# THE EFFECT PERCEIVED DESIGN QUALITY, PERCEIVED CAPABILITY OF ORDER, REPUTATION, TRUST AND PRICE TO REPURCHASE INTENTION LANDSCAPE ON PT INTI MATAHARI

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## Abstract

*Movement of the creative industry in Indonesia is growing rapidly, the public began to be interested to explore the creative industries. Inti matahari provides services such as the manufacture of residential parks, offices, public facilities, garden care and agricultural facilities targeting a segment of the people who are becoming aware of the importance of landscaping and wanting to spend more money on landscaping and orchard garden. The problems that arise in Inti Matahari is the difficulty to penetrate the market to new consumers and because the landscape industry is an industry that has a period of costumer in the manufacture of landscape, income gains are sometimes not sufficient to cover operating costs. To the authors want to do research where the authors want to see whether the consumer confidence, percept design quality, pecived capability of order, reputation already owned by Inti Matahari affect the purchase intention costumer interested interest in buying landscape and also the author wants to see how big the influence of price will play a role in repurchasing intention costumer, although costumer already interested in landscape design that given*

***Keywords***: *Design Quality, Perceived Capability of Order, Reputation, Trust and Price To Repurchase Intention*

## Introduction

Architectural landscape of art planning, handling and arrangement of land preparation of natural objects, manmade objects that its use through the merger of science and culture that shows the balance between service needs and maintenance of resources. This planning creates a functional and aesthetic environment (Rachman, 1984). In Indonesia the landscape industry is growing rapidly. Early in the year 1998 to 2002 the landscape industry came from the architect of the building and interior that took the landscape sub-sector. Their lack of ability led to the absence of landscape planning and consultation. In 2003 until now the landscape industry began to develop and focus on planning and designing residential park houses, offices, and public facilities. The development of property sector and green open field in Jakarta made the landscape industry began to grow.

Inti Matahari is a creative industry company engaged in landscape architecture sub-sector. Inti Matahari is established since 2005, which is domiciled in Jakarta. Inti Sun provides services such as the manufacture of residential parks, offices, public facilities, park consultant services, garden maintenance and ornamental plant sales targeted segment of the community who began to realize the importance of landscape and want to spend more money for landscape. The landscape competitor comes from residential contractors, interior and architectural designs, and large residential developers such as AGUNG PODOMORO, NATURAL SECURITY, BSD who have a strategy of providing a nicely landscaped residence to attract people to buy their dwellings. The emergence of competitors - the competitors in the landscape industry affect the Sun In the consumer. Competitors do a pricing strategy to get consumers.

In 2012 there was a 40% decrease in Inti Matahari revenue from the previous year. Based on the decrease in income, the authors build solution options. Research focuses on the factors that influence consumer decisions to use landscape services offered. Inti Matahari and the landscape industry will be the context of this research. This study is based on the previous study of the empirical investigation of the two developed countries (Qureshi et al., 2009) and (Zeithaml, V. A, 1988). Consumer Perceptions Of Price, Quality, And Value: A Means-End Model and Synthesis of Evidence. Journal of Marketing, 52: 2-22 for the addition of Price, in order to know the effect that arises between several variables by testing. Variables to be tested, namely the level of trust, design quality, reputation, price, and ability to fulfill orders.

## Literature Review

Repurchasing Intention can be classified as one of the components of consumer cognitive behavior that affects an individual buying a specific brand or product (Hosein, 2009). Trust can be defined as intregrity (honesty and continuing promise), virtue (caring for the buyer and motivating to continue to believe in investing), competence (ability to meet buyer needs), presiability (consistent with attitudes) (Qureshi et al., 2009). Trust also only plays a role in conditions that involve risks. Much research has been done to say that there is a strong resumption of trust and early purchases (Qureshi et al., 2009).

