

THE INFLUENCE OF PRODUCT QUALITY AND SERVICE QUALITY ON CUSTOMER SATISFACTION OF WINDARO PERMAI VILLAS MEDIATED BY CONSUMER PURCHASING DECISIONS

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ARTICLE HISTORY

Received [16 Mei 2025]

Accepted [24 Juni 2025]

Kata kunci : Kualitas Produk, Kualitas Pelayanan, Kepuasan Konsumen, Keputusan Pembelian, Analisis Jalur.

ABSTRAK

Persaingan bisnis properti yang semakin ketat menuntut pengembang untuk memberikan produk dan pelayanan terbaik guna meningkatkan kepuasan serta keputusan pembelian konsumen. Villa Windaro Permai sebagai salah satu pengembang perumahan perlu memahami faktor-faktor yang memengaruhi kepuasan pelanggan, baik secara langsung maupun melalui keputusan pembelian. Penelitian ini bertujuan untuk menganalisis pengaruh kualitas produk dan kualitas pelayanan terhadap kepuasan pelanggan Villa Windaro Permai, serta untuk mengetahui peran keputusan pembelian sebagai variabel mediasi dalam hubungan tersebut. Metode penelitian yang digunakan adalah kuantitatif dengan pendekatan survei. Teknik analisis data yang digunakan adalah analisis jalur (path analysis) dengan bantuan program SPSS. Sampel penelitian sebanyak 100 responden yang merupakan konsumen perumahan Villa Windaro Permai. Hasil penelitian menunjukkan bahwa kualitas produk dan kualitas pelayanan berpengaruh positif dan signifikan terhadap kepuasan pelanggan, baik secara langsung maupun melalui keputusan pembelian sebagai variabel mediasi. Selain itu, kepuasan pelanggan juga memiliki pengaruh dominan terhadap keputusan pembelian, menjadikan kepuasan sebagai faktor strategis dalam mendorong pembelian properti.

ABSTRACT

The increasingly competitive property business requires developers to deliver high-quality products and services to improve customer satisfaction and purchasing decisions. Villa Windaro Permai, as a housing developer, needs to understand the factors influencing customer satisfaction, both directly and through purchasing decisions. This study aims to analyze the influence of product quality and service quality on customer satisfaction at Villa Windaro Permai, as well as to examine the mediating role of purchasing decisions in this relationship. This research uses a quantitative approach with a survey method. The data analysis technique applied is path analysis using SPSS software. The sample consists of 100 respondents who are customers of Villa Windaro Permai housing complex. The findings indicate that product quality and service quality have a positive and significant influence on customer satisfaction, both directly and indirectly through purchasing decisions as a mediating variable. Moreover, customer satisfaction has a dominant influence on purchasing decisions, positioning it as a strategic factor in encouraging property purchases.

Keywords: : Product Quality, Service Quality, Customer Satisfaction, Purchasing Decision, Path Analysis.

1. INTRODUCTION

Housing is recognized as one of the primary human needs, alongside food and clothing, as it provides shelter, security, and a place for social interaction and family gatherings. Beyond its function as a residence, housing today is increasingly viewed as a strategic investment tool, with many consumers purchasing property not only for personal use but also as an asset expected to appreciate in value over time. In Indonesia, the government has shown strong commitment to improving housing conditions through policies such as the *National Medium-Term Development Plan (RPJMN) 2020–2024* and the *Riau Province Regional Medium-Term Development Plan (RPJMD) 2019–2024*. These policies target increasing access to decent housing, clean drinking water, and adequate sanitation, which are vital indicators of a population's welfare.

In Pekanbaru City, improvements in the economy—as evidenced by the increase in Gross Regional Domestic Product (GRDP), particularly in Household Consumption Expenditure and Gross Fixed Capital Formation—indicate rising purchasing power and investment potential in the property sector.

