

Efforts to increase consumer interest through price and service quality

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ABSTRACT

This research aims to determine the effect of price on purchase interest at the Sinar Buana Store, to determine the influence of service quality on purchase interest at the Sinar Buana store, to determine the influence of price and service quality on purchase interest at the Sinar Buana store. The research methodology used is a quantitative descriptive method. The type of data used in this research is quantitative data, namely data obtained in the form of numbers or figures. Data sources include primary data and secondary data. Primary data was obtained from the results of distributing questionnaires to respondents, secondary data was obtained from data and literature relating to the problems discussed. The research population that will be used in the research is all consumers who made purchases at the store during the 2020 period, totaling 17,346 consumers. This amount was obtained from transactions during 2020. By using the Slovin formula with an error rate of 10%, a sample size of 100 respondents was obtained. Data were analyzed using multiple linear regression analysis methods. The results showed that price and service quality had a positive and significant effect on purchase interest at the Sinar Buana Store.

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1. Introduction

The development of the modernization era has apparently had an influence on the development orientation of metropolitan cities in Indonesia, where the spatial character of each metropolitan city is packaged to become increasingly modern. As can be seen, the current era of modernity is marked by many infrastructure developments with more modern concepts, up to market developments with more modern concepts. It can also be seen that today's modern markets can be seen to have quite high growth rates (Saputra & Mahaputra, 2022; Sinurat et al., 2021).

Infrastructure developments and changes in the development orientation of metropolitan cities have a major impact on consumer preferences and behavior in choosing where to shop. Consumers now prefer venues that are not only easy to access but also offer a comprehensive experience that fits their lifestyle. A development concept that combines residential, office and retail areas in one area increases comfort and efficiency for consumers. They can shop, work and live in close proximity, reducing the need to travel long distances. In Indonesian metropolitan cities, there are significant differences between traditional markets and modern markets. Traditional markets usually consist of simple buildings with open stalls or stalls, there is a more informal atmosphere, with goods often displayed without a neat arrangement, and Infrastructure is often more limited, with basic facilities such as sanitation and ventilation that may be inadequate.

Daily activities in society cannot be separated from trading activities or buying and selling activities to meet daily needs. The transformation of the retail industry has had a significant impact on operational activities, requiring more efficient operational actions and optimization of existing in-store resources (Willis & Nurwulandari, 2020). The massive expansion of modern retail companies and the development of consumption culture by society threatens the existence and sustainability of small-scale retail businesses. In the midst of uncertain conditions, evidence is found that small-scale retail stores are able to take advantage of the unique resources they have, the capabilities of the store owner, and the successful implementation of strategies that are useful for the sustainability of this grocery store business, but it also does not rule out the possibility that the store will experience decline and closure (Ahmad & Zhang, 2020; Nabella, 2021; Zhou & Marchase, 2022).

Sinar Buana Shop is a shop located at Jalan Bintang No. 15B, Medan. Sinar Buana Store markets various basic food products or is also usually referred to as a grocery store. With the development of various sales places for similar products such as Brastagi and Maju Bersama which are complete with various products and sometimes also have higher quality products, many consumers have started to switch to making purchases there (Naini et al., 2022). This of course has an impact on the sales of the Sinar Buana Store.

Based on observations made, store sales have decreased over the years, especially when the Covid-19 pandemic struck, causing stores to experience many losses. This decline is also considered because consumer buying interest in shops is decreasing, where developments in time and era cause consumer purchasing behavior to change and consumers pay attention to various factors before deciding on their preferred place to make a purchase (Fared et al., 2021; Muharam et al., 2021).

