

THESIS

**THE EFFECT OF PRODUCT QUALITY AND BRAND IMAGE ON
CONSUMERS' BUYING INTEREST IN BUSINESS
SS DESSERT IN MAKASSAR CITY**

Compiled and filed by:

MUHAMMAD FACHROZY PRATAMA HAMBALI

A021171815



To:

MANAGEMENT DEPARTMENT
FACULTY OF ECONOMICS AND BUSINESS
HASANUDDIN UNIVERSITY
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THESIS

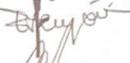
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STATEMENT OF AUTHENTICITY

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THE EFFECT OF PRODUCT QUALITY AND BRANDIMAGE ON CONSUMERS BUYING INTEREST IN BUSINESS DESSERT IN MAKASSAR CITY

Is my own research and to the best of my knowledge there is no other scientific works that has been submitted by others to obtain an academic degree in other universities or academic institution, and there are no works or opinion that have been written or published by others except those cited in the text and mentioned in the bibliography.

If in the future it turns out that it can be proven that there are elements of plagiarism in this text, the I will receive sanctions for the act and proceed according to the applicable laws and regulations (Law No. 20 of 2003, article 25 paragraph 2 and article 70).

Makassar, 25 December 2022



Muhammad Fachrozy Pratama Hambali

PREFACE

Alhamdulillah, praise be to Allah SWT for the abundance of His mercy and blessings, so that the author can carry out research and complete the preparation of a thesis entitled "**The Effect of Product Quality and Brand Image on Consumers Buying Interest in Business SS Dessert in Makassar City**". This thesis was prepared to meet one of the requirements to complete studies and obtain a Bachelor of Economics degree at the Faculty of Economics and Business, Hasanuddin University.

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ABSTRACT

“The Effect of Product Quality and Brand Image on Consumers’ Buying Interest in Business SS Dessert in Makassar City”

Muhammad Fachrozy Pratama Hambali

Indrianty Sudirman

Erlina Pakki

This study aims to determine the effect of product quality and brand image on consumers’ buying Interest in business SS Dessert in Makassar City. The data used in this study were obtained from a questionnaire (primary). The sampling method used nonprobability sampling method with purposive sampling type. The number of samples used is 292 customers of SS Dessert. The analytical method used is descriptive analysis method with IBM SPSS version 25 application, multiple linear regression analysis and test classical assumptions. The results show that Product Quality has a positive and significant effect on Consumer Buying Interest in SS Dessert in Makassar City, Brand Image has a positive and significant effect on Consumer Buying Interest in SS Dessert in Makassar City and there is a simultaneous influence of Product Quality and Brand Image on consumers' Buying Interest in SS Dessert in Makassar City.

Keywords: Product Quality, Brand Image, Buying Interest, SS Dessert

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CHAPTER I

INTRODUCTION

1.1 Background

As it is known that business activities or businesses run by individuals, households, and small business entities are classified based on the amount of turnover per year, the amount of wealth or assets, and the number of employees employed. Many consider that small business activities do not have a high selling value, but in fact what happens in Indonesia is a business activity that can be said to be the heart of the economy, this is evidenced during the Covid-19 Pandemic, many giant businesses or businesses have gone out of business, while small businesses have survived during the Covid-19 Pandemic because the Government recommends staying at home, or WFH (*Work From Home*).

The government today is present, with various programs that can make it easier for MSME activists, for example, easy licensing in the form of NIB through the OSS Application which can be activated online and for free, then Capital in the form of KUR. With this program, it is hoped that (Iqbal, 2021) (People's Business Credit , 2016) business activists will continue to grow so that the number of entrepreneurs in Indonesia will increase. This can be seen with various Strategic

Programs from the Government, especially from the Ministry of Investment.

According to Kotler and Armstrong, product quality is the ability of a product to carry out its functions, including reliability, durability, durability, ease of operation, and repair of the product, as well as other valuable attributes. In addition, the quality of the product has certain dimensions so that the product can be recognized and used as it should be. According to Kotler and Armstrong, product quality consists of eight dimensions, namely (Yunita Sawitri, 2013)(2018) *performance* which relates to the functional aspects of an item and is the main characteristic that customers consider in purchasing the item (regarding basic operating characteristics);

Features are performance aspects that are useful for adding basic functions, relating to product choices and development (extra items added to basic features); *reliability* is a matter related to the possibility of an item successfully performing its function every time it is used in a certain period of time and conditions; *Conformance* is related to the level of conformity to predetermined aspects based on customer wishes (conformity of product performance and quality to standards); *Durability* is a reflection of economic life in the form of a measure of durability in an item's service life (the period of life before the time is replaced); *Service Ability* is a characteristic related to speed,

convenience competence, and accuracy in providing services for organizational improvement (ease of service or repair when needed); *Esthetics* are characteristics of a subjective nature regarding aesthetic values related to personal considerations and reflections of individual references; *Perceived Quality* is that consumers do not always have complete information about product attributes. However, usually consumers have information about the product indirectly (the quality that consumers feel).

