THE EFFECT OF LOCATION, PRICE, AND PRODUCT QUALITY ON CONSUMER PURCHASE DECISIONS AT d'BestO IN SUNGAI PENUH CITY

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ABSTRACT

This study aims to determine the effect of Location, Price and Product Quality on d'BestO Purchasing Decisions in Sungai Penuh City. The population in this study were d'BestO consumers in Sungai Penuh City. The sample in the study was taken using a non probability technique using the accidental sampling method. Data analysis in this study used the SPSS 26 program. The results of the analysis and discussion showed that the location variable did not have a significant effect on purchasing decisions, price had a significant effect on purchasing decisions and the product quality variable did not have a significant effect on purchasing decisions and location, price and product quality had a significant effect on purchasing decisions at d'BestO in Sungai Penuh City.

Keyword: Location; Price; Product Quality; Purchase Decision

INTRODUCTION

In Indonesia, the fast-food industry has experienced rapid growth. In addition to being known for its convenience, fast food has also become an integral part of the modern lifestyle. This business no longer merely offers products that can be consumed instantly but has evolved into an important sector within the culinary industry today. Currently, consumers tend to choose products that offer affordable prices with good quality. Under these circumstances, it is crucial for companies to deeply understand what consumers want and need, as well as to innovate in product development. Leveraging a product's unique advantages is a key step in attracting consumer attention. If a company fails to accurately identify consumer preferences, needs, and purchasing decision-making processes, it risks facing sales failure (Gunawan et al., 2022).

Fast food has become increasingly widespread across major cities in Indonesia, leading to significant growth in the fast-food industry. The presence of fast-food businesses in various strategic locations—such as shopping centers, office areas, and along roadsides—makes fast food easily accessible and a practical choice for the public. Moreover, with the rapid and ongoing development of the culinary sector, companies in this industry are required to develop marketing strategies that can enhance their performance and revenue (Syahputra et al., 2023).

Sungai Penuh City is one of the cities in Jambi Province, Indonesia. It was formed as a result of the division of Kerinci Regency, which previously served as the administrative

center of the regency. In addition to being an urban area, Sungai Penuh City is also an agricultural area surrounded by rice fields stretching across several districts. The city also serves as an educational and commercial center. As one of the regions striving to accelerate its economic development in Jambi Province, Sungai Penuh City continues to make efforts to optimize its various natural and human resources to boost economic growth. Based on data from the Central Bureau of Statistics (BPS, 2024), Sungai Penuh City's economic growth continues to increase across several sectors, one of which is the accommodation, food, and beverage sector, which contributes 7.49% to the city's Gross Regional Domestic Product (GRDP) (BPS, 2024).

In Sungai Penuh City, many food and beverage industries have experienced significant growth, including the fast-food industry, which has expanded considerably. The presence of fast-food businesses in various strategic locations—such as shopping centers, office areas, and along roadsides—makes fast food easily accessible and a practical choice for the community. Furthermore, the rapid and continuous development of the culinary sector requires companies in this industry to develop marketing strategies that can enhance their performance and revenue (Syahputra et al., 2023).

This research contains novelty that can be seen from several important aspects. It focuses on d'BestO, a fast-food restaurant located in Sungai Penuh City, specifically in Koto Tinggi Village, Sungai Bungkal District. The location factor may have a different influence in this area compared to others, allowing this study to provide new and relevant insights. Moreover, this study offers novelty in terms of the industry context being examined—namely, the local fast-food industry. Thus, this research not only contributes to the development of business knowledge but also provides practical benefits that can help business practitioners make more strategic and well-informed decisions..

LITERATURE REVIEW
Purchase Decision

According to Hidayat (2021), a purchase decision is a series of behaviors performed by consumers in selecting a product or service. This process takes place gradually, beginning with the awareness of a need or problem, followed by searching for relevant information about the product. Next, consumers evaluate various available alternatives before finally choosing the product they wish to purchase. The final stage is the evaluation of the purchasing experience, which will influence future purchasing decisions. Meanwhile, Fatmaningrum, Riana et al. (2020) define a purchase decision as a consumer's decision regarding their preferences among various brands included in the available list of options. In addition, according to Sander, a purchase decision is an individual's action to buy or use a product to fulfill their needs, accompanied by the willingness to bear the potential risks that may arise.