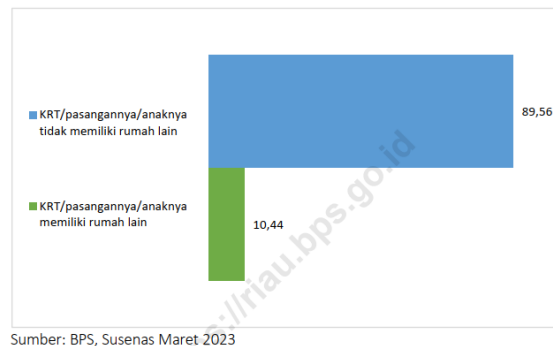


Figure 1. Percentage of Households Owning a Home Other than the One Currently Occupied in 2023

However, based on data from *Susenas* (2023), only 10.44% of households own a second residence in Indonesia. This disparity between economic growth and actual property ownership illustrates a gap that developers need to address by offering more accessible and affordable property products to meet both residential and investment needs.

The Villa Windaro Permai residential complex serves as an important case study in this context. Although the villas offer high physical quality, observations reveal gaps in service quality that negatively affect customer satisfaction. For instance, inefficiencies in the booking process, limited post-sale services, and inadequate customer support can diminish customer experiences, even when product quality is high. This highlights the importance of understanding not only product quality but also service quality in influencing customer satisfaction and purchasing decisions.

Grounded in consumer behavior theories (Kotler & Armstrong, 2018; Tjiptono, 2019), this research aims to analyze the influence of product quality and service quality on customer satisfaction, with consumer purchasing decisions as a mediating variable. Prior studies (Naini et al., 2022; Kim & Hwang, 2020; Herman et al., 2023) emphasize that customer satisfaction plays a crucial role in encouraging repeat purchases and fostering customer loyalty. This relationship is particularly relevant in the competitive housing sector, where customer satisfaction can significantly shape a company's reputation and long-term success.

The primary objective of this study is to identify the relationship between product quality and service quality with customer satisfaction, and how consumer purchasing decisions mediate these relationships, specifically within Villa Windaro Permai. By doing so, the study provides insights that can assist developers in refining product offerings and enhancing customer service strategies to better meet consumer expectations.

The research applies a quantitative approach, using structured questionnaires distributed to Villa Windaro Permai consumers to collect data on perceptions of product quality, service quality, purchasing decisions, and satisfaction levels. The conceptual framework is built on the interaction between these variables, aiming to offer both theoretical and practical contributions.

To maintain a clear focus and realistic scope, the study is limited to consumers of Villa Windaro Permai in Pekanbaru City and examines only four key variables: product quality, service quality, purchasing decisions,

and customer satisfaction. Factors outside this scope, such as financial limitations, government regulations, or macroeconomic influences, are excluded from the analysis.

The relevance of this research lies in its potential to contribute to both academic literature and practical property management. For developers, the findings can serve as a guideline for improving competitive strategies by aligning product and service quality with consumer expectations. From an academic perspective, this research enriches discussions about customer satisfaction and purchasing decisions in the property sector, particularly in emerging markets like Indonesia.

By exploring these relationships, this study intends to provide actionable insights that help increase customer satisfaction, encourage sustainable investment behaviors, and ultimately support economic growth in the property sector in Pekanbaru City and similar regions.

2. LITERATURE REVIEW

a. Purchase Decision

Purchasing decisions are the outcome of a consumer's evaluation process to select a product or service from several alternatives. This decision-making process is influenced by various factors such as product quality, price, promotion, distribution, personal preferences, and the context in which the purchase occurs. Consumers assess these elements carefully to ensure that their final decision aligns with their needs and expectations.

The factors that influence purchasing decisions are grouped into four categories: cultural, social, personal, and psychological. Cultural aspects include values and behaviors learned through family and social institutions, while social factors involve groups, family roles, and status within a community. Personal factors cover age, occupation, lifestyle, income, and personality. Meanwhile, psychological factors such as motivation, perception, learning, and beliefs significantly shape how consumers perceive and respond to products and services.

