FACTORS THAT INFLUENCE CONSUMER ATTRACTIVENESS IN PURCHASING ON CONSUMER SATISFACTION *STAR MOBIL* SHOWROOM

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Abstract

The aim of this research is to prove that product innovation, price, and product quality influence the decision to purchase used cars in Labuhanbatu Regency. Data collection techniques include observation, questionnaires, literature studies, and documentation. The number of samples used in research using Partial Least Square-SEM analysis in this research was 50 consumers. This research uses descriptive statistical data analysis and Partial Least Square-SEM, which is an analysis used to develop or predict an existing theory. This research uses PLS structural model analysis with the help of SmartPLS 4.0 software. Structural model analysis has several stages, namely: 1) Formulating structural model theory, 2) Outer model analysis, 3) Inner model analysis, and 4) Hypothesis testing. The conclusion that can be conveyed in this research is that the hypothesized variables of product innovation and brand image partially influence the decision to purchase a used car. Meanwhile, the price variable does not have a strong relationship with the decision to purchase a used car. Finally, the purchasing decision variable influences consumer satisfaction in buying a used car, influenced by three indicators, namely product trust, other people's views, and the presence of friends about the Star Mobil Rantauprapat showroom.

Keywords: Product Innovation, Price, Brand Image, Purchasing Decisions, Consumer Satisfaction

INTRODUCTION

The automotive world in Indonesia is an automotive industry that is capital-intensive, labor-intensive, and technology-intensive, apart from that, Indonesia is an automotive producer and market on both a national and international scale. According to data (Gaikindo, 2022) Indonesia is in the middle of the global automotive industry. Indonesia is ranked 14th out of 39 countries registered with OICA by producing 1,121,967 vehicle units, consisting of passenger vehicle production data of 889,756 units and commercial vehicles reaching 232,211 units, meaning that Indonesia's post-Covid automotive growth has significantly increased.

Cars as a means of transportation are used and created to make it easier for people to carry out daily activities (Kurniawan & Irda, 2022). Apart from being a mode of transportation and business, cars have become part of our lifestyle. This is in line with research (Eckhardt, 2012) according to which cars apart from the above cultural values related to access, we also found that car sharing emerged as a lifestyle facilitator. As time goes by, cars in both new and used conditions are relatively expensive depending on the condition of the car.

This research will examine the condition of used cars as (Nugraha, 2022) shows that over time the phenomenon of purchasing used cars has become increasingly attractive to consumers so that the prices offered are very attractive to consumers so that consumers prefer to buy used cars rather than new cars. The influx of several new automotive brands appearing on the market means that the business of buying and selling used cars is believed to have positive prospects (Toha & Supriyanto, 2023). These measurement parameters can be seen due to the large number of people online looking for information about used vehicles. According to Showroom Star data, Toyota, Daihatsu and Honda are car brands that are much sought after by used car enthusiasts.
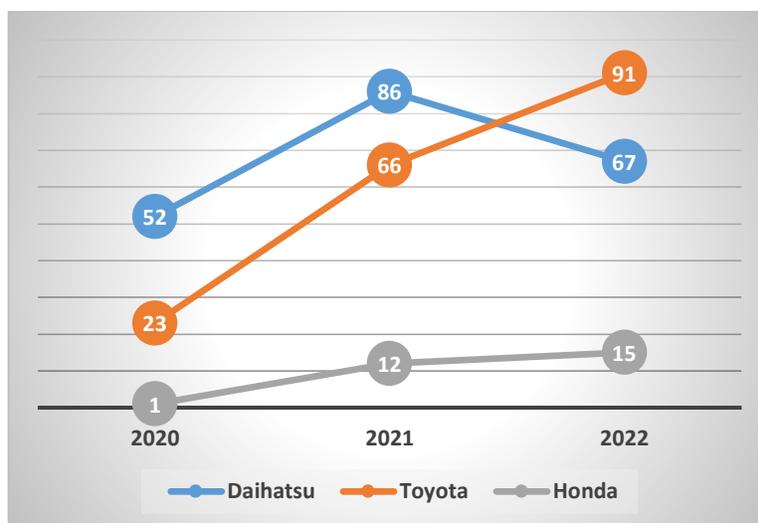
Figure 1
Star Mobil Sales
Source: Star Mobil Rantauprapat, 2023

From the data in Figure 1 above, it shows that there are types of used car brands that are loved by used car enthusiasts according to Star Car Showroom sales data for the period 2020-2022. The type of used car brand that is most sought after is the Toyota brand, followed by Daihatsu and the Honda brand. However, overall sales data at the Star Mobil Showroom has increased over the last 3 years, which indicates that the used car market has great potential. Star Mobil Showroom is the most visited used car showroom. Apart from that, this showroom also offers various brands of cars in cash and credit and collaborates with purchases such as credit and leasing.

