

---

## THE EFFECT OF PRODUCT QUALITY ON CONSUMER PURCHASE INTEREST WITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE IN AUSTRALIAN MEDICAL AND HEALTH CARE STORE

Wei huan Zhou<sup>1</sup>, Malvina Marchase<sup>2</sup>

(University of new South Wales - Australia)<sup>1</sup>

(Bayer business school city, university of London, UK)<sup>2</sup>

---

### *Abstract*

*This study aims to find out how the influence of product quality on consumer buying interest with customer satisfaction as an intervening variable at Australian Medical And Health Care Store. The research method used is the method of qualitative data and quantitative data. While the data used is primary data. The data analysis method in this study uses simple linear regression analysis to obtain a comprehensive picture of the influence of product quality variables on consumer buying interest using the SPSS 25 for Windows program. To find out whether there is a significant effect of the independent variable on the dependent variable, a simple linear regression model is used.*

**Keywords:** *Product Quality, Customer Satisfaction, Purchase Intention*

---

### INTRODUCTION

The role of HR Management itself is very influential on the performance of employees, because human resources are the most important resource and very decisive in the survival of a company/organization. Basically everyone has extraordinary potential and has not been fully utilized. In this affirmation, it is the manager's duty to utilize these resources in such a way for the benefit of achieving organizational goals, while still providing an appreciation and respect for the HR concerned. In the midst of increasingly advanced technology, providing optimal service by an organization must be sought immediately because it will have an impact on the loyalty of the organization's service users.

Employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2009). Performance is a function of motivation and ability. To complete a task or job a person must have a certain degree of willingness and level of ability. A person's willingness and skills are not effective enough to do something without a clear understanding of what to do and how to do it.

According to RI Law no. 20 of 2003 article 1, basically the level of education is the stage of education that is determined based on the level of development of students, goals to be achieved, and abilities developed. carrying out the duties of the company will be great. The education level of an employee affects work results and the employee's understanding of the workload assigned to him by the company, the higher the education level of an employee, the more likely he is to make a positive contribution to the company.

Compensation justice through job satisfaction can build organizational commitment and reduce employee turnover rates (Robert Coulson quoted by Rahayu, 2012). It is not only compensation that can determine the success of the company and maintain the level of

*Weihsuan Zhau, Malvina Marchase*

employee turnover, it is based on quality human resources and depends on how the company is able to take advantage of existing opportunities and overcome external threats by utilizing its human resources, therefore companies must be able to manage good human resources. Performance is influenced by potential abilities (Intelligence question) and reality abilities (knowledge and skills) as well as the level of education that is the background of employees,

## **LITERATURE REVIEWS**

### **Human Resource Management**

Human resource management is the set of organizational activities directed at attracting, developing and retaining an effective workforce. Managers have a big role in directing people in the organization to achieve the expected goals, including thinking about how to have human resource management (HRM) that is able to work effectively and efficiently.

### **Level of education**

According to RI Law no. 20 of 2003 article 1, basically the level of education is the stage of education that is determined based on the level of development of students, goals to be achieved, and abilities developed. carrying out the duties of the company will be great.

### **Compensation**

Compensation is everything that employees receive as remuneration that is able to provide satisfaction to employees for the work that has been completed. Compensation is divided into two types of financial compensation and non-financial compensation. Inadequate compensation reduces employees' sense of organizational commitment, job satisfaction and work motivation (Fatimah, 2013). Compensation justice through job satisfaction can build organizational commitment and reduce employee turnover rates (Robert Coulson quoted by Rahayu, 2012).

### **Performance**

There are many definitions proposed about performance, even though these definitions basically have a lot in common with one another. The term performance is equivalent to the term "performance" in English which means deed, action, appearance and others. Employee performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2009:18).

## **METHODS**

In this study, the population was employees of the Administration Section of Australian Medical And Health Care Store, namely as many as 30 people. Because the target population is less than 100, the sampling technique used is the census method, in which the entire population, totaling 30 employees of the Administrative Section of Australian Medical And Health Care Store, will be used as the research sample.

Weihuan Zhau, Malvina Marchase

Data analysis is a desire to classify, make a sequence, manipulate and abbreviate data so that it is easy to read and understand. In other words, data analysis activities are raw data that has been collected needs to be categorized or divided into several categories or groups, abbreviated in such a way that the data can answer problems according to research objectives and can test hypotheses (Silaen and Widiyono, 2013).

