THE EFFECT OF PRICE PERCEPTION, QUALITY PERCEPTION, AND LOCATION ON PURCHASE DECISIONS

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Abstract :   Today's business development is getting more crowded, and it makes people unable to fulfill their personal wants and needs. In fulfilling human food needs, we are faced with many choices, one of which is fast food. The choice to buy fast food is inseparable from outlet management efforts to provide satisfaction to its customers. This study aims to analyze the effect of perceived price, perceived quality, and location on purchasing decisions at BFC Duo Buduran Sidoarjo. The analytical method used is multiple regression. The population in this study were all consumers of BFC Duo Buduran Sidoarjo with a sample of 119 respondents. The technique used for sampling is incidental sampling. The results showed that partially the price perception, perceived quality, and location had a significant and positive effect on purchasing decisions at BFC Duo Buduran Sidoarjo.

*Keyword***:** *price perception, quality perception, location, purchase decision, fast food*

1. Introduction

Business development is currently experiencing rapid development. Humans are no longer capable of fulfilling personal wants and needs, because of the density of human activities in the global era. The existence of an organization or business entity is able to meet the needs and desires of the human person.

To win the competition, companies must introduce the best products and meet the ever-changing consumer tastes. That's why it's important for businesses to understand consumer behavior that influences purchasing decisions. This shows that the general purchasing process is the sequence of problem identification, information retrieval, alternative evaluation, purchase decision, and post-purchase action. Marketers' responsibility is to understand each stage of action, attitudes of people, unexpected contextual factors, and risk assumptions. These factors influence post-purchase purchase decisions and customer satisfaction, revenue and disposal, and business action (Widyasturir & Said, 2017).

The customer buying process consists of five sequential steps. First of all, buyers are aware of the product and therefore take into account its availability, quality, price and marketing activity. The buyer then evaluates the perceived value of the product by weighing the expected benefits against the costs required. Third, the buyer compares the perceived value obtained from the available alternatives and makes a decision. This decision leads to an action (whether to buy the product or not), and finally, after the purchase action, the customer

experiences a series of post-purchase actions that reflect the level of satisfaction / dissatisfaction felt (Iglesias & Guillén, 2004).

(Tjiptono, 2015) By way of do marketing activities that seek to spread information, influence, persuade or alert the market target the company and its products to be willing to accept, buy and are loyal to the products the company offers concerned.

Now many businesses in the culinary field have made companies have to race to make or create the best products that consumers can easily accept. Fast food is one business that is considered to be quite rapidly growing, because it provides basic needs. Now there are more and more companies in the culinary field that make people think about determining purchases at fast food outlets. The increasing number of food menu choices offered from each culinary outlet has resulted in intense business competition. Intense competition makes business entities think hard to create a sales strategy.

The total population by nationality and by village/sub-district in 2018 in the Sidoarjo region is 112,668 for men with Indonesian citizenship, and for women with Indonesian citizenship totaling 113,093, with a total of Indonesian citizens residing in Sidoarjo is 225,761. Meanwhile, for foreign citizens (WNA) residing in Sidoarjo, there are 56 men and 22 women, with a total of 78 foreigners (Biro Pusat Statistik, 2018). From the large population and dense activity Sidoarjo people, make the city of Sidoarjo a magnet for companies engaged in the culinary field. With a business on the food field will make it easier to have enough basic necessities without taking up a lot of time. One of which is BFC Duo.

BFC Duo is a business entity in the culinary field that has many visitors. One of them is in the Buduran area, Sidoarjo. The food products offered vary widely from the lowest price to the most expensive. The establishment of the BFC Duo Buduran business entity is expected to be able to help the community, especially those in the lower middle economic class, so they can enjoy the fast food products offered by BFC Duo. In marketing these products, BFC Duo must think about various aspects to attract customers including price, quality, and strategic location to continue to strive in running this business.

At BFC Duo Buduran Sidoarjo, the products offered by BFC Duo Buduran Sidoarjo have many advantages over similar competitors. The obvious advantages are affordable prices, guaranteed product quality because it has its own chicken slaughterhouse that has been guaranteed its quality and cleanliness, and has received halal certification from the MUI, and the location owned by BFC Duo Buduran is very strategic and easy to reach by consumers.

Based on the description above, the aim of this research is to analyze how far the influence of price perception, quality perception and location on purchasing decisions at BFC Duo Buduran Sidoarjo.

