THE INFLUENCE OF BUSINESS LOCATION, ADVERTISING, AND SERVICE QUALITY AGAINST PURCHASING DECISIONS

Ricky Rafii Ritonga[1], Cristina Reinaldo[2], Yosella Winaldi[3], Jenniffer[4], Edisah Putra Nainggolan[5]

[1234]Universitas Prima Indonesia

[5]Universitas Muhammadiyah Sumatera Utara

* Corresponding Email: edisahputra@umsu.ac.id

Abstract

Analyzing and knowing how much influence business location, advertising and service quality have on purchasing decisions that occur at Maju Bersama Supermarkets is the goal of this study. Researchers used associative approach research methods and quantitative research types. Analyzing the data in this study with multiple regression analysis. Data collection techniques were applied with questionnaires, interviews and documentation studies. The research population is visitors who have shopped at the Maju Bersama Supermarket which is also used as a sample of 142 consumers. The slovin formula is used to determine the number of samples. The t(count) value of the Business Location variable is -2.516, Advertising is 1.028, and Service Quality is 4.399 and F(count) is 8.754. The research results show that the coefficient of determination is 16%. The conclusion in this study is that simultaneously and partially Business Location, Advertising and Service Quality have a significant and positive value effect on Purchasing Decisions at PT. Maju Bersama Supermarket.

Keywords: Supermarkets, Business Location, Advertising, Service Quality and Purchasing Decisions.
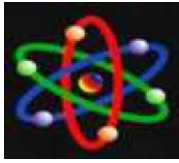
INTRODUCTION

At this time the free market trade period, especially since Indonesia has become part of the MEA (ASEAN Economic Community) has increased the competition faced by companies. Companies are always required to observe the needs, desires and strive to balance consumer expectations by improving the maximum possible service to consumers than what has been provided by competitors. Quality or quality also fosters a strong bond between the customer and business people with long-term customer happiness, this relationship makes business people fully understand customer expectations, so that this phenomenon makes business people successful in increasing customer satisfaction levels and reducing unpleasant feelings when shopping which has an impact on decisions purchase, the customer without thinking will immediately shop. Along with the progress of the economy has led to growth in the field of business which is very, very increased. So that currently there are many shops, minimarkets, and supermarkets that are easy to find. This causes competition with similar business fields. In order to achieve success in a competition, a company must dominate a market by properly expanding business opportunities and implementing appropriate marketing strategies.

Currently, the existence of supermarkets continues to be numerous and precisely located in strategic locations, especially in urban areas or on the outskirts of Medan. The existence of supermarkets encourages changes in the outlook on life of urban residents. Residents are increasingly selective in determining where to shop to meet their needs. This selective characteristic reflects that prospective customers need equipment that is easy when needed, has goods that have a high level of quality, maximum and complete services and facilities, all of which are in one store, namely a supermarket, also the location is not too far from the residence of the customer. customers so that customers feel comfortable when shopping. Maju Bersama supermarket uses the best supermarket system. From the observations made for the first time, it was found that recently the value of the number of visitors who come to shop for their necessities at PT. Maju Bersama Supermarkets experienced a significant decline and fluctuated as shown below:
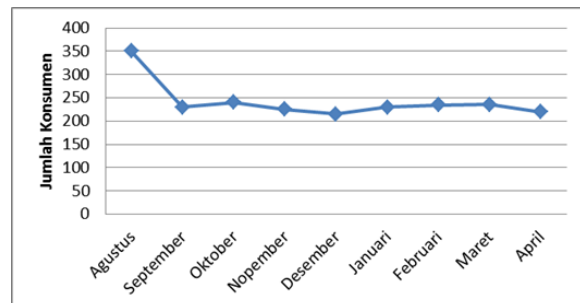

