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Purchasing Decision Analysis in Modern Retail

Muhamad Ridwan
Universitas Islam Negeri Syarif Hidayatullah, Indonesia
muh_ridwan@yahoo.com

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ABSTRACT

A consumer's decision to make a purchase is influenced by many factors, one of which is service. The better the company appreciates, serves, and facilitates customers, the consumers will always make the decision to make a purchase. This study aims to analyze the influence and contribution of service variables on purchasing decisions. The method used to study the phenomenon is quantitative. Data were collected through questionnaires, which were given to 97 respondents. The results of the study explain that service is one of the dominant factors that influence a consumer to make a purchase. The service indicator that is perceived to have the most influence is service friendliness. This implies the importance of having employees who have friendly and humanistic character or personality, so that they can maintain consumer relations with the company.

Keywords : Sales, Purchase Decisions, Services, Consumers, Retail

INTRODUCTION

The rapid progress of science accompanied by the increase in people's living standards has encouraged the emergence of new companies that add to the rise of global business competition. In this case, it is an automotive company. With the increasingly fierce global business competition and the existence of "*free trade/free markets*" as regulated in Regulation in Lieu of Law No.1 of 2000 dated September 1, 2000 Chapter 1 General Provisions Article 1 states that a free trade area and free port is an area that is within the jurisdiction of the Unitary State of the Republic of Indonesia which is separate from the customs area, so that it is free from the imposition of import duties, value added taxes, sales taxes on luxury goods and excise, which are marked by:

1. Enactment of new automotive regulations, (Inpres No. 2 of 1996)
2. The opening of AFTA in 2002 (where import duty is max 5%)
3. There is a tendency for Asia to become a "*One Market*" *(www.shopanddrive.com)*

Coupled with the implementation of a healthy competition market (anti-monopoly and an unhealthy market), as regulated in Law Number 5 of 1999 concerning the

prohibition of monopolies and unhealthy markets, as stated in the general provisions of the Law Number 5 of 1999 which explains that the economy must be based on the welfare of the people. The democratic system requires equality and equal opportunity in carrying out the process of producing and marketing goods and or services, in a healthy and reasonable business climate.

This makes the competitive conditions increasingly high between companies. Every company wants to expand the market. The expectation of direct market expansion is increased sales. According to Majasoka, et al. (2020) A product must have competitiveness in order to attract customers. Companies that are able to compete are companies that are able to provide quality products.

Consumer purchasing decisions for a product (service) are basically closely related to consumer behavior. Consumer behavior is an important element in the marketing activities of a product that companies need to know. The trend of the influence of location, price and service quality on consumer purchasing decisions implies that company management needs to consider aspects of consumer behavior, especially the purchasing decision-making process (Puspa, et al., 2020). Buying decisions can be made by consumers if the available products are of good quality, complete, at affordable prices, and in a strategic location (Febriansyah & Reni, 2020).

THEORETICAL BASIS

Marketing is one of the most important functional areas in a business organization as the main support for the operational survival of a business world (Iranita, 2020). Marketing is a key concept to the success of a business that pays attention to the desires and needs of customers to achieve the sales targets that have been set, which will have a positive impact on the development of a company's business in the midst of today's era of intense business competition. According to Swastha (2017) marketing is an overall system of business activities aimed at planning, pricing, promoting and distributing goods, services, ideas to target markets in order to achieve organizational goals. So, it can be concluded that marketing is an entire management process that plans, analyzes and controls, supervises the marketing process by the company. It aims to cause an interaction or a desired exchange. Both exchanges involving goods or services as well as other things that can meet consumer needs, both psychologically, socially, culturally.

Interaction can be caused by two parties, both sellers and buyers, to make exchanges that can provide benefits to each other. The process of promotion, pricing, distribution is part of the activities to obtain effective responses from consumers regarding products or services adapted to consumer behavior.

Service quality means a measure that can provide value or benefits from a service, and therefore consumers or customers feel something intrinsic, namely satisfaction (Rofiah & Wahyuni, 2017). But on the other hand, service quality means a measurable and consistent effort made by the company as a form of providing satisfaction to consumers/customers (Alimudin & Artaya, 2018). In other words, service quality does not only speak of standards or procedures, but needs to be based on a sense of humanity in carrying it out so that the service feels alive and fun.

