

THE EFFECT OF PRODUCT QUALITY AND SERVICE QUALITY ON PURCHASING DECISIONS ON CHATIME SETIA BUDI MEDAN

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Abstract

This article aims to determine the effect of Experiential Value on revisit intention at Waterfront City. This study aims to determine the effect of product quality and service quality on purchasing decisions at Chatime Setia Budi, both partially and simultaneously. The research method used is a quantitative approach with a purposive sampling technique, aimed at Chatime Setia Budi consumers who have made purchases. The number of samples was determined as many as 96 respondents. Data analysis techniques used include classical assumption tests (normality, multicollinearity, and heteroscedasticity tests), multiple linear regression analysis, and hypothesis testing (t-test, F-test, and coefficient of determination R^2). The results of the study indicate that partially, both product quality and service quality variables have a positive and significant effect on purchasing decisions at Chatime Setia Budi. Simultaneously, both independent variables also have a positive and significant effect on purchasing decisions. Thus, it can be concluded that improving product quality and good service can encourage an increase in consumer purchasing decisions at Chatime Setia Budi.

Keywords: *Product Quality, Service Quality, Purchasing Decisions, Chatime Setia Budi, Multiple Linear Regression*

INTRODUCTION

The food and beverage industry in Indonesia is growing rapidly along with the increasing population and purchasing power of the community. Changes in lifestyle and increasing welfare have also influenced the beverage business, which is now available in various flavors and sizes, including the increasingly popular trend of Taiwanese bottled drinks such as bubble tea. In the modern era, companies are required to attract consumers' attention through good product quality and service, because both greatly influence consumer purchasing decisions. The purchasing decision itself is a process of consumer consideration in choosing a product before buying. Chatime, as one of the main players in the Indonesian bubble tea business, was founded in 2011 and now has hundreds of outlets throughout Indonesia. Despite its efforts to provide quality products and services, Chatime's sales data in Medan shows fluctuations and declines in customers, which are thought to be related to several constraints on product quality and service quality. The results of a pre-research survey indicated that some customers felt that Chatime's product quality did not meet standards, especially in terms of hygiene and product durability. In addition, employee service was also considered less than satisfactory, with respondents complaining about the speed and friendliness of the service.

Previous studies have shown mixed results regarding the influence of product quality and service quality on purchasing decisions, so further research is needed, especially in the context of Chatime in Medan. The author is interested in examining the extent to which product quality and service quality influence consumer purchasing decisions at Chatime Setia Budi, Medan, in order to provide a clearer picture of the factors that encourage consumers to continue choosing this product amidst tight competition. Based on the formulation of the problem that has been described previously, the main objective of this study is to determine the effect of product quality on purchasing decisions at Chatime Setia Budi Medan. In addition, this study also aims to determine how much influence service quality has on purchasing decisions at the same location. Furthermore, this study wants to examine the simultaneous influence between product quality and service quality on consumer purchasing decisions.

at Chatime Setia Budi Medan, so that it can provide a comprehensive picture of the factors that influence purchasing decisions in this bubble tea beverage business.

RESEARCH METHODS

This study uses a quantitative method based on the philosophy of positivism, with data collection from certain populations and samples through research instruments that are analyzed statistically to test the hypothesis. The location of the study is at Chatime Setia Budi No.127 Tanjung Rejo, Medan Sunggal District, North Sumatra, and was carried out for a certain period according to the planned schedule. The research population was all consumers of Chatime Setia Budi totaling 2,623 people from June to December 2024. Samples were taken from 96 respondents using the simple random sampling technique with the accidental sampling method, namely taking samples from respondents who were met by chance and met the criteria of having made a product purchase in the last five months. The data used is primary quantitative data obtained directly from the answers to the questionnaire distributed to customers. Data collection was carried out using a questionnaire method containing written questions to be filled in by respondents. Data measurement uses a Likert scale with a value range of 1 to 5 to measure the attitudes, opinions, and perceptions of respondents towards the research variables. Each variable such as product quality, service quality, and purchasing decisions are explained operationally with clear indicators so that the measurement is consistent and well measurable.

Data analysis begins with testing the validity and reliability of the questionnaire to ensure that the measuring instrument used is valid and consistent. Furthermore, classical assumption tests are carried out in the form of normality, multicollinearity, and heteroscedasticity tests to ensure the validity of the multiple linear regression analysis. Regression analysis is then used to determine the effect of independent variables, namely product quality and service quality, on the dependent variable, namely purchasing decisions. Hypothesis testing is carried out simultaneously using the F test and partially using the t test, and is complemented by a determination coefficient test (R^2) to measure how much the independent variables explain the dependent variables in this study.

