# The Effect of Price and Location on Purchasing Decisions at the Swalayan Maju Bersama MMTC Medan

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ISSN: 2456-6470

#### ABSTRACT

One factor that is the reason consumers decide to buy a product in a company is price. What if the price offered by a company is cheaper than its competitors, consumers will make more purchases at the company. Vice versa, what if the price offered by a company is more expensive than its competitors, it will reduce the consumer's decision to shop at the company. Besides the price factor that is no less important to attract consumers is located. The location or place of business that is easily reached by consumers has certainly influenced consumers in making product purchasing decisions in a company. Therefore, in this study, the authors use price and location as independent variables and purchasing decisions as dependent variables. The method used in this research is quantitative with an associative approach. The sampling technique in this study is probability sampling with a simple random sampling approach of 50 respondents. Data collection was carried out by distributing questionnaires to respondents who were consumers of the Maju Bersama supermarket with MMTC Medan. Data were analyzed using validity, reliability, classic assumption test, multiple linear regression analysis, t test, F test, and test the coefficient of determination (R<sup>2</sup>), which is operated through the program SPSS 16. The t test results indicate that partially the price does not affect the purchase decision, while location influences the purchase decision. The F test of price and location variables shows that price and location simultaneously influence purchasing decisions. The coefficient of determination (R2) of 0.590 indicates that the price and location variables affect the purchasing decision 59% and the remaining 41% are influenced by other variables not included in this study.

KEYWORDS: Price, Location and Purchase Decision.

## 1. Preliminary

Changing people's lifestyles have created changes in consumer shopping patterns, where people are now shopping for daily necessities by looking for places that are instant or practical, comfortable, safe, and time efficient. These opportunities are used by business people to take part in opening opportunities retail or retail business in the form of supermarkets. Even business people are competing to fulfill what is wanted and needed by consumers so as to cause fierce competition among business people.

The company can survive, achieve profitability are optimal, and experience high growth in the increasingly fierce competitive environment if it is able to identify and meet the needs and desires of consumers who have not fulfilled better and faster than competitors. Studying and analyzing consumer behavior in making purchasing decisions is an important thing to do, because having a good understanding of consumer behavior and the environment will have a good impact on the company's marketing plans and strategies in the future.

Purchasing decisions are directly related to consumer behavior in making purchases. There are many things that consumers consider before deciding to make a purchase of either a particular product or a particular company. More and more product choices or choices of companies where consumers shop causes consumers become more selective in *How to cite this paper:* Noviyanti Hulu | Amril | Hayunimah Siregar "The Effect of Price and Location on Purchasing Decisions at the Swalayan Maju Bersama

MMTCMedan"PublishedinInternational Journalof Trend in ScientificResearchandDevelopment(ijtsrd), ISSN: 2456-6470, Volume-3



Issue-6, October 2019, pp.9-16, URL: https://www.ijtsrd.com/papers/ijtsrd28 009.pdf

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deciding to make a purchase. So companies, especially those engaged in the same field must truly understand the needs and desires of consumers and support from the advantages possessed by these companies but not owned by other companies. "Purchasing decisions are a person's buying behavior in determining a choice of products to achieve satisfaction according to the needs and desires of consumers. Where buying decision making goes through stages starting from the introduction of needs, information planning, alternative evaluation, purchasing decisions, to behavior after purchasing **Daryanto**, **2011**".

# According to **Schiffman and Kanuk in Donni Juni Priansa 2017**, the term consumer behavior is defined as:

"The behavior exhibited by consumers both individuals and groups in searching, buying, using, evaluating, and spending the products and services that they expect can satisfy their needs".

## According to Wilkie in Ratih Hurriyati 2015, said that:

"Consumer purchasing decisions are the process of making decisions with activities where a person engages in the process of selecting, buying and using goods and services to satisfy their needs and desires".

Purchasing decision making by consumers always considers existing factors such as product, price, location and

promotion. However, companies must truly understand that each consumer has different behavior in making purchasing decisions, so that not all of these factors will affect consumers in making purchasing decisions in a company.

