



The Influence of Product Quality, Price, Location, and Service Quality on the Purchasing Decision at Sehatea

Muhammad Idham¹, Adrian Irnanada Pratama²

^{1,2} Politeknik Negeri Bengkalis, Riau, Indonesia, 28711
idhamkiyo1gmail.com

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ABSTRACT

This research aims to determine the influence of product quality, price, location, and service quality on purchasing decisions at Sehatea's contemporary beverage kiosks in Bengkalis. The method employed in this study is a quantitative approach with the collection of primary data through questionnaire distribution and secondary data through collaboration with Sehatea's owner. The sample for this research comprises individuals who have previously purchased products from Sehatea, with purposive sampling used to select 100 respondents. Data processing is conducted using the SPSS application version 27. The research findings indicate that, concerning the variables of product quality, price, and location, there is no positive and significant influence on purchasing decisions. However, one variable, namely service quality, has a positive and significant impact on purchasing decisions.

Keywords: product quality, price, location, service quality, purchase decision

1. Introduction

The contemporary beverage business has become a significant food and beverage industry trend. Today's consumers are increasingly diverse in their preferences for beverages and seek experiences that are unique, fresh, and innovative. In facing increasingly fierce competition in the market, today's beverage business owners need to understand the factors that influence consumer purchasing decisions. Therefore, a business owner should be observant in seeing an opportunity and take advantage of it, because the business world is full of challenges and does not always end with success. In this era of globalization, competition is not only limited locally (certain areas) and nationally, but globally, this has resulted in more and more variables that can affect the success of a business.

Justin et al. in Raflah & Pratama (2020) state that entrepreneurial motivation is marked by high demand fulfilled, the desire to take risks that moderate, strong self-confidence, and willingness to do business. In the modern beverage industry, product quality also plays a significant role in influencing customer purchase decisions. Customers' opinions of a product's quality will influence their preferences and attitudes, which in turn will affect whether they choose to purchase it or not. Aaker in Nasution (2022) has done research that shows that the perception of quality offers value in various ways, one of which is a motivation to purchase. Consumers are looking for drinks that are high quality, fresh and appetizing. Good product quality includes not only good taste, but also factors such as quality raw materials, proper production methods, and consistency in presentation. Understanding consumer preferences related to taste, texture, uniqueness, and nutritional value of drinks will assist business owners in developing products that match market demand.

Price has a significant impact on consumer purchasing decisions in the contemporary beverage business. Consumers frequently weigh the benefits of a beverage against the cost. Therefore, business owners need to set prices that are balanced with the quality of the products offered and also consider competitive prices in the market. Appropriate pricing strategies, such as providing occasional promotions or discounts, can attract consumers' attention and encourage purchases.

Location also plays an important role in consumer purchasing decisions in today's beverage business. Based on to Kotler and Keller in Nursoleh, N. (2022) claimed that location is the most lucrative area for business, which is evident from the daily average number of customers the store receives. This understanding shows that a strategic location can increase consumer visits. The more strategic the location of a business, the more consumers will visit, and the more likely they will be to buy. Research of Swastha in Nursoleh (2022) shows that location refers to a company's or organization's choice of a strategic location that will maximize earnings. This knowledge explains why a company's location affects its revenue significantly. To present strategic housing, several development companies are working hard. In other words, a company's concept must be developed in light of its advantageous location. Consumers tend to choose drinks that are easy to access and comfortable to consume. Opening a modern beverage outlet or stall in a strategic

* Corresponding author

E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)
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location, such as a shopping center, office center, or an area with high traffic levels, can increase product visibility and attractiveness to the relevant target market.

Good service quality is also a crucial factor in consumer purchasing decisions in today's beverage business. A study of Tjiptono in Sunyoto in Ali, et al. (2021) explains that quality or quality in the service sector is the presentation of a product or service under the standard size at the location where the product is manufactured and its delivery at least consistent with what customers want and anticipate. As stated by Kotler and Armstrong (2008) any action or activity that a party can provide to another party that is essentially intangible and does not give rise to any ownership is referred to as a service. As stated by Moenir in Ali (2021) Service is a collection of ongoing, routinely occurring actions that affect everyone in society. This demonstrates how the recipient's internal satisfaction with the service is related. When ordering and receiving drinks, customers desire courteous, effective, and helpful service. Customers will trust a company more when its employees are well-trained and capable of providing a great customer experience.

