DETERMINATION OF CONSUMER VALUE AND PURCHASE DECISIONS: ANALYSIS OF PRODUCT QUALITY, LOCATION, AND PROMOTION

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Abstract: Literature review is useful as a first step to initiating a study. Before determining the title, it's a good idea to prepare supporting articles for research, including previous research or as relevant research. Relevant and theory-reinforced articles are needed to look at the relationship between variables and build hypotheses. This article discusses variables that affect consumer value and consumer decisions to make decisions. The variables of product quality, location and promotion became the variables with the 3 highest values at the time of the pre-research survey. Of course not all factors that influence purchasing decisions and consumer value are discussed in this article, only a small part will be reviewed and reviewed. The results of the review show that all exogenous variables have a direct or indirect effect on endogenous variables.

Keywords: Product, Place, Promotion, Value, Purchase.

INTRODUCTION

Every student, both undergraduate, postgraduate and postgraduate, is required to conduct research in the form of a thesis, thesis and dissertation. Likewise for lecturers, researchers and other functional staff, actively conducting research and making scientific articles to be published in scientific journals. Based on the empirical experience of many young students and lecturers as well as other researchers, it is difficult to find supporting articles in research as previous research or as relevant research. Articles as a relevant researcher are needed to strengthen the theory under study, to see the relationship between variables and to build hypotheses, are also indispensable in the discussion of research results.

This article discusses the influence of product quality, location and promotion on consumer value and its impact on purchasing decisions, (A Study of Marketing Management Literature). Of course, not all factors that influence purchasing decisions and consumer value are discussed in this article, only a small part will be reviewed and reviewed. In detail, the purpose of writing this "Literature Review Paper" is to determine the effect of exogenous variables on product quality, location, and promotion on endogenous variables of consumer
value and purchasing decisions.

**LITERATURE REVIEW**

1. **Purchase Decision**

   The purchase decision is a reason that encourages consumers to make choices about purchasing a product as needed. According to (Fandy Tjiptono, 2016) consumer behavior is actions that are directly involved in obtaining, determining products and services, including the decision-making process that precedes and follows these actions.

   The purchase decision is an attitude in buying or using a product which, according to consumers, provides satisfaction or the risks that may occur. According to (Schiffman dan Kanuk, 2015) a purchasing decision is the selection of two or more alternative purchase decision choices, meaning that a person can make a decision, several alternative choices must be available. The decision to buy can lead to how the process of making that decision is carried out.

   According to (Kotler dan Armstrong, 2017) a purchase decision is the buyer's decision about which brand to buy. A complex decision-making process often involves several decisions. This decision involves a choice between two or more alternatives.

**Purchase Decision Process**

Manufacturers must be able to see the factors that can influence consumer behavior and an understanding of how consumers make purchasing decisions. According to (Kotler, 2017) there are five stages that consumers go through in making purchasing decisions:

![Picture 1. Decision Making Process Model](https://dinastipub.org/DIJDBM)

**Purchasing Decision Indicators**

In this study, four indicators are used to determine purchasing decisions taken from (Kotler 2018:70), namely:

a. Stability on a product  
b. Habits in buying products  
c. Provide recommendations to others

Purchasing decisions have been researched by many previous researchers, including by (Yu et al., 2013), (Ali, 2019a), (Rosyid et al., 2013), (Anggita & Ali, 2017), (Novansa & Ali, 2017), (Brata et al., 2017), (Djatmiko & Pradana, 2016), (Gan & Wang, 2017), (Yunita & Ali, 2017), (Rosyid et al., 2013), (Rödiger et al., 2016), (Amanah et al., 2017),(Konuk, 2018), (Ferdinand, 2014), (Larasetiati & Ali, 2019), (Firmansyah & Ali, 2019), (Zhao et al., 2019), (Jeaheng et al., 2020), (Damghanian et al., 2016), (Al-ekam, 2016), (Yen, 2019), (Septiano, 2020).
2. **Consumer Value**