From the observations made, it was found that price and service quality were problems that caused a decrease in people's buying interest at the Sinar Buana Store. Price is an exchange value paid by buyers to obtain goods or services that have use value and their services (Bahri, 2020; Jeaheng et al., 2020; Qalati et al., 2021; Tran & Le, 2020; Zhong & Moon, 2020). Consumers directly compare the price of the same product at Toko Sinar Buana with other stores and find that the price is higher, this can create the perception that Toko Sinar Buana is more expensive. Consumers who compare discount prices at other stores with regular prices at Sinar Buana Stores will feel that the prices are higher at Sinar Buana. Service Quality is a comparison between the level of service delivered by the company compared to consumer expectations which is realized through fulfilling consumer needs and desires as well as the accuracy of delivery in matching or exceeding expectations consumer (Alzoubi & Inairat, 2020; Fauzi & Ali, 2021; Febrian & Vinahapsari, 2020; Khatoon et al., 2020). There are several specific factors that can cause consumers to consider the quality of service at the Sinar Buana Store to be inadequate, including employees who are not trained to handle customer complaints properly which can cause frustration and dissatisfaction. Slow or inadequate responses to customer problems can harm perceptions of service quality. Customers may feel that the service they receive is too generic or impersonal. Lack of attention to customers' individual needs can cause them to feel underappreciated.

The problem is that the prices set for the products offered by Toko Sinar Buana are still considered by consumers to be more expensive, making consumers reluctant to make repeat purchases. There is difference Price rice with brand Which kind from shop with shop other as big as Rp. 2,000 or there is also a price difference between various other products such as sugar, edible oil, butter, etc material groceries other. Although difference Price Which owned with shop other range between Rp. 1,000 to Rp. 5,000, but this has made consumers judge that the products from the shop are more expensive and in the end try to make a purchase and ultimately lose their interest and look for another shop with better recommendations.

Moreover, the quality of service provided by Toko Sinar Buana is still not good because apart from being considered slow in serving consumers, Toko Sinar Buana is also considered to often not respond to consumer questions and considers these questions to be non-existent, such as when consumers ask about differences in the quality of edible oil or The difference in quality of the rice they buy is because sometimes the many brands owned by a shop make consumers feel confused in choosing the product that suits their wishes.

Owners also often ignore consumers if the owner thinks that the consumer is not yet interested in buying, such as not asking what the consumer is looking for or what the consumer needs and helping the consumer to find the product they want (Alam & Noor, 2020). Owners also often take care of payment transactions rather than responding to consumers who ask various questions. Sometimes the owner's way of communicating is often considered painful, such as "if you think it's expensive, don't buy it and just look for a cheap one" or sayings like "if you don't have enough money, just buy a cheap one and don't force yourself to buy a quality one if you don't have enough money." sufficient." Some of these things of course make consumers feel disappointed and switch to other shops that can provide better service Good. Based on the

background description of what is happening, researchers are interested in conducting research on the company with the title "The Influence of Price and Service Quality on People's Buying Interest in Sinar Buana Stores."

2. Research Methods

The location of the research was the Sinar Buana Shop which is located at Jalan Sekamat Ketaren No. 82 D, Medan. The research period was carried out from March 2022 to April 2022. The research population that will be used in the research is all consumers who made purchases at shops during the 2020 period, totaling 17,346 consumers. This number was obtained from transactions during 2020. Because the population used is 17,346 consumers, the population will be reduced using the *Slovin sampling technique* with a confidence level of 90% and an *error rate of 10%*, which is 99 consumers. In this research, the method used was a questionnaire method which was distributed to all respondents. The sampling technique used is accidental, which is one of the techniques in the non-probability sampling method, where sample selection is done by chance or based on the accessibility and availability of the subject at the time of data collection. The data analysis technique used in this research is multiple linear regression analysis to answer all hypotheses in this research. To ensure that the regression analysis is in the good category, first carry out the classic assumption test which includes the normality test. This test is important in statistical analysis to determine whether the data follows a normal distribution or not. next is the multicollinearity test, this test occurs when two or more independent variables in the regression model are highly correlated with each other. This means that the variables carry similar or redundant information. and finally the heteroscedasticity test. Heteroscedasticity occurs when the error variance (residual) in the regression model is not constant throughout the range of the independent variable. This violates one of the main assumptions of classical linear regression. (B. J. Ali et al., 2021; H. Ali et al., 2021; Asnawi et al., 2020; Shokouhyar et al., 2020).