Research (Wandi & Abaharis, 2020) shows that a company's success in marketing used cars will increase if it is supported by a study regarding consumer decisions which are influenced by internal and external factors themselves. According to (Wibowo et al, 2013) the decision to purchase a used car is influenced by price and product quality. According to (Wu & Chen, 2021) many consumers have a lot of emotions when buying a car and make decisions based on personal or subjective experiences, but fail to make rational analyzes and judgments. According to (Techasurin et al., 2021) the decision to purchase car insurance is significantly dominated by price, brand name and brand image. According to (Cheng, 2015) car prices continue to fall and people's mature consumption ideas and higher living needs

trigger skyrocketing consumption of cars. The used car market, as one of the automotive aftermarket markets, is ushering in an unprecedented golden age.

Based on the description of various references referred to support this research, the phenomenon of buying used cars is influenced by product innovation variables. According to (Lee et al., 2021) these characteristics of product innovation must be considered critically because the individual's regulatory focus can be formed not only as a result of the consumer's experience with the caregiver but also as a result of the specific, current situation included in the used car purchasing process of product innovation. become a benchmark for consumers who understand technology. Apart from that, price and product quality are variables that are common phenomena in research in influencing used car purchasing decisions, meaning that the author used the literature review as the basis for this research and chose the Star Mobil Showroom case study as the research object. Therefore, the aim of this research is to prove that product innovation, price and product quality influence the decision to purchase used cars in Labuhanbatu Regency.

REVIEW OF LITERATURE

Customer Satisfaction

In service and manufacturing business applications, customer satisfaction is a vital thing that should not be ignored because it is related to the expectations of business people and consumers. According to (Cesariana et al., 2022) consumer satisfaction is a summary of the consumer's psychological state resulting from emotions with appropriate or inappropriate expectations after consuming the product. According to (Guido, 2015) consumer satisfaction is a general comparison in evaluating customer satisfaction regarding expectations and on the one hand regarding perceived performance. Consumer satisfaction is an interesting thing to research because it is related to consumer tastes and even consumer needs when consuming. Various literature has discussed consumer satisfaction (Maharjan, 2014), consumer satisfaction is an overall evaluation based on the total purchasing and consumption experience of goods or services from time to time. Indicators of used car consumer satisfaction are product trust, other people's views and the presence of friends about the showroom.

Buying Decision

The consumer decision-making process can be described as the phases a consumer goes through in making a final purchasing decision. A marketer's job is to focus on the entire purchasing process rather than just emphasizing the purchasing decision, because consumers experience different phases before reaching a conclusion (Hanaysha, 2018). According to (Aji et al., 2019) purchasing decisions are where consumers have the intention to buy the goods they want. According to (Aji et al., 2019) that purchasing decisions are part of seeking information, references and product or brand promotions. When consumers actually make a purchase of a product or service it is called a purchasing decision. Indicators of purchasing decisions (Pradana & Hudayah, 2017) include: 1) stability of product information, 2) product references, 3) according to wants and needs and 4) recommendations from other people.

Product Innovation

A product created using supporting technology is a product that originates from a new idea, new discovery and development of a new market that are interconnected with each other or this term is called product innovation. According to (Narastika, 2012) product innovation is the introduction and development of new products that are different from the previous ones and complement other features. Product innovation relates to original products, improved products, modified products and new brands developed through research efforts (Pattipeilohy, 2018). According to (Yanuar & Harti, 2020), product innovation is a combination of various processes that influence one another. Indicators of product innovation are product features, product variance and product design (Rachmahsari, 2021).

Price

Price is the amount of costs that must be paid by a buyer to exchange/pay for the goods or services they need. According to (Haitao, 2022) price is a form of consumer assessment of what the seller offers and then compares it with other parties who offer more reasonable prices. Price is a form of representation from a buyer regarding the price object of a product. According to (Meigamaharatu et al., 2021) price is an important factor for consumer purchasing and thus has a direct effect on customer satisfaction. Kotler and Armstrong (2016) define price as the amount of money spent on a product or service, or the amount of value exchanged by consumers to obtain benefits or ownership or use of a product

or service. Price indicators are price affordability, price match with quality, price competitiveness and price match with benefits (Amilia, 2017).