The indicators of purchase decision according to Yuliana & Maskur (2022) are as

follows:

1. Quick decision-making in purchasing;
2. Firmness in deciding to buy;
3. Confidence in the decision to purchase.

Location

Location refers to the place where a company conducts its operations or produces goods and services while considering economic aspects. In establishing a company, the choice of location is a crucial factor since it plays a vital role in enhancing competitiveness and attracting consumer interest (Wijayanti & Handayani, 2015). Similarly, Akbar, Nico & Nurcholis (2020) state that location is the place where a company operates to produce goods or services, which greatly influences consumers' willingness to visit and shop. Moreover, location serves as a determinant of both costs and revenues, thereby maximizing company profits.

The indicators of location according to Hasanah, Uswatun et al. (2023) are as follows:
1. Accessibility;
2. Visibility;
3. Parking space;
4. Surrounding environment; and
5. Competition (Competitor location).

Price

According to Annisaa et al. (2022), price is the amount of money paid to obtain a product or service, or the value given by customers in exchange for the benefits they receive. As part of the marketing mix, price is the only element that generates revenue for a company. Meanwhile, for customers, price is often used as a measure of value, especially when associated with the benefits offered by the product or service. Furthermore, Hasanah, Uswatun et al. (2023) define price as the value of a good or service expressed in monetary terms, which serves as a medium of exchange to obtain the product and its services, while granting ownership or usage rights over the product or service.

The indicators used to measure price according to Mihing & Budiyanto (2021) are as follows:

1. Price affordability;
2. Price appropriateness with the product;
3. Price competitiveness;
4. Price suitability with benefits;
5. Flexibility of payment methods.

Product Quality

Product quality refers to the characteristics of a product or service that influence customer satisfaction by ensuring optimal performance and the ability to meet or even exceed customer expectations (Wulandari, 2020). Meanwhile, Hidayat (2021) defines product quality as the degree to which a product meets consumer needs—when a product fulfills their expectations, consumers are more likely to make repeat purchases.

The indicators of product quality according to Hasanah, Uswatun et al. (2023) consist of:

1. Performance;
2. Reliability;
3. Features;
4. Durability;
5. Consistency; and
6. Design.

RESEARCH METHODS

This study employs a quantitative approach with a causal design. This approach enables the researcher to examine the relationships among variables in a measurable and objective manner using numerical data. The population in this study consists of consumers of d'BestO in Sungai Penuh City. A population is defined as a generalization area comprising objects or subjects that possess certain qualities and characteristics determined by the researcher to be studied and from which conclusions are drawn. Since the total population is unknown and it is not feasible for the researcher to include the entire population, this study utilizes a sample. The sampling technique used in this research is non-probability sampling with the accidental sampling method, which is based on anyone who happens to be encountered by the researcher at a particular location and time. The samples taken are consumers who made purchases during the research period.

RESULTS AND DISCUSSION

Multiple Regression Analysis

Table 1. Multiple Regression Analysis

Variables	Constant	Coef.	Sig.	><	Alpha	Explanation
X1	-6,707	0,173	0,088	>	0,05	H1 Rejected
X2		0,617	0,000	<	0,05	H2 Accepted
X3		-0,079	0,299	>	0,05	H3 Rejected

Based on the table above, the regression equation for this study can be formulated as follows:

$$Y = -6.707 + 0.173X_1 + 0.617X_2 - 0.079X_3$$

1. The constant value obtained is -6.707 (negative). This means that if there is no increase in the three independent variables, consumers' purchase decisions for d'BestO in Sungai Penuh City will be in an unfavorable or negative condition.

2. The regression coefficient value of variable X_1 is 0.173 (positive). This indicates that although there is an improvement in the quality or comfort of the location, it does not necessarily have a significant influence on consumers' decisions to purchase d'BestO in Sungai Penuh City.