3. Results A nd Discussions

The Normality Test is carried out with the aim of testing whether in a regression model the confounding or residual variables are normally distributed or not (Al-Khatiri et al., 2023; Moon & Armstrong, 2020). To see whether the residuals are normally distributed or not, graphic analysis and *statistical tests can be done*. The results of normality testing using *One Kolmogorov-Smirnov* can be seen in table 1 below as follows:

Table 1. One kolmogorov-smirnov test

| One-Sample Kolmogorov-Smirnov Test | | |
|------------------------------------|----------------|-------------------------|
| | | Unstandardized Residual |
| N | | 100 |
| Normal Parameters ^{a, b} | Mean | .0000000 |
| | Std. Deviation | 3.16006681 |
| Most Extreme Differences | Absolute | .062 |
| | Positive | .043 |
| | Negative | -.062 |
| Kolmogorov-Smirnov Z | | .621 |
| Asymp. Sig. (2-tailed) | | .836 |
| a. Test distribution is Normal. | | |
| b. Calculated from data. | | |

Based on table 1. above, it is known that the results of the *One Kolmogorov-Smirnov normality test* are greater than 0.05 (Sig F > 5%) so it can be concluded that the data tested is normally distributed. The multicollinearity test is a linear relationship that shows the existence of a strong correlation between two or more independent variables (Slack et al., 2020; Zhang et al., 2021). The results of the multicollinearity test can be seen in table 2 as follows:

Table 2. Multicollinearity test

| Model | | Collinearity Statistics | |
|-------|-----------------|-------------------------|-------|
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Price | 1,000 | 1,000 |
| | Service quality | 1,000 | 1,000 |

From table 2, it is known that the *tolerance value* obtained is greater than 0.1 and the VIF value obtained is less than 10, so it can be concluded that there are no symptoms of multicollinearity with the independent variables. other. The results of the heteroscedasticity test can be seen in Figure 1 below:

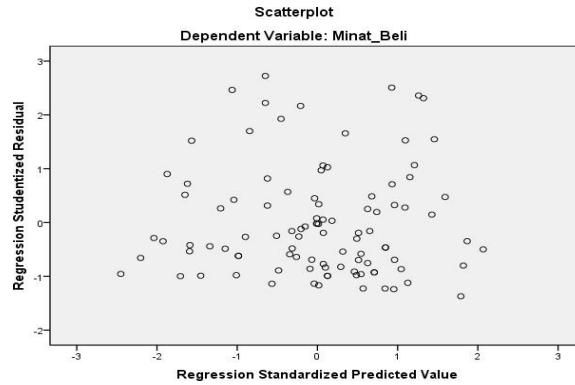


Figure 1. Scatterplot graph

Based on Figure 3, it can be seen that the points are spread randomly or do not form a clear pattern that is spread both above and below the number 0 on the *Regression Studentized Residual* (Y) axis. This means that heteroscedasticity does not occur in the regression model so that this regression model is suitable to be used to predict sales based on promotions and price diversity. The results of multiple linear regression analysis testing can be seen in table 3:

Table 3. Multiple linear regression analysis test

| Model | | Unstandardized Coefficients | | Sig. t | Sig. F | R Square |
|-------|-----------------|-----------------------------|------------|--------|--------|----------|
| | | B | Std. Error | | | |
| 1 | (Constant) | 19,699 | 3,142 | | 0,000 | 0.509 |
| | Price | -.292 | ,076 | 0,000 | | |
| | Service quality | ,670 | ,072 | 0,000 | | |

$$\text{Purchase Interest} = 19,699 - 0.292 \text{ Price} + 0.670 \text{ Service Quality} + e \tag{1}$$

Constant (α) = 19.699 shows a constant value, if the value of the independent variable (X_1) namely Price and the variable (X_2) namely Service Quality has a value of 0 then Buying Interest is fixed at 19,699. The coefficient This means that every time the price (X_1) increases by 1 unit, buying interest will increase by 29.2%. The coefficient $X_2(b_2) = 0.670$ indicates that the Service Quality variable (X_2) has a positive effect on Purchase Interest of 0.670. This means that for every increase in Service Quality (X_2) by 1 unit, Purchase Interest will increase by 67%.

