

The Influence of Price, Location, Promotion, and Service on Product Purchase Decision Making During The Covid-19 Pandemic (Case Study on Small and Medium Enterprises (UKM) of Kampung Sejahtera Mandiri Teras Pancasila Tangerang City, Banten)

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ABSTRACT

The purpose of this study was to determine how much influence the independent variables (price, location, promotion, and service) had on the dependent variable (product purchasing decisions), either partially or simultaneously. This research was conducted at the Small and Medium Enterprises (MSMEs) of Kampung Sejahtera Mandiri, Teras Pancasila, Tangerang City, Banten. The sample used was taken by simple random sampling method as many as 100 consumers. Collecting data through field studies by distributing questionnaires to 100 consumers, as well as observations and interviews with SMEs in Kampung Sejahtera Mandiri Teras Pancasila, Tangerang City, Banten. Statistical data analysis used validity, reliability, normality, heteroscedasticity, multicollinearity, coefficient of determination, t test (partial test), and F test (simultaneous test), with the SPSS 25 statistical tool. significant on the dependent variable with the results obtained that the value of tcount price is 2,602 > ttable 1.65 and probability 0.0011 < 0.05, t-count value for location is 2.111 > ttable 1.65 and probability 0.0037 < 0.05, t-count promotion value is 6.101 > ttable 1.65 and probability of 0.0000 < 0.05, and the value of t count service is 6.648 > t table 1.65 and probability 0.000 < 0.05. The F test shows that the independent variable simultaneously has a positive and significant effect on the dependent variable with the results obtained that the Fcount value is 128.419 > Ftable 3.87 and the probability value is 0.000 < 0.05. The value of the coefficient of determination (R²) is 56.3%, meaning that the independent variables (price, location, promotion, and service) have a simultaneous influence of 56.3% on the dependent variable (product purchasing decisions), and the remaining 100% - 56.3% = 43.7% influenced by other factors.

Key Word: Price, Location, Promotion, Service, Product Purchase Decision Making

Introduction

The impact of the Covid-19 pandemic is truly extraordinary in all fields or joints of life. Many companies to cover operational expenses by reducing employees and even laying off employees, and many also close the company because they are unable to finance the company's operations. Other impacts are felt, unemployment is increasing, job opportunities are getting less and less, people's life activities are limited due to social and physical distancing rules. However, the impact of changes from this pandemic period does not directly shape the entrepreneurial spirit (entrepreneurship) to grow and develop in the surrounding community, but this is expected to be able to create entrepreneurs (entrepreneurs) who do not act as job seekers but can read and capture business opportunities to create jobs to meet all their needs, especially primary, secondary, and other needs.

Marketing plays a very important role for the survival and success of a business. This is indicated by the level of competition between companies which is getting tougher day by day. Companies are required to improve all business activities, especially in the field of marketing. This is needed so that business continuity can continue and be able to win the competition. Marketing activities must be carried out continuously, structured, and detailed. Companies must determine marketing strategy policies and implementation of these marketing policies to face competition. Changes in the marketing environment are getting faster along with intense competition, especially competitors who produce similar products. This has a significant impact, many companies will be oriented to meeting consumer needs (consumer oriented). Companies should always pay attention to what consumers want and need, and provide good service, so that consumers feel satisfied, become loyal, and will make repeated purchases of the products it offers.

Of the various SMEs that already exist and exist, usually the management or management is carried out by individuals or individuals or groups, so it is not so good. However, SMEs are still growing rapidly with limitations such as human resources, skills, knowledge, skills, and modest management or management (Hamdani and Awatara, 2011). Indirectly, with the existence of UKM Kampung Sejahtera Mandiri Teras Pancasila, Tangerang City, Banten, which is located in a strategic industrial area, it is hoped that it can boost and become the economic driving force for the middle to lower class of society in terms of providing job opportunities, especially housewives can take advantage of their time. leisure, so its existence provides many benefits. UKM Kampung Sejahtera Mandiri Teras Pancasila Tangerang City, Banten can provide additional income, so that it can help the economy of the surrounding community become prosperous, and their needs are met.

UKM) Independent Prosperity Village, Pancasila Terrace, Tangerang City, Banten, consists of a community of culinary traders and creative industry entrepreneurs.

Table 1.

