

THE INFLUENCE OF PRODUCT QUALITY AND SERVICE QUALITY ON CONSUMER PURCHASE DECISIONS AT KFC IN JAKARTA

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Abstract

The business sector has experienced a notable downturn due to the Covid-19 pandemic, resulting in financial setbacks for many companies. The implementation of PPKM has led to a decrease in people's purchasing power as they prefer to cook at home. In response, fast food companies have launched various promotions to restore sales levels and further develop Indonesia's culinary potential. KFC has maintained the top spot as the best-selling fast-food restaurant in Indonesia for more than a decade not only because of its products, but also because of its professional service quality that makes consumers feel at home and continue to choose KFC as their main choice. This research seeks to analyze how the quality of products and services at KFC affects the purchasing choices of customers. The theoretical framework consists of product quality, service quality, and purchasing decisions. With product quality and service quality as independent variables and purchase decisions as the dependent variable, the study concentrated on KFC outlets in Jakarta. Information was gathered from 100 participants through an online survey using Google Forms. Non-probability sampling through a judgment sampling technique was utilized. Findings indicate that both product quality and service quality play a positive role in influencing the purchasing behaviors of KFC customers in Jakarta. The study concludes that the quality of products and services at KFC in Jakarta significantly impacts customers' purchasing decisions.

Keywords: Product Quality, Service Quality, Purchasing Decisions

1. INTRODUCTION

The business industry has been significantly affected by the Covid-19 outbreak, resulting in financial losses and reduced revenue for many companies, leading some to temporarily halt operations. When the government decided to implement PPKM, several policies were introduced in many important sectors, including the food and beverage industry. The implementation of PPKM has reduced people's purchasing power, because people prefer to cook at home rather than buying food from outside. The actions taken by fast food companies in response to the above situation are to reduce marketing efforts, cut costs, and increase cost efficiency. Meanwhile, fast food companies are offering various promotions to their customers to restore sales levels and further develop Indonesia's culinary potential.

Indonesia has many fast food restaurants, one of which is KFC. The fast food restaurant founded by Colonel Sanders is claimed to be the best-selling fast food restaurant in Indonesia in 2022. The data is taken from the Top Brand article which states that KFC occupies the top position in the fast food restaurant category followed by McDonald's, Hoka-Hoka Bento, etc.

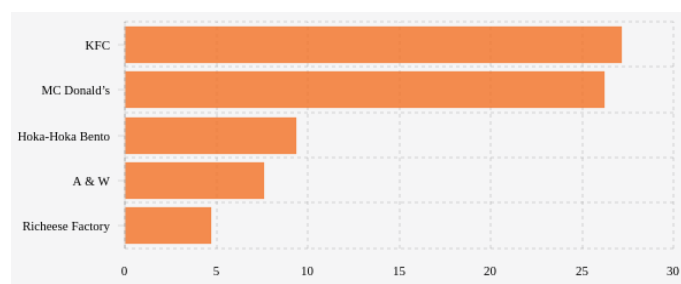


Figure 1. Fast Food Restaurant Data

KFC has various products that have become their specialty so that they have been able to survive for more than 10 years. Not only did KFC survive, it was also able to maintain its top position as the best-selling fast food restaurant in Indonesia. This is due not only to KFC products, but also to the very professional quality of service provided by KFC so that consumers can feel at home and continue to choose KFC as their main choice. A person's purchasing decision can be said to be unique, because a person's preferences for an object and their attitude towards an object will be different from other people's. Apart from that, what each person needs and wants is also different, so consumers can be divided into several segments. There are many things related to the reasons consumers make purchases. The producer's job is to know and understand how consumers choose products or brands on the market. After knowing this, the thing that must be done is to make consumers look at the products that have been made by the company.

According to Meithiana (2019), consumer purchasing decisions are the activities of individuals who are directly involved in making decisions to purchase products offered by sellers. Product quality is a very important part of a business. The advantages of various products will become their own value and become an attraction for consumers to fulfill their needs. Consumer interest in a product can be caused by the expectations that consumers have for the product that exceed expectations. Improving the quality of a product can lead to an increase in consumer buying choices. According to Kotler et al. (2018), product quality is a feature of a product or service that impacts its capacity to meet the needs of customers as stated or implied.

Service quality plays a vital role in marketing strategy and can significantly impact a company's success. Improving service quality is crucial in gaining the trust and loyalty of consumers. Meithiana (2019) defines service quality as meeting customer needs and expectations accurately. Providing exceptional service to customers fosters a sense of comfort and satisfaction. This can create a sense of trust and benefit the company in the long term.

In order to increase customer base, KFC needs to enhance the quality of its services to align with the latest trends. Apart from encouraging the marketing department, KFC also develops its products into various variants that have distinctive flavors so that they continue to sell well in the market. KFC must also have product quality that is such that it can maintain consumer purchasing power with KFC.