Referring to the notion of service quality, the meaning of the concept of service quality is a responsiveness and reality of the services provided by the company (Amin, 2018). Good service quality usually first looks at the needs of new customers after which adjustments are made to what services are right for consumers and how to implement services that can give birth to customer satisfaction (Maulidasari & Damrus, 2020). Some simple things that can be done are by establishing a friendly attitude policy from employees such as greetings, greetings, smiles, responsiveness to consumer needs, responsiveness to consumer complaints and a friendly attitude to customers. If the service attitude of the company is getting better, it will foster a sense of customer satisfaction and in the end will shape the attitude of consumers who make decisions to make purchases at the company. Parasuraman and Berry quoted by Rangkuti (2018), the five dimensions are:

1. Tangible
2. Reliability
3. Responsiveness
4. Assurance
5. Empathy

Buying decision is a process of making a purchase decision which includes determining what to buy or not to buy and the decision is obtained from previous activities. Shopping decision is a problem solving process which consists of analyzing or recognizing needs and wants, seeking information, selecting sources and selecting

alternative purchases by considering the type of product, product form, brand, quantity, seller and time of payment.

As revealed by Swastha (2017) about the stages of the buying decision-making process, this is one that can be used to measure the purchasing decision variables, the following is an explanation of the 5 dimensions:

1. Decisions About Types of Products
2. Decisions About Brands
3. Decisions About Number of Products
4. Decisions About Time to Purchase
5. Decisions About Payment Methods

METHOD

The object of analysis in this research is Alfamart Serua Indah branch and the object of research is Alfamart Serua Indah branch consumers who make purchases at the time of the research. The scope of this research is marketing management research with descriptive quantitative method with verification explanation (inferential).

The population in this study are consumers who make purchases at Alfamart Serua Indah Branch. While the *sampling* using the *Accidental Sampling*. Sugiyono (2018) explains that this incidental sampling technique is a sample determination based on chance, that is, anyone who coincidentally meets a researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source. The samples in this study were consumers of Alfamart Serua Indah Branch who happened to be found at the time of the research.

Guidelines for determining the number of samples in this study refer to the minimum sample size requirements. In this study, the technique of determining the number of samples used the formula from Slovin. Based on this formula, the number of samples obtained for this study was 97 people with a precision value set at 10%.

To obtain accurate data in this study using the questionnaire method. What is meant by a questionnaire is a list of questions that will be used by researchers to obtain data from the source directly through the communication process or by asking questions.

The analytical method used in this research is multiple regression analysis. This method aims to describe the nature of something that is ongoing at the time the research is conducted and examines the causes of a particular symptom. In the regression analysis, several stages of analysis were carried out, including descriptive analysis, instrument analysis (validity and reliability), classical assumption test, hypothesis testing and determination test.

RESULTS

Based on the distribution of the questionnaire, several research descriptions were obtained as follows:

1. As many as 17% of respondents answered strongly agree, 60% of respondents answered agree, 21% of respondents answered doubtful and 1% of respondents answered disagree. It can be concluded that the service quality of Alfamart Serua Indah Branch has been perceived as adequate by customers, but not yet optimal. So, in other words, the management needs to continue to improve the factors that make the service quality of Alfamart Serua Indah Branch considered good by consumers. Furthermore, the data above actually has a broad explanation that services have an important impact in encouraging or attracting purchasing decisions. In fact, the quality of service is able to become a magnet in attracting customers.
2. A total of 26% of respondents answered strongly agree, 57% of respondents answered agree, 16% of respondents answered doubtful and 1% of respondents answered disagree. The explanation of this data means that consumer purchasing decisions for Alfamart Serua Indah Branch it can be said to be quite good, but it cannot be said that the consumer's decision to make a purchase at Alfamart Serua Branch Beautiful is completely good. This still needs a serious commitment from the Alfamart Serua Branch It is beautiful to continue to improve the factors that influence consumer purchasing decisions for Alfamart Serua Branch. Namely one of them by improving the quality of service in a synergistic and sustainable manner.
3. The average value of service quality is 43.76, which is greater than the interpretation criteria score of 42, this indicates the category of good

interpretation. While the purchase decision has an average score of 50.71, which is greater than the interpretation criteria score of 49.5, entered in the category of good interpretation. This means that the data in this study can be used for subsequent analysis.

