

THE INFLUENCES OF TRUST AND PERCEIVED VALUE TOWARDS PURCHASE INTENTION OF PCC CEMENT PT. SEMEN PADANG IN DUMAI CITY

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Abstract

This research aims to analyze the effects of trust and perceived value towards purchase intention of PCC Cement of PT. Semen Padang in Dumai city. Populations in the research are the consumer who experiences purchase PCC Cement in Dumai. The sampling has been developed through the accidental sampling with Cochran, resulting in 100 respondents. The data is collected by using questionnaire. Technical data analysis has been done by multiple regression and t-test. The result of the research indicate that trust, perceived value has a significant effect on purchase intention of PCC Cement of PT. Semen Padang in Dumai city.

Keywords: *TRust, Perceived Value and Trust*

I. Introduction

The acceleration of development has been increased, causes purchase intention of society towards cement consumption in domestic market became higher.

Table 1. The Growth of Cement Domestic in Indonesia

Year	Cement Sales (million tons)	Cement Sales Increase	Cement Production Capacity (million tons)
2011	48	17,7%	54,3
2012	55	14,5%	59,3
2013	58	5,5%	64,2
2014	59.9	3,3%	72,7
2015	60.6	1,1%	79,8

Source: Association Cement of Indonesia, 2015

However, the cement industry must take responsibility of the increasing of CO₂ emissions worldwide. According *World Business Council for Sustainable Development* (WBCSD) survey, cement production accounts for approximately 5% of worldwide man made CO₂ emissions. Therefore, since 2009, PT. Semen Padang produced *green cement* called PCC Cement (*Portland Composite Cement*) which can reduce the CO₂ emissions.

Table 2. PROPER Results of Cement Companies in Indonesia

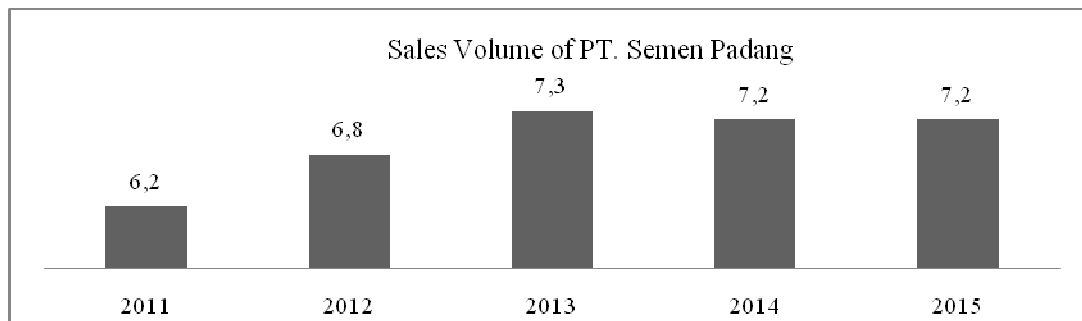
No	Cement Companies	PROPER	Period
1.	PT. Semen Gresik	Gold	2011-2013
2.	PT. Semen Tonasa	Green	2012-2014
3.	PT. Semen Padang	Blue	2009-2015
4.	PT. Holcim Indonesia	Gold	2009-2015
5.	PT. Indocement Tungal Prakarsa Tbk.	Gold	2011-2013

Source: The Ministry of Environmental Website (<http://www.menlh.go.id/>)

The Ministry of Environment (MoE) evaluates company's environmental performance through PROPER (Company's Environmental Performance Rate Program).

This program measured company's environmental performance using colors rates which is ranging from gold as the best; green, blue, red, and black as the worst.

Table 2 shows PT. Semen Padang performances that get blue rate, means that the competitor environmental performances is better than PT. Semen Padang. In 2014, the consumer purchase intention of Semen Padang's products is decreased. Figure 1.1 shows the sales volume of PT. Semen Padang keep increased, except in 2014. Therefore, at this condition, PT. Semen Padang have to increases *the purchase intention* of PCC Cement as featured product.



Source: Annual Report PT. Semen Padang, 2015

Figure 1.1 Sales volume PT. Semen Padang

Dumai city is one of the potential market target for PT. Semen Padang. It proven in 2015, the data of Semen Indonesia Association (ASI) showed market share of Semen Padang in Dumai and several Riau states approximately at 43% to 45%. At this period, PT. Semen Padang keep increased the PCC Cement production target 1.400 ton per day. Table 3 shows the monthly production report of PCC Cement in 2015.

