Effect of Price Perception and Service Quality on Purchase Decisions

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Abstract: The Literature Review article on the Effect of Price Perception and Service Quality on Purchase Decisions 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) Price Perception has an effect on Purchase Decisions; and 2) Service Quality has an effect on Purchase Decisions. Apart from these 2 exogenous variables that affect the endogenous variable of Purchase Decision, there are still many other factors including Price, Product Quality and Place variables.

Keywords: Price Perception, Service Quality, Purchase Decisions

INTRODUCTION

Restoran dan kafe saat ini menjadi tempat yang tidak bisa terlepasnya dari kehidupan manusia modern. Suasana dan keberadaannya dinilai sebagai tempat yang baik dalam meningkatkan produktivitas, komunikasi antara sesama dan menghilangkan stress. Sehingga marak timbulnya kafe-kafe saat ini, yang menjual berbagai varian menu kepada konsumen dengan diferensiasi produk mereka masing-masing.

Based on the background of the problem above, the researcher determines the formulation of the problem as follows:
1. Does Price Perception affect Purchase Decision?
2. Does Service Quality affect 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, 2016). Several indicators in the Purchase Decision are as follows (Kotler & Armstrong, 2016):

a. Product choice, where consumers can make decisions to buy goods or services for certain purposes.
b. Brand choice, where consumers can make decisions about what brand to buy and use.
c. Dealer choice, where consumers can make decisions about which coatings to visit.
d. Time of Purchase, where consumers can make purchasing decisions regarding the time of purchase to be made.
e. Number of Purchases, where consumers can make purchasing decisions regarding the number of goods or products to be purchased.
f. Payment Method, where the consumer can make a decision regarding the payment method to be made, according to the condition of the buyer.

Purchasing decisions have been studied by previous researchers, including: (Ikhsani & Ali, 2017b), (Saputra & Mahaputra, 2022a), (Maharani & Saputra, 2021), (Agussalim et al., 2016), (Assagaf & Ali, 2017), (Mansur & Ali, 2017), (Mulyani et al., 2020), (Mahaputra & Saputra, 2021c), (Darwisyah et al., 2021), (Ali, Sastrodihardjo, et al., 2022), (Agussalim et al., 2016), (Sivaram et al., 2020), (M & Ali, 2017), (Sivaram et al., 2019), (Octavia & Ali, 2017).

**Price Perception**

Price perception is a number of costs that buyers need to pay for goods or services used or purchased by consumers (Kotler & Keller, 2016). Price perception is a form of consumer assessment of what the seller offers then compared to other parties who offer more reasonable prices (Lee & Lawson, 2011). Price perception is a form of representation from a buyer regarding the price object of a product (Chang & Wildt, 2012). Price Perception indicators include: 1) Price Affordability; 2) Price Comparison with Competitors; 3) Price Match with Quality; 4) Price Match with Benefits; 5) Prices According to Consumer Predictions; 6) Fixed Price Period; 7) Price Fairness; and 8) Price Match with Brand Image (Kotler & Armstrong, 2012).

Price Perception has been widely studied by previous researchers including: (Setiyaningrum, 2019), (Saputra & Mahaputra, 2022b), (Mukhtar, M., Ali, H., & Jannah, 2016), (Arista & Astuti, 2011), (Hardiansyah et al., 2019), (Octavia et al., 2020), (Rony et al., 2020), (Eprianto et al., 2021), (Sulistyanto et al., 2022), (Sudiantini et al., 2019), (Bukhari et al., 2021), (Octavia et al., 2020).

**Service Quality**

Service quality is a focus given by sellers in meeting consumer specifications and expectations (Arianto, 2018). Service Quality is a measurement of how well the level of service that can be provided in accordance with customer expectations (Lewis & Booms, 2018). Service quality is a way of realizing the desires and needs of buyers and delivery provisions to balance consumer expectations (Tjiptono, 2019). Service Quality indicators include: 1) Direct evidence; 2) Reliability; 3) Responsiveness; 4) Guarantee; 5) Empathy; 6) Credibility; 7) Competence; and 8) Communication (Lupiyoadi, 2018)

Service Quality has been widely studied by previous researchers including: (Richardo et al., 2020), (Mukhtar et al., 2017), (Masruri et al., 2021), (Doan & Ali, 2021), (Harahap & Ali, 2020), (S. A. H. Havidz et al., 2017), (Sudiantini & Narpati, 2022).
Table 1. Relevant Previous Research Results

