INFLUENCE OF SERVICE QUALITY AND PROMOTION ON PURCHASE DECISIONS IN PT ACE HARDWARE INDONESIA Tbk CABANG LIPO KARAWACI

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Abstract
This study aims to determine how much service quality and promotion influence purchasing decisions at Pt Ace Hardware Indonesia Tbk Lipo Karawaci Branch. This research method is quantitative descriptive research and uses a data collection method using a questionnaire instrument. The population in this study amounted to 177,966 respondents, and the sample in this study amounted to 100 respondents and used a random sampling technique. At the same time, statistical formulas are used in the data analysis method, such as the instrument testing technique of validity test, reliability test, normality test, multicollinearity test, autocorrelation test, heteroscedasticity test, multiple linear regression test, correlation coefficient test, coefficient of determination test, t-test, and f test. The findings of this study indicate that all validity tests are valid, all reliability tests are reliable, all normality tests are typically distributed, all multicollinearity tests are non-multicollinear, all heteroscedasticity tests are non-heteroscedastic, and all multiple linear regression tests are non-heteroscedastic. The regression equation \( Y = 8.564 + 0.443X_1 + 0.360X_2 \) indicates that with a constant of 8,564, it states that without and from the results of the correlation coefficient of the Service Quality variable (X1) on the Purchase Decision, it is obtained that 0.619 is said to be strong. The correlation coefficient of the Promotion variable (X2) on Purchase Decisions got 0.613 is said to be strong. And the value of the correlation coefficient between Service Quality (X1) and Promotion (X2) on purchasing decisions is 0.719, so it is said to be strong. The coefficient of determination test obtained an \( R^2 \) value of 0.518 or 51.8%, meaning that Service Quality and Promotion together had a positive effect on Purchase Decisions at Pt Ace Hardware Indonesia Tbk Lipo Karawaci Branch of 51.8%, and other variables influenced the remaining 48.2%. The t-test shows that Service Quality has a positive effect on Purchase Decision at Pt Ace Hardware Indonesia Tbk Lipo Karawaci Branch with a \( t \) count > \( t \) table (7.810 > 1.660) and sig < 0.05 (0.000 < 0.05), then Ho is rejected, and Ha is accepted. The promotion has a positive effect on Purchase Decisions at Pt Ace Hardware Indonesia Tbk Lipo Karawaci Branch with a value of \( t \) count > \( t \) table (7.685 > 1.6614) and sig < 0.05 (0.000 < 0.05), then Ho is rejected, and Ha is accepted. The f-test of Service Quality and Promotion together has a positive effect on Purchase Decisions at Pt Ace Hardware Indonesia Tbk Lipo Karawaci Branch with \( f \) count > \( f \) table (52.042 > 3.09) and sig < 0.05 (0.000 < 0.05).

Keywords: Service quality, Promotion, and Purchase Decision.

INTRODUCTION
Products need to be marketed well to compete with each other. one of the efforts made by the company is to implement a promotional strategy; wherein implementing this strategy, the company tries to establish a promotion that can compete so that product purchasing decisions continue increase. Given the level of competition continues to grow, the company must improve the company’s performance, including improving services, to build long-term relationships with customers. The increasingly fierce competition in the business world at this time makes business actors, whether individuals, partnerships, or corporations, whether domestic or foreign-based, must-have factors that corporations can use as weapons in their efforts to win the competition with their competitors in the business world. Such conditions ultimately cause these business actors to be more aggressive in finding solutions and business programs that can increase the company’s competitiveness in its business.
Marketing deals with customers more than any other business function. Understanding, creating, communicating, and delivering value and satisfaction to consumers is the core of marketing thinking and practice. The definition of marketing itself is the process of pleasuring consumers for profit. The two primary goals of marketing are to attract new customers by promising superior value and to retain customers by providing satisfaction. Reasonable marketing is the key to the success of any company, large or small, profit-oriented or not-for-profit, domestic or global.