Table 3 Monthly Production Report of PCC Cement at Cement Mill Dumai in 2015

Period	Cement Mill Production (ton)	Production Target (%)	Total Expenditures (ton)
January	30,454.32	72%	31,344.10
February	33,441.7	78%	30,665.20
March	35,054.88	84%	36,368.86
April	31,244.5	67%	28,205.70
May	25,584.8	66%	28,514.68
June	26,885.8	54%	23,248.54
July	16,757	39%	17,084.04
August	27,963	66%	28,490.64
September	35,489	79%	33,312.67
Total	262,875		178,347.08

Source: Bureau of Cement Production & Packing Plant Dumai PT. Semen Padang (2015).

Table 3 shows PCC Cement production expenditures are not stable every month. It causes the high level competition market to increased the purchase intention of PCC Cement in Dumai. Trust and perceived value are alternatives to improving the consumer purchase interest of PCC cement. Previous studies proven there is positive and significant relationship between trust and perceived value towards purchase intention, which means if trust and perceived value are high, it also increasing the purchase intention.

To enhance the trust of consumers, PT. Semen Padang routinely measured consumer's trust which expressed in Customer Satisfaction Index (CSI). Based on 4 table, shows that CSI as instable and annually tend to change.

Table.4 Survey Results CSI PCC Cement

CSI	2012	2013	2014
Distribution Channel	78,98	78,05	79,47
End User	79,84	74,32	76,4
Influencer	73,32	73,47	74,85
CSI Overall	77,38	75,28	76,9

Source: Bureau Sales Region I, 2014

The consumers can feel the lack value of products. Therefore, PT. Semen Padang provides Call Center facility to accomodate solution alternatives which is related to products, packaging, distributions and prices.

Table 5. Customer Complaints of PCC Cement in 2014

Explanation	Total (Complaints)	Percentage (%)
Product Quality	28	34,45
Packaging Quality	14	17,07
Distribution	4	4,88
Price	0	0
Other Customer Services	36	43,90
Total	82	100

Source: Bureau Sales Region I, 2014

During 2014, there were 82 customers complaint about PCC Cement. It proves that PCC Cement still had shortcomings in terms of perceived value.

II. Teoritical Framework

Purchase Intention

Purchase intention represents the possibility that consumers will plan or be willing to purchase a certain product or service in the future. (Chinomona et al., 2013). Besides, purchase intention is defined in the context of this study as the willingness of consumers to plan the purchase of a particular product (Carrillat et al., 2009). Therefore, an increase in purchase intention means an increase in the possibility of purchasing (Dodds, Monroe, & Grewal, 1991; Schiffman & Kanuk, 2007; Carrillat et al., 2009). Purchase intention indicates an emotional reaction resulting from consumer's overall evaluation of a product, and also indicates possibility that consumers would like to purchase the product (Grewal, Monroe, & Krishnan, 1998). So, purchase intention is the most precise predictor of purchase behavior (Morwitz & Schmittlen, 1992).

The indicators of purchase intention refers to Pavlou (2003) and Chen and Chang (2008), and its includes three items: 1) Consumers intend to purchase more of this product. 2) Consumers expect to keep purchase this product in the future. 3) Consumers prefer to purchase this product than others.

Besides trust dan perceived value, Chinomona et al., (2013) explain that product quality is one of factors influencing purchase intention. Lai (2015) also said that commitment as one of influencing purchase intention.

Trust

Trust is the level of willingness to depend on an object based on the expectation of its ability, reliability (Ganesan, 1994; Hart & Saunders, 1997), and the intention to accept vulnerability due to the positive expecatitions of the integrity and capability of another object (Lin et al, 2003; Rousseau et al, 1998). Therefore, trust is a fundamental factor of

long-term consumer behavior (Lee et al., 2011). However, trust is a level of the assurance that another party would behave as expected (Hart and Saunders, 1997). According to Moorman, Deshpande, and Zaltman (1992), trust is defined as a willingness to rely on an exchange partner in whom one has confidence.

The indicators of trust refers to Chen (2010) and its includes fourth items: (1) Product's reputation. It consists of 2 sub indicators: (a) Product reputation as green product. (b) Product reputation meet SNI standard. (2) Product's performance. It consists of 2 sub indicators: (a) Product's quality assurance in general. (b) The quality of green product same with conventional product. (3) Product's claims. It consists of 2 sub indicators: (a) The claim as green product. (b) The claim as versatile product. (4) Product's concern. It consists of 3 sub indicators: (a) The production process's more efficient energy. (b) The production process able to decrease CO2 emission. (c) The leaders of company commit to decrease negative impact to environment.