   Value can be defined as the ratio between the amount obtained by consumers and the amount given by consumers, consumers get benefits and incur costs (Kotler 2018:13). Consumers will buy from producers who are believed to offer the highest thought value, the value thought by consumers, namely the difference between the evaluation of all the benefits and the cost of the offer given by the producer. (Rangkuti, 2015) defines value as an overall assessment of the benefits of a product, based on consumer perceptions of what consumers have received and what the product has provided. Value can reflect a number of benefits, both tangible and intangible. According to (Kotler dalam Hurriyati, 2017) consumer value is a set of benefits expected by consumers from a particular product or service and total consumer costs are a set of costs expected by consumers that are incurred to evaluate, obtain, use and dispose of a product or service.

**The Consumer Value Dimension**

   The value of each brand or service is that it is a valuable asset for producers to be able to increase consumer interest in making purchasing decisions for a product. Is it after buying then when the consumer can only imagine the value obtained. According to (Sweeney, 2015) there are several dimensions in shaping consumer value, namely:

   a. Emotional Value
   b. Social Value
   c. Quality Value
   d. Value Price

**Consumer Value Indicators**

   (Sheth dkk, 2020) explained that consumer value is divided into 3 important components, namely consumption in terms of quality values, social values, emotional values. The three dimensions are the most comprehensive aspects of viewing value to date, as follows:

   a. Value Quality (Quality value)
   b. Emotional value (Emotional value)
   c. Social Value (Social value)

   Research on Consumer Value has been widely studied by previous studies such as research developed by (Dudu & Agwu, 2014), (Anggita & Ali, 2017), (Djamiko & Pradana, 2016), (Gan & Wang, 2017), (Yunita & Ali, 2017), (Rosyid et al., 2013), (Rödiger et al., 2016), (Ferdinand, 2014), (Septiano & Sari, 2020).

3. **Product Quality**

   Quality can be defined as the ability of a product to carry out its functions which include durability, reliability or progress, strength, ease of packaging and repair of products and other characteristics (Luthfia, 2016). to improve or maintain a product in its target market. Given the quality of the product has a relationship with consumer decisions which are the goals of the producers of the marketing activities carried out. According to (Schiffman dan Kanuk, 2019) that product quality is the ability of a company to provide identity or features to each product so that consumers can recognize the product.

   According to (Philip Kotler, 2015) Product quality is the characteristics and
characteristics of a good or service that affects its ability to satisfy stated or implied needs. High quality can also mean consistent high levels of quality. In high consistency, product quality means conformity quality, which is free from defects and consistency in providing the level of quality achieved or promised. Thus, in practice all companies should strive to provide a high level of conformity quality (Kotler dan Armstrong, 2016).

Product quality according to (Kotler, 2019) is the overall feature of a product that affects the ability to satisfy stated or implied needs. Product quality is the knowledge about the value of a product to differentiate it from other products. With this the company "can focus on several products" in order to compete for and attract buyers to the products being sold. In addition, consumers love products that offer the best in quality, performance and innovative complements. (Lupiyoadi dan Hamdani, 2019).

**Product Quality Dimensions**

According to (Mullins, 2017) there are several dimensions that affect product quality, namely:

1. Performance,
2. Durability,
3. Conformance to specifications,
4. Features,
5. Reliability,
6. Aesthetics,
7. Perceived quality (impression quality),

**Product Quality Indicators**

According to (Gito Sudarma, 2018) disclosing indicators that can be used to measure product quality, namely:

a. Wide variety of product variations
b. Product durability
c. The product quality is in accordance with the specifications of the consumer
d. Product packaging appearance (aesthetics)
e. The best product quality compared to other brands

Research on Product Quality has been widely studied by previous studies such as research developed by (Anggita & Ali, 2017), (Djatmiko & Pradana, 2016), (Gan & Wang, 2017), (Yunita & Ali, 2017), (Rosyid et al., 2013), (Rödiger et al., 2016), (Ferdinand, 2014).

