

Influence of Price and Quality of Service to Purchase Decisions in Salon Lady Boss Medan Mega Trade Center (MMTC) Medan Complex

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ABSTRACT

Price is very important in doing business because the price is one of the factors considered by the customer in making a purchase so that businesses must really consider the progress of their business well.

If the business actor is wrong in setting the price, it will result in losses to the business so that the business actor will find it difficult to survive with the increasingly high competition in the business world.

Besides the price, it is also necessary to carry out quality control or the quality of goods and services offered to customers, especially service goods felt by the buyer.

In the development of business activities everywhere, each business actor has their own strategy in order to win the hearts of customers so that these business activities can run for a long time.

One business actor in the service sector is the Lady Boss Salon which offers beauty care products to its customers who have graduated at Medan Mega Trade Center Complex (MMTC) Jalan Pancing Medan.

The method used in this research is quantitative with an associative approach. The technique used in this study is probability sampling with a simple random sampling approach of 55 respondents. Data collection was carried out by distributing questionnaires to respondents who are consumers of Lady Boss Salon. The data analysis technique uses validity test, reliability test, classic assumption test, multiple linear regression analysis, t test, F test which is operated through SPSS 16 program.

The results of the study explained that the Price Variable (X1) affected the Purchasing Decision (Y) by 10.7% and the Service Quality Variable (X2) affected the Purchasing Decision Variable (Y) by 41.6% and the Price Variable (X1) and the Quality Variable Services (X2) affect the Purchasing Decision of 55.73%

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KEYWORDS: Price, Service Quality, Purchasing Decisions

Preliminary

Every business surely has to look for various business strategies in the market in sustaining their lives through products and services that will be offered to the community to satisfy the needs of human life which are increasingly growing and there are no limits to human satisfaction.

Various strategies that can be carried out by every business in maintaining and seizing the market for businesses include: price, taste, quality, packing and services provided to consumers so that consumers want to use the products and services offered by producers to consumers.

For business service activities, it is very necessary for the form of services provided by producers to consumers so that the services provided can really touch the feelings of consumers and then need to be carried out by any business feeling consumer dependency on the products we offer.

Price is also a very important form of business competition strategy where price is related to the purchasing power of

different people so that each business must also be mature in determining the amount of price that will be given to products to sell to the public.

If the price determined by a business activity does not take into account the ability of the surrounding community, then the product offered to the community will not be sold because the community cannot afford to buy the product offered to the community.

The good quality of service provided by each salon business will affect the dependence of consumers to come back to treat their beauty so that the salon business does not lose its customers.

The loss of a customer will result in a loss for each business activity where the customer is a business asset that must be maintained and maintained throughout the period through a form of excellent service to consumers.

A very appropriate strategy in the salon business is the price and good quality of services provided to consumers so that it will affect consumer satisfaction with the services it receives.

Besides the ability of the community that is around the salon, the salon business must consider who is the competitor around the place of business.

It is very important for every entrepreneur to pay attention so that our salon business will not die or not develop at the price we provide to consumers because the people around us are still able to afford the price we offer.

By observing the increasingly fierce competition situation, it is necessary to make efforts to manage the salon business professionally so that consumers feel confident in the salon business activities that we run.

Lady Boss Salon is one of the salon businesses located around or in the Medan Mega Trade Center (MMTC) complex where around or in the Medan Mega Trade Center (MMTC) complex or outside there are also many salon businesses that offer beauty products to women.

With so many salon businesses around the Lady Boss Salon area resulting in increasingly fierce competition to attract the hearts of many beauty salon service users around to want to come to the Lady Boss Salon.

Lady Boss Salon is a salon business engaged in beauty and care and cosmetology services that offer price and service concepts which are very important things to do and continue to maintain so as to attract and retain its customers.

Salon Lady Boss always tries to meet the needs of consumers in the form of prices and quality of services and facilities in the salon that will make consumers not get bored while waiting for the beauty process carried out by salon staff who have been trained properly.

With prices that can be pledged by the public and the form of services provided by the Lady Boss Salon will continue a harmonious engagement between consumers and the salon business so that harmonization of relations occurs between the two parties.

The quality of services provided by Lady Boss Salon will be assessed by consumers as a measurement of consumers' sense of satisfaction over the products they feel in managing their makeup in order to beautify themselves and their appearance.

Formulation of the Problem

Based on this background, the formulation of the problem is as follows:

1. How much does the price affect consumers' decision to take care of the Medan Mega Trade Center (MMTC) Medan Lady Boss Salon?
2. How much influence the quality of service on consumer decisions in treatment at Medan Mega Trade Center (MMTC) Medan Lady Boss Salon?
3. How much caregiver price and quality of service to the consumer's decision to take care of the Medan Meda Trade Center (MMTC) Medan Lady Boss Salon ?.

