



THE INFLUENCE OF SERVICE QUALITY AND PRICE ON PURCHASING DECISIONS AT MR. FOX RESTAURANT, SOUTH JAKARTA BRANCH

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Abstract

This study aims to determine the effect of service quality on purchasing decisions, the effect of price on purchasing decisions, and the effect of service quality and price together on purchasing decisions. The method used in this study is a quantitative method with a descriptive approach, taking a sample of 100, with analytical methods namely validity test, reliability test, normality test, multicollinearity test, heteroscedasticity test, multiple linear regression analysis, correlation coefficient, coefficient of determination, test hypothesis testing. t and f test. The results of the hypothesis testing research using the t statistical test for the service quality variable (X_1) obtained a $t_{value} > t_{table}$ or $(6.272 > 1.984)$ this is reinforced by a significance value of $0.000 < 0.05$, meaning that there is a positive and significant effect service quality on purchasing decisions. The t-test of the price variable (X_2) obtained a value of $t_{count} > t_{table}$ or $(5.145 > 1.984)$ this was strengthened by a significance value of $0.000 < 0.05$, meaning that there was a positive and significant effect on price on purchasing decisions. Based on the results of simultaneous testing or f-test, the value of $F_{count} > F_{table}$ or $(26.871 > 3.090)$ is also strengthened by a significance probability value of $0.000 < 0.05$, meaning that service quality and price together have a positive and significant effect on decisions purchase. Based on the multiple linear regression equation testing that has been done, the results are $Y = 16.348 + 0.367X_1 + 0.244X_2$ which implies that service quality and price are in line with purchasing decisions so that they have a positive effect on purchasing decisions at Mr. Restaurant. FOX South Jakarta Branch. The correlation coefficient obtained is 0.597, there is a low level of relationship between service quality and price on purchasing decisions, then with the coefficient of determination obtained a value (Kd) of 0.357, which means that service quality has an influence contribution to purchasing decisions of 35.7%, while the remaining 64.3% is influenced by other factors not examined in this study.

Keywords: Service Quality, Price, Purchase Decision

INTRODUCTION

The development of the business world is currently advancing rapidly and companies have entered the service market world. Several new companies have emerged by displaying almost the same and similar service products, thus making a company compete to improve the best service quality and competitive prices. Service and price competition for customers is getting tougher, the company's service units that used to only seem to provide modest service are now required to provide the best quality service to customers. Service units that are able to serve the needs and desires of customers well are expected to have the competitiveness to be able to speak in the trade and service business. Service quality and price are used as benchmarks to improve purchasing decisions, consumers in consuming goods or services.

Each consumer makes various decisions about the search, purchase, use of various products and brands in a certain period. Every day each of us makes many decisions about every aspect of life, but we usually make decisions without stopping to think about how we make and what is involved in the decision process itself.

Based on the description of the background of the problems that occurred above, the authors are interested in conducting more specific research in the form of research entitled "The Influence of Service

Quality and Prices on Purchase Decisions at Mr. Restaurant. FOX South Jakarta Branch". The research objective is to determine the effect of service quality on purchasing decisions at Mr. Restaurant. FOX South Jakarta Branch., To determine the effect of price on purchasing decisions at Mr. Restaurant. FOX South Jakarta Branch, and to determine the effect of service quality and price together on purchasing decisions at Mr. Restaurant. FOX South Jakarta Branch.

LITERATURE REVIEW

Service quality

According to Menurut Ratminto (2015:2), "Kualitas pelayanan merupakan suatu aktivitas atau serangkaian aktivitas yang bersifat tidak kasat mata yang terjadi sebagai akibat adanya interaksi antara konsumen dengan karyawan atau hal-hal lain yang di sediakan oleh perusahaan pemberi layanan yang dimaksud untuk memecahkan permasalahan konsumen/pelanggan." Dengan demikian dapat disimpulkan bahwa kualitas pelayanan adalah suatu aktivitas yang tidak kasat mata yang terjadi adanya interaksi antara konsumen baik internal maupun eksternal. Kualitas pelayanan merupakan hal mutlak yang harus dilakukan perusahaan apabila ingin mencapai keberhasilan.