The purchase decision process follows five key steps: recognizing a need, searching for information, evaluating alternatives, making the purchase, and post-purchase evaluation. Key indicators in property-related purchasing include strategic location, adequate and quality facilities, reasonable pricing with flexible payment options, and a supportive living environment. These aspects contribute to consumers' comfort, long-term satisfaction, and perception of value, ultimately guiding their decision to buy.

b. Consumer Satisfaction

Customer satisfaction originates from the Latin words *satis* (meaning adequate) and *facio* (to make), which together refer to the fulfillment of expectations or needs. Several experts define customer satisfaction as the emotional response that arises when a consumer compares the performance of a product or service with their expectations (Kotler & Keller, 2018). If the product meets or exceeds expectations, satisfaction increases; otherwise, dissatisfaction occurs. A satisfied customer feels they have gained value from the product or service, which can lead to recommendations to others and promote loyalty. Therefore, customer satisfaction serves as a key indicator of product or service quality and strongly influences customer retention and future purchase behavior.

Kotler and Keller (2018) emphasize five indicators that reflect customer satisfaction: repurchasing, recommending the company to others, reduced interest in competitors, purchasing other products from the same company, and providing suggestions to improve products or services. Additionally, Lupiyoadi (2018) identifies key dimensions of satisfaction, including satisfaction with service/product performance, suitability to customer needs, willingness to recommend to others, and positive assessment of the service experience. These indicators allow companies to assess how well customer expectations are met, both in tangible product quality and in the overall service experience—including emotional comfort and reliability.

Several factors influence customer satisfaction, such as product quality, service quality, emotional value, price, and associated costs (Lupiyoadi, 2018). High product quality and reliable service enhance customer confidence and satisfaction. Emotional factors, such as pride in using a reputable brand, also contribute to higher satisfaction levels. Moreover, competitive pricing and minimal additional costs further encourage positive customer experiences. In this study, these five factors—product quality, service quality, emotional value, price, and cost—are used as the main indicators to assess customer satisfaction with Villa Windaro Permai.

c. Product Quality

Product quality is broadly defined as the level of excellence, value, and ability of a product to meet or exceed customer expectations. According to Kotler and Armstrong (2018), a product includes anything offered to satisfy a need or want, whether goods, services, or ideas. Several experts (Lupiyoadi, 2018; Prasetyo & Ihalauw, 2019; Sangadji, 2019) emphasize that product quality encompasses both tangible and intangible attributes that determine consumer satisfaction, such as features, performance, reliability, and durability. High product quality plays a crucial role in ensuring customer satisfaction, building brand reputation, encouraging loyalty, and sustaining business growth.

Kotler and Keller (2018) highlight six dimensions of product quality: performance, product features, reliability, conformance to specifications, durability, and perceived quality. These dimensions assess how well a product functions, the added value it offers, its consistency with promised specifications, its lifespan, and consumers' perception based on experience and reputation. For example, in the property sector, a reliable and durable house with appealing features and construction that meets expectations will significantly increase customer satisfaction and trust. Understanding these dimensions helps businesses design and improve products to better meet customer demands and remain competitive in the market.

In the food industry, several key factors directly influence perceived product quality. According to Gaman and Sherrington in Joko (2019), aspects such as color, appearance, portion size, shape, temperature, and taste are essential in determining food quality. Attractive presentation, proper portioning, correct serving temperature, and delicious taste enhance customer experience and satisfaction. Because customer preferences and expectations vary, culinary businesses must understand their target market and prioritize food quality to strengthen customer loyalty, improve their brand image, and gain a competitive edge in the market.

d. Service Quality

Quality is a crucial factor that influences consumer choices and determines the success and growth of organizations, particularly in the service industry. According to Parasuraman, Zeithaml, and Malhotra (2020), quality—particularly in service contexts—is not merely about meeting technical standards or offering superior features, but also about understanding customer needs, aligning service performance with expectations, and delivering consistent value across every customer interaction. Service quality is defined by how well the service meets or exceeds customer expectations and perceived value. Modern interpretations of quality encompass both **tangible and intangible attributes**, varying in meaning from **conformance to requirements, fitness for use, and absence of defects**, to a continuous commitment to improvement. This holistic view aligns with the principles of Total Quality Management (TQM), which sees quality as an organization-wide concern, involving products, services, people, processes, and environments (ISO 9001:2015; Ighomereho et al., 2022). The essence of service quality lies in a company's or institution's ability to consistently fulfill customer expectations, which in turn fosters strong relationships between service providers and customers. High service quality enhances customer satisfaction by maximizing positive experiences and minimizing negative ones. If the service matches or exceeds expectations, it is perceived as high quality; if it falls short, the perceived quality declines.

