Effect of Price, Location, and Store Atmosphere on Purchasing Decisions at Islamic Boarding School Cooperatives Mamba'us Sholihin Suci Manyar Gresik (Studies on the Gresik Sacred Society)

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Abstract

Retail development in Indonesia has experienced rapid development from year to year. This requires business people to maintain business with innovation and creativity. Retail development in the City Gresik, of course, also continues to experience development, especially in Mamba'us Sholihin Islamic Boarding School, Suci Gresik. Kepontren makes prices, locations and store atmosphere to drive customer purchasing decisions, the purpose of this study was to determine the effect of price, location and store atmosphere partially to purchasing decisions. Price, location and store atmosphere are independent variables in the study this, while the purchase decision is the dependent variable in this research. This research is a quantitative research, with determination sample using purposive sampling and data collection techniques done by means of a questionnaire (questionnaire). The sample used in this study a number of 96 people. Then analyzed the data with using the Research Instrument Test, Classical Assumptions Test, Analysis Techniques Data and Hypothesis Testing. The results of this study are location and store atmosphere has a positive and significant influence on purchasing decisions, while the price has a positive and not significant effect on buying decision.

Keywords: Location; Mamba'us Sholihin Cooperative; Purchase Decisions; Price; Store Atmosphere.

1.Introduction

The needs of human life always change from time to time. There will be many human needs in fulfilling their life. Starting from clothing, food and shelter, human needs will also develop along with his lifestyle. Consumer Behavior Expert & Executive Retail Service Director Nielsen Indonesia reports on developments in the retail world in Indonesia in 2020 will grow by around 9-10%. Compared to years 2019 was recorded at 8%, then retail growth in Indonesia has experienced increase. This retail growth is also influenced by people's purchasing power progressed to the upper middle class. Therefore it can be seen that Indonesia has provided good economic growth in the past front. Ferrinadewi (2012) revealed that consumer behavior will the more difficult to predict, consumers will be more critical in determining choice. Because consumers will not be easily satisfied, in taking Consumer purchasing decisions will choose products that are unique and attractive.

Kotler & Armstrong (2001:226), the purchase decision is a deep stage the buyer decision-making process in which the consumer actually buys. Decision making is an individual activity directly involved in obtaining and using the goods offered. Tjiptono (2008:151) states that price is the only element in the marketing mix that provides income to a company. Maulidina (2017:11) states that price is an element of the mix marketing that is flexible in nature where it can change at any time according to time and place.

Location is very important in business because if something goes wrong in choosing a location / place it will greatly affect sales the product/service. Lupiyoadi (2011:80) mentions that location related to how a company delivers a product or services to consumers. In addition, according to Tjiptono (2009:65) said that customer mood and response are significantly influenced by location, service facility design and layout. Mood and response is what will give rise to feelings of satisfaction and dissatisfaction. Location is a framework for success in the success of a business.

Store atmosphere or store atmosphere is a situation in a store or stores built by entrepreneurs to consumers with the aim of consumers feel comfortable in the store, so it is expected to influence on consumer purchasing decisions. Interior and exterior design interesting things in a store will stimulate consumers to come and make a purchase of a product or service. According to Foster (2008:61) stores atmosphere is a situation in every shop or outlet that has a layout physical

location that facilitates or even complicates it. Every shop will have a different appearance whether 9 is dirty, clean, majestic, gloomy, interesting etc. A store must have an appropriate store atmosphere market shot. Meanwhile, according to Kotler (2010) the shop environment can also influence in-store purchases, supported through the theory that planned store atmosphere can attract consumers to buy.

The reason for this research using the Gresik community is because of the majority Gresik people like to shop from one place to another to other places, and the people of Gresik are also very concerned about the atmosphere at a shop for one of his shopping options.

Price

According to Kotler & Keller (2014:67), "Price is one of the elements of the mix marketing generates revenues, other elements generate costs. Price is the easiest element in a marketing program to adjust. Product features, channels, and even communications take a lot of time." Kotler and Armstrong (2012:52) argue that in the price variable there is a several elements of the main price activities which include price levels, discounts, discount, and payment period. Lupiyoadi (2011: 74) states that pricing includes the following:

a. Service positioning: the company arranges the location of services in a good position in the marketing.
b. Company Goals: every company has goals or objectives, objectives this can be in the form of maximizing profits, maintaining Viability Company, gain a large market share, create leadership in terms of quality, overcoming competition, carrying out social responsibility and others.
c. Level of Competition: position of costs (cost position) and determination behavior Price (pricing behavior) of competitors is an important element must be considered.
d. Service Life Cycle: a graph that describes the history of a service since introduced to the market until withdrawn from the market.
e. Elasticity of Demand: the amount of demand varies at various levels Different prices.
f. Cost Structure: the factor that determines the minimum price that must be set so that the company does not suffer losses. Indicators that characterize the price used in this study refers to Stanton's research (2012: 54), namely:
   1. Affordability
   2. Conformity of price with product quality
   3. Price competitiveness
   4. Price suitability with benefits