4. **Location**

Buchari Alma (Alma, 2011) argues that "Location is where a company operates or where a company carries out activities to produce goods and services that are concerned with its economic side." According to Ujang Suwarman (Suwarman, 2011), "location is a place of business which greatly influences a consumer's desire to come and shop".

Choosing the location according to (Alma, 2011) choosing the right business location will determine the success and failure of the business in the future. Based on the theory above, it can be concluded that the location is a place where the company operates and produces
goods and services as well as the selection of a company location will determine the success of a business.

**Location Indicators**

(Afifudin, 2016) explains that there are factors in choosing a place or location, in this study the location indicators used in the selection of a place or location are:

1) Access is the ease of reaching the location of a tourist attraction which includes: easily accessible locations, road conditions to the location, time taken to the location.
2) Traffic, the number of people passing by can provide a great opportunity for impulse buying. Traffic congestion and congestion can also be obstacles.
3) Visibility is the location of a tourist attraction that can be seen from the main road and there are directions for the location of the tourist attraction.
4) A large and safe parking space is a means of parking a large safe area and guaranteed security.
5) Environment

**Types of interactions that affect location**

According to (Nugroho & Prawoto, 2019) there are three types of interactions that affect location, as follows:

1. Consumers come to service providers: if the situation is like this then location is very important. Companies should choose a place that is close to consumers so that it is easily accessible and strategic.
2. Service providers come to consumers: in this case, location does not really matter, but what must be considered is that service delivery must remain of high quality.
3. Service providers and consumers do not meet directly: means service providers and consumers interact through certain means, such as telephone, computer, or mail. In this case, location is not very important as long as communication between the two parties can take place.

Research on location has been widely studied by previous studies such as research developed by (Suhaily, 2017), (Susanty et al., 2016), (Dudu & Agwu, 2014), (Anggita & Ali, 2017), (Djatmiko & Pradana, 2016), (Gan & Wang, 2017), (Yunita & Ali, 2017), (Rosyid et al., 2013), (Rödiger et al., 2016), (Ferdinand, 2014), (Sari, 2020).

5. **Promotion**

(Handoko, 2017) Promotion is communication from marketers that informs, persuades and reminds potential buyers of a product in order to influence their opinion or get a response. (Manik, 2020) Promotion is a communication activity, which aims to facilitate the flow of certain products, services or ideas on a distribution channel. (Syafullah & Nerli, 2019) Promotion is a marketing activity carried out by a business to consumers or guests which contains news, persuasion and influence.

(Nawari & Mahfudho, 2019) Promotion is defined as an effort to receive products or services, concepts and ideas. Furthermore, according to (Yuliyanto, 2020) Promotion is an
effort of marketing to inform and influence other people or parties so that they are interested in conducting transactions or exchanging products or services that are marketed.

**Promotion indicators**

According to (Fernando & Sitohang, 2017) promotion indicators, namely:

1) Promotion through visual media is a process of introducing service products that will be sold to the public by utilizing props.
2) Face-to-face promotion is a process of introducing products to be sold privately between service producers and consumers.
3) Promotion by giving gifts is a process of influencing consumers by fostering consumer interest through providing convenience or something that is beneficial to the consumer.

Research on Promotion has been widely studied by previous studies such as research developed by (Anggita & Ali, 2017), (Gan & Wang, 2017), (Yunita & Ali, 2017), (Rosyid et al., 2013), (Rödiger et al., 2016), (Ferdinand, 2014), (Septiano, 2020), (Sari, 2020).

**RESEARCH METHODS**

The method of writing scientific articles is by qualitative methods and literature study or Library Research. Review literature books in accordance with the theory discussed, especially in the scope of Marketing Management. Besides that, it analyzes reputable scientific articles as well as scientific articles from journals that are not yet reputable. All scientific articles cited are sourced from Mendeley and Google scholars.