The decisions of consumers when it comes to purchasing are often influenced by the quality of the product and service being offered. This is because these factors play a significant role in the considerations made by consumers. If a product has good quality, consumers will continue to buy that product without considering other products. On the other hand, consumers are more likely to consider purchasing a different product if they notice multiple flaws or damage in the quality of the item.

Consumers not only judge products based on their quality, but also on the quality of customer service offered. Establishing strong relationships between sellers and buyers can be achieved through excellent service. Buyers will feel satisfied with the services provided, this will create a relationship with customers to continue making purchases at the company.

In this study we seek to explore the consequences of product and service quality in determining the purchasing decisions of KFC consumers in Jakarta. The study further highlights the main issues such as the impact of product and service quality on consumer choice among KFC products. Given certain constraints, we have had to specifically focus our analysis on these two factors affecting buying behavior during January through March 2023 in Jakarta alone. At the focal point stands the following research question: How does product quality influence consumer decision-making at KFC stores while also considering how services are perceived by customers using this brand's outlets at large? Objectives include investigating the extent to which both product and services influence purchase decisions made by shoppers during acquisition process, either online (before buying) or offline (after buying) for policy makers.

2. LITERATURE REVIEW

2.1. Product

Kotler et al. (2018) define a product as something that can be presented to a market to fulfill a want or need, whether it be for use or ownership. It is not limited to physical items like vehicles, apparel, or smartphones.

2.2. Product Quality

Kotler et al. (2018) provide a definition of product quality as the attributes of a product or service that impact its capacity to meet specified or inferred customer requirements. According to this definition, the quality of a product can impact consumer purchasing decisions if it aligns with the needs or wants of the consumers. It is expected that the company's product will possess superior quality or unique characteristics that set it apart from competitors. The product is then sold to consumers and is expected to satisfy the consumers who use it.

Product quality will greatly determine the purchasing decision that will be made by consumers. If a product has good quality, then it is certain that the consumer's purchasing decision will increase so that consumers like the product and do not turn to other products. Basically, the concept of a product that will be liked by consumers depends on a quality product, or an innovative product. There are 9 product differentiations according to Kotler and Keller which consist of:

- a) **Form:** This refers to aspects of the product's appearance, such as its packaging, color, taste, and similar elements.
- b) **Features:** These are additional characteristics that enhance the product's appeal to consumers, often serving as complementary or secondary aspects.
- c) **Performance Quality:** This focuses on the product's core functionality. Companies must design performance levels that align with both market demands and competitive pressures.
- d) **Conformance Quality:** This measures the product's adherence to pre-set standards and specifications.
- e) **Durability:** Refers to how long the product can be used without failing.

- f) Reliability: Relates to the likelihood of a product malfunctioning or breaking down.
- g) Repairability: Assesses how easily a product can be fixed if it encounters issues.
- h) Style: Refers to the product's aesthetic appeal and the distinctive qualities that make it stand out from competitors.
- i) Customization: This enables products and marketing efforts to be tailored specifically to individual consumer preferences, making the offerings more relevant.

According to Garvin, as cited by Hoe and Mansori (2018), the eight key indicators of product quality are:

- a) Performance: Refers to the primary operational attributes of a product.
- b) Features: Additional aspects that enhance a product's attractiveness to consumers.
- c) Reliability: The likelihood that a product will function without failure for a specified duration.
- d) Conformance: The product's ability to meet established specifications and standards.
- e) Durability: The product's lifespan and its ability to withstand wear over time.
- f) Serviceability: Measures how quickly, easily, and cost-effectively a product can be repaired.
- g) Aesthetics: Covers visual and sensory elements, such as color, taste, and sound.
- h) Perceived Quality: The quality attributed by consumers, which may be based on perception rather than objective criteria.

2.3. Quality of Service

Service, as described by Kotler et al. (2018), is a non-tangible offering available for purchase that does not involve ownership. According to Indrasari (2019), the focus of service quality lies in meeting customer needs and wants accurately and satisfying customer expectations. It can be inferred from this explanation that service quality involves service providers taking action to meet consumer needs and wants in alignment with their expectations.

Quality can be said to be good if the service provided by the service provider can meet consumer expectations. This can be interpreted that to achieve maximum purchasing decisions, a balance is needed between what is needed and desired by consumers and what is provided by the service provider. Every man has a certain need for service, even if it is said that service cannot be separated from human life. Service can be interpreted as help for various types of needs like providing something, as well as doing something that can help others.

Companies must really focus on purchasing decisions by considering various important factors such as service quality. This will very much influence the purchase decision of a company. Quality service also rated can bring in new customers and reduce the possibility of a consumer turning away to a competitor. In the development era, competitors will always be popping up so that will multiply the opportunity for a consumer to try new things and move from one company to another.

According to Kotler et al. (2018), the key characteristics of services:

- a) Intangibility: Services cannot be examined with the five senses like physical products can be. In order to make informed decisions, customers use various factors like the facility's location, staff, tools, marketing materials, logos, and pricing to assess the quality of a service.