Location

Kotler & Armstrong (2010: 363) defines that place/location is a set of interdependent organizations, which involved in the process of providing a product or service, for use or consumed by consumers or business customers. According to Lupiyoadi (2013:157) "Location is a decision companies make with regards to where operations and staff will be deployed." Appropriate location arrangement as well Establish a location where customers feel comfortable and safe make customers more loyal to what they want to buy. (Tjiptono 2005:140) mentions that the components related to location include: choosing a strategic location (easy to reach), in the area shopping center, near residential areas, safe, convenient for customers. And accompanied by other supports such as, parking lots, and others. Lupiyoadi (2011:80) states that location is related to how to deliver products to consumers and where the location is strategic. Companies that are commercial in nature generally have a location companies that approach the place of the producers, while those that are distributor companies in general have a company location that approaching consumers (in the sales area). Nandyka (2015: 57) mentions that there are several internal indicator factors considering the location or place in order to attract consumers, among others as follows:

a. Reachable
b. Strategic
c. Smooth traffic
d. Spacious and orderly parking lot
e. Safe environment

Store Atmosphere

Widhya (2010: 255) mentions store atmosphere a combination of the store's physical characteristics such as architecture, layout, lighting, display, color, temperature, music, and smell all over the place will create an image in the form of consumers. Through the store's atmosphere accidentally created by retail. Retail seeks to communicate information related to services, prices and availability of merchandise fashionable. Store atmosphere elements, the store atmosphere has elements all of which affect the atmosphere of the store you want to create. Element Store atmosphere consists of interior, exterior, store layout and interior display. According to Berman and Evan (2007:604), divide the elements of the store atmosphere into in 4 elements namely:

a. Interior (the inside of the store) various motives of consumers entering the store, should have a pleasant impression. This impression can be created for example with an attractive shop wall color, music that is played, as well as smells or smells and the air inside the store.

b. Exterior (store front) the store front is the prominent part. So it should give an interesting impression, by reflecting steadiness and character, then the front and the outside can creates trust and goodwill. In addition, it should show the spirit of the company and the nature of the activities within it. Because of the front and the exterior serves as an identification or recognition mark then preferably symbols installed.

c. Store layout (layout) is a plan to determine a particular location and the arrangement of a street or aisle in a store that is quite wide and easy for people to move around.

d. Interior display is very decisive for the atmosphere of the store because it gives information to consumers. The main goal is to improve sales and profits for the store, classed as interior displays are:
   1. Posters
   2. Signs indicating the location
   3. Shelf
   4. Case
   5. Display of goods on special days such as Eid and New Year.

Purchasing Decisions

Kotler & Armstrong (2021:226) define purchasing decisions is a consumer stage in the buyer's decision-making process where consumers will actually buy a product. Suarjana, et al (2018) states that making a purchase decision is individual activities directly involved in obtaining and use the items offered. Dangnga & Ferdiansyah (2018) mentioned that the purchase decision is a very important activity relates to the large number of bids and what is offered by company to customers according to the level of satisfaction with the product use.

Purchasing decisions are essentially applied in three appreciations, namely levels sales to be achieved, the market to be developed as an activity transaction or place of transaction and profit on sales. Third the essence basically provides a limitation that makes the buying decision interpreted as the addition of economic value generated through activities product offerings from various industrial companies offering purchase to consumers.

The indicators in consumer purchasing decisions according to Dangnga & Ferdiansyah (2018) is as follows:

a. Recognition of needs, namely consumers are aware of the need or problems caused by internal or external stimuli.

b. Information search, if consumers already feel they need something then consumers will seek information about the product to be purchased. If the urge becomes stronger then it could be that consumers will directly buy it, and if not then consumers will make as just memory.

c. Evaluation of alternatives, consumers will be faced with a choice of information they need, such as brand and quality. Consumers will see the weight different for each product according to their needs.

d. Purchase decision, this stage will form a purchase intention. Usually consumers will choose the preferred brand and buy it.

e. Behavior after purchase, after making a purchase consumers will faced with a level of satisfaction or dissatisfaction

2. Method

The approach in this study is to use quantitative methods. Population is a generalization area consisting of objects/subjects have certain qualities and characters set by researchers for studied and then conclusions drawn (Sugiyono 2019:126). Population in this study were the people of the Suci Village, Gresik who had gathered at the Mamba'us Sholihin Islamic Boarding School Cooperative. According to Sugiyono (2019:127) sample is part of the number and characteristics possessed by the population. The technique used is the researcher uses a purposive sampling technique. Sugiyono (2017:85) defines a purposive sampling technique as a technique determination of the sample with a certain consideration / have criteria. Reason using purposive sampling technique is because not all samples have criteria that are in accordance with the researchers specify. Data collection technique by using a questionnaire. For data analysis technique using test data quality, classical assumption test, multiple linear regression analysis, coefficient test determination, and hypothesis testing.

3. Findings and Discussion

Respondents in this study were 96 people from the community, with the age criteria of 15-40 (or more) who have shopped at the Cooperative Mamba'us Sholihin Islamic Boarding School. The method used is the sampling technique fed up. Distribution of questionnaires using hardfile questionnaires. During distribution of questionnaires with respondents is the entire population.