Price

Price is a product value, because it will affect producer profits. Price is also a consideration for consumers to buy, so special considerations are needed to determine the price.

Purchase Decision

According to Kotler and Armstrong (2013:181), "Consumer purchasing decisions are buying the most preferred brand from various alternatives, but two factors can be between purchase intentions and purchase decisions. The first factor is the attitude of others and the second factor is the situational factor. Therefore, purchase preferences and intentions do not always result in an actual purchase." Purchasing decisions can be interpreted as a process of evaluating and selecting from various alternatives in accordance with certain interests by determining the most profitable option.

Frame Work

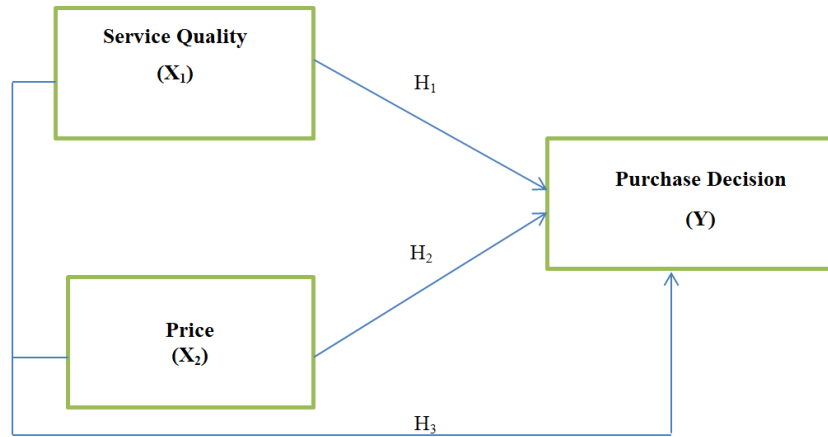


Figure 1 Frame Work

Hypothesis

H₁ : Service Quality has a positive and significant effect on Purchase Decision

H₂ : Price has a positive and significant effect on Purchase Decision

H₃ : Service Quality and Price have a positive and significant effect on Purchase Decision

METHOD

This type of research is quantitative research, namely research used to answer problems through careful measurement techniques for certain variables, so that they can be generalized conclusions, regardless of the context of time and situation and the type of data collected, especially quantitative data (Surya Bintarti, 2015). Population Based on the research place that has been determined, the population that is used as the object of this research is the customers who come to Mr. Restaurant. FOX South Jakarta Branch with 32,580 consumers for 6 months. The sample of this study used the Slovin formula so that it was calculated from a total population of 32,580, so the sample obtained was 99.69 which was rounded up to 100 people. independent variable to the dependent variable. Testing the data used in this study includes validity, reliability, classical assumption test (normality test, multicollinearity test, heteroscedasticity test, test multiple linear regression analysis, t test to test and prove the research hypothesis, simultaneous

FINDINGS AND DISCUSSIONS

Validity testing is used to determine the feasibility of each question item in the study, whether it is valid or not with the following criteria:

- If the value of $r_{\text{count}} > r_{\text{table}}$, then the question items are said to be valid.
- If the value of $r_{\text{count}} < r_{\text{table}}$, then the question item is said to be invalid.

The level of significance = 0.05 with a 95% confidence level for the test. The following are the results of the calculation of the validity of each variable calculated using the SPSS version 24 software system:

Table 1 Validity Test

Variables	Item	Validity
Serrvice Quality	10	Valid
Price	10	Valid
Purchase Decison	10	Valid

Based on the test results from table 1, that the Service Quality variable is 10 statements, Price is 10 statements, and Purchase Decision is 10 statements. Of the three variables, all statements are declared valid because all of them have a calculated r number greater than the r-table number of 0.197 which means valid.

The reliability test is intended to test the reliability or stability of the respondents' answers. The criteria for making reliable decisions whether or not the answer to the statement is as follows:

- a. If the Cronbach alpha value > 0.60 , then the statement item is said to be reliable.
- b. If the Cronbach alpha value < 0.60 , then the statement item is said to be unreliable.