Trust plays a critical role in determining consumer's purchase decisions (Wu, 2013) in that a perception of trustfulness that a specific product or item has in the consumer's mind may provide the confidence of it sound performance and therefore motivate it purchase (Chinomona et al ., 2013). According to Chen (2010), consumer trust would positively influence consumer purchase intention. Meanwhile, Schlosser et al., (2006) also added that purchase intention determined trust by consumers.

Perceived Value

Mantz and Mantz (2014) defined perceived value as a consumer's overall assesment of the utility of a product or service based on perceptions of what it received and what is given. Zeithaml (1988) alsodiscussed that perceived value can be regarded as the overall evaluation consumers made of a product based on their gains and what they paid.

The indicators of perceived value refers Patterson and Spreng (1997) and its includes two items: (1) Product's functions. It consists of 4 sub indicators: (a) Product can decrease negative impact to healthy. (b) Product can cause the air clean and comfortable. (c) Long lasting product. (d) Product isn't easy to crack. (2) Product's benefits. It consists of 5 sub indicators: (a) Product's more watertight. (b) Product's more resistant to sulphate. (c) The concrete surface denser and smoother. (d) Product's more affordable price. (e) Product has better quality than others.

Perceived value is the most important element motivating customers towards purchase intention (Zeithaml, 1988). It means poor perceived value can result in loss of consumer purchase intention (Sweeney dan Soutar, 2001) and if consumers perceive that the value of a product is higher, they are more likely to purchase a product (Chen dan Chang, 2012). Therefore, perceived value is very important today because different companies are improving purchase intention by emphasizing their product value (Steenkamp & Geyskens, 2006).

Research Framework

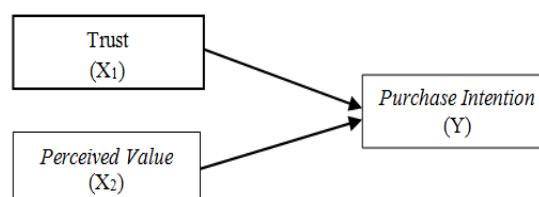


Figure 1. Research Framework

To summarize the literature review and research hypothesis, this study establishes the research framework depicted in Figure 2.1. This study is to explore two independent variables – trust and perceived value; and further how to affect the dependent variable, purchase intention.

III. Research Methods

The type of this research is quantitative associatif and the following hypotheses is tested used a statistical test which shown the influence of variables trust and perceived value to purchase intention. The population were all the consumers who experiences purchase PCC Cement in Dumai. The sampling has been developed through accidental sampling with Cochran, resulting in 100 respondents

The current study utilizes a non-probability sampling technique which is accidental sampling. It consists of primary data and secondary data. Primary data obtained by questionnaires which were collected by the respondents from different categories and secondary data is taken from publications.

The validity and reliability is tested through collected questionnaires. This study found that all of the items are valid and reliable. Technical data analysis with multiple regression used to found the relation of trust and perceived value towards purchase intention. The testing of hypothesis was analyzed through t-test.

IV. Results and Discussion

Table 6. The Distribution Frequency Indicators of Purchase Intention

Purchase Intention (Y)				
No	Sub Indicators	Average	TCR	Criteria
1.	Consumers more purchase PCC.	2.76	55.2	Low
2.	Consumers keep purchase PCC.	2.67	53.4	Low
3.	Consumers prefer purchase PCC.	3.04	60.8	Medium
Total		8.47	169.4	
Average		2.82	56.47	Low

Source: Primary Data, 2016

In this study, the purchase intention of PCC Cement consumers in Dumai are relatively low. Although consumers prefer to purchase PCC rather than purchase other cements, they are not really interested to purchase more of its product. They are also might not keep continuously purchase its product.