- b) Inseparability: While goods are produced, stored, and then consumed, services are usually produced and consumed at the same time, making them inseparable from their delivery.
- c) Variability: Service quality can vary significantly, depending on who delivers it, when, where, and to whom it is provided.
- d) Perishability: Services are not durable and cannot be stored for future use, repeated consumption, or resale at a later time.

Additionally, Kotler and Keller (2016) outline five dimensions that consumers use to evaluate service quality:

- a) Physical Evidence (Tangibles): The physical appearance, including facilities, equipment, cleanliness, organization, and communication media, that reflects the quality of the service.
- b) Empathy: The employees' willingness to provide attentive and personalized service to customers.
- c) Reliability: The ability to perform the promised service accurately and dependably.
- d) Responsiveness: The employees' readiness to assist customers, offer excellent service, and address customer concerns promptly.
- e) Assurance: The company's ability to inspire trust through the knowledge, courtesy, and competence of its employees.

2.4. Buying decision

Consumer buying choices reflect the level of marketing effort put into promoting products to consumers. Kotler et al. (2020) define purchasing decisions as selecting the most favored brand, yet there are two influences between intentions to buy and actual purchases. The initial influence is the influence of others. Simply put, if a close acquaintance recommends purchasing an affordable vehicle, the likelihood of buying a pricey car diminishes. The second factor comprises unforeseen situational elements. These factors can change purchasing intentions, for example if your economy is bad, competing companies lower their product prices. So, preferences and purchasing intentions do not always produce the right choice.

According to Firmansyah (2019) , purchasing decisions made by consumers go through five stages consisting of:

- a) Problem introduction

The buying process begins with the consumer identifying a need or want. This can be due to an internal factor like hunger or an external influence like seeing a friend's new item or a TV ad.

- b) Information search

Informed consumers want more details. Information search has two levels: awareness and active search. Awareness makes exploring info easier and boosts receptiveness. Active search involves seeking info from various sources. This includes reading, asking friends, and visiting stores for product knowledge.

- c) Alternative evaluation

Consumers have to make choices between brands and products. The evaluation process differs for each consumer. Understanding consumer behavior is important. Consumers prioritize their needs and seek specific benefits. Products are seen as a collection of attributes. Consumers focus on attributes that provide desired benefits.

d) Buying decision

Consumers make preferences for brands during evaluation and may have intentions to purchase. However, attitudes of others and unforeseen situations can affect purchase decisions. Therefore, intentions to purchase may not always lead to actual purchases.

e) Post-purchase behavior

Consumers feel happy or unhappy after buying a product. Disappointment comes when the product doesn't meet their expectations. Meeting expectations leads to satisfaction, while exceeding them leads to great satisfaction. The bigger the gap between expectations and actual performance, the more dissatisfied consumers become. Happy consumers repeat purchases, speak positively about the product, and remain loyal to the brand. On the other hand, unhappy consumers spread negative feedback about the product.

There are six indicators in determining purchasing decisions according to Kotler and Keller (2016 : 187), namely:

a) Product choice

In terms of product selection, consumers have the right to determine the purchase of a product. Thus, companies need to pay attention to consumers who intend to buy an alternative product that they are considering.

b) Brand choice

Each brand has its own characteristics, therefore consumers need to choose which brand they will buy. Companies need to improve their branding in order to attract consumers' attention and become a trusted brand .

c) Dealer's choice

Several factors that can influence consumer decisions in choosing a dealer are proximity to location, price, abundant stock of goods, shopping convenience, and others.

d) Purchase amount

In terms of purchase quantity, consumers can determine how many products they will buy. Therefore, companies need to provide a variety of stocks and product variations.

e) Purchase timing

Consumer decisions in choosing the time of purchase certainly vary, such as buying every day, once a week, once every two weeks, once a month and so on.

f) Payment method

In terms of decision making about the payment method to be used, purchasing decisions can be influenced by technology that continues to develop and can be used in purchasing transactions, making it easier for consumers to make transactions both inside and outside the home.

2.5. Framework

2.5.1. Relationship between Product Quality and Consumer Purchasing Decisions

Product quality is a very important part of business because it will greatly determine the purchasing decisions that will be made by consumers. If a product has good quality, it will increase consumer purchasing decisions. If the product has passed various stages of evaluation, consumers will continue to make purchases so that the company can survive and remain the main choice of consumers. Consumers will not think twice about buying the product and will not switch to similar products. Basically, the concept of a

product that will be liked by consumers depends on a quality product, or an innovative product.

2.5.2. Relationship between Service Quality and Consumer Purchasing Decisions

Service quality greatly influences purchasing decisions made by consumers to a company. Service quality is considered to be able to bring in various new customers and reduce the possibility of old consumers turning to other competitors. As time goes by, competitors will always emerge, this increases the opportunity for consumers to try new things and move their hearts from one company to another. Good service quality will create a good relationship between the waiter and the buyer. This can increase purchasing decisions made by consumers, even consumers can make repeat purchases.

