EFFECT OF SERVICE QUALITY AND PROMOTION ON PURCHASE DECISIONS AND THEIR IMPLICATIONS ON CUSTOMER SATISFACTION

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Abstract:
This study aims to analyze the effect of Service Quality and Promotion on Purchasing Decisions and Their Implications on Customer Satisfaction. In accordance with the Presidential Regulation of the Republic of Indonesia number 109 of 2013 concerning the phasing in the participation of social security programs, the BPJS Employment consists of two fields, namely the Wage Recipient and Non-Wage Recipient fields. With the sanctions and regulations imposed on the Wage Recipient field, the reach of participants will be easier, in contrast to the Non-Wage Recipient (BPU) field which consists of independent workers (informal) will tend to be more difficult considering the different backgrounds and professions of informal workers certainly must have good quality public services to gain public trust in BPJS Employment. The type of research used for this study was to use descriptive analytic research. the population in this study was BPJS Employment of Banten Region customers. The sampling based on the theory of Structural Equation Modeling (SEM) amounted to 100 respondents. The results of this study indicate that (1) Service Quality has a positive and significant effect on Purchasing Decisions, (2) Promotion has a positive and significant effect on Purchasing Decisions, (3) Service Quality has a significant indirect effect on Customer Satisfaction, (4) Influential Promotion indirectly significantly towards Customer Satisfaction, and (5) Purchasing Decisions have a positive and significant effect on Customer Satisfaction.

Keywords: Customer Satisfaction; Purchasing Decisions; Price; Service Quality; Promotion.


1. Introduction

BPJS Employment is a company that has been transformed from PT. Jamsostek (Persero). Social Security Organizers Workers are PT. Jamsostek (Persero) based on Law No. 3 of 1992. Then the government.

Indonesia transformed the institution into a public legal entity with Law Number 24 of 2011 concerning the Social Security Organizing Body (UU BPJS). The BPJS formed by the BPJS Act is BPJS Kesehatan and BPJS Employment. BPJS Employment according to the BPJS Act has the
function of organizing 4 programs, namely: work accident insurance programs, old age insurance, life insurance, and pension insurance.

In accordance with the Presidential Regulation of the Republic of Indonesia number 109 of 2013 concerning the phasing in the participation of social security programs, the BPJS Employment consists of two fields, namely the Wage Recipient and Non Wage Recipient fields.

Wages in recruiting participants have regulations so that workers are automatically collected to become participants through the relevant agencies and if there are found institutions that do not register workers or late payment of contributions, the agency will be warned and if not ignored sanctions will be imposed. Unlike the Non-Wage Recipient (BPU) field consisting of independent workers (informal) it will tend to be more difficult considering the different backgrounds and professions of informal workers must certainly have good quality public services to gain public trust in BPJS Employment.

There is a huge potential of BPU workers who can still be acquired by BPJS Employment. Based on data from the Central Bureau of Statistics, the number of BPU workers has a greater number than workers who receive wages.

Table 1: Total Manpower (in Million)

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working population</td>
<td>120</td>
<td>121.5</td>
<td>122.9</td>
</tr>
<tr>
<td>Wage Recipient Worker</td>
<td>48</td>
<td>48.6</td>
<td>49.1</td>
</tr>
<tr>
<td>Workers Not Recipients of Wages</td>
<td>72.9</td>
<td>72.9</td>
<td>73.8</td>
</tr>
<tr>
<td>Percentage of Workers Not Recipients of Wages (%)</td>
<td>61</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Rencana Strategis 2014-2018 Perubahan II

Based on table 1, it is known that BPU workers have enormous potential to be acquired. The magnitude of this potential is still a challenge for BPJS employment considering the registered participants are still not optimal compared to the potential that can be acquired.

Table 2: Factors Affecting Customer Satisfaction

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator of Problems in Customer Satisfaction</th>
<th>Total</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service quality</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>Price</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Advertising</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Promotion</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Pra-Research (2018)

Based on the initial pre-research results it is known that the factors that predominantly influence Purchasing Decisions are Service Quality and Promotion. These results become a reference for researchers to test the factors that influence the Purchasing Decision and Customer Satisfaction. In addition, there are differences in research results related to the factors that influence the Purchasing Decision and Customer Satisfaction. Research conducted by Azzam found that Service Quality had a positive and significant effect on Customer Satisfaction [1]. This contrasts with the
research conducted by Munusamy, et al. That Service Quality does not have a significant effect on Customer Satisfaction [2].

Research conducted by Gerung, et al. Shows that Promotion has a positive and significant effect on purchasing decisions [3]. This is contrary to previous research conducted by Budiyanto, et al., Who found that promotion did not significantly influence purchasing decisions [4].

