
**THE EFFECT OF PRICE ON PURCHASE DECISION WITH SERVICE
QUALITY AS AN INTERVENING VARIABLE
(CASE STUDY ON AMERICAN MEDICAL HEALTH AND SHOP STORE)**

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Abstract

In this study, the population was American Medical Health and Shop Store, namely 40 people. Because the target population is less than 100, the sampling technique used is the census method, in which the entire population, totaling 60 Customers of American Medical Health and Shop Store. The results of the first hypothesis research are accepted, meaning that the price variable (X) has a positive and significant effect on service quality (Y1). the second hypothesis is accepted, meaning that price (X) has no significant effect on purchasing decisions (Y2). the third hypothesis is accepted, meaning that Service Quality (Y1) has a positive and significant effect on Purchase Decision (Y2).

Keywords: Purchasing Decision, Price, Service Quality

INTRODUCTION

Competition in the business world is so tight along with the increasing and developing industrial world. Industry players are increasingly facing challenges to get the market share they want. On the other hand, consumers tend to be more sensitive to the value offered by each product. Competition in the increasingly open business world makes entrepreneurs look for the right strategy to market their products. Buying interest is obtained from a learning process and a thought process that forms a perception. Buchari Alma (2013: 96) suggests that purchasing decisions are as follows: "Purchasing decisions are consumer decisions that are influenced by economics, finance, technology, politics, culture, product, price, location, promotion, physical evidence, people and process. The needs and desires of consumers for goods and services develop from time to time and influence their behavior in purchasing products. Consumer behavior is the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior can be defined as individual activities that are directly involved in obtaining and using goods and services including the decision-making process in the preparation and determination of these activities. and spend on products and services that they expect will satisfy their needs. Consumer behavior can be defined as individual activities that are directly involved in obtaining and using goods and services including the decision-making process in the preparation and determination of these activities. and spend on products and services that they expect will satisfy their needs. Consumer behavior can be defined as individual activities that are directly involved in obtaining and using goods and services including the decision-making process in the preparation and determination of these activities.

Buchari Alma (2011:169) price as the value of an item expressed in money. Price has two main roles in the buyer's decision-making process, namely the role of allocation and

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the role of information. In order for this goal to be achieved, every company must try to have a marketing strategy that can increase sales using promotional methods, prices, and products with different strategic characteristics from other competitors. Price is the value of money that must be paid by consumers to sellers for goods or services. services purchased. In other words, price is the value of an item determined by the seller. There are also those who say the definition of price is the amount of money charged to consumers to benefit from a product (goods/services) purchased from a seller or producer. The use of the term "price" is generally used in buying and selling a product, both goods and services. The selling price is determined by the seller and takes advantage of this price, while consumers get their needs by paying for the product at a set price.

Because every consumer has the right to comfort, security, correct and honest information and correct treatment or service for what is purchased, every company or producer is required to provide a form of excellent service to its consumers. This fact can be seen, that there are several things that can increase consumer buying interest, namely the total customer value consisting of product value, service value, personal value, image or image value, and total customer cost consisting of monetary costs, time costs, effort, and cost of thought.

According to Fandy Tjiptono (2012: 157) defining service quality is a measure of how well the level of service provided is able to match customer expectations. From the above opinion, it can be concluded that service quality is a level of ability (ability) of the company in providing everything that is the customer's expectation in meeting their needs. Service quality or customer service can be distinguished into two criteria, namely the type of good service quality and poor service quality. The quality of this service is not something permanent or rigid, but flexible and changeable. This change is of course in the form of improving the quality of service to make it even better. In the process of changing the quality of service, several things are needed to support the process.

The quality of this service can be interpreted as the level of guest or consumer satisfaction. While the level of guest satisfaction itself can be obtained from a comparison of the type of service that is actually received by consumers with the type of service expected by consumers. The type of good service quality is the type of service that is satisfying and in accordance with the service expected by consumers. However, if this service can exceed consumer expectations, then this type of service quality can be categorized as very high quality or very satisfying service. Meanwhile, the type of poor service quality is a type of service that is far below the standard or does not match the service expectations expected by consumers.

