The Influence of Product Innovation and Product Quality on Consumer Purchase Interest in PT. Alfasindo Metal in Jakarta

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ABSTRACT

This study aims to determine the effect of product innovation and product quality on consumer buying interest at PT. Alfasindo Metal in Jakarta. The method used was explanatory research with a sample of 96 respondents. The analysis technique uses statistical analysis with regression testing, correlation, determination and hypothesis testing. The results of this study Product Innovation significantly influence consumer interest by 40.8%, the hypothesis test obtained significance $0,000 < 0.05$. Product quality has a significant effect on consumer buying interest by 41.5%, hypothesis testing obtained significance of $0,000 < 0.05$. Product innovation and product quality simultaneously have a significant effect on consumer buying interest of 51.2%, the hypothesis test obtained a significance of $0,000 < 0.05$.

Keywords: Product Innovation; Product Quality; Consumer Purchase Interest.

INTRODUCTION

As a consequence of lifestyle changes, many companies are competing to produce quality products, this happens because consumers' needs for an item are increasingly varied and more selective. Seeing this the company also competes to produce products and develop products that are tailored to the tastes and needs of consumers. In general, companies make product innovations to win consumers from competitors (Meidutė-Kavaliauskienė et al., 2014; Tikollah & Samsinar, 2019; Waris, 2015; Wirawan, 2015). In addition, innovation provides more value for innovator companies that can be pioneers to have the opportunity to get a positive image and reputation for their innovation power and prospectiveness in opening markets (M Aras et al., 2018; Muh Aras et al., 2017; Muhammad Aras et al., 2018; Giese & Cote, 2000; Irmal et al., 2020; Zainal et al., 2018).

In competitive conditions, it is very dangerous for a company to only rely on existing products without certain efforts for its development. Therefore, every company in maintaining and increasing sales and their target markets need to make efforts to improve products produced in a better direction so that it can provide usability, satisfaction, and greater attractiveness (Dapkevičius & Melnikas, 2011; Dharma & Akib, 2005; Nur et al., 2019; Sunarsi, 2019, 2019).

With a deep understanding of consumers will enable marketers to influence consumer decisions, so consumers want to buy what is offered by marketers. One of the keys to success of a marketing strategy is to create product innovations that fit the needs and wants of the target market. Product innovation is closely related to the creation of new products. This is because product innovation is the application of new ideas or ideas into products so that new products

are created. Thus a successful product is a product that can be accepted by consumers with prices, attributes, and appearance that meet the needs and desires of consumers.

Development of a product, producers must consider aspects of quality that will support the product's position on the market. Quality is one of the factors that consumers consider before buying a product, quality is a condition of an item based on an assessment of its conformity with established measurement standards. The more in accordance with the standards set, the product or service is judged to be of more quality (Handoko, 2002: in Bahchriansyah, 2011).

Consumer assessment of a product will affect consumer buying interest. Interest (intention) to buy a particular brand occurs when a desire arises to buy a product in the future (Muh Aras et al., 2017; Peter & Olson, 2014; Puccinelli et al., 2009; Setiadi, 2003; Sunaryo, 2011). Thus someone who has an interest in buying a certain product indicates a desire to buy the product in the future. Along with the development of technology, Indonesian people, especially those living in urban areas began to experience lifestyle changes.

Based on the description above, the author is interested in conducting research to find out the extent to which product innovation and product quality affect consumer buying interest. For this reason, the authors conducted a study entitled "The Effect of Innovation and Product Quality on Consumer Purchase Interests"

METHOD

The type of research used is explanatory research (Creswell & Creswell, 2017). The population in this study amounted to 96 respondents PT. Alfasindo Metal in Jakarta. The sampling technique in this study is saturated sampling, where all members of the population are sampled. Thus the sample in this study amounted to 96 respondents. In analyzing the data used the instrument test, classical assumption test, regression, coefficient of determination and hypothesis testing.

RESULT AND DISCUSSION

Descriptive Analysis

In this test used to determine the highest minimum and maximum scores, rating scores and standard deviations of each variable. The results, can be seen in table 1.