Marketing takes place as long as there are products produced by the company, trying to get new customers and retain existing customers by increasing product attractiveness and performance, learning from product sales, and managing performance well. If companies can understand consumers well, create superior value products, set prices, distribute, and promote them effectively, they will sell quickly.

At ace hardware, they present a promotional program that provides offers such as functional and easy-to-use products where there are specific discounts on certain products listed in the brochure. Still, some products for the promotion do not attract consumers, so there is an accumulation of products in the warehouse.

According to Tjipto (2015: 382), promotion is "a marketing mix element that focuses on efforts to inform, persuade, and remind consumers of the company's brands and products."

One factor in the development of a business is the ability business to increase or maintain an increase in sales of goods that have been produced. Therefore, efforts to maintain or increase sales to maintain business viability are significant.

The purchase decision is a consumer decision influenced by economics, finance, technology, politics, culture, products, prices, locations, promotions. To form an attitude in consumers to process all information and draw conclusions in the form of responses that appear what products are purchased.

Therefore, making Consumer purchasing decisions is selecting one of several alternative problems solving with accurate follow-up. Consumers can evaluate choices and determine the attitude to be taken next. A company needs to understand the role that has implications for designing products, determining messages and allocating promotional budget costs, and making marketing programs suitable for buyers.

Purchasing decisions on consumers within the company are essential to follow up to determine whether or not consumers buy because the products that consumers want are not as expected. Hence, there is a lack of consumer purchasing power on purchasing decisions.

According to Schiffman and Kanuk in Nana Herdiana Addurahman (2015: 43), purchasing decisions are "The consumer's decision to buy or not to buy a product or service is an important alternative for marketers."
Table 1
Visitor data on Pt Ace Hardware Branch Karawaci January Period until June 2018

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>28,836</td>
</tr>
<tr>
<td>February</td>
<td>25,124</td>
</tr>
<tr>
<td>March</td>
<td>31,928</td>
</tr>
<tr>
<td>April</td>
<td>29,552</td>
</tr>
<tr>
<td>May</td>
<td>29,878</td>
</tr>
<tr>
<td>June</td>
<td>32,648</td>
</tr>
<tr>
<td>Total</td>
<td>177,966</td>
</tr>
</tbody>
</table>

Source: Visitor data on Pt Ace Hardware Branch Karawaci 2018

The table data above shows that the visitor data at Pt Ace Hardware Lipo Karawaci in January amounted to 28,836 visitors. In February, the number of visitors decreased due to February's influence only up to 28 days, so the number of visitors was 25,124. In March, visitors increased compared to February, amounting to 31,928 due to a boom sale promo where each member received a 10% promo. This promotion was due to the fasting month, with many exciting promos. In April, the number of visitors was 29,552, which the number of visitors decreased due to the product promos in the brochure for April, which did not attract consumers. The number of visitors increased compared to April because the promotions in the pamphlet in May were more appealing than in April. The total number of visitors from January to June 2018 at Ace Hardware Karawaci totaled 177,966 visitors. Many products became consumer needs for Lebaran, so the total visitors from January to June 2018 at Ace Hardware Karawaci counted 32,648 visitors.

Table 2
Sales data on Pt Ace Hardware Branch Karawaci January Period until June 2018

<table>
<thead>
<tr>
<th>Month</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Rp. 5,905,848,382</td>
</tr>
<tr>
<td>February</td>
<td>Rp. 5,712,976,929</td>
</tr>
<tr>
<td>March</td>
<td>Rp. 6,750,003,648</td>
</tr>
<tr>
<td>April</td>
<td>Rp. 6,479,277,263</td>
</tr>
<tr>
<td>May</td>
<td>Rp. 6,578,910,441</td>
</tr>
<tr>
<td>June</td>
<td>Rp. 7,776,994,640</td>
</tr>
</tbody>
</table>