As for Brand Image where according to Kotler and Keller in Tjiptono *Brand image* is a (Tjiptono, 2019) set of perceptions and beliefs that customers have in a brand that is reflected through associations that are in customer memory. According to Aaker, (Aaker, 2018) there are several *Brand Image* indicators, namely the creator's image (*Corporate Image*), a group of associations that consumers perceive towards companies that make a good or service that covers popularity, credibility, company networks, and users themselves; Product image is a set of associations that consumers perceive towards a good or service that includes the attributes of the product, benefits for consumers, and guarantees and User *Image* is a set of associations that consumers perceive towards users who use a good or service. Includes: the wearer himself, as well as his social status

The consumer's buying interest is how likely consumers are to buy a brand or how likely it is for consumers to move from one brand to another. In addition, according to Astutik, buying interest is a trait that arises in consumers to seek information from various sources before making a purchase of a desired item. In addition, there are several indicators of buying interest, namely the following (Astuti, 2018) (Kanuk, 2015), namely minat transaksional, namely a person's tendency to buy products; minat referensial, that is, the tendency of a person to refer the product to others; minat preferensial, that is, an interest that describes the behavior of a person who has a primary preference for the product; and Minat eKsploratif, which describes the behavior of a person who is always looking for information about the product he is interested in and looking for information to support the properties of the product

SS Dessert is a small business in Makassar City, which is engaged in culinary. SS Dessert is also a home business that utilizes the digital world as a means of selling and promoting. This business started in 2015 with Pudding Products which along with the development of SS Dessert changed the Direction of its Products, namely Mentai Products where Mentai Products at that time did not exist in Makassar City. Until 2022, SS Dessert remains on Mentai Products with a variety of menus, such as Tobiko Mentai Salmon, Beef Tobiko Mentai, and Tobiko Mentai Crabstick. Likewise with SS Dessert in Makassar City

where SS Dessert often pays attention to Product Quality and Brand Image in seeking consumers' Buying Interest in these small businesses.

This also often happens in several previous studies where in Nita Rosita & Tahmat's research in 2021 it was seen that there was a positive influence of brand image and product quality on consumers' buying interest in Thematic Tong Tji products at Borma Dago and Borma Cikutra supermarkets; likewise with Didi Zainuddin in 2018 with the results of research that there is an influence between product quality, Brand Image to interest in buying interest; Supriyadi et al in 2016 with the results of research that product quality variables and brand image influenced the purchasing decision variables in Converse brand shoe products and A.A Ngurah et al in 2018 with the results of research that product quality variables and *brand image* had a partial and simultaneous significant effect on buying interest.

Therefore, researchers want to research on "The Effect of Product Quality and Brand Image on Consumer Buying Interest in (Case Study on SS Dessert Business in Makassar City).

1.2 Problem Formulation

Based on the background above, the formulation of the problem is:

1. Does Product Quality affect the increase in consumers' buying interest in SS Dessert in Makassar City?

2. Does Brand Image affect the increase in consumers' buying interest in SS Dessert in Makassar City?
3. Does Product Quality and Brand Image have an effect together or simultaneously on increasing consumer buying interest in SS Dessert in Makassar City?

1.3 Research Objectives and Benefits

1.3.1 Research Objectives

1. To find out whether Product Quality affects consumers' Buying Interest in SS Dessert in Makassar City.
2. To find out whether Brand Image affects consumers' buying interest in SS Dessert in Makassar City.
3. To find out whether Product Quality and Brand Image have an effect together or simultaneously on consumers' Buying Interest in SS Dessert in Makassar City.

1.3.2 Research Benefits

1. Scientific Benefits

This research is expected to be one of the sources, especially regarding "The Effect of Product Quality and Brand Image on Consumer Buying Interest in SS Dessert in Makassar City".

2. Benefits for the Company

This research is expected to be one of the sources for companies related to what should be considered to influence consumers' buying interest through Product Quality and Brand Image and the company.

3. Benefits for Researchers

This research is expected to be a trigger for further research in finding other influences that affect consumers' buying interest in SS Dessert in Makassar City.

1.4 Research Systematics

As for the systematics of this writing, it is as follows:

CHAPTER I Introduction

This chapter consists of background, problem formulation, research objectives and benefits, and research systematics.

