



Influence of Price and Location on Belikopi Ploso Consumer Purchasing Decisions

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Abstract

The aim of this study is to figure out how location and pricing affect consumer buying decisions in Belikopi Ploso. This study uses a quantitative methodology that uses a variety of linear regression analytic techniques. The population of the study consisted of all Belikopi Ploso clients. the Lemeshow formula-based sample of 100 people. The information was gathered using a questionnaire using a Linkert scale. The research data passed the tests for normality, multicollinearity, heteroscedasticity, and autocorrelation. A significance value of t of 0.00 0.05 and the study's findings showed that 1) pricing significantly influenced Belikopi Ploso consumers' buying decisions, 2) The location has had a considerable impact on Belikopi Ploso consumers' purchase decisions, according to the t significance value of 0.044 0.050. 3) The F significance value of 0.00 0.05 showed that price and location both significantly affected the purchasing decisions of Belikopi Ploso consumers.

Keywords: Price, Location, Purchasing decisions, Consumers

Introduction

Purchasing decisions are a component of consumer behavior dealing with how businesses, people, or groups make decisions, purchase, utilize, and how experiences, ideas, commodities, and services are used to satisfy their requirements and wants (Kotler & Keller, 2016). According to (Kotler and Armstrong, 2018), purchasing decisions are the stages in the buyer's decision-making process where consumers finally buy.

Consumers' purchasing decisions will take consideration of a variety of factors. In general, marketing will be more focused on decisions about selecting alternatives for a certain product. A consumer will pick the source of information that will be utilized as making purchasing decisions (Astuti, Miguna, and Amanda, 2020). Consumers can obtain information from a variety of sources, including dealers, family, friends, forums or communities, and both online and offline mass media. Meanwhile, (Melati, 2021) states that understanding challenges

and needs is the first step in the purchase decision-making process. This is done to determine whether any wants or desires have not been addressed. If the needs are identified, consumers can know and comprehend which demands must be supplied immediately and which can be postponed, as well as which needs must be met simultaneously.

Purchasing decisions are ongoing in nature and have two dimensions: degree and content. In the degree dimension, consumer involvement in purchasing decisions is shown, comprising high involvement purchase decisions to low involvement purchase decisions. Meanwhile, in the content dimension, it is shown that the amount of information required by consumers to make purchasing decisions varies, namely from decision making (looking for information and considering various alternative brands) to habit (having little need for information and only considering one brand) in (Astuti, Miguna, and Amanda, 2020).

The Big Indonesian Dictionary defines a decision as "the final attitude or everything related to a decision that has been considered, thought about, etc." According to Engel et al. and Lamb et al. in (Astuti, Miguna, and Amanda, 2020), the consumer decision-making process is divided into five stages: need recognition, information search, alternative evaluation, buy decision, and post-purchase behavior.

Literature Review

Pricing

Pricing is one of the techniques used by many businesses since it affects the company's capacity to influence consumers and compete. Kotler and Armstrong in Astuti, Miguna, and Matondang (Astuti, Miguna, and Matondang, 2020). Price, according to (Kotler and Armstrong, 2018), is the amount of money a consumer spends to acquire use or advantages and ownership of goods and services. According to (Kotler & Keller, 2016), price is a component of the marketing mix that generates income, while other components generate costs.

Pricing determinants include both internal (business goals, organizational factors, costs, marketing mix strategy) and external (market supply and demand, competition, and environment) elements. Determination is one of the most crucial marketing tactics because pricing forms the foundation for creating corporate objectives. In addition, Fandy Tjiptono and Chandra claim in Astuti, Miguna, and Matondang (2020) that prices play a significant role for a number of parties, including businesses, consumers, and the economy.

Price is one component of the marketing mix that creates profits and income from the sale of previously marketed goods and services. Price is also a driver of customer purchase decisions because even minor price differences have a significant impact on purchasing decisions (Wahyuningtyas, 2020). According to (Anang, 2019), price will generally provide a buyer an indication of how much rupiah he or she would have to spend to purchase a goods, and this price should also be affordable for consumers. Price is one of the factors that determine whether or not a product is sold. The purpose of determining the pricing is to increase sales levels with the belief that earnings can be maximized (Wahyuningtyas, 2020).

Pricing strategies are critical in offering value to customers and affecting product image and purchase decisions. Price is an essential element in purchasing and in defining market and profit levels. As a result of these experts' perspective, price is the amount that customers must sacrifice in order to consume or possess products or services. The price applied can also reflect the image of a product or service, because the price is said to be appropriate if the price given is in agreement with the product or service provided (Mansir, 2021).