Brand Image

Belief in a brand is a picture of a company's products that are valued by consumers. Brands are useful for building relationships and introducing the importance of products to other people. According to (Wicaksono & Handrimurtjahjo, 2021) brand image is developed over time through advertising campaigns with consistent themes and authenticated through consumers' direct experiences. According to (Kato, 2021) in industrial products, emotional value is more effective than functional value, value which leads to brand image. According to (Al Halbusi & Tehseen, 2018) he defines brand image as the way consumers perceive a brand and reflects what is in their minds about the brand. This relationship is based on various dimensions and contains emotions or attitudes towards the brand image other than the expected quality (Firjatullah et al., 2023). Brand image indicators according to (Supriyadi et al., 2016) are the image of the product maker, the image of the product by consumers and the image of the product user.

Conceptual Framework

Based on the description of the background of the problem and theoretical explanation, it can be used as a reference for the authors to describe the research model as follows
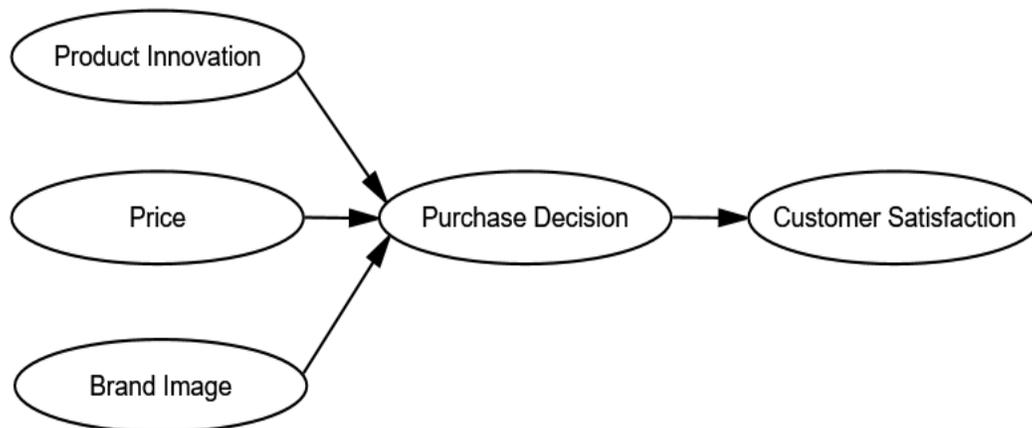
Figure 2
Conceptual Framework

Hypothesis

H1: Product innovation partially influences purchasing decisions.

H2: Price partially influences purchasing decisions.

H3: Brand image partially influences purchasing decisions.

H4: Purchasing decisions partially influence consumer satisfaction.

RESEARCH METHOD

The location of this research is Labuhanbatu Regency with the target consumers who have had and have experience buying used cars at the Star Mobil Showroom. In research that uses exogenous variables and endogenous variables. Each of these variables has a latent variable, in the exogenous variable the late variables are product innovation (X1), price (X2) and brand image (X3) and in the endogenous variable, the late variables are purchasing decisions (Y) and consumer satisfaction (Z). Data collection techniques include observation, questionnaires, literature studies and documentation. The sample was determined using a purposive sampling method, namely a method of selecting samples deliberately, determining the sample to be taken yourself because there is a consideration that the SEM is at least 30-100 samples. Samples taken in certain. The number of samples used in this research using Partial Least Square-SEM analysis was 50 consumers of Star Mobil Rantauprapat. This research uses descriptive statistical data analysis and Partial Least Square-SEM, which is an analysis used to develop or predict an existing theory. The descriptive method is used to obtain a complete and precise picture of the research objectives. In this case, a Likert scale of 5 is used. Partial Least Square SEM data analysis is an analysis used to develop or predict an existing theory. This research uses PLS structural model analysis assisted by using SmartPLS 4.0 software. Structural model analysis has several stages, namely: 1) Formulating structural model theory, 2) Outer model analysis, 3) Inner model analysis, and 4) Hypothesis testing.

RESULTS AND DISCUSSION

Outer Model Testing

In general, the outer model testing view aims to detect the level of validity and reliability of a model. In this section the influence of loading factors, Average Variance Extracted (AVE) and Discriminant Validity and Composite Reliability.

