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## Analysis Of Product Quality, Price, Promotion, And Location Toward Purchase Decision



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### Abstract

This study aims to analyze product quality, price, promotion, and location as well as analyze the effect of product quality, price, promotion, and location on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat as well as knowing the relationship and contribution of each factor that influences purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat. The method is a quantitative method. In this study, the population is customers or consumers at PT. Erafone Artha Retailindo Rantauprapat as many as 100 respondents. The data analysis method used is simple linear regression analysis, and hypothesis testing (partial test, simultaneous test, and coefficient of determination). Based on the results of the t-test, it is known that the product quality, price, and promotion variables have a partial effect on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat. While the location variable has no significant effect on purchasing decisions. Based on the results of the f test, it is known that product quality, price, promotion, and location have a simultaneous effect on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat in terms of f count  $50,181 >$  from f table 2.70. Based on the R-Square of 0.679, the value of the contribution of the influence of product quality, price, promotion, and location on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat that is equal to 67.9% and the remaining 32.1% is influenced by other factors outside this research.

**Keywords:** Product Quality, Price, Promotion, Location, Purchase Decision

## INTRODUCTION

The development of the business world at this time experienced many changes where businesses are required to innovate that can be applied to attract consumers. In achieving these changes, it is necessary that management anticipate any changes in business patterns that can be applied at this time so that business actors are expected to be able to use existing resources in the company appropriately so that they can generate maximum profits and benefits.

In a business, it takes a good strategy in seeing business opportunities both in the form of services or products. Therefore, it provides an opportunity for businesses to provide services or products that are better than before and can be better than their rivals, to be able to make consumers interested and able to meet consumer expectations and satisfaction so as to influence purchasing decisions on a product or use of services. In the business world, there are several things that must be considered, including product quality, price, business location, and business promotion (Ariani, 2021).

Product quality in the business world is one of the main factors for consumers in buying a product. Paying attention and maintaining product quality is the most important key that business people need to ensure their business experience reaches a good level of growth. Businesses that offer products without clear quality are difficult to compete with because they cannot attract customers' buying interest.

In addition to product quality, another factor that can influence consumer purchasing decisions is price. Price plays a very important role in transactions between producers and consumers. Therefore, setting the ideal price and competitive prices are very important in running a business. After the quality and price of the product, what business actors do in attracting consumers is to promote their products. Promotion is done so that target consumers know the products offered by entrepreneurs. Promotion increases brand awareness and allows customers to know about the products they have. One of the main factors in the development of a business is the location factor. The business location is the center of technical, administrative, and commercial activities. Determining a strategic location can increase the chances of attracting consumers. On the other hand, if the business location is not good, the sales opportunities are not optimal. One of the business actors who

pay attention to the factors of product quality, price, promotion, and location in their business is PT. Erafone Artha Retailindo Rantauprapat.

PT. Erafone Artha Retailindo is a company engaged in the retail of mobile phones which is a subsidiary of the Erajaya Group. Founded in August 2002, Erafone started its business as an authorized distributor of Nokia mobile phones and accessories. Then in 2004 became the official distributor of Sony Ericsson and then Samsung. Currently, Erafone has more than 230 outlets and 18 branches in strategic locations in Jakarta and other major cities in the archipelago.

In a study conducted by (Sari et al., 2021), the factors that partially influence buyer decisions are price and promotion factors, while product quality, price, and promotion factors as a whole have a positive effect on buyer decisions. Then, a study conducted by (Amilia, 2017) concludes that what influences buyers' decisions in choosing smartphone products are product quality and price variables. In connection with the description that has been presented above this study aims to analyze product quality, price, promotion and location and analyze the effect of product quality, price, promotion and location on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat and know the relationship and contribution of each of the factors that influence purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat.

## **REVIEW OF LITERATURE**

Marketing is generally seen as the task of creating, introducing, and delivering goods and services to consumers and companies (Kotler, 2010). Meanwhile, according to Abdullah and Tantri (2016), marketing is a total system of planned business activities to plan to determine prices, promote and distribute goods that can satisfy desires and services to both current and potential consumers.