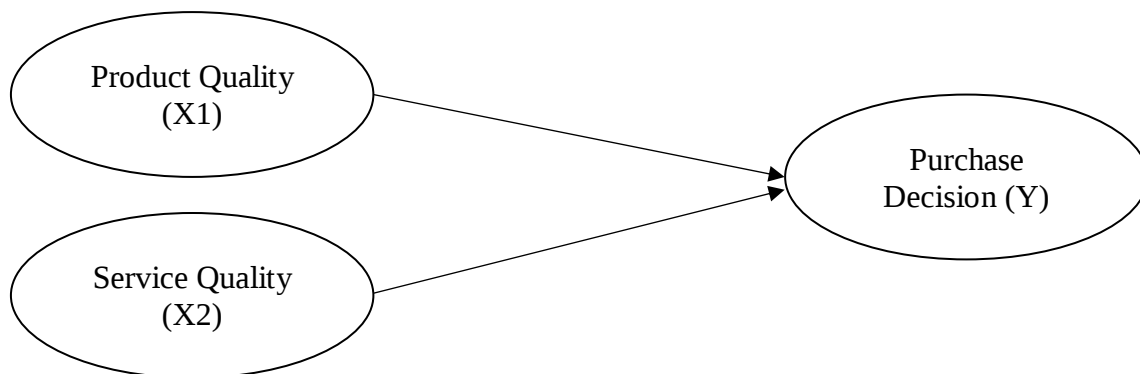


Figure 2. Framework

2.6. Hypothesis

Based on the framework of thought above, the hypothesis proposed is as follows:

H1: Product quality has a positive effect on KFC purchasing decisions.

H2: Service quality has a positive effect on KFC purchasing decisions.

3. RESEARCH METHODS

The object to be studied in this study is KFC in the Jakarta area. While the subject of this study is consumers who have bought food at KFC.

3.1. Research Design

This research employs quantitative methods to analyze descriptive elements. The goal of utilizing quantitative research with a descriptive approach is to elucidate and address diverse circumstances, issues, or components within society that are under investigation. The objective of this investigation is for the author to examine how the quality of products and services influences consumer choices at KFC.

The research question completion rate in this study is determined by the ability to test the hypothesis and answer all the research questions posed, categorizing it as formal research. The data collection method used involves a communication study, where the researchers distribute electronic questionnaires via Google Forms containing a series of questions for the research subjects, collecting their responses accordingly. Regarding researcher control over variables, this study employs an ex post facto design, meaning the

researcher has no control over the variables and cannot manipulate them. The researcher merely reports on what has occurred or is currently happening.

The study objectives focus on identifying one variable that can influence and alter other variables, utilizing a causal-explanatory research approach to explain relationships between variables. In terms of the time dimension, this research adopts a cross-sectional study design, as it is conducted at a single point in time, providing a snapshot of an event. The topic coverage involves a statistical study, which is designed for a broader scope rather than an in-depth analysis. This study aims to capture the characteristics of a population by drawing conclusions from sample data, with hypotheses tested quantitatively.

Regarding the research environment, the study is conducted under actual environmental conditions, where data is gathered by distributing questionnaires to respondents. Finally, participant perception awareness highlights that respondents' perceptions when answering the questionnaire can indirectly impact the study results. The perceptions sought in this study are genuine and align with everyday experiences.

3.2. Research Variables

The study involves different types of variables including those that are dependent on other variables and those that are independent. Setyawan (2021) defines the dependent variable as a factor that is impacted by the presence of the independent variable. Setyawan (2021) also explains that independent variables are factors that can affect or bring about changes in dependent variables. Here are the specific independent and dependent variables utilized in the study:

- a) Independent variables (X): Product quality and service quality
- b) Dependent variable (Y): Purchase decision

3.2.1. Product quality

Product quality is a statement about a brand's ability to perform its expected function. According to Garvin in Hoe and Mansori (2018), product quality has eight indicators, namely performance, features, suitability, durability, aesthetics, reliability, serviceability, and perceived quality.

Table 1. Operationalization of Product Quality Variables

Variables	Dimensions	Indicator	Question Items	Scale
Product Quality	-	Performance	KFC serves food that is always warm and crispy.	Interval
	-	Features	Food and drinks at KFC vary according to the tastes of Indonesian people.	Interval
	-	Conformance	KFC serves products according to the specifications on the menu.	Interval

	-	Aesthetics	KFC fries chicken until <i>golden brown</i> , thereby increasing consumer appetite.	Interval
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Source : Hoe and Mansori (2018)

3.2.2. Quality of Service

Meithiana Indrasari (2019) suggests that the main focus of service quality is meeting the needs and desires of consumers and ensuring accurate delivery to meet their expectations.