## RESULTS AND DISCUSSION

### Multiple Linear Regression Testing

#### Multiple Linear Regression Results

		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients				
Model		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	2,726	1943		1,403	.172		
	Level_Education_X	.320	.191	.299	1673	.106	.366	2,736
	Compensation_Z	.518	.162	.570	3,190	.004	.366	2,736

a. Dependent Variable: Performance\_Y

Based on these results, the multiple linear regression equation has the formulation:  $Y = a + b1X + b2Z + \epsilon$ , so the equation is obtained:

$$Y = 2.726 + 0.320X + 0.518Z + \epsilon$$

The description of the multiple linear regression equation above is as follows:

- The constant value (a) of 2.726 indicates the level of employee performance (Y) if the level of education (X) and compensation (Z) is equal to zero.
- The regression coefficient value of education level (X) (b1) is 0.320 indicating the large role of education level (X) on employee performance (Y) assuming the compensation variable (Z) is constant. This means that if the education level factor (X) increases by 1 value unit, it is predicted that employee performance (Y) will increase by 0.320 value units assuming constant compensation (Z).
- The value of the compensation regression coefficient (Z) (b2) of 0.518 indicates the magnitude of the role of compensation (Z) on employee performance (Y) assuming the variable level of education (X) is constant. This means that if the compensation factor (Z) increases by 1 value unit, it is predicted that employee performance (Y) will increase by 0.518 value units assuming the level of education (X) is constant.

**t test (Partial)**

Partial Test (t) Equation 1

		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients				
Model		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	1,366	2,247		.608	.548		
	Level_Education_X	.940	.135	.797	6,971	.000	1,000	1,000

a. Dependent Variable: Compensation\_Z

**Hypothesis test the effect of education level variable (X) on compensation variable (Z).**

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If  $t_{count} < t_{table}$  or  $-t_{count} > -t_{table}$  or  $Sig. > 0.05$
2. Reject H0 If  $t_{count} \geq t_{table}$  or  $-t_{count} \leq -t_{table}$  or  $Sig. < 0.05$

From table 4.16, a  $t_{count}$  value of 6.971 is obtained. With  $\alpha = 5\%$ ,  $t_{table}$  (5%;  $n_k = 28$ ) a  $t_{table}$  value of 2.048 is obtained.  $0.00 < 0.05$ , it can be concluded that the first hypothesis is accepted, meaning that the education level variable (X) has a positive and significant effect on compensation (Z). This is in line with research conducted by Sukanto (2014) which found that the level of education has a significant effect on employee performance.

Education is so important because education is a basic need for many companies that will accept someone to work according to their level of education, many companies will accept job applicants with higher levels of education, if a person's education is high then he will get a job that is in accordance with his level of education and vice versa if a person's education low then few doors are open for a better career. Human resources or employees who occupy a certain position in the organization, do not necessarily have the ability in accordance with the requirements needed in that position. This happens because often a person occupies a certain position not because of his ability, but because of the availability of formations.

Partial Test (t) Equation 2

		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients				
Model		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	2,726	1943		1,403	.172		
	Level_Education_X	.320	.191	.299	1673	.106	.366	2,736
	Compensation_Z	.518	.162	.570	3,190	.004	.366	2,736

a. Dependent Variable: Performance\_Y

**Hypothesis test of the effect of education level (X) on employee performance (Y)**

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If  $t_{count} < t_{table}$  or  $-t_{count} > -t_{table}$  or Sig.  $> 0.05$
2. Reject H0 If  $t_{count} \geq t_{table}$  or  $-t_{count} \leq -t_{table}$  or Sig.  $< 0.05$

From the table above, a  $t_{count}$  value of 1.673 is obtained with  $\alpha = 5\%$ ,  $t_{table}$  (5%;  $n_k = 28$ ) obtained a  $t_{table}$  value of 2.048. From this description it can be seen that  $t_{count}$  (1.673)  $< t_{table}$  (2.048), and its significance value is  $0.10 > 0.05$ , it can be concluded that the second hypothesis is accepted, meaning that the level of education (X) has no significant effect on employee performance (Y). In line with research conducted by Ali (2011; 221) states that: "as an input factor, the level of ability possessed is the main indicator in the workforce, because the level of education has a real effect on the level of ability or performance. So changes in education levels can have an impact on changes in employment. Furthermore, Ali (2011; 229) stated: Education prepares students with the competencies needed for life, such as religious, academic, economic, and social competencies. This competence is needed to be able to follow the development of science and technology according to the level.