In this case the possibility of consumers will only be influenced by one factor, two factors, or even all of these factors affect it, therefore the company must be able to know about what factors are considered by consumers in deciding to make a purchase and the most dominant factors influence on consumer purchasing decisions. So companies can make policies and strategies that are effective and efficient by applying a combination of the marketing mix that best suits the needs and desires of consumers. The marketing mix consists of 4Ps of products, namely products, prices, places and promotions. Whereas the additional 3Ps for service products are people, processes, physical evidence. The price factor is one of the important factors in the marketing mix element that will bring profit to the company. The increasingly fierce competition situation as it is now, makes companies are required to pay more attention to the price factor, because the size of the price set will greatly affect the company's ability to compete and influence consumers' decisions to buy products.

In influencing the consumer's decision to buy a product or service, it is inseparable from the price set for the said product or service. The fact is that we can see in people's daily shopping lives in traditional markets, street vendors, large and small shops, if the price set on a product or service is cheaper than its competitors, it is certain that people will shop more at that place. Vice versa, if the price set on a product or service is more expensive than its competitors, it will reduce the consumer's decision to shop at that place.

Seeing this the companies must really understand in setting prices for a product or service they offer. Companies must able to at all times be paid attention to the prices of competitors, do not let the prices they charge are more expensive than the prices of competitors. the consumer's point of view, from the company's point of view is no less important because it is related to the profit target to be achieved.

According to **Simamora 2013**, the definition of price is: "Price is the value exchanged by consumers for a benefit from the consumption, use, or ownership of goods and services."

According to **Tjiptono 2017**, also means that the definition of price is:

"The amount of money (monetary unit) and / or other aspects (non-monetary) that contain certain uses needed to obtain goods and services".

Furthermore, according to **Mursid 2014**, it also said that prices were: "Prices are the main tool to differentiate products from competing products".

So, it cannot be denied that price is an important factor for companies in influencing consumer purchasing decisions and staying competitive.

Another factor in the marketing mix element that is no less important in maintaining competition is a location or place. Strategic location or place of business is the determinant of the success of a business. Business location is related to transportation efficiency issues, the nature of raw materials or the nature of their products, and their ease of reaching consumers. The location or place of business that is easily reached by consumers has certainly influenced consumers in making purchasing decisions for goods or services in a company.

Determining the right location or place of business is very supportive in the progress of a business. The fact is that when a company establishes its business location at a public location it is definitely the goal to get a large number of consumers. The company will also usually establish a roadside business place that can be seen even from a distance by consumers. In addition, consumers who decide to shop will be very happy if the location or place of shopping they want to go to has easy access to traffic. The community will also enjoy shopping at businesses that are safe and convenient.

According to **Lupiyoadi 2011**, it gives an understanding that the location is:

"Location means relating to where the company must be based and carry out its operations or activities".

According to **Tjiptono 2017**, it also states that the definition of location is:

"Location or distribution channels are all activities related to direct personal contact with end buyers or wholesalers or retail intermediaries".

The taller the tree, the stronger the wind that hits it. The bigger a company is, the more difficult the challenges it faces. Therefore, companies must recognize threats and opportunities that come from the environment by not forgetting their own strengths and weaknesses. Requirements that must be met by a company to be successful in the competition, namely companies are required to make improvements and improvements, especially in the field of marketing.

Improvements and enhancements in marketing activities must be carried out in a planned manner. In other words, companies must determine the right marketing strategy. Changes in the company's environment, especially competing factors that are able to produce the same product, cause many companies to be customer-oriented. Consumeroriented companies should always think about what is needed by consumers and what consumers want so consumers decide to buy products in their stores.

The Maju Bersama supermarket sells a wide range of household daily necessities. Not only there is also other products like cosmetic products, children's clothes, clothes dew discouraged, stationary, various kinds of bags, and various kinds of shoes at affordable prices. The location of the supermarket is also strategic centered on the crowd and there is plenty of transportation access that can be used to work. The Maju Bersama supermarket has a wide, clean, safe and comfortable shopping area. The Maju Bersama supermarket also provides a large, safe and comfortable parking area. For this reason, the factors that will be examined are focused on the price and location factors of the purchasing decision.

## 2. Problem Formulation

Based on the background that has been described above, then a problem formulation can be obtained as follows:

- A. Is there a price effect on purchasing decisions at the Maju Bersama MMTC Medan supermarket?
- B. Is there any influence of location on purchasing decisions at the Maju Bersama MMTC Medan Supermarket?
- C. Is there a simultaneous influence of price and location on purchasing decisions at the Maju Bersama MMTC Medan supermarket?