Table 2. Service Quality Variables

Variables	Dimensions	Indicator	Item Per Statement	Scale
Quality of Service	-	Physical Evidence (<i>Tangibles</i>)	KFC has employees who look neat and clean.	Interval
	-	Empathy	KFC employees can easily understand consumer desires.	Interval
	-	Reliability	The reliability of KFC employees in serving consumers in accordance with operational standards.	Interval
	-	Responsiveness	KFC employees have good responsiveness in helping consumers.	Interval
	-	Assurance	KFC employees provide polite service and are able to explain their products well and provide consumers with confidence regarding the products offered.	Interval

Source: Kotler and Keller (2016)

3.2.3. Buying decision

Kotler et al. (2020) suggest that purchasing decisions involve selecting the most favored brand, however, there are two obstacles that can affect the outcome. Indrasari (2019) presents six variables that influence purchasing decisions, including:

Table 3. Decision Variables Purchase

Variables	Dimensions	Indicator	Items of the statement	Scale
Buying decision	-	Product choice	I choose to eat at fast food restaurants because the products suit my taste and desires.	Interval
	-	Brand choice		Interval

			I chose KFC because KFC is the most popular fast food brand in Indonesia.	
	-	Purchase amount	I buy KFC products in large quantities because the products offered are very diverse.	Interval
	-	Purchase timing	I buy KFC products on weekdays.	Interval
	-	Payment method	I buy KFC products because they have various payment methods.	Interval

Source: Kotler and Keller (2016)

3.3. Sampling Selection Techniques

The study used a non-probability sampling technique called judgment sampling to select KFC consumers in Jakarta who had purchased KFC more than once. A sample size of at least 100 was recommended, with a ratio of 10:1 for the number of variables analyzed. A minimum of 70 respondents were needed based on the 14 statement items, but 100 respondents were chosen to ensure a better sample size.

3.4. Data collection technique

This study uses primary data collected directly from respondents. The data collection method involves distributing electronic questionnaires via Google Forms. The questionnaire consists of closed questions with predetermined answer choices, using a five-level Likert scale: STS (Strongly Disagree), TS (Disagree), N (Neutral), S (Agree), and SS (Strongly Agree). The Likert scale measures respondents' attitudes, opinions, and perceptions about a particular phenomenon. To ensure response accuracy, it is recommended to include both positive and negative statements (Digdowiseiso, 2017).

Table 4. 1Scale

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

4. RESULTS AND DISCUSSION

4.1. Research Results

4.1.1. General Description of Research Objects

In this study, the object of research is KFC in Jakarta. KFC is a fast-food restaurant originating from America. Fast food restaurants serve food and drinks in a relatively short time. One of the fast-food chains in Indonesia is KFC. Typically, fast food restaurants have bright brand colours, packaging, and buildings, such as yellow, red, and green, as these colours are believed to stimulate appetite.

In Indonesia, the fast-food restaurant industry is currently growing, with even smaller cities experiencing a boom in this sector. Urban communities love fast food products because they are convenient. Fast food has become ingrained in modern society

as a lifestyle (Ufrida & Harianto, 2022). Fast food restaurants face increasing competition from other businesses in the industry, forcing them to vie for consumers (Anggrainy & Rachmawati, 2020).

The characteristics that make fast food restaurants popular are their speed, convenience, and affordability. In addition to reducing cooking time, fast food restaurants use preheated or pre-cooked components, allowing food to be delivered to homes or offices or eaten on the spot. Fast food outlets are often in the form of kiosks or shophouses, sometimes with outdoor seating.

4.1.2. Descriptive analysis

1) Percentage of respondent data by age

From the questionnaire distributed to 100 KFC consumers, the age distribution is as follows: 89% are aged 18-24, 7% are aged 25-29, 0% are aged 30-34, 2% are aged 35-39, and 2% are over 40 years old. These results show that the majority of KFC consumers are in the 18-24 age group.

2) Percentage of respondent data by gender

The percentage of gender in respondents who have filled out the questionnaire, the results of the questionnaire are that respondents with female gender numbered 40 people which is 40 %, and male respondents numbered 60 people which is 60%. Where the results prove that the consumer decision to purchase KFC products is the most from the results of the respondents, namely male gender which is 60 people.

3) Percentage of respondent data based on domicile

The percentage of respondents' domicile, the results of the questionnaire are that respondents domiciled in North Jakarta amounted to 78 people or around 78%, respondents domiciled in South Jakarta amounted to 0 people or around 0 %, respondents domiciled in East Jakarta amounted to 2 people or around 2%, respondents domiciled in Central Jakarta amounted to 1 person or around 1%, and respondents domiciled in West Jakarta amounted to 19 people, or around 19 %. From these results, it is proven that the consumer decision to purchase KFC products is mostly in North Jakarta.

