

WHETHER SERVICE QUALITY, PRICE AND LOCATION CAN INCREASE PURCHASING DECISIONS FOR MOBILE PHONES AND ACCECORIES

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ABSTRACT

The need for smartphones and their accessories is currently increasing significantly with the community's need for smartphones and accessories. This study aims to determine and analyze the effect of service quality, price and location on purchasing decisions for mobile phones and accessories at "Toko Eferata" Bondowoso. The population in this study are all consumers who have made transactions at "Elfrata Store" Bondowoso. The number of samples used in this study was 40 respondents on the basis that regional level research could be carried out with a number of N>30. The sampling method uses purposive sampling. using saturated sampling method. Data collection was carried out by distributing questionnaires. Analysis technique, where the respondents are those who have made purchases twice at the store. Data analysis used multiple linear regression analysis with the help of SPSS software. The results showed that location and price partially influence purchasing decisions and service quality does not partially affect purchasing decisions. Furthermore, the Adjusted R Square result is 31.6%. This shows that the ability of location, price and quality of service to explain purchasing decisions is only 31.6%, while 63.9% is explained by other things not examined.

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1. INTRODUCTION

Business competition in this era of globalization is very tight where every company is required to be able to meet consumer needs and try to create an idea that has advantages and creates a level of purchase that is different from competitors [18]. Thus the business of developing different marketing services and services can be an effective strategy for companies in providing product offerings so that satisfaction is achieved for each party, especially in the economic field which must compete with competitors in order to survive in the current era. The need for electronic devices that are often used by humans is a cellphone. Referring to global statistics, around 75.27% of smartphone users use the Android OS and the remaining 22.74% use iOS [1]. The top 5 companies that provide smartphone brands circulating in Indonesia are presented in Table 1.

Table 1. Top Mobile Brands

No.	Provider Company	Sales Volume (Million Units)
1.	Apple	72,3
2.	Samsung	58,2
3.	Xiaomi	33,2
4.	OPPO	25,3
5.	Vivo	22,9
6.	Others	88.9
Total		300,3

Sumber: (<https://www.bhinneka.com/blog/merk-hp-terbaik/>, 2022).

Based on the data in Table 1, the demand for smartphones will increase along with population growth and human dependence on smartphones is also increasing. The purchasing decision of a smartphone by the public will benefit the existing smartphone provider companies. To meet the need for electronic devices in the form of mobile phones and accessories, a customer must decide to buy the product. The purchase decision to buy a product must be well thought out in order to provide the product that is in accordance with what is desired. For a marketer of a product, purchasing decisions made by consumers have very important meaning [2]. Purchasing decisions are a process in which consumers determine the product to be purchased by going through the process of obtaining information until the product is purchased [3]. With the consumer deciding which product to buy, the product brand already exists in the consumer's mind. The relationship that is owned by each company does not only depend on other companies, however, the relationship between the company and the customer is a relationship that must be maintained by every company to gain loyalty from customers or consumers. From this relationship will result in a decision to buy a product, purchasing decisions are thoughts in which individuals evaluate various options and decide on a choice of a product from many choices [4]. The purchase decision is the stage in the buyer's decision-making process where the consumer actually buys. At this time the company is required to make the latest product (up to date) to complement the needs of its customers. Purchasing decisions are thoughts where individuals evaluate various options and decide on a choice of a product from many choices [5]. In addition, the purchase decision is also a stage in the buyer's decision-making process where consumers actually buy [6]. Therefore, it is important for purchasing decisions to gain traction from buyers towards providers only. In business there is the term "King is primary", the meaning of this word is how the company's efforts to gain a sense of customer trust to buy a product that consumers need. As mutually beneficial in both parties no one is harmed. Companies must maintain and improve the function of products and services needed at this time along with the times. Purchasing decisions made by consumers are many factors that cause it. Factors that are allegedly able to influence consumer purchasing decisions are service quality, product price and location.

Service quality is any useful activity offered by another party that is basically intangible and does not result in the ownership of anything, the production process may and may also be associated with a physical product [7]. Service provider companies must provide attractive services so that consumers are interested in making purchases or utilizing the services available. Research [8],[9],[10] states that purchasing decisions are made because of good service quality. Thus, on the basis of theory and previous research, hypothesis one, namely service quality can influence consumer purchasing decisions.