Factor Loading

In the initial stage of testing the validity of a model, it is determined by the condition that the loading factor must be greater than 0.60, so the variable indicators are said to be valid. As can be seen from the table:

Table 1
Output Factor Loading

	Brand Image	Customer Satisfaction	Price	Product Innovation	Purchase Decision
bi1	0.908				
bi2	0.911				
bi3	0.841				
cs1		0.931			
cs2		0.964			
cs3		0.950			
pc1					0.875
pc2					0.879
pc3					0.902
pi1				0.938	
pi2				0.942	
pi3				0.905	
pi4				0.941	
pi5				0.895	
prc1			0.880		
prc2			0.880		
prc3			0.830		
prc4			0.910		
prc5			0.900		

Source: Output SmartPLS, 2023

Based on Table 1 Output Factor Loading, all variables have values greater than 0.60. So, it can be concluded that the model in this research means there are no problems with Convergent Validity, so the next thing to be tested are problems related to Discriminant Validity.

Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is the value used in convergent validity testing because the value is obtained from the Convergent Validity output. The expected Average Variance Extracted (AVE) value must be > 0.50. The following Average Variance Extracted (AVE) values can be seen in the table:

Table 2
Output Average Variance Extracted (AVE)

Variables	Average Variance Extracted (AVE)
Brand Image	0.787
Customer Satisfaction	0.899
Price	0.775
Product Innovation	0.854
Purchase Decision	0.784

Source: Output SmartPLS, 2023

Based on Table 2 Output Average Variance Extracted (AVE), the variables product innovation, price, brand image and purchasing decisions have an Average Variance Extracted (AVE) value greater than 0.50 so it can be concluded that the model has no problems with Convergent Validity.

Composite Reliability

The cut off value for composite reliability and Cronbach alpha is 0.70. So, you can see the composite reliability and Cronbach alpha values below:

Table 3
Output Composite Reliability dan Cronbach Alpha

Variables	Cronbach's Alpha	Composite Reliability
Brand Image	0.864	0.867
Customer Satisfaction	0.944	0.944
Price	0.928	0.935
Product Innovation	0.957	0.960
Purchase Decision	0.863	0.878

Source: Output SmartPLS, 2023

Based on Table 3 above, it shows that all constructs (product innovation, price, brand image and purchasing decisions) have a Composite Reliability value and Cronbach Alpha for

all variables has a value greater than 0.70. Thus, no unidimensionality problems were found and the model met the requirements.

Inner Model Testing

In this section, the inner model is tested using the determination coefficient approach (R2) as the final condition for the specified model. So, the output value of the coefficient of determination (R2) in this study includes:
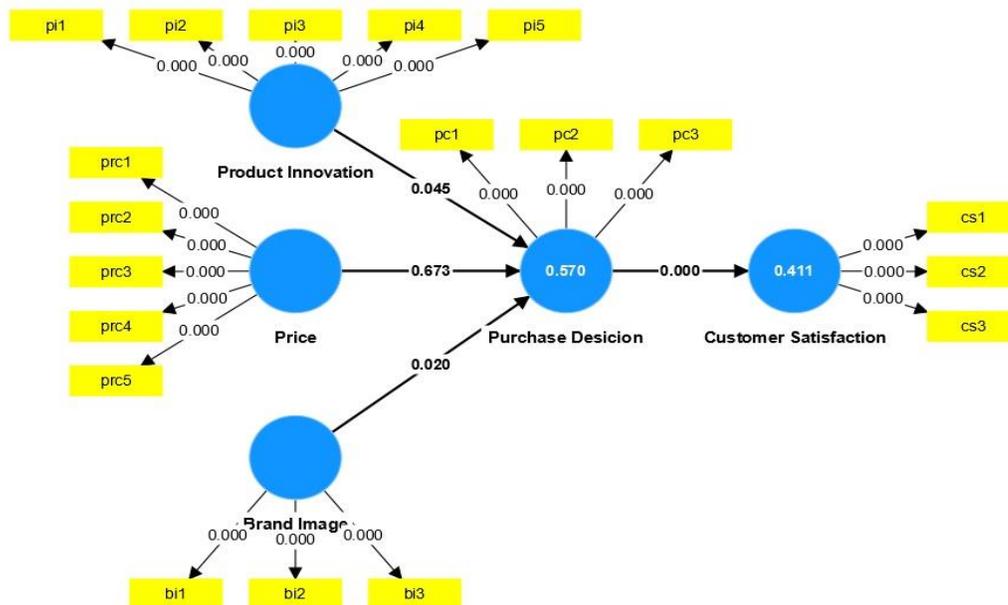
Table 4
Output R-Square

Variables	R Square
Customer Satisfaction	0.411
Purchase Decision	0.570

Source: Output SmartPLS, 2023

Based on Table 4, it can be categorized that the model used to measure is perceived as "very strong" with the remaining 33.5% explained by other variables outside this research.

