Determination of Purchase Decision: Product Quality, Price and Place (Literature Review)

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Abstract: The Literature Review Article Determination of Purchase Decision: Product Quality, Price and Place is a scientific article that aims to build a research hypothesis on the influence between variables that will be used in further research, within the scope of Marketing Management. The method of writing this Literature Review article is the library research method, which is sourced from online media such as Google Scholar, Mendeley and other academic online media. The results of this Literature Review article are that: 1) Product Quality is related to Purchase Decision; 2) Price relates to Purchase Decision; and 3) Place related to Purchase Decision. Apart from these 3 exogenous variables that affect the endogenous variable of Purchase Decision, there are still many other factors including service quality, product design and promotion variables.

Keywords: Product Quality, Price, Place, Purchase Decisions

INTRODUCTION

In increasing sales, a business actor needs to sell products to potential consumers in various ways to attract these consumers. However, an interesting way of doing promotions or marketing does not always go hand in hand with consumer buying interest. There are several factors that can relate to the Purchase Decision. For this reason, this study discusses factors related to purchasing decisions, namely product quality, price and place.

Based on the background of the problem above, the researcher determines the formulation of the problem as follows:
1. Is Product Quality related to Purchase Decision?
2. Is Price related to Purchase Decision?
3. Is Place related to Purchase Decision?

LITERATURE REVIEW

Purchase Decisions

Purchase decision is a decision on a buyer that can be influenced by financial conditions, technology, politics, price, location and also the promotions carried out. So that it
forms an attitude in consumers to process all information and make decisions in the form of responses that appear what products to buy (Buchari, A., 2016). Purchasing decision indicators are: product choice, brand choice, dealer choice, purchase time, payment method and purchase amount (Kotler & Armstrong, 2016).

Purchasing decisions have been widely studied by previous researchers, including: (Maharani & Saputra, 2021), (Chauhan & Hudaya, 2020), (Al Hafizi & Ali, 2021), (Bimaruci et al., 2020), (F. Saputra & Mahaputra, 2022c), (Ilhamalimy & Ali, 2021), (F. Saputra & Mahaputra, 2022a).

**Product Quality**

Product quality is the product's ability to perform its functions, including durability, reliability, and accuracy obtained by the product as a whole (Kotler & Keller, 2016). Product quality is the physical condition, function and nature of a product that is related and can meet consumer tastes and needs satisfactorily according to the value of money spent (Prawirosentono, 2002). Product Quality indicators, namely: Performance, reliability, aesthetics, durability, serviceability, perceived quality, additional features, and conformance to specifications (Gaspersz, 2008).

Product quality has been widely studied by previous researchers, including: (Mahaputra & Saputra, 2021c), (Al Hafizi & Ali, 2021).

**Price**

Price is the amount of money charged for a product or service or the amount of value exchanged by consumers for the benefits of owning or using the product or service (Kotler & Armstrong, 2010). Price Indicators, namely: Price affordability, price conformity with product quality, price competitiveness, and price suitability with benefits (Sabran, 2012).

Prices have been widely studied by previous researchers, including: (F. Saputra & Mahaputra, 2022c), (Brata et al., 2017), (Novansa & Ali, 1926), (F. Saputra, 2022a), (F. Saputra, 2022b), (Mahaputra & Saputra, 2022).

**Place**

Place is every activity carried out by the company to make its products easy to obtain and available to target consumers. Distribution has an important role in helping companies to ensure their products. This is because the purpose of distribution is to provide goods and services that consumers need and want at the right time and place (Heizer, 2012). Place is a place where the company operates or where the company carries out activities to produce goods and services that are concerned with the economic aspect (Fandy, T., 2014). Place is choosing the right business location which will determine the success and failure of business in the future (Buchari, A., 2013). Place indicators are: Access, visibility, traffic, parking space, expansion, environment, competition and government regulation (Fandy, T., 2014).

The place has been widely studied by previous researchers, among others: (F. Saputra & Mahaputra, 2022b).

Table 1. Relevant Previous Research Results

<table>
<thead>
<tr>
<th>No</th>
<th>Author (years)</th>
<th>Previous Research Results</th>
<th>Similarity with this article</th>
<th>Difference with this article</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Ikhsani &amp; Ali, 2017)</td>
<td>Purchasing Decision: Analysis of Product Quality, Price and Brand Awareness (Case Study of Teh Botol Sosro Products at Giant Mall Permata Tangerang)</td>
<td>Having similarities in the dependent variable, namely the Purchase Decision</td>
<td>Has a difference in the research locus, namely at Giant Mall Permata Tangerang</td>
</tr>
<tr>
<td>2</td>
<td>(Noerchoidah, 2013)</td>
<td>Analysis of the Effect of Price, Product Quality and Advertising on</td>
<td>Discussed about advertising and</td>
<td>There are differences in the variables</td>
</tr>
</tbody>
</table>
Brand Image and Purchase Decisions for Kawasaki Motorcycles

3.