Reputation has long been called an important factor in generating consumer initial trust in a vendor (Doney & Cannon, 1997). Research conducted by (Qureshi et al., 2009) that reputation relates to purchase intention

especially in the online field. Reputation also affects consumers' perceptions of the manufacturer or manufacturer's product (Walshet al., 2012). Reputation can also be regarded as a valuable company asset. A positive reputation will be directly proportional to the success of an organization (Gibson et al., 2006). The price of a product is an essential element of the marketing mix and marketers need to be concerned about whether price information is communicated clearly to consumers and whether consumers remember and marketers need to communicate about clear pricing to consumers. Consumers will remember the price of the product and use price information that the marketer has communicated (Xia, 2005).

Order fulfillment refers to the delivery of products or services to orders made by consumers (Qureshi et al., 2009). The notion of a vendor's ability to fulfill orders includes delivering what, when, how, and in the form of a lot of experience, experience and expertize in distribution, efficiently integrating departments / systems to coordinate response to orders, fulfill expectations about delivery, and ensure ordering order well and order-traking system in place (Thomas & Houseden, 2002).

The following is the research framework of the purchase intention landscape analysis
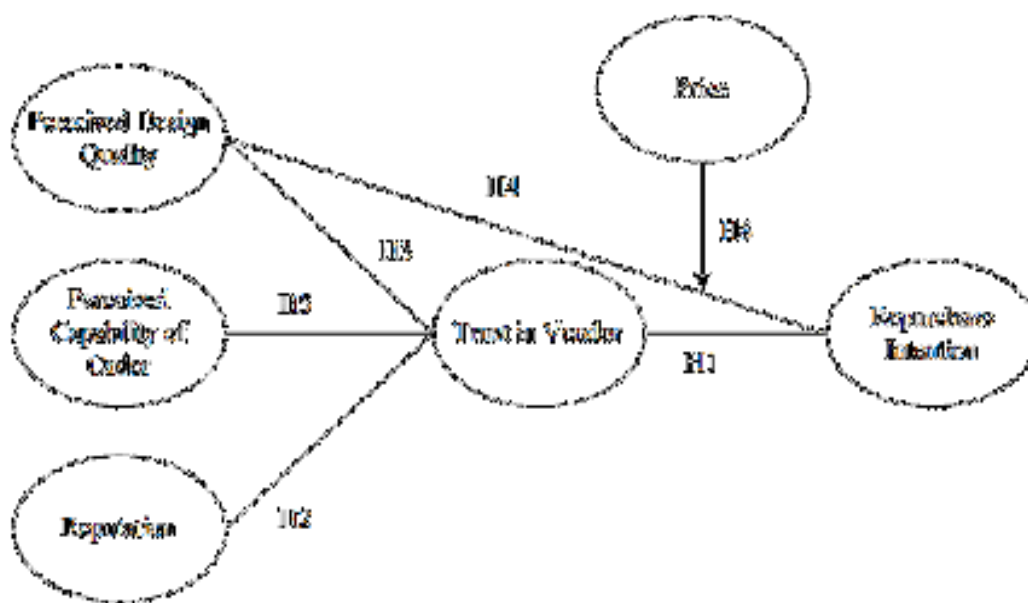


### Research Methods

Data collection uses primary data and secondary data. In research to be conducted primary data will be collected by survey method using questioner. Questionnaires are distributed to Sun's core consumers and customers of Inti Matahari competitor companies. Questionnaires were distributed to 50 correspondents. The results of the data will be analyzed using statistical software, namely SPSS. Secondary data were obtained comparing theories obtained from books and journals.

This study has six hypotheses with variables to be studied, namely consumer confidence, reputation to consumer confidence, perceived design quality to consumer trust, perceived design quality to consumer trust, perceived capability of order to consumer trust, and price to perceived design quality customer.