4) Percentage of respondent data based on profession

The percentage of respondents' professions, the results of the questionnaire are that respondents with professions as students or college students numbered 70 people or around 70 %, respondents with professions as employees numbered 19 people or around 19 %, respondents with professions as housewives numbered 2 people or around 2%, respondents with professions as entrepreneurs numbered 9 people or around 9%. From these results, it is proven that the consumer decision to purchase KFC products is mostly made by students or college students.

5) Percentage of respondent data based on income in a month

The percentage of respondents' income, the results of the questionnaire are that respondents with income of less than Rp1,000,000 in a month number 3 people or around 3%, respondents with income of around Rp1,000,000 - Rp1,999,999 in a month number 4 people or around 4 %, respondents with income of Rp2,000,000 - Rp3,999,999 in a month number 43 people or around 43 %, respondents with income of around

Rp4,000,000 - Rp5,999,999 in a month number 25 people or around 25 % , respondents with income of Rp6,000,000 - Rp7,999,999 in a month number 10 people or around 10 % , and respondents with income of more than Rp8,000,000 in a month number 15 people or around 15 %. From these results, it is proven that the consumer decision to purchase KFC products that most have an income of around Rp 2,000,000 - Rp 3,999,999.

Table 5. Convergent Validity

No	Construct / Variable	Code	Standardized Loading Factor (SLF)	AVE	Validity Test
			SLF $\geq 0,7$	AVE ≥ 0.5	
1.	Product quality	KP1	0,825	0.579	Valid
		KP2	0,729		
		KP3	0,71		
		KP4	0,774		
2.	Quality of Service	KL1	0.783	0.550	Valid
		KL2	0.725		
		KL3	0.733		
		KL4	0.747		
		KL5	0.717		
3.	Buying decision	KPM1	0.792	0.564	Valid
		KPM2	0.702		
		KPM3	0.715		
		KPM4	0.795		
		KPM5	0.746		

Source: Appendix 8 , p. 68

The table shows that the loading factor is above 0.7 and AVE value is above 0.5, indicating that all variables are valid.

a) Discriminant Validity

Discriminant validity with reflective indicators seen from the cross loading for each variable must be > 0.70 and the square root of AVE $>$ from the correlation between latent constructs (Duryadi, 2021: 62).

Table 5. Discriminant Validity (Cross Loading)

	Product Quality	Quality of Service	Buying decision
KP 1	0.825	0.478	0.630
KP 2	0.729	0.474	0.404
CP 3	0.710	0.417	0.397
CP 4	0.774	0.462	0.512

KL 1	0.569	0.783	0.526
KL 2	0.392	0.725	0.480
KL 3	0.319	0.733	0.408
KL 4	0.528	0.747	0.410
KL 5	0.396	0.717	0.467
MOE 1	0.480	0.500	0.792
MoE 2	0.459	0.409	0.702
MoE 3	0.491	0.447	0.715
MOE 4	0.541	0.494	0.795
MoE 5	0.490	0.485	0.746

Source: Appendix 9, Pg. 68

According to table 5, each indicator in the research variable has the highest cross loading value compared to other indicators. This shows that the indicators have good discriminant validity.

4.1.3. Reliability Test

1) Composite Reliability and Cronbach's Alpha

Table 6. Reliability Test Results

No	Construct Variable /	Code	Crobach's Alpha	CR	Reliability Test
			Cronbach's Alpha $\geq$ 0.7	CR $\geq$ 0.5	
1.	Product Quality	KP1	0.762	0.846	Reliable
		KP2			
		KP3			
		KP4			
2.	Quality of Service	KL1	0.796	0.859	Reliable
		KL2			
		KL3			
		KL4			
		KL5			
3.	Buying decision	KPM1	0.806	0.866	Reliable
		KPM2			
		KPM3			

		KPM4			
		KPM5			

Source: Appendix 10, p. 69

From table 6, the results of Composite Reliability and Cronbach Alpha indicate good consistency with values above the criteria of ≥ 0.7 , showing the questionnaire indicators have high consistency.

4.1.4. Structural Model Evaluation (Inner Model)

1) R^2 value

The following are the results of the R^2 value :

Table 7. R^2 Value Test Results

	R Square
Buying decision	0.513

Source: Appendix 11, p. 69

Table 7 shows a coefficient of determination of 0.513 for purchasing decisions, meaning 51.3% of indicators are influenced by product and service quality. Other variables not included in the study also play a role. The purchasing decision variable falls within the medium coefficient value range.

2) Q^2 value

Table 8. Q^2 Test Results

Endogenous Variables	Q^2 Predict
Buying decision	0.264

Source: Appendix 12, p. 69

Based on the table above, the results of the Q-Square test have a value above 0 ($Q^2 > 0$) which means that the endogenous variable has Predictive Relevance.