Schiffman and Kanuk (2018) stated that price perception is how a consumer perceives a price (as hight, as low, as fair) has a strong influence on both purchase intentions and purchase satisfaction. Price perception is the only one elements of the marketing mix that bring entry or income sharing company, while the other three elements (product, distribution and promotion) causing expenses. (Tjiptono, 2015) Whereas from a marketing point of view price perception is a monetary unit or measure others (including other goods and services) necessary to obtain rights ownership or use of an item or services. Price perception indicator according to Kotler and Armstrong (2008) is: affordability of prices, match price with the quality of products and services, price competitiveness, price match with benefits.

Aaker (2012) suggests that the perception of quality as a customer's perception of the overall quality or superiority of a product or service is related to what is expected by the

customer the brand. Bitner and Zeithaml (2012) identifies perceived quality as a component of brand value where high quality perceptions will lead consumers to choose the brand compared to competing brands. Perceptions of quality perceived by consumers affect the willingness of these consumers to buy a product. This means that the higher the value perceived by the consumer, the higher the consumer's willingness to finally buy. According to Bitner and Zeithaml (2012), Some indicators of perceived quality are: 1). given the high quality of the brand, 2). very likely the quality of the brand, 3). Very likely the brand is functioning, 4). very likely the brand high reliability, 5). the quality of some brands should be good, 6). the quality of some brands seems to be poor.

Location means relating to where the company must be headquartered and carry out its operations or activities (Lupiyoadi, 2013). Kotler and Armstrong (2014) also say that place or location includes company activities that make products available to target customers. Its function is to make it easier for potential consumers to get the products offered. To build a business, location has an important role in the continuity of a business. Determining a location for each business is an im according to (Tjiptono, 2006), there are several considerations in determining the location selection, including: a) Access, namely the ease of access, for example the location that is traversed is easy to reach by means / public transportation; b) Visiability, namely a location or place that can be seen clearly from a normal viewing distance; c) Traffic involves the following two main considerations: 1) The number of people passing by can provide a great opportunity for impulse buying, namely purchasing decisions that occur spontaneously, without planning, and without going through special efforts; 2) Congestion and traffic congestion can become obstacles.portant task for marketers, because the wrong decision can lead to failure for the business.

Kotler and Armstrong (2012) suggest that purchasing decisions are a step in the decision-making process when consumers actually purchase a product. Based on this understanding, it can be concluded that the purchase decision is a problem resolution process which consists of analyzing or recognizing needs and wants, searching for information, assessing the selection of sources for alternative purchases, and post-purchase behavior. Kotler and Armstrong (2012) suggest that indicators of purchasing decisions are as follows: 1. Consistency in a product is a decision made by consumers after considering various information that supports decision making; 2. The habit of buying a product is the experience of the closest person using a product; 3. Providing recommendations to others, is the delivery of positive information to others, so that they are interested in making purchases; 4. Make repeat purchases, is a continuous purchase after consumers feel comfortable with the product or service received.

Based on the background of the problem and the explanation above, the hypothesis of this study is as listed below and each relationship between variables is to strengthen the hypothesis:

First, price perception is related to how well consumers understand price information and give it profound meaning. Perceived prices are usually investigated as part of an investigation rather than an objective price. This is because consumers usually do not evaluate the exact price of a product at the time of purchase and consider the price of the product to be cheap, reasonable, or expensive based on the internal reference price. (Zeithaml in Cahyadi, 2014). Second, perceived quality is one of the main keys in the dimension of brand equity. Consumer perceptions about the overall quality of a product or service are able to influence these consumers in making purchasing decisions. This can be seen from the perceived value

of quality as a reason for consumers to buy a product (Moradi & Zarei in Imroatul, 2013). And third, Suhalipan (2018) argues that location affects purchasing decisions. As for the hypothesis is as follows:
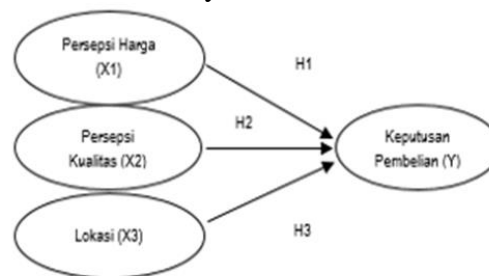
H1: Price perception affects purchasing decisions at BFC Duo Buduran Sidoarjo.
H2: Perceptions of quality affect purchasing decisions at BFC Duo Buduran Sidoarjo.
H3: Location affects purchasing decisions at BFC Duo Buduran Sidoarjo.

2. Research Methods

The conceptual framework in this study is as follows:

Gambar 1. Kerangka Konseptual

The population in this study were all BFC Duo Buduran Sidoarjo consumers. The sample used in this study was calculated using Roscoe's theory quoted by Ferdinand (2014) where the ideal sample between 100-200 is obtained from the total indicator in 5-10 times. This study consists of 17 indicators multiplied by 7 in order to obtain a total sample of 119 respondents. The sample technique used in this study was accidental sample. Collecting data in this study are: Questionnaire, Documentation, Observation, and Interview.

