The Influence of Price, Location and Service Quality on Purchasing Decisions

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ARTICLE INFORMATION

ABSTRACT

The aim of this research is to identify how price, location and service quality influence customer satisfaction at Sunset View Cafe for the needs of the company and consumers. The total population in this study was 10,498 people, while the sample was calculated using the Slovin formula, which resulted in a sample size of 99 respondents. The sampling technique used was purposive sampling itative analysis. Hypothesis testing uses the t test, F test, and Determination test. Apart from that, the data normality test, multicollinearity test and heteroscedasticity test were also used. Price has no negative and significant effect on purchasing decisions. Location has no effect on purchasing decisions. Service quality has a positive effect on purchasing decisions.

Keywords: Influence of Price, Location and Service Quality on Purchasing Decisions at Sunset View Cafe

INTRODUCTION

The competitiveness of society in the demands of globalization opens up opportunities for the business world to grow into increasingly high quality with efficiency and of course competitiveness. The business function that has an interest in supporting adaptation to the external environment is marketing. (Tetty Yuliaty 2020)

Micro businesses are small scale businesses or independent businesses carried out by individuals or families which usually nowadays utilize simple technology both in the production process and marketing of their products (Salsabila 2022).

Culinary businesses that are included in UMKM and generally family businesses contribute to the economy. For example, this contribution is in the formation of gross national product (Hasan 2020). This is an opportunity for entrepreneurs to enter culinary arts by competing to meet consumers' needs and desires for the products they offer

Factors that influence consumer behavior are purchasing decisions. According to Kotler & Armstrong (2018), the decision to buy or use a product, the type of product or service that they believe can make them satisfied and their willingness to take risks.

LITERATURE REVIEW

Buying decision
According to Kotler & Armstrong (2018) a person's purchase is a decision to buy or use a product, type of product or service that they believe can make them satisfied and a willingness to take risks. According to Tanady & Fuad (2020) consumer purchasing decisions are influenced by how a process occurs. the purchasing decision is made. According to Yusuf (2021) a purchasing decision is a thought in which individuals evaluate various options and make a choice on a product from many choices. According to Kotler & Armstrong (2018) there are 4 indicators in purchasing decisions :
1. Product selection In purchasing products
2. Choice of brand has its own differences
3. Consumer dealer choices in purchasing products
4. Time of purchase In choosing the time of purchase
5. Purchase amount In how much product will be spent

Price
According to Kotler & Armstrong (2018), price is one element of the marketing mix that generates revenue, other elements generate costs. While pricing is the easiest element in a marketing program to customize, product features, channels, and even communications take a lot of time. Meanwhile, according to Tjiptono (2019), price is the only element of the marketing mix that provides company income or income, while the other three elements (product, distribution and promotion) cause expenditure costs. According to Kotler & Armstrong (2018) there are four indicators that characterize prices, namely:
1. Affordability of the prices set
2. Prices according to competitiveness
3. Price match with product quality
4. Matching price with benefits

Location

According to Kotler & Armstrong (2018) "One way to success is location, location starts with choosing a community" Decision According to Lupiyoandi in Wulandari (2019) Location is a place used for operations and the company must be able to determine it because it is very likely to influence every decision purchasing decisions for businesses in order to attract more customers. Meanwhile, according to Tjiptono (2018) location is a place to carry out a business and is a crucial factor in the success or failure of a business. According to Tjiptono and Chandra (2018) location indicators are as follows:

1. Access, easy to get to location
2. Visibility, the location can be seen clearly from the edge of the road
3. Spacious, safe and comfortable parking area that is good for customer vehicles.
4. Expansion, namely the availability of a large enough space

Service quality

According to Kotler & Armstrong (2018), service quality is a form of consumer assessment of the level of service received and the expected level of service. According to Tjiptono in Indrasari (2019) service quality is a dynamic condition that is closely related to products, services, human resources, as well as processes and the environment that can at least meet or even exceed the expected service quality. If the service received or felt is as expected, then the quality of service is perceived as good and satisfactory. According to Siagian (2020) there are several indicators of service quality as follows:

1. Tangible/direct facts
2. Reliability
3. Responsiveness ability
4. Assurance/coverage
5. Empathy

Relationship between variables

Price

With research conducted by Pitria Febrian (2020). States that price has a significant influence on purchasing decisions.Based on the academic studies above, the first hypothesis can be formulated as follows:

H$_1$: Price has a positive and significant effect on purchasing decisions

Location

Research conducted by Iis Noviyanti (2021). States that location has a significant influence on purchasing decisions.Based on the academic studies above, the second hypothesis can be formulated as follows:

H$_2$: location has a positive and significant effect on purchasing decisions

Service quality

Research conducted by Laili Nur Indahsari (2022) states that service quality has a significant influence on purchasing decisions.Based on the academic studies above, the second hypothesis can be formulated as follows:

H$_3$: service quality has a positive and significant effect on purchase quality

Price, Location, and Service Quality on Purchasing Decisions.

research conducted by Nadia Dinda Puspita (2022) shows that price, location and service quality simultaneously have a significant influence on purchasing decisions. Based on the academic studies above, the second hypothesis can be formulated as follows:

H$_4$: Price, location, service quality have a positive and simultaneous effect on purchasing decisions.