## 3. Research Objectives

The objectives of this research are:

- A. To find out whether there is a price effect on purchasing decisions at the Maju Bersama MMTC Medan Supermarket.
- B. To find out whether there is the influence of location on purchasing decisions at the Maju Bersama MMTC Medan Supermarket.
- C. To find out whether there is a simultaneous influence of price and location on purchasing decisions at the Maju Bersama MMTC Medan supermarket.

## 4. Research Benefits

The benefits expected from this research:

#### A. For Researchers

The results of this study are expected to add insight and understanding of researchers to the issues to be investigated, especially those related to the effect of price and location on purchasing decisions.

## **B.** For companies

This research is expected to be useful for the company's marketing activities. After knowing the effect of price and location on purchasing decisions, companies can determine the right steps in an effort to influence consumer decisions in making purchases so as to maintain or increase sales volume. This research is also expected to be an additional source of information that can be considered by companies so that it can be used in determining future policies.

## C. For Academics

The results of this study are expected to be able to be a source / input of additional information that is useful for further students / researchers, as material for consideration in conducting research with the same object or problem and developing it further in the future.

## 5. Price

The definition of price can be defined as a medium of exchange, this is as stated by **William J. Stanton Y. Yamanto translation in Fajar Laksana 2017**, explains that: "Price is the amount of money (possibly plus some items) needed to obtain some combination of a product and play a nan accompanying".

Affordable prices are a powerful strategy in getting consumers and facing intense competition in the market. **Bilson Simamora 2013**, said that: "Price is the value exchanged by consumers for a benefit of consumption, use, or ownership of goods and services". Furthermore According to **Daryanto 2011**, stated that the definition of price is: "Price is the amount of money billed for a product or the amount of value exchanged by consumers for the benefit of owning or using a product."

## 6. Location

According to **Lupiyoadi 2011**, it gives an understanding that the location is: "Location means relating to where the company must be based and carry out its operations or activities". According to **Tjiptono 2017**, stated "Location or distribution channels are all activities related to direct personal contact with end buyers or wholesalers or retail intermediaries".

According to **Nelson the 2015 Dedy** quote, explains that: "There are principles that must be considered in choosing the location of a business, which is a potential trading area, an easily accessible place, has growth potential, lies in the flow of business, there is a strong appeal, in the smooth traffic of small competition".

## 7. Purchase Decision

According to **Donni Juni Priansa 2017, defining** consumer purchasing decisions are:

"Purchasing decisions are a series of physical and mental actions experienced by consumers when buying certain products."

According to **Schiffman and Kanuk in Donni Juni Priansa 2017, defining** purchasing decisions are: "Purchasing decisions are behaviors that are shown by consumers in searching for, buying, using, evaluating and spending products and services that they hope can satisfy their needs".

## 8. Previous Research

## A. Febriano Clinton Polla, 2018,

Conducted a study entitled "Analysis of the Effect of Price, Promotion, Location and Service Quality on Purchasing Decisions at PT Indomaret Manado Sea Road Unit". The results of this study indicate that partially price and location variables have a positive and significant influence on purchasing decisions, promotion variables have a positive but not significant effect, while service quality has a negative and no significant effect on purchasing decisions. Furthermore, simultaneously the price, promotion, location and service quality variables have a positive and significant effect on purchasing decisions.

## B. Rizza Anggita, 2017,

Conducted a study entitled " *The Influence of Product Quality, Service Quality and Price to Purchase Decision of SGM Mother Milk at PT Sarihusada Generasi Mahardika Region Jakarta, South Tangerang District* ". The results of this study indicate that partially product quality, service quality and price variables have a positive and significant effect on purchasing decisions. Furthermore, simultaneously the product quality, service quality and price variables have a positive and significant influence on purchasing decisions.

## C. Baruna Hadi Brata, 2017,

Conducted a study entitled "The Influence of Product Quality, Price, Promotion and Location to Product Purchase Decision on Nitchi at PT Jaya Swarasa Agung in Central Jakarta". The results of this study indicate that partially product quality, price, promotion and location variables have a positive and significant effect on purchasing decisions. Furthermore, simultaneously the product quality, price, promotion and location variables have a positive and significant influence on purchasing decisions.