RESULTS AND DISCUSSION

CLASSICAL ASSUMPTION TEST RESULTS

NORMALITY TEST

Kolmogorov Smirnov test, in this test the guidelines used in decision making are:

1. If the significance value > 0.05 then the data distribution is normal
2. If the significance value < 0.05 then the data distribution is not normal.

Table 1. Results of the Kolmogorov Smirnov Normality Test

| One-Sample Kolmogorov-Smirnov Test | | |
|--|----------------|-------------------------|
| | | Unstandardized Residual |
| N | | 96 |
| Normal Parameters ^{a,b} | Mean | .0000000 |
| | Std. Deviation | 1.04636354 |
| Most Extreme Differences | Absolute | .059 |
| | Positive | .059 |
| | Negative | -.034 |
| Test Statistics | | .059 |
| Asymp. Sig. (2-tailed) | | .200 ^{c,d} |
| a. Test distribution is Normal. | | |
| b. Calculated from data. | | |
| c. Lilliefors Significance Correction. | | |
| d. This is a lower bound of the true significance. | | |

Source: Processed Data

The results of the normality test using the One-Sample Kolmogorov-Smirnov Test show that the significance value of 0.200 is above the significance limit of 0.05. This indicates that the residual data is normally distributed and there is no significant deviation from the normality assumption.

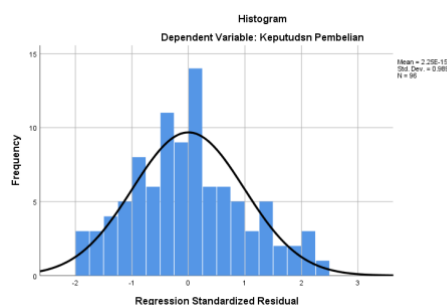


Figure 1. Histogram Normality Test

Based on the residual histogram displayed, it can be seen that the residual distribution pattern forms a curve that resembles a normal distribution. Most of the residual values are concentrated around zero, and the number of residuals at extreme values on both sides, both left and right, is decreasing. This is in accordance with the characteristics of a normal distribution, where the highest frequency of values is in the middle and decreases symmetrically towards both ends.

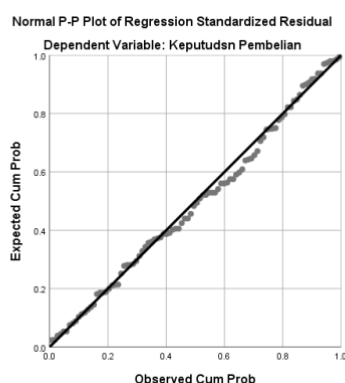


Figure 2. P-Plot Normality Test

Based on the Normal PP Plot of Regression Standardized Residual graph, it can be seen that the data points are mostly around the diagonal line that represents the normal distribution. The closer to or following the line, the more it shows that the residuals are normally distributed. The pattern shown in this graph indicates that there is no significant deviation from normality. Thus, the assumption of residual normality in the regression analysis has been met.

HETEROSCEDASTICITY

The results of the Heteroscedasticity Test using the Glejser test method can be seen in the following table:

Table 2. Results of Glejser Heteroscedasticity Test

| Coefficients ^a | | | | | | |
|---------------------------|-----------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.266 | 1,084 | | -.246 | .806 |
| | Product Quality | .053 | .033 | .176 | 1,612 | .110 |
| | Service Quality | -.017 | .015 | -.129 | -1.182 | .240 |

a. Dependent Variable: ABS_RES

Source: Processed Data

The results of the regression analysis show that Product Quality has a positive coefficient of 0.053, but its influence is not statistically significant with a significance value of 0.110. While Service Quality has a negative coefficient of -0.017 and its influence is also not significant with a significance of 0.240. The model constant of -

0.266 is also not significant. Thus, neither Product Quality nor Service Quality contributes significantly to the ABS_RES variable in this model.