In accordance with the background of the research stated above, the researcher formulated the research problem to be discussed. The following is the formulation of the problem in this study:

1) What is the influence of Service Quality on Purchasing Decisions on BPJS Customer Employment Fields Not Wage Recipients?
2) How is the influence of the Promotion on Purchasing Decisions on BPJS Employees in Field Employment, Not Wage Recipients?
3) How is the influence of Service Quality on Customer Satisfaction BPJS Field Employment Not Recipient?
4) How is the influence of Promotion on BPJS Customer Satisfaction in Field Employment Not Wage Recipient?
5) What is the influence of the Purchasing Decision on Customer Satisfaction BPJS Field Employment Not Wage Recipient?

2. Literature Review

Service Quality
Quality is a dynamic condition that relates to products, services, people, processes, environments that meet exceeding expectations [5]. Furthermore, Alma defines service as an activity or series of activities that are invisible (inaccessible) that occur as a result of interactions between consumers and employees or other things provided by the service provider company intended to solve consumer / customer problems [6].

The relationship between service quality and customer satisfaction is very important for the company, because the fulfillment of customer satisfaction means that the company has provided the maximum quality of service that consumers expect. A service from a company can be said to be qualified if the service is able to meet the needs and desires of its customers.

The concept of service quality produced by Parasuraman, et al in the SERVQUAL model is based on a multi-item scale designed to measure customer expectations and perceptions, as well as the gap between them in service quality dimensions [7]. Based on the model, there are 5 (five) dimensions of service quality characteristics, namely:

1) Tangibles, or physical evidence, namely the ability of a company to show its existence to external parties.
2) Reliability, or reliability, namely the ability of the company to provide services that are promised accurately and reliably.
3) Responsiveness, or responsiveness is a willingness to help and provide services that are fast (responsive) and appropriate to the customer, with the delivery of clear information.
4) Assurance, guarantee and certainty, namely knowledge, courtesy, and the ability of company employees to foster customer trust in the company
5) Empathy, which is giving genuine and individual or personal attention given to customers by trying to understand consumer desires.

Promotion
According to Kotler and Keller the definition of promotion is a means by which companies try to inform, persuade and remind consumers either directly or indirectly about the products and brands they sell [8]. According to Stanton Promotion is one of the elements in the company's marketing mix that is utilized to notify, persuade, and remind about the company's products, in the hope of influencing the recipient, so that they feel trust [9].

The company conducts its business activities with the aim of obtaining maximum results. To achieve this goal, a way is needed to achieve it. As technology advances and economic development progresses more rapidly, one of the efforts to increase sales is to carry out promotions. Every company is free to choose the promotion method that is suitable for the product offered where the size of a promotion depends on the size of the promotion fund, the nature of the promotion, the nature of the market, and the types of products to be promoted.

According to Kotler and Keller, sales promotions have the following dimensions:

1) Frequency of Promotion. Is the number of promotions carried out at a time through sales promotion media
2) Promotion Quality. It is a measure of how well the promotion is carried out
3) Timeliness. Is a factor needed to achieve the desired target of the company.

Purchasing Decisions
Gautama gives an understanding of purchasing decisions as identifying all possible choices to solve the problem and assessing choices systematically and objectively and the objectives that determine their respective advantages and disadvantages [10]. Whereas according to Shiffman and Kanuk that purchasing decisions are the choice of two alternative purchasing decision choices, meaning that one can make decisions there must be several alternative choices [11]. The decision to buy can lead to how the process of decision making is carried out.

According to Kotler and Armstrong, the dimensions of purchasing decisions consist of:

1) Introduction to the Problem. The introduction of a problem is the first stage in the purchasing decision process where consumers recognize a problem or need.
2) Introduction to the Problem. The introduction of a problem is the first stage in the purchasing decision process where consumers recognize a problem or need.
3) Alternative Assessment / Alternative Evaluation. Consumers use information to evaluate alternative brands in making purchasing decisions and will try to find satisfaction.
4) Purchasing Decisions. At the evaluation stage, consumers arrange their brands in the set of choices and form purchase intentions and will choose brands that consumers like.
5) Behavior After Purchasing. After making a purchase of a product the consumer will experience some level of satisfaction or dissatisfaction. If the product meets satisfied consumer expectations, if it exceeds consumer expectations it is very satisfied.
Customer Satisfaction
According to Kotler and Keller satisfaction is the feeling of being happy or disappointed someone who appears after comparing between perceptions / impressions of the performance or results of a product and its expectations. While according to Rangkuti consumer satisfaction is a response or reaction to a mismatch between the level of prior importance and actual performance that is felt after use or use.

