



The Influence of Service Quality, Promotion and Price on the Decision to Purchase Seafood Products at PT Jaya Hasil Laut Medan

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ABSTRACT

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This research was conducted at PT Jaya Seafood. The purpose of this study was to examine the effect of Service Quality, Promotion and Marine Product Decisions on PT Jaya Hasil Laut. The approach in this study is a quantitative approach. The expected population is 194 customers and the sample in this study is 131 customers. The research method used is multiple linear regression analysis. Service Quality, Promotion and Prices simultaneously and partially have a positive and significant effect on the Marine Product Purchase Decision at PT Jaya Hasil Laut

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1. Introduction

The purchasing decision is an important thing to pay attention to because it plays an active role in the company's development. Every consumer makes various kinds of decisions about searching, purchasing, using various products and brands at any given period. Various kinds of decisions regarding life activities are made every day by every consumer without realizing that they have made a decision that is influenced by service levels, attractive promotions and competitive prices.

PT. Jaya Hasil Laut is a company engaged in the sale of marine products which is located on Jalan Pelabuhan Perikanan Lingkungan XI Gabion Medan Belawan. The decision to buy marine products at this company has decreased, which can be reflected in the failure to achieve sales targets due to the payment system which has too short a period of time, and stocks of seafood that often cannot fulfill customer desires.

PT. Jaya Hasil Laut has made every effort to provide services. However, it turns out that the quality of service provided to consumers has not satisfied them. Services at the company PT. Jaya Hasil Laut has not been satisfactory, many customers have complained to the company. Some complaints from customers are in the form of information provided that is not clear and precise, inaccurate delivery times, the return process is quite complicated and long, the service provided is not polite to customers and so on.

To increase sales of PT. Jaya Hasil Laut conducts promotional activities in the form of giving gifts but promotional activities do not get good responses because customers find it less attractive. The decline in promotional activities can be seen from the less attractive prizes given only in the form of table calendars and notebooks, sales staff who are not responsive in providing information, and missing advertisements. This causes customers to be disappointed and prefer other companies.

In setting prices, PT. Jaya Hasil Laut set a slightly higher rate than similar companies on the grounds that the product quality is superior, but this makes the price set by this company less competitive with its peers. Product prices PT. Jaya Hasil Laut is still ineffective. This can be seen from the price of seafood products that are still not competitive with other similar companies, frequent price increases or price fluctuations occur. This problem caused disappointment so that many customers turned to other companies that offered lower prices.

2. Literature review

2.1 Service Quality Theory of Purchasing Decisions

According to Tjiptono (2015: 26), in evaluating purchasing decisions for a particular company, the determining factors are used. Generally what consumers often use is the service aspect and the quality of the products and services purchased.



According to Sangadji and Sopiah (2013: 98), because services have high quality of experience and trust, the risk of purchasing them will be more. This has several consequences. First, service consumers generally rely on word of mouth rather than advertising. Second, they rely heavily on price, personnel and physical instructions to judge their quality. Third, they are very loyal to service providers who satisfy them. Service firms face three tasks, namely increasing competitive differentiation, service quality and productivity.

According to Surjaweni (2015: 144), service in this case is defined as services or services delivered by service owners in the form of ease, speed, relationship, ability and hospitality addressed through attitudes and characteristics in providing services for purchasing decisions.

2.2 Effect of Price on Purchasing Decisions

According to Kotler and Keller (2015: 68), many companies fight the trend of low prices and succeed in encouraging consumers to buy products and services that are more expensive by combining unique product formulations that involve marketing campaigns.

According to Limakrisna and Susilo (2012: 61), "Price is a very important tool and is a factor that influences purchasing decisions in the public sector."

According to Sunyoto (2013: 15), if the pricing of a product is too expensive, it does not match its quality, consumers will tend to leave it and look for other similar products. Conversely, if the product is priced too cheaply, it is possible that consumers will buy in relatively large quantities.

2.3 Promotion Theory of Influence on Purchasing Decisions

According to Ebert and Griffin (2015: 436), two types of promotional strategies are as follows a pull strategy targeting consumers who will ask for products from retailers and a push strategy, companies market their products to wholesalers and retailers who then invite customers to buy it.

According to Sunyoto (2014: 28), promotional activities not only function as a means of communication between companies and consumers which aim to influence consumers in purchasing activities.

According to Hasan (2013: 608), communication activities and incentives are designed to promote a product or company to its target audience (potential customers). Various short-term incentive programs to encourage the desire to try or buy a product or service more quickly or more by customers.

2.4 Research Hypothesis

The hypothesis in this study is as follows:

- H1: Service Quality partially take effect on the Decision to Purchase Sea Products at PT Jaya Hasil Laut
- H2: Partial promotion take effect on the Decision to Purchase Sea Products at PT Jaya Hasil Laut.
- H3: Price partially take effect on the Decision to Purchase Sea Products at PT Jaya Hasil Laut
- H4: Service Quality, Promotion and Price simultaneously affect Decision to Purchase Sea Products at PT Jaya Hasil Laut

3. Research methods

Researchers took the population in this study as many as 194 customers in the Medan area. The sample is part or representative of the population of the studied population. This research sampling method using random sampling. Based on the results of these calculations, the number of samples in this study were 131 customers and 30 customers for validity and reliability testing.