Source: Sales Data on Pt Ace Hardware Branch Karawaci 2018

The sales table data above shows that the achievement in January was Rp. 5,905,848,382. In February, the accomplishment was Rp. 5,712,976,929; this achievement affected February only up to 28 days. The number of visitors decreased, which caused the achievement to fall from January. In March, the achievement was Rp. 6,750,003,648. The achievement increased from February due to the effect of the boom sale promo, where every member gets a 10% promo. In April, the achievement was Rp. 6,479,277,263. This achievement decreased from March. This achievement is because the promos contained in the brochure are less attractive. In May, the achievement was Rp.6,578,910,441. This achievement increased compared to April because the promos in the May brochure were more beautiful than in April. In June, the achievement was 7,776,994,640. In that month, there were more visitors than
from January to May. The visitor supported the fasting month moment, which had many exciting promos so that many products became consumer needs at Pt Ace Hardware Lipo Karawaci.

From the opinion above, the author can explain that purchasing decisions measure the size of sales of products sold in units expressed in units of space and the lack of consumer purchasing power on purchasing decisions.

Based on the background of the problem, the problem can be formulated as follows: 1) How is the influence of service quality on purchasing decisions at PT Ace Hardware Indonesia Tbk Lipo Karawaci Branch? 2) How does promotion affect purchasing decisions at PT Ace Hardware Indonesia Tbk Lipo Karawaci Branch? 3) How do service quality and promotion influence purchasing decisions at PT Ace Hardware Indonesia Tbk Lipo Karawaci Branch?

Management

According to Malayu S.P Hasibuan (2016:1), management comes from the word to manage, which means to regulate. What is held, its purpose, why should it be handled, who controls it, and how to regulate it.

What is regulated are all elements of management. It must be arranged so that it is optimally functional, coordinated, and has good integrity in supporting the realization of organizational goals.

The aim is to make it more efficient and effective in realizing dreams.

The leader with leadership regulates, namely top management, middle managers, and supervision. Controlling it is by carrying out activities in a sequence of these management functions. Management is a process to organize something that a group of people or organizations does to achieve organizational goals by working together to utilize their resources. According to Malay S.P Hasibuan (2016: 9), the definition of management suggests that "management is a science and art and regulates the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal."

According to George R. Terry and Leslie W. Rue (2016: 2), management is both a science and an art. There is a regulated growth in management that explains management concerning general truths. Art is the knowledge of how to achieve the desired result. It is a skill gained from experience, observation and learning, and the ability to use management knowledge.

According to Anton Mulyono Aziz and Maya Irjayanti (2014: 5), understanding management "includes seeing the totality of the separate parts and the ability to create a picture of a vision."

Management is defined as "an art of regulation that involves certain processes, methods, and actions such as the planning, organization, mobilization, and control/supervision, carried out to determine and achieve goals efficiently and effectively with other people" (Lisa Sulastri, Management An Introduction (History, Figures, Theory and Practice) (2014:14).

Based on the description above, management is a process of planning, organization, management, leadership, and supervision in organizations that are carried out together to achieve predetermined goals.
Marketing Management

Marketing is one of the main activities that need to be carried out by companies, whether goods or services companies, to earn profits and maintain the viability of their business. This service is because marketing is one of the spearheads of the company's activities, which are directly related to consumers. So, marketing activities can be interpreted as human activities related to the market.

Marketing, according to the American Marketing Association (AMA) quoted by Grewal and Levy (2014: 4) that "Marketing is the activity, set of institutions, and processes for creating, capturing, communicating, client, partners, and society at large." "Marketing is the activity, set of institutions, processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, and society."

Meanwhile, according to Kotler and Armstrong (2015: 27), "Marketing is how companies create value for customers build strong customer relationships to capture value from customers in return." This understanding aims at marketing as a process by which companies create value for customers and build strong relationships to capture value from customers.

Marketing, according to Philip Kotler and Gary Armstrong (2015: 27), is "an organizational function and a set of processes for creating, communicating and delivering value to customers, clients, partners, and a wider social circle and for managing customer relationships in a profitable way." organizations and stakeholders."

According to Milir and Layton (2009) in the book Fandy Tjiptono (2014:13), "marketing is a total system of business activities designed to plan, set prices, promote and distribute products, services, and ideas that can satisfy the desires of the target market to achieve organizational goals."

