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

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Abstract: Literature Review Article Determination of Purchase Decision: Place, Price and Service Quality is a scientific article that aims to build a research hypothesis on the influence of variables that will be used in further research. This article is 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) Place influences the Purchase Decision; 2) Price affects the Purchase Decision; and 3) Service Quality has an effect on Purchase Decision. Apart from these 3 exogenous variables that affect the endogenous variables of Purchasing Decisions, there are still many other factors including Product Quality, Product Design and Consumer Needs variables.

Keywords: Place, Price, Service Quality, Purchase Decision

INTRODUCTION

In determining the purchase decision, there are still buyers who consider various factors such as price mismatch with the money they have. In addition, the price of the product offered is inversely proportional to the quality of the product provided. Problems that are often encountered are purchasing products offered through the marketplace. Where the price given is quite high but there are buyers who are hesitant to make a purchase decision because the reviews given by consumers do not match the price given. Then the place becomes something that determines consumers in making purchasing decisions, where problems arise when the place given is uncomfortable or does not meet the indicators of the place itself such as: Temperature, Lighting, Layout and Parking. Many business people only think about marketing their products without looking at the space provided, so consumers are not interested because of the hot air temperature, messy places and narrow parking spaces. Then
the quality of service is also a problem that arises where there are consumers who really want to be upheld and given awards such as: Greetings, Smiles, and Greetings. However, most sellers do not do this because they are tired of the workload they are undergoing. So that consumers are reluctant to make purchasing decisions due to poor service quality.

LITERATURE REVIEW

Purchase Decision

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 is a process where the buyer goes through certain steps to make a purchase of a product (Sussanto, 2015). Purchase decision is a consumer behavior in making buying decisions (Mangkunegara, 2016). Purchasing Decision indicators, among others: 1) Basic condition; 2) Opportunity; 3) A set of activities carried out by the decision maker; 4) A set of benefits and costs of a combination of basic decisions (Setiajatnika, 2011).

Purchasing decisions have been widely studied by previous researchers, including: (Thanh Nguyen, P., & Ali, 2019), (Ali, Evi, et al., 2018), (Novansa & Ali, 1926), (Thanh Nguyen et al., 2019), (Ikhsani & Ali, 2017b).

Place

Place is a place where an organization's business or company operates or a place to carry out activities to produce goods or services (Tjiptono, 2017). Place is a business location that can be used for distribution channels of an organization or company because the place is also directly related to consumers or buyers (Afrina, 2017). Place is a decision made by the company regarding operations and where its staff will be placed (Tendean et al., 2020). Place indicators include: 1) Access; 2) Visibility; 3) Traffic; and 4) Environment (Fandy, T., 2015).

The place has been widely studied by previous researchers, among others: (Octavia & Ali, 2017), (Octavia et al., 2020), (Saputra & Mahaputra, 2022a), (Sudiantini & Saputra, 2022), (Ricardo, 2021), (Zaitul et al., 2019), (Ali et al., 2022), (M & Ali, 2017), (Hasyim & Ali, 2022).

Price

Price is an element of the marketing mix in generating revenue, other elements generate costs (Kotler & Keller, 2009). Price is an element of the marketing mix that provides income or income for organizations or companies (Tjiptono, F., 2008). Price is a burden or value for consumers, which is obtained by obtaining or using a product, including the financial costs of the purchase (Assauri, 2012). Price indicators include: 1) Affordable prices; 2) Alignment of price with quality; and 3) Price competitiveness (Kotler & Armstrong, 2012).

Prices have been widely studied by previous researchers, including: (Ridwan, 2020), (Zaitul et al., 2018), (Assagaf & Ali, 2017), (Mulyani et al., 2020).

Service Quality

Service quality is a form of consumer assessment of the level of service received with the level of service expected. If the service received or perceived is as expected, then the service quality is perceived as good and satisfactory (Kotler, 2019). Service Quality is a measure of how well the level of service provided and able to reach customer expectations (Fandy, T., 2017). Service Quality indicators according to Kotler in Arni Purwanti and
Rahma Wahdiniwaty (2017:65) are: empathy, reliability, responsiveness, assurances, and tangibles.

Service quality has been widely studied by previous researchers, among others: (Handayani & Syarifudin, 22 C.E.), (M & Ali, 2017), (Suryani & Rosalina, 2019), (Mahira et al., 2021), (Saputra & Saputra, 2021), (Mukhtar et al., 2017).