Figure 1. Visitor Data of PT. Maju Bersama Supermarkets August 2021-April 2022

The results of the figure explain that the value of the number of visitors who come to shop for their needs at PT. The Maju Bersama Supermarket located in Glugur Kota has recently been fluctuating, the value of the number of supermarket visitors does not show an accurate increase, instead it tends to decrease. Apart from Maju Bersama Supermarkets, there are various similar supermarkets in Glugur. For this reason, Maju Bersama Supermarkets must face
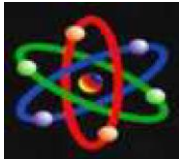
competition, so supermarket owners must be able to win the competition by grabbing as many consumers as possible, providing the best service and competitive prices. Explanation of this fact can be interpreted that there are problems that occur in supermarkets in the marketing strategy. The marketing strategy itself is made in order to achieve superior communication, fierce competition between industries makes the company continue to strive to realize the needs and desires of its customers. As for doing well designing marketing strategies and being able to explain the product or service value proposition, the mission of the product or service constraints, the product or service classification works, and why the product can penetrate market standards. There are several factors that influence customers to buy goods/products, including business location, advertising and service quality. Companies must create programs or design marketing plans that are strategic and appropriate in achieving company goals. Having a strategic business location can be used as a reference for achieving company goals. With a strategic location, customers will find it easier to buy goods or services. The phenomenon that occurs is the existence of advanced supermarkets along with the terrain to become a strategic shopping place due to the easily accessible means of transportation that are located on Jalan Pulo Brayan Kota, Jalan Kol. Yos Sudarso No. 338. From the point of view of business location, the Maju Bersama Supermarket is in the center of the crowd, now the supermarket is very well known to the wider community, but in fact Maju Bersama Supermarket is close to traditional markets

so that sometimes people tend to shop for necessities at these traditional markets. To win the competition, companies must have tips or efforts by way of promotion through advertising. In this way the company must be able to communicate its products appropriately in order to attract customers to buy the products provided at the Maju Bersama Supermarket. To be able to increase sales, advertising here plays an important role in the company's marketing planning because advertising is a source of information for consumers about the products being marketed. Meanwhile, for advertising companies, it is not only a promotional tool. Advertising is also able to instill a positive image to consumers about the products offered. The emergence of trust from the image that is formed which is the result of making advertisements as a result the customer wants to buy the goods or products advertised. The phenomenon that occurs at Maju Bersama Supermarkets is making advertisements through internet media. And some have also made and installed banners or billboards as well as made mini magazines/price catalogs which are distributed in the community, but only a portion of the public can receive these price catalogs because the distribution of advertisements is not on target and they rarely see advertisements, sometimes advertisements are less attractive, do not feature discounts. Another aspect that can have an impact on consumer purchasing decisions is quality or service quality. Serving quality is very important for the success of the company, the company must be able to develop unique advantages to attract more new customers, the best service
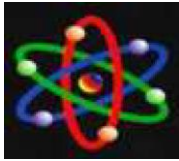
is an added value and is a profitable strategy. Consumer expectations of an industry can provide quality service to make consumers feel satisfied. Based on pre-observations, the number of Maju Bersama supermarket workers is quite adequate, for this industry players must upgrade the quality of human resources in terms of getting to know the products they sell, indirectly helping all employees in understanding the advantages and disadvantages of the products they sell. In contrast, quality service at Maju Bersama Supermarkets always applies friendly service.

RESEARCH METHODS

Place and time of research
This research was conducted at PT. Maju Bersama Supermarket located in Glugur City. The study was conducted for 1 month. The object under study is the visitors who come to PT. Maju Bersama Supermarket.

Research methods
The research approach is an associative approach. The approach aims to see and inquire about the relationship between two or more variables.

Types of research
Quantitative is a type of research, meaning it is based on positivism, which is used to observe a particular population or sample. The technique used to take samples in a random way. Quantitative or statistical is the nature of data analysis whose purpose is to validate the hypotheses that have been determined (Sugiyono, 2019).

Population and Sample
The population in this study is the number of visitors who come, totaling 220 people. The sampling technique is using random sampling (Sugiyono, 2019), the slovin formula is used to determine the number of samples, with the slovin formula showing as many as 142 people or consumers to be used as research samples.

Data collection technique
1. Questionnaires were distributed directly to consumers who came to visit.
2. Interview consumers regarding research data
3. Documentation involving the variables studied, such as those found in business business data, including company history, organizational structure, books, journals.

RESULTS AND DISCUSSION
Researchers make data processing in the form of a questionnaire which has a total of 40 questions, each of which is an independent variable (X) has 10 questions and 10 questions for variable Y (purchasing decision). This questionnaire was given to 142 respondents as a research sample. Software statistical program for social science (SPSS) ver 25 as a testing tool in this study. With the Pearson correlation and testing using SPSS ver 25, the guidance of a model is said to be valid by looking at the results of the comparison of R_count > R_(table), the R_table value is obtained by using a significance value of 0.05 and testing 2 parts of the curve with the amount of data (n) = 142 by looking at table r, we get an R_table of 0.1637.
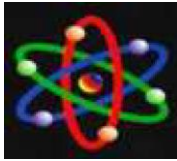
Variabel	Cronbach's Alpha	Note
Location	0,920	Reliable
Adds	0,625	Reliable
Quality Service	0,852	Reliable
Buying Decisions	0,882	Reliable

Source: Processed Data of SPSS Ver.25

Table 1. Reliability Test Results

Table above shows that all variables are indicated as reliable. The independent variable and the dependent variable are equally reliable, which is above 0.60 which can be seen from the Cronbach's alpha value for each variable. Therefore, it can be claimed that all construct variables are reliable, allowing their acceptance and use in further statistical analysis.