Based on this definition, the researcher came to the understanding that marketing is a series of processes carried out by companies that aim to create, communicate, and provide value to customers and always maintain good relationships with customers.

A company will be successful if there are suitable marketing management activities. Marketing management is a guideline in carrying out the company's survival, from the start of the production process until the goods reach the consumer.

According to Kotler and Keller (2015:146), marketing management is: "marketing management is the analysis implementation and supervision, a program intended to hold exchangers with target markets to achieve the organization's objectives."

According to Supatyanto and Road (2015:1), marketing management is "the process of analyzing, planning, organizing, and managing programs that include the conception, pricing, promotion and distribution of products, services and ideas designed to create and maintain profitable exchanges." with the target market to achieve company goals.

From some of the definitions above, marketing management is the art and science of planning, implementing, and controlling programs designed to acquire, maintain and grow customers to make
profitable exchanges with buyers to achieve organizational goals that have become the marketing concept. Good marketing is not a coincidence but rather the result of careful planning and execution that ultimately leads to financial success for the company. The company's marketing activities must be able to provide satisfaction to consumers if you want to get a good response from consumers.

**Service Quality**

The definition of service quality, according to Fandy Tjiptono (2014:268), is "service quality focuses on efforts to fulfill consumer needs and desires as well as delivery provisions to balance consumer expectations."

Meanwhile, according to Wyock (in Lovelock, 1988) quoted by Fandy Tjiptono (2014: 268), "service quality is the level of excellence (excellent) that is expected and control over these advantages to meet consumer needs." Fandy Tjiptono (2014: 282) that there are five dimensions of service quality that can use to measure service quality as follows:

Dimensions of reliability are what the company offers in the form of the ability to immediately provide the promised service (speed), accuracy, and satisfaction. Dimensions appear physical (tangible). The company offers physical facilities, employee equipment, and communication facilities to consumers.

Dimensions of responsiveness the company provides is in the form of the staff's desire to help consumers and provide responsive service. The company offers the knowledge, skills, courtesy, and trustworthiness of the team, free from danger, risk, or doubt—including ease of making relationships, good communication, personal attention, and understanding the needs of consumers.

**Buying Decision**

Purchasing decisions are actions from consumers to buy products, either in the form of services or goods. According to Kotler and Armstrong (2014: 158), "Customer buyer behavior refers to the buying behavior of final consumers individuals and households that buy goods services for personal consumption."

People decide about components of the buying decision—whether to buy, not to buy, how to buy, and where to buy.

**METHOD**

**The scope of research**

1. Research Place and Research Time

Conduct this research at Ace Hardware Supermal Lipo Karawaci in Tangerang. The time of the study is from October to December 2018. The research location is more precisely located at Jl. Bulevard at Ponegoro no.105, Bencongan, Kelapa Dua, Tangerang, Banten.

2. Nature of Research

The nature of this research is quantitative. According to Sugiyono (2015:13), "Quantitative methods can be interpreted as research methods based on positive philosophy, used to examine certain
populations or samples, collect data using research instruments, analyze quantitative/statistical data, and test the established hypothesis.”

Meanwhile, according to Sugiyono (2015:14), quantitative methods are used if:

**Population and Sample**

The research population is a set of objects determined through specific criteria that will be categorized into these objects, documents, or notes that are seen as objects of research. Sugiyono (2014: 215) defines "population as the number of generalization areas consisting of objects or subjects that have the qualities and characteristics set by the researcher and then draw conclusions." Meanwhile, according to Hadi (2015: 190), "population is the entire population intended to be investigated." The population is limited as many residents or individuals have at least one characteristic in common.

The definition can conclude that the population is not just the number of objects being studied but includes all the characteristics or properties possessed by the subject or object. The population is not just the number of topics/objects studied but has all the elements/properties that the subject or object possesses. In this study, the population used was consumers of Ace Hardware Indonesia Lipo Karawaci Tangerang Branch from January 2018 to June 2018, with 177,966 consumers.