Table 1.
Results of Descriptive Statistics Analysis

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Product Innovation (X1)	96	32	48	38.43	3.865
Product Quality (X2)	96	30	45	38.40	3.701
Consumer Purchase Interest (Y)	96	32	46	39.09	3.590
Valid N	96				

Product innovation obtained a minimum variance of 32 and a maximum variance of 48 with a rating score of 38.42 with a standard deviation of 3.865. Product Quality obtained a minimum variance of 30 and a maximum variance of 45 with a rating score of 38.40 with a standard deviation of 3.701. Consumer Purchase Interest obtained a minimum variance of 32 and a maximum variance of 46 with a rating score of 39.09 with a standard deviation of 3.590.

Verification Analysis

This analysis is intended to determine the effect of independent variables on the dependent variable. The test results can be seen in Tables 2 to 8.

Multiple Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are in table 2.

Table 2.
Multiple Regression Testing Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.011	2.959		3.383	.001
Product Innovation (X1)	.363	.085	.391	4.279	.000
Product Quality (X2)	.394	.089	.406	4.439	.000

a. Dependent Variable: Consumer Purchase Interest (Y)

Based on the test results in the above table, the regression equation $Y = 10.011 + 0.363X_1 + 0.394X_2$ is obtained. From the equation explained as follows:

- 1) A constant of 10,011 means that if there is no Product Innovation and Product Quality, there is a Consumer Purchase Interest value of 10,011 points.
- 2) Product Innovation regression coefficient of 0.363, this number is positive, meaning that every time there is an increase in Product Innovation of 0.363, Consumer Purchase Interest will also increase by 0.363 points.
- 3) Product Quality regression coefficient of 0.394, this number is positive, meaning that every time there is an increase in Product Quality of 0.394, Consumer Purchase Interest will also increase by 0.394 points.

Correlation Coefficient Analysis

Correlation coefficient analysis is intended to determine the degree of relationship strength of the independent variables on the dependent variable either partially or simultaneously. The test results in table 3.

Table 3
Test Results for Product Innovation Correlation Coefficient on Consumer Purchase Interest.

Correlations ^b			
		Product Innovation (X1)	Consumer Purchase Interest (Y)
Product Innovation (X1)	Pearson Correlation	1	.639**
	Sig. (2-tailed)		.000
Consumer Purchase Interest (Y)	Pearson Correlation	.639**	1
	Sig. (2-tailed)	.000	

**, Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=96

Based on the test results obtained a correlation value of 0.639 means that Product Innovation has a strong relationship to Consumer Purchase Interest.

Table 4
Correlation Coefficient Testing Results Product Quality Against Consumer Purchase Interest.

Correlations ^b			
		Product Quality (X2)	Consumer Purchase Interest (Y)
Product Quality (X2)	Pearson Correlation	1	.645**
	Sig. (2-tailed)		.000
Consumer Purchase Interest (Y)	Pearson Correlation	.645**	1
	Sig. (2-tailed)	.000	

**, Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=96

Based on the test results obtained a correlation value of 0.645 means that Product Quality has a strong relationship to Consumer Purchase Interest.

Table 5.
Simultaneous Correlation Test Results Product Innovation and Product Quality Simultaneously Against Consumer Purchase Interest.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.501	2.535

a. Predictors: (Constant), Product Quality (X2), Product Innovation (X1)

Based on the test results obtained a correlation value of 0.715 means that Product Innovation and Product Quality simultaneously have a strong relationship to Consumer Purchase Interest.

Analysis of the Coefficient of Determination

Analysis of the coefficient of determination is intended to determine the percentage of influence of the independent variable on the dependent variable either partially or simultaneously. The test results are as follows:

Table 6

Test Results for the Innovation Determination Coefficient of Consumer Purchase Interest.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.639 ^a	.408	.402	2.776

a. Predictors: (Constant), product innovation (X1)

Based on the test results obtained a determination value of 0.408 means that Product Innovation has an influence contribution of 40.8% on Consumer Purchase Interest.

Table 7

Test Results for the Determination of Product Quality Coefficient on Consumer Purchase Interest.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 ^a	.415	.409	2.759

a. Predictors: (Constant), Product Quality (X2),

Based on the test results obtained a determination value of 0.415 means that Product Quality has an influence contribution of 41.5% on Consumer Purchase Interest.

Table 8.

Test Results for the Innovation Determination Coefficient and Product Quality on Consumer Purchase Interests.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.501	2.535

a. Predictors: (Constant), Product Quality (X2), Product Innovation (X1)

Based on the test results obtained a determination value of 0.512 means that Product Innovation and Product Quality simultaneously have an influence contribution of 51.2% on Consumer Purchase Interest, while the remaining 48.8% is influenced by other factors.