Table 7. The Distribution Frequency Indicators of Trust

Trust (X ₁)				
No.	Indicators	Average	TCR	Criteria
A. Product's Reputation				
1.	Reputation as green cement.	2.70	54.00	Low
2.	Reputation meet SNI standard.	2.73	54.60	Low
Total		5.43	108.6	
Average		2.715	54.30	Low
B. Product's Performance				
3.	Quality assurance.	2.95	59.00	Low
4.	Equal quality with OPC.	2.68	53.60	Low
Total		5.63	112.6	
Average		2.815	56.30	Low
C. Product's Claims				
5.	Green cement claim.	2.88	57.60	Low
6.	Versatile cement claim.	2.54	50.80	Low
Total		5.42	108.4	
Average		2.71	54.20	Low
D. Product's Concern				
7.	Efficient production process.	2.61	52.20	Low
8.	Decreased CO ₂ emission.	2.88	57.60	Low
9.	Commitment leaders.	2.68	53.60	Low
Total		8.17	163.4	
Average		2.723	54.47	Low
Total		24.65	493	
Average		2.739	54.78	Low

Source: Primary Data, 2016

This study proves that consumers' trust of PCC Cement in Dumai are relatively low. In addition, product's performance is the most considered factor to increasing trust of consumers. Meanwhile, the claims of PCC Cement cannot be guaranteed to increase consumers trust, because the results of this study show that the product's claims is the lowest criteria rather than other sub indicators

Table 8. The Distribution Frequency Indicators of Perceived Value

Perceived Value (\bar{X}_2)				
No.	Indicators	Average	TCR	Criteria
A. Product's Functions				
1.	Decreased healthy risk.	2.75	55.00	Low
2.	Cause air clean and comfortable.	2.52	50.40	Low
3.	Durable cement.	2.75	55.00	Low
4.	Not easy crack.	2.81	56.20	Low
	Total	10.83	216.6	Low
	Average	2.708	54.15	
B. Product's Benefit				
5.	Watertight.	2.74	54.80	Low
6.	Sulphate resist.	3.30	66.00	Medium
7.	Surface denser and smoother.	2.75	55.00	Low
8.	Affordable price.	2.99	59.80	Low
9.	Better quality than others.	2.77	55.40	Low
	Total	14.55	291	Low
	Average	2.91	58.20	
	Total	25.38	507.8	Low
	Average	2.82	56.40	

Source: Primary Data, 2016

This study indicates that consumers' perceived value of PCC Cement in Dumai are relatively low. Furthermore, product's benefit is the most considered factors rather than product's functions.

Table 9. Multiple Regression Results Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,301	,529		2,459	,016
Trust	,149	,032	,478	4,716	,000
Perceived Value	,137	,036	,388	3,825	,000
F = 105,514					,000
R ² = 0.685					

Source: Primary Data, 2016

As indicated in table 9, the first hypothesis indicates a significant relationship between trust (X_1) towards purchase intention (Y). The first hypothesis obtains t value = 4,716 and significancy $0,00 < 0,05$. Thus, H_0 has been rejected and H_a has been accepted.

At second hypothesis, perceived value (X_2) has significant influence towards purchase intention (Y). Based on hypothesis test, t value = 3,825 and significancy $0,00 < 0,05$. Thus, H_0 has been rejected and H_a has been accepted.

According to table 9, determination coefficient is 0.685. It means trust and perceived value contributes approximately 68.5% towards purchase intention. Meanwhile, the other 31.5% is determined by other factors outside of this study. The other factors might be influenced by product quality and commitment.

Discussion

The Influence of Trust towards Purchase Intention

This study found that trust has positive and significantly influences on purchase intention. Therefore, trust directly influences the purchase intention of PCC Cement in Dumai city.

Table 9 shows that trust is 0.149 coefficient. It identifies that trust would increase approximately 0.149 influenced the purchase intention. Therefore, if the consumer trust to PCC Cement is intensify, their intention to purchase also higher. As Chen (2010) said, trust would give impact towards purchase intention of a products. Thus, this research is relevant with previous research by Kwok et al (2015), Chinomona et al (2013), and Lai (2015).

The Influence of Perceived Value towards Purchase Intention

This study proves that perceived value has positive coefficient and significantly influences towards purchase intention. It means, if PCC Cement offering better value to consumers, the consumer's perception would positive and interested to purchase this product.

The results of multiple regression shows that perceived value has 0.137 coefficient. It identifies that perceived value would increase approximately 0.137 influenced purchase intention. Thus, this research is relevant with previous research by Kwok et al (2015) and Lai (2015), but it's irrelevant with Chinomona et al (2013) which found that perceived value insignificantly influences purchase intention.

V. Conclusions

Trust has positive significant influence towards purchase intention of PCC Cement of PT. Semen Padang in Dumai city. Thus, trust is one of factors which determined purchase intention PCC Cement.

Perceived value also has positive significant influences on purchase intention. So, perceived value is also one of factor which determine purchase intention of PCC Cement in Dumai city.

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