Hypothesis Test

Based on the results of bootstrapping calculations in the Smart-PLS software, a model is obtained as in Figure 3 below:

Figure 3
Bootstrapping
Sources: Data Processed, 2023

From the image above, based on the bootstrapping results, it is known that the path coefficient values in the model can be seen as follows:

Table 6
Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Product Innovation → Purchase Decision	0.548	0.495	0.273	2.007	0.045
Price → Purchase Decision	-0.117	-0.068	0.276	0.423	0.673
Brand Image → Purchase Decision	0.346	0.35	0.149	2.322	0.020
Purchase Decision → Customer Satisfaction	0.641	0.642	0.097	6.631	0.000

Source: Output SmartPLS, 2023.

Furthermore, after testing the hypothesis, it is necessary to carry out a discussion referring to the results of hypothesis testing as follows:

H1: Product Innovation (X1) -> Purchase Decision (Y)

If you look at the output data in Table 6, Path Coefficients (path analysis) shows that the product innovation variable has a T-statistics output value of $0.149 < 1.960$ and a P-value output value of $0.882 >$ Sig value 0.05. This means that H1 in this research is accepted, thus product innovation has a positive and significant effect on purchasing decisions. The results of the research are in line with research conducted by (Hidayatullah et al., 2020) who said that innovation in used Avanza car products is still a consideration in consumer decision making, including in research at the Star Mobil Rantauprapat Showroom. Other research (Garjito et al., 2022) shows that the product innovation variable in used sales is still the selling point of used cars, so the Rantauprapat Car Star Showroom must be able to definitely influence consumer purchasing decisions.

H2: Price (X2) -> Purchase Decision (Y)

If you look at the output data in Table 6, Path Coefficients (path analysis) shows that the price variable has a T-statistics output value of $2.447 > 1.960$ and a P-value output value of $0.014 <$ Sig value 0.05. This means that the price of used cars in the research does not influence consumer purchasing decisions as research results (Komaladewi, 2017) show that

consumers' LCGC purchasing decisions are more influenced by the reference group compared to the price in purchasing LCGC purchases. This means that it is still not certain that price can influence purchasing decisions. Other research confirms that price variables have no effect on purchasing decisions according to (Nasution et al., 2019). This means that the price of a used car at the Star Mobil Rantauprapat Showroom is still considered a very sensitive matter because in the used car business it depends on the condition of the car.

H3: Brand Image (X3) -> Purchase Decision (Y)

If you look at the output data in Table 6, Path Coefficients (path analysis) shows that the price variable has a T-statistics output value of 2.659 > 1.960 and a P-value output value of 0.008 < Sig value 0.05. This means that H3 in this research is accepted, thus brand image has a positive and significant effect on purchasing decisions. This research explains that consumer purchasing decisions for used cars can be influenced by brand image. This supports research (Wibowo et al., 2017) that brand image is a variable that has a positive and significant influence on purchasing decisions. According to (Azmy et al., 2020) that brand image is the most existing independent variable in influencing purchasing decisions. Thus, used cars from Showroom xxx are healthy products, especially considering that the brand image is still liked by consumers, so consumers are more interested in buying used cars at Showroom Star Mobil because the image of the company or shop is also very good.

H4: Purchase Decision -> Consumer Satisfaction.

If you look at the output data in Table 6, Path Coefficients (path analysis) shows that the purchasing decision variable has a T-statistics output value of 6,631 > 1.960 and a P-value output value of 0.000 < Sig value 0.05. This means that H4 in this research is accepted, thus the decision to purchase a used car has an impact on consumer satisfaction, in line with research (Cesariana et al., 2022) that the decision to purchase a used car can increase consumer satisfaction as measured by three indicators, namely product trust, the views of other people. and the whereabouts of friends about the showroom. This is what makes consumers feel satisfied because buying a used car at the Star Mobil Showroom meets consumer expectations, which will influence purchasing decisions. According to (Oktaviani & Hernawan, 2022), consumer satisfaction influences purchasing decisions and vice versa, purchasing decisions will influence consumer satisfaction.

CONCLUSION

The conclusion that can be presented in this research is that the hypothesized variables of product innovation and brand image partially influence the decision to purchase a used car. Meanwhile, the price variable does not have a strong relationship with the decision to purchase a used car. Lastly, the purchasing decision variable influencing consumer satisfaction in buying a used car is influenced by three indicators of product trust, other people's views and the presence of friends about the Star Mobil Rantauprapat showroom.

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