**Hypothesis Test the effect of compensation (Z) on employee performance (Y)**

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If  $t_{count} < t_{table}$  or  $-t_{count} > -t_{table}$  or Sig.  $> 0.05$
2. Reject H0 If  $t_{count} \geq t_{table}$  or  $-t_{count} \leq -t_{table}$  or Sig.  $< 0.05$

From the table above, a  $t_{count}$  value of 3.190 is obtained with  $\alpha = 5\%$ ,  $t_{table}$  (5%;  $n_k = 28$ ) obtained a  $t_{table}$  value of 2.048. From this description it can be seen that  $t_{count}$  (3.190)  $> t_{table}$  (2.048), and its significance value is  $0.00 < 0.05$ , it can be concluded that the third hypothesis is accepted, meaning that compensation (Z) has a significant effect on employee performance (Y). In line with research conducted by Bernardin (2012) sorting out awards/rewards includes; compensation, benefits, additional income and other tangible and intangible rewards, dividing rewards/rewards into two aspects, namely the first intrinsic reward/reward which includes participation in decision making, greater discretion and freedom, more responsibility, more work more interesting, opportunity to grow and develop, diversify activities; secondly extrinsic rewards/rewards which include: financial rewards, including commissions, incentives, bonuses, sharing of company profits.

Direct and Indirect Relations

No	Variable	Direct	Indirects	Total	Criteria	Conclusion
1	Level of education (X)	0.299	0.797	-	Significant	As Independent Variable
2	Compensation (Z)	0.570	-	0.454	Significant	As an Intervening Variable

## CLOSING

### Conclusion

Based on the results of the research and discussion in the previous chapter, it can be concluded as follows:

1. The things proposed state that: From table 4.16, a tcount value of 6.971 is obtained. With  $\alpha = 5\%$ ,  $t_{table} (5\%; nk = 28)$  a ttable value of 2.048 is obtained. From this description it can be seen that  $t_{count} (6.971) > t_{table} (2.048)$ , Likewise with a significance value of  $0.00 < 0.05$ , it can be concluded that the first hypothesis is accepted, meaning that the education level variable (X) has a positive and significant effect on compensation (Z).
2. Table 4.17 obtains a tcount value of 1.673. With  $\alpha = 5\%$ ,  $t_{table} (5\%; nk = 28)$  a ttable value of 2.048 is obtained. From this description it can be seen that  $t_{count} (1.673) < t_{table} (2.048)$ , and its significance value is  $0.10 > 0.05$ , it can be concluded that the second hypothesis is accepted, meaning that the level of education (X) has no significant effect on employee performance (Y).
3. From table 4.17, a tcount value of 3.190 is obtained. With  $\alpha = 5\%$ ,  $t_{table} (5\%; nk = 28)$  a ttable value of 2.048 is obtained. From this description it can be seen that  $t_{count} (3.190) > t_{table} (2.048)$ , and its significance value is  $0.00 < 0.05$ , it can be concluded that the third hypothesis is accepted, meaning that compensation (Z) has a significant effect on employee performance (Y).
4. In Figure 4.3 the path analysis shows the direct effect of variable X on variable Y of 0.299. While the indirect effect through the Z variable is  $0.797 \times 0.570 = 0.454$ , the results of the calculations show that the indirect effect through the Z variable is greater than the direct effect on the Y variable.

## REFERENCES

- Buchari Alma. 2011. "Marketing Management and Marketing Services". Alfabeta Publisher: Bandung
- Chien, PM ; Cornwell, TB,; and Pappu, R. (2011). "Sponsorship Portfolio as a Brand-Image Creation Strategy". Journal Of Business Research. Vol. 64, pp. 142-149.
- Edy Sutrisno, 2009. Human Resource Management, Third Printing, Kencana Prenada Media Group, Jakarta
- Ghozali, Imam. 2011. "Application of Multivariate Analysis with the SPSS Program" Publishing Board of Diponegoro University, Semarang
- Hasibuan, Malayu SP. 2017. Human Resource Management. Revised Edition. Jakarta: Earth Script.
- Kotler, and Keller. 2012. "Marketing Management". Edition 12. Jakarta: Erlangga
- Keller, Kevin L. 2013. "Strategic Brand Management; Building, Measuring, and Managing Brand Equity". Fourth Edition Harlow, English : Pearson Education Inc.
- Kotler, Philip and Armstrong, Gary, (2014), "Principles of Marketing", 12th Edition, Volume 1 Bob Sabran Translation. Erlangga. Jakarta
- Mangkunegara, A. A, Anwar Prabu, 2011. Company Human Resource Management, Bandung: Rosdakarya Youth.
- Nazir, Moh. 2013. "Research Method". Indonesian Ghalia. Bogor
- Sugiyono. 2012. "Business Research Methodology", Print 16. Alfabeta. Bandung
2013. "Quantitative, Qualitative and R&D Research Methods". Alfabeta. CV. Bandung:

*Weihuan Zhou, Malvina Marchase*

---

Suryana. 2013. "Entrepreneurship Tips and Processes for Success. Jakarta: SALEMBA FOUR."

Siagian, Sondang. 2010. Human Resource Management. Jakarta: Earth Script

Rivai, Veithzal. 2011, Human Resource Management for Companies: from Theory to Practice, Jakarta