according to Sugiyono (2006: 77) is the amount taken based on the characteristics of the total population of an area which is the object of research. The number of samples was 50, referring to Roscoe (1975) if the sample size is more than 30 and less than 500 are appropriate for the entire research.

The data collection technique uses nonprobability sampling technique, which in the data collection process the criteria will be determined according to the research needs, in this stage purposive sampling is used to determine the criteria for respondents. Purposive sampling is a purposive sampling of the population. Purposive is a method in which the sample is drawn with the selection of subject criteria based on the clearest features that have been determined by the researcher. Regarding the features used in this research are as Djarum Super cigarette consumers 18-29 years, Djarum Super Cigarette Consumers in Surakarta.

The Likert scale is used to measure respondents' statements in filling out the questionnaire provided that the score for each answer is 1 = Strongly Disagree (STS); 2 = Disagree (TS); 3 = Neutral (N); 4 = Agree (S); 5 = Strongly Agree (SS).

DISCUSSION

Table 1. Validity Test

Variabel	r hitung	r tabel	Keterangan
Citra 1	0.852	0.2787	VALID
Citra 2	0.853	0.2787	VALID
Citra 3	0.770	0.2787	VALID
Citra 4	0.872	0.2787	VALID
Harga 1	0.767	0.2787	VALID
Harga 2	0.820	0.2787	VALID
Harga 3	0.835	0.2787	VALID
Harga 4	0.746	0.2787	VALID
Kualitas 1	0.701	0.2787	VALID
Kualitas 2	0.706	0.2787	VALID
Kualitas 3	0.383	0.2787	VALID
Kualitas 4	0.528	0.2787	VALID
Kualitas 5	0.663	0.2787	VALID
Kualitas 6	0.723	0.2787	VALID
Kualitas 7	0.733	0.2787	VALID
Kualitas 8	0.717	0.2787	VALID
Keputusan 1	0.909	0.2787	VALID
Keputusan 2	0.912	0.2787	VALID
Keputusan 3	0.872	0.2787	VALID

Table 1 shows that the value of r table for N = 50 with a significance of 5% in the distribution of the r value of the product moment table, it is found that the value of r table is

0.278. Based on the output value of the validity test, it is known that r count for all variables is greater than r table or $r_{count} > r_{table}$. Thus the conclusion obtained in the validity test is that all variables are valid.

Table 2. Reliability Test

Variabel	Nilai Cronbach's Alpha	Keterangan
Citra Merek	0.857	Reliabel
Harga	0.796	Reliabel
Kualitas Produk	0.802	Reliabel
Keputusan Pembelian	0.880	Reliabel

Judging from the results of the analysis carried out on the reliability test, the Cronbach Alpha value of the variables as a whole has a smaller value than 0.60 or Cronbach Alpha > 0.60 , then the data is reliable.

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	1.95929351
Most Extreme Differences	Absolute	.144
	Positive	.119
	Negative	-.144
Kolmogorov-Smirnov Z		1.015
Asymp. Sig. (2-tailed)		.254

a. Test distribution is Normal.

The table from the normality test output shows that the overall variable has a significant value for Asymp.Sig. (2 – tailed) of 0.254, which value is greater than 0.05 and based on the standard of decision steadiness in the Kolmogrov-Smirnov normality test, it is stated if the data is normally distributed.

Table 4. Multicollinearities Test

Model	Unstandardized Coefficients		Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1 (Constant)	1.988	2.147			.926	.359		
Citra Merek (X1)	-.251	.121	-.248		-2.076	.043	.723	1.383
Harga (X2)	.473	.169	.511		2.807	.007	.311	3.212
Kualitas Produk (X3)	.211	.104	.352		2.021	.049	.340	2.937

Based on the results of the multicollinearity test output, it shows that all variables have a tolerance value > 0.1 and a VIF value < 1 , which means that in regression mode, there is no multicollinearity.

Table 5. Heteroskedasticities Test

Model	Unstandardized Coefficients		Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1 (Constant)	3.545	1.539			2.303	.026		
Citra Merek (X1)	.076	.087	.143		.873	.387	.723	1.383
Harga (X2)	-.005	.121	-.011		-.045	.964	.311	3.212
Kualitas Produk (X3)	-.114	.075	-.364		-1.529	.133	.340	2.937

Based on the heteroscedasticity test output value, it is known that the Sig. for all variables have a Sig value. > 0.05, which means that in the regression mode there are no heteroscedasticity symptoms.