CHAPTER II Bibliography Review

This chapter consists of theoretical foundations, past research, frame of thought, and research hypotheses.

CHAPTER III Research Methods

This chapter consists of the research design, the location and time of the study, population and samples, data types and sources, data collection techniques, operational variables and definitions, research instruments, data analysis techniques, and hypothesis testing

CHAPTER IV Research Results and Discussion

This chapter consists of an overview of the object of study, an overview of the respondents, data analysis and interpretation of the results.

CHAPTER V Conclusion

This chapter consists of the researcher's conclusions and suggestions.

CHAPTER II

BIBLIOGRAPHY REVIEW

2.1 Product Quality

According to the *American Society for Quality Control*, product quality is the overall completeness and characteristics of a product or service that affect its ability to satisfy needs both stated and implied. Meanwhile, according to Kotler and Armstrong, product quality is the ability of a product to carry out its functions, including reliability, durability, ease, ease of operation, and product repair, as well as other valuable attributes. Therefore, it can be concluded that everything that includes the value of the function of a product used in meeting the needs of the user of the product is good. (Kotler, 2004) (Yunita Sawitri, 2013)

In addition, the quality of the product has certain dimensions so that the product can be recognized and used as it should be. According to Kotler and Armstrong, product quality consists of eight dimensions, which are as follows. (Amstrong, 2018)

a. *Performance*: Relates to the functional aspects of an item and is the main characteristic, which the customer considers in purchasing the item (concerns the basic operating characteristics).

- b. *Features*: Performance aspects that are useful for adding basic functions, relating to product choices and development (extra items added to basic features).
- c. *Reliability*: Matters relating to the probability or probability of an item successfully performing its functions each time it is used in a certain period of time and conditions.
- d. *Conformance*: Relating to the degree of conformity to predetermined aspects based on the wishes of the customer (conformity of performance and product quality to standards).
- e. *Durability*: A reflection of economic life in the form of a measure of durability in an item's service life (the period of life before the time is replaced).
- f. *Service Ability*: Characteristics related to speed, convenience competence, and accuracy in providing services for organizational improvement (ease of service or repair when needed).
- g. *Aesthetics*: Subjective characteristics regarding aesthetic values related to personal considerations and reflections of individual references.
- h. *Perceived Quality*: Consumers do not always have complete information about product attributes. However, usually consumers have information about the product indirectly (the quality that consumers feel).

2.2 Brand Image

According to Kotler and Keller, Brand image is as a set of perceptions and beliefs that customers have in a brand that is reflected through associations that are in the customer's memory While According to Tjiptono, Brand Image is a description of consumer associations and beliefs towards a particular brand. In addition, according to Rangkuti, brands are also divided in other senses, namely as follows: (Keller P. K., 2012) (Tjiptono, 2005) (Rangkuti, 2002)

- a. *Brand Name* (brand name) which is part of what can be pronounced for example, Honda, Indomie, and so on.
- b. *Brand Mark* that is part of a recognizable but non-pronounceable brand, such as emblems, lettering designs or special colors. For example: the Toyota symbol.
- c. *Trade Mark* (trademark mark) which is a brand or part of a legally protected mark, due to its ability to produce something special. This trade mark protects sellers by being privileged to use brand names.
- d. *Copyright* which is a privilege reserved to produce, publish, and sell written works, musical works, and works of art.

Based on the explanation above, it can be concluded that Brand Image is a set of perceptions, values and beliefs possessed by consumers in a product used by sellers to market their products.

According to Aaker and Biel, there are several Brand Image indicators as follows. (Biel, 2009)

- a. *Corporate Image*, which is a set of associations that consumers perceive towards companies that make a good or service. Includes: popularity, credibility, corporate network, as well as the user himself.
- b. *Product image*, which is a set of associations that consumers perceive towards a good or service. Includes: attributes of the product, benefits for consumers, as well as guarantees.
- c. *User image*, which is a set of associations that consumers perceive towards users who use a good or service. Includes: the wearer himself, as well as his social status.

2.3 Customer Buying Interest

According to Kotler and Keller, Buying interest is a behavior that appears in response to an object that indicates the consumer's desire to make a purchase. Buying interest itself is a trait that arises in consumers to seek information from various sources before making a purchase of a desired item. Therefore, it can be concluded that customer buying interest is a consumer behavior that searches for information from various sources on a product desired by consumers.(Keller P. K., 2009)(Astuti, 2018)

The process of buying interest itself is a stage where consumers form their choices among several choices, then make a purchase on an

alternative that they like best based on various considerations. In addition, there are several indicators of buying interest, namely as follows. (Suyono AG, 2012) (Kanuk, 2015)

- a. Transactional Interest, that is, a person's tendency to purchase products;
- b. Referential Interest, that is, a person's tendency to refer products to others;
- c. Preferential Interest, that is, an interest that describes the behavior of a person who has a primary preference for the product;
- d. Exploratory Interest, which is to describe the behavior of a person who is always looking for information about the products he is interested in and looking for information to support the properties of the product.