The level of significance = 0.05 (5%) with the level of confidence of the test is 95%. The following are the results of the calculation of the reliability test on each variable, as follows:

Table 2 Reliability Test

Variables	Alpha Cronbach	Reliability
Serrvice Quality	0,690	Reliable
Price	0,704	Reliable
Purchase Decison	0,692	Reliable

Based on table 2, it can be seen that the Cronbach Alpha is greater than 0.6. This shows that all statements in this study are said to be reliable or have a good level of reliability so that they can be used in subsequent research analyzes.

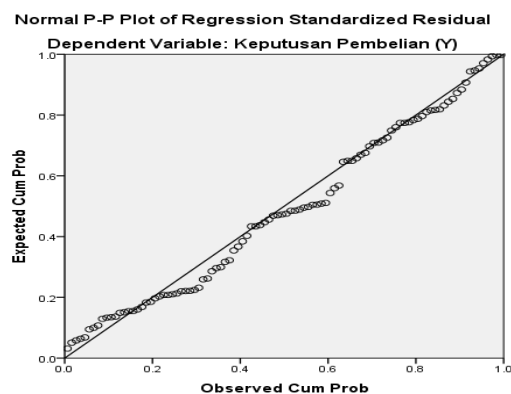


Figure 2 Normality Test

The test results above, it can be seen that the data spreads around the diagonal line and follows the direction of the diagonal line. Thus, the assumption of the distribution of the equations in this test is normal.

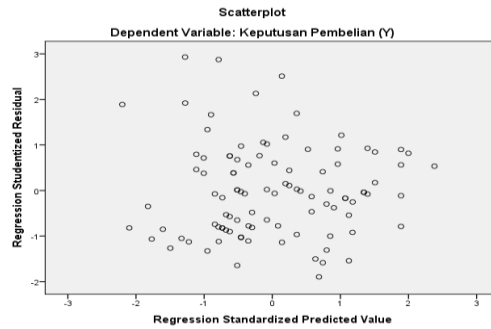


Figure 4 Heteroscedasticity Test

In the picture above, the points on the scatter plot graph do not have a clear distribution pattern and the points spread above and below the number 0 on the Y axis, thus this indicates that there is no heteroscedasticity disorder.

Table 3 Multicollinearity Test

Coefficients ^a								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	16.348	3.129		5.225	0.000		
	Service Quality (X ₁)	0.367	0.079	0.416	4.657	0.000	0.831	1.203
	Price (X ₂)	0.244	0.075	0.290	3.251	0.002	0.831	1.203

a. Dependent Variable: Purchase Decisions (Y)

Based on the table 4, the tolerance value for the service quality variable (X₁) and price (X₂) is 0.831, where each variable has a tolerance value of less than 1 and the Variance Inflation Factor (VIF) value for the service quality variable (X₁) and price (X₂). of 1.203 each VIF value is less than 10, thus this regression model does not occur multicollinearity.

Table 4. T-Test Results of Service Quality Variable (X₁) Against Purchase Decision Variable (Y)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.516	2.823		7.621	0.000
	Service Quality (X ₁)	0.472	0.075	0.535	6.272	0.000

a. Dependent Variable: Purchase Decision (Y)

Based on the results of the analysis in the table above, the value of t count > t table or (6.272 > 1.984) is strengthened by a significance value of 0.000 < 0.05, for that the first hypothesis which states there is a positive and partially significant effect between service quality on purchasing decisions, then H₀ is rejected and H₁ is accepted.

Table 5. T-Test Results of Price Variable (X₂) Against Purchase Decision Variable (Y)

Coefficients ^a						
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Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	24.676	2.825		8.734	0.000
	Price (X ₂)	0.387	0.075	0.461	5.145	0.000

a. Dependent Variable: Purchase Decisions (Y)

Based on the results of the analysis in the table above, the value of $t_{count} > t_{table}$ or $(5.145 > 1.984)$ is strengthened by a significance value of $0.000 < 0.05$, for that H₀ is rejected and H₁ is accepted, namely the second hypothesis which states that there is a positive and partially significant effect. between the price and the purchase decision, is acceptable.