Research Purposes

The research objectives are as follows:

1. To find out how much influence the price of consumers' decision to take care at Medan Mega Trade Center (MMTC) Medan Lady Boss Salon.
2. To find out how much influence the quality of service on consumer decisions to take care of the Medan Mega Trade Center (MMTC) Medan Lady Boss Salon.
3. To find out how much influence the price and quality of service on consumer decisions to take care of the Medan Mega Trade Center (MMTC) Medan Lady Boss Salon.
4. To fulfill one of the requirements in completing lectures at the LMII College of Economics.

Benefits of Research

The benefits in this study are as follows:

1. Can be useful as a contribution of thought to the Lady Boss Salon that the price and quality of service is useful in determining consumer decisions.
2. Can be useful to enrich the findings of previous research on price and quality of service to consumer decisions.
3. Can be useful for subsequent researchers and serve as recommendations for conducting other research in other places and can strengthen a theory and research model.

Definition of Price

Buchari Alma, 2004, said that the price is the unit value of goods expressed in money.

Then Saladin, 2003, said that the price is a sum of money as a medium of exchange for obtaining a product or service.

Husein Umar, 2000, said that price is the amount of value exchanged by consumers for the benefit of owning or using a product and service whose value is determined by the buyer and seller through a bargaining process or determined by the seller for one price that is the same for all buyers.

According to Kusdayah, 2012, indicators used to measure price perceptions are:

1. Affordable prices where the price of the product is in accordance with customer expectations that is affordable and inexpensive.
2. According to the service to be received where the customer receives it according to the price paid.
3. Appropriate facilities will be received where customers get facilities in accordance with the price paid.
4. Cheaper than competitors where the price given is cheaper than competitors' prices.

Definition of Quality of Service

According to Supranto and Nandan, 2010, said that quality of service is a way for service companies to remain competitive in providing services at prices higher than their competitors consistently.

Kasmir, 2005, said that service is an act or act of someone or an organization to provide satisfaction to customers.

Then Parasuraman Valeria, 2001, said that service quality indicators are:

1. Tangibles namely physical evidence of services can be in the form of physical facilities, equipment and equipment used and means of communication.
2. Reliability is the company's ability to provide the promised service immediately, accurately and satisfactorily.
3. Responsiveness namely the desire to help consumers and provide services quickly, precisely and clear information.
4. Assurance, which includes knowledge, ability, courtesy and trustworthiness, free from the risk of danger and doubt.
5. Emphaty which includes ease in making good communication relationships, personal attention and meet the needs of consumers.

Understanding Purchase Decisions

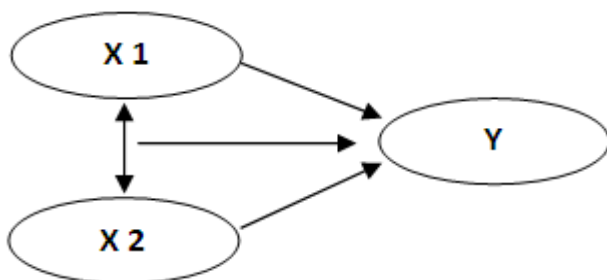
Mowen, et al, 2002, said that service is an effort to meet the needs by providing the best quality of service to what is needed by the customer where with good quality service, the customer will obtain goods and services to meet their needs. Kotler and Armstrong, 2012, said that the purchase decision is to buy the brand that is most preferred from the various alternatives, but there are two factors that influence the purchase intention and purchase decision.

Thomson, 2003, said that the purchasing decision indicators are as follows:

1. According to the needs where customers buy products that are offered according to their needs and easy to find.
2. Has benefits where the product purchased is very beneficial for the customer.
3. Accuracy in buying products where prices are in accordance with product quality and in accordance with customer desires.
4. Repeated purchases where consumers are satisfied with previous transactions so that they intend to carry out transactions in the future.

Framework of Thinking

On the existing problems and supported by theories related to this research, then the following framework can be made :



Information:

X 1 = Price.

X 2 = Quality of Service.

Y = Purchase Decision.

Prior Research

1. Denny Aditya Rahman, 2017, explained that the price gives an influence on purchasing decisions by 59% and service quality gives an influence on purchasing decisions by 55%.

2. Virginia Maryanta Panjaitan, Sri Suryoko, 2017, explained that the variable price and quality of service affect the purchasing decision of 0.733 or 73.3%.
3. Edy Joko Suprayitno, Ichsanuddin, Imam Bahrowi, 2018, explained that there was an effect of price on purchasing decisions of 0.34 or 34% and the quality of servants affected purchasing decisions of 0.31 or 31%.
4. Heri Susilo, Andi Tri Haryono, Moh. Mukery, 2018, explained that there was an influence between price, quality of service on purchasing decisions with the F Test of 0.791 or 79.1%.
5. Asrizal Efendy Nasution, Muhammad Taufik Lesmana, 2018, explained that there is a simultaneous influence between the effect of price and service quality on purchasing decisions with an R2 of 21.1%.
6. Wahyu Nurul Faroh, 2017, explained that there is a simultaneous influence between price, promotion and quality of service on purchasing decisions where the F value is 84.101%.