In qualitative research, literature review should be used consistently with methodological assumptions. This means that it must be used inductively so that it does not lead to the questions posed by the researcher. One of the main reasons for conducting qualitative research is that it is exploratory in nature (Ali & Limakrisna, 2013).

Furthermore, it is discussed in depth in the section entitled "Related Literature" or literature review ("Review of Literature"), as a basis for the formulation of hypotheses and will then become the basis for making comparisons with the results or findings revealed in the research. (Ali & Limakrisna, 2013)

**FINDINGS AND DISCUSSION**

1. **Direct effect of product quality on consumer value**

According to (Philip Kotler, 2015) Product quality is the characteristics and characteristics of a good or service that affects its ability to satisfy stated or implied needs. Quality is an important thing for producers that must be endeavored so that the resulting products can compete in market share, this is because at this time consumers are more careful in choosing a product that provides the desired satisfaction.

(Rangkuti, 2015) defines value as an overall assessment of the benefits of a product, based on consumer perceptions of what consumers have received and what the product has provided. Value can reflect a number of benefits, both tangible and intangible. Strong product quality indicates that consumers will add consumer value to the products they buy (Agussalim & Ali, 2017). Product quality significantly affects consumer value (Cheong & Jang, 2018).
2. **Direct effect of location on consumer value**

(P. Kotler & Keller, 2016) said that customer perceived value is the difference between evaluating consumer perspectives on all benefits and overall costs and compared to existing alternatives. So that a location that is easily accessible or quickly accessible is a value that is calculated by consumers. The location channel is one of the elements in the marketing mix that plays an important role in locating goods and smoothing the flow of goods from producers to consumers (Manampiring et al., 2016).

A strategic location is a benefit for consumers as well as costs incurred to get to the location as discussed by (Rohwiyati & Praptiestrini, 2020). Consumers will provide perceived value for all the benefits that they have in mind, whether it is in accordance with what consumers have sacrificed or not (Nurdin & Sulasri, 2018).

3. **Direct effect of promotion on consumer value**

Promotion is communicating information between sellers and potential buyers or others to influence attitudes and behavior (Perreault, W.; Cannon, Joseph; McCarthy, 2017). Promotion is a marketing activity that seeks to spread information, influence or remind the target market of the company and its products so that they are willing to accept, buy and be loyal to the products offered by the company concerned (Fandy Tjiptono, 2016). (Ginting & Nembah, 2011) promotion is all activities of producing companies to improve the quality of their products and persuade / persuade consumers to buy their products.

Value can be defined as the ratio between the amount obtained by consumers and the amount given by consumers, consumers get benefits and incur costs (Kotler 2018:13). Consumers will buy from producers who are believed to offer the highest thought value, the value thought by consumers, namely the difference between the evaluation of all benefits as well as the cost of the offer given by the producer. Where the benefits that are felt are a combination of physical attributes, services and supporting techniques in product utilization.

Research (Sinha & Verma, 2020) states that sales promotion has more impact on the perceived value of consumers. Likewise research by (Darke & Chung, 2005) which states that promotion has an influence on consumer perceptions. Furthermore, research on this is also discussed by (Ali, Evi, et al., 2018), (Prihartono & Ali, 2020), (Sulistiorini & Ali, 2017), (Hairiyah & Ali, 2017), (Ali, Narulita, et al., 2018).

4. **Direct effect of product quality on purchasing decisions**

If the marketing situation is increasingly fierce, the role of product quality will be even greater in the company's development. Plus, consumers will love a product that offers the best in quality, performance and innovative complements. (Lupiyoadi dan Hamdani, 2019). According to (Philip Kotler, 2015) Product quality is the characteristics and characteristics of a good or service that affects its ability to satisfy stated or implied needs. Quality is an important thing for producers that must be endeavored so that the products produced can compete in market share.