Table 1: Relevant Previous Research Results

<table>
<thead>
<tr>
<th>No</th>
<th>Author (year)</th>
<th>Previous Research Results</th>
<th>Similarities with this article</th>
<th>Difference with this article</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Raja Ainaya &amp; Agung Budiatmo, 2020)</td>
<td>The Influence of Price and Service Quality on Purchase Decisions through Purchase Intention as an Intervening Variable</td>
<td>Discussing Prices, Service Quality and Purchase Decisions</td>
<td>There is a difference in the variable of Buying Interest</td>
</tr>
<tr>
<td>2</td>
<td>(Handayani &amp; Syarifudin, 22 C.E.)</td>
<td>The Influence of Service Quality, Price and Relationship Marketing on Consumer Satisfaction on Gojek The Transportation Services</td>
<td>Discussing Service Quality and Price</td>
<td>There is a difference between Relationship Marketing and Customer Satisfaction</td>
</tr>
<tr>
<td>3</td>
<td>(Runtunuwu et al., 2014)</td>
<td>The Influence of Product Quality, Price, and Service Quality on User Satisfaction of Manado Cabana Cafe and Resto</td>
<td>Discussing Price and Service Quality</td>
<td>There is a research locus, namely the Manado Cabana Cafe and Resto</td>
</tr>
<tr>
<td>4</td>
<td>(Saputra &amp; Mahaputra, 2022c)</td>
<td>Relationship of Purchase Interest, Price and Purchase Decisions to IMEI Policy (Literature Review Study)</td>
<td>Discussing Prices and Purchase Decisions</td>
<td>There are differences in the variables of Buying Interest and IMEI Policy</td>
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<tr>
<td>5</td>
<td>(Firdayanti et al., 2022)</td>
<td>Literature Review Purchase Decisions Through Buying Interest: Promotions and Endorsements</td>
<td>Discussing the Purchase Decision</td>
<td>There are differences in Buying Interest, Promotion and Endorsement</td>
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<tr>
<td>6</td>
<td>(Hadita et al., 2020)</td>
<td>The Influence of Smartphone Product Quality on Purchase Decisions during the Covid19 Pandemic</td>
<td>Discussing the Purchase Decision</td>
<td>There is a difference in the Product Quality variable</td>
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<td>7</td>
<td>(Purbasari &amp; Permatasari, 2018)</td>
<td>The Effect of Service Quality and Customer Satisfaction on Repeat Purchases</td>
<td>Discussing Service Quality</td>
<td>There is a difference in the variables of Customer Satisfaction and Repurchase</td>
</tr>
</tbody>
</table>

RESEARCH METHODS

In this study, researchers used descriptive qualitative methods and library research. By reviewing based on previous research that is influential or relevant to this research. Researchers collected data sourced from the Google Scholar application and used Mendeley as a bibliography reference. Qualitative research articles must use consistent methodological assumptions, so as not to raise questions by the reader. One of the reasons for conducting this research is that it is exploratory (Ali, H., & Limakrisna, 2013).

DISCUSSION

Based on the literature review that is relevant to previous research, the discussion in this literature review article is as follows:
1. The Effect of Place on Purchase Decision

If the place is implemented properly and has criteria in accordance with the indicators, namely: access, visibility and traffic, then the place will greatly influence purchasing decisions. Place is a means used by sellers, business actors, organizations or companies in introducing their products and placing their employees in that place. A place that is easily visible and easily accessible will be a factor that influences purchasing decisions regardless of the product and the quality of the products they sell. Besides that, a place that is comfortable and has a good and attractive design is another factor that makes consumers make purchasing decisions.

Place affects purchasing decisions, this is in line with research conducted by: (Masruri et al., 2021), (Doan & Ali, 2021), (Ali & Ekawi, 2012), (Fardinal et al., 2022), (Abdullah et al., 2021).

2. The Effect of Price on Purchase Decision

If the price can be implemented and applied in accordance with the indicators, namely: Affordable prices, price alignment with quality and price competitiveness, then prices will affect purchasing decisions. Price is the main benchmark for some consumers in buying a product. A product with the best quality will certainly have a more expensive price than a product that has ordinary quality. However, there are consumers who choose products with ordinary quality but have low prices, because high prices are considered unreasonable for these goods.

Price has an effect on purchasing decisions, this is in line with research conducted by: (Desmiwerita & Saputra, 2019), (Saputra & Saputra, 2021), (Hermawan, 2022), (Sudiantini, 2020a), (Istianingsih, D., Wiwik Utami, S. E., & Msi, 2009).

3. The Effect of Service Quality on Purchase Decision

If the quality of service can be implemented and carried out properly, in accordance with the indicators, namely: empathy, reliability, responsiveness, assurance, and tangibles, then the quality of service provided will affect purchasing decisions. One form of quality service is to serve consumers well according to their needs. Then the form of good service is by speaking friendly, polite and clear to consumers. In addition, respect or praise whatever decisions consumers make in buying and choosing products. This attitude becomes an added value that will have an impact on consumer purchasing decisions, because consumers feel valued and served well.

Service Quality has an effect on Purchase Decisions, this is in line with research conducted by: (Hermawan, 2021a), (Pratikno et al., 2022), (Saputra, 2021), (Sudiantini, 2020b), (Sulistyanto et al., 2022), (Eprianto et al., 2021), (Arfian et al., 2020).

Conceptual Framework

Based on the literature review and discussion above, the researchers determined the framework of thinking as follows:

![Conceptual Framework Diagram]

Picture 1. Conceptual Framework
This article discusses the Influence of Place, Price and Quality of Service on Purchase Decisions. There are other factors that influence the Purchase Decision, namely:


2) **Product Design**: (Saputra, 2022a), (Pasaribu et al., 2022), (Widodo et al., 2018), (Fawzia, D., Wangsalegawa, T., & Nursatyo, 2018), (Saputra & Mahaputra, 2022b), (Nofrialdi, 2021), (Rahmayani & Nofrialdi, 2022).


5) **Payment Methods**: (Hermawan, 2021b), (Bukhari, 2018), (Widodo, 2020), (Dwinarko, D., Sulistianto, A., Widodo, A., & Mujab, 2021), (Hadi et al., 2020).

6) **Brand Image**: (Saputra, 2022b), (Mahaputra & Saputra, 2021b), (Elmi et al., 2020), (Hairiyah & Ali, 2017), (Mansur & Ali, 2017), (Beatrix, 2022).

**CONCLUSION AND RECOMMENDATION**

**Conclusion**

Based on the theory, relevant articles and discussions, hypotheses can be formulated for further research:

1. Place affects the Purchase Decision.
2. Price affects the Purchase Decision.
3. Service Quality affects the Purchase Decision.

**Recommendation**

Based on the conclusion above, there are many other factors that influence the Purchase Decision, in addition to Place, Price and Service Quality that can be used in further research, namely: Product Quality, Product Design, Company Image, Consumer Needs, Payment Methods, and Brand Image.

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23–27.


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