

ABSTRACT

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THE EFFECT OF PRODUCT QUALITY ON BUYING DECISION AT PT.KEDAUNG MEDAN INDUSTRIAL

(xv+63 pages; 8 figures; 36 tables; 4 appendixes)

Product quality is the number one consideration in any purchasing decision. It is also one of the marketing mix elements. PT. Kedaung Medan Industrial is a company engaged in glassware manufacturing industry. Phenomenon that occurs in the company is the decline on buying decisions at the company. Based on preliminary research, one of the problems causing the decline in buying decision is product quality.

This research uses the theories about product quality, the classification and indicators relevant to the effect on buying decision. The framework of this research is to analyze the relationship between product quality and buying decision.

The methods used by the writer in this research are correlational and descriptive research. The data used in this research are primary data and secondary data. This research uses simple linear regression, hypothesis test and determination coefficient to investigate the effect of product quality on buying decision.

Based on research results, the correlation test has resulted in 0.729, which means that the relationship between product quality and buying decision is strong, significant, and in straight direction.

Some recommendations of this research are that, when company wants to get higher product quality, it has to make research on quality limits set, then making rejuvenation of production machines. Besides that, the company also has to make a research on rival products, and make improvement on its own products so that customers will buy products from the company when they compare them with other companies' products.

Keywords: product quality, buying decision, marketing mix.

Reference: 3