The Servqual model by Solomon (2022) identifies five key dimensions of service quality: reliability, responsiveness, assurance, empathy, and physical evidence. Reliability refers to consistently delivering on promises; responsiveness is about the speed and willingness to assist customers; assurance relates to staff competence and professionalism that fosters trust; empathy reflects personalized attention and understanding of customer needs; and physical evidence involves the tangible aspects like facilities, promotional materials, and overall physical appearance that support the service experience. These dimensions help organizations evaluate and enhance service quality effectively to meet customer expectations.

3. RESEARCH METHODOLOGY

The research was conducted in Pekanbaru City, Riau Province, Indonesia, from February to May 2025. The research method used in this study is descriptive quantitative analysis. According to Purba et al. (2021:96), quantitative methods involve the discovery of knowledge using numerical data as a tool to analyze information regarding the subject being studied.

The operational definition of research variables refers to an explanation of each variable used in the study and the indicators that form them. This study includes four variables: All variables in this study are measured using established indicators from prior scholarly literature to ensure validity and reliability.

a. Product Quality (Independent Variable)

Product quality is defined as the overall condition and performance of the villa facilities offered, reflecting their ability to fulfill customer needs and preferences.

b. Service Quality (Independent Variable)

Service quality refers to the customer's perception of how well services are delivered by the villa staff and management.

- c. Consumer Purchasing Decisions (Mediating Variable)
Consumer purchasing decisions represent the process customers go through in selecting Windaro Permai Villas over other alternatives.
- d. Customer Satisfaction (Dependent Variable)
Customer satisfaction is defined as the customer's overall contentment after experiencing the products and services provided.

Table 1. Operational Definition

Variabel	Operational Definition
Purchase Decision (X1)	Purchasing decisions are the process that consumers go through in choosing and deciding to buy a housing unit in Windaro Permai Villa Housing, after considering various things such as good location, adequate facilities, appropriate price, and comfortable environment.
Consumer Satisfaction (X2)	Customer satisfaction refers to the level of satisfaction felt by residents or home buyers at Villa Windaro Permai with their overall experience, including building quality, timeliness of handover, customer service, and fulfillment of promises made by the developer.
Product Quality (Property) (X3)	Product quality in the context of Villa Windaro Permai housing includes material durability, compliance with the specifications of the housing units received with the standards expected by buyers
Service Quality (Y)	Service quality is consumer perceptions of the services provided by the developer of Villa Windaro Permai, including speed and responsiveness in handling complaints, clarity of information provided during the purchase process, professional attitude of staff, ease of communication, and empathy in understanding the needs and desires of consumers.

The analysis technique used in this study is **Multiple Linear Regression**. Regression analysis is employed to determine the effect of the independent variables on the dependent variable. Multiple linear regression analysis is used to assess whether Purchase Decision (X1), Consumer Satisfaction (X2), Product Quality (Property) (X3) dan Service Quality (Y). The regression equation used to test this hypothesis is as follows:

Regression Equation:

$$Y1 = \rho_{Y1,X1} X_1 + \rho_{Y2,X2} X_2 + e_{(1)}$$

$$Y2 = \rho_{Y1,X1} X_1 + \rho_{Y2,X2} X_2 + b_3 Y1 + e_{(2)}$$

Description:

Y1 = Consumer Satisfaction

Y2 = Purchase Decision

X1 = Product Quality

X2 = Service Quality

$b_{(1)(2)(3)(4)}$ = Direct path coefficient of X1 and X2 to Y1

$e1, e2$ = error/residual

4. RESEARCH RESULTS AND DISCUSSION

Classical Assumption Test Results

The classical assumption test is carried out to avoid bias in estimating regression parameters and to ensure that the analysis results can be interpreted properly. Some of the classical assumption tests carried out in this study include normality test, multicollinearity test, and heteroscedasticity test.