RESEARCH METHOD

Dependent Variable
Is a variable that is influenced or becomes a consequence, because of the existence of an independent variable. The dependent variable in this research is the purchasing decision.

Independent Variable
Is a variable that influences or is the cause of changes or the emergence of a dependent (dependent) variable. The dependent variables in this research are location, price and service quality.

Population
According to Sugiyono (2020) population is a generalized area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The population chosen in this study were visitors to the Sunset View Candisari Cafe from November 2023 to January 2024 with a population of 10,498 visitors.

Sample
According to Sugiyono (2020) a sample is part of the number and characteristics of a population. If the population is large and the researcher cannot study everything in the population. The sample taken in this research was non-probabilistic sampling with purposive sampling technique. The calculation of the sample size for this study uses the Solvin technique with an error of 10%. The result of the calculation is 99.056. So these results use a sample of 99 people. Method of Collecting Data According to Sugiyono (2020), the data collection technique in this research uses a questionnaire whose data collection technique creates questions or statements to be given to respondents who have been determined to provide answers.

Analysis Method
The analysis method used by researchers is the IBM SPSS Statistics 25 application. The data is processed into tables, graphs and conclusions which are used to determine the results of the analysis.

RESULTS

Object Description
Cafe Sunset View is a business founded in 2022 and is located in the middle of a residential area, offering a unique experience to its visitors with beautiful views of the sunset and city lights. In the last year, this cafe has experienced a significant increase in the number of visitors. This change occurred along with the development of social media and its increasingly widespread use. Through social media platforms, such as Instagram, Facebook and others. Visitors can share their experiences by uploading photos and reviews that provide information about the cafe to their networks. Along with that, this cafe began to become widely known and the destination became popular with both local and out-of-town residents.

Description of Respondents by Gender
The following is a gender frequency table from questionnaire results taken from 99 samples

Table 1
Respondent Gender Frequency

Gender	Frequency	Percentage
Woman	51 respondents	51.5%
Man	48 respondents	48.5%
Total	99 respondents	100%

Source: Primary data processed with SPSS, 2024

From the table data, the dominant gender of respondents is 51 (51.5%) women compared to only 48 (48.5%) men.

Description of Respondents by Occupation
The frequency of respondents based on occupation is presented in table 4.2 as follows:

Table 2
Respondent's Occupational Frequency

Worker	Frequency	Percentage
Student	78 respondents	78.8%
employee	12 respondents	12.1%
Other	9 respondents	9.1%
Total	99 respondents	100%

Source: Primary data processed with SPSS, 2024

Based on the respondents' occupation, the questionnaire results from this research were dominated by respondents with student occupations amounting to 78 (78.8%) respondents while employees were 12 (12.1%) respondents and others were 9 (9.1%) respondents.

The results of this research questionnaire show the dominance of respondents who work as students, reaching 78 people or 78.8% of the total respondents. This indicates that consumer participation is very significant in this research. Meanwhile, although in smaller numbers, there were also significant contributions from respondents who worked as employees and from other categories, each of which provided diversity in the data collected.

Validity test

Table 3
Validity test

Variable	Item	r count	r table	information
Buying decision (Y)	Y1.1	0.590		Valid
	Y1.2	0.682		Valid
	Y1.3	0.633		Valid
	Y1.4	0.672	0.1646	Valid
	Y1.5	0.484		Valid
Price (X_1)	X1.1	0.560		Valid
	X1.2	0.317		Valid
	X1.3	0.766		Valid
	X1.4	0.800		Valid

Location (X$_2$)	X2.1	0.848	Valid
	X2.2	0.806	Valid
	X2.3	0.749	Valid
	X2.4	0.286	Valid
Service quality (X$_3$)	X3.1	0.426	Valid
	X3.2	0.705	Valid
	X3.3	0.706	Valid
	X3.4	0.716	Valid
	X3.5	0.870	Valid
	X3.6	0.699	Valid

Source: Primary data processed with SPSS, 2024

Based on the table above, it shows that all items in all variables have a Pearson correlation coefficient (calculated r) that is greater than the r table. It can be concluded that testing the accuracy of the questionnaire items in this study produced valid data

