THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON THE CONSUMER PURCHASE DECISION WHICH AFFECTSTHE CONSUMER REPURCHASE INTENTION AT PENTOL BONBON COMPANY

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ABSTRACT

In this globalization era, food industry has significantly increased in the last five years. Pentol BonBon is the company which engages in the food sector. The purpose of this research is to examine the influence of the product quality on the decision of consumer purchase, to examine the influence of price on the decision of consumer purchase and to examine the influence of the decision of consumer purchase on the consumer repurchase intention. The population of this study is the consumers of Pentol BonBon and the samples of which have involved 82 consumers using the Slovin's formula. The analytical tool used in this research is SEM (Structural Equation Model) using PLS Smart 2.0 and the research instruments have gone through both validity and reliability tests. The finding shows that the product quality has affected the consumer purchase decision. Furthermore, the finding also indicates the influence of the product price on the consumer purchase decision and the decision of the consumer repurchase intention.

Keywords: Product Quality, Price, The Decision of Consumer Purchase, Consumer Repurchase Intention.

INTRODUCTION

In the current era of globalization, Indonesia experienced an increase in food and beverage sale products in 2008-2015. Surabaya is one of the second largest city in Indonesia after Jakarta. The development of lifestyles in these big cities has changed those of most people. For example, Surabaya people now prefer to eat healthy food which is quite expensive. Pentol BonBon is a company providing the customers with various kinds of food and beverages such as dumplings, tofu and fried. Pentol BonBon PTC has its outlets in Surabaya. Pentol BonBon is different from other bulb sellers in