

THE EFFECT OF PRICE, VARIATION PRODUCT AND SERVICE QUALITY ON BUYING DECISION AT MARKET PLACE SHOPEE

Dwi Miftahudin, Sugiono, Rinnanik, Yolla Zelika Desastra, Buchori

Department of Management, Institut Bakti Nusantara Lampung

E-mail: dwimiftahudinibn@gmail.com

Abstract : *This research aims to determine the influence of price, product variety and service quality on purchasing decisions at the Shopee market place at the As-Sya'roniyyah Islamic boarding school. This research method uses a quantitative approach. The population in this study was an unlimited number of students at the As-Sya'roniyyah Islamic boarding school. The sampling technique used Purposive Sampling Technique, with the criteria being that respondents had made purchases at the Shopee market place, at least twice, were at least 15 years old, male or female. Data collection techniques through distributing questionnaires to respondents who meet the criteria. The data analysis method used is Multiple Linear Analysis with SPSS (Statistical Product and Service Solution) version 25. This research proves that the more and higher the product variety and service quality, the more purchasing decisions will increase, while price is not able to increase purchasing decisions. There are many more variables that influence purchasing decisions that were not examined in this research. This research focuses on one object and the results of this research cannot be generalized to other objects that are not the same. Improving knowledge in making a strategy or decision in reaching potential consumers and retaining consumers in purchasing products in this research object This research focuses on the shopee market place object at the As-Sya'roniyyah Islamic boarding school with the variables price, product variety and service quality which are the variables that influence consumer purchasing decisions at that object.*

Keyword : *price, product variation, quality service, buying decision*

1. Introduction

In the era of development technology and information in the world especially internet experience enhancement Which very rapidly. Phenomenon Which happen moment This that is trend use *gadgets* and activity in this world virtual like shop in a manner *on line*. His height amount user Internet, has interesting various business business with provide or make shop *on line* as part from *e-commerce*. Strategy determination price in business *e-commerce* become Wrong One matter important Which should be considered by employers. Apart from price, product variety is the development of a product to create various choices (Indrasari, 2019). Basically, consumers will be interested in a product because of the many variations provided by the seller on the product. service quality is also good consideration Which can influence decision purchase. Service can be said to be good or quality if the service provided by a company can satisfy consumers. If the consumer is

satisfied with services provided, it is possible that consumers will be loyal against the company.

According to research conducted by Janah (2017) stated that quality service influential significant to decision purchase *online shop* goddess Headscarf Surabaya A purchasing decision is a consumer's action in choosing something product with all developer Which There is. According to Kotler and Keller (2009) state that characteristics buyer and process taking decision will lead to purchasing decisions and increasingly fierce competition in *online business*. *This research is important to examine because e-commerce* players need to know the factors that can influence such as price, product variety, and service quality to be able to continue to make *online stores* survive, grow and develop. This is utilized by *e-commerce* Shopee, which is *mobile commerce* and one of the leading *online marketplaces* in Indonesia (also known as an online store network).

Table 1. Data on purchases at Shopee

Year	Number of people	(Number of unit items)
2021	340	634
2022	430	918
2023	394	898

Source: as-sya'roniyyah Islamic boarding school, 2023

Based on Table 1. Purchases using the Shopee market place in 2021-2023 seem to have fluctuated. In 2020 the number of people who made purchases at the Shopee market place was 340 people. In 2022 the number of people who buy using the Shopee application will be 430 people, and in 2023 the number of people who will buy using the Shopee market place will be 394 people. Due to fluctuations in purchases using the Shopee online store, entrepreneurs have to look for the right strategy in running their business so that it can increase so that targets can be achieved. Based on the background above, the researcher took the title "the effect of price, product variety and service quality on purchasing decisions at the shopee market place (study at the as-sya'roniyyah Islamic boarding school)".