4.1.4. Variable Analysis

1) Product Quality Variable Analysis

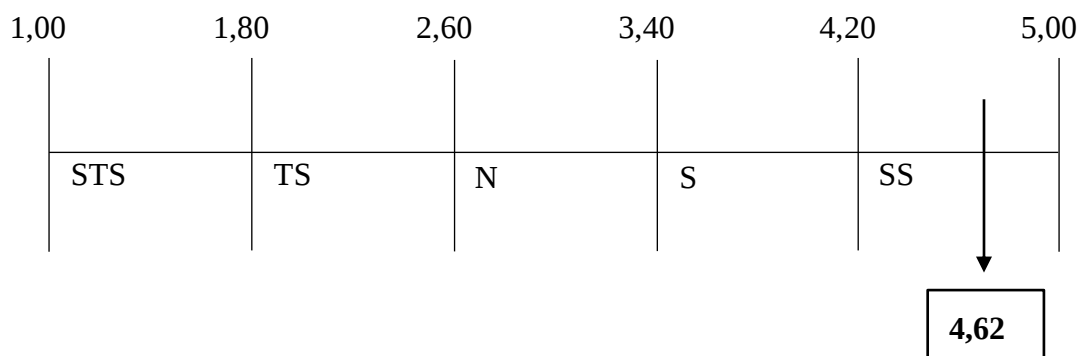
The following is a description of the answers of 100 respondents to the product quality variable, namely:

Table 9. Average Score of Product Quality Variables

Code	Statement	Mark					Mean	Interval
		1	2	3	4	5		
KP1	KFC serves food that is always warm and <i>crispy</i> .	0	0	4 (4%)	31 (31%)	65 (65%)	4.61	4.5-4.72

KP2	Food and drinks at KFC vary according to the tastes of the Indonesian people.	0	0	3 (3%)	33 (33%)	64 (64%)	4.6	4.49-4.71
KP3	KFC serves products according to the specifications on the menu.	0	0	2 (2%)	35 (35%)	63 (63%)	4.6	4.5-4.7
KP4	KFC fries chicken until <i>golden brown</i> , thus increasing consumer appetite.	0	0	4 (4%)	23 (23%)	73 (73%)	4.68	4.57-4.79
Average Score of Product Quality Variables							4.62	4.52-4.73

Source: Appendix 13, p. 70



Based on table 9, it shows the average score of 100 respondents who have given an assessment of the statement items regarding the quality of KFC products. From the average value, the statement item regarding features obtained the lowest average value, which is 4.6. Conversely, the statement item regarding aesthetics obtained the highest average value, which is 4.68. Overall, the average score of the product quality variable is 4.62 , with a confidence interval of 95% the interval is 4.52 - 4.73. Based on this, with 95% confidence, KFC consumers in Jakarta strongly agree that KFC food and beverages have good product quality.

2) Analysis of Service Quality Variables

The following is a breakdown of the answers of 100 respondents to the service quality variable, namely:

Table 10. Average Score of Service Quality Variables

Code	Statement	Mark					Mean	Interval
		1	2	3	4	5		
KL1	KFC has employees who look neat and clean	0	0	5 (5%)	26 (26%)	69 (69%)	4.64	4.53-4.75
KL2	KFC employees can easily understand consumer desires	0	0	6 (6%)	38 (38%)	56 (56%)	4.49	4.37-4.61
KL3	KFC employees' reliability in serving consumers in accordance with operational standards	0	0	5 (5%)	35 (35%)	60 (60%)	4.54	4.42-4.66
KL4	KFC employees have good responsiveness in helping consumers	0	0	4 (4%)	39 (39%)	57 (57%)	4.53	4.42-4.64
KL5	KFC employees provide polite service and are able to explain their products well and provide consumers with confidence regarding the products offered.	0	0	5 (5%)	30 (30%)	65 (65%)	4.6	4.49-4.71
Average Score of Service Quality Variables							4.56	4.44-4.68

Source: Appendix 1 4, Page 7 0

3) Analysis of Purchasing Decision Variables

The following is a breakdown of the answers of 100 respondents to the purchasing decision variables, namely:

Table 11. Average Score of Purchase Decision Variables

Code	Statement	Mark					Mean	Interval
		1	2	3	4	5		
KPM1	I choose to eat at fast food restaurants because the products suit my taste and desires.	0	0	3 (3%)	23 (23%)	74 (74%)	4.71	4.61-4.81

KPM2	I chose KFC because KFC is the most popular fast-food brand in Indonesia.	0	0	4 (4%)	33 (33%)	63 (63%)	4.59	4.48-4.7
KPM3	I buy KFC products in large quantities because the products offered are very diverse.	0	0	4 (4%)	29 (29%)	67 (67%)	4.63	4.52-4.74
KPM4	I buy KFC products on <i>weekdays</i>	0	0	3 (3%)	30 (30%)	67 (67%)	4.65	4.54-4.76
KPM5	I buy KFC products because they have various payment methods.	0	0	6 (6%)	25 (25%)	69 (69%)	4.64	4.52-4.76
Average Score of Purchase Decision Variables							4.64	4.53-4.75

Source: Appendix 15, Page 7 1

1,00	1,80	2,60	3,40	4,20	5,00
	STS	TS	N	S	SS
					↓
					4.64

Based on table 11, it shows the average score of 100 respondents who have given an assessment of the statement items regarding the decision to purchase KFC products. From the average value, the statement item regarding *brand choice* obtained the lowest average value, which was 4.59. Conversely, the statement item regarding *product choice* obtained the highest average value, which was 4.71. Overall, the average score of the purchasing decision variable was 4.64, with a confidence interval of 95% the interval was 4.53 - 4.75 . Based on this, with 95% confidence, KFC consumers in Jakarta strongly agree that they will decide to buy food and drinks at KFC.