(Yu et al., 2013) found that product quality has a positive impact on purchasing decisions. Product quality factors, product design and consumer value can positively influence the buying behavior of a product (Ali, 2019a). (Rosyid et al., 2013) product quality has a positive effect on purchasing decisions. (Suhailey, 2017) product quality has a positive and
significant effect on purchasing decisions.

5. **Direct effect of location on purchasing decisions**

   According to (K. Kotler, 2014) location is a company activity that makes products available to the target audience. Choosing a good location is an important decision. First, because the premises represent a long-term resource commitment that can reduce the future flexibility of the business, whether the site has been purchased or is simply leased. Second, location will influence future growth. The selected area must be able to grow from an economic point of view so that it can sustain business viability. And lastly, the local environment can change over time, if the value of the location deteriorates, then the business location must be moved or closed.

   Location affects purchasing decisions according to research (Senggetang et al., 2019) and research (Husen et al., 2018).

6. **Direct effect of promotion on purchasing decisions**

   According to (Kotler dan Keller, 2016), the purchasing decision process consists of five, namely: 1. Problem recognition, 2. Information search, 3. Alternative Evaluation, 4. purchasing decisions, 5. Post-purchase behavior.

   The effect of promotion on purchasing decisions has been proven by research (Permana, 2017) and research (Nurhayati, 2017).

7. **Direct effect of consumer value on purchasing decisions**

   According to (Kotler dalam Hurriyati, 2017) consumer value is a set of benefits expected by consumers from a particular product or service and total consumer costs are a set of costs expected by consumers that are incurred to evaluate, obtain, use and dispose of a product or service. According to (Zeithmal dan Biner, 2016), there are several right ways to set product prices based on the definition of value for consumers, namely: value is low price, value is everything I want in a service, value is quality I get for the price I pay, value is all that I get from all that I give.

   Consumer value will create good trust in the seller and will increase consumer buying behavior (Larasetiati & Ali, 2019). Consumer value has a direct and significant effect on purchase intention (Firmansyah & Ali, 2019), (Zhao et al., 2019) and consumer value is an important factor in increasing interest in online shopping. Mosunjola et al. (2019) also found an influence between consumer value and purchase intention. (Jeaheng et al., 2020) consumer value has a positive and significant effect on purchasing decisions. (Damghanian et al., 2016) high consumer value can reduce the perceived risk of consumers so that it can have an impact on purchasing decisions.

8. **Indirect effect of product quality on purchasing decisions is through consumer value**

   If the marketing situation is increasingly fierce, the role of product quality will be even greater in the company's development. Plus, consumers will love products that offer the best in quality, performance and innovative complements. (Lupiyoadi & Hamdani, 2019). According to (Philip Kotler, 2015) Product quality is the characteristics and characteristics of a good or service that affects its ability to satisfy stated or implied needs. Quality is important
for producers which must be endeavored so that the products produced can compete in market share,

According to (Kotler in Hurriyati, 2017) consumer value is a set of benefits expected by consumers from a particular product or service and total consumer costs are a set of costs expected by consumers that are incurred to evaluate, obtain, use and dispose of a product or service. (Yu et al., 2013) found that product quality has a positive impact on purchasing decisions. Product quality factors, product design and consumer value can positively influence the buying behavior of a product (Ali, 2019a). (Rosyid et al., 2013) product quality has a positive effect on purchasing decisions. (Suhailey, 2017) product quality has a positive and significant effect on purchasing decisions.

9. **Indirect effect of location on purchasing decisions through consumer value**

(Alma, 2011) argues that location is where the company operates or where the company carries out activities to produce goods and services that are concerned with its economic side. The purchase decision is a consumer decision that is influenced by the financial economy, technology, politics, culture, product, price, location, promotion, physical evidence, people and process, thus forming an attitude towards consumers to process all information and draw conclusions in the form of responses that appear. what products to buy.