Customers feel satisfied if their expectations are met or will be very satisfied if customer expectations are exceeded. According to Alma, there are five main dimensions of customer satisfaction, namely:

1) Price. For sensitive customers, usually low prices are an important source of satisfaction because they will get a high value for money.
2) Service Quality. Service quality is very dependent on three things, namely systems, technology and humans. Customer satisfaction with service quality is usually difficult to imitate because the formation of attitude and behavior that is in line with the wishes of the company is not an easy job.
3) Product Quality. Customers feel satisfied after buying and using the product if the product quality is good.
4) Emotional Factor. Shown by consumers for the satisfaction they get in using a product / service that creates a sense of pride and self-confidence.
5) Efficiency. The ease of obtaining these products or services and ease of payment can make customers more satisfied if they are relatively easy, comfortable and efficient in getting a product or service.

Figure 1: Research Framework
Based on the theoretical review of the literature review, the results of previous studies and the above framework, the following are the hypotheses the authors compiled, namely:

• Service Quality (X1) has a positive and significant effect on Purchasing Decisions (Y)
• Promotion (X2) has a positive and significant effect on Purchasing Decisions (Y)
• Service Quality (X1) has a positive and significant effect on Customer Satisfaction (Z)
• Promotion (X2) has a positive and significant effect on Customer Satisfaction (Z)
• Purchase Decision (Y) has a positive and significant effect on Customer Satisfaction (Z)

3. Research Methods

The type of research used for this study was to use descriptive analytic research. Descriptive research methods have the purpose of making descriptions, drawings, or paintings systematically, factually and accurately regarding the facts, characteristics and relationships between the phenomena investigated.

The data obtained uses quantitative data that are structured, using a Likert scale 1-5, from "STS" Strongly Disagree to "SS" Strongly Agree. This study examines the Effect of Service Quality and Promotion on Purchasing Decisions and Their Implications on Customer Satisfaction.

The population in this study was the Banten BPJS Employment customers totaling 6,527 based on internal data in February 2018. Samples are part of the number and characteristics possessed by the population [12]. Sampling is aimed at BPJS Employment customers in Banten Region. Based on the calculation above the sample which became the respondents in this study was adjusted to be as many as 100 customers. The samples are taken based on simple random sampling technique.

Data analysis has the purpose of conveying and limiting findings to become regular and structured data and more meaningful. The data analysis carried out was quantitative analysis which was stated with numbers and the calculation used a standard method which was assisted by Statistical Package Social Sciences (SPSS) program version 23.00 for windows.

4. Result and Discussion

At the beginning of the questionnaire there are several entries that show the personal data of the research respondents. The following is a description of the characteristics of respondents in this study.

<table>
<thead>
<tr>
<th>No</th>
<th>Characteristics of Respondents</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>Man</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Women</td>
<td>41</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>Under 20 years</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20-35 years</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36-50 years</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50 years</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Educational Background</td>
<td>SMA / SMK</td>
<td>69</td>
</tr>
</tbody>
</table>
Based on table 3, it is known that 84 male respondents were 84%, and 16 female respondents 16%. Respondents under the age of 20 as many as 11 customers with a percentage of 11%, respondents aged 20-35 years as many as 58 customers with a percentage of 58%, respondents with an age range of 36-50 years as many as 25 customers with a percentage of 25%, and respondents with age above 50 years as many as 6 customers with a percentage of 6%.

Respondents with the last high school/vocational education were 47 customers with a percentage of 47%, respondents with the last education D3 as many as 8 customers with a percentage of 8%, respondents with the latest education S1 as many as 32 customers with a percentage of 32%, no respondents with final education S2, and respondents with other education were 13 customers with a percentage of 13%. Respondents with unmarried status were 37 customers with a percentage of 37% and respondents who were married as many as 63 customers with a percentage of 63%.

Table 4: Significance of Direct Effect Test Results Model 1

| Source: SPSS 23 output, data processed |

1) Service Quality affects the Purchasing Decision
Based on table 4, it is known that Service Quality has a significant effect on Purchasing Decisions. This is because Service Quality has a t-count value of 3.666 > t-table value of 1.984 (α = 5%, df = 97) or with a significance value of 0.000 < 0.05, then Ho is rejected and H1 is accepted [13]. So it can be concluded that Service Quality partially has a significant effect on Purchasing Decisions.