4.1.5. Hypothesis Testing (Bootstrapping)

This test checks for a significant relationship between independent and dependent variables. Decisions are made based on a study by Duryadi (2021) showing that a p-value < 0.05 indicates a significant effect. Here are the test results:

Table 12. Hypothesis Testing

Hypothesis	Statement	(O)	(M)	(STDEV)	T-Statistic	P-Value	Conclusion
H1	Product quality influences purchasing decisions	0.441	0.462	0.133	3.304	0.001	Data supports H1
H2	Service quality influences purchasing decisions	0.360	0.349	0.148	2.423	0.016	Data supports H2

Source: Appendix 16, Page 7 1

H1 states that product quality influences purchasing decisions. Based on Table 4.16, the p-value for H1 is 0.001, which is less than 0.05, indicating that H1 is accepted. This means KFC's product quality has a significant impact on purchasing decisions. Similarly, H2 posits that service quality influences purchasing decisions. With a p-value of 0.016, also below 0.05, it can be concluded that H2 is accepted, showing that service quality significantly affects purchasing decisions as well.

4.1.6. Research result

Using SmartPLS 3.0 software, the following research results were obtained:

- a) The majority of respondents were men aged 18-24, students living in North Jakarta, with incomes ranging from IDR 2,000,000 to IDR 3,999,999.
- b) All indicators for product quality, service quality, and purchasing decisions are valid, with loading factors above 0.7 and AVE values exceeding 0.5.
- c) The indicators for all three variables demonstrate good discriminant validity.
- d) The relationship between product quality and purchasing decisions (H1) is significant, with a p-value of 0.001, indicating that product quality influences purchasing decisions.
- e) The relationship between service quality and purchasing decisions (H2) is also significant, with a p-value of 0.016, indicating that service quality influences purchasing decisions.

4.2. Discussion

Structural model analysis or inner model to predict the relationship between variables. The following are the results of the discussion regarding the testing of the structural model of each variable:

a) The Influence of Product Quality on Purchasing Decisions

The hypothesis testing results indicate that product quality positively affects purchasing decisions (H1). Product quality reflects a company's ability to deliver products that meet their intended functions, such as durability and reliability. Essentially, it represents the product's excellence in fulfilling customer expectations. A product is deemed high quality if it performs its intended function, meets established standards, features attractive design, exhibits aesthetic appeal, and maintains durability and reliability.

These findings align with the research by Merentek et al. (2017), which found that product quality impacts purchasing decisions at KFC. Higher consumer perceptions of product quality lead to improved purchasing decisions. Ultimately, a product's quality is crucial for satisfying customer desires and needs, thereby enhancing customer satisfaction.

b) The Influence of Service Quality on Purchasing Decisions

The hypothesis testing results reveal a positive relationship between service quality and purchasing decisions (H2). Service quality encompasses meeting customer needs and expectations and delivering services accurately (Indrasari, 2019). This means service quality is essential for companies to achieve customer satisfaction.

These findings align with the research by Manyu et al. (2022), which indicates that service quality positively and significantly affects purchasing decisions at KFC. Additionally, Darryl and Purnama (2022) also confirm that service quality influences the decision to purchase KFC products.

5. CONCLUSION

This study aimed to assess the impact of product quality and service quality on consumer purchasing decisions at KFC in Jakarta. The analysis, detailed in Chapter Four using various testing instruments, leads to several key conclusions. Product quality significantly influences purchasing decisions. This indicates that improvements in KFC's product quality are associated with increased consumer purchasing decisions. Similarly, service quality also affects purchasing decisions. Enhanced service quality at KFC correlates with a rise in consumer purchasing decisions.

For KFC, improving product quality should involve tailoring offerings to meet the preferences and needs of Indonesian consumers. Conducting product tests can help assess consumer reactions to both new and revised products. Additionally, enhancing service quality is crucial; this can be achieved by providing comprehensive training for employees and speeding up the product preparation process to deliver faster service. Such improvements can boost consumer interest and satisfaction.

For future researchers, it is recommended to explore different areas or regions to allow for comparisons with this study or previous research. Focusing on specific locations, such as a particular KFC branch, can provide more detailed insights. Expanding research models to include additional variables like brand image, advertising, and brand awareness could further enrich the findings. Moreover, increasing the number of respondents beyond 100 would contribute to obtaining more valid and reliable data.

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