Data on Members of Small and Medium Enterprises (UKM)
in Mandiri Sejahtera Village, Pancasila Terrace, Tangerang City, Banten in 2021

NO.	BUSINESS OWNER	BUSINESS NAME	PRODUCT NAME	LABOR
1.	Hendrik	Laundry	Laundry and Ironing	4 Person
2.	Sumiati	Cake and Snack	Dessert Box, Tropical Mango, and Cream Donuts	3 Person
3.	Buang	Roadside stall	Chicken noodle	2 Person
4.	Agus	Fish Livestock	Catfish	2 Person
5.	Rahajeng	Roadside stall	Martabak	1 Person
6.	Saraswati	Herbal medicine	Weight Loss	3 Person
7.	Santi	Catering	Various Ready-to-eat Foods	4 Person
8.	Dwito	Assorted Fruits	Fruit Juice and Snack	2 Person
9.	Sukasih	Assorted fried snacks	Mozzarella Corndogs	2 Person
10.	Dwi Sulistianni	Roadside stall	Basic food	2 Person
11.	Ida Rosida	Convection	Dress	3 Person
12.	Nurdin	PKL Business	Dress Up	2 Person
13.	Teguh	Fish Livestock	Siamese fighting fish	-
14.	Iya Nuryati	Roadside stall	Chicken Soto	-
15.	Teguh Rahayu	Roadside stall	Soto Kwali	1 Person
16.	Joko Susilo	Homemade	Frozen Food	2 Person
17.	H. Mardi	Convection	Bag	1 Person

18.	Okti	Various Bikes	Buy and Sell Bikes	2 Person
19.	Dita	Shop	Buy and sell clothes	2 Person
20.	Swarsih	Roadside stall	Indomie and Porridge	-
21.	M. Limbong	Workshop	Tire repairs	Family
22.	Rahmawati	Assorted fried snacks	Grilled Sausage and Drink	2 Person
23.	Julio	Roadside stall	Food and Drink	Family
24.	Jasinah	Variety of Food	Gimbal Shusi Korean Food	4 Person
25.	Sumarni	Fast food	Dent	Family
26.	Samin	Assorted fried snacks	Assorted Fruits	2 Person
27.	M. Soleh	Roadside stall	AC Service	3 Person
28.	Ginangjar	Service	Grocery Goods	Family
29.	Saydina Umar	Roadside stall	Apparel	2 Person
30.	Konsum	Shop	Fast food	1 Person
31.	Titin Sumartini	Warteg	Convection/Sewing	3 Person
32.	Teguh Hadiano	Seamstress	Retail Market	3 Person
33.	M. Nurhadi	Shop	Car/Automotive AC	4 Person
34.	Fitri Yeni	Workshop	Food and Drink	3 Person
35.	Kaparwi Napan	Restaurant	Grocery Goods	2 Person
36.	Marlina Laras	Roadside stall	Food and Drink	1 Person
37.	Jumi Yem	Restaurant	Food and Drink	2 Person
38.	Ending	Restaurant	Food and Drink	2 Person
39.	Naida	Restaurant	Snacks	Family
40.	Sahroni	Roadside stall	Fried rice	Family
41.	Sudarti	Roadside stall	Grocery Goods	2 Person
42.	Wandi	Roadside stall	Food and Drink	Family
43.	Rukinem	Roadside stall	Food	Family

44.	M. Syarifudin	Roadside stall	Grocery Goods	2 Person
45.	Aspan	Roadside stall	Basic food	1 Person
46.	Nadzip Rosyidi	Shop	Perfume	2 Person
47.	Jana	Roadside stall	Coffee and Indomie	Family
48.	Undang Kus	Roadside stall	Grocery Goods	1 Person
49.	Luchiana	Shop	Convection	2 Person
50.	Ahmad Rizaldi	Shop	Konveksi	3 Person
51.	Endang Pujiati	Shop	Pakaian Anak-anak	5 Person
52.	Tamon	Warteg	Fast food	Family
53.	Pendi Irawan	Shop	Optic	2 Person
54.	Lilik Mufzipah	Home	Traditional massage	1 Person
55.	Anton	Shop	Grocery Goods	2 Person
56.	Suherlin T.	Shop	Food and Cake	1 Person
57.	Timas Ud.	Shop	Grocery Goods	Family
58.	Surya Lena	Shop	Clothing Material	5 Person
59.	Abdi Yusman	Shop	Home Appliances	Family
60.	Rofiq	Shop	Convection	5 Person
Total 60 Person				106 Person

Source : UKM Community

The various conditions above cause SME traders from culinary businesses to creative industry businesses to be proactive in reading business opportunities to meet the needs of the community as consumers/customers and other service users. One of the efforts that must be made by SMEs is to communicate, inform, and market the products produced through price, location, promotion, and service.