Through a deep understanding of the influence of product quality, price, location, and service quality on purchasing decisions in today's beverage business, business owners can optimize marketing strategies, improve product and service quality, and provide positive experiences to consumers. This will help build a competitive advantage, increase customer loyalty, and achieve sustainable growth in today's beverage business. Based on this background, the researcher is interested in conducting research with the title "The Influence of Product Quality, Price, Location, and Service Quality, on the Purchasing Decision at Sehatea".

2. Research Method

The study location is the place where the study is conducted, for this study the author chose Sehatea which is in Gatot Subroto Street, Bengkalis District, Bengkalis Regency, Riau, Indonesia. The type of study is associative research. The data used in this study is quantitative and qualitative. Source data of this study namely primary and secondary. The population in this study are the people who have visited and made purchase transactions at the Sehatea contemporary drink stall with 100 sample respondents. In this study, the researcher used the Nonprobability Sampling method with the Purposive Sampling Technique, the samples of this study are selected and based on predetermined criteria relevant to the research became the sample of this study, such as f individuals who visit and purchase beverages at the Sehatea stall. The measurement scale used in this study is the Likert Scale. The Likert scale is a measurement scale used to regulate attitudes, opinions, and perceptions of a person or group of people about social phenomena. In this study, social phenomena have been specifically determined, and here in after referred to as research variables (Sugiyono, 2019). According to Indrii (2019), the SPSS program was used to test this validity. The testing technique that is often used by researchers to test validity is using multiple correlations. This study uses IBM SPSS version 27. According to Noor Wahyuni (2014), the level of reliability is empirically indicated by a number called the reliability coefficient value. High reliability is indicated by the value of xx, close to 1. The general agreement is that reliability is considered satisfactory if Cronbach Alpha > 0.70. This study has one independent variables, one dependent variable and one intervening variable. Therefore just use the Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test. The data analysis model used in this study is multiple linear regression. In this case, the researcher describes the typical hypothesis (specific) of the theory to be tested empirically using the t-test, f-test, and coefficient of determination test.

Based on the formulation of the problem, the authors formulate the following hypothesis:

H0: Product quality, price, location, service quality, and product quality have negative and not significant on purchasing decisions at Sehatea

H1: Product quality has a positive and significant effect on purchasing decisions at Sehatea.

H2: Price has a positive and significant effect on purchasing decisions at Sehatea.

H3: Location has a positive and significant effect on purchasing decisions at Sehatea.

H4: Service quality has a positive and significant effect on purchasing decisions at Sehatea.

H5: Product quality, Price, Location, and Service Quality have positive and simultaneous effects on purchasing decisions at Sehatea.

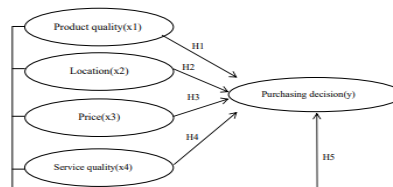


Figure 1 Research Model
 Source: Processed Data 2023

* Corresponding author

E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)

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3. Results and Discussion

3.1 Validity and Reliability Test Results

3.1.1 The results of the validity test by comparing the value of rcount with rtable can be seen in Table 1 as follows:

Table 1. Validity Test Result

No	Variable	Indicator	Rcount	Symbol	Ttable	Information
1	Product Quality	X1.1	0,616	>	0,196	Valid
			0,667		0,196	
		X1.2	0,624		0,196	
			0,720		0,196	
		X1.3	0,614		0,196	
			0,622		0,196	
		X1.4	0,632		0,196	
			0,646		0,196	
		X1.5	0,652		0,196	
			0,701		0,196	
2	Price	X2.1	0,675	>	0,196	Valid
			0,547		0,196	
		X2.2	0,519		0,196	
			0,712		0,196	
		X2.3	0,460		0,196	
			0,597		0,196	
		X2.4	0,695		0,196	
			0,492		0,196	
3	Location	X3.1	0,688	>	0,196	Valid
			0,710		0,196	
		X3.2	0,584		0,196	
			0,592		0,196	
		X3.3	0,670		0,196	
			0,592		0,196	
4	Service Quality	X4.1	0,596	>	0,196	Valid
			0,564		0,196	
		X4.2	0,561		0,196	
			0,684		0,196	
		X4.3	0,600		0,196	
			0,500		0,196	
		X4.4	0,620		0,196	
			0,567		0,196	
		X4.5	0,655		0,196	
			0,680		0,196	
5	Purchasing Decision	Y1	0,643	>	0,196	Valid
			0,703		0,196	
		Y2	0,554		0,196	
			0,659		0,196	
		Y3	0,522		0,196	
			0,681		0,196	
		Y4	0,551		0,196	
			0,680		0,196	