According to Kotler and Keller (2012), marketing management is a science that studies the procedures for selecting and acquiring target markets, retaining, and developing customers by creating, delivering and communicating the advantages of a value to customers. Marketing people Market 10 types of entities, goods, services, events, experiences, people, places, property (ownership rights), organizations, information and ideas.

According to Kotler and Keller (Sulistiowati et al., 2017), product quality is a product or service characteristic that depends on its ability to meet the needs that consumers are looking for because the priority for consumers is product quality. Therefore, product quality is the physical condition, characteristics, and function of a product, both goods and services, based on the level of quality, namely durability, reliability, ease of use, conformity to needs, ease of repair, and other components. designed to meet customer satisfaction. and customer needs.

According to Kotler and Armstrong (Christopher et al., 2021), price in a simple sense is the amount charged for a product or service and in a broad sense, price is the sum of all values given by the buyer to obtain an advantage or benefit by owning or using it. a product. product. or service. It is an exchange rate that can be equated with money or other goods for the benefits received by individuals or groups of goods or services at a certain time and place. The term “price” is used to define the financial value of a product or service.

According to Tjiptono (Latief, 2018) stating that promotion is an element of the marketing mix that focuses on efforts to inform, persuade, and remind consumers of a company’s brands and products. Thus, it can be said that promotion is an attempt to advertise or offer a product or service to encourage potential consumers to buy or consume it. Through promotion, manufacturers or distributors hope to increase sales.

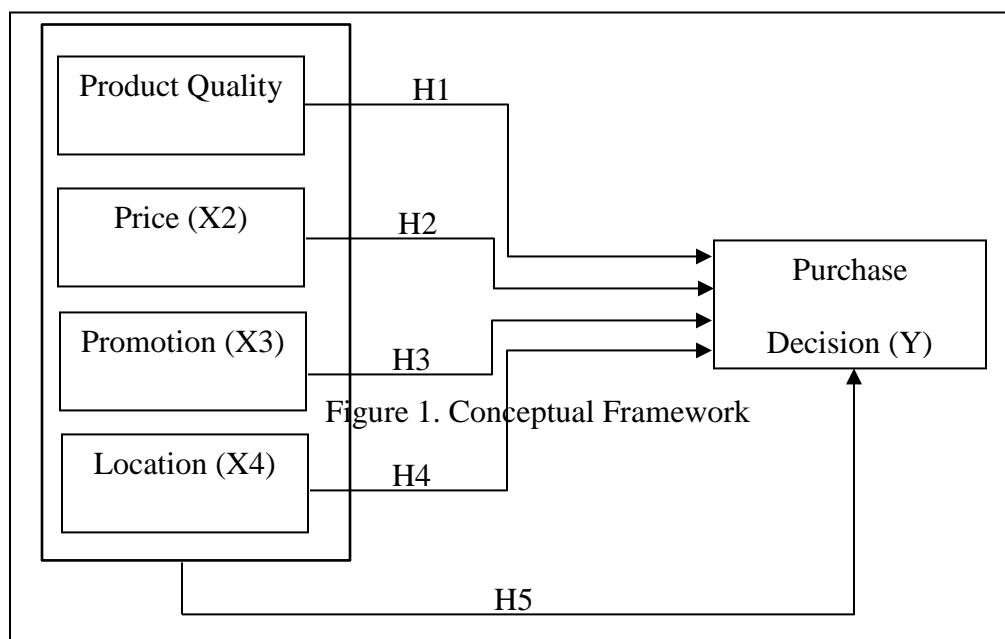
According to Berman & Evans in (Samuel Rianto, Elida FS Simanjorang, 2019) , location is a place, a physical location that has a strategic function that can help determine the achievement of the goals of an economic entity. Location is a place where a company operates or operates to do their activities in producing goods and services related to their products and serving consumers economically.

According to Kotler (Susanto, 2021), purchasing decisions are the process of making purchasing decisions to decide what to buy or not from previous activities, purchasing decisions can be said to be a human decision-making process. Consumers who choose to combine knowledge of more than one product where product purchase decisions will depend on many factors including quality, price, location, brand image, reference groups, advertising, convenience and service.