Classical Assumption Test Results
To find out the regression model, normality testing must be carried out, the dependent variable and independent variable may or may not have a normal distribution. Producing normally distributed data can be said to be a good regression model. Probability plot (P-Plot) is used in this test. The results of the normality test graphically (P-Plot) are shown in the following figure.
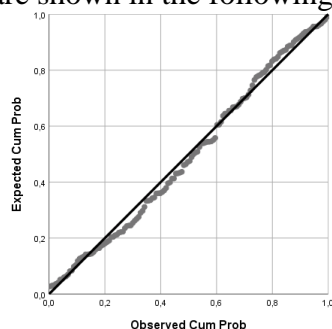

Figure 2. Graphical Normality Test Results (P-Plot)

It can be seen in the picture above that it can be concluded that the normally distributed graph P-plot the dots look evenly distributed around the oblique/diagonal line where the spread is not too far and wide. The normality regression model makes it practical to use. The non-parametric statistic test of the columnogorov-smirnov (K-S) test is another way to find out the normality of a research data and with the condition that the significance value of the test must be > 0.05. The results of the columnogorov-smirnov normality test using SPSS are in the following table.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		142
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	5,17488774
Most Extreme Differences	Absolute	,053
	Positive	,053
	Negative	-,040
Test Statistic		,053
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.

Source: Processed Data of SPSS Ver.25

Figure.3 Kolmogorov-Smirnov Normality Test Results

The statistical results in the table above conclude that the data is normally distributed with the Kolmogorov-Smirnov value getting a significance of 0.200 > 0.05.

6.1.2.2. Multicollinearity Test Results
The value of tolerance and variance inflation factor (VIF) and the magnitude of the correlation between independent variables as an application to determine whether there is a multicollinearity problem or not. The results of the multicollinearity normality test on the research data are in the following table.
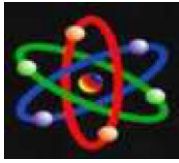
	Coefficients^a						
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	22,846	7,904		2,890	,004		
Lokasi Usaha	-,170	,068	-,198	-2,516	,013	,988	1,012
Iklan	,168	,164	,081	1,028	,306	,984	1,016
Kualitas Pelayanan	,388	,088	,344	4,399	,000	,994	1,006

a. Dependent Variable: Keputusan Pembelian

Source: Processed Data of SPSS Ver.25

Figure 4. Multicollinearity Test Results

Explanation of table 3.4, namely the tolerance value for business locations is 0.988, advertising is 0.984, and service quality is 0.994, indicating that the tolerance value is close to 1 and the VIF value is close to number one for each variable. If the VIF regression model is < 10, it is considered free from multicollinearity. So, it means that the regression equation model does not experience multicollinearity.

Heteroscedasticity Test Results

Testing the regression model whether there is an inequality of variance from the residuals from one experiment to another is the goal of testing heteroscedasticity. There are 2 ways to analyze it, namely:

Graphic method

Heteroscedasticity detection can be predicted by looking at the shape of the scatterplot between the results of the dependent variable description (ZPRED) and the residual results (SRESID). The results of the heteroscedasticity test are below.
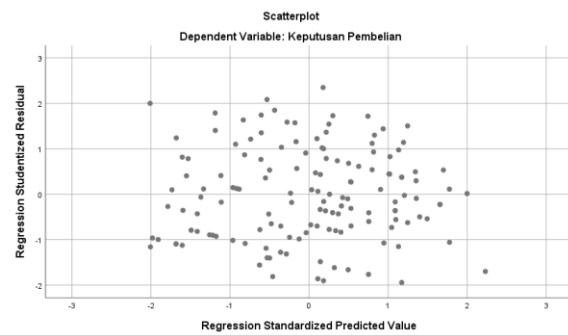
Source: Processed Data of SPSS Ver.25

Figure 5. Scatterplot Results of the Heteroscedasticity Test

The image above shows the results of the scatterplot graph where the points scatter randomly, have no pattern, scatter either above or below with a value of 0 on the Y axis, which means that they do not experience heteroscedasticity.