3.1 Identification and Operational Definition of Research Variables

The operational definitions for each of the independent and dependent variables are as follows:

Table 1.
Operational Definition and Variable Measurement

Variable	Definition	Indicator	Measure ment Scale
Service quality (X2)	The overall characteristics and characteristics of a good or service that affect its ability to satisfy expressed or implied needs. Source: Abdullah and Tantri (2014: 44)	1. Reliability. 2. Service readiness and speed. 3. Service certainty 4. Convenience. Source: Sunyoto (2013: 145)	Likert scale
Promotion (X3)	A marketing mix used to increase customer value or build brand equity in the customer's memory. Source: Abdurrunderstanding (2015: 156)	1. Advertising, themes 2. Direct marketing. 3. Face to face sales 4. Sales promotion 5. Sales Source: Hasan (2013: 72)	Likert scale



Variable	Definition	Indicator	Measurement Scale
Price (X2)	The basic measure of an economic system because prices affect the allocation of factors of production Source: Malau (2017: 126)	1. Special pricing 2. Longer payment term 3. Guarantee and service contracts 4. Psychological discount Source: Kotler and Keller (2015: 74)	Likert scale
Buying decision (Y)	A purchasing process can be viewed as a series of stages, Source: Hutabat and Manullang (2013: 50)	1. Decisions about product types 2. Decisions on Sales 3. Decisions about the number of products 4. Decisions about payment methods 5. Decisions about product form Source: Sudaryono (2015: 119)	Likert scale

Source: Secondary Data, 2019

3.2 Test the Validity and Reliability of Variable Instruments

According to Torang (2016: 289), the validity test is intended to measure whether a questionnaire is valid or not. If $r_{count} \geq r_{table}$ and positive, it means that the question item is said to be valid. If $r_{count} < r_{table}$ and is negative, it means that the question item is said to be invalid.

According to Torang (2016: 291), the reliability test is intended to measure the questionnaire which is an indicator of the variable. a construct or variable is said to be reliable if it gives a Cronbach alpha value > 0.60.

4. Results and Discussion

The regression model used is as follows:

Table 1.
Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2,495	3,225		.774	.440
	Service quality	.485	.125	.305	3,892	.000
	Promotion	.270	.069	.301	3,905	.000
	Price	.262	.124	.169	2,121	.036

a. Dependent Variable: Purchasing decision

Source: Research Results, 2020 (Data processed)

$$Y = 2.495 + 0.485 X_1 + 0.270 X_2 + 0.262 X_3 + e$$

A constant of 2.495 states that if the independent variables of service quality, promotion and price do not exist or are constant, the dependent variable is the purchase decision on amounting to 2.495 units. The service quality regression coefficient is 0.485 and is positive, this means that if every 1 unit increase in service quality will increase the dependent variable of the purchase decision by 0.485 units, assuming the other variables are constant. The promotion regression coefficient is 0.270 and is positive, this means that if every 1 unit increase in promotion will increase the dependent variable of the purchase decision by 0.270 units, assuming the other variables are constant. The price regression coefficient is 0.262 and is positive, this means that if every 1 unit price increase will increase the dependent variable of the purchase decision by 0.262 units, assuming the other variables are constant.

4.1 Hypothesis Determination Coefficient

Following are the results of testing the coefficient of determination, namely:

Table 2.
Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.555a	.308	.291	10.06966

a. Predictors: (Constant), Product quality, promotions, prices

b. Dependent Variable: Purchasing decision

Source: Research Results, 2019 (Data processed)

Table 2. The results of the test of the coefficient of determination obtained an Adjusted R Square value of 0.291, this means 29.1% of the variation in the dependent variable in the form of service quality, promotion and price which can be explained by variations in the independent variable purchasing decisions

while the rest is 70.9% (100 % - 29.1%) is explained by other variables not examined in this study, such as product competition, innovation and so on.

4.2 Simultaneous Hypothesis Testing (Test F)

According to Sunyoto (2013: 137), the F test is used to determine the effect of the independent variable on the dependent variable together. In this study, Fcount will be compared with Ftable at a significance level of $\alpha = 5\%$. The research criteria for the hypothesis in the F test are:

H0 is accepted if $F_{count} \leq F_{table}$ for a significant level $\alpha = 5\%$

Ha is accepted if $F_{count} > F_{table}$ for a significant level $\alpha = 5\%$

Table 3.