Normality Test

Based on this research it is known that the significant k-s value is 0.095. Where the value is greater than 0.05, so it can be said the data is normally distributed. Because the value is > 0.05 so it can continue with the next test

Multicollinearity Test

Based on this research shows that each variable price has a tolerance value of 0.452 > 0.10. The location variable has a value tolerance 0.346 > 0.10. The store atmosphere variable has a tolerance value 0.370 > 0.10. Likewise with the VIF value of each variable < 10.00. on variables the price has a VIF value of 2.212 < 10.00. The location variable has a VIF value of 2.889 < 10.00. The store atmosphere variable has a VIF value of 2.703 <10.00. From With these data, this study is free from multicollinearity assumptions.

Heteroscedasticity Test
Based on this research it can be seen that the significant value of each variable > 0.05. The price variable has a significant value of 0.575 > 0.05. The location variable has a significant value of 0.398 > 0.05. Store variable atmosphere has a significant value of 0.086 > 0.05. It can be concluded that every variable namely price, location, and store atmosphere does not exist heteroscedasticity symptoms.

Multiple Linear Regression Test

Table 1. Multiple Linear Regression

Model	Unstandardized Coefficients	Significant
Constant	-0,985	0,416
Price	0,165	0,074
Location	0,627	0,000
Store Atmosphere	0,347	0,003

Based on the results of the regression analysis mentioned above, a regression equation can be compiled as follows:
$Y = α + β1 X1 + β2 X2 + β3 X3 + e$
$Y = -0.985 + 0.165 (X1) + 0.627 (X2) + 0.347 (X3) + e$
Based on the results of multiple linear regression tests found the most variable effect that is X2 Location. And only the price variable has no effect significant to performance.

Determination Test (R square)
Based on this research, it can be seen that the value of Adjusted R^2 is formed in this study is 0.748 which means as much as 74.8% the independent variables in this study affect the dependent variable. And 25.2% is influenced by other variables outside of several variables in the study this.

Partial Test
1. Effect of Price on Purchasing Decisions
   The test results of this study indicate that price has an effect positive but not significant to the Purchase Decision with a value 0.074 > 0.05 indicates that the price is provided by the Islamic boarding school Mamba'us Sholihin is not quite what one wants the customer. If associated with the price relationship to purchasing decisions which refers to the theory of Kotler and Armstrong (2005:187). Hence the interpretation from these results it can be concluded that if prices have increased, then Purchase Decision will decrease, even if only slightly. This is in line with research conducted by Nurhayati (2017), which stated that brand image and price variables had no significant effect significant to the purchase decision.
2. Effect of Location on Purchasing Decisions
   The results of this study indicate that location has a significant effect on Purchasing Decisions, with the indicators used in this research includes easy to reach, strategic, smooth traffic, place spacious and orderly parking, safe environment with a value of 0.000 <0.05 shows that the Location given by the Islamic Boarding School Cooperative Mamba'us Sholihin is in accordance with what its customers want If it is associated with the location relationship to the purchasing decision referring to Lupiyoadi (2008:92) it can be concluded if the Location on The Mamba'us Sholihin Cooperative is further improved, then the Decree Purchases (Y) will continue to increase. This is in line with research Suarjana, et al (2018) which states that location has an influence positive effect on consumer purchasing decisions
3. The Effect of Store Atmosphere on Purchasing Decisions
   The results of research testing show that Store Atmosphere significant effect on purchasing decisions, with the indicators used in this variable include interior, exterior, store layout, interior displays. Value 0.003 <0.05 indicates that the Store Atmosphere provided by the Islamic Boarding School Cooperative Mamba'us Sholihin is in accordance with what is desired the customer. If the Store Atmosphere can be maintained and improved then will increase the Purchase Decision (Y) of its customers. Dessyana (2013: 846), defines Store Atmosphere as a combination of physical

messages that have been planned, store atmosphere can described as a change to environmental planning purchases that produce special emotional effects that can be cause the consumer to take a purchase action. Store atmosphere attractive 60 can make consumers feel comfortable inside store, this will certainly affect consumers to stay longer in the store, and can stimulate consumers to be able to buy goods even more. This is in line with research conducted by Situngkir, et al (2018) which states that a store atmosphere has positive influence on consumer purchasing decisions.

4. Conclusion

This research was conducted to find out which independent variables which has an influence on the dependent variable that has determined, where the variables in this study consisted of three variables independent, namely Price, Location, and Store Atmosphere as well as variables dependent Purchasing Decision. Based on the results of the research, it is withdrawn conclusion as follows:

1. Price has a positive but not significant effect on purchasing decisions at the Mamba'us Sholihin Islamic Boarding School, Suci Kota Gresik.

2. Location has a positive and significant effect on purchasing decisions at the Mamba'us Sholihin Islamic Boarding School, Suci Kota Gresik.

3. Store Atmosphere has a positive and significant effect on purchasing decisions at the Mamba'us Sholihin Islamic Boarding School, Suci Kota Gresik.

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