Statistical Method

This statistical method with the Glejser test aims to see the absence of heteroscedasticity. If the probability value is > 0.05, it means that the model does not have heteroscedasticity disorder. If the probability <0.05 means it has heteroscedasticity.

The interpretation of the multiple linear regression equation is:

1. Constant (a) 22.846 has a positive sign meaning that the variables of business location, advertising and purchasing decisions are considered zero, for that purchasing decisions are 22.846 units.
2. The regression coefficient X_1 on the business location variable has a negative value of 0.170. This means
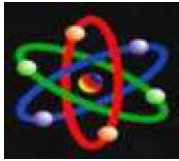
that if the business location variable increases by one unit, the purchase decision decreases by 0.170 and other variables are considered constant.

3. The regression coefficient $X_{(2)}$ on the advertising variable has a positive value of 0.168. This means that if the advertising variable increases by one unit, the advertisement will therefore increase by 0.168 and other variables are considered constant.

4. The regression coefficient X_3 on the service quality variable has a positive value of 0.183. This means that if the variable increases by one unit, the service quality will increase by 0.183 and other variables are considered constant.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	22,846	7,904		2,890	,004
	Lokasi Usaha	-,170	,068	-,198	-2,516	,013
	Iklan	,168	,164	,081	1,028	,306
	Kualitas Pelayanan	,388	,088	,344	4,399	,000

a. Dependent Variable: Keputusan Pembelian

Source: Processed Data of SPSS Ver.25

Figure 6. Partial Test Results (t-test)

There is an explanation in table 3.8 of the results of calculations for each independent variable, namely:

1. X_1 (business location) with t_(count) |-2,516| < 1.9773 t_(table), significant value 0.13 > 0.05. For this reason, H_1 is rejected, that where the business location does not significantly influence purchasing decisions.

2. X_2 (advertising) has a t_(count) value of 1.028 < 1.9773 t_(table), a significant value of 0.306 > 0.05. For

this reason, H_2 is rejected, where advertising does not significantly influence purchasing decisions.

3. X_3 (quality of service) test results have a value of t_(count) 4.399 > 1.9773 t_(table) and a significant value of 0.00 <0.05. For this reason, H_3 is accepted, where service quality has a significant influence on purchasing decisions.

Simultaneous Hypothesis Test Results (F-Test)

This test aims to determine each independent variable affected by the dependent variable simultaneously or together. The research results from the F test are in the table below.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	718,582	3	239,527	8,754	,000[b]
	Residual	3775,904	138	27,362		
	Total	4494,486	141			

a. Dependent Variable: Keputusan Pembelian
b. Predictors: (Constant), Kualitas Pelayanan, Lokasi Usaha, Iklan

Source: Processed Data of SPSS Ver.25

Figure 7. Simultaneous Test Results (F-Test)

The explanation from the table above has the following conclusions: F_(count) 8.754> F_(table) 2.67 with a significance of 0.000 <0.05. For this reason, the H_4 hypothesis is accepted, where the three independent variables, namely business location, advertising and service quality, together significantly influence purchasing decisions.
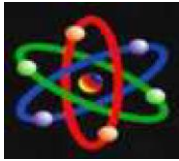
CONCLUSIONS

Conclusion

From the results of this study, the conclusions obtained include:

1. The results of calculations from the t-test or partial show that the

independent variables of business location (X_1) and advertising (X_2) do not significantly influence purchasing decisions, while the service quality variable (X_3) has a significant influence on purchasing decisions.

2. The calculation results from simultaneous testing (F-test) show that the independent variables, namely business location, advertising, service quality simultaneously or simultaneously influence positively and significantly affect purchasing decisions.

3. The test results (R^2) get a value of 0.160. This means that the free or independent variables, namely business location, advertising, service quality, explain the dependent variable by 16%, while the remaining 84% can influence other variables not examined in this study.

Suggestion

From the results of this study, the researchers suggest:

1. Advanced parties need to focus on the strategy of business location, advertising and quality of service so that they can have more influence in making purchasing decisions with the main goal of increasing sales value and developing their business.

2. In other studies, the focus should be on the findings obtained by adopting the results of this study and the object of the research being carried out to different companies.

3. With the findings from this research, it is hoped that similar industries can evaluate and implement various strategies in order to increase or increase customer interest in shopping at their stores.

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