Premise.

This study uses primary data so that it is still difficult to give birth to a hypothesis, therefore a premise was formed that would support the birth of a hypothesis.

The premise is logic or the basis of thought which will be the basis for forming hypotheses.

According to Melva and Togu Harlen, 2011, explaining that the premise is the basis of logic or the basis of thought that forms a process of reasoning based on logic that tries to connect two different propositions to draw a hypothesis. The premise is the basis for forming hypotheses in the form of theories, thinking framework and the results of previous research which will be used as the formation of hypotheses. The premises in this research are as follows:

Premise 1

Denny Aditya Rahman, 2017, explained that the price gives an influence on purchasing decisions by 59% and the quality of service gives an influence on purchasing decisions by 55%.

Premise 2

Virginia Maryanta Panjaitan, Sri Suryoko, 2017, explained that the variable price and quality of service affect purchasing decisions by 0.733 or 73.3%.

Premise 3

Edy Joko Suprayitno, Ichsanuddin, Imam Bahrowi, 2018, explained that there was a price effect on purchasing decisions of 0.34 or 34% and the quality of service had an effect on purchasing decisions of 0.31 or 31%.

Premise 4

Heri Susilo, Andi Tri Haryono, Moh. Mukery, 2018, explained that there was an influence between price, quality of service on purchasing decisions with the F Test of 0.791 or 79.1%.

Premise 5

Asrizal Efendy Nasution, Muhammad Taufik Lesmana, 2018, explained that there was a simultaneous influence between the effect of price and service quality on purchasing decisions with an R2 of 21.1%.

Premise 6

Wahyu Nurul Faroh, 2017, explained that there is a simultaneous influence between price, promotion and service quality on purchasing decisions where the F value is 84.101%.

Research Hypothesis

To construct a hypothesis begins or starts from the premise that has been prepared as a basic framework for the formation of hypotheses.

The research hypothesis is a temporary statement whose truth is uncertain and testing needs to be done on that statement.

As a hypothesis in this research are as follows:

1. There is an influence between price (X1) on Consumer Decision to Treat the Lady Boss (Y) Salon.
2. There is an influence between the quality of playanan (X2) on the Consumer Decision to Treat the Lady Boss (Y) Salon.
3. There is an influence between price (X1) and quality of service (X2) on the Consumer Decision to Treat the Lady Boss (Y) Salon.

Research Metodology**Research Location and Time**

The research was conducted at the Salon Lady Boss Medan Mega Trade Center (MMTC) complex located on PanCing Street Medan.

When this research will be conducted in June - September 2019.

Hypothesis Results**Effect of Price (X1) On Purchasing Decisions (Y)**

Based on the results of hypothesis testing that has been done, it is known that partially prices affect consumer decisions. T test results in this study can be explained in table 4.10.

Coefficients ^a											
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	20.867	6.815		3.062	.003					
	X1	-.107	.100	-.134	-1.069	.290	-.154	-.147	-.134	.998	1.002
	X2	.416	.132	.397	3.164	.003	.404	.402	.397	.998	1.002

Source: Processed Data, 2019

Based on the results of the study by looking at the processed data, it can be explained that the Variable Price (X1) influences the Purchasing Decision of 0.107 or 10.7%.

Effect of Service Quality (X2) on Consumer Decisions (Y)

Based on the results of research by looking at the results of the processed data can be explained that the Variable Quality of Service (X2) affects the Purchasing Decision of 0.416 or 41.6%.

Effect of Price (X1) and Quality of Service (X2) on Purchasing Decisions (Y)

Based on the results of the hypothesis test, it is known that the Price Variable (X1) and Service Quality Variable (X2) together influence the Purchase Decision Variable (Y). The results of the F test in this study can be explained in table 4.11

ANOVA ^b					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.411	2	19.706	5.753
	Residual	178.116	52	3.425	
	Total	217.527	54		

Predictors: (Constant), X2, X1

Source: Processed Data, 2019

Based on the results of research by looking at the results of data processing using SPSS 16 on 4.11 it can be explained that the Price Variable (X1) and Service Quality Variable (X2) affect the Purchasing Decision (Y) of 5,573 or 55.73%.

Conclusion

Based on research and data processing results that have been carried out in this study, the following conclusions are obtained:

1. Based on the results of the study found that the Price Variable (X1) influences the purchase decision variable by 10.7%.
2. Based on the results of the study it was found that the Service Quality Variable (X2) influences the Purchasing decision Variable (Y) by 41.6%.
3. Based on the research results obtained that the Price Variable (X1) and Service Quality Variable (X2) have an effect of 55.73%

Suggestion

1. Salon Lady business actors still have to consider prices where the results of research show that prices do not get a response from respondents, therefore Salon Lady Boss needs to reconsider prices.
2. Quality of Service also needs to get attention again so that customers can survive to come to the Lady Boss Salon.
3. Need to improve staff in terms of expertise so that they can provide self-motivation in order to provide better services.

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