According to Kotler and Armstrong (2012) price is the amount of money paid, or the amount of value that consumers exchange in order to get the benefits of owning or using goods or services. Price is the amount of money that consumers have to pay to get a product. According to Kotler (2019), price is the amount of money charged for a particular product. According to Kotler and Armstrong (2018), price is the amount of money exchanged for a product or service. Product variation is the development of a product to create various choices (Indrasari 2019). Basically, consumers will be interested in a product because of the many variations provided by the seller on the product. Many product variations make a product have diversity. According to Kotler (in Indrasari 2019) product assortment is a collection of all products and goods offered by certain sellers to buyers. Apart from that, Kotler (in Indrasari 2019) also stated that product diversity includes the completeness of the products and goods sold, the types of brands sold, variations in the sizes of goods sold, and the availability of goods sold. According to Tjiptono (2011) found that quality service is level condition Good or bad dish Which given seller in framework satisfying consumers by giving or conveying desires or requests beyond What Which expected consumer. Quality service (*service quality*) can known with method compare perception para consumer on service Which accepted order get

with service. Which indeed consumer expect or want. If service Which accepted or perceived *service* is in accordance with what is expected, then the perceived quality of service is good and satisfying and if the service received exceeds expectations consumer, then quality highly perceived service Good and quality.

Related with Buying Decision in decision purchase, consumer often time faced on several alternative products available. There are many factors that influence consumers in make purchasing decisions. Factors is then processed become various alternatives Which become material consideration for consumer For Then chosen to be the most appropriate purchasing decision. Purchasing decisions as selection of two or more alternative choices. In other words, consumers want to do choice must determine choice from various alternatives Which There is. If there is no alternative choice then the action is taken without that choice No can said make decision (Schiffan & Kanuk, 2008). According to Armstrong & Gary (2018), the purchase decision is to buy the most preferred brand, with the appearance of purchase intention and purchase decision. According to Tjiptono (2019) purchasing decisions are a process in which consumers recognize the problem, seek information about a particular product or brand and evaluate how well each of these alternatives can solve the problem, which then leads to a purchase decision.

Previous research discussing the effect of price, product variety, and service quality on purchasing decisions has been carried out by various researchers, namely, Sudjatkika (2017); setyarko (2016) ; pitaloka (2015) ; setiowaty (2017). Proving that price, product variety and service quality simultaneously affect purchasing decisions. Based on the description of the previous research, the following models and hypotheses can be built.

H1: *There is an effect of price on purchasing decisions*

H2: *There is an effect of product variation on purchasing decisions*

H3: *There is an effect of quality of service on purchasing decisions*

H4: *There is an effect of price, product variation, quality of service on purchasing decisions*

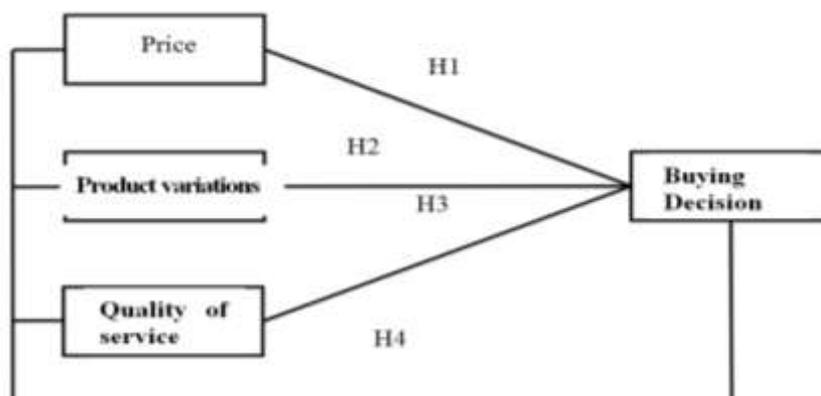


Figure 1. Framework Research

2. Methodology

This type of research is associative, according to Sugiyono (2012), an associative approach is an approach using two or more variables to determine the relationship or influence of one another. Quantitative research is research by obtaining data in the form of numbers or qualitative data. The data collection technique in this study is to use a survey. The data collection instrument used in this study was a questionnaire. This research discusses the influence of price, product variety and service quality on purchasing decisions at the Shopee market place, case study at the As-Sya'roniyyah Islamic boarding school.