Tests on hypotheses using multiple regression and ANOVA. Multiple regression tests are used to test multiple indenpeden variables (Levine, 2011). This study uses four variables. Multiple regression formula:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i}$$

The research will discuss factors that affect the purchase intention landscape, perceived design quality, perceived capability of order, reputation of trust in vendors. Trust in vendors will deal directly with purchase intention, price being a determining factor of purchase intention landscape

### Result and Discussion

Based on survey method conducted to 100 costumer consisting of 50 costumer Inti Matahari and 50 costumer from competitor company (15 respondents Flora45, 5 respondents tukangtaman.com, 17 respondents from home contractor company and 13 remaining respondents use landscape services from cultivators) obtained data that has been processed by using SPSS as follows:

1.  Test results on Hypothesis H3, H2 and H5
    This test is performed to see how big the relationship between perceived design quality (H3), perceived capability of order (H5) and reputation (H2) variables on trust in vendor

**Tabel 1. Test Results on Hypothesis H3, H2 and H5**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .469 | .125 | | 3.748 | .000 |
| | MEAN PDQ | .404 | .075 | .515 | 5.425 | .000 |
| | MEAN PCO | .001 | .076 | .001 | .013 | .989 |
| | MEAN R | .315 | .083 | .331 | 3.810 | .000 |

**Trust in Vendor  = 0.469 + 0.404 PDQ +  0.315 R**

From the results that have been processed by using multiple regression found that perceived design quality has significant effect on trust in vendor. Reputation also has a significant effect on trust in vendor. and perceived capability of order did not have a significant effect on trust in vendor. This significant influence shows that perceived design quality and reputation affects the trust in vendor consumer against repurchasing intention landscape.

2. Testing results on Hypothesis  H4 and H1

This test is done to see how big the relationship between variable Perceived Design Quality (H4), and Trust in Vendor (H1) to repurchasing intention
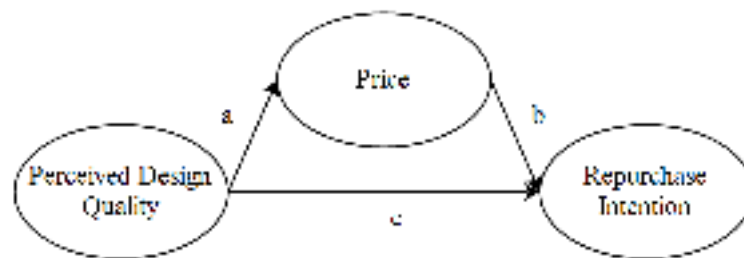
**Tabel 2. Testing results on Hypothesis  H4 and H1**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .200 | .173 | | 1.154 | .251 |
| | MEAN PDQ | .518 | .108 | .483 | 4.779 | .000 |
| | MEAN T | .415 | .138 | .304 | 3.006 | .003 |

**Repurchasing intention = 0.200 + 0.518 PDQ + 0.415 T**

From the results that have been processed by using multiple regression found that perceived design quality has significant effect on re-purchasing intention and trust in vendor also have significant effect on repurchasing intention. This significant influence suggests that perceived design quality and trust in vendor affect the consumer to perform repurchasing intention.

3. Testing the influence of H6 (Price) on Perceived Design Quality to Repurchasing Intention



a. Testing Results Perceived Design Quality to Price

**Tabel 3. Testing results on Hypothesis *Perceived Design Quality* to *Price***

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .962 | .258 | | 3.728 | .000 |
| | MEAN PDQ | .575 | .133 | .400 | 4.325 | .000 |

From the results that have been processed by using multiple regression found that perceived design quality has a significant effect on price. This significant influence shows that perceived design quality has an effect on price.

b. Testing results price to repurchasing intention

**Tabel 4. Testing results on Hypothesis *Price*  to *repurchasing intention***

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.069 | .135 | | 7.937 | .000 |
| | MEAN P | .415 | .063 | .556 | 6.629 | .000 |

From the results that have been processed by using Multiple Regression found that Price has significant effect on repurchasing intention.

c. Testing Results Perceived Design Quality to Repurchasing Intention

**Tabel 5. Testing results on Hypothesis *Perceived Design Quality* to *repurchasing intention***

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .495 | .149 | | 3.332 | .001 |
| | MEAN PDQ | .756 | .077 | .706 | 9.861 | .000 |

From the results that have been processed by using multiple regression found that perceived design quality has significant effect on repurchasing intention.

