ANALYSIS OF FACTORS INFLUENCING MCDONALD'S CONSUMER PURCHASE DECISION IN JAKARTA

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ABSTRACT
This study aims to analyze factors affecting the purchase decision of consumers on McDonald's fast-food restaurant in Jakarta. The sample selection method used the non-probability sampling method with a convenience sampling technique. The number of samples collected was 120 respondents. Method to collect the data was by using questionnaire and this data was analyzed by employing multiple regression analysis. The results show the quality of product and price have no significant effects on purchasing decisions of McDonald's consumers in Jakarta. While promotion, location and brand image have significant influence on purchasing decision of McDonald's consumers in Jakarta. The implication of the results of this research is that McDonalds needs to keep improving the promotion, location, and brand image to improve consumers’ purchase decision in a better shape.

Keywords: Quality of Product, Price, Promotion, Location, Brand Image, Purchase Decision

1. PREFACE

Introduction

At this time, the culinary industry continues to grow. This is supported by the basic needs of the community to consume food and drink. Indonesia is considered a potential market where the population is 250 million people and has a large market segment. Until now, the culinary industry has dominated the market and almost 55% of them are in the form of franchises [1]. According to [2], McDonald's is one of the largest franchised companies in the world with a brand value of US$43.8 billion. Not only that, this data is also supported by data presented by the brand directory [3], namely McDonald's ranks second out of 25 restaurants nominated in 2022. There is also data presented by the top brand index [4], namely McDonald's ranks second with a score of 26% competed with KFC in first place with a score of 27.2%. The acquisition of McDonald's position and success can also be seen from the spread of restaurants in all corners of Indonesia. Until 2022, there are 268 McDonald's restaurants in Indonesia [5]. Not only that, McDonald's also recorded an increase in revenue. McDonald's recorded revenue in the third quarter of 2022 of US$5.87 billion. The addition of outlets and the increase in revenue indicates the high desire of consumers to decide to purchase McDonald's restaurant food products.

Several studies have conducted studies related to factors that influence purchasing decisions for a product. The previous research referred to, among others, was conducted by [6] [7] [8] [9] [10] and [11]. According to [6] [7] and [8], for example, that product quality (quality of product) has a significant effect on purchasing decisions (purchase decision). The higher the quality of product that can be offered to consumers, the higher the purchase decision will be.
Meanwhile, according to research by [12] [13] and [14], it was found that the quality of product has no effect on purchase decisions. The quality of product is considered to have no effect on the view that each generation has its own view of the quality of product, due to the tendency of young people to override this factor in determining purchase decisions. In addition, [6] [7] [9] [10] and [11] in their research found that price has a significant positive effect on purchase decisions. Meanwhile, according to research by [15] [16] and [17], it was found that price had no effect on purchase decisions. On the other hand, it was also found that promotion had a significant positive effect on purchase decision which is supported by research by [6] [7] [8] and [10]. However, according to [18], it was found that promotion has no effect on purchase decisions. In the research by [6] and [15], it was found that location has a positive effect on purchase decisions. Meanwhile, brand image was found to have a significant positive effect on purchasing decisions found in [8] [11] and [14]. The different research results above are one of the reasons for the urgency of this research being carried out. Not only that, this research is also able to complement and update previous research related to whether product quality, price, promotion, location, and brand image affect consumer purchase decisions, especially consumers at McDonald's fast-food restaurants in Jakarta.

Research Purposes

The aims of this study are as follows: (1) to analyze the effect of product quality on the purchase decision of McDonald's consumers in Jakarta, (2) to analyze the effect of price on the purchase decision of McDonald's consumers in Jakarta, (3) to analyze the effect of promotion on the purchase decision of McDonald's consumers in Jakarta, (4) to analyze the effect of location on the purchase decision of McDonald's consumers in Jakarta (5) to analyze the effect of brand image on the purchase decision of McDonald's consumers in Jakarta.

Literature Review

The theory that is the key to analysis in answering the formulation of the research problem is the marketing mix theory put forward by [19]. According to [19], a marketing strategy to reach the target market can be done by implementing a marketing mix strategy or marketing mix. This marketing mix consists of 4 (four) variables, namely product, price, location, and promotion or commonly known as the 4Ps (Product, Price, Place and Promotion).

Quality of Product

[20] define products as anything to be offered to the market to fulfill wants and needs. The products offered are expected to attract interest and attention so that they can be consumed to meet the needs and desires of consumers. Meanwhile, [21] stated that product quality is the ability of a company to provide identity and features for a product so that consumers can recognize it. Then, [22] describes that the quality of product can be categorized into several dimensions including: a) performance; (b) features; (c) reliability; (d) suitability; (e) durability; (f) ability to serve; (g) aesthetics; and (h) perceived quality. Meanwhile, according to [6], quality of product mean that a product is offered in the market to meet consumer satisfaction in meeting their needs.