LITERATURE REVIEWS

Marketing Management

The marketing concept is all company activities in marketing planning in an effort to achieve customer satisfaction as a company goal. All activities that adhere to the marketing concept will determine how the marketing management will be managed.

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Marketing management according to Buchori and Djaslim (2010: 5) is the process of planning and implementing conception, pricing, promotion and distribution of ideas, goods and services, to produce exchanges that satisfy individuals and meet organizational goals. According to Tjiptono (2011: 2), marketing management is a total system of business activities designed to plan, set prices, and distribute products, services and ideas that are able to satisfy the desires of the target market.

Purchase Satisfaction

According to Philip Kotler translated by AB Susanto (2012: 202) suggests that purchasing decisions can be interpreted as a decision taken by a prospective buyer regarding the certainty of buying or not.

Price

Buchari Alma (2011: 169) price and service quality as the value of an item expressed in money. Price has two main roles in the buyer's decision-making process, namely the role of allocation and the role of information". In order to achieve these goals, every company must try to have a marketing strategy that can increase sales using promotion methods, prices, and products with different strategic characteristics from other competitors.

Service Quality

Tjiptono (2012: 157) defines service quality as a measure of how well the level of service provided is able to match customer expectations. perceived service quality as how big the gap is between the perception (desires) and the reality they receive. Quality is a way to consistently and efficiently give customers what they want and expect.

METHODS

In this study, the population was American Medical Health and Shop Store, namely 40 people. Because the target population is less than 100, the sampling technique used is the census method, in which the entire population, totaling 60 Customers of American Medical Health and Shop Store.

Data analysis is a desire to classify, make a sequence, manipulate and abbreviate data so that it is easy to read and understand. In other words, data analysis activities are raw data that has been collected needs to be categorized or divided into several categories or groups, abbreviated in such a way that the data can answer problems according to research objectives and can test hypotheses (Silaen and Widiyono, 2013).

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RESULTS AND DISCUSSION

Multiple Linear Regression Testing

Multiple Linear Regression Results

Model		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	tolerance	VIF
		B	std. Error	Betas				
1	(Constant)	6,833	1614		4,234	.000		
	Price_X	.130	.087	.163	1,500	.139	.862	1,160
	Quality_Service_Y1	.461	.088	.570	5,254	.000	.862	1,160

a. Dependent Variable: Decision_Purchase_Y2

Based on these results, the multiple linear regression equation has the formulation: $Y2 = a + b1X + + b3Y1 + \epsilon$, so that the equation is obtained:

$$Y2 = 6.833 + 0.130 X + -0.461 Y1 + \epsilon$$

The description of the multiple linear regression equation above is as follows:

- a. The constant value (a) of 6.833 indicates the magnitude of the Purchase Decision (Y2) if Price (X) and Service Quality (Y1) are equal to zero.
- b. Price regression coefficient (X) (b1) of 0.130 indicates the magnitude of the role of Price (X) on Purchase Decision (Y2) assuming the variable Service Quality (Y1) is constant. This means that if the price factor (X) increases by 1 unit value, it is predicted that the Purchase Decision (Y2) will increase by 0.130 value units assuming constant Service Quality (Y1).
- c. The regression coefficient value of Service Quality (Y1) (b3) is 0.461 indicating the large role of Service Quality (Y1) on Purchase Decision (Y2) assuming the price variable (X) is constant. This means that if the Service Quality factor (Y1) increases by 1 unit value, it is predicted that the Purchase Decision (Y2) will increase by 0.461 value units assuming constant Price (X).

t test (Partial)

Partial Test (t) Equation 1

Model		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	tolerance	VIF
		B	std. Error	Betas				
1	(Constant)	10,657	1971		5,408	.000		
	Price_X	.366	.120	.371	3,044	.004	1,000	1,000

a. Dependent Variable: Quality_Service_Y1

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Hypothesis test the effect of the price variable (X) on the service quality variable (Y1).