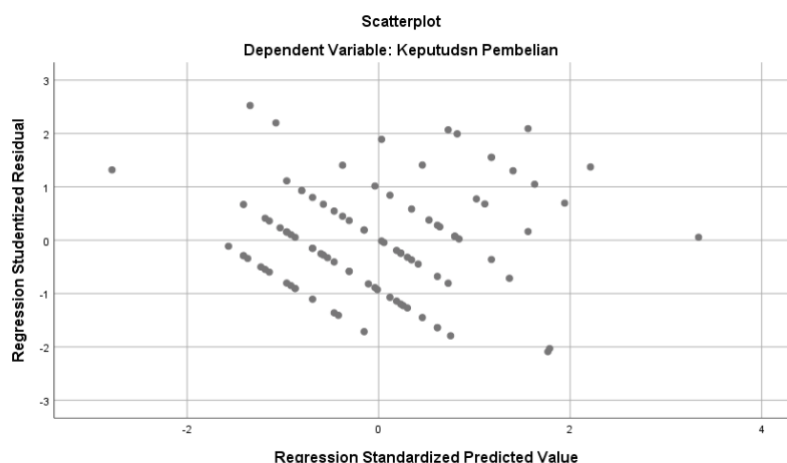


Figure 3 Heteroscedasticity Test

Based on the distribution pattern of the points on the scatterplot, it can be observed that the residual points are randomly distributed around the zero line and do not form a certain consistent pattern. This indicates that there is no systematic curve or trend pattern, so it can be concluded that the linearity assumption has been met. In addition, the relatively even distribution of points across the range of predicted values also indicates the absence of heteroscedasticity symptoms, which means that the homoscedasticity assumption is met. Thus, the regression model used is considered quite good because it meets both assumptions.

MULTICOLLINEARITY

Table 3. Multicollinearity Test Results

| Coefficients ^a | | | | | | | | |
|---------------------------|-----------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 20,380 | 1,803 | | 11,306 | .000 | | |
| | Product Quality | .588 | .055 | .792 | 10,791 | .000 | .873 | 1.145 |
| | Service Quality | -.134 | .024 | -.407 | -5.545 | .000 | .873 | 1.145 |

a. Dependent Variable: Purchasing Decision

Source: Processed Data

The regression output results show that the independent variables Product Quality and Service Quality have a Tolerance value of 0.873 and a Variance Inflation Factor (VIF) value of 1.145. A Tolerance value greater than 0.10 and a VIF value less than 10 indicate that there are no symptoms of multicollinearity among the independent variables in the model. This means that there is no strong linear relationship between the independent variables that can affect the stability of the regression coefficient. Thus, this regression model meets the assumption of no multicollinearity, so that the regression coefficient estimate can be said to be reliable and can be interpreted statistically.

MULTIPLE LINEAR REGRESSION

Multiple linear analysis is carried out to measure the strength of the relationship between two or more variables and also to show the direction of the relationship between the dependent variable and the independent variable.

Table 4. Multiple Linear Regression Test Results

| Coefficients ^a | | | | | | |
|---------------------------|-----------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 20,380 | 1,803 | | 11,306 | .000 |
| | Product Quality | .588 | .055 | .792 | 10,791 | .000 |
| | Service Quality | .134 | .024 | .407 | 5,545 | .000 |

a. Dependent Variable: Purchasing Decision

Source: Processed Data

The interpretation is as follows:

- Constant**
The constant value of 20.380 indicates that if the Product Quality and Service Quality variables are zero (have no influence), then the Purchase Decision value is 20.380 units. This reflects the basic value of the purchase decision before being influenced by the two independent variables.
- Product Quality (X1)**
The regression coefficient for the Product Quality variable is 0.588 with a positive direction indicating that if the Product Quality variable increases by 1 unit, the Purchase Decision variable will increase by 0.588 units, assuming other variables remain constant. The significance value (Sig.) of 0.000 < 0.05 indicates that the influence of Product Quality on Purchase Decisions is statistically significant.
- Service Quality (X2)**
The regression coefficient for the Service Quality variable is 0.134 with a positive direction. This means that if the Service Quality variable increases by 1 unit, then the Purchasing Decision will increase by 0.134 units, assuming other variables remain constant. The significance value (Sig.) of 0.000 < 0.05 indicates that the influence of Service Quality on Purchasing Decisions is also statistically significant.

Hypothesis Testing

Hypothesis testing is a statistical method used to test the truth of a statement or hypothesis about a population based on sample data. This process helps in making decisions to accept or reject the statement.

Partial Test (t)

In the partial t-test, decision making can be done by comparing the calculated t value with the t table, namely:

- If $t_{\text{count}} > t_{\text{table}}$, then H_0 is rejected and H_1 is accepted, meaning that the independent variable has a significant effect on the dependent variable.
- If $t_{\text{count}} < t_{\text{table}}$, then H_0 is accepted and H_1 is rejected, meaning that the independent variable does not have a significant effect on the dependent variable.

Table 5. Partial Test (t)

| Coefficients ^a | | | | | | |
|---------------------------|-----------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 20,380 | 1,803 | | 11,306 | .000 |
| | Product Quality | .588 | .055 | .792 | 10,791 | .000 |
| | Service Quality | .134 | .024 | .407 | 5,545 | .000 |

a. Dependent Variable: Purchasing Decision

Source: Processed Data

Based on the regression output and the t-table value of 1.66140, the following is an explanation of the partial test (t-test) for each independent variable on the dependent variable Purchase Decision:

a. Product Quality (X1)

The t-count value for the Product Quality variable is 10.791, while the t-table value is 1.66140. Because the t-count (10.791) > t-table (1.66140) and the significance value (Sig.) is 0.000 < 0.05, it can be concluded that H_0 is rejected and H_1 is accepted. This means that Product Quality has a significant effect on Purchasing Decisions. This shows that the better the quality of the product offered, the greater the influence on consumer decisions to buy.

b. Service Quality (X2)

The t-value for the Service Quality variable is 5.545, greater than the t-table of 1.66140, and the significance value is 0.000 < 0.05. Therefore, H_0 is rejected and H_1 is accepted, which means that Service Quality also has a significant effect on Purchasing Decisions. This indicates that the better the service provided to consumers, the more likely they are to make a purchase.