Hypothesis testing

Partial hypothesis test (t test)

Hypothesis testing with t test is used to find out which partial hypotheses are accepted.
First Hypothesis: There is a significant influence between Product Innovation on Consumer Purchase Interest.

Table 9.
Results of the Product Innovation Hypothesis Test Against Consumer Purchase Interest.

		Coefficients ^a		t	Sig.
Model		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error	Beta	
1	(Constant)	16.296	2.846		5.726 .000
	Product Innovation (X1)	.593	.074	.639	8.051 .000

a. Dependent Variable: Consumer Purchase Interest (Y)

Based on the test results in the above table, the value of t count > t table or (8.051 > 1.661) is obtained, thus the first hypothesis proposed that there is a significant influence between Product Innovation on Consumer Purchase Interest is accepted.

Table 10.
Hypothesis Test Results for Product Quality Against Consumer Purchase Interest.

		Coefficients ^a		t	Sig.
Model		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error	Beta	
1	(Constant)	15.086	2.950		5.113 .000
	Product Quality (X2)	.625	.076	.645	8.174 .000

a. Dependent Variable: Consumer Purchase Interest (Y)

Based on the test results in the above table, the value of t count > t table or (8,174 > 1,661) is obtained. Thus, the second hypothesis proposed that there is a significant influence between Product Quality on Consumer Purchase Interest is accepted.

Simultaneous Hypothesis Test (Test F)

Hypothesis testing with the F test is used to find out which simultaneous hypotheses are accepted. The third hypothesis There is a significant influence between Product Innovation and Product Quality on Consumer Purchase Interest.

Table 11.

Hypothesis Test Results for Product Innovation and Product Quality Against Consumer Purchase Interest.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	626.329	2	313.165	48.717	.000 ^b
	Residual	597.827	93	6.428		
	Total	1224.156	95			

a. Dependent Variable: Consumer Purchase Interest (Y)

b. Predictors: (Constant), Product Quality (X2), Product Innovation (X1)

Based on the test results in the above table, the calculated F value > F table or (48.717 > 2,700), thus the third hypothesis proposed that there is a significant influence between Product Innovation and Product Quality on Consumer Purchase Interest is accepted.

Discussion

Effect of Product Innovation on Consumer Purchase Interest

Product Innovation has a significant effect on Consumer Purchase Interest with a correlation of 0.639 or has a strong relationship with a contribution of 40.8%. Hypothesis testing obtained t value > t table or (8.051 > 1.661). Thus the first hypothesis proposed that there is a significant effect between Product Innovation on Consumer Purchase Interest is accepted.

Effect of Product Quality on Consumer Purchase Interest

Product Quality has a significant effect on Consumer Purchase Interest with a correlation of 0.645 or has a strong relationship with an influence contribution of 41.5%. Hypothesis testing obtained values of t arithmetic > t table or (8,174 > 1,661). Thus the second hypothesis proposed that there is a significant effect between Product Quality on Consumer Purchase Interest is accepted.

Effect of Product Innovation and Product Quality on Consumer Purchase Interest

Product Innovation and Product Quality have a significant effect on Consumer Purchase Interest by obtaining a regression equation $Y = 10,011 + 0,363X_1 + 0,394X_2$, a correlation value of 0,715 or having a strong relationship with a contributing effect of 51.2% while the remaining 48.8% is influenced another factor. Hypothesis testing obtained F value > F table or (48.717 > 2.700). Thus the third hypothesis proposed that there is a significant effect between Product Innovation and Product Quality on Consumer Purchase Interest is accepted.

CONCLUSION

Product Innovation has a significant effect on Consumer Purchase Interest with a contribution of 40.8%. Hypothesis testing obtained $t_{count} > t_{table}$ or $(8.051 > 1.661)$. Product Quality has a significant effect on Consumer Purchase Interest with an influence contribution of 41.5%. Hypothesis testing obtained value of $t_{count} > t_{table}$ or $(8.174 > 1.661)$. Product Innovation and Product Quality have a significant effect on Consumer Purchase Interest with a contribution of 51.2% while the remaining 48.8% is influenced by other factors. Hypothesis testing obtained the value of $F_{count} > F_{table}$ or $(48.717 > 2,700)$.

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