The population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2010). The population in this study were the as-sya'roniyyah Islamic boarding school students. The population of this study is not limited. The sample is part of the characteristics possessed by the population. If the population is large and it is impossible for the researcher to study everything in the population, for example due to limited funds, manpower and time, the researcher can use samples taken from that population (Sugiyono 2012).

On study This using the Sampling Technique *Saturated* that is that is determination sample with certain considerations. Certain considerations for the sample in this study are respondents who meet the following criteria: Respondents are Assya'roniyyah Islamic boarding school students. (2) Respondent has do purchase in a manner *on line* on shopee. (3) at least 15 years old. The researcher determined that the sample size was 100 respondents which considered that 100-150 respondents represented the existing population. Determining the sample size is based on the opinion of Gay and Diehl (2010) which states that the minimum sample size for a study is 100 respondents because the minimum number is close to perfect or the minimum sample limit. Therefore, the researchers set the size of the sample unit for this study to be 100 samples with the assumption that the 100 samples could represent the entire population.

Data collection techniques in this study can be done using a questionnaire, namely collecting data using a list of questions/questions that have been prepared in advance and given to respondents. Where respondents choose one of the answers that have been provided in the list of questions or statements regarding the indicators of the variables in this study.

3. Results And Discussion

Results

Table 2. Demographic Characteristics of Respondents

Profile of respondents	Amount	Percentage (%)
(1)	(2)	(3)
Gender:		
Male	42	42
Female	58	58
Age:		

14-16	16	16
17-19	26	26
20-23	31	31
>24	27	27

Source : processed primary data (2023)

Based on Table 2, it can be seen that the classification of respondents aged between 14-16 years was 16 people (16%) . Respondents aged between 17-19 years were 26 people (26%), and those aged 20-23 years were 31 people , (31%) . Meanwhile, there were 27 people (27%) aged \geq 24 years. It can be concluded that the highest number of respondents are aged 20-23 years and at least 14-16 years old .

Table 3. Instrument Validity Test Results

Variables	Items	Corrected Question Item Total Correlation	r Table	validity
price (X1)	p 1	0.522	0.197	Valid
	p 2	0.540	0.197	Valid
	p 3	0.488	0.197	Valid
	P 4	0.642	0.197	Valid
Product variation (X2)	PV 1	0.492	0.197	Valid
	PV 2	0.661	0.197	Valid
	PV 3	0.453	0.197	Valid
	PV 4	0.714	0.197	Valid
Quality of service (X3)	Qs 1	0.447	0.197	Valid
	Qs 2	0.632	0.197	Valid
	Qs 3	0.692	0.197	Valid
	Qs 4	0.692	0.197	Valid
	Qs 5	0.632	0.197	Valid
Buying decision (Y)	BD 1	0.755	0.197	Valid
	Bd 2	0.480	0.197	Valid
	Bd 3	0.772	0.197	Valid

Data source: processed SPSS output (2023)

Table 4. Instrument Reliability Test Results

Variables	Cronbach Alpha	Information
Price (X1)	0.197	reliable
Product variations (X2)	0.352	reliable

Quality of service (X3)	0.599	reliable
Buying decision (Y)	0.396	reliable

Data source: processed SPSS output (2023)

Based on Table 4 it can be seen that each variable has a Cronbach Alpha > 0.60. Thus the variables (price, product variety, service quality, and purchasing decisions) can be said to be reliable.

Multiple Linear Regression Analysis

This analysis is used to measure quantity about price, product variety, and service quality. The analysis used was multiple linear regression with the help of SPSS version 25 with a confidence level used in multiple regression calculations of 95% or a significance level of 0.005 ($\alpha = 0.05$).