Table 6 Annova Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	494.770	2	247.385	26.871	.000 ^b
	Residual	893.020	97	9.206		
	Total	1387.790	99			

a. Dependent Variable: Purchase Decision (Y)
 b. Predictors: (Constant), Price (X₂), Service Quality (X₁)

Based on the test results in the table above, the obtained value of $F_{count} > F_{table}$ or $(26.871 > 3.090)$ this is also reinforced by a significance probability value of $0.000 < 0.05$. Thus, H₀ is rejected and H₁ is accepted, namely the third hypothesis which states that there is a positive and significant influence jointly between service quality and price variables on purchasing decisions, can be accepted.

Table 7 Coefficient Of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.597 ^a	0.357	0.343	3.034

a. Predictors: (Constant), Price (X₂), Service Quality (X₁)

Based on the calculations in the table above, the coefficient of determination (R-Square) is 0.357, so it can be concluded that promotion (X₁) and price (X₂) together have an influence contribution of 35.7% on purchasing decisions (Y).

DISCUSSION

1. Service Quality to Purchase Decision

Based on the results of the analysis in the table above, the value of $t_{count} > t_{table}$ or $(6.272 > 1.984)$ is

strengthened by a significance value of $0.000 < 0.05$, for that the first hypothesis which states there is a positive and partially significant effect between service quality on purchasing decisions, then H_0 is rejected and H_1 is accepted.

2. Price to Purchase Decision

Based on the results of the analysis in the table above, the value of $t_{count} > t_{table}$ or $(5.145 > 1.984)$ is strengthened by a significance value of $0.000 < 0.05$, for that H_0 is rejected and H_1 is accepted, namely the second hypothesis which states that there is a positive and partially significant effect between the price and the purchase decision, is acceptable.

3. Service Quality and Price to Purchase Decision

Based on the results of simultaneous testing or f test, the obtained value of $F_{count} > F_{table}$ or $(26.871 > 3.090)$ this is also reinforced by a significance probability value of $0.000 < 0.05$, meaning that service quality and price together have a positive and significant effect on decisions purchase. Based on the multiple linear regression equation testing that has been done, the results are $Y = 16.348 + 0.367X_1 + 0.244X_2$ which implies that service quality and price are in line with purchasing decisions so that they have a positive effect on purchasing decisions at Mr. Restaurant. FOX South Jakarta Branch. The correlation coefficient obtained is 0.597, there is a low level of relationship between service quality and price on purchasing decisions, then with the coefficient of determination obtained a value (K_d) of 0.357, which means that service quality has an influence contribution to purchasing decisions of 35.7%, while the rest 64.3% is influenced by other factors not examined in this study.

CONCLUSION

From the results of the discussion that has been carried out by the researchers, the researchers give some conclusions as follows:

1. Based on the questionnaire distributed to 100 respondents, the answers about the service quality variable in general get a "good" response, this can be seen from the average value obtained for the product quality variable of 3.77 which is contained in the scale range between 3.40 – 4.19. The highest score on the Empathy indicator. by a significance value of $0.000 < 0.05$, meaning that there is a positive and significant influence on service quality on purchasing decisions.
2. Based on the questionnaire distributed to 100 respondents, the answers about the promotion mix variable in general get a "good" response from the average value obtained for the promotion mix variable of 3.73 which is contained in the scale range between 3.40 - 4.19. The highest value on the Payment method indicator. by a significance value of $0.000 < 0.05$, meaning that there was a positive and significant effect on price on purchasing decisions.
3. Based on the questionnaire distributed to 100 respondents, the answers about the purchasing decision variables in general get a "good" response from the average value obtained for the purchasing decision variable of 3.91 which is contained in the scale range between 3.40 - 4.19. The highest score on the purchasing decision indicator. Based on the results of simultaneous testing or f test, the

obtained value of $F_{\text{count}} > F_{\text{table}}$ or $(26.871 > 3.090)$ this is also reinforced by a significance probability value of $0.000 < 0.05$, meaning that service quality and price together have a positive and significant effect on decisions purchase. decisions, then with the coefficient of determination obtained a value (Kd) of 0.357, which means that service quality has an influence contribution to purchasing decisions of 35.7%, while the rest 64.3% is influenced by other factors not examined in this study.

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