

THE EFFECT OF SERVICE QUALITY, PRICE, AND PRODUCT ON PURCHASE INTENTION

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Abstract-At this time the development of technology is greatly improved. One of the technological developments that is widely used by the public is the internet, with the internet it is very easy for someone's activities, one of which is like shopping activities. Someone can buy what they need without the need to go out of the house, they can buy through an Online Store or Online Shop. Indonesia is one of the countries with the development of online shopping sites that are quite rapid, the phenomenon that occurs in online business sales, makes us have to compete in the era of social media by providing advantages to products with quality of service, acceptable prices and surviving in the online market.

Keywords: *service quality, price, and product*

1. Introduction

The development of the Indonesian Internet is ranked third in 2020 with high e-commerce or online shop potential. The phenomenon that occurs in online business sales, makes it competitive in the era of social media by providing an edge. Paris Florist is a company engaged in flower services since 2016 which is based online. In this market competition, Paris Florist must meet consumer expectations in service and consumer satisfaction with products at appropriate prices, so that it is able to attract consumer buying interest and purchases occur and increase sales at Paris Florist. Based on this phenomenon, this study further explores the influence of service quality, price, and product on Paris Florist's purchase intention.

2. Literature Review

2.1 Previous Research

Research by Gosal, G. G., & Utami, C. W. (2020) shows that flexibility, reliability, assurance, tangibles and responsiveness are significantly and positively correlated. Research by Rosaliana, F., & Kusumawati, A. (2018) examined the quality of service to buy minat with positive and significant results. Research by Bakti, U. (2020) Simultaneously the quality of service, product, and price has a positive effect on buying interest. Research by Amilia, S. (2017) explained that brand image, price, and product quality have a significant effect on purchasing decisions. Research by Mulya Firdausy, C., & Idawati, R. (2017) found that service quality and price have a positive and significant effect on purchasing decisions. Research by Satria, A. A. (2017) shows that price, promotion, and product quality have a simultaneous effect on buying interest.

2.2 Theoretical Foundations

2.2.1 Service Quality

According to Czepiel (in Saghier and Nathan, 2013) service *quality* is defined as the customer's perception of how the service meets or exceeds their expectations. According to A. Parasuraman and Leonard Berry (in Tjoanoto and Kunto, 2013) service quality has dimensions, namely: (1) Reliability; (2) Responsiveness; (3) Assurance; (4) Empathy; (5) Tangible.

2.2.2 Price

According to Kotler and Armstrong (2013:151) is the amount of money charged for a product or service, or the amount of the value that consumers exchange for the benefits of owning or using the product or service. According to Kotler and Armstrong (2008, in Amrullah Artika, 2016) to measure variable price the indicators are: (1) Affordable; (2) Suitability of price with the quality of product; (3) Competitiveness of price.

2.2.3 Product

According to Tjiptono (2015) conceptually, a product is a producer's subjective understanding of something that can be offered as an effort to achieve organizational goals through meeting the needs and desires of consumers, in accordance with the competence and capacity of the organization as well as market purchasing power. According to Tjiptono (2015:76) product quality indicators include: (1) Performance; (2) Features; (3) Conformance to specifications; (4) Serviceability.

2.2.4 Purchase Intention

Purchase intention is defined as the behavioral tendency that a customer will buy a product (Monroe & Krishnan, 1985). It is stated that *purchase intention* is a common measure that is usually used to assess the effectiveness of buying behavior. According to Ferdinand (2015), *purchase intention* can be identified as follows: (1) Exploratory interest; (2) Preferential interests; (3) Transactional interest; (4) Referential interest.

3. Research Framework

3.1 Analysis Models

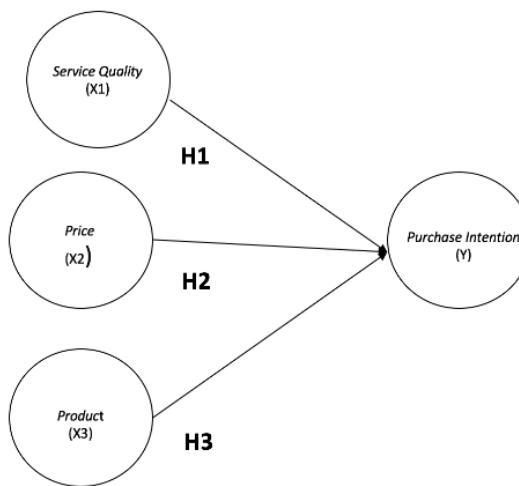


Figure 3.1 Research Model
Source: Data Processed (2020)

3.2 Hypothesis

H1: Service quality has a significant effect on Purchase intention

H2: Price has a significant effect on Purchase intention

H3: Product has a significant effect on Purchase intention

4. Research Methods

4.1 Types of Research, Samples, and Data Collection

This research uses a quantitative approach by sharing Google Forms with Paris Florist Instagram followers. The study population is Paris Florist Instagram followers in 2021 who have made 314 purchases. The research sampling technique uses probability sampling with the Slovin formula as follows:

$$n = \frac{N}{(1 + Ne^2)}$$

$$n = \frac{314}{(1+314(0,05)^2)}$$

$$= 175 \text{ followers}$$

This study used primary and secondary data with research instruments measured using a Likert scale 1-5