Table 5. Multiple Linear Regression Calculation Results

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	1,247	.682			1,829	.071
x1	,025	.042	.028		0.607	.545
x2	,854	.042	,977		20.158	,000
x3	.164	,025	,246		6.542	,000

Based on Table 5 to determine the formulation of the multiple linear regression equation, the effect of price, product variety and service quality on purchasing decisions at the shopee market place. carried out regression coefficient analysis. The result is as follows. Regression constant: 1.247 Price variable constant (X1) : 0.025 Product variety constant variable (X2) : 0.854 Service quality variable constant (X3) : 0.164. Based on the results of the regression coefficient analysis, the formula for the multiple linear regression equation is: $Y = 1.247 + 0.025(X1) + 0.854(X2) + 0.164(X3)$. This multiple linear regression equation can be interpreted as follows. The constant value means that if the values X1, X2, and X3 = 0 then the purchase decision at the Shopee market place is 1.247 units, assuming that price, product variety, and service quality are constant/ fixed. The regression coefficient values of price, product variety, and service quality on purchasing decisions at the shopee market place are (X1) = 0.025, (X2) = 0.854, and (X3) = 0.164

Hypothesis Testing Results

To test the hypothesis partially, the t test is used, namely to partially test the independent variable on the dependent variable. The sample used was 100 people, so the test used the t test and the significance level (α) = 5% or 0.05, a T table of 1.985 was obtained. By testing criteria:

$$t_{table} = t(\alpha/2; n - k)$$

$$= t(0.05/2; 100 - 4)$$

$$= t(0.025; 96) = 1.985$$

Table 6. Partial Hypothesis Test Results (t - test)
Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,247	0.682		1,829	0.071
1 Price	0.025	0.042	0.028	0.607	0.545
product variations	0.854	0.042	0.977	20.158	0
service quality	0.164	0.025	0.246	6,542	0

a. Dependent Variables: y

Data source: processed SPSS output (2023)

Based on Table 4.12, the test can be explained using a partial test (t test) for each variable, namely:

1. The calculated t value for the price variable (X1) is 0.607 and the value for the 5% distribution is 1.9 85 so the calculated t is $0.607 < t \text{ table } 1.9 \text{ 85}$ and also a significant value of 0.545 greater than 0.05 ($0.545 > 0.05$). This means that price (X1) has no significant effect on purchasing decisions (Y).
2. The calculated t value for the product variation variable (X2) is 20.158 and the value in the 5% distribution is 1.985, so t count is $20.158 > t \text{ table } 1.985$ and also a significant value of 0.000 is greater than 0.05 ($0.000 < 0.05$). This means that product variation (X 2) has a significant influence on purchasing decisions (Y).
3. The t value for the service quality variable (X3) is 6.542 and the value at the 5% distribution is 1.985, so t count $-6542 < t \text{ table } 1.985$ and also a significant value of 0.000 which is less than 0.05 ($0.000 < 0.05$). This means that service quality (X 3) has a significant influence on purchasing decisions (Y).

Simultaneous Test (F Test)

The F test is carried out by comparing the calculated F value with the F table value. If the calculated $F > F \text{ table}$ then there is a simultaneous (together) influence and vice versa. The results of simultaneous regression calculations are obtained as follows:

$$\begin{aligned} F \text{ table} &= F(k-1;nk) \\ &= F(4-1;100-4) \\ &= F(3;96) = 2.70 \end{aligned}$$

Table 7 Results of Simultaneous Hypothesis Testing (f Test)
ANOVA^a

Model	Sum of Squares	df	MeanSquare	F	Sig.
1 Regression	214,982	3	71,661	242,168	.000 ^b
residual	28,408	96	,296		
Total	243,390	99			

a. Dependent Variables: y

b. Predictors: (Constant), x3, x1, x2

Data source: processed SPSS output (2023)

Based on Table 7, it shows that the calculated F value is greater than the F table value, namely F count 242,168 > F table 270 and also a significant value of 0.000 less than 0.05 (0.000 < 0.05). This means that the variable price (X1), product variety (X2) and service quality (X3) together (simultaneously) have a positive and significant effect on the purchase decision variable (Y).

Koefesien Determination (R²)

Table 8 Determination Coefficient Test Results

Model Summary^b

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	,940 ^a	.883	,880	.54398	1,678

a. Predictors: (Constant), x3, x1, x2

b. Dependent Variables: y

Data source: processed SPSS output (2023)

Based on Table 8 above, it is known that the R Square value is 0.883. This means that the influence of variables X1, X2, and X3 simultaneously on Y variable is 88.3% with the rest influenced by other variables not present in this study.