Data analysis technique in this study are:

1. Validity test

   Sugiyono (2016) suggests a valid instrument means that the measuring instrument used to obtain data (measure) is valid. Valid, which means that the instrument can be used to measure what should be measured. Measurements were made using the statistical product and service solution (SPSS) program measurement tool.

2. Reliability test

   Sugiyono (2015) states that the results of the study can be said to be valid if there is a similarity between the data collected and the data that actually occurs on the object under study. Measurements made using the Alpha Cronbach technique are reliability coefficients that indicate how many items in a group are positively correlated with one another.

3. Normality test

   Sugiyono (2015) suggests that parametric statistics require many assumptions to be fulfilled. The main assumption is that the analyzed data must be normally distributed. Therefore, before testing the hypothesis, the data normality is tested first.

4. Multicolinearity Test

   Ghozali (2016) Multicolinearity test aims to test whether in the equation regression found a correlation between variables free (independent). Good regression model shouldn't show a correlation among the independent variables. One way of seeing the multicollinearity is by way of seeing tolerance and variance inflation factor (VIF). Cut

value off which is commonly used to show the presence of multicollinearity is a tolerance value <0.10 or equal to VIF> 10.

5. Autocorrelation Test

   Ghozali (2016) suggests that the autocorrelation test aims to test whether the linear regression model has a correlation between confounding errors in period t (t-1). If there is a correlation, it is called the autocorrelation problem.

6. Heteroscedacity test

   Heteroscedasticity aims to test whether the regression model has an inequality of variance from the residuals of one observation to another Ghozali (2016). If the variance and residuals from one observation to another are constant, it is called homoscedasticity and if it is different it is called heteroscedasticity.

7. Multiple Linear Regression Analysis

   The multiple linear regression formula according to Sugiyono (2016) is as follows: Y = a + b1x1 + b2x2 + b3x3 + e

8. t-test

   The t test aims to show how far the effect of one explanatory or independent variable individually in explaining variations dependent variable. The null hypothesis will be tested is whether a parameter is equal with zero. (Ghozali, 2016)

9. F-test

   The F test aims to test the joint hypothesis that b1, b2 and b3 together with zero. This hypothesis test, to test overall against the observed regression lines nor in estimation, whether Y is linearly related with X1, X2 and X3. To test this hypothesis used statistic F. (Ghozali, 2018).

3. Results and Discussion

3.1. Results

Table
Validity Test

Statement								Correlation
X1		X2		X3		Y		
1.)	,724	1.)	,638	1.)	,751	1.)	,812	
2.)	,739	2.)	,784	2.)	,585	2.)	,791	
3.)	,729	3.)	,772	3.)	,630	3.)	,570	
4.)	,474	4.)	,540	4.)	,660	4.)	,705	
5.)	,814	5.)	,794	5.)	,900	5.)	,680	
6.)	,805	6.)	,663	6.)	,838	6.)	,658	
7.)	,793	7.)	,700			7.)	,622	
8.)	,804	8.)	,876			8.)	,668	

The test results prove that each correlation statement gets the result (> 0.3). This means that all statement items have passed the validity test and have been considered valid.

Table
Reliability Results

V/Value	Lower Limit
(X1) ,880	.6
(X2) ,814	.6

(X3) ,825	.6	
(Y) ,841	.6	

The table above shows the results of the Cronchbach alpha value (> 0.6). So the instrument used passed the conditions.

Table
Normality Results (K-S)

	Hasil
N	119
Test Statistics	.081
Asymp,Sig.(2tailed)	.053

It is known that in the table (KS) asymp gets a value of 0.053. The test results above show> 0.05. Which means that the data distribution is normal.

Table
Multicollinearity

|	Price Perception	Quality Perception	Location
Tolerence	,248	,545	,281
VIF	4,028	1,836	3,556

Didapat VIF dari uji diatas untuk semua variable telah memenuhi asumsi dasar pemutusan pengambilan keputusan, dimana hasilnya didasarkan pada VIF < (10)/tolerence > (0.1).

Table
Autocorelation

DW
2,103

It is known in the table above that the DW (Durbin Waston) value is 2.103. Where the DW value is in the middle (1.752 - 2.248) so that it is concluded to pass.

