

ABSTRACT

Title : The Influence of Product Quality and Price toward Purchasing Decision of *Lifebuoy* Toilet Soap (Case Study on Kelurahan Tlogosari Kulon Semarang)

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Toilet soap constitutes one of human principle commodity that is used everyday. This conditions brought consequence upon its demand, which is very high. In order to be able to win on market, and for gaining maximally profit, so then, *Lifebuoy's* producer must previously known what factors that is influencing buying decision on consumer's side, among other were product quality and price.

Although *Lifebuoy* always became a winner on compact soap category championship (since 2005 to 2007, runner up in 2004), but its Total Satisfaction Score value experienced decrease by 0.41 on 2006, from 4.180 became 4.139. Notwithstanding its consumer satisfaction index on 2007 experienced increment compared 2006, but its consumer satisfaction index adequately fluctuate well since 2004 until 2007. Thus, purpose of this research could be stated for knowing how far product quality and price influenced toward buying decision of *Lifebuoy* toilet soap.

Research type used here was explanatory research, or can be said as research that is explaining any relationship between research variables. Population in this research was all of consumers who used *Lifebuoy* toilet soap, that is resident in Pedurungan Sub-District, specifically who lived on Kelurahan Tlogosari Kulon. Sampling method in this research was area sampling. Data collection was done through questioner dissemination and literature study. Questioner tests used validity, reliability, and hypothesis tests, through t-test, F-test and determination coefficient.

According to results, it's known that positive influence existed between product quality on buying decision, that's addressed by regression formulation $Y = 2.868 + 0.366 X_1$ and product quality alteration provided contribution by 20.4%. In the other side, product quality and price concomitantly positively and significantly influenced buying decision, it's showed by regression formulation $Y = 3.348 + 0.576 X_2$ and price alteration provide contribution by 24.8%. Significantly, product quality and price concomitantly positively influence toward buying decision, which is showed by regression $Y = 0.850 + 0.237 X_1 + 0.432 X_2$ and provide contribution by 30.5%. To increase buying decision, then organisation need to improve the better package features, adding its various shapes and material to make more foam while used. Beside that, *Lifebuoy's* producer need to keep stabilize its price by improve its quality.