1) Normality Test Results

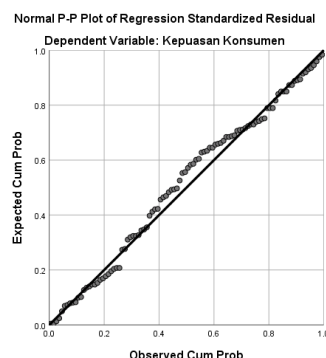
The normality test is carried out to determine whether the residual data in the regression model is normally distributed or not. This test is important because in linear regression analysis, the residual normality assumption must be met so that the regression parameter estimation results can be trusted. If the residuals are not normally distributed, it can cause errors in drawing conclusions. Normality testing in this study was carried out using the Kolmogorov-Smirnov method, as follows:

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.56396930
Most Extreme Differences	Absolute	.079
	Positive	.055
	Negative	-.079
Test Statistic		.079
Asymp. Sig. (2-tailed)		.129 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Based on the test results above, it can be seen that the significance value (p) in this study is 0.129 which is far greater than the provisions of 0.05 ($0.129 > 0.05$) so that it can be concluded that the data processed in this study fulfill the assumption of data normality so that hypothesis testing can be carried out in this study. The results of this normality test can also be seen from the statistical results graphically, namely in testing the normality of the p-plot graph test results as follows:

Figure 2. P-Plot Graph Normality Test Results



Based on the picture above, it can be seen that the dots spread around the diagonal line, so the residual value is normally distributed. To conduct a better normality test, you can use statistical tests with other methods.

2) Multicollinearity Test Results

The multicollinearity test aims to determine whether there is a strong relationship between the independent variables in the regression model. High multicollinearity can cause inaccuracies in the estimation of regression parameters, so that the interpretation of the results becomes less valid. This test is done by looking at the Variance Inflation Factor (VIF) and Tolerance value. If the VIF value exceeds 10 and the tolerance value is below 0.1, it can be said that there is multicollinearity in the regression model.

Table 2. Multicollinearity Test Results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product Quality	.822	1.216
	Service Quality	.822	1.216

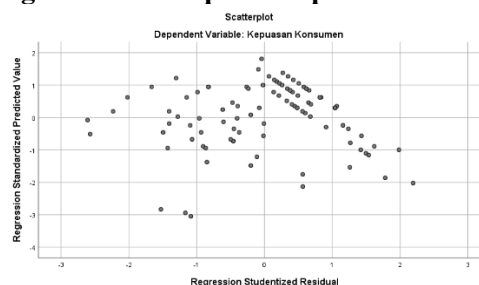
a. Dependent Variable: Customer Satisfaction

Based on the table above, it can be seen that the VIF value on the Product Quality variable is 1.216, and Service Quality is also 1.216, which means that the two independent variables have a VIF value below 10, so the data is declared to meet one of the assumptions of the multicollinearity test. However, to see that the data is truly free from multicollinearity, it is also necessary to pay attention to the tolerance value of the two variables, which shows a number of 0.822, meaning that the two variables have a tolerance value above 0.1, which means that the data does not occur multicollinearity between independent variables so that further testing can be continued, namely the heteroscedasticity test.

3) Heteroscedasticity Test Results

The heteroscedasticity test aims to see whether the variance of the residuals in the regression model is constant or not. If the variance of the residuals changes at each level of the independent variable, then heteroscedasticity occurs, which can cause inaccuracies in model estimation. This test is performed using the Scatterplot graph method. If the results show a certain pattern on the scatterplot graph then there is an indication of heteroscedasticity in the model, and vice versa.

Figure 3. Scatterplot Graph Test Results



Based on the picture above, it can be seen that the scatterplot graph shows the data results do not form a pattern and the points spread above and below the number 0 on the Y axis, so it can be concluded that the data in the model does not have a heteroscedasticity problem. Good regression capital is data that is homoscedasticity or heteroscedasticity does not occur.

Path Analysis

In this study, hypothesis testing was carried out using the path analysis method. Path analysis was chosen because it is able to explain the direct and indirect relationships between variables, including the role of mediating variables in influencing the relationship between independent and dependent variables. In accordance with the research objectives which want to determine the effect of product quality and service quality on customer satisfaction, as well as how consumer purchasing decisions act as mediating variables, this approach is considered appropriate to test the entire model as a whole. By using path analysis, it can be analyzed how much direct influence and indirect influence each independent variable has on the dependent variable, both partially and simultaneously.

Table 4. Test Results of Equation I

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	23.006	3.730	
	Product Quality	.554	.079	.641
	Service Quality	.139	.059	.212
	a. Dependent Variable: Purchase Decision			

Based on the test results above, the path analysis equation in this study can be arranged as follows:

$$Y = 0.641 X_1 + 0.212 X_2$$

1. The product quality variable (X_1) has the greatest influence on customer satisfaction (Y_2) with a coefficient of 0.641, which means that the higher the perceived product quality, the more customer satisfaction increases significantly.
2. Service Quality (X_2) also has a positive effect of 0.212, although its effect is smaller than product quality. This shows that product quality is the main determinant in creating satisfaction, while service plays a complementary role.

Table 5. Equation II Test Results

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	7.091	3.268	
	Product Quality	.691	.072	.596
	Service Quality	.601	.045	.517
	Consumer Satisfaction	.862	.075	.784
a. Dependent Variable: Purchase Decision				

Based on the test results above, the path analysis equation in this study can be arranged as follows:

$$Y = 0.596 X_1 + 0.517 X_2 + 0.784 Z$$

1. Consumer Satisfaction (Y2) is the most dominant variable affecting Purchasing Decisions (Y1), with a coefficient value of 0.784. This indicates that purchasing decisions are strongly influenced by the extent to which consumers are satisfied with the houses offered.
2. Product Quality (X1) also has a direct effect of 0.596, and Service Quality (X2) of 0.517, both of which are significant and show that in addition to satisfaction, these two aspects remain a direct consideration for consumers when deciding to buy.
3. The direct and indirect effects of X1 and X2 through Y2 indicate that customer satisfaction functions as a mediator that strengthens the effect of quality on purchasing decisions.

Hypothesis Testing

1) Results of the t-test

The t test was conducted to test the effect of each independent variable on the dependent variable partially. This test aims to determine whether each independent variable in the regression model has a significant effect on the dependent variable with a certain level of confidence.

Table 6. Results of the t-test

Coefficients ^a			
Model		t	Sig.
Model		t	Sig.
1	(Constant)	2.170	.032
	Product Quality	8.272	.002
	Service Quality	6.272	.025
	Consumer Satisfaction	11.441	.000
a. Dependent Variable: Purchase Decision			

The results of this study through the t test are as follows:

1. Consumer Satisfaction (Y2) is the most significant variable in influencing purchasing decisions, with a t value = 11.441 and p-value = 0.000. This shows that customer satisfaction has the strongest and statistically significant influence on the decision to buy a house at Villa Windaro Permai. Therefore, the developer needs to prioritize efforts to increase customer satisfaction, such as ensuring building quality, after-sales service, and responsiveness to complaints.
2. Product Quality (X1) also has a significant effect on purchasing decisions, with t = 8.272 and p-value = 0.002. This shows that consumers' perceptions of the physical quality of the house, such as the sturdiness of the building, the durability of the materials, and the comfort of the space, strongly influence the decision to buy. Therefore, developers must maintain and improve property quality to remain competitive in the market.
3. Service Quality (X2) has a t-value = 6.272 and p-value = 0.025, which is also significant. This indicates that the services provided during the home buying process, such as staff friendliness, clarity of information, and professionalism, also contributed to driving the purchase decision. Although the effect is the smallest compared to the other two variables, service remains an important aspect that should not be overlooked.

2) F Test Results

The F test was conducted to test the effect of all independent variables simultaneously on the dependent variable. This test aims to determine whether the regression model used as a whole is suitable for explaining the relationship between the independent variable and the dependent variable.

Table 7. F Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1626.892	3	542.297	75.882	.000 ^b
	Residuals	686.068	96	7.147		
	Total	2312.960	99			
a. Dependent Variable: Purchase Decision						
b. Predictors: (Constant), Customer Satisfaction, Service Quality, Product Quality						

Based on Table 5.25 of the F Test Results, the calculated F value is 75,882 with a significance value (Sig.) of 0.000. Because the value of Sig. $0.000 < \alpha 0.05$, it can be concluded that this regression model is simultaneously significant. This means that the independent variables consisting of Product Quality, Service Quality, and Customer Satisfaction together have a significant effect on consumer purchasing decisions at Villa Windaro Permai.