Heteroscedastity Test

Scatterplot
Dependent Variable: Keputusan Pembelian
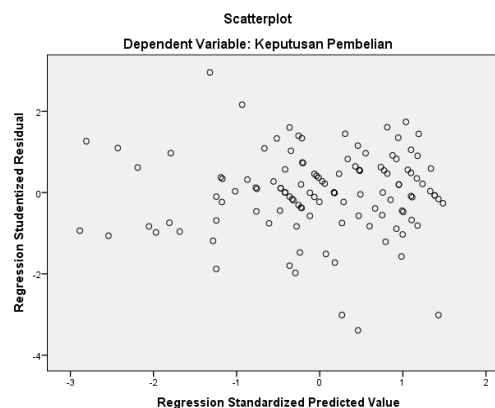
Explain that the output of the result above in the image has small circular spots that spread evenly, above, right, below, left. Data free from heteroscedastity is the meaning of the output.

Table
Mulltiple Regression

V	(B)	T	Sig.
Constant	*3,204*	2,051	,043
Price Perception	,157	2,106	,037
(X1)	,182	4,104	,000
Quality	*,652*	6,940	,000
Perception (X2)	,889		
Location (Y)	,791		
R			
R *Square*			

The equation Y = 3.204 + 0.157X1 + 0.182X2 + 0.656X3 is a result of the equation obtained from the analysis that has been done with application software.

Table
T-test

Nama (V)	T	Sig.
Price	2,106	,037
Perception	4,104	,000
Quality		
Perception	6,940	,000
Location		

3.2. Discussion

On the first test purchasing decisions are influenced by price perceptions at BFC Duo Buduran Sidoarjo. t count 2.106 for X1, and 0.037 for the obtained sig. So in the first hypothesis it is found that the hypothesis can be accepted and proven.

From the results of the hypothesis obtained, agree with the opinion of Schiffman and Kanuk (2018: 160) explaining how consumers perceive certain prices (high, low, reasonable) have a strong influence on purchase intentions and purchase satisfaction. Which means that price perception is a person's view of a certain price, how the price is viewed as low, high or fair. The higher the price, the higher the quality of the product, the customer will perceive that the product has high superiority and reliability so that it can influence customers to decide on a purchase through their perception of the price offered by the company as comparable or not with the benefits that have been provided.

H2 testing, purchasing decisions at BFC Duo Sidoarjo are influenced by perceptions of quality. The X2 test for the t number is at 4.104 and 0.000 for the sig, in this result it is concluded that the hypothesis is not rejected. From the research results obtained in hypothesis 2 agree with the perception of quality, often consumers assess the quality of a particular product or service on the basis of various kinds of information cues that they associate with the product. Some of these cues are intrinsic to the product or service, others are extrinsic (Schiffman and Kanuk, 2018: 162).

It can be said that the perception of quality for customers lies where the company is able to provide or create a great brand based on the quality of good and high raw materials. So that consumers can feel a high value on the product. When the customer feels the product offered is high, the consumer's perception to describe the product and will lead to quality products is preferred over low quality.

Obtained a third hypothesis assessment which reads location affects the purchase decision at BFC Duo Buduran Sidoarjo. The results obtained from the t test with t count and sig 6,940 and 0,000. In the third test, the results of the hypothesis are obtained, that the hypothesis is accepted and proven, which means that the location affects the purchasing decision at BFC Duo Buduran Sidoarjo.

The test results of the 3rd hypothesis agree with Kotler (2008:51) saying that one of the keys to success is location, location starts with choosing a community. And this decision really depends on the potential for economic growth and stability, and so on.

So it can be interpreted that the location of the location in the company or business entity stands depending on how strategic the location the company has. Because if a strategic place is a place where there is traffic congestion, easy road access to the business entity, it is easy for the community to see the existence of a business entity in the area and easy availability of goods. So that from the things that make it easier, if the location of the company or strategic business entity will lead to purchasing decisions for consumers and can increase profits for the company.

4. Conclusion

Conclusions are obtained from what has been researched and refers to the hypothesis and research objectives that the results of the analysis of purchasing decision variables are partially influenced by X1, X2, and X3. T count 2.106, sig 0.037 belongs to perceived price, then sig 0.000 and t count 4.104 belongs to perceived quality. And the third is the location variable, the t count is 6,940, the sig is 0,000.

From what has been described above in the research results, related suggestions are as follows: 1. Management should also pay attention to indicators of price perception which include quality according to the nominal paid. if the price is commensurate with the benefits provided, the consumer's perception of the price set by BFC Duo is still good. 2. The product quality, although it is good according to consumers, should be maintained and improved. Because if quality is maintained, consumers will feel satisfied and it can have a positive impact on the company's image. 3. The location that is occupied is good, preferably for visibility (visibility) to be further developed, such as making large banners to make it easier for potential customers to see clearly the location that has been occupied so that potential customers can without planning to make purchasing decisions.

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