3. The regression coefficient value of variable X_2 is 0.617 (positive). This means that the more competitive and appropriate the price offered, the greater the likelihood that consumers will decide to purchase d'BestO in Sungai Penuh City.

4. The regression coefficient value of variable X_3 is -0.079 (negative). This indicates that changes in product quality do not have an influence on consumers' purchasing decisions in this study.

Hypothesis Testing
t-Test

Based on the analysis, it can be concluded that location does not have a significant effect on purchase decisions. This is evidenced by a significance value of $0.088 > 0.05$. This means that hypothesis (H1) is rejected, indicating that there is no significant influence of location on purchase decisions. The results show that although location may influence consumer preferences, in the context of this study, location is not the main factor affecting consumers' purchasing decisions. This finding is consistent with the study of Pratama & Gunawan (2020), which stated that location only serves as a supporting factor when it is not accompanied by other advantages such as price and product quality.

The analysis results indicate that price has a significant effect on purchase decisions. This is shown by a significance value of $0.000 < 0.05$, meaning that hypothesis (H2) is accepted, which indicates a significant influence of price on purchase decisions. This finding is supported by the statement of Sari & Wibowo (2019), who asserted that price is one of the main factors influencing consumers' purchase decisions because it is directly related to consumers' perceived value. A price that consumers perceive as appropriate reflects the value of the product, thereby encouraging them to make a purchase decision.

Based on the analysis results, it is known that product quality does not have a significant effect on purchase decisions. This can be seen from the significance value of $0.299 > 0.05$. This means that hypothesis (H3) is rejected, indicating that there is no significant influence of product quality on purchase decisions. Although product quality is generally considered one of the determinants of purchase decisions, in the context of this study, consumers may prioritize price factors over quality. This finding is consistent with the study of Putri & Santoso (2021), which stated that product quality has a significant effect only when

consumers have a clear and distinct perception between products. However, in situations of intense price competition, quality tends to receive less attention.

F-Test

Table 2. F-Test Results

F_{test}	Sig.	><	Alpha	Adj.R Square	Explanation
95,462	0,000	<	0,05	0,860	H4 Accepted

Based on Table 2 above, the results of the F-test show that the calculated F value is 95.462, with a significance value less than 0.05, indicating that H4 is accepted. Therefore, it can be concluded that location, price, and product quality simultaneously have a significant effect on the purchase decisions of d'BestO consumers in Sungai Penuh City.

This finding is supported by the study of Siregar & Hasibuan (2019), which stated that location, price, and product quality collectively have a significant influence on purchase decisions.

Furthermore, the magnitude of the influence of location (X_1), price (X_2), and product quality (X_3) on purchase decision (Y) for d'BestO in Sungai Penuh City is 86.0%, while the remaining percentage is influenced by other factors not examined in this study.

CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that the factors of location, price, and product quality show varying levels of influence on consumers' purchase decisions for d'BestO in Sungai Penuh City. Partially, location (X_1) does not have a significant effect on consumers' purchase decisions. This indicates that the location of the outlet is not the primary consideration influencing consumers when deciding to purchase d'BestO products. In contrast, price (X_2) has a significant influence on purchase decisions, demonstrating that consumers are more responsive to price levels that they perceive as fair and aligned with the value of the products offered. Price remains a key determinant in shaping consumer purchasing behavior.

Furthermore, product quality (X_3) does not have a significant effect on purchase decisions in this study. This finding suggests that, although product quality is generally considered an important aspect of consumer evaluation, in the case of d'BestO in Sungai Penuh City, consumers may prioritize price over product quality when making purchase decisions.

Simultaneously, location, price, and product quality collectively have a significant effect on purchase decisions, with a total contribution of 86.0%. This means that these three variables together play an important role in influencing consumers' decisions to purchase, while the remaining 14.0% is explained by other factors not examined in this study. Overall, this research highlights that price remains the dominant factor driving consumers' decisions to purchase d'BestO products in Sungai Penuh City.

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