These results indicate that the three variables cannot be separated from each other in influencing purchasing decisions. Therefore, the developer needs to ensure that the product quality and service improvement strategies implemented actually support the creation of customer satisfaction, because collectively these three variables are able to encourage consumers to make positive purchasing decisions

3) R Square Test Results

Table 8. R Square Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 ^a	.703	.694	2.67330
a. Predictors: (Constant), Customer Satisfaction, Service Quality, Product Quality				
b. Dependent Variable: Purchase Decision				

Based on Table 5.26 of the R Square Test Results, the Adjusted R Square value is 0.694, which indicates that 69.4% of the variation in the Purchasing Decision variable can be explained by the variables of Product Quality, Service Quality, and Customer Satisfaction. Meanwhile, the remaining 30.6% is explained by other factors outside of this research model, such as price factors, promotions, market conditions, or consumer personal preferences that are not included in the model.

The Adjusted R Square value which is close to the R Square value (0.703) indicates that this model is quite stable and does not experience overfitting, and is quite accurate in explaining the effect of the independent variable on the dependent variable even though the number of predictors used is more than one. This gives confidence that the regression model built has good predictive power and is suitable to be used as a basis for managerial decision making. Thus, it can be concluded that the regression model in this study has a strong explanatory ability for the Purchase Decision variable. However, to get a more comprehensive picture, further research can include other factors such as promotion, brand image, or social factors that also have the potential to influence consumer decisions.

The results of this study demonstrate that both product quality and service quality significantly influence customer satisfaction at Villa Windaro Permai. This effect occurs both directly and indirectly through purchasing decisions, which serve as a mediating variable.

Firstly, product quality shows the strongest influence on customer satisfaction and purchasing decisions. The regression results indicate that the physical quality of the villas—such as the durability of materials, adherence to promised specifications, and overall structural reliability—plays a crucial role in

determining customer satisfaction. The standardized coefficient for product quality was higher than that of service quality, emphasizing its dominant role.

Secondly, service quality also contributes positively, though to a lesser extent than product quality. Elements such as the responsiveness of staff, professionalism, clarity of information, and empathy in customer service are proven to enhance the customer experience. While service quality alone may not be the primary factor in purchasing decisions, it serves to complement product quality and support customer satisfaction.

Thirdly, customer satisfaction is found to be the most dominant factor influencing purchasing decisions, as shown by the highest path coefficient value (0.784). This finding underlines the importance of ensuring customer satisfaction not just for loyalty, but as a key driver of purchase behavior. Satisfied customers are more likely to trust the developer and proceed with buying decisions.

Additionally, the regression model produced an Adjusted R Square value of 69.4%, indicating that nearly 70% of the variance in purchasing decisions can be explained by product quality, service quality, and customer satisfaction. This suggests that the model has strong predictive power and supports the theoretical framework of the study.

In conclusion, the findings highlight that in order to increase consumer purchasing decisions, developers must focus on improving both the quality of the product and customer service, while also ensuring that these lead to high customer satisfaction. This integrated approach will be crucial for developers like Villa Windaro Permai to remain competitive in the increasingly demanding property market.

CONCLUSION

Based on the results of data testing and analysis that have been carried out, the conclusions that can be drawn from this research are as follows:

1. Partially, product quality has a positive and significant effect on customer satisfaction at Villa Windaro Permai housing.
2. Partially, service quality has a positive and significant effect on customer satisfaction at Villa Windaro Permai housing.
3. Simultaneously, product quality and service quality have a positive and significant effect on customer satisfaction at Villa Windaro Permai housing, both directly and through purchasing decisions as a mediating variable.
4. The research results show that product quality and service quality together influence customer satisfaction by 76.9%, meaning that 76.9% of customer satisfaction can be explained by product quality and service quality, while the remaining 23.1% is explained by other variables not included in this study.

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