4.2 Operational Variables and Definitions

Table 4. 1 Definitive Operational Variables

Variable	Indicators
Quality Service (X1) Quality service is defined as the customer's perception of how the service meets or exceeds their expectations according to (Czepiel in Saghier and Nathan, 2013).	According to A. Parasuraman, and Leonard Berry in Tjoanoto and Kunto (2013) service quality has dimensions / parts namely: a. Reliability (reliability) is the ability to provide the promised services reliably about the provision (services offered), solving the problem of the price provided. b. Responsiveness is awareness and desire to help customers and provide services quickly. c. Assurance is a service that requires a high level of trust where customers will feel safe and secure. d. Empathy (empathy) is caring, personal attention given to customers. e. Tangible, which is in the form of the appearance of physical facilities, equipment, employees, and installed materials.
Price (X2) Price according to Kotler and Armstrong (2013:151) is the amount of money charged for a product or service, or the amount of the value that consumers exchange for the benefits of owning or using the product or service.	Price According to Kotler and Armstrong (2008 in Amrullah Artika (2016)) to measure the variable price the indicators are as follows: a. Affordable i.e., Affordable price is the expectation of consumers before they make a purchase. b. (Suitability of price with the quality of product) The suitability of the price with the quality of the product, namely for certain products, consumers do not mind if they have to buy at a relatively expensive price as long as the quality of the product is good. c. (Competitiveness of price) Price competitiveness is that the Company sets the selling price of a product by considering the price of the product sold by its competitors so that its products can compete in the market.
Product (X3) According to Tjiptono (2015) conceptually, a product is a producer's subjective understanding of something that can be offered as an effort to achieve organizational goals through meeting the needs and desires of consumers, in accordance with the competence and capacity of the organization as well as market purchasing power.	Tjiptono (2015: 76) revealed a number of studies that show that 6 indicators, product quality factors used 4 include: a. Performance refers to the character of the core product which includes the brand, measurable attributes, and individual performance aspects. b. Features (features) that can take the form of additional products from a core product that can add value to a product. c. Conformance to specifications i.e., the product is measured from the level of accuracy and completion time including the calculation of errors that occur, delays that cannot be anticipated, and several other errors d. Serviceability is a service with speed, competence, usability and ease of product improvement.
Purchase Intention (Y) Purchase intention is defined as the behavioral tendency that a customer will buy a product (Monroe & Krishnan, 1985). It is stated that purchase intention is a common measure that is usually used to	According to Ferdinand (2015), purchase intention can be identified through the following indicators: a. Exploratory interest, this interest describes the behavior of a person who is always looking for information about the product he is interested in and looking for information to support the positive properties of the product. b. Preferential interest, that is, interest that describes the behavior of a person who has a primary preference for the product. This preference can only be replaced

assess the effectiveness of buying behavior	if something happens with the product of its preference. c. Transactional interest, that is, the tendency of a person to purchase products. d. Referential interest, that is, the tendency of a person to refer a product to others.
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Source: Data Processed (2020)

The analysis uses multiple linear regression consisting of tests of validity, reliability, classical assumptions, and hypotheses with SPSS software.

5. Results and Discussion

5.1 Analysis

5.1.1 Descriptive Analysis of Research Characteristics

The domiciles of the highest respondents were Surabaya City at 50%, Sidoarjo at 26%, and Malang at 23%.

5.1.2 Descriptive Research Variables

The service quality variable has a mean of 4,171 which means that the average respondent's answer is categorized as strongly agreeing. The price variable has a mean of 39,047 which means that the average respondent's answer to the category strongly agrees. The product variable has a mean of 38,257 which means that the average respondent's answer to the category strongly agrees. The purchase intention variable has a mean of 40,642 which means that the average respondent's answer is strongly agreed.

5.1.3 Validity Test

Table 5. 1 Validity Test Results

Questionnaire Items	Sig. Value (2-tailed)	Information
Service Quality (X1)		
X1.1	.000	Valid
X1.2	.000	Valid
X1.3	.000	Valid
X1.4	.000	Valid
X1.5	.000	Valid
Questionnaire Items	Sig. Value (2-tailed)	Information
Price (X2)		
X1.1	.000	Valid
X1.2	.000	Valid
X1.3	.000	Valid
Questionnaire Items	Sig. Value (2-tailed)	Information
Product (X3)		
X1.1	.000	Valid
X1.2	.000	Valid
X1.3	.000	Valid
X1.4	.000	Valid
Questionnaire Items	Sig. Value (2-tailed)	Information
Purchase Intention (Y1)		
X1.1	.000	Valid
X1.2	.000	Valid
X1.3	.000	Valid
X1.4	.000	Valid

Source: Appendix

Validity testing results indicate all questionnaire statements are said to be valid because they have a significance value of ≤ 0.05 .

5.1.4 Reliability Test

Table 5. 2 Reability Test

Service Quality Reliability (X1)		
Cronbach's Alpha	N of Items	Information
.845	5	Reliable
Price Reliability (X2)		
Cronbach's Alpha	N of Items	Information
.742	3	Reliable
Product Reliability (X3)		
Cronbach's Alpha	N of Items	Information
.738	4	
Reliability of Purchase Intention (Y1)		
Cronbach's Alpha	N of Items	Information
.848	4	Reliable

Source: Data Processed 2021

The test results concluded that all variables were declared reliable because the Cronbach Alpha coefