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The Influence of Price, Promotion, And Service Quality on Consumer's Purchase Interest in Matahari Store Department

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ABSTRACT

This study aims to examine the impact of price, promotion, and service quality on consumer purchase intention at Matahari Department Store. The applied research methodology involves the utilization of a survey approach, wherein questionnaires are distributed to a sample of consumers that has been randomly selected. Regression analysis was employed to examine the gathered data to assess the correlation between the independent factors (pricing, promotion, and service quality) and the dependent variable (buy interest).

The research findings demonstrate that consumer buying interest at the Matahari Department Store is significantly influenced by pricing, promotion, and service quality. These several aspects collectively have a role in influencing positive consumer views, leading to an increase in purchase intention. The findings above offer significant insights for shop management in developing enhanced marketing strategies for consumer attraction and satisfaction.

The study also emphasizes the significance of retail enterprises in comprehending market dynamics and effectively addressing client demands. The findings of this study have significant practical consequences, indicating that initiatives aimed at increasing customer purchasing interest should consider the appropriate control of prices, the implementation of successful promotional techniques, and the enhancement of service quality. The present study establishes a fundamental basis for informing strategic decision-making processes inside the Matahari Department Store, offering a valuable point of reference for future investigations in this particular domain.

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Keywords: Effect of Price, Promotion, and Service Quality on Consumer Shopping Interest.

INTRODUCTION

The retail industry has had significant growth in multiple regions, exhibiting a quick expansion on an annual basis. This trend is particularly prominent in major urban centers like Medan, Jakarta, Surabaya, Bandung, and other comparable cities. Individuals seeking to fulfill their requirements desire a streamlined purchasing procedure, cost-effective pricing, and satisfactory amenities and services. The considerable public interest in shopping and

recreational activities within shopping centers has prompted retail enterprises to recognize potential avenues for financial gain.

One form of contemporary retail experiencing significant growth in Indonesia is hypermarkets, including Transmart Carrefour, Giant, Hypermart, Lottemart, Hero, and others. Shopping is an essential activity for individuals in Indonesia, particularly in fulfilling their daily needs. Due to this rationale, retailers are engaged in a competitive endeavor to establish shopping malls offering enhanced comfort, enticing consumers to visit and engage in purchasing activities. Every retailer will invariably provide distinct offerings in comparison to their competitors.

Consumer shopping interests are generally influenced by various factors, where these factors can individually or collectively influence a person's decision to make a purchase, whether in choosing a product or service, choosing the type, determining when to buy or where to buy. In determining where to shop, the factors of cheap prices, promotions and service quality may be important factors, in addition to safety, comfort and location, which are also very determining in choosing a place to shop. Of the many shopping places in Medan City, the Matahari Department Store at Medan Fair is one place to shop for clothes that can provide high comfort and is also supported by very professional service.

Interest is a psychological phenomenon that exerts a significant impact on human behavior. Moreover, interest is a potent motivational force that guides individuals in their actions and pursuits. The concept of purchase interest is considered an integral component within the behavioral aspect of consumption attitudes. In their work titled "Umar Husein" (Umar Husein, 2013, p. 45), Kinnear and Taylor assert that...

According to Rahayu et al., (2023); Shen & Yahya, (2021), while determining the pricing of a product, companies will modify the introductory price to accommodate different client characteristics and evolving circumstances.

As stated by Sopiani et al., (2022); Wandosell et al. (2021); Xiao et al., (2019) assert that the promotional mix refers to a distinct amalgamation of advertising, sales promotion, public relations, personal selling, and direct marketing strategies organizations employ to express customer value and foster customer connections effectively. Providing superior shopping and entertainment services is crucial in capturing consumer attention and interest, hence emphasizing the significance of service quality. According to Aditia et al., (2021); de Oña, (2022), service quality refers to the anticipated degree of excellence and the ability to maintain this excellence in order to meet customer expectations. According to Anwar & Andrean, (2021), When determining the pricing strategy for a product, the corporation will modify the initial price to accommodate customer variations and evolving market conditions. Promotional endeavors are conducted to capture the interest of consumers in order to stimulate their purchase of goods or services.