The price factor is very important in influencing product purchasing decisions, in addition to location, promotion, and service factors. Price is one part of the marketing mix that has dynamic and flexible characteristics, can adjust quickly according to market environmental conditions. The price indicator is the quality of the product, for example, producers set a high product selling price, consumers do not hesitate to pay high costs to get quality products in

accordance with their wishes and expectations. The majority of buyers in making product purchasing decisions will consider product quality. Therefore, SMEs must be smart and precise in determining the selling price of products that can compete with the prices of competitors' products. SMEs must determine the market segmentation and target market they want to target, in order to determine the price, whether the product is premium class, middle class, or low class. Consumer behavior in purchasing products, considering price as the main factor in the buying process.

Facing increasingly fierce competition, every SME actor competes to be able to market the products or services they produce. This is where the problem of promotion becomes a determinant of success in carrying out company activities in achieving the maximum profit it wants. Therefore, good integrated marketing programs are needed in order to develop market share. In this regard, effective marketing policies are needed so that companies can enter the market segmentation and target market, so that sales targets can be achieved. According to (Stanton 1991, 410) said: "Promotion is the element in an organization's marketing mix that serves to inform, persuade and remand the market of the organization and or its product". The level of business continuity and success of SMEs in conducting marketing is how these SMEs are able to inform and communicate the value contained and benefits of the products produced to customers and foster relationships with customers to influence consumer behavior in buying or consuming these products, in a profitable way. for the company and shareholders in order to obtain maximum profit by utilizing the potential of its resources.

From several marketing mix variables, promotion is used as a reference by consumers in choosing and using the products they want and expect. The relationship between promotion and product purchasing decisions is the introduction of the product as a whole, providing real information about the value and benefits of the product, and influencing consumers to buy and use the products offered. If buyers are interested and interested in using the products offered and advertised, it will have an impact on product demand in the market. On the other hand, if consumers have never heard of, seen, used, and do not have confidence and trust in the products offered and advertised, there will be no impact on product demand in the market.

The level of competition is getting tougher, encouraging SME business actors to improve service quality, establish communication relationships, and maintain loyal and loyal customers that can benefit the company in the future. Loyal and loyal customers are very dominant factors to determine success and continuity in carrying out business activities in the future. In order to attract consumers to buy products that are produced and offered in the

market, we need prices that are in accordance with market demands and competitive, effective and efficient promotions, good product quality, and perfect service, so as to be able to provide customer satisfaction.

Formulation of the problem

The formulation of the problem in this study are :

1. Does price have a partial and significant effect on product purchasing decisions?
2. Does location have a partial and significant effect on product purchasing decisions?
3. Does promotion have a partial and significant effect on product purchasing decisions?
4. Does the service have a partial and significant effect on product purchasing decisions?
5. Do price, location, promotion, and service have a simultaneous and significant effect on product purchasing decisions?

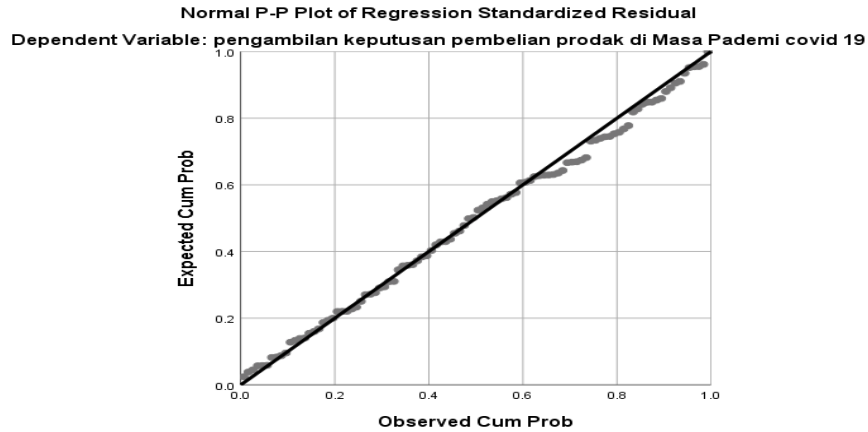
Results and Discussion

In this study, the authors took the product consumers of UKM Kampung Sejahtera Mandiri Teras Pancasila, Tangerang City, Banten by random sampling as many as 100 Persons to be used as samples in answering statements regarding price, location, promotion, service, and product purchase decisions.