## Hypothesis Development

Analysis of product quality, price, promotion and location on purchase decisions at PT. Erafone Artha Retailindo Rantauprapat can be described with the following conceptual framework:

**Figure 1**  
**Research Framework**



Source: Proceessed by researcher

Where

- H1 : Product quality has an effect on purchase decisions at PT. Erafone Artha Retailindo Rantauprapat
- H2 : Price has an effect on purchase decision at PT. Erafone Artha Retailindo Rantauprapat
- H3 : Promotion has an effect on purchase decisions at PT. Erafone Artha Retailindo Rantauprapat
- H4 : Location has an effect on purchase decision at PT. Erafone Artha Retailindo Rantauprapat
- H5 : Product quality, price, promotion and location simultaneously affect to the purchase decision at PT. Erafone Artha Retailindo Rantauprapat

## **RESEARCH METHOD**

### **Population**

The population is a group of elements in which there are interesting objects, people, transactions, and events to be investigated in a study (Legionosuko et al., 2019) . In this study, the population is customers or consumers at PT. Erafone Artha Retailindo Rantauprapat.

### **Samples**

The samples are part of the population. In this study the number of samples used were 100 customers or consumers at PT. Erafone Artha Retailindo Rantauprapat based on the Wibisono formula in (Hilmina et al., 2020) . The sampling method used accidental sampling, which is sampling by chance. The method is part of the non-probability sampling, namely there are no certain criteria in sampling so that all samples have the same opportunity (Amri et al., 2019) .

### **Sampling Technique**

The sampling technique in this study refers to sampling by Slovin where the minimum sample is limited (limited population survey), intends to estimate the sample based on the population (Widjajanta et al., 2018). In the implementation of this research, the activities carried out in it are exploring the purchase decision at PT. Erafone Artha Retailindo Rantauprapat by analyzing the existing problems, collecting data then processing and analyzing the data, finally concluding the results of the data analysis that has been done. The data analysis method used is simple linear regression analysis, and hypothesis testing with t-test (partial), simultaneous test (ANOVA) and coefficient of determination (R Square). According to Imam Ghozali (Amri et al., 2019), the provisions in making decisions for the t test are if the Sig value is less than 0.05 and the t count is greater than the t table, it can be said to be influential and significant. Simultaneous f-test is based on Sig value less than 0.05 and f-count is greater than f-table.

## **RESULTS AND DISCUSSION**

### **Validity Test**

This test is useful to determine whether the processed data is valid or not. The following are the results of the validity test conducted by the researcher:

**Table 1**  
**Validity Test Result**

		Correlation					
		Product quality (X1)	Price (X2)	Promotion (X3)	Location (X4)	Purchase Decision (Y)	Total
<b>Product quality (X1)</b>	Pearson correlation	1	.360**	.579**	.090	.496**	.648**
	Signature. (2-tail)		.000	.000	.374	.000	.000
	N	100	100	100	100	100	100
<b>Price (X2)</b>	Pearson correlation	.360**	1	.581**	.295**	.697**	.782**
	Signature. (2-tail)	.000		.000	.003	.000	.000
	N	100	100	100	100	100	100
<b>Promotion (X3)</b>	Pearson correlation	.579**	.581**	1	.327**	.742**	.865**
	Signature. (2-tail)	.000	.000		.001	.000	.000
	N	100	100	100	100	100	100
<b>Location (X4)</b>	Pearson correlation	.090	.295**	.327**	1	.299**	.497**
	Signature. (2-tails)	.374	.003	.001		.002	.000
	N	100	100	100	100	100	100
<b>Purchase Decision (Y)</b>	Pearson correlation	.496**	.697**	.742**	.299**	1	.916**
	Signature. (2-tails)	.000	.000	.000	.002		.000
	N	100	100	100	100	100	100
<b>Total</b>	Pearson correlation	.648**	.782**	.865**	.497**	.916**	1
	Signature. (2-tail)	.000	.000	.000	.000	.000	
	N	100	100	100	100	100	100

\*\* . The correlation is significant at the 0.01 level (2-tailed).

Based on the results of the r-count which is greater than the r-table (0.195), it can be concluded that all data are valid (Yusup, 2018) .