In the Price variable (X_1), it can be seen that the value of $t_{count} (3.832) > t_{table} (1.984)$ with a significance level of $0.000 < 0.05$ so it can be concluded that there is a partially significant negative influence between Price and Purchase Interest at the Sinar Buana Store. In the Service Quality variable (X_2), it can be seen that the value of $t_{count} (9.331) > t_{table} (1.984)$ with a significance level of $0.000 < 0.05$ so it can be concluded that there is a partially significant positive influence between Service Quality on Purchase Interest at the Sinar Buana Store.

From table 3 above, the independent variable has a calculated F value ($50.321 > F_{table} (3.09)$) with a significance of $0.00 < 0.05$ so it can be concluded that there is a significant influence between Price and Service Quality simultaneously on Interest. Buy at the Sinar Buana Store. The results from table 6. above show that the R Square (R^2) or coefficient of determination obtained is 0.499, meaning that the Buying Interest variable can be explained by the Price and Service Quality variables at 49.9% while the remaining 50.1% is influenced by other factors. which come from outside this research model such as trust, promotion, product quality and various other variables.

Based on the results of partial hypothesis testing using the t-test, it is known that the value of $t_{count} (3.832) > t_{table} (1.984)$ with a significance level of $0.000 < 0.05$ so it can be concluded that there is a partially significant negative influence between Price and Purchase Interest in the Shop Ray Buana. Based on the results of partial hypothesis testing using the t-test, it is known that the value of $t_{count} (9.331) > t_{table} (1.984)$ with a significance level of $0.000 < 0.05$ so it can be concluded that there is a partially significant

positive influence between Service Quality on Purchase Interest in Toko Sinar Buana. Based on the results of simultaneous hypothesis testing using the F-test, it is known that the value of Fcount (50.321) > Ftable (3.09) with a significance of $0.00 < 0.05$ so it can be concluded that there is a significant influence between Price and Simultaneous Service Quality on Purchase Interest at the Sinar Buana Store. The R Square (R²) or coefficient of determination obtained is 0.499, meaning that the Buying Interest variable can be explained by the Price and Service Quality variables at 49.9% while the remaining 50.1% is influenced by other factors originating from outside this research model such as trust, promotion, product quality and various other variables.

4. Conclusion

The results obtained from multiple linear regression analysis are that if the Price (X₁) and Service Quality (X₂) values are not valuable, then Purchase Interest is a constant. For every increase in Price (X₁) by one unit, Purchase Interest will decrease by b₁. For every increase in Service Quality (X₂) by one unit, Purchase Interest will increase by b₂. The t-test results show that price partially has a negative and significant influence on buying interest at the Sinar Buana Store Medan. The t-test results show that Service Quality partially has a positive and significant influence on Purchase Interest at the Sinar Buana Store Medan. The F-Test results show that Price and Service Quality simultaneously have a positive and significant influence on Purchase Interest at the Sinar Buana Store Medan. For the coefficient of determination, it was found that Price and Service Quality can explain the relationship with Purchase Interest at the Sinar Buana Store Medan. From the results of the research above, there are several things that Toko Sinar Buana can do, namely that price has a negative and significant influence on buying interest. This means, the higher the price is set, customer buying interest tends to decrease. Analyze current prices and compare them with competitors. Consider adjusting prices to be more competitive without significantly sacrificing profit margins. The limitations of this research are only considering the variables Price (X₁) and Service Quality (X₂), while there are many other factors that might influence Purchase Intention, such as promotions, store location, brand image, and personal preferences. suggestions for future researchers to include other variables that might influence purchasing interest, such as marketing strategy, consumer preferences, product quality, and brand image.

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