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05 .
2. Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05 .

From the table above, a tcount value of 3.044 is obtained with $\alpha = 5\%$, t_{table} (5%; $nk = 58$) obtained a t_{table} value of 1.671. From this description it can be seen that t_{count} (3.044) $> t_{table}$ (1.671), likewise with a significance value of $0.04 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning that the price variable (X) has a positive and significant effect on service quality (Y1).

Partial Test (t) Equation 2

Model		Coefficients ^a				Collinearity Statistics		
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	tolerance	VIF
		B	std. Error	Betas				
1	(Constant)	6,833	1614		4,234	.000		
	Price_X	.130	.087	.163	1,500	.139	.862	1,160
	Quality_Service_Y1	.461	.088	.570	5,254	.000	.862	1,160

a. Dependent Variable: Decision_Purchase_Y2

Hypothesis Test of the effect of Price (X) on Purchase Decision (Y2)

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05
2. Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05

From the table above, a tcount value of 1.500 is obtained with $\alpha = 5\%$, t_{table} (5%; $nk = 58$) obtained a t_{table} value of 1.671. From this description it can be seen that t_{count} (1.500) $< t_{table}$ (1.671), and its significance value is $0.139 > 0.05$, it can be concluded that the second hypothesis is rejected, meaning that price (X) has no positive and significant effect on purchasing decisions (Y2).

Hypothesis Test of the effect of Service Quality (Y1) on Purchasing Decisions (Y2)

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05
2. Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05

From the table above, a tcount value of 5.254 is obtained. With $\alpha = 5\%$, t_{table} (5%; $nk = 58$) a t_{table} value of 1.671 is obtained. From this description it can be seen that t_{count} (5.254) $> t_{table}$ (1.671), and its significance value is $0.00 < 0.05$, it can be concluded that the third hypothesis is accepted, meaning that Service Quality (Y1) has a positive and significant effect on Purchase Decision (Y2).

Direct and Indirect Relations

No	Variable	Direct	Indirects	Total	Criteria	Conclusion
1	Price (X)	0.163	0.371	-	Significant No Positive	No As Independent Variable
2	Service Quality (Y1)	0.570	-	0.211	Significant	As an Intervening Variable

CLOSING

Conclusion

Based on the results of the research and discussion in the previous chapter, it can be concluded as follows:

1. What was proposed stated that: From table 4.16, a tcount value of 3.044 was obtained with $\alpha = 5\%$, ttable (5%; nk = 58) obtained a ttable value of 1.671. From this description it can be seen that tcount (3.044) > ttable (1.671), likewise with a significance value of 0.00 < 0.05, it can be concluded that the first hypothesis is accepted, meaning that the Price variable(X) positive and significant effecton Service Quality (Y1).
2. From table 4.17, a tcount value of 1.500 is obtained. With $\alpha = 5\%$, ttable (5%; nk = 58) a ttable value of 1.671 is obtained. From this description it can be seen that tcount (1.500) < ttable (1.671), and its significance value is 0.139 > 0.05, it can be concluded that the second hypothesis is accepted, meaningPrice (X) no significant effecton Purchase Decision (Y2).
3. From table 4.17, a tcount value of 5.254 is obtained. With $\alpha = 5\%$, ttable (5%; nk = 58) a ttable value of 1.671 is obtained. From this description it can be seen that tcount (5.254) > ttable (1.671), and its significance value is 0.00 < 0.05, it can be concluded that the third hypothesis is accepted, meaningService Quality (Y1)influentialpositive andsignificanton Purchase Decision (Y2).
4. In Figure 4.3 the path analysis shows the direct effect of variable X on variable Y2 of 0.163. While the indirect effect through the Y1 variable is $0.371 \times 0.570 = 0.2114$, the results of the calculations show that the indirect effect through the Y1 variable is smaller than the direct effect on the Y2 variable.

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