4. All statement items from service quality variables and purchasing decisions have a *Pearson correlation* greater than 0.3 so that it can be said that all statement items are valid.
5. The results of the reliability test showed that *Cronbach's Alpha* was much greater than the *Reliable* > 0.60. In other words, all statements in this study have a good level of reliability and can be used in the analysis in this study.

Based on SPSS *output*, the following results can be obtained:

1. Constant (19.591)

   This means that even though there is no influence from the service quality variable, customers will still make purchases at Alfamart Serua Indah Branch with a constant value of 19,591
2. Regression Coefficient

   This simple regression model concludes that the service quality variable has a positive effect on purchasing decisions (Y) with the regression coefficient value is 0.699. This means that if the service quality variable increases by one unit, the purchase decision will increase by 0.699.
3. The t-count value (9,515)

   The t-count value is greater than the t-table by 9.515 > 2,000 and the t-significance level is smaller than 0.000 < 0.05. then H0 is rejected and Ha is accepted. These results explain that service quality has a significant effect on purchasing decisions.

Based on the simple regression analysis above, it shows that service quality has a good effect on purchasing decisions at the Alfamart Serua Indah branch of the company. The results of this study are in accordance with Rinaldi's research (2017), he revealed that service quality is an action taken to meet the needs of other people (consumers, customers, clients, guests, etc.) served. This means that the quality of service must start from customer needs and end with customer perceptions, the better the company's service will foster a sense of satisfaction and will ultimately shape the attitudes of

consumers who make decisions to make purchases at the company. This means that the service quality factor is a factor that can influence consumer purchasing decisions.

Based on the SPSS output, it is known that the coefficient of determination of the service quality variable on purchasing decisions is 0.483 or 48.3%. This means that service quality can explain purchasing decisions by 48.3%, while the remaining 51.7% is explained by other variables outside this research, such as location, price, promotion, image and others.

The results of the research above have implications, the need for Alfamart Serua Indah Branch pay attention to service quality. This means that in growing consumer buying interest which ultimately makes purchases of the goods and services offered, the service quality factor is one of the factors that consumers pay attention to. Service quality is directly related to satisfaction or what is called positive consumer emotions, the better the services provided will give the impact of satisfied and loyal consumers to the company. So it is important for Alfamart Serua Indah Branch to pay attention to the factors that can build quality services, which include the overall capabilities of the company, such as: strategic location, clean, safe and comfortable place, adequate facilities, service is a priority, setting prices according to consumer expectations and giving awards highest for consumers.

CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that; 1) Based on the questionnaire analysis, the service quality of Alfamart Serua Indah Branch is perceived as sufficient by customers with the majority of respondents answering "Agree" by 60% (score value 338). 2) The purchase decision of Alfamart Serua Indah branch customers is perceived as sufficient with the majority of respondents answering "Agree" by 57% (score 365). and 3) the results of the regression analysis show that service quality has a positive and significant effect on purchasing decisions with a regression coefficient of 0.699 and a coefficient of determination of 48.3%.

Based on these findings, several suggestions can be made, including; 1) The results of the correlation test show that the quality of service is still weak in terms of providing suggestion boxes. It is hoped that the management can provide a consumer suggestion box, so that various complaints can be identified with certainty. 2) The

results of the correlation test show that the availability of payment instruments using a debit card or *e-cash is still minimal.* It is hoped that in the future the management can develop the ease of payment instruments, not only providing cash transactions but also providing non-cash transactions with adequate facilities. and 3) In order for this research to be more meaningful, if for the next researcher to use more than one independent variable in measuring purchasing decisions, so that the research results are more comprehensive. For example, by adding location, price, promotion, and *brand image variables.*

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