1. Classical Assumption Test Results

a. Normality Test Results

This test is conducted to analyze the regression equation, both independent variable and dependent variable or both variables, whether normally distributed or not, using the P. Plot graph. Normal distribution or close to normal is a good regression model. The results of the Normality test show that the data is normally distributed on the P graph. The plot shows that the points are spread evenly around the diagonal line and in the direction of the diagonal line, so the regression model meets the requirements for Normality. And if the points are spread unevenly and are positioned away between the diagonal lines or the points do not follow/not in the direction of the diagonal line, then the regression model does not meet the requirements for normality.



Source: SPSS Data Processing Results

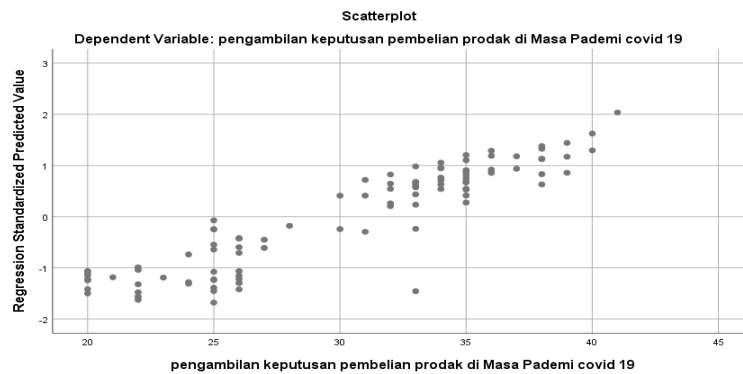
Image 1.

Normality Test Results Using P. Plot . Graph

Image 1. Shows the points spread evenly from the bottom to the top of the diagonal line and follow certain patterns in the direction of the diagonal line, so that the data forms a normally distributed pattern, then the model meets the normality of the data.

b. Heteroscedasticity Test Results

Used in testing the regression model if there is an inequality between the variances of the residuals of one observation with another observation. If the variance of the residuals obtained from one observation with another observation, the result is still called Homoscedasticity. And vice versa, if the results obtained from one observation with other observations, the results are different is called Heteroscedasticity. Diagnose the presence or absence of Heteroscedasticity by using the Scatterplot graph. The basis for decision making, if the results obtained do not form a point distribution of a certain pattern such as wavy, widening, and narrowing, then the regression is free from the heteroscedasticity problem. And if the results obtained form a regular distribution pattern, wavy, widening, and narrowing, then heteroscedasticity occurs.



Source: SPSS Data Processing Results

Image 2.

Heteroscedasticity Test Results Using Scatterplot Graph

Image 2. shows that the distribution of points obtained from data processing does not form a certain pattern, so the regression model is free from heteroscedasticity problems.

c. Multicollinearity Test Result

Used to test whether there are deviations between independent variables and have a perfect or near perfect relationship. Multicollinearity testing by looking at the amount of Tolerance and Variance Inflation Factor (VIF). If the tolerance value is > 0.1 , the VIF value is < 10 , and the correlation between the independent variables is close to perfect (≥ 0.5), then there is no symptom of multicollinearity in the regression, and vice versa (Ghozali 2006, 91).

Table 2.

Multicollinearity Test Results

Variable	Tolerance	Variance Inflation Factor (VIF)
Price (X1)	0,749	1,335
Location (X2)	0,216	4,623
Promotion (X3)	0,182	5,499
Service (X4)	0,208	4,808

Source: SPSS Data Processing Results

Table 1. shows that price, location, promotion, and service have tolerance values > 0.1 (0.749, 0.216, 0.182, and 0.208) and VIF values < 10 (1,335, 4.623, 5.499, and 4.808) so there are no symptoms of multicollinearity. in regression.

2. Hypothesis Testing

a. t-Test Results (Partial Test)

Used to determine how much influence the independent variable partially has on the dependent variable, with the level of testing $t_{count} > t_{table}$ and probability value < 0.05 . The independent variable has no effect on the dependent variable, if $t_{count} < t_{table}$ and probability value > 0.05 (V. Wiratna Sujarweni 2015).