Service quality is also an important factor in attracting consumer interest by providing better shopping and entertainment services. Service quality is the expected level of perfection and control over that perfection to fulfill customer desires. (Abror et al., 2019; Balinado et al., 2021) Consumer buying interest will underlie the purchasing decision they want to make. A positive buying interest will encourage consumers to make a purchasing decision, while a

negative buying interest will discourage consumers from making a purchase. During the 2020 pandemic, the sales volume at Matahari department store decreased. The following is the sales data at Matahari department store Medan Fair in 2020, especially for the Exit Kids Brand that I obtained:

Table 1. List of Departments in Indonesia

No.	2020	Sales Percentage
1	January	99.50%
2	February	98.05%
3	March	92.70%
4	April	93.88%
5	May	94.60%
6	June	88.30%
7	July	87.45%
8	August	80.43%
9	September	81.80%
10	October	87.60%
11	November	79.90%
12	December	90.45%

Source: Matahari department store Sales Data 2020

From the table above, it can be seen that sales volume at Matahari department store in 2020 has fluctuated. The sharpest decline occurred in November 2020, which was only able to sell 79.90%.

LITERATURE REVIEW

A. Understanding Consumer Interest

Interest plays a significant role in shaping behavior and serves as a motivational force guiding individuals in their actions. In consumption attitudes, purchase interest stands out as a crucial behavioral component. The factors contributing to interest encompass various dimensions, including physical, social, and egoistic needs and individual experiences. (Xiao et al., 2019)

Interest is an individual's mental state preceding any action, serving as a predictive basis for subsequent behavior. Purchase interest pertains to a consumer's intention to buy a particular product and the quantity needed within a specified timeframe. It can be viewed as a cognitive declaration reflecting a consumer's purchase plan for a specific brand. (Yadav & Rahman, 2017)

B. Price

Price, denoting the monetary sacrifice consumers make to obtain desired product benefits, is paramount in influencing consumer interest, particularly for essential goods. (Jin et al., 2021; Rohiman et al., 2022) For consumers, price represents the cost incurred

to acquire necessary products. Anwar & Andrean, (2021) Moreover, price serves as an indicator of a product's brand quality, with the common perception that higher prices correlate with superior quality. (Supriadi et al., 2023) identify four key indicators characterizing prices:

- a. Price affordability: The purchasing power of consumers at the prices set by producers.
- b. Compatibility of price with product quality: The alignment of the company's pricing with the quality of the products sold.
- c. Price competitiveness: How the product's price compares to similar products competitors offer.
- d. Price compatibility with benefits: The alignment of the benefits of the company's products with the benefits perceived by consumers (Hasan, 2008, p. 298).

C. Promotion

Promotion, namely messages that are communicated so that product excellence can be conveyed to consumers. (Jasmani & Sunarsi, 2020) Promotion can bring benefits to both producers and consumers. According to Gedenk, (2022) Promotion indicators are:

1) Advertising

Is a form of promotion that uses print media to convey communication to consumers, usually through media such as banners, posters, and so on.

2) Personal selling / Direct Marketing

Personal selling is direct interaction, face-to-face communication between sellers and buyers to introduce their products.

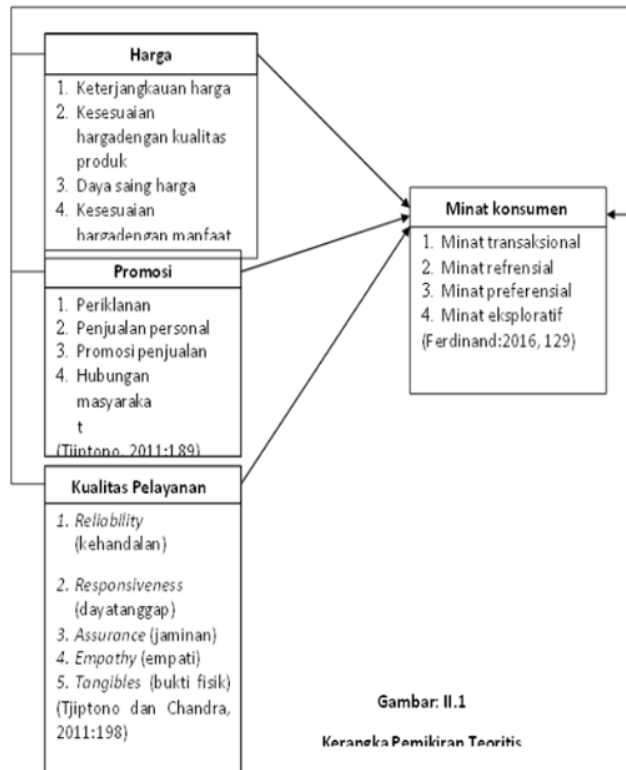
3) Sales promotion

Sales promotion is a promotion to add and coordinate purchasing decision-making activities, the goal is to attract customers.

4) Public relations

Public relations is a comprehensive communication effort to influence consumer opinions, beliefs and attitudes towards the company.

Conceptual Framework



Gambar: II.1

Kerangka Pemikiran Teoritis

In accordance with the conceptual framework above, this research will test the first hypothesis which is suspected that there is a significant influence of price on consumer interest. The second tests the hypothesis of how promotion influences consumer shopping interest at the Matahari Department store. And the third is to test the hypothesis of the effect of service quality on consumer shopping interest at the Matahari Department store.

METHOD

Research Description

The dependent variable in this research is consumer shopping interest in Matahari department store. The independent variables, namely price, promotion, and service quality, were obtained based on the results of validity and reliability tests, classical assumption tests, statistical test results and the coefficient of determination (R²) showing that price, promotions and service quality influence consumer shopping interest at Matahari department store.

Data Type

The methodology employed in this study is quantitative research. Quantitative methods are research approaches grounded in positivism. These methods investigate specific populations and collect data through quantitative research instruments. The primary objective of employing quantitative methods is to test predetermined hypotheses.

In this study, the researchers limited the population to a specific group of individuals, specifically 240 customers. This research employs the Slovin formula as it is necessary to ensure that the sample size is representative, hence allowing for the generalization of study findings. The advantage of employing this formula is that it obviates the need for a pre-existing table of sample sizes, as it can be computed using straightforward formulas and computations.

Secondary data is information that complements primary data and is obtained from sources such as reports, books, organizational structures, the internet, and relevant literature about the study subject. The data utilized in this study is classified as primary data. The term "primary data" is synonymous with "original data" or "new data." The dataset encompasses various information, including responses to questionnaires (statements) that were administered to all participants, specifically employees of Matahari Department Store employed in the sales promotion girl (SPG) division.

RESULTS AND DISCUSSION

This study used multiple regression analysis to examine the relationship between consumer interest and the variables of price, promotion, and quality of service. The findings reveal that consumer interest may be predicted by the equation $Y = 2.651 + 0.284 + 0.164 + 0.291 + e$. This phenomenon is evident based on the provided data. In the presented regression model, the constant term is estimated at 2.651. This number signifies that when the independent variables in the model are hypothesized to be zero, the average increase in consumer interest by the factors not included in the model would be 2.651 units. Given the given information, if the variables of pricing, promotion, and service quality unchanged, the level of consumer interest is quantified at 2.651 units. The observed magnitude of the regression coefficient b_1 in this study, which is 0.284, suggests that a one-unit rise in price is associated with a corresponding increase of 0.284 units in customer interest. The study findings indicate that the regression coefficient b_2 is 0.164. This result suggests that a one-unit increase in promotion is associated with a corresponding increase of 0.164 units in customer interest. The regression coefficient b_3 in this study, with a value of 0.291, indicates that a one-unit increase in the service quality variable is associated with a 0.291-unit rise in consumer interest. The observed F statistic, with a value of 20.526, exceeds the critical F value of 2.74 at a significance level of 5% (0.05). This result indicates a statistically significant difference among the groups being compared. The degrees of freedom for the numerator and denominator are 3 and 67, respectively. Therefore, the acceptance of hypothesis H4 indicates

a significant influence of the variables of pricing, promotion, and service quality (X1, X2, X3) on consumer interest.

CONCLUSION

Partially (one by one) the influence of the price variable (0.089) is smaller than that of alpha 5% (0.05) or $t_{count} = 1.725 > t_{table} 1.66792$, so it can be concluded that H1 is accepted which means there is an effect on price X1 towards Y. This means that there is an influence of price on consumer shopping interest at Matahari Department Store.

Partially (one by one) the influence of the promotion variable (0.004) is smaller than that of alpha 5% (0.05) or $t_{count} = 3.009 > t_{table} 1.66792$, so it can be concluded that H2 is accepted which means there is an effect of promotion X2 towards Y. This means that there is an influence of promotions on consumer shopping interest at Matahari Department Store.

Partially (one by one) the influence of the service quality variable (0.000) is smaller than that of alpha 5% (0.05) or $t_{count} = 3.694 > t_{table} 1.66792$, so it can be concluded that H3 is accepted, which means that there is an effect on the price of X3 on Y. This means that there is an effect on the quality of service on consumer spending interest at Matahari

The results of the regression test in this research show a significance value of 0.000.

It is required that the F significance value be smaller than 5% (0.05) or the calculated F value = $20.526 > F_{table} 2.74$. Thus it can be concluded that H4 is accepted, which means that there is an influence of price, promotion and service quality variables (X1, X2, X3) simultaneously (together) on consumer interest in PT Matahari Department Store, Tbk.

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