2) Promotion affects the Purchasing Decision
Based on table 4, it is known that Promotion has a significant effect on Purchasing Decisions. This is because Promotion has a t-count value of 7.072 > t-table value of 1.984 (α = 5%, df = 97) or with a significance value of 0.000 < 0.05, then Ho is rejected and H1 is accepted. So it can be concluded that the Promotion partially has a significant effect on the Purchase Decision.
Table 5: Significance Effect of Direct Model 2 Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.707</td>
<td>.800</td>
<td>2.132</td>
</tr>
<tr>
<td></td>
<td>Pelayanan</td>
<td>.760</td>
<td>.107</td>
<td>.211</td>
</tr>
<tr>
<td></td>
<td>Promosi</td>
<td>.551</td>
<td>.191</td>
<td>.215</td>
</tr>
<tr>
<td></td>
<td>Pembelian</td>
<td>.768</td>
<td>.109</td>
<td>.770</td>
</tr>
</tbody>
</table>

Source: SPSS 23 output, data processed

3) Purchasing Decisions on Customer Satisfaction

Based on table 4.13, it is known that the Purchase Decision has a significant effect on Customer Satisfaction. This is because the Purchase Decision has a t-count value of 7.054 > t-table value of 1.984 (α = 5%, df = 96) or with a significance value of 0.000 <0.05, then Ho is rejected and H1 is accepted. So it can be concluded that the Purchasing Decision partially has a significant effect on Customer Satisfaction.

![Fig2.png](http://www.ijetmr.com)

Figure 2: Research Variable Path Analysis Results

4) Service Quality towards Customer Satisfaction through Purchasing Decisions

Based on Figure 2, it is known that Service Quality has a significant effect on Customer Satisfaction through Purchasing Decisions. Direct influence given variable Service Quality on Customer Satisfaction of 0.211. While the indirect effect of Service Quality variables on Customer Satisfaction through Purchasing Decisions is 0.325 X 0.770 = 0.250. Based on the results of the calculation, it is known that the direct effect value is 0.211 and the indirect effect is 0.250 so that the indirect effect is greater than the direct effect. These results indicate that indirectly Service Quality has a significant effect on Customer Satisfaction through Purchasing Decisions.

5) Promotion of Customer Satisfaction through a Purchasing Decision

Based on Figure 4.2, it is known that Promotion has a significant effect on Customer Satisfaction through Purchasing Decisions. The direct effect given by the Promotion variable on Customer Satisfaction is 0.215. While the indirect effect of Service Quality variables on Customer Satisfaction through Purchasing Decisions is 0.626 X 0.770 = 0.482. Based on the results of the calculation, it is known that the direct effect value is 0.215 and the indirect effect is 0.482 so that the indirect effect is greater than the direct effect. These results indicate that indirectly Promotions have a significant effect on Customer Satisfaction through Purchasing Decisions.
Service Quality influences the Purchase Decision
The results showed that Service Quality had a positive and significant effect on Purchasing Decisions. Service quality is the expected level of excellence and control over the level of excellence to meet consumer desires. If services or services received exceed consumer expectations, then the quality of services or services is perceived as ideal quality. Conversely, if the service or service received is lower than expected, then the quality of services or services is perceived as bad. One of the factors considered by consumers in using a service in a company is the quality of service. Service quality is a measure of overall assessment of a good level of service. While the decision to buy services or use services is a cognitive process that unites memory, thought, information processing and evaluative assessment in decision making. Good service quality will create a perception of consumers where consumers can make decisions in using a service. Previous research conducted by Ruslin showed that Service Quality had a positive and significant effect on Purchasing Decisions [14].

Promotion affects the Purchase Decision
The results of the study indicate that Promotion has a positive and significant effect on Purchasing Decisions. Belch and Belch defines promotion as coordination to provide information and persuade to buy goods or services or promotions. Promotion includes all activities carried out by the company to communicate and promote its products to the target market. Promotional tools commonly used are fisheries, sales promotion and public relations. Although the effectiveness is not easy to measure but the promotional tool is very influential on marketing performance. Alma stated that Promotion is defined as communication that informs prospective customers about a product, which can meet the needs and desires of consumers and encourage them to buy. The results of these studies are in line with previous studies conducted by Ismajli, et al. That Promotion has a positive and significant effect on Purchasing Decisions [15].

Service Quality influences Customer Satisfaction
The results of the study show that Service Quality has a significant indirect effect on Customer Satisfaction through Purchasing Decisions. Customer satisfaction can be created by the quality of service the greater customer satisfaction is felt and conversely the lower the level of quality of service, the smaller customer satisfaction is felt. After buying or using services, consumers evaluate these services between the desired and perceived performance, namely overall service quality. this then results in an attitude of satisfaction after comparing the perceived performance with expectations. The results of this study are in line with previous research conducted by Azzam showing that Service Quality has a positive and significant effect on Customer Satisfaction.