Reliability Test

Table 4
Reliability Test

Variable	Cronbach's Alpha	information
Buying decision (Y)	0.734	Reliabel
Price (X$_1$)	0.728	Reliabel
Location (X$_2$)	0.772	Reliabel
Service quality (X$_3$)	0.811	Reliabel

Source: Primary data processed with SPSS, 2024

The Cronbach's Alpha value is calculated separately, then the purchasing decision variable (Y) is 0.734, the price variable (X1) is 0.728, the location variable (X2) is 0.772, and the service quality (X3) is 0.811. Cronbach Alpha value > 0.60 so it can be concluded that the instrument from the questionnaire used can be declared reliable or trustworthy as a variable measuring tool.

Partial Test

Table 5
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.510	.208		7.258	.000
	Harga_X$_1$	.148	.080	.170	1.851	.067
	Lokasi_X$_2$	.042	.039	.094	1.069	.288
	Kualitas_pelayanan_X3	.445	.077	.621	5.748	.000

Source: Primary data processed with SPSS, 2024

1. The influence of price on purchasing decisions
   Based on the table, it is found that the calculated t value is 1851 > 1.661 and the significant value is 0.067 > 0.05, so Ho is rejected and Ha is rejected, which means that partially the price variable does not have a negative and significant effect on purchasing decisions.
2. The influence of location on purchasing decisions

Based on the table, it is found that the calculated t value is 1.069 < 1.661 and the significant value is 0.288 > 0.05, so H0 is accepted and Ha is rejected, which means that partially the location variable has no effect on purchasing decisions.
3. The influence of service quality on purchasing decisions
   Based on the table, it is found that the calculated t value is 5,748 > 1.661 and the significant value is 0.000 < 0.05, so Ho is rejected and Ha is accepted, which means that partially the service quality variable has a positive effect on purchasing decisions.

F test (simultaneous)

Table 6
F test (simultaneous)
ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.961	3	3.320	73.970	.000ᵇ
	Residual	4.264	95	.045		
	Total	14.225	98			

Source: Primary data processed with SPSS, 2024

The value of Fcount > Ftable and sig < 0.05 means that all independent variables have a simultaneous effect on the dependent variable. However, if the value of Fcount < Ftable and sig > 0.05 then all independent variables have no effect simultaneously on the dependent variable. It can be seen in the table above that the result Fcount = 73.970 is greater than Ftable = 3.937 and sig 0.000 < 0.05. So it can be concluded that price, location, service quality simultaneously have a positive and significant influence on purchasing decisions.

Coefficient of Determination (R_2)
Table 7
Model Summaryᵇ

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.837ª	.700	.691	.21187	1.989

Source: Primary data processed with SPSS, 2024

The coefficient of determination value is shown by the Adjusted R Square value, which is 0.691. This result is a percentage of 69.1% of the variables price, location, service quality which simultaneously influence the purchasing decision variable.
Note. M = Mean, *SD* = Standard Deviation.

DISCUSSION

The Influence of Price on Purchasing Decisions
Based on the research results, it can be seen that the price variable has a calculated t value of 1851 > 1.661 and a significant value of 0.067 > 0.05, so Ho is rejected and Ha is rejected, which means that partially the price variable does not have a negative and significant effect on purchasing decisions.

The Influence of Location on Purchasing Decisions
Based on the research results, it can be seen that the location variable has a calculated t value of 1.069 < 1.661 and a significant value of 0.288 > 0.05, so H0 is accepted and

Ha is rejected, which means that partially the location variable has no effect on purchasing decisions.

The Influence of Service Quality on Purchasing Decisions
Based on the research results, it can be seen that the service quality variable (X3) has a calculated t value of 5,748 > 1.661 and a significant value of 0.000 < 0.05, so Ho is rejected and Ha is accepted, which means that the service quality variable partially has a positive effect on purchasing decisions (Y).

The Effect of Price, Location and Service Quality on Purchasing Decisions
Based on the research results that the results of Fhitung = 73.970 are greater than Ftabel = 3.937 and sig 0.000 <0.05. then H0 is rejected and Ha is accepted. So it can be concluded that price (X1), location (X2), service quality (X3) simultaneously have a positive and significant effect on purchasing decisions.

CONCLUSION

1. Other researchers can develop the results of this study by including other variables besides Price, Location and Service Quality. This is based on the acquisition of an R-Square value of 70.0% so that the research potential for other variables in research with a Purchase Decision orientation is 30.0%.
2. It is hoped that Sunset View Cafe will be able to maintain existing products in accordance with Price, Location and Service Quality that can support activities or make consumers feel satisfied with the taste, affordable prices, services provided, and existing facilities.

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