## 9. Thinking Framework

According to **Melva and Togu 2011**, stated that: "The framework of thinking is the basis of thought or logic of thinking when trying to do a research which as a whole must still refer to the literature or reading materials needed to help the scholarship of a research that will be produced".





## **10. Hypothesis**

A hypothesis is a temporary answer to the formulation of a research problem, where the research problem formulation has been stated in the form of a question. It is said temporarily because the answers given are only based on relevant theories, not yet based on empirical facts obtained through data collection by **Sugiyono**, **2010**. For this reason, the hypotheses in this study are as follows:

- H1: There is a price effect on purchasing decisions at the Maju Bersama MMTC Medan supermarket.
- H2: There is an influence of location on purchasing decisions at the Maju Bersama MMTC Medan supermarket.
- H3: There is a simultaneous effect of price and location on purchasing decisions at the Maju Bersama MMTC and Medan supermarket.

## **11. Research Methods**

## **11.1** Form of Research

## The research methods used in this study are :

"Quantitative method with an associative approach which aims to determine the effect between two or more variables". Quantitative research, is research by obtaining data in the form of numbers or qualitative data that **Sugiyono, 2010** ".

The independent variables in this study are pricey  $(X_1)$  and location  $(X_2)$  and the dependent variable is the purchase decision (Y). With this form of associative research it can be known the effect of price and location on purchasing decisions.

## 11.2 Research Location and Time

This research was conducted at the Maju Bersama MMTC supermarket, Jalan Kenangan Baru, Kec. Percut Sei Tuan. When this research was conducted in July - August 2019.

## **11.3** Population and Sample

According to **Togu and Melva 2011**, explained that: "Population is the total total of research objects that are used as a basis in gathering information to assist in solving problems that are happening. The population in this study is that consumers ever or shopping at the Maju Bersama MMTC Medan supermarket, with a total population mean as many as 200 people.

According to Togu and Melva 2011, explained that "The sample departs from the population, which is the unit of analysis in conducting research for someone in solving research problems that are happening in the field".

The sampling technique in this study uses a probability sampling technique with a simple random sampling approach. According to **Sugiyono 2010**, explained that: "Probability sampling is a sampling technique that provides equal opportunities for each element of the population to be selected as a sample member ". Then " Simple random sampling is a sampling technique from a population that is done randomly without regard to certain strata or levels that exist in the population".

To calculate the number of samples from the population, the researchers used the sample withdrawal formula proposed by **Arikunto 2014**, which said that:

"If the number of respondents is less than 100, all samples are taken so that the research is population research. While if the number of respondents is more than 100, then sampling is 10% - 15% or 20% - 25% or more ".

Based on this opinion, the sampling in this study is 25% of the population, because the total population is more than 100, namely 200. For that  $200 \ge 25\% = 50$ , the number of samples used in this study were 50 respondents.

## **11.4 Data Collection Techniques**

The techniques used in data collection in this research area: A. Primary data

According to **Sugiyono 2010**, stated that the primary data sources are:

"Primary data sources are data sources that directly provide data to data collectors".

Primary data collection techniques used in this study area:

- Data obtained directly from respondents by using a questionnaire distributed to advanced Maju Bersama MMTC Medan supermarket customers.
- Data obtained from observations, namely collecting data through direct observation activities.

## B. Secondary Data

According to **Sugiyono 2010**, stated that secondary data source area:

"Secondary data sources are sources that do not directly provide data to data collectors".

Secondary data collection techniques used in this study, namely:

Library Studies

Collecting data obtained from books, scientific papers and opinions of competent experts and have relevance to the phenomena to be studied.

Documentation Study

Data collection using written notes or documentation, pictures, or other objects related to the phenomenon under study.