Purchasing

A factor that affects purchasing decisions besides price is location. Location can refer to both a place to service customers and a place to exhibit goods. For a firm that relies on clients coming to its premises to meet their needs, choosing a trading location is a crucial choice. Choosing a site has a strategic purpose because it can influence whether the objectives of the corporate entity are achieved. Location refers to a store's choice of a strategic location to maximize earnings, Irawan Dalam and Basu Swasta (Purnomo, 2020).

Location

The scope of the trade area, accessibility, expansion potential, and location of competitor stores are all aspects that should be considered while choosing shopping places. The choice of where to locate a store in a mall, however, is influenced by a number of more particular considerations, including the cost and duration of the lease, the services offered by the mall owner, the size and style of the space, foot traffic, and the distance from the parking lot. Location encompasses (Private and Handoko) warehouses, inventory, sales locations, transportation, and distribution routes (Purnomo, 2020).

According to Saban Echdar in (Purnomo, 2020), the four most important variables in selecting the ideal location are the availability of resources, the entrepreneur's personal preference, lifestyle considerations, and the ease of reaching clients. According to (Hidayat & Zuliarni, 2014), in addition to closeness to the targeted target market, infrastructure availability must also be considered in the business location selection process. The community environment is the people's readiness to accept all of the repercussions, both positive and negative, of establishing a business location or business in that area. This is the most important factor in determining whether or not a firm may be founded (Arifudin et al., 2020).

Belikopi

Belikopi is a coffee brand that mainly uses local coffee beans. According to the official website, this business sources its products directly from coffee-producing regions throughout Indonesia. The coffee is then prepared by competent and experienced baristas using the best machines. It's no surprise that the coffee tastes great, but the price is still reasonable. This is also the cause for the Belikopi brand's success, which has grown to 127 locations across Indonesia. Belikopi's prices are relatively inexpensive when compared to those of other coffee shops. Details about the food and beverages available at Belikopi outlets and a variety of other establishments in Jombang are provided below.

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Table 1. List of prices for Belikopi and competing shops

Belikopi Shop		Kopi Competitor Shop	
Caramel Machiato	Rp12.000	kawula	10.000-23.000
vanilla Latte	Rp11.000	Dasarasa	13.000-22.000
Cappucino	Rp10.000	Coffee Matters	15.000-25.000
Kopi Jelly Gula Aren	Rp11,000	Kopi Siip	13.000- 17.000
Kopi Avocado	Rp10.000	Sesama Coffee	13.000-23.000
Kopi Susu Gula Aren	Rp10.000		
Price Range	10.000-12.000		

Belikopi Ploso is advantageously positioned because it is in the middle of the Ploso sub-district's hustle and bustle. The Belikopi outlet is located next to various cake shops such as Lyly Bakery and Olivia Bakery, next to the Ploso terminal, which is used as a very busy night foods center, and opposite the Belikopi outlet is the Ploso traditional market, which is very busy with residents of Ploso and surrounding sub-districts, and to the left of the outlet are rocket chicken shops and Indomart..

Research Method

This study employed a non-experimental quantitative technique, with X1 representing price, X2 representing location, and Y representing the purchasing decision. The purpose of this study is to determine the influence of the independent variable on the dependent variable, either partially or simultaneously. The population in this study was all Belikopi Ploso consumers. According to (Sugiyono, 2019), accidental sampling is a technique for determining samples based on chance, which means that anyone who occurs to meet the researcher can be used as a sample if it is determined that the person they meet by chance matches the criteria determined by the researcher.

The sample calculation used the Lemeshow formula, because the population size was unknown, a confidence level table is needed to determine the research sample size. There were 3 levels of confidence, they were 90% (1.645), 95% (1.960), and 99% (2.576)(Lemeshow et al., 1990). Next, the researcher chose a value of 0.5 in determining the sample size. (Lemeshow et al., 1990) stated that using a P value of 0.5 was sufficient to meet the requirements for determining sample size. The precision used is 0.1 (d).

A sample calculation of 100 respondents was created using the Lemeshow formula. Price affordability, price compatibility to product quality, price competitiveness, and price suitability to benefits were among the price factors examined. The factors of affordability, convenience, and close proximity to a residence were among the location factors investigated. The stability of a product, buying patterns, recommending products to others, and making recurrent purchases were among the factors that influence purchasing decisions.