<table>
<thead>
<tr>
<th>No</th>
<th>Author (year)</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>(Rosmayati et al., 2020)</td>
<td>The Effect of Promotion and Service Quality on Coffee Purchase Decisions at Mahkota Java Coffee Garut</td>
<td>Discussing Purchasing Decision and Service Quality</td>
<td>There are differences variable in Promotion</td>
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<tr>
<td>2</td>
<td>(Fasha et al., 2022)</td>
<td>Determination of Purchase Decisions Through Buying Interest: Brand Ambassador and Brand Image (Marketing Management Literature Review)</td>
<td>Discussing Purchase Decision</td>
<td>There are differences in the variables of Buying Interest, Brand Ambassador and Brand Image</td>
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<tr>
<td>3</td>
<td>(Sopiyan, 2022)</td>
<td>The Influence of Digital Marketing and Service Quality on Purchase Decisions at Kopi Soe in Kutabumi</td>
<td>Discussing Service Quality Purchase Decision</td>
<td>There are difference in variable Digital Marketing</td>
</tr>
<tr>
<td>4</td>
<td>(Winarsih et al., 2022)</td>
<td>The Influence of Price Perception, Food Quality, and Store Atmosphere on Consumer Purchase Decisions at Dabu - Dabu Lemong Resto and Coffee Megamas Area in Manado</td>
<td>Discussing Price Perception and Purchase Decisions</td>
<td>There is a research locus, namely at Dabu-Dabu Lemong Resto and Coffee Megamas Area in Manado</td>
</tr>
</tbody>
</table>

RESEARCH METHODS

The method of writing scientific articles is the qualitative method 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). In 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 making comparisons with the results and findings. -findings revealed in research (Ali, H., & Limakrisna, 2013).

DISCUSSION

Based on relevant theoretical studies and previous research, the discussion in this literature review article is as follows:

1. The Effect of Price Perception on Purchase Decision.

Price Perception has an effect on Purchase Decision, this is in line with research conducted by: (Dhyan Parashakti et al., 2019), (Pusparani et al., 2021), (Sinaga & Nawangsari, 2019), (Sudiarso, 2022), (Rennyta Yusiana et al., 2020), (Catur Widayati et al., 2019).

2. The Effect of Service Quality on Purchase Decision.

Jika kualitas pelayanan dapat diterapkan dengan baik sesuai dengan indikatornya yaitu: 1) Bukti langsung; 2) Kehandalan; 3) Daya tanggap; 4) Jaminan; 5) Empati; 6) Kredibilitas; 7) Kompetensi; dan 8) Komunikasi, maka akan berpengaruh terhadap Keputusan Pembelian. Dimana kualitas pelayanan melibatkan antara penjual dan pembeli yang saling berinteraksi, sehingga apabila pelayanan yang diberikan kepada konsumen saat berinteraksi dapat mempengaruhi pembeli atau dianggap baik oleh pembeli, maka akan berpengaruh terhadap keputusan pembelian.

Service Quality has an effect on Purchase Decision, this is in line with research conducted by: (Bukhari, 2021), (Sudiantini & Saputra, 2022), (Bukhari, 2018), (Hermawan, 2022b), (Ali, Sastrodiharjo, et al., 2022), (A. Widodo, 2020), (Pasaribu et al., 2022), (Imarah & Jaelani, 2020), (Sudiantini, 2020a), (Narpati, B., & Meutia, 2018), (Susanto et al., 2008).

Conceptual Framework

Based on the formulation of the problem, theoretical studies and previous research as well as discussions between variables, the conceptual framework is set as follows:

Based on the conceptual framework picture above, then: Price Perception and Service Quality affect Purchase Decision. Apart from the variables of Price Perception and Service Quality affect Customer Satisfaction. There are other factors that affect Purchase Decision, including:


4) Brand Image: (Saputra, 2022b), (Hermawan, 2022b), (Saputra & Mahaputra, 2022c), (Shobirin & Ali, 2019), (Saputra & Saputra, 2021), (Fahmi & Ali, 2022), (Atmoko &
CONCLUSION AND RECOMMENDATION

Conclusion

Based on the problem formulation, theoretical study and discussion above, researchers can conclude hypotheses for further research, namely:

1. Price Perception affect Purchase Decision.
2. Service Quality affect Purchase Decision.

Recommendation

Based on the conclusions above, there are many other factors that influence Purchase Decision that can be used for further research, namely: Price, Place, Product Quality, Brand Image and Promotion.

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