Location is an area that makes a product available to target consumers. According to (Ghanimata & Kamal, 2012), location is the location of a store or retailer in a strategic area so as to maximize profits. Location has an influence on consumer value according to (Rohwiyati & Praptiestirni, 2020), (Nurdin & Sulasri, 2018), and consumer value has an influence on purchasing decisions according to research. Consumer value will create good trust in sellers and will increase consumers in purchasing behavior (Larasetiati & Ali, 2019), (Firmansyah & Ali, 2019). Research on the effect of location on purchasing decisions through consumer value has been discussed in research (Mudzakkir & Nurfarida, 2016).

10. **Indirect effect of promotion on purchasing decisions through consumer value**

According to (Tjiptono & Fandy, 2015) sales promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate buying products immediately and increase the number of goods purchased by consumers.

The dimensions of product quality in this study refer to Kotler, where according to (Kotler, 2019) the dimensions of the promotional mix are as follows: (1) Advertising, (2) Promotional Sales, (3) Public Relations and Publicity (PR and Publicity), (4) Personal Selling, (5) Direct Marketing.

According to (Kotler, 2018a), the notion of a purchasing decision is a problem-solving process consisting of analyzing or recognizing needs and wants, seeking information, assessing sources of alternative purchase choices, purchasing decisions and post-purchase behavior. According to research (Melisa et al., 2020) that promotion has a direct and indirect effect on purchasing decisions through consumer value.

**Pre research**

Survey (pre-research) dominant factors affecting Consumer Value (Y1) and Purchase Decision (Y2). Many factors influence Consumer Value (Y1) and Purchase Decision (Y2).
Below are 10 factors or variables that influence consumer value (Y1) and Purchase Decision (Y2) in the culinary business, especially drinks, for example in restaurants, restaurants, cafes or other culinary businesses.

The recap of the pre-research results uses a Likert 5 scale, namely: 1) It has no effect; 2) Less influence; 3) quite influential; 4) Influential; and 5) Very influential. Survey to 20 people with 10 questions (A, B, C… .J).

Table 1. Pre-research Results

<table>
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<td>A</td>
<td>76</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>B</td>
<td>61</td>
<td>8</td>
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<td>3</td>
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<td>1</td>
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<tr>
<td>4</td>
<td>Location (D)</td>
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<tr>
<td>5</td>
<td>E</td>
<td>78</td>
<td>4</td>
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<td>6</td>
<td>Promotion (F)</td>
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<td>3</td>
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The results of this pre-research are that the 3 dominant factors affecting Y1 and Y2 are as follows:

- Highest score 1 = factor C, as variable of Product Quality (X1)
- Highest score 2 = factor D, as variable of Location (X2)
- Highest score 3 = factor F, as a variable of Promotion (X3)
Conceptual Framework

Based on the formulation of the problem of writing this article and a literature review study of both relevant books and articles, it is possible to obtain a framework for this article as below:

![Conceptual Framework Diagram]

Product quality, location and promotion have a relationship and influence on consumer value and purchasing decisions either directly or indirectly.

Apart from the variables of product quality, location and promotion that affect purchasing decisions and customer satisfaction, there are many other variables that influence it, including:


CONCLUSION

Based on the formulation of the problem and conceptual framework, it can be concluded as a hypothesis. Based on the formulation of the articles, results and discussion, a hypothesis can be formulated for further research:
1. Product quality has a direct effect on consumer value.
2. Location has a direct effect on consumer value.
3. Promotion has a direct effect on consumer value.
4. Product quality has a direct effect on purchasing decisions.
5. Location has a direct effect on purchasing decisions.
6. Promotion has a direct effect on purchasing decisions.
7. Consumer Value has a direct effect on purchasing decisions.
8. Product quality has an indirect effect on purchasing decisions through consumer value.
9. Location has an indirect effect on purchasing decisions through consumer value.
10. Promotion has an indirect effect on purchasing decisions through consumer value.

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