

ABSTRACT

In Indonesia, the demand for housing and offices building currently increase very significantly and this will continue for coming several decades. These demands correlate to increasing in middle income population and economic development in the country. As a consequence, competitions among the housing and building construction company become very tight in order to grab the market, especially to fulfill the concrete demand. In this situation, the concrete manufacture companies will do everything to provide the client demand of the concretes that may include good-quality and competitive price. Of course, the taste of the clients to the product should be considered and fulfilled seriously. The manufacture company, like PT Kinarya Beton Salatiga, must create new innovation to attract the clients on concrete product in the market demand. Due to this tight competition, the clients would buy the product with very selective in many aspects including quality, price and appearance.

This research is using four variables such as product quality, product innovation, competitive advantage, and purchasing decision. The sample of this research are clients who have purchased concrete, called "Flyslab", from PT. Kinarya Beton Salatiga. The hypothesis test used 100 respondents as the data. Technique of analysis that is used in this research is software program of Statistical Package fo Social Science (SPSS) 23.

The result of research showed that quality product and innovation product have a positive and significant impact to competitive advantage with the result $Y_1 = 0,184 X_1 + 0,592 X_2$, then, competitive advantage have a positive and significant impact to purchasing decision with the result $Y_2 = 0,544 Y_1$

Keyword: product quality, product innovation, competitive advantage, and purchasing decision