Discussions

This study attempts to obtain an overview, the effect of price, product variety, and service quality on purchasing decisions at the Shopee market place . The price variable has no effect on the purchase decision but the product variation and service quality variables have an influence on the purchase decision . Proven by data analysis using predetermined research methods. From the test results, the following discussion was obtained:

Effect of price on purchasing decisions.

The results of the research that has been carried out by researchers can be concluded that the price variable (X1) is tested partially on purchasing decisions at the shopee market place to produce a calculated t value for the price variable (X1) of 0.607 and a value in the 5% distribution of 1,985, so t count 0.607 < t table 1.985 and also a significant value of 0.545 greater than 0.05 (0.545 > 0.05). This means that price (X1) has no significant effect on purchasing decisions (Y).

Effect of product variations on purchasing decisions

The results of the research that has been carried out by researchers can be concluded that the product variation variable (X 2) was tested partially on purchasing decisions at the shopee market place to produce a t calculated value for the product variation variable (X2) of 20.158 and a value in the 5% distribution of 1.985 then t count is $20.158 > t \text{ table } 1.985$ and also the significant value of 0.000 is greater than 0.05 ($0.000 < 0.05$). This means that product variations (X2) have a significant influence on purchasing decisions (Y).

The influence of service quality on purchasing decisions

The results of the research that has been carried out by researchers can be concluded that the variable service quality (X3) is tested partially on purchasing decisions at the shopee market place to produce a calculated t value for the service quality variable (X3) of 6.542 and a value in the 5% distribution of 1.985, so t count $-6542 < t \text{ table } 1.985$ and also a significant value of 0.000 is less than 0.05 ($0.000 < 0.05$). This means that service quality (X3) has a significant influence on purchasing decisions (Y).

Effect of price, product variety and service quality on purchasing decisions.

The results of the research that has been carried out by researchers can be concluded that the variable price, product variety and service quality are tested simultaneously on purchasing decisions at the shopee *market place* to produce a calculated F value that is greater than the F table value, namely F count 242 ,1 68 $> F \text{ table } 2.70$ and also the significant value of 0.000 is smaller than 0.05 ($0.000 < 0.05$). This means that the variable price (X1) , product variety (X2) , and service quality (X3) together (simultaneously) have a positive and significant effect on the purchasing decision variable (Y). The results of this study support previous research that price, product variety, and service quality have a positive effect on purchasing decisions (sudjatmika 2017; setyarko 2016; pitaloka 2015; janah 2017)

4. Conclusion

Based on the results and discussion, it can be concluded that product variation and service quality have a positive and significant effect on purchasing decisions, price has no significant effect on purchasing decisions, and price, product variety, and service quality simultaneously have a positive effect on purchasing decisions. For *marketplace place shopee* companies , it is necessary to pay attention to product variations and service quality because they greatly influence purchasing decisions made by consumers. In addition, what must be considered is the age of consumers based on the demographic results of research respondents who are dominated by consumers aged 20-23 years, and are female. Consumers aged 20-23 years and female gender have characteristics and behaviors that are different from other age ranges and male gender. Therefore, *market place* shop owners and other companies should pay more attention to the variety of products and the quality of service that is tailored to their needs. For future researchers, they can re-examine the variables of this study with other types of businesses. In addition, further research can add other variables which are factors that influence sales decisions.