2.4 Previous Research

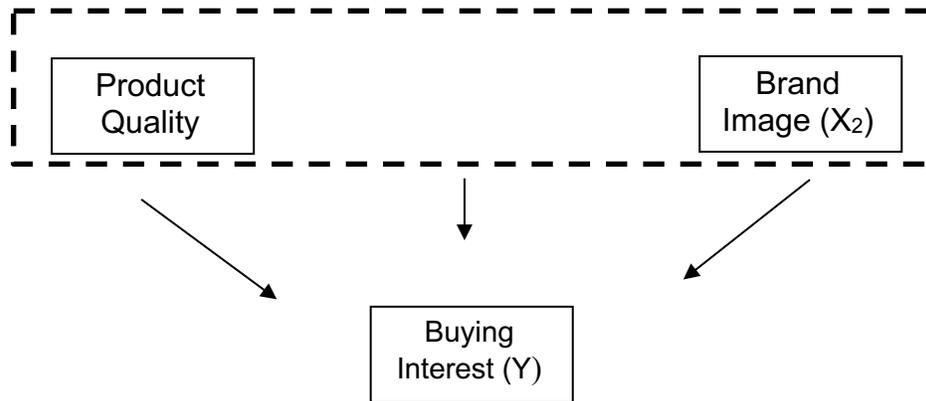
Table 2 1 Previous Research

No	Research Name	Research Title	Research Results
1.	Arik Solvaroyani, Sri Hartono & Ida Aryati (2021)	Consumer Buying Interest in terms of Store Atmosphere, Location and Word of Mouth (Case study on Solo Boutique Bag)	The results of the study obtained that store atmosphere, location and word of mouth simultaneously had an influence and were significant on the interest in buying Solo Boutique Bags. Store atmosphere, location and word of mouth partially have an influence and are

			significant on the interest in buying Solo Boutique Bags
2.	Nita Rosita & Tahmat (2021)	The Effect of Brand Image and Product Quality on Consumer Buying Interest in Thematic Tong Tji Products at Borma Dago and Borma Cikutra Supermarkets	The results of the study simultaneously showed that there was a positive influence of brand image and product quality on consumers' buying interest in Thematic Tong Tji products in Borma Dago and Borma Cikutra supermarkets. Partially brand image does not have a significant effect on buying interest. Meanwhile, product quality has a significant effect on buying interest
3.	Didi Zainuddin (2018)	The Effect of Product Quality and Brand Image on Interest in Buying Automatic Motorcycles	The results of the research obtained show that there is an influence between product quality, Brand Image on simultaneous buying interest, which is 82.5% while the difference is 17.5%, which describes other variables that cause consumers' buying interest in automatic motorcycles. And based on the results of partial testing, only the brand image has a direct relationship to partial buying interest by 23% while product quality does not have a significant effect on consumers' buying interest
4.	Supriyadi, Yuntawati & Ginanjar Indra K.N (2016)	Effect of Product Quality and Brand Image on Purchasing Decisions	Based on the results of the study, product quality variables have no effect on purchasing decision variables in Converse brand shoe products. The brand image variable affects the purchasing decision variable on Converse brand shoe products. Product quality and brand image variables affect purchasing decision variables on Converse brand shoe products
5.	A.A Ngurah Dianta Esa Negara, Zainul Arifin, & Inggang Perwangsa Nuralam (2018)	The Effect of Product Quality and Brand Image on Buying Interest (Survey on Buyers at Starbucks Outlets in the City of Surabaya)	The results showed that the Product Quality variable has a partial and significant effect on the purchasing decision process, the Brand Image variable has a partial and significant effect on the purchasing decision process and the quality of the product and brand image together have a

			simultaneous and significant effect on buying interest
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2.5 Frame of Mind



2.6 Research Hypothesis

H1: Product Quality has a positive and significant effect on consumers' Buying Interest in SS Dessert in Makassar City.

H2: Brand Image has a positive and significant effect on consumers' buying interest in SS Dessert in Makassar City.

H3: There is a simultaneous influence of Product Quality and Brand Image on consumers' Buying Interest in SS Dessert in Makassar City.