Simultaneous Test (F)

The F test is a statistical method used to determine how much influence one or more independent variables have on the variation of the dependent variable in a regression model.

Table 6. Simultaneous Test Results (F)

| ANOVA | | | | | | |
|---|------------|----------------|----|-------------|--------|-------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 133,945 | 2 | 66,973 | 59,881 | .000b |
| | Residual | 104,013 | 93 | 1.118 | | |
| | Total | 237,958 | 95 | | | |
| a. Dependent Variable: Purchasing Decision | | | | | | |
| b. Predictors: (Constant), Service Quality, Product Quality | | | | | | |

Source: Processed Data

Based on the results of the ANOVA analysis, the F-count value was obtained as 59.881, while the F-table value at a significance level of 0.05 with degrees of freedom of 2 and 93 was 3.09. Because the F-count (59.881) > F-table (3.09) and the significance value of 0.000 < 0.05, it can be concluded that the regression model involving the variables Product Quality (X1) and Service Quality (X2) simultaneously has a significant effect on Purchasing Decisions

Coefficient of Determination

Table 7. Results of the Determination Coefficient Test

| Model Summary | | | | |
|---|-------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .750a | .563 | .553 | 1.05755 |
| a. Predictors: (Constant), Service Quality, Product Quality | | | | |

Source: Processed Data

The results of the regression analysis show that the coefficient of determination (R Square) is 0.563, which means that around 56.3% of the variation in Purchasing Decisions can be explained by the variables Product Quality and Service Quality together. In other words, more than half of the changes in consumer decisions in purchasing products can be predicted by these two variables. The R value of 0.750 also shows a fairly strong relationship between the independent variables and the dependent variable. Meanwhile, the Adjusted R Square value which is close to the R Square value indicates that this regression model is quite good and is not too

influenced by the number of predictor variables in the model. The relatively small standard error of the estimate indicates that the prediction of purchasing decisions using this model is quite accurate and reliable.

DISCUSSION

The Influence of Product Quality (X1) on Purchasing Decisions (Y):

This study shows that product quality has a significant influence on purchasing decisions. Product quality includes not only physical attributes, but also the value perceived by consumers, which is a major factor in determining purchasing choices. This finding strengthens the theory of consumer behavior from Kotler and Keller, that products that are able to meet consumer needs and expectations will drive purchasing decisions. Academically, these results provide an important contribution in supporting existing theories, while practically, these findings serve as a reference for companies to improve product quality in order to attract consumer interest and loyalty.

The Influence of Service Quality (X2) on Purchasing Decisions (Y):

The results of the study show that service quality also has a significant effect on purchasing decisions. Good service—in terms of reliability, responsiveness, assurance, empathy, and physical appearance—can create a positive experience that encourages customers to buy. This is in line with the SERVQUAL theory by Parasuraman, Zeithaml, and Berry, which states that service quality is a major factor in shaping customer satisfaction and trust. Practically, these results indicate that companies need to improve service quality as an important strategy in winning the market and increasing purchases.

The Influence of Product Quality (X1) and Service Quality (X2) on Purchasing Decisions (Y) Simultaneously:

Simultaneously, product quality and service quality are proven to have a significant effect on purchasing decisions. ANOVA analysis shows that the combination of these two variables is able to explain the variation in purchasing decisions more strongly than when viewed separately. This emphasizes the importance of an integrated approach in marketing strategy, where product and service quality complement each other to encourage purchases. This study provides academic contributions by strengthening the theoretical basis of consumer behavior and opening up opportunities for further research. From a practical perspective, companies are advised to develop these two aspects simultaneously in order to gain sustainable competitive advantage.

CONCLUSION

Based on the results of the analysis discussed in the previous chapter, it can be concluded that the product quality variable (X1) has a positive and significant effect on purchasing decisions at Chatime Setia Budi, which shows that the higher the quality of the product offered, the greater the likelihood of consumers to make a purchase. In addition, the service quality variable (X2) is also proven to have a positive and significant effect on purchasing decisions, which means that good service also encourages consumers to make decisions to buy. Simultaneously, both variables—product quality and service quality—together have a positive and significant effect on purchasing decisions, so it can be concluded that improvements in both of these aspects simultaneously will have a stronger impact in encouraging consumers to buy products at Chatime Setia Budi.

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