Promotion affects customer satisfaction
Hasil penelitian menunjukkan bahwa Promosi berpengaruh tidak langsung secara signifikan terhadap Kepuasan Pelanggan melalui Keputusan Pembelian. menurut Daryanto promosi adalah arus informasi atau persuasi satu arah yang dapat mengarahkan organisasi atau seseorang untuk menciptakan transaksi antara pembeli dan penjual. Dalam hubungannya terhadap Kepuasan Pelanggan dijelaskan oleh Cannon yang menyatakan bahwa Promosi mengkomunikasikan informasi antara penjual dan pembeli potensial atau orang lain untuk mempengaruhi sikap dan perilaku (kepuasan pelanggan). Betapapun bagusnya suatu produk, bila konsumen belum pernah mendengarnya dan tidak yakin produk itu akan berguna bagi mereka, maka mereka tidak akan membelinya. Pada dasarnya promosi adalah semua kegiatan yang bermaksud mengomunikasikan
atau menyampaikan suatu produk kepada pasar sasaran untuk memberi informasi tentang keistimewaannya, kegunaan dan yang paling penting adalah tentang keberadaannya, untuk mengubah sikap ataupun mendorong orang untuk bertindak (dalam hal ini membeli) dan menciptakan kepuasan bagi pelanggan. Tujuan utama dari promosi adalah menginformasikan, mempengaruhi dan membujuk serta mengingatkan konsumen.

**Purchasing Decisions affect Customer Satisfaction**

The results showed that the Purchase Decision had a positive and significant effect on Customer Satisfaction. According to Kotler and Keller, satisfaction is the feeling of being happy or disappointed someone who appears after comparing between perceptions / impressions of the performance or results of a product and its expectations. While according to Rangkuti, customer satisfaction is a response or reaction to a mismatch between the level of prior importance and actual performance that is felt after use or use. If the performance is felt below expectations, the customer will feel disappointed, if the performance meets customer expectations, the customer will feel satisfied, whereas if the performance exceeds expectations, the customer will feel very satisfied. This satisfaction will certainly be felt after the customer in question uses or utilizes the services of a product. The results of this study are in line with previous research conducted by Magenta and Johanes that Purchasing Decisions have a positive and significant effect on Customer Satisfaction [16].

5. **Conclusions and Recommendations**

5.1. **Conclusion**

Based on the results of the research obtained, here are some conclusions produced in this study.

1) The results of the study indicate that Service Quality has a positive and significant effect on Purchasing Decisions. Good service quality will create a perception of consumers where consumers can make decisions in using a service.

2) The results of the study indicate that Promotion has a positive and significant effect on Purchasing Decisions. Promotion is communication that gives information to prospective consumers about a product, which can meet the needs and desires of consumers and encourage them to buy or use a service.

3) The results of the study indicate that Service Quality has a significant indirect effect on Customer Satisfaction. Service quality that is not in line with expectations is an evaluation of customer experience after getting products and services from a company. This will have an impact on the negative image of a company and the reluctance of customers to continue to be participants of BPJS Employment.

4) The results of the study show that Promotion has a significant indirect effect on Customer Satisfaction. Promotion communicates information between sellers and potential buyers or other people to influence attitudes and behavior (customer satisfaction). No matter how good a product is, if the consumer has never heard of it and is not sure the product will be useful to them, then they will not buy it.

5) The results of the study show that the Purchase Decision has a positive and significant effect on Customer Satisfaction. Consumer satisfaction is a response or reaction to a mismatch between the level of prior importance and actual performance that is felt after...
use or use. This satisfaction will certainly be felt after the customer in question uses or utilizes the services of a product.

5.2. Recommendation

Based on the conclusions above, the following are the suggestions proposed in this study.

1) Based on the results of the study, it is known that Service Quality has a significant effect on Customer Satisfaction. Therefore, it is recommended that BPJS Employment improve service quality in terms of speed and service efficiency. This can be done with online services so as to shorten service time. In addition, it is expected that BPJS Employment provides Customer Service online 24 hours to answer all customer complaints and questions.

2) Based on the results of the study, it is known that Promotion has a significant effect on Customer Satisfaction. Therefore, it is recommended that BPJS Employment be closer to the communities of workers who are not wage earners such as the Ojek Online which is usually incorporated in a container or community. The use of social media can be used to provide up-to-date info to the community of workers so that they are educated with the benefits of the products owned by BPJS Employment.

3) It is recommended further research using other variables that influence purchasing decisions such as price, location, brand image, and others. It was intended to get more comprehensive research results.

References


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