In addition to the quality of service that must be improved, there are other factors that can influence purchasing decisions, namely price. Prices are also allegedly able to increase purchasing decisions by the public. Prices that match the needs of consumers, then consumers will buy it. Price can be defined as the amount of money that must be paid by consumers to sellers to obtain goods or services that consumers want to buy [3]. Therefore, the price is determined by the seller or service owner. However, in the art of buying and selling, buyers or consumers can bid on the price. When an agreement has been reached between the buyer and the seller, a transaction occurs. However, bargaining cannot be done in all marketing lines, price determines purchasing decisions because there is a term "There is a price for goods" which means that the price of goods may be expensive but, in accordance with the quality of these goods. In research conducted by [11],[12],[13],[14],[15],[16],[9],[17] indicating that price has a significant influence on purchasing decisions. Thus, the second hypothesis can be developed, namely: price affects purchasing decisions.

Another factor that can affect the customer's decision is the location of the company or store. A strategic location plus adequate parking space will make customers happy to visit the place [19]. Moreover, there is a guarantee of security for parked vehicles that will make customers more satisfied. Therefore the location of the shop or place of purchase will affect how customers or consumers come to that place. It was stated in previous studies conducted [20],[21],[9],[22],[23] stated that the location has a significant effect on purchasing decisions, so that location becomes one of the determining factors in making purchasing decisions. The third hypothesis that can be developed is: business location can increase purchasing decisions.

Mobile is an electronic device that is used by humans every day to work and do activities. One of the biggest stores that do business on cellphones and accessories in the Bondowoso area is the Efereta Mobile

and Accecories Shop. This Eferata shop was established in 2010 and operates in Bondowoso, and for 13 years it has been established and has become one of the largest in the Bondowoso area. With a period of 13 years, Toko Eferata has many customers. The good service provided by Elfrata Bonfdowoso Shop has an impact on consumers when they want to buy a product. With 13 years of service to the public in obtaining smartphone products and accessories, this indicates that the Eferata Bondowoso Mobile And Accecories Store has provided good service. But with the increasing competition, it takes a lot of effort so that consumers still make purchasing decisions to buy products at these stores. Based on the theory related to service quality, product price and business location as well as purchasing decisions, the purpose of this study is to determine and analyze the impact of service quality, product prices and business location on cellphone purchasing decisions at the Eferata Bondowoso Store.

2. RESEARCH METHOD

The research method used is associative using a quantitative approach. This associative method is a research method that is based on positivistic (concrete data), the research data is in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion. Positivistic philosophy is used in certain populations or samples [24]. In this study the sampling technique used was based on non-probability sampling with purposive sampling method. The number of samples was determined as many as 4 respondents with the provision that the respondents had purchased 2x cellphones. Analysis of the validity test and reliability test is used to test the measuring instrument in the form of a questionnaire. Multiple linear regression is used to test the hypothesis test.

The hypothesis model is a process of linkages between theories or concepts that support research that is used as a guide in compiling systematic research. The conceptual framework becomes a guideline for researchers to systematically explain the theory used in research. This research has a conceptual framework that will be explained in the figure below and more details will be explained in the following discussion.

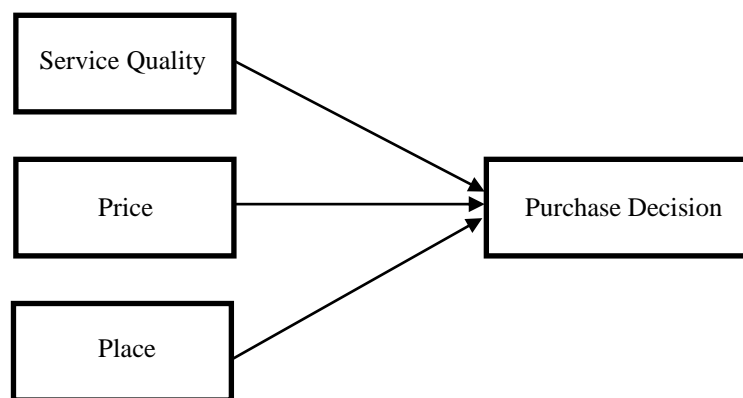


Figure 1. Conceptual Framework

Figure 1. is a conceptual framework for the research to be conducted in which there are three independent variables in the process, namely service quality (X1), price (X2), and location (X3). In addition, there is also a dependent variable, namely purchasing decisions (Y), from these variables a questionnaire will be carried out to determine the impact of each independent variable (X) on the dependent variable (Y).

H1 = There is an influence of service quality (X1) on purchasing decisions (Y).

H2 = There is a price effect (X2) on purchasing decisions (Y).

H3 = There is an effect of location (X3) on purchasing decisions (Y).

