

ABSTRACT

THE EFFECT OF PRODUCT QUALITY, PRODUCT INNOVATION, PROMOTION, PRICE AND LOCATION ON PURCHASING DECISIONS IS MEDIATED BY CONSUMER SATISFACTION IN SMEs LAMONGAN (STRUCTURAL EQUATION MODELING (SEM)-PARTIAL LEAST SQUARE (PLS) MODEL ANALYSIS)

ADINDA DWI RACHMAWATI

041910084

The development of the business world in Indonesia has experienced significant progress. This progress is marked by intense competition in the world market, one of which is the small and medium enterprises (SMEs) sector. The role of small and medium enterprises (SMEs) in the business sector is able to help the Indonesian economy. The number of variables studied is a novelty in the research.

In addition, quantitative methods employed in this study, and the sample size was 330 respondents. The *SEM* method is the choice of analysis through *Smart PLS version 3.0* tool. The researcher used several test tools, namely outer model, inner model, mediation and hypotheses.

Moreover, the results of the study showed that the validity test was declared valid. This is because the number of outer loading > 0.7 and the number of AVE > 0.5 . In addition, the research that has been done is stated to be reliable. This is shown through by the number of composite reliability and Cronbach's alpha > 0.7 . Meanwhile, in the mediation test it is known that the variables of product quality (X1), product innovation (X2), promotion (X3), price (X4) and location (X5) on purchasing decisions (Y) are mediated by consumer satisfaction (Z) which can be said to be partial mediation.

In conclusion, based on the analysis of the results of hypothesis testing, it can be concluded that the variable of product quality (X1), product innovation (X2), promotion (X3), price (X4) and location (X5) have a positive and significant effect on purchasing decisions (Y).

Keywords: Product Quality, Product Innovation, Promotion, Price, Location, Purchasing Decisions, Consumer Satisfaction, PLS-SEM

ABSTRAK

PENGARUH KUALITAS PRODUK, INOVASI PRODUK, PROMOSI, HARGA DAN LOKASI TERHADAP KEPUTUSAN PEMBELIAN DIMEDIASI KEPUASAN KONSUMEN PADA UMKM KABUPATEN LAMONGAN (ANALISIS METODE *STRUCTURAL EQUATION MODELING (SEM)-PARTIAL LEAST SQUARE (PLS)*)

ADINDA DWI RACHMAWATI

041910084

Perkembangan dunia bisnis di Indonesia mengalami kemajuan yang signifikan. Kemajuan tersebut ditandai dengan persaingan ketat dalam dunia pasar salah satunya sektor UMKM. Peran UMKM dalam sektor bisnis mampu membantu perekonomian Indonesia. Banyaknya variabel yang diteliti menjadi kebaruan penelitian.

Metode kuantitatif digunakan dalam penelitian ini, serta jumlah sampel 330 responden. Metode SEM menjadi pilihan analisis melalui alat bantu *Smart PLS* versi 3.0. Peneliti menggunakan beberapa alat uji, yakni *outer model*, *inner model*, mediasi serta hipotesis. Hasil penelitian diperoleh bahwa uji validitas dinyatakan valid. Hal tersebut dikarenakan jumlah *outer loading* > 0.7 serta jumlah AVE > 0.5. Selain itu, penelitian yang sudah dilakukan dinyatakan reliabel. Hal tersebut ditunjukkan melalui jumlah *composite reliability* serta *cronbach's alpha* > 0.7. Sedangkan dalam uji mediasi diketahui bahwa, variabel kualitas produk (X1), inovasi produk (X2), promosi (X3), harga (X4) serta lokasi (X5) terhadap keputusan pembelian (Y) dimediasi kepuasan konsumen (Z) dapat dikatakan *partial mediation*.

Berdasarkan analisis hasil uji hipotesis dapat disimpulkan, bahwa variabel kualitas produk (X1), inovasi produk (X2), promosi (X3), harga (X4) serta lokasi (X5) terhadap keputusan pembelian (Y) berpengaruh positif dan signifikan.

Kata Kunci: Kualitas Produk, Inovasi Produk, Promosi, Harga, Lokasi, Keputusan Pembelian, Kepuasan Konsumen, SEM-PLS