The data collection technique from respondents (Belikopi Ploso consumers) used a Likert scale questionnaire with 5 alternative answers, namely (1) (strongly disagree); (2) (disagree); (3) (disagree); (4) (agree); and (5) (strongly agree). After the data was collected, it was processed using SPSS for Windows version 25 software. Before being used in research, the questionnaire was first tested using a validity test using the SPSS version 25 program. The

results of the validity test showed that the price variable of the 8 question items was completely stated. valid because the calculated r value $> r$ table. Only 1 of the location variables from the 6 questions was invalid because r count $< r$ table and only 1 purchase decision variable from the 6 questions was invalid because r count $< r$ table. Invalid questions was not used in the research. The level of reliability of the instrument was also seen in instrument testing. A reliability test was used to identify this level, with the following results:

Tabel.2 Reability of the Instrument

Variabel	The number of Questions	Cooficient of Probability	Critical Point	Explanation
Price	8	0,834	0,6	Reliable
Location	5	0,694	0,6	Reliable
Purchasing Decision	5	0,709	0,6	Reliable

The pricing probability coefficient was 0.834, the location probability coefficient was 0.694, and the purchase decision probability coefficient was 0.709, according to the results of the questionnaire trial reliability test. The probability coefficients for each variable were greater than 0.6. Therefore, it could be inferred that all of the variables were trustworthy.

Result and Discussion

Belikopi is an Indonesian brand that distributes a wide range of coffee and non-coffee beverages. Belikopi also serves a selection of toasted bread with a range of toppings. This coffee shop has multiple locations around Indonesia, including the Belikopi Ploso location. The Belikopi Ploso outlet is located in the Ploso District of Jombang Regency, East Java. Belikopi is located next to various cake shops such as Lyly Bakery and Olivia Bakery, in front of the ploso terminal, which is used as a very busy night snack center, and opposite the belikopi outlet is the ploso traditional market, which is very busy and frequented by residents of ploso and surrounding sub-districts, as well as rocket chicken shops and Indomart.

The results of the classic hypothesis showed that every data had normality, multikolinearity, heteroskedastisitas, and autocorelasi. According to the results of the Kolmogorov-Smirnov normality test, the significance level was more than 0.200. As a result, residual data had a normal distribution, and the regression model has reduced the assumption of normality. The results of the multicolonieritas experiment showed that if a variable's price and location had a tolerance of $0.678 > 0.10$ and a VIF of 1,475 10, there was no evidence of multicolonieritas in this regression model. The Glejser heteroscedasticity results showed that the price variable had a significance value of $0.130 > 0.05$ and the location variable had a significance value of $0.344 > 0.05$, indicating that heteroscedasticity did not exist. The d-calculation number was 2.168, according to the Durbin-Watson autocorrelation test results. $dU = 1.715$ and value $(4-dU) = 2.285$ in the DW table with a significance level of 0.05 and total data (n) = 100 and $k = 2$ (k was the number of independent variables). There was no positive autocorrelation when $d > dU$ ($2.168 > 1.715$), and no negative autocorrelation when $(4-d) > dU$

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(2.336 > 1.715). So the conclusion was that there was no autocorrelation issue in this investigation.

Tabel 3. Parsial Test (Uji t)

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.885	1.213		4.027	.000
	COST(X1)	.387	.041	.699	9.366	.000
	LOCATION (X2)	.131	.064	.153	2.045	.044

a. Dependent Variable: Purchasing Decision(Y)

According to the t test, the price variable had a Sig t value of 0.000 0.05. This suggests that Belikopi Ploso's price had an impact on customer purchasing decisions. The Sig t value of the Location variable is 0.044 0.05. It could be inferred that location had an impact on Belikopi Ploso consumer purchase decisions.

According to table 3, the regression results showed that the constant value was 4.885, which denoted that the purchase decision value was 4.885 when the price and location variables were taken into account as constants. The price variable's coefficient value was 0.387, which means that for every unit price risen, consumer purchasing decisions increased by 0.387, or 38.7%. The location variable's coefficient value was 0.131, which indicated that every unit increased in location was in a 13.1% increase in purchase decisions.

Tabld 4. F Test

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	264.781	2	132.390	83.792	.000 ^b
	Residual	153.259	97	1.580		
	Total	418.040	99			

a. Dependent Variable: Purchase Decision (Y)

b. Predictors: (Constant), Location (X2), Price (X1)

The F test results showed that the Sig F value is $0.000 \leq 0.05$, so H_a was accepted. This means that there was a positive influence of the Price and Location variables simultaneously on Belikopi ploso consumer purchasing decisions.