According to Hadi (2015: 191), "The sample is some residents whose numbers are less than the total population." The sample must have at least one trait the same, both natural and unique. The sample proportion, i.e., the balance between the sample size and the population size, may be tiny. If the population is too large, the researcher can use samples taken from part of the population. Meanwhile, according to Sugiyono (2014:73), the example is part of the number or characteristics possessed by the people.

Based on the above understanding, the researcher can conclude that the sample is part or representative of the number and characteristics possessed by the population under study. From the total population, can from the total number of customers as many as 177,966 consumers for a year. To determine the sample from a people, the formula used is the Slovin formula according to Roscoe (1975) in Sujarweni (2015:81) as follows:

\[ n = \frac{N}{1 + Ne^2} \]

**Description:**

- \( N \) = Total population
- \( n \) = number of samples
- \( e \) = Error rate (error in tolerable percentage for the uncertainty of sample users as a population)

The error rate that will use in sampling is 10%. With a population (\( N \)) of 177,966 people, the sample size can be obtained as follows:

\[ n = \frac{177.966}{1 + 177.996 (0,10)^2} \]
The calculation above shows that the number of samples (n) as much as 99.94 was rounded up to 100 people.

RESULTS AND DISCUSSION

A Brief History of Pt Ace Hardware Karawaci

PT Ace hardware Indonesia was founded in 1995 by PT. PT Ace Hardware Indonesia, Tbk. Kawan Lama Sejahtera is Indonesia's number 1 technical and industrial equipment center. He is the sole licensee of Ace Hardware in this country, which Ace Hardware Corporation, America directly appoints.

The first Ace Hardware Indonesia store opened at Supermall Karawaci Tangerang in 1996, followed by other stores from various regions quickly. Multiple logistics warehouses fully support this rapid growth at central points, an integrated modern distribution system, and the professional staff who can continuously improve through various pieces of training, seminars, and other skill improvement systems.

Ace Hardware is a pioneer and a complete center for home and lifestyle accessories, with shops in various bustling centers in big cities in Indonesia. The biggest Ace shop, which is also the biggest globally, is located in Living World Alam Sutera, Serpong Tangerang. Ace Hardware to be a leader in concept. "Do it yourself" (do it independently) means we provide the product and the knowledge needed to install, operate, and maintain the product adequately to get the maximum benefit value. With the help of Ace hardware, we hope everyone can become an expert.

Meanwhile, the concept of "The Helpful place" is the answer to various needs that are commonly encountered by customers daily. Apart from providing a complete collection of products, we continue to innovate in providing the best service, from presales to aftersales, including free delivery service, free installation, 10 days return policy, price guarantee, etc. Ace Hardware offers not just conventional buying and selling transactions but also a shopping experience that provides added value (rewarding shopping experience).

Descriptive discussion, intended to explore and clarify phenomena or social reality, describes some variables related to the research.
Table 3
Respondents’ response criteria based on the object under study

<table>
<thead>
<tr>
<th>No</th>
<th>Scale Range</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00 – 1.79</td>
<td>Very Not Good</td>
</tr>
<tr>
<td>2</td>
<td>1.80 – 2.59</td>
<td>Not good</td>
</tr>
<tr>
<td>3</td>
<td>2.60 – 3.39</td>
<td>Pretty good</td>
</tr>
<tr>
<td>4</td>
<td>3.40 – 4.19</td>
<td>Good</td>
</tr>
<tr>
<td>5</td>
<td>4.20 – 5.00</td>
<td>Very Good</td>
</tr>
</tbody>
</table>

Source: Sugiyono (2014:96)

a. The circumstances or criteria of a careful object based on the service quality variable (X1)

Service quality must start from efforts to meet customer needs and desires so that customers have a positive perception of service quality. So that the party who buys and uses the goods/services assesses the level of service quality of a company. This activity is proven by looking at the overall service quality variable questionnaire (X1) obtained an average score of 4.18 with Good criteria. Of the four indicators that get the lowest rating score, the empathy indicator only reaches an average score of 3.91. Although it is included in the excellent category, considering the complaints submitted by customers are a positive input, the company needs to follow up and pay attention to what is conveyed and complete it as well as possible.

b. The circumstances or criteria of the object under study are based on the promotion variable (X2)

Promotion as an activity to introduce or invite the public to buy a product is essential concerning the company’s efforts to maximize sales. Based on the 100 respondents who were used as the object of this research, giving various answers, it is known from the number of 10 questions asked on the promotion variable.