3. RESULTS AND ANALYSIS

3.1. Results of Descriptive Statistics

Respondents were selected based on the criteria determined by the researcher, namely where they had purchased at the Eferata Handphone and Accecories store as many as 0-2 x purchases that had been made, presented in Table 2.

Table 2. Number of Purchases of Respondents

Purchase To	Total	Percentage
0	8	20 %
1	23	57,5 %
2	9	22,5 %

Source: Data Processed (2023)

From the results in Table 2, it can be seen that the number of consumers who have purchased once is the respondent with the highest number of 23 people with a percentage of 57.5%, and the second is a buyer who has bought twice, namely 9 people and the percentage is 22.5%, and the last is the number of respondents who have never bought as many as 8 people and with a percentage of 20%.

3.2. Validity and Reliability Test

Prior to data analysis using multiple linear regression, it is necessary to test the validity and reliability. The results of the validity test showed that all statement items for each variable consisting of purchasing decisions, location, price and quality of service had a value of $r_{count} > r_{table}$, namely 0.312 (the value from the table was significant for a two-way test with $(df) = n-2$ and significant 5 %), described in Table 3. The results of the validity test analysis show that the Standardized Loading Factors value is above the r_{table} value so that all variables are said to have high validity. The reliability test results are presented in Table 4. From the calculation of the reliability test results in Table 4, all statement items for each variable consisting of purchasing decisions, location, price and service quality in the research questionnaire have a Cronbach's Alpha value ≥ 0.70 , so that all variables research declared reliable.

Table 3. Variable Validity Test Results

Variable	Standardized Loading Factors (SLF)	Result
Service Quality	.412	Valid
Price	.333	Valid
Place	.409	Valid
Purchase Decision	.356	Valid

Source: Processed Data (2023)

Table 4. Table 3. Variable Validity Test Results

Variable	Cronbach's Alpha	Result
Service Quality	.700	Reliable
Price	.803	Reliable
Place	.787	Reliable
Purchase Decision	.798	Reliable

Source: Processed Data (2023)

3.3. Multiple Linear Analysis

Multiple linear regression analysis aims to see the effect of location, price and quality of service on consumer purchasing decisions. From the data processing using SPSS software, the output is presented in Table 5.

Table 5. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	2.209	.433		5.100	.000
Service Quality	-.021	.095	-.021	-.226	.882
Price	.331	.077	.422	4.293	.000
Place	.214	.069	.293	3.124	.002

Source: Processed Data (2023)

The data presented in the table above shows that the multiple linear regression equation in this study is: $Y = 2.209 + 0.214 \text{ Location} + 0.331 \text{ Price} - 0.021 \text{ Quality of Service} + \text{error}$. The location coefficient value of 0.214 is positive, indicating that the better the condition of the company's location, it will affect consumer purchasing decisions by 0.214 assuming that other variables are considered constant. Furthermore, the value of the price coefficient of 0.331 is positive indicating that when the company sets the right price it will affect the purchase decision by 0.331 assuming that other variables are held constant. While the value of the service quality coefficient is -0.021, which is negative, indicating that when the service quality decreases by 0.021, it will affect the decrease in purchasing decisions by 0.021 assuming that other variables are considered constant.

3.4. Hypothesis Testing

Testing the research hypothesis was carried out using the t test to determine the partial relationship between one independent variable consisting of location, price and quality of service to the dependent variable, namely purchasing decisions. Then, this study also uses the F test to prove the simultaneous relationship between all independent variables on the dependent variable. In addition, a test of the coefficient of determination (R²) was also carried out to measure the ability of the independent variables to explain the variation of the dependent variable. The results of the t test, F test and the coefficient of determination are presented in Table 6.

Table 6. Hypothesis Test Results

Variable	T Statistics	F Statistics	Adjusted R Square	Sig.
Service Quality ==> Purchase Decision	4.187		.316	.822
Price ==> Purchase Decision	2.568			.000
Place ==> Purchase Decision	2.956			.002
Service Quality, Place, Price ==> Purchase Decision		14.537		.000

Source: Processed Data (2023)

Based on the information presented in the table above, it is known that the location has a tcount value of 3.124 > ttable 1.98827 with a significant value of 0.002 < 0.05. So that partially location has a significant effect on purchasing decisions so that H1 is accepted. Furthermore, the price has a tcount value of 4.293 > ttable 1.98827 with a significant value of 0.000 < 0.05, so partially the price has a significant effect on purchasing decisions so that H2 is accepted. While service quality has a tcount value of -0.226 < ttable of 1.98827 with a significant value of 0.822 > 0.05, partially service quality does not affect purchasing decisions so H3 is rejected. Then, from the information presented in the table above, it can be concluded that location, price and quality of service simultaneously have a significant effect on purchasing decisions with Fcount 4.537 > Ftable 2.71 and a significant 0.000 < 0.05 so H4 is accepted. As well as other information presented in the table it is known that the Adjusted R Square value is 0.316. This shows that the variables of location, price and quality of service are only able to explain the purchase decision variable by 31.6%. While the remaining 68.4% is explained by other variables outside of this study.