Source: Processed Data 2023 SPSS 27

The use value of rcount is 0.616 and the value of r table usage is 0.196, which means $0.616 > 0.196$, in case the first item has suitability or validity. Likewise, for the next item, the 42 items have a value of rcount $>$ rtable, in case all items have conformity or validity.

3.1.2 Reliability Test

Reliability tests are used to determine the consistency of measuring instruments that usually use questionnaires, meaning whether the measuring instruments get consistent measurement results if repeated measurements are made. The method that is often used in research to measure the scale is Cronbach's Alpha. Here are the results of the reliability test:

Table 2. Reliability Test Results

Variable	Item	N	Cronbach's Alpha	Criteria
Product Quality (X1)	10	100	0,844	Reliable
Price (X2)	8	100	0,728	Reliable
Location (X3)	6	100	0,710	Reliable
Service Quality (X4)	10	100	0,806	Reliable
Purchasing Decision (X5)	8	100	0,778	Reliable

Source: Processed Data 2023 SPSS 27

* Corresponding author

E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)

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If the value of Cronbach's Alpha > 0.70 the questionnaire is declared reliable and it is known that the Cronbach's Alpha value is 0.844. This means that $0.844 > 0.70$ so it can be said that the questionnaire is reliable and can be distributed to respondents to be used as instruments. Likewise, for the next item, all items can be 5 more than > 0.70, so all items are proven reliable.

3.2 Classical Assumption

3.2.1 Normality Test

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			100
Normal Parameters a,b	Mean		0
	Std. Deviation		2,80374361
Most Extreme Differences	Absolute		0,094
	Positive		0,094
	Negative		-0,079
Test Statistic			0,094
Asymp. Sig. (2-tailed)c			0,943
Monte Carlo Sig. (2-tailed)d			Sig. 0,336
99% Confidence Interval			Lower Bound 0,024
			Upper Bound 0,032
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Lilliefors' method is based on 10000 Monte Carlo samples with a starting seed of 2000000.			

Source: Processed Data 2023

The results of the normality test showed that all research variables had a significance value greater than 0.05 ($0.943 > 0.05$), so it could be concluded that the research data were normally distributed.

3.2.2 Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product Quality	0,532	1,881
	Price	0,447	2,237
	Location	0,466	2,144
	Service Quality	0,471	2,124
a Dependent Variable: Purchasing Decision			

Source: Processed Data 2023

The results of the multicollinearity test in Table 4 show that each variable's Variance Inflation Factor (VIF) value is < 10 and the Tolerance value of each variable is > 0.10. This shows that there is no multicollinearity problem in this model.

* Corresponding author

E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)

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3.2.3 Heteroscedasticity Test

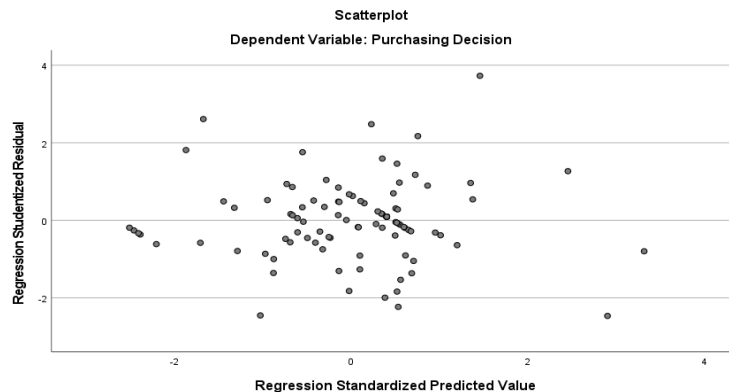


Figure 2. Heteroscedasticity Test Chart
 Source: Processed Data 2023

The results of the Heteroscedasticity test with the scatterplot graph presented in the figure also show that the randomly distributed points do not form a clear pattern. Thus, it can be concluded that there are no symptoms of heteroscedasticity.