## 12. Research Results and Discussion

## 12.1 Validity Test Results

| Item-Total Statistics |               |                   |                             |                  |  |  |  |
|-----------------------|---------------|-------------------|-----------------------------|------------------|--|--|--|
|                       | Scale Mean if | Scale Variance if | <b>Corrected Item-Total</b> | Cronbach's Alpha |  |  |  |
|                       | Item Deleted  | Item Deleted      | Correlation                 | if Item Deleted  |  |  |  |
| Harga 1               | 134.8333      | 92.695            | .482                        | .959             |  |  |  |
| Harga 2               | 134.7000      | 91.114            | .663                        | .957             |  |  |  |
| Harga 3               | 134.6333      | 90.861            | .719                        | .957             |  |  |  |
| Harga 4               | 134.5667      | 91.702            | .669                        | .957             |  |  |  |
| Harga 5               | 134.8333      | 92.833            | .468                        | .959             |  |  |  |
| Harga 6               | 134.8333      | 91.385            | .545                        | .958             |  |  |  |
| Harga 7               | 134.6667      | 90.851            | .704                        | .957             |  |  |  |
| Harga 8               | 134.6333      | 91.964            | .595                        | .958             |  |  |  |
| Lokasi 1              | 134.5333      | 93.637            | .462                        | .959             |  |  |  |
| Lokasi 2              | 134.4333      | 93.909            | .543                        | .958             |  |  |  |
| Lokasi 3              | 134.8333      | 90.489            | .518                        | .959             |  |  |  |
| Lokasi 4              | 134.6000      | 91.214            | .700                        | .957             |  |  |  |
| Lokasi 5              | 134.6000      | 90.593            | .773                        | .957             |  |  |  |
| Lokasi 6              | 134.6000      | 90.593            | .773                        | .957             |  |  |  |
| Lokasi 7              | 134.5000      | 90.672            | .881                        | .956             |  |  |  |
| Lokasi 8              | 134.5000      | 90.672            | .881                        | .956             |  |  |  |
| Lokasi 9              | 134.5000      | 90.672            | .881                        | .956             |  |  |  |
| Lokasi 10             | 134.5000      | 90.672            | .881                        | .956             |  |  |  |
| Lokasi 11             | 134.5000      | 90.672            | .881                        | .956             |  |  |  |
| K.Pembelian 1         | 134.6000 🦯    | 91.145 ent        | .708                        | .957             |  |  |  |
| K.Pembelian 2         | 134.6000 🤗    | 91.145            | .708                        | .957             |  |  |  |
| K.Pembelian 3         | 134.8000      | 88.786            | .654                        | .958             |  |  |  |
| K.Pembelian 4         | 135.0000 🕓    | 90.414            | .551                        | .959             |  |  |  |
| K.Pembelian 5         | 134.9333      | 92.754            | .495                        | .959             |  |  |  |
| K.Pembelian 6         | 134.8667      | Int 93.361 J      | ournal 416                  | .959             |  |  |  |
| K.Pembelian 7         | 134.7667      | 92.530            | ontific .500                | .959             |  |  |  |
| K.Pembelian 8         | 134.6667      | 91.678            | .612                        | .958             |  |  |  |
| K.Pembelian 9         | 134.5333      | 91.430            | .735                        | .957             |  |  |  |
| K.Pembelian 10        | 134.5667      | 90.668 opm        | ent .793                    | .956             |  |  |  |
| K.Pembelian 11        | 134.5667      | 90.668            | .793                        | .956             |  |  |  |

Source: Data processed 2019

Based on the results of spss 16 program output in the Item-Total Statistics table, it can be seen that the Corrected Item-Total Correlation value is greater than r table 0.361. Thus, it means that the value of each statement's attribute is greater than 0.361 so that it can be concluded that the statement is valid.

## 12.2 Reliability Test Results

| Reliability Statistics      |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| Cronbach's Alpha N of Items |  |  |  |  |  |  |
| .959 30                     |  |  |  |  |  |  |
| Source: Data processed 2010 |  |  |  |  |  |  |

Source: Data processed 2019

Based on the results of the spss 16 program output in the Reliability Statistics table it can be seen that the Cronbach's Alpha value is 0.959, which means it is greater than 0.60. Thus it can be concluded that the measuring instruments are reliable.

## 12.3 Classical Assumption Test Results

## 12.3.1 Normality Test



Source: Data processed 2019

Based on the output of the program spss 16 in the Normal P-P Plot of Regression Standardized Residual image, it can be seen that the data spreads around the diagonal line and follows the direction of the diagonal line which shows the normal distribution pattern so that the normality test is fulfilled.