Simultaneous Test (Test F)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5721,116	3	1907,039	18,807	.000a
	Residual	12877,556	127	101,398		
	Total	18598,672	130			

a. Predictors: (Constant), Product quality, promotions, prices

b. Dependent Variable: Purchasing decision

Source: Research Results, 2020 (Data processed)

The test results obtained by the value of F count (18.807) > F table (2.68) and a significance probability of $0.000 < 0.05$, meaning that Ho is rejected and Ha is accepted, namely Service Quality, Promotion and Price simultaneously have a positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut.

4.3 Partial Hypothesis Testing (t test)

According to Sunyoto (2013: 135-136), the t test is used to determine whether there is a significant (significant) relationship or influence between the independent variables partially on the dependent variable. The decision making criteria are:

H0 is accepted if $-t_{table} \leq t_{count} \leq t_{table}$ (with a significant level $\alpha = 5\%$)

Ha accepted if $t_{hitung} < -t_{table}$ or $t_{count} > t_{table}$ (with a significant level $\alpha = 5\%$)

Table 4

Partial Test (t test)

	Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	2,495	3,225		.774	.440
	Service quality	.485	.125	.305	3,892	.000
	Promotion	.270	.069	.301	3,905	.000
	Price	.262	.124	.169	2,121	.036

a. Dependent Variable: Purchasing decision

Source: Research Results, 2019 (Data processed)

The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.892 > 1.979$ and the significance obtained was $0.000 < 0.05$, means that Ho is rejected and Ha is accepted, namely Service Quality partially positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut. The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.905 > 1.979$ and the significance obtained was $0.000 < 0.05$, means that Ho is rejected and Ha is accepted, namely promotion partially positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut. The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $2.121 > 1.979$ and the significance obtained was $0.036 < 0.05$, means that Ho is rejected and Ha is accepted, namely the price partially positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut.

4.4 Discussion

A. Effect of Service Quality on Purchasing Decisions

The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.892 > 1.979$ and the significance obtained was $0.000 < 0.05$, means that Ho is rejected and Ha is accepted, namely Service Quality partially positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut. This result is supported by Tjiptono (2015: 26), in evaluating purchasing decisions for a particular company, the determining factors are used. Generally, what consumers often use is the service aspect and the quality of the products and services purchased. PT. Jaya Hasil Laut has made every effort to provide services. However, it turns out that the quality of service provided to consumers has not satisfied them. Services at the company PT. Jaya Hasil Laut has not been satisfactory, many customers have complained to the company. Some complaints from customers are in the form of information provided that is not clear and precise, inaccurate delivery times, the return process is quite complicated and long, the service provided is not polite to customers and so on.



B. Effect of Promotion on Purchasing Decisions

The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $3.905 > 1.979$ and the significance obtained was $0.000 < 0.05$, means that H_0 is rejected and H_a is accepted, namely promotion partially positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut. This result is supported by Kotler and Keller (2015: 68), many companies fight the tendency of low prices and succeed in encouraging consumers to buy more expensive products and services by combining unique product formulations that involve marketing campaigns. To increase sales of PT. Jaya Hasil Laut conducts promotional activities in the form of giving gifts but promotional activities do not get good responses because customers find it less attractive. The decline in promotional activities can be seen from the less attractive prizes given only in the form of table calendars and notebooks, sales staff who are not responsive in providing information, and missing advertisements. This causes customers to be disappointed and prefer other companies.

C. Effect of Price on Purchasing Decisions

The results of the calculation of the partial hypothesis testing obtained $t_{count} > t_{table}$ or $2.121 > 1.979$ and the significance obtained was $0.036 < 0.05$, means that H_0 is rejected and H_a is accepted, namely the price partially positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut. These results are supported by Yuniarti's theory (2015: 233), customers will feel satisfied if the services provided by products and services please customers. In setting prices, PT. Jaya Hasil Laut set a slightly higher rate than similar companies on the grounds that the product quality is superior, but this makes the price set by this company less competitive with its peers. Product prices PT. Jaya Hasil Laut is still ineffective. This can be seen from the price of seafood products that are still not able to compete with other similar companies, frequent price increases or price fluctuations occur. This problem caused disappointment so that many customers turned to other companies that offered lower prices

5. Conclusion

Research can be collected, namely:

- A. Partially, the value of $t_{count} > t_{table}$ or $3.892 > 1.979$ is obtained and the significant value is $0.000 < 0.05$, means partially Service Quality positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut.
- B. Partially, the value of $t_{count} > t_{table}$ or $3.905 > 1.979$ is obtained and the significant value is $0.000 < 0.05$, means partially Promotion positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut.
- C. Partially, the value of $t_{count} > t_{table}$ or $2.121 > 1.979$ is obtained and the significant value is $0.036 < 0.05$, means that partially Price positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut.
- D. Simultaneously a value is obtained $F_{count} (18,807) > F_{table} (2.68)$ and a significance probability of $0.000 < 0.05$, namely Service Quality, Promotion and Price simultaneously have a positive and significant effect on Decision to Purchase Sea Products at PT Jaya Hasil Laut.

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