Overall, for the promotion variable questionnaire (X2), an average score of 3.98 obtains with suitable criteria. Of the four indicators that get the lowest rating score is the indicator of personal selling or personal selling in promoting products, which only achieved a score of 3.75. Even though it is a good criterion, effective promotion is essential in conveying information, product updates, and other information to customers to understand well.

c. The circumstances or criteria of the object under study are based on the purchasing decision variable (Y)

The purchase decision is a customer action as a feeling of satisfaction resulting from the fulfillment of the expectations and desires of the customer for the product he bought and can have the right benefits both meet expectations. The overall respondents’ answers to the purchasing decision variable questionnaire (Y) obtained an average score of 4.12 with suitable criteria. Of the four indicators that get the lowest rating score, the post-purchase behavior indicator only reaches a score of 3.88. Even though it is included in the excellent category, considering the promotion of
intermediary customers who feel satisfied with the products they buy, customers tend to give recommendations to others about the superior quality of the products we have. Thus, the guidance is also helpful as an indirect promotional media.

**CONCLUSIONS**

Based on the descriptions in previous chapters and the findings of the analysis and discussion of the impact of service quality and promotion on purchasing decisions, the following conclusions can draw:

With Di, his contribution is 38.4%. Looking at the overall Service Quality variable (X1) questionnaire, an average score of 4.18 obtain good criteria. Hypothesis testing obtains, namely 7,810 > 1,660 Service Quality variables (X1). With a relationship level of 0.619, service quality has a positive and significant effect on purchasing decisions, indicating that both variables have a strong group of influences. This result also reinforces P-value < sig.0.05 or (0.000 < 0.05); thus, H0 is rejected, and H1 is accepted. This result shows a positive and partially significant effect between service quality and purchasing decisions at Pt Ace Hardware Indonesia Lipo Karawaci Tangerang Branch.

1. Promotion has a positive and significant effect on purchasing decisions with a relationship level of 0.613. Both variables have a strong influence or relationship on the dependent variable. The contribution of promotion influence (X2) to purchasing decisions (Y) is 37.6. overall view for the promotion variable questionnaire (X2) obtained an average score of 3.98 with good criteria. This result shows that if the promotion experiences a level, the purchasing decision will also increase, so the purchase decision will also increase. Hypothesis test t count > t table that is 7,685 > 1,660 promotion variable (X2). This result is also reinforced by the P-value < sig. 0.05 or (0.000 < 0.05) H0 is rejected, and H2 is accepted, this shows a positive and partially significant effect between promotions on purchasing decisions at Pt Ace Hardware Lipo Karawaci Tangerang Branch.

2. Quality of service and promotion positively affect purchasing decisions with the regression equation. It can be obtained the regression equation Y = 8.564 + 0.443X1 + 0.360X2. So, if the quality of service is improved, it will increase and vice versa. The level of relationship between the independent and dependent variables obtains at 0.719, which means that it has a strong relationship. The contribution of service quality and promotion influence is 51.8%, while other factors influence the remaining 48.2. overall view for the questionnaire purchasing decision variables (Y) obtained an average score with good criteria.

From hypothesis testing, it is obtained that F arithmetic > F t table or (52.042 > 3.09), this is also strengthened by P-value < sig. 0.05 or (0.000 < 0.05). Thus, H0 is rejected, and H3 is accepted. This result shows a simultaneous positive and significant influence between service quality and promotion on purchasing decisions. At Pt Ace Hardware Indonesia Lippo Karawaci Tangerang Branch.
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