3.3 T- Test

Table 5. T Test

Coefficients ^a						
Model		Unstandardized coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	(Constant)	1,503	1.211		1,242	0,217
	Product Quality	0,048	0,070	0,63	0,685	0,495
	Price	0,144	0,103	0,141	1,402	0,164
	Location	0,252	0,129	0,193	1,958	0,053
	Service Quality	0,394	0,083	0,464	4,731	0,001

a. Dependent Variable: Purchasing Decision

Source: Processed Data 2023

Based on the calculation results from the table above, the t table number is obtained with the provisions of $\alpha = 0,05$ and $dk = (n-k-1)$ or $(0,05/2: 100-2-1) = (0,025: 97)$, so that the t table value = 1,98472 is obtained, then The Influence of Product Quality, Price, Location and Service Quality on The Purchasing Decision at Sehatea, based on the results of calculations using the SPSS 27 program as in the table above.

The product quality variable has a t count of 0,685 with a sig value of 0,495. The provisions for making a hypothesis decision are accepted or rejected, based on the value of t count > t table, -t count < -t table, or if the significance < 0,05, it can be concluded that the hypothesis is accepted. The results of the research in this study, obtained the value of t count > t table (0,685 < 1,98472) and a significance value of 0,495 > 0,05, it can be concluded that the hypothesis states the results of the variable "Product Quality has no significant influence on purchasing decisions when considered separately."

The price variable has a t count of 1,402 with a sig value of 0,164. The provisions for making a hypothesis decision are accepted or rejected, based on the value of t count > t table, -t count < -t table, or if the significance < 0,05, it can be concluded that the hypothesis is accepted. The results of the research in this study, obtained the value of t count > t table (1,402 < 1,98472) and a significance value of 0,164 > 0,05, it can be concluded that the hypothesis states the results of the variable " Price has no significant influence on purchasing decisions when considered separately."

The location variable has a t count of 1,958 with a sig value of 0,053. The provisions for making a hypothesis decision are accepted or rejected, based on the value of t count > t table, -t count < -t table, or if the significance < 0,05, it can be concluded that the hypothesis is accepted. The results of the research in this study, obtained the value of t count > t table (1,958 < 1,98472) and a significance value of 0,053 > 0,05, it can be concluded that the hypothesis states the results of the variable " Location has no significant influence on purchasing decisions when considered separately."

The service quality variable has a t count of 4,731 with a sig value of 0,001. The provisions for making a hypothesis decision are accepted or rejected, based on the value of t count > t table, -t count < -t table, or if

* Corresponding author
 E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)
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the significance $< 0,05$, it can be concluded that the hypothesis is accepted. The results of the research in this study, obtained the value of $t \text{ count} > t \text{ table}$ ($4,731 > 1,98472$) and a significance value of $0,001 < 0,05$, it can be concluded that the hypothesis states the results of the variable of Service Quality has a significant influence on purchasing decisions when considered separately.”

3.4 F Test

Table 6. F Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	590,125	4	147,531	31,504	0,001 ^b
	Residual	444,875	95	4,683		
	Total	1035,000	99			
a. Dependent Variable: purchasing decision						
b. Predictors: (Constant), service quality, product quality, location, price						

Source: Processed Data 2023

Based on the results of the F test calculation above, the F count is 31,504. To determine the value of the F table with a significance level of 5%, as well as degrees of freedom, $df (N1) = (k-1)$ or $f (k; n - k)$, $F = (2; 100 - 2)$, $F_{table} (2;98) = 3.09$. Then the results can be obtained for the F table worth 3,09. Therefore, the results of the calculation of $F \text{ count} > F \text{ table}$ $31,504 > 3,09$ with a sig value obtained $0,001 < 0,05$, then simultaneously the variables of Product Quality, Price, Location, and Service Quality are stated to have a simultaneous effect on Purchasing Decisions.