Price

Price is the value of a money used to obtain goods or services or the value that must be exchanged to obtain the expected needs of the products and services [20]. Meanwhile, [23]
define price as the value of money used to obtain a combination of goods and services. If the price setting is too high, it will have an effect on declining sales or consumers are rarely interested in it. Conversely, setting a price that is too low can reduce the profit that should be obtained by the seller. According to [24], the price of a product is an element in the marketing mix that stimulates profit in sales, on the other hand other elements stimulate expenses. Furthermore, [18] define price as a nominal amount of money where consumers exchange a certain amount of money to obtain ownership or usage rights to the product. There is also according to [6], price is a key factor in the success of a company where price determines how much income will be obtained and shows a benchmark in market competition.

**Promotion**

Promotion can be described as a form of communication regarding marketing. This marketing communication is a marketing activity in which information is disseminated, influenced, and commemorated the target market regarding a company so that the products it sells can be accepted and purchased by consumers [22]. Promotion is an important action that plays a role in introducing, telling, and reminding about the benefits of a product where the main goal is to persuade consumers to give the goods offered. All companies must of course determine the right marketing tools for their products in order to achieve success in sales [25]. According to [6], promotion is an instrument in marketing where through promotion a business can communicate directly with prospective buyers and make persuasions so that buyers are interested in the products offered.

**Location**

Determining location is an activity that needs to be considered in depth where a company must determine where to distribute their products to targeted consumers and this place is considered correct and strategic. Changes in location will take quite a long time and must be adjusted to the characteristics of each consumer. According to [26], location is an activity where companies deliver their services and products to consumers at the right time and place. Through location selection, companies can place the products and services offered in order to reach the specified target market. Meanwhile, according to [27], location itself is a distribution planning program and implementation of products and services through locations in the right places. As stated by [6], location is a place where a company carries out its operations and distributes its products to targeted consumers in an area.

**Brand Image**

Brand image can be interpreted as a positive or negative view of a brand that is valued by consumers. This view is an illustration of the meaning of the brand itself for consumers which is used as information about a brand and will be remembered by the consumers themselves [28]. Meanwhile, according to [29], brand image is a combination of ideas, beliefs and impressions about a brand that is embedded in one's mind. Also according to [30], brand image is a way in which a brand can meet consumer needs from a psychological and social perspective and can describe characteristics that can be assessed by sight or assessed before consumers consume/use a product or service.
Purchase Decision

The purchase decision describes the phase where the consumer no longer has a choice and determines to choose a product and then makes a purchase to obtain the right to consume the product [19]. Meanwhile, according to [31], purchase decision is the availability to make purchases of a product that is felt that the goods or services can meet the expected needs and desires. As stated by [6], purchase decision is a process of buying goods or services when consumers reach a phase where they have the desire to buy a product or service.

Based on the previous research explanation described above, the research framework is presented in Figure 1.

![Research Framework](image-url)

**Figure 1** Research Framework

Based on the framework above, the research hypothesis can be described as follows: Ha1: Product quality (quality of product) has an influence on purchasing decisions (purchase decision); Ha2: Price has an influence on purchasing decisions; Ha3: Promotion has an influence on purchasing decisions (purchase decision); Ha4: Location (location) has an influence on purchasing decisions (purchase decision); Ha5: Brand image (brand image) has an influence on purchasing decisions (purchase decision).

2. RESEARCH METHOD

This type of research is a type of quantitative research where testing of the hypothesis is carried out using statistical methods. The population in this study is McDonald's consumers. The sample selection method was determined using a non-probability sampling method with a convenience sampling technique. The selection technique used is non-probability sampling due to the consideration that the population is not known. The number of samples collected was 120 respondents. Determining the number of samples is based on the advice of [33] which states that the number of variable indicators used is multiplied by 5 (five) so that 24 (twenty four) indicators can be obtained multiplied by 5 to produce 120 (one hundred and twenty) respondents. Respondents who were reached were limited by the following criteria: (a) McDonald's consumers; and (b) consumers domiciled in Jakarta. The research instrument used was a digital questionnaire using the Google form. The measurement scale used is a Likert scale 1-5 (Brata et al, 2017).
Before estimating the multiple regression model, several data instrument tests and classical assumption regression tests were also performed. The multiple regression model was chosen according to the research by [6] [7] [32] and [8]. The multiple regression model of this study is as follow:

\[ Y = a + b_1.x_1 + b_2.x_2 + b_3.x_3 + b_4.x_4 + b_5.x_5 + e \]

**Description:**
- \( Y = \) purchase decision; \( \chi_1 = \) quality of product; \( \chi_2 = \) price; \( \chi_3 = \) promotion; \( \chi_4 = \) location; \( \chi_5 = \) brand image; \( a = \) constant; \( b = \) Coefficient Regression; and \( e = \) error terms