4. H6 Testing (whether Price affects Perceived Design Quality against Repurchasing Intention)

**Tabel 6. Testing results on Hypothesis Price  influence Perceived Design Quality to repurchasing intention**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .261 | .145 | | 1.807 | .074 |
| | MEAN PDQ | .616 | .076 | .575 | 8.081 | .000 |
| | MEAN P | .243 | .053 | .326 | 4.583 | .000 |

***Repurchasing Intention = 0.261 + 0.243 P + 0.616 PDQ***

From the results that have been processed by using multiple regression found that perceived design quality has significant effect on re-purchasing intention and price also have significant effect on repurchasing intention. This significant influence suggests that perceived design quality and price affects costumer to perform repurchasing intention.

Based on the results of analysis that has been done from H1, H2, H3, H4, H5 and H6 seen that the value of perceived design quality has a very high value compared with other variables that have been calculated, this shows that perceived design quality plays an important role in costumer do repurchasing intention.

The quality of a design affects purchase intention is seen in the study of perceived website quality in journals (Qureshi et al., 2009). Perceived website quality is a multi-dimensional construction concept which includes playfulness, usefulness, user friendliness, informativeness, technology and organization.

ANOVA Analysis of Inti Matahari Customers with Competitor Customers

This analysis is done to see how big the value of the variables between Sun's core customers and customers of competitor companies

**Tabel 7. Testing results Mean**

| Pelanggan | | MEAN PDQ | MEAN PCO | MEAN R | MEAN T | MEAN P |
|---|---|---|---|---|---|---|
| IntiMatahari | Mean | 1.973 | 1.8600 | 1.8800 | 1.8500 | 2.2400 |
| | N | 50 | 50 | 50 | 50 | 50 |
| | Std. Deviation | .6017 | .44716 | .43225 | .44892 | .82764 |
| Kompetitor | Mean | 1.787 | 1.7200 | 1.6850 | 1.7350 | 1.8467 |
| | N | 50 | 50 | 50 | 50 | 50 |
| | Std. Deviation | .2757 | .37106 | .32266 | .26921 | .42169 |
| Total | Mean | 1.880 | 1.7900 | 1.7825 | 1.7925 | 2.0433 |
| | N | 100 | 100 | 100 | 100 | 100 |
| | Std. Deviation | .4750 | .41481 | .39192 | .37277 | .68273 |

**Tabel 8. Testing results ANOVA**

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| | | **ANOVA** | | | | |
| MEAN PDQ | Between Groups | .871 | 1 | .871 | 3.977 | .049 |
| | Within Groups | 21.467 | 98 | .219 | | |
| | Total | 22.338 | 99 | | | |
| MEAN R | Between Groups | .951 | 1 | .951 | 6.535 | .012 |
| | Within Groups | 14.256 | 98 | .145 | | |
| | Total | 15.207 | 99 | | | |
| MEAN T | Between Groups | .331 | 1 | .331 | 2.413 | .124 |
| | Within Groups | 13.426 | 98 | .137 | | |
| | Total | 13.757 | 99 | | | |
| MEAN PI | Between Groups | .250 | 1 | .250 | .965 | .328 |
| | Within Groups | 25.389 | 98 | .259 | | |
| | Total | 25.639 | 99 | | | |
| MEAN P | Between Groups | 3.868 | 1 | 3.868 | 8.966 | .003 |
| | Within Groups | 42.278 | 98 | .431 | | |
| | Total | 46.146 | 99 | | | |

From the results of ANOVA calculations that have done the data show that the mean value of each - each variable that has been tested showed that the Inti Matahari remains superior than other competitors, this does not mean Inti Matahari is superior to the Competitor, in general there is a decrease quite significant from the trend of the consumption of landscape services that may also be caused again the declining economic level in society. So there are some people who may see the landscape of a house is not a necessity and no need to spend more money to use landscape services.

**Conclusion**

From the results of tests that have been done by using multiple regression shows that the variable perceived design quality has a value higher than the value of other variables, it shows that perceived design quality has an important role and have a major impact on consumers to repurchase intention back to landscape services.

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