3.5 Determination (R²) Test

Table 7. Determination (R2) Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,755 ^a	0,570	0,552	2,164
a. Predictors: (Constant), Service Quality, Product Quality, location, Price				

Source: Processed Data 2023

Based on the results of the calculation of the Coefficient of Determination in the table above, the value of the Coefficient of Determination (R2) is 0,570, which indicates that the contribution of the independent variables, namely Product quality, Price, Location, and Service Quality to the dependent variable, namely Purchase Decisions, is 57%, while the remaining 43% is influenced by other variables that have not been studied or not included in the regression in this study.

The influence of product quality on purchasing decisions was found to be not significant. The hypothesis asserting that there is no partial effect of product quality on purchasing decisions is rejected. This finding contradicts the earlier hypothesis that proposed a positive and significant impact of product quality on purchasing decisions at Sehatea. Despite Sehatea's established product quality in terms of appearance and innovation, customers still make purchases at Sehatea because the marketed product quality meets the standards, needs, and desires of the customers. In addition to the results of the t-test in Laila's study, the variable of product quality exhibited a negative and non-significant impact on the purchasing decision variable.

Similarly, the influence of price on purchasing decisions was also found to be not significant. This contradicts the earlier hypothesis that proposed a positive and significant impact of price on purchasing decisions at Sehatea. This suggests that customers do not prioritize the price variable significantly in making purchasing decisions at Sehatea. Furthermore, the location was shown to have a non-significant influence on purchasing decisions. This contradicts the earlier hypothesis that proposed a positive and significant impact of location on purchasing decisions at Sehatea. This means that even with traffic congestion and inadequate parking facilities, customers still make purchasing decisions at Sehatea.

The influence of service quality on purchasing decisions was found to be significant, with previous research supporting this relationship. These results suggest that improvements in service quality are likely to enhance purchasing decisions among customers. This finding underscores the importance of maintaining high service standards to foster positive purchasing behaviors, which is particularly relevant for businesses seeking to increase customer satisfaction and loyalty.

Finally, the analysis revealed that product quality, price, location, and service quality have a positive and significant effect on purchasing decisions when considered simultaneously. This hypothesis posits that product quality, price, location, and service quality collectively influence purchasing decisions at Sehatea. These findings suggest that enhancements in any of these factors can positively impact customers' purchasing decisions, and a holistic approach that simultaneously improves all four areas is likely to be most effective.

* Corresponding author

E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)

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Consequently, it can be inferred that product quality, price, location, and service quality together drive purchasing decisions, providing valuable insights for businesses looking to optimize their strategies.

4. Conclusions

This study reveals that the variables of product quality (X1), price (X2), location (X3), and service quality (X4) have varying effects on purchasing decisions (Y) for Sehatea products. Specifically, product quality (X1), price (X2), and location (X3) each have a negative and non-significant influence on purchasing decisions. This indicates that although these three variables meet the standards expected by consumers, they are not the primary factors driving purchasing decisions at Sehatea. In contrast, service quality (X4) has a positive and significant influence on purchasing decisions, emphasizing that excellent service quality is a key determinant in shaping consumer preferences.

Simultaneously, the four variables (X1, X2, X3, and X4) collectively have a positive and significant impact on purchasing decisions. This demonstrates that while some variables may not significantly influence decisions individually, their combined effect significantly contributes to consumer purchasing behavior.

However, this research has several limitations. First, the researcher's limited proficiency in English constrained the ability to understand and interpret studies written in English, which limited access to broader academic references. Second, the distribution of questionnaires faced challenges, including low response rates from digital platforms such as WhatsApp. Third, some respondents displayed a lack of seriousness in completing the questionnaires, requiring the researcher to closely monitor their responses to ensure data accuracy. Lastly, limited knowledge of the IBM SPSS Version 27 application necessitated additional learning before data processing could be conducted effectively.

For future research, it is recommended to adopt more efficient methods for distributing questionnaires and consider qualitative approaches to gain deeper insights into consumer perspectives. Additionally, enhancing technical skills in data analysis software will help ensure the validity and accuracy of future research findings.

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* Corresponding author

E-mail addresses: idhamkiyo1gmail.com (Muhammad Idham)

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