**3. RESEARCH AND DISCUSSION**

The results of the classic assumption normality test using the Kolmogorov-Smirnov test or commonly known as the K-S test obtained the results given in Table 1. It can be seen that the data owned is normally distributed which can be seen in the asymp value. Sig (2-tailed) is 0.200 which is already greater than 0.05.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Asymp. Sig. (2-tailed)</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized residual</td>
<td>0.200</td>
<td>Normal</td>
</tr>
</tbody>
</table>

**Table 1. Normality Test**

Source: Data Processed from Questionnaires Using SPSS ver 29.

The results of the multicollinearity test by calculating the Collinearity Tolerance Value and Variance Inflation Factor or VIF can be seen in Table 2.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Collinearity Tolerance</th>
<th>Statistics VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Product (X_1)</td>
<td>0.473</td>
<td>2.113</td>
</tr>
<tr>
<td>Price (X_2)</td>
<td>0.472</td>
<td>2.117</td>
</tr>
<tr>
<td>Promotion (X_3)</td>
<td>0.483</td>
<td>2.071</td>
</tr>
<tr>
<td>Location (X_4)</td>
<td>0.874</td>
<td>1.144</td>
</tr>
<tr>
<td>Brand Image (X_5)</td>
<td>0.441</td>
<td>2.268</td>
</tr>
</tbody>
</table>

**Table 2. The Result of Multicollinearity Test**

Source: Data Processed from Questionnaires Using SPSS ver 29.

From the results shown in Table 2, it can be seen that all Collinearity Tolerance values are greater than 0.1 and the VIF value is less than 10. So it can be concluded that the data tested does not have symptoms of multicollinearity in the regression model or regression model.

The results of the heteroscedasticity test can be seen in Figure 2 below.
Based on the picture above, it can be seen that the scatterplot test presents the results for each blue dot that is spread out and does not overlap and does not have a regular pattern. From these results it can be concluded that the dependent variable purchase decision is not found to have heteroscedasticity.

The results of multiple linear regression estimation can be seen in Table 3 as follow.

**Table 3. The Result of Multiple Linear Regression**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.164</td>
<td>0.421</td>
<td>0.389</td>
<td>0.698</td>
</tr>
<tr>
<td>Quality of Product (X1)</td>
<td>0.020</td>
<td>0.057</td>
<td>0.033</td>
<td>0.346</td>
</tr>
<tr>
<td>Price (X2)</td>
<td>-0.111</td>
<td>-0.111</td>
<td>-1.170</td>
<td>0.245</td>
</tr>
<tr>
<td>Promotion (X3)</td>
<td>0.382</td>
<td>0.093</td>
<td>0.388</td>
<td>4.122</td>
</tr>
<tr>
<td>Location (X4)</td>
<td>0.153</td>
<td>0.046</td>
<td>0.232</td>
<td>3.312</td>
</tr>
<tr>
<td>Brand Image (X5)</td>
<td>0.454</td>
<td>0.046</td>
<td>0.495</td>
<td>5.023</td>
</tr>
</tbody>
</table>

Source: Data Processed from Questionnaires Using SPSS ver 29.

From Table 3 above, the multiple regression model obtained can be written as follows:

\[ Y = 0.164 + 0.020 \times X1 - 0.111 \times X2 + 0.382 \times X3 + 0.153 \times X4 + 0.454 \times X5 \]

The regression estimation results above show that brand image is the factor that has the greatest influence on McDonald’s consumer purchase decisions, followed by promotion and location factors. Meanwhile, the influence of price and quality of food products on consumer purchasing decisions for McDonald’s restaurant food products is lower than brand image, promotion, and location. For brand image, for example, the influence on purchasing decisions is 0.454. That is, every change (up or down) of 1 unit of brand image will change (up or down) by 0.454 in consumer purchasing decisions for McDonald’s food products in Jakarta (ceteris paribus).
The results of the F test (ANOVA) to test each independent variable on the dependent variable jointly (jointly) show the results shown in (Table 4).

### Table 4. The Result of ANOVA Test (F-Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2.748</td>
<td>5</td>
<td>0.550</td>
<td>28.704</td>
<td>&lt; 0.001</td>
</tr>
<tr>
<td>Residual</td>
<td>1.723</td>
<td>90</td>
<td>0.019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.471</td>
<td>95</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed Using SPSS ver 29.

In Table 4 above, it is known that the significance value is < 0.001. So, it can be concluded that the quality of product, price, promotion, location, and brand image together have a significant effect on consumer purchase decisions on McDonald's food products in Jakarta.