Table 6. Multiple Regretion Test

Variabel	Koefisien Regresi (b)	t-hitung	Sig.	Kesimpulan
Kosntanta	1.988			
Citra Merek	-.251	-2.076	.000	Signifikan
Harga	.473	2.807	.000	Signifikan
Kualitas Produk	.211	2.021	.000	Signifikan
Adjust R Square = 0.495				
F hitung = 16.994				
Sig. = 0.000				

From the output of the regression analysis, the regression equation is found as follows:

$$1.988 - 0.251X_1 + 0.473X_2 + 0.211X_3 + e = Y$$

Based on this equation, it can be described as follows:

1. A constant of 1,988 can be interpreted if the independent variables: Brand Image (X1), Price (X2), Product Quality (X3) simultaneously do not change or are equal to zero (0), then the amount of the purchase decision is 1,988.
2. The regression coefficient value of Brand Image (X1) is -0.251 where this number has a negative effect on Purchasing Decisions (Y), if the variability of brand image increases by one unit, then the purchase decision (Y) will decrease by -0.251 assuming other variables remain constant. .
3. The regression coefficient value of Price (X2) is 0.473 where this number has a positive influence on Purchasing Decisions (Y), if the price variable increases by one unit, then the purchase decision (Y) will increase by 0.473 assuming other variables are constant.
4. The regression coefficient value of Product Quality (X3) is 0.211 where this number has a positive influence on Purchasing Decisions (Y), if the variability of brand image increases by one unit, then the purchase decision (Y) will experience a panic of 0.211 assuming other variables remain constant.

Table 7. T test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.988	2.147		.926	.359
Total_X1	-.251	.121	-.248	-2.076	.043
Total_X2	.473	.169	.511	2.807	.007
Total_X3	.211	.104	.352	2.021	.049

a. Dependent Variable: Total_Y

Based on the results of the t test output can be explained for independent variables, including:

a. Brand Image (X1)

The result of the t-test statistic is that the t value is -2.076 and the significance value is $0.043 < 0.05$, and the negative regression coefficient value is -0.251, then the hypothesis says that brand image has a negative effect on purchasing decisions.

b. Price (X2)

The result of the t-test statistic is obtained t count of 2.807 and a significance value of $0.007 < 0.05$, and a positive regression coefficient value of 0.473, then the hypothesis says price has a positive effect on purchasing decisions.

c. Product Quality (X3)

The result of the t-test statistic obtained t count of 2,021 and a significance value of $0.049 < 0.05$, and a positive regression coefficient of 0.211, so the hypothesis says product quality has a positive effect on purchasing decisions.

Table 8. F Test
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	208.477	3	69.492	16.994	.000 ^a
	Residual	188.103	46	4.089		
	Total	396.580	49			

a. Predictors: (Constant), Total_X3, Total_X1, Total_X2

b. Dependent Variable: Total_Y

The output of the f test shows that the Sig. has a value of 0.000 which is the value of Sig. $0.000 < 0.05$, then based on the decision making provisions in the f test, this value means that the hypothesis is accepted or simultaneously the dependent variable is influenced by the independent variable.

Table 9. Determination Test
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.526	.495	2.022

a. Predictors: (Constant), Total_X3, Total_X1, Total_X2

Based on the table, it is known that R has a value of 0.725 which means that it has a strong bond. The value of R square is a number of 0.526 or 52.6%, which means that the influence of the independent variables on purchasing decisions is 52.6% and the remaining 47.4% is another variable that influences purchasing decisions outside the variables in this research.

CONCLUSION

Based on the research that has been used on Djarum Super cigarette consumers in Surakarta, it is known that when they carry out the purchase decision process they are influenced by the factors of brand image, price and product quality offered. The statement is divided from the conclusion of the calculation which states that:

1. Brand image has a significant influence on purchasing decisions.
2. Price has a significant influence on purchasing decisions.
3. Product quality has a significant influence on purchasing decisions.

Based on the results and conclusions above, Djarum Super cigarettes are cigarette products that are well known to consumers. Everything that is contained in Djarum Super cigarettes can be recognized and consumers can distinguish it from other cigarette products, because it is possible that the company must maintain the characteristics of Djarum Super cigarettes that have been embedded in the minds of consumers by maintaining its quality.

This research has many limitations in terms of location, time and data. Therefore it is expected for future researchers to develop other variables outside the variables used in this research, so that they are more varied and can produce more accurate output.

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