

## **ABSTRACT**

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### **THE IMPACT OF PRODUCT QUALITY ON CUSTOMER PURCHASE DECISION IN FAMILY BUSINESS AT PELITA BARU MEDAN**

(xvi+95pages; 6 figures; 42 tables; 7 appendixes)

Companies must be able to provide product quality that is accordance with customers' expectations in order to be able to satisfy the customers. With good and reliable quality, customers are willing to pay in high price to buy good product quality.

The objective of this study is to know the impacts of product quality on customer purchase decision at Pelita Baru Medan. The methods used by the writer in this research is descriptive method and correlational method.

The data used in this research are primary data and secondary data. Data analysis methods used in this research are descriptive statistics, validity test, reliability test, normality test, coefficient of correlation, coefficient of determination, linear regression analysis and Z test

Based on research results, the conclusion of this research is that alternate hypothesis is accepted which means that the product quality has impact on customer purchase decision at Pelita Baru Medan. Research results show that most respondents disagreed about product quality and customer purchase decision dimensions at Pelita Baru Medan.

Based on the calculation of determination coefficient, it can be seen that the value of determination ( $R^2$ ) is 78.5%. This value shows that 78.5% of customer purchase decision in Pelita Baru Medan can be explained by product quality. The proportion of this value can be stated in high determination and the remaining of 21.5% is affected by other factors. Coefficient of correlation is 0.886. That indicates a strong positive relationship between variables.

**Keywords: Product Quality, Customer Purchase Decision, Entrepreneurship.**

References: 24