## 12.3.2 Multicollinearity Test

|       |            |                             |            | Coefficients <sup>a</sup> |       |      |                                |       |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|--------------------------------|-------|
| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | т     | C!   | <b>Collinearity Statistics</b> |       |
|       | Mouel      | В                           | Std. Error | Beta                      | L     | Sig. | Tolerance                      | VIF   |
|       | (Constant) | 6,727                       | 5,544      |                           | 1,213 | .231 |                                |       |
| 1     | Price      | .255                        | .152       | .193                      | 1,680 | .100 | .664                           | 1,506 |
|       | Location   | 672                         | . 120      | .640                      | 5,588 | .000 | .664                           | 1,506 |

Source: Data processed 2019

Based on the results of SPSS 16 program output in the table Coefficients can be seen in collinearity Statistics show that all VIF <10, this means that not happen multikolinearitas. So it can be concluded that the multicollinearity test was fulfilled.

## 12.3.3 Heteroscedasticity Test Results



Based on the results of the spss 16 program output on the S catterplot image, it can be seen that heteroscedasticity does not occur because the distribution of points does not indicate a clear pattern so that the heteroscedasticity test can be fulfilled.

## 12.4 Results of the Multiple Regression Equations

|       | Coefficients <sup>a</sup>   |                                |            |                              |       |      |                      |       |
|-------|-----------------------------|--------------------------------|------------|------------------------------|-------|------|----------------------|-------|
| Model |                             | Unstandardized<br>Coefficients |            | Standardized<br>Coefficients | Т     | Sig. | Collinearity Statist |       |
|       |                             | В                              | Std. Error | Beta                         |       |      | Tolerance            | VIF   |
|       | (Constant)                  | 6,727                          | 5,544      |                              | 1,213 | .231 |                      |       |
| 1     | Price                       | .255                           | .152       | .193                         | 1,680 | .100 | .664                 | 1,506 |
|       | Location                    | 672                            | . 120      | .640                         | 5,588 | .000 | .664                 | 1,506 |
|       | Source: Data processed 2019 |                                |            |                              |       |      |                      |       |

 $Y = a + B_1 X_1 + B_2 X_2$ 

Based on the results of the spss 16 program output on the coefficients describing the regression equation:  $Y = 6.727 + 0.255X_1 + 0.672X_2$ 

Where:

A : The constant number of Unstandardized Coefficients is 6.727.

 $B_{1\,:}$  The first regression coefficient number at  $X_{1}\mbox{(Price)}$  is 0.255.

 $B_2$  : Figures second regression coefficient at  $X_2$  (Location) is 0.672.

## 12.5 Hypothesis Results

## 12.5.1. Effect of Prices on Purchasing Decisions

|       | Coefficients a |                             |            |                           |       |            |                                |       |  |
|-------|----------------|-----------------------------|------------|---------------------------|-------|------------|--------------------------------|-------|--|
| Model |                | Unstandardized Coefficients |            | Standardized Coefficients | T     | <b>C</b> : | <b>Collinearity Statistics</b> |       |  |
|       | Model          | В                           | Std. Error | Beta                      | L     | Sig.       | Tolerance                      | VIF   |  |
|       | (Constant)     | 6,727                       | 5,544      |                           | 1,213 | .231       |                                |       |  |
| 1     | Price          | .255                        | .152       | .193                      | 1,680 | .100       | .664                           | 1,506 |  |
|       | Location       | 672                         | . 120      | .640                      | 5,588 | .000       | .664                           | 1,506 |  |

Source: Data processed 2019

Based on the output of the ship's 16 program on the coefficients on the first regression coefficient the price variable shows the result value of t count 1.680 t tables 2.021 where the hypothesis test criteria are as follows:

- A. If the value of t count > t table, then H0 is rejected and H1 is accepted
- B. If the value of t count < t table, then H0 is accepted and H1 is rejected

Based on the result value of t count 1,680 < t table 2,021 then H0 rejected and H1 accepted, this means that the price does not affect the purchase decision.