Table 5. Test of determinant coefecient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796 ^a	.633	.626	1.25698

a. Predictors: (Constant), Location X2), Price (X1)

According to the results of the coefficient of determination test, (R^2) was 0.626, or 62.6%, which means that the independent variables (Price and Location) had a 62.6% influence on the dependent variable (purchasing decision), with other variables that were not considered in this study accounting for the remaining 37.4% of the influence.

The results showed that pricing had an impact on purchase decisions at Belikopi Ploso. According to (Agustin, 2019), pricing was a plainly evident component for a buyer to decide purchasing selections. According to Kotler and Armstrong (2008) in (Astuti According to (Kotler and Armstrong, 2018), purchasing decisions are the stages in the buyer's decision-making process where consumers finally buy. 2020), the price affordability, price suitability to product quality, price competitiveness, and price suitability to benefits were the price indicators that characterize pricing. Furthermore, it was backed by the research respondent questionnaire data, which showed that the indication with the highest average was the price affordability indicator. This showed that Belikopi Ploso consumers recognized that the prices of the products offered by Belikopi Ploso were cheap, and in line with customers' price preferences. Belikopi Ploso products had more affordable prices compared to other similar coffee shops.

Price competitiveness has the lowest score of any price indicator. The competitive level of prices supplied by Belikopi Ploso in comparison to prices offered by other similar coffee shops is referred to as price competitiveness. Despite having the lowest score when compared to the other indications, its interpretation is in the high range. Based on the results, Belikopi Ploso has a high price competitiveness with rival products; consequently, Belikopi Ploso must maintain the price competitiveness, followed by adequate product quality. The findings of this study are consistent with those of (Tiorma & Rubiyanti, 2021).

Belikopi Ploso's purchase decisions are influenced by location factors. The price, convenience, and closeness to her home are location indicators according to Santoso, Widowati in Purnomo, 2020. The questionnaire's findings, which indicate that affordability is the indicator with the greatest average value, confirm this conclusion. This demonstrates that customers believe Belikopi Ploso is situated in a strategic location and close to the gastronomic hub of the Ploso region, which makes it simpler for customers to purchase Belikopi Ploso items because they are close to other goods in the area. Meanwhile, the lowest score indicator is proximity to his residence. Even though it has the lowest score compared to other indicators, its interpretation is in the high category. Based on the results of the questionnaire, most consumers agree that the Belikopi Ploso location is close to home, and they do not find it difficult to get to the Belikopi Ploso location. However, there needs to be improvements in providing more organized parking spaces so that consumers feel more comfortable when purchasing products at Belikopi Ploso. This in line with research from Rohman Saputra (2022)

The F test results indicate that price and location have a substantial impact on consumers' purchasing decisions at Belikopi Ploso at the same time. Research by Lubalu (2018), Pamungkas & Satrio (2010), Saputra; Rohman (2012), Tiorma & Rubiyanti (2013), and Rambon et al. (2002) is closely related to results of this study. According to (Kotler & Keller, 2016), there are four factors that influence buying decisions: product stability, buying patterns,

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recommending items to others, and making recurrent purchases. The research findings are backed by the results of a questionnaire distributed to respondents, where the purchasing decision indicator with the highest average is product stability. Belikopi Ploso's numerous processed beverage and bread goods are popular with customers. This demonstrates that consumers believe the quality of the products sold by Belikopi Ploso is excellent and in line with the prices charged.

The indicator of making a repeat purchase with the lowest score is the purchasing decision indicator. Despite having the lowest score when compared to the other indications, its interpretation is in the high range. Customers are pleased with their purchases from Belikopi Ploso and intend and are eager to make additional purchases. They purchase Belikopi Ploso products on a regular basis for a variety of reasons, including competitive prices and locations, as well as good quality and service. This demonstrates that if Belikopi Ploso's price and location are maintained and location facilities are improved, it will be able to boost consumer purchase decisions.

Conclusion

Based on the research questions, research objectives, and hypotheses, the following conclusions can be drawn from the research: 1) Price has a significant effect on Belikopi Ploso consumers' purchasing decisions, as evidenced by a Sig t of 0.000 0.05; 2) Location has a significant effect on Belikopi Ploso consumers' purchasing decisions, as evidenced by a Sig t of 0.044 0.05; and 3) Price and location both have a significant influence on consumer purchasing decisions for Belikopi Ploso, as evidenced by Sig F of 0.000 0.05. The coefficient of determination (R²) is 0.626, indicating that 62.6% of the independent factors (price and location) influence the dependent variable (purchase choice), with the remaining 37.4% influenced by variables.

Declaration of conflicting interest

The authors declare that there is no conflict of interest in this work.

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