3.5. Discussion

3.5.1. The Effect of Service Quality on Purchasing Decisions

The results showed that the service quality variable partially did not significantly influence purchasing decisions. This is supported by data where the t value is -0.226 < t table is 1.98827 with a significant value of 0.822 > 0.05. Thus the first hypothesis (H1) which states that service quality influences purchasing decisions is rejected, thus (H0) is accepted. Service quality does not affect consumer purchasing decisions, this is thought to be caused when providing services that are not optimal, such as the process of delivering products to consumers' places that are not on time and takes a long time, channels or consumer media that consumers can use to convey information on product orders, complaints, suggestions and input is not yet available properly and still uses conventional methods. Therefore, companies must take strategic steps to improve the quality of services provided to consumers by paying attention to service support aspects such as the availability of human resources, infrastructure and procedures that support smoothness, accuracy and ability to provide quality services according to consumer needs.

3.5.2. Effect of Price on Purchasing Decisions

The results of the t test show that the price partially has a significant influence on purchasing decisions with t count 4.293 > t table 1.98827 with a significant value of 0.000 < 0.05. Thus the second hypothesis (H2) which states that price affects purchasing decisions is accepted, and (H0) is rejected. Based on the research results, the price variable influences consumer purchasing decisions. In general, consumers make price a consideration when buying a product. If seen from consumer responses to statement items used as price indicators, it shows that the selling price of cellphones and accessories set by the company is able to compete with similar companies 42%, the price of products sold by the Handphone Shop And Accesories Eferata Bondowoso matches the quality offered 45%, consumers are satisfied because the price sold is in accordance with the quality of 48%, the three statements which are indicators for measuring this price are directly proportional to the results of research which states that price has an effect. This shows that even though the price set by the company is high, the company can still compete with other similar companies. Even so, there are consumers who feel that the price set by the company is too high, they object and finally decide to buy from another company. Even though the research results show that price has an effect, companies must be able to set reasonable prices to retain consumers, maintain the company's presence in the market considering there are many competitors out there.

3.5.3. Effect of Location on Purchasing Decisions

The results of the t test show that location partially has a significant effect on purchasing decisions with $t_{count} 3.124 > t_{table} 1.98827$ with a significant value of $0.002 < 0.05$. Thus the third hypothesis (H3) which states that location has an effect on purchasing decisions is accepted, and (H0) is rejected. A strategic location can be seen from whether it is easy to reach or not, easy to find or not, the location around the company, the level of security, and the availability of a large parking area. The location of the Eferata Bondowoso Handphone and Accessories Store can be said to be a quite strategic location. Because the store's location is a strategic area on Jl. RE Martadinata No. 389, Kali Nangkaan, Dabasah, Kec. Bondowoso, Bondowoso Regency, East Java 68211. The location of PT Toko Eferata which is easy to find, not far from the city center, is in a crowd and easy to find public transportation can save consumers time when they need the products offered. The Eferata store is located in a shopping complex with a good level of security because there is a security guard on duty at the entrance to the complex as well as a large enough parking area and it is easy for consumers to find the store.

4. CONCLUSION

Based on the presentation of the research results, it is known that partially location and price have a positive effect on purchasing decisions. Meanwhile, service quality has no positive effect on purchasing decisions. Then, together, location, price and service quality influence the purchasing decisions of mobile phones and accessories for consumers at the Eferata Bondowoso Mobile and Accessories Shop. Furthermore, referring to the Adjusted R Square value of 0.316 indicates that the ability of location, price and service quality to explain purchasing decisions is 31.6% while the rest is influenced by other variables outside the research.

As a material for consideration of continuous improvement, the researcher suggests that the Eferata handphone and accessories shop can reward consumers who transact with a certain nominal limit and provide rewards in the form of price discounts, cash back or certain accessories that are of value to consumers. This is done with the aim of showing the company's attention to consumers which of course is expected in the future to be taken into consideration by consumers before making a purchasing decision.

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