<i>Coefficients^a</i>						
Model		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
		B	<i>Std. Error</i>	Beta	t	<i>Sig.</i>
1	<i>(Constant)</i>	.755	1.690		.446	.656
	Price	.099	.038	.122	2.602	.011
	Location	.217	.103	.184	2.111	.037
	Promotion	.580	.095	.580	6.101	.000
	Service	.629	.095	.591	6.648	.000

a. *Dependent Variable* : Product Purchase Decision Making

- 1) The price variable (X1) partially has a positive and significant influence on product purchasing decisions, where the t_{count} price is $2.602 > t_{table} 1.65$ and the probability is $0.011 < 0.05$.
- 2) The location variable (X2) partially has a positive and significant influence on product purchasing decisions, where the location t_{count} is $2.111 > t_{table} 1.65$ and the probability is $0.037 < 0.05$.

- 3) The promotion variable (X3) partially has a positive and significant influence on product purchasing decisions, where the value of t_{count} promotion is $6.101 > t_{table}$ 1.65 and the probability is $0.000 < 0.05$.
- 4) The service variable (X4) partially has a positive and significant influence on product purchasing decisions, where the service t_{count} value is $6.648 > t_{table}$ 1.65 and the probability is $0.000 < 0.05$.

b. F Test Results (Simultaneous Test)

Used to find out how much the independent variable has a simultaneous effect on the dependent variable, with the level of testing $F_{count} > F_{table}$ and the probability level < 0.05 . The independent variable simultaneously has no effect on the dependent variable, if $F_{count} < F_{table}$ and probability > 0.05 (V. Wiratna Sujarweni 2015).

ANOVA ^a						
Model		<i>Sum of Squares</i>	Df	<i>Mean Square</i>	F	<i>Sig.</i>
1	<i>Regression</i>	3046.564	4	761.641	128.419	.000 ^b
	Residual	563.436	95	5.931		
	Total	3610.000	99			
a. <i>Dependent Variable</i> : Product Purchase Decision Making						
b. <i>Predictors</i> : (Constant), Service, Price, Location, Promotion						

F_{count} 128.419 $>$ F_{table} 3.87 and the probability value is $0.000 < 0.05$, meaning that the independent variable simultaneously has a positive and significant effect on the dependent variable.

c. Multiple Linear Regression Test Results

Used to find out how much the ability of the independent variable affects the dependent variable.

Table 3.

Multiple Linear Regression Test Results

Variable	Multiple Linear Regression Coefficient	T _{count}	Significance Level
<i>Constant</i>	.755	.446	.656
Price (X1)	.099	2.602	.011
Location (X2)	.217	2.111	.037
Promotion (X3)	.580	6.101	.000
Service (X4)	.629	6.648	.000
F test : 128.419			
Significance Level : 0,000			
R ² (<i>Adjusted R Squared</i>) : 0, 844			
R (<i>Multiple R</i>) : 0,919 ^a			

Source: SPSS Data Processing Results

The Multiple Linear Regression Equation is :

$$Y = 0,755 + 0,099X1 + 0,217X2 + 0, 580X3 + 0,629X4 + e$$

Has meaning :

- 1) By keeping the price factor (X1), location (X2), promotion (X3), and service (X4) constant, the value of product purchase decision making (Y) is 0.755.
- 2) Every one unit change in the price variable (X1) will result in a change in the product purchase decision-making variable (Y) of 0.099, meaning that a positive b1 value indicates that the price increases, the product purchase decision-making increases, and vice versa the price decreases, the purchasing decision-making product also decreased.
- 3) Every one unit change in the location variable (X2) will result in a change in the product purchasing decision-making variable (Y) of 0.217, meaning that a positive b2 value indicates that the location is strategic, so product purchasing decision-making increases, and vice versa the location is not strategic then product purchasing decisions will also decrease.
- 4) Every one unit change in the promotion variable (X3) will result in a change in the product purchasing decision-making variable (Y) of 0.580, meaning that a positive b3 value indicates that promotion increases, then product purchase decision-making

increases, and vice versa promotion decreases, decision-making product buyer decisions will also decline.

- 5) Every one unit change in the service variable (X4) will result in a change in the product purchasing decision making variable (Y) of 0.629, meaning that a positive b4 value indicates that the service increases, the product purchase decision-making increases, and vice versa the service decreases, the decision-making product purchasing decisions will also decrease.

d. Hasil Uji Koefisien Determinasi (R²)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750 ^a	.563	.557	3.755
a. Predictors : (Constant), Service, Price, Location, Promotion				
b. Dependent Variable : Product Purchase Decision Making				

From the table above, the value of the coefficient of determination (R²) is 56.3%, meaning that the simultaneous influence of the independent variable on the dependent variable is 56.3% and the remaining 100% - 56.3% = 43.7% is influenced by the following factors: another factor.

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