References

- Armstrong, Gary & Philip, Kotler. (2012) Fundamentals of Marketing, Volume 1 Translation and Ease of Use on Online Product Purchase Decisions. *Journal of Economics and Management*, 5 (2).
- Arsyanti, NM, & Astuti, SRT (2016). Analysis of the Influence of Product Quality, Service Quality and Product Diversity on Customer Satisfaction and Their Impact on Repurchase Intention (Study at Shopastelle Online Store, Semarang). *Diponegoro Journal of Management*, 5(2), 291-301.
- Cahyono, T. (2018). Applied Statistics & Health Indicators. Deepublish.
- Hayat, AWM (2012). The influence of location and brand image on consumer purchasing decisions at the Ouval Research distro in Buah Batu Bandung. *UNIKOM Journal*, 1(1).
- Indrasari, M. (2019). Marketing and customer satisfaction: marketing and customer satisfaction. unitomo press.
- Garaika, Margahana, H., Jatiningrum, C. (2020). The Impact of Human Resources, Social Capital and Economic Infrastructure on Economic Growth: Evidence In Indonesia *PalArch's Journal of Archaeology of Egypt/Egyptology*, 17 (6) (2020.)11395-11406. <https://archives.palarch.nl/index.php/jae/article/>
- Jatiningrum, C., Abdul-Hamid, M., A, Popoola, O J. (2016). The impact of disclosure quality on corporate governance and earnings management: Evidence from companies in Indonesia *International Journal of Economics and Financial Issues*, 6 (S4), 118-125. <https://econjournals.com/index.php/ijefi/article/view/2698>
- Jatiningrum, C., Wulandari, Yuliana, R. (2020). Strategi Pemasaran Media Online Sebagai Media Pendukung UMKM Pada Masa Pandemi Covid-19 *Eco-Fin* 2(2). 57-62
- Janah, M., & Wahyuni, DU (2017). The influence of service quality, price and promotion on purchasing decisions at Dewi Hijab. *Journal of Management Science and Research (JIRM)*, 6(4).
- Kotler, Philip. (2012). Marketing Management. Volumes 1 and 2. Jakarta: PT. Gramedia Group Index.
- Kotler, P and Armstrong. 2018. Seventh Edition Marketing Principles. Salemba Empat Publishers. Jakarta
- Kotler, P., & Keller, KL (2009). Marketing Management. Jakarta: Erlangga.
- Kotler, P., & Keller, Kevin L. (2016). Marketing Management. In Global Marketing (15th editi). United States: Pearson Education.2016. Multivariate Analysis Applications with the IBM SPSS Program 23(8th ed.). Diponegoro University Publishing Agency.

Kotler, Philip and Keller, Kevin Lane. 2010. Marketing Management. Volume 1, Thirteenth Edition. Jakarta : Erlangga

Kotler, Philip. & Armstrong, Gary. (2018). Principles of Marketing 17/E. United Kingdom: Pearson.

Listighfaroh, M.I. (2019). Pengaruh Kualitas Produk, Harga Dan Promosi Terhadap Keputusan Pembelian Produk Sabun Cair Feira White Shower Cream di Surabaya. Dissertasi. Surabaya: Universitas Wijaya Putra

Maghfiroh, K. (2019). Pengaruh Harga, Kualitas Produk Dan Word of Mouth Terhadap Kepuasan Konsumen Serta Implikasinya Pada Keputusan Pembelian Smartphone Xiaomi. *Business Management Analysis Journal (BMAJ)*, 2(2), 34–44. <https://doi.org/10.24176/bmaj.v2i2.4075>

Setyarko, Y., 2016. Analysis of Price Perceptions, Promotions, Service Quality,

Siboro, SY, & Eddy, E. (2022, August). The Influence of Product Reviews, Convenience, Security, and Price on Purchasing Decisions on Shopee. In Proceedings National Conference Business, Management, and Accounting (NCBMA) (Vol. 5, pp. 130-145).

Soenawan, AD, Malonda, ES, & Aprilia, A. (2015). The Influence of Product Quality, Service Quality and Price on Consumer Purchasing Decisions of D'Stupid Baker Spazio Graha Family Surabaya. *Journal of Hospitality and Service Management*, 3(2), 395-409.

Sumardi, S. (2020). Analysis of the quality of sea transportation services (survey of shipping companies at Tanjung Priok Port, 2015). *Jogja Maritime Science Magazine*, 18(1), 37-56.

Sugiyono. (2016). *Quantitative Research Methods , Qualitative and R&D* . Bandung: PT Alfabet.

Sugiyono. (2018). *Quantitative Research Methods* . Bandung: Alfabet.

Sugiyono. (2012). Educational Research Methods Quantitative, Qualitative, and R&D Approaches.

Sugiyono, S. (2017). Quantitative Research Methods, Qualitative, and R&D. Bandung: Alfabeta, CV.