(Y. Saputra et al., 2022)
Analisis Perilaku Konsumen Dalam Memutuskan Minimarket Sebagai Tempat Berbelanja
Discuss about Purchase Decisions
There are differences in the variables
Consumer Behavior

4.

(Ilhamalimy & Mahaputra, 2021)
Pengaruh Kualitas Pelayanan Dan Kualitas Produk Terhadap Keputusan Pelanggan (Literature Review Manajemen Pemasaran)
Discuss about Product Quality, Purchase Decision
There are differences in the variables
Service Quality, Customer Satisfaction

5.

(Fasha et al., 2022)
Determination of Purchase Decisions Through Buying Interest: Brand Ambassador and Brand Image (Marketing Management Literature Review)
Discuss about Purchase Decisions
There are differences in the variables
Buying Interest and Brand Image

RESEARCH METHODS

The method of writing scientific articles is by using qualitative methods and literature review (Library Research). Assessing theory and the relationship or influence between variables from books and journals both offline in the library and online sourced from Mendeley, Google Scholar and other online media.

In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so that it does not direct the questions posed by the researcher. One of the main reasons for conducting qualitative research is that the research is exploratory, (Ali & Limakrisna, 2013). At the next stage, it will be discussed in depth in the section entitled "Related literature" or "library review" (Review literature), as the basis for formulating hypotheses and in the final stage these two literatures become the basis for comparison with the results and findings revealed in research (Ali, H., & Limakrisna, 2013).

DISCUSSION

Based on theoretical studies and relevant previous research tables, the following is the discussion:

1. Relationship of Product Quality on Purchase Decisions

Product quality shows the relationship between the product owned and its inherent qualities, such as product durability, durability, ease of use, product strength and product age. There are still many consumers who in buying a product consider the quality of the product more than the design or appearance of the product. With the quality of the product, it will have a long period of use, good resistance and easy maintenance of the product.

Product quality is related to purchasing decisions, this is in line with research conducted by: (Zahara et al., 2020), (S. Kuba, 2022a), (Rony et al., 2020), (H. S. Kuba, 2017), (A. Widodo et al., 2018), (Istianingsih, 2016), (Istianingsih & Utami, 2009).

2. Relationship of Price on Purchase Decisions

Price is related to Purchase Decision, where a low price will be more attractive to consumers in making purchasing decisions. And there are consumers who do not mind the price of a product. They will still choose products with high prices because it will increase their pride and increase their prestige.

Price is related to Purchase Decision, this is in line with research conducted by: (Chauhan & Hudaya, 2020), (S. Kuba, 2022b), (Pandiangan et al., 2021), (Rony et al., 2019), (Hardiansyah et al., 2019), (Pasaribu et al., 2022).
3. Relationship of Place on Purchase Decisions

Place is related to Purchase Decision, where place becomes a medium in offering and displaying products to be offered to potential consumers. Places that are easy to reach, easy to see and easy to find will be one of the choices consumers can make in determining purchasing decisions. But on the one hand, for certain products such as food vendors, even though the place owned is difficult to reach, and the condition of the place is not convincing if having delicious food products will still be the choice of consumers to determine purchasing decisions.

Place is related to Purchase Decision, this is in line with research conducted by: (Chong & Ali, 2022), (Hermawan, 2021), (Mukti & Istianingsih, 2018).

Conceptual Framework

Based on the problem formulation, theoretical studies, previous research and discussion of the influence between variables, the conceptual framework is obtained as follows:

Figure 1. Conceptual Framework

Based on the description of the conceptual framework above, then: Product Quality, Price and Place are related to Purchase Decisions. In addition to Product Quality, Price and Place variables related to Buyer Decisions. There are many other factors related to the Purchase Decision, including:


2) Service Quality: (F. Saputra & Ali, 2022), (Octavia & Ali, 2017), (Sivaram et al., 2020), (Karsono & Suraji, 2020), (Karsono, B., & Syauket, 2021a), (Setyadi, 2017), (Somad et al., 2021), (SIVARAM et al., 2019), (D. S. Widodo et al., 2020), (Karsono, B., & Syauket, 2021c), (F. Saputra, 2022b), (Mahaputra & Saputra, 2021a)


4) Promotion: (F. Saputra & Ali, 2021), (Agussalim et al., 2020), (Karsono, 2018b), (Wahono & Ali, 2021), (Karsono et al., 2022), (A. Widodo, 2020), (Sinaga et al., 2020), (Riyani et al., 2008), (Supriyadi et al., 2019), (Siregar, 2019), (Apriyani et al., 2022).
CONCLUSION AND RECOMMENDATION

Conclusion

Based on the problem formulation, theoretical study and discussion above, the researcher can conclude the hypothesis for further research, namely:
1. Product Quality is related to Purchase Decisions.
2. Price is related to Purchase Decisions.
3. Place is related to Purchase Decisions.

Recommendation

Based on the conclusions above, there are other factors related to purchasing decisions that can be used for further research, namely: product design, brand image and service quality.

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