## 12.5.2 Effects of Location on Purchasing Decisions

|       |            |                             |            | Loemcients <sup>a</sup>   |       |      |                                |       |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|--------------------------------|-------|
| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | т     | C!   | <b>Collinearity Statistics</b> |       |
|       | Mouel      | В                           | Std. Error | Beta                      |       | Sig. | Tolerance                      | VIF   |
|       | (Constant) | 6,727                       | 5,544      |                           | 1,213 | .231 |                                |       |
| 1     | Price      | .255                        | .152       | .193                      | 1,680 | .100 | .664                           | 1,506 |
|       | Location   | 672                         | . 120      | .640                      | 5,588 | .000 | .664                           | 1,506 |

Source: Data processed 2019

Based on the results of the SPSS 16 program output on the *coefficients* on the regression coefficients of the two location variables, the result value of t count 5.588 > t table 2.021 where the hypothesis test criteria are as follows:

- A. If the value of t count > t table, then H0 is rejected and H1 is accepted
- B. If the value of t count < t table, then H0 is accepted and H1 is rejected

Based on the result value of t count 5.588 > t table 2.021, then H0 is rejected and H1 is accepted, this means the location influences the purchase decision.

## 12.5.3 Effect of Price and Location on Purchasing Decisions

| ANOVA |                             |                |    |               |                       |        |  |
|-------|-----------------------------|----------------|----|---------------|-----------------------|--------|--|
|       | Model                       | Sum of Squares | Df | Mean Square   | F                     | Sig.   |  |
|       | Regression                  | 438,546        | 2  | 219,273 😪     | 3 <mark>3,8</mark> 26 | .000 a |  |
| 1     | Residual                    | 304,674natio   | 47 | 6,482         | S                     |        |  |
|       | Total                       | 743,220 md     | 49 | cientific 🏅 🖁 | 2                     |        |  |
|       | Source: Data processed 2019 |                |    |               |                       |        |  |

Based on the results of the program output 16 spss in the ANNOVA table show the value of F count 33.826 > F table 3.20 where the hypothesis test criteria, as follows:

- a. If the value of F count > F table, then H0 is rejected and H1 is accepted
- b. If the value of F count < F table, then H0 is accepted and H1 is rejected

Based on the result value of F count 33.826 > F table 3.20, then H0 is rejected and H1 is accepted, this means that the price and location variables together influence the purchase decision variable.

## 12.6 The coefficient of determination (R<sup>2)</sup>

| Summary Model <sup>b</sup>                                    |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| Model R R Square Adjusted R Square Std. Error of the Estimate |  |  |  |  |  |  |  |
| 1 .768 <sup>a</sup> .590 573 2.54606                          |  |  |  |  |  |  |  |
| Source: Data processed 2019                                   |  |  |  |  |  |  |  |

Based on the results of the program outputs spss 16 in the Model Summary table shows the value of R Square of 0.590. This means that price and location affect purchasing decisions by 59% and the remaining 41% is influenced by other factors not examined in this study.

## **13. Conclusion**

This study aims to determine the "Effect of Price and Location on Purchasing Decisions in the Supermarkets Together with MMTC Medan". Based on the research and data processing results that have been carried out in this study, the following conclusions are obtained:

- a. Based on the results of the hypothesis on the t test results obtained significance value of 0.100 > 0.05, so it can be concluded that the price does not affect the purchase decision.
- b. Based on the results of the hypothesis on the t test results obtained significance value of 0,000 < 0.05, so it

can be concluded that the location influences the purchase decision.

- c. Based on the results of the hypothesis on the F test results obtained significance value of 0,000 < 0.05, so it can be concluded that price and location together influence the purchase decision.
- d. Based on the test results of the coefficient of determination  $(R^2)$  obtained a value of R Square in 0.590. This means that price and location variables influence purchasing decisions by 59% and the remaining 41% are influenced by other variables not included in this study.

#### 14. Suggestions

After conducting research, discussion, and drawing conclusions from the results of the study, the authors provide suggestions relating to the research that has been done to be used as input and material considerations that are useful for interested parties, namely as follows:

#### A. For Advanced Maju Bersama MMTC Medan Supermarket

Based on the results of research that has been done, it can be seen that price and location together influence the purchasing decision. For this reason, it is expected that the company will continue to maintain and if necessary improve marketing strategies on price and location. The company is also expected to pay attention to promotional activities about the company's presence to the public to reach wider consumers.

## **B.** For Future Researchers

The next researcher is expected to be able to analyze the price and location variables more deeply and other variables that are factors in the emergence of purchasing decisions for better research results going forward.

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