### Reliability Test

**Table 2**  
**Reliability Test Result**

Reliability Statistics	
Alpha Cronbach	N Items
.786	5

Based on the results of the Alpha value which is greater than the r-table (0.195), it can be concluded that the overall data is reliable (Yusup, 2018) .

**t-Test**

**Table 3**  
**t-test Result**

		<b>coefficient -</b>				
Model		Nonstandard Coefficient		Standard Coefficient	t	Signature.
		B	Std. Error	Beta		
1	(Constant)	5.652	4,301		1.314	.192
	Product quality (X1)	.360	.144	.166	2,502	.014
	Price (X2)	.759	.151	.368	5.030	.000
	Promotion (X3)	.811	.139	.447	5.834	.000
	Location (X4)	.035	.127	.017	.278	0.782

a. Dependent Variable: Purchase Decision (Y)

Based on the results of the t-test (partial) it is known that: a) The value of sig < 0.05 and t arithmetic > t table (1.984), then product quality has a significant effect on purchasing decisions (H1 is accepted); b) The value of sig < 0.05 and t count > t table (1.984), then the price has a significant effect on purchasing decisions (H2 is accepted); c) The value of sig < 0.05 and t count > t table (1.984), then the promotion has a significant effect on purchasing decisions (H3 is accepted); d) Sig value > 0.05 and t count < t table (1.984), then location has no significant effect on purchasing decisions (H4 is rejected). (Shown et al., 2017) .

**F-Test**

**Table 4**  
**F-test Result**

<b>ANOVA<sup>and</sup></b>						
Model		Number of Squares	df	Square Average	F	Signature.
1	Regression	1383,972	4	345,993	50,181	.000 <sup>b</sup>
	Remainder	655.018	95	6.895		
	Total	2038,990	99			

a. Dependent Variable: Purchase Decision (Y)

b. Predictors: (Constant), Location (X4), Product Quality (X1), Price (X2), Promotion (X3)

**Table 5**  
**Summary Model**

<b>Model Summary<sup>b</sup></b>				
Model	R	R Square	Customized R Square	Std. Estimated Error
1	.824	.679	0.665	2,626

a. Predictors: (Constant), Location (X4), Product Quality (X1), Price (X2), Promotion (X3)

b. Dependent Variable: Purchase Decision (Y)

Judging from the results of simultaneous testing, it can be seen that product quality, price, promotion and location have a simultaneous effect on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat in terms of Sig < 0.05 (Ndangi et al., 2019). Based on the results of the f test, product quality, price, promotion and location have a simultaneous effect on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat in terms of f count 50,181 > from f table 2.70 (Amri et al., 2019) . Based on the R-Square of 0.679, the value of the contribution of the influence of product quality, price, promotion and location on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat, which is 67.9% and the remaining 32.1% is influenced by other factors outside this research (Ningsih & Dukalang, 2019) .

## CONCLUSION

Based on the results of research that has been carried out on the analysis of product quality, price, promotion and location of purchase decisions at PT. Erafone Artha Retailindo Rantauprapat, the researcher concludes that product quality has a significant effect on purchasing decisions based on the value of Sig < 0.05 and t count > t table (1.984) (H1 is rejected). Price has a significant effect on purchasing decisions based on the value of Sig < 0.05 and t count > t table (1.984 (H2 is accepted), promotion has a significant effect on purchasing decisions based on the value of Sig < 0.05 and t count > t table (1.984) (H3 accepted), and location has no significant effect on purchasing decisions based on the value of Sig > 0.05 and tcount < t table (1.984) (H4 is rejected). Price, promotion, and location have a simultaneous effect on Purchasing Decisions at PT. Erafone Artha Retailindo Rantauprapat of Sig. <0.05. Based on the results of the f test product quality, price, promotion and location have a simultaneous effect on purchasing decisions at PT. Erafone Artha Retailindo Rantauprapat in terms of f count 50,181 > from f table 2.70. then, based

on R-square of 0.679, the value of the contribution of quality influence product, price, promotion and location to the Purchase Decision at PT.Erafone Artha Retailindo Rantauprapat amounted to 67.9% and the remaining 32.1% influenced by other factors outside of this study .

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