Furthermore, the results of the t-test conducted to determine the ability of each independent variable partially to explain its effect on the dependent variable are given in Table 5.

### Table 5. The Result of t-Test

<table>
<thead>
<tr>
<th>Variabel</th>
<th>t</th>
<th>p-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.389</td>
<td>0.698</td>
</tr>
<tr>
<td>Quality of Product (X₁)</td>
<td>0.346</td>
<td>0.730</td>
</tr>
<tr>
<td>Price (X₂)</td>
<td>-1.170</td>
<td>0.245</td>
</tr>
<tr>
<td>Promotion (X₃)</td>
<td>4.122</td>
<td>&lt; 0.001</td>
</tr>
<tr>
<td>Location (X₄)</td>
<td>3.312</td>
<td>0.001</td>
</tr>
<tr>
<td>Brand Image (X₅)</td>
<td>5.023</td>
<td>&lt; 0.001</td>
</tr>
</tbody>
</table>

Source: Data Processed Using SPSS ver 29.

From the test results presented in Table 6 above, it can be seen and it is known that the significance value is 0.730 (> 0.05). The results of this test can be interpreted that the quality of the product has no influence on the purchase decision. The test results for the significance value of the price are 0.245 (> 0.05). The results of this test can be interpreted that the price has no influence on the purchase decision. The results of testing the promotion significance value of < 0.001 (or < 0.05). The results of this test can be interpreted that promotion has a significant positive influence on purchase decisions. The test results for the location significance value are 0.001 (< 0.05). The results of this test can be interpreted that location has a significant positive influence on purchase decisions. The test results for the significance value of brand image are < 0.001 (or < 0.05). The results of this test can be interpreted that brand image has a significant positive effect on consumer purchase decisions on McDonald's food products in Jakarta.

The estimation results of the coefficient of determination ($R^2$) obtained a value of 0.593. This figure indicates that the variation of the purchase decision can be explained by the variable quality of product, price, promotion, location, and brand image of 59.3%. While the remaining 40.7% is explained by other variables outside the research model (Table 6).
Table 6. The Result of Coefficient Determination Test

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.784</td>
<td>0.615</td>
<td>0.593</td>
<td>0.13837</td>
</tr>
</tbody>
</table>

Source: Data Processed from Questionnaires Using SPSS ver 29.

Discussion

As explained above, the results of this study indicate that product quality has no effect on the purchase decision of McDonald's consumers in Jakarta. These results support the research results put forward by [12] [13] and [14]. There is no effect of product quality on McDonald's consumer purchase decisions in Jakarta. Furthermore, the price factor also has no effect on the purchase decision of McDonald's consumers in Jakarta. This result is in line with or in line with the results of previous research put forward by [15] [16] and [17]. This finding is due to an indication that consumers consider many factors in buying products where consumers judge that products received at low prices do not necessarily fulfill their needs or desires and consumers are often disappointed with the products they consume. Meanwhile, the results of the research showing that promotion has an effect on the purchase decision of McDonald's consumers in Jakarta are in line with the results of previous research put forward by [8] [10] and [16]. These results are consistent with the theory put forward by [20], where promotion is expected to be able to communicate the superiority of a product and be able to persuade or attract consumers to buy the product. From these results, it is hoped that McDonald's can make promotions that are more attractive to consumers to attract as many consumers as possible. Furthermore, research showing that location influences the purchase decision of McDonald's consumers in Jakarta, is in line with the results of previous research put forward by [6] and [15]. These results are consistent with the theory put forward by [6], where location is used as a place to place their products or services that consumers can reach or find. The more strategic a location is, the more it will increase consumer purchase decisions. In this case, McDonald's is expected to be able to review its trading location where the placement of this outlet location will be a key factor in determining consumer purchasing decisions. McDonald's can make a strategy where outlets are placed in strategic locations and equipped with adequate vehicle parking locations. The same thing is also related to research results which show that brand image influences the purchase decision of McDonald's consumers in Jakarta. These results are in line with those stated by [8] [11] and [14]. The results of this study are supported by the theory put forward by [20] which states that brand image is considered as a deep belief, idea or impression imagined or remembered by consumers. The better the brand image that is remembered by consumers, the better the impact will be for the company.

Conclusion

Based on the results of the analysis it was found that the 2 variables studied had no influence on the purchase decision of McDonald's consumers in Jakarta. These two variables are the quality of product and price. While other variables, namely promotion, location, and brand image, have a significant influence on the purchase decision of McDonald's consumers in Jakarta. However, the ability of the five independent variables to explain their effect on purchase decisions is only 59.3%.
Suggestion

The independent variables selected in this study need to be reformulated, because the ability of the independent variables to explain the dependent variables is only 59.3%. The independent variables quality of product and price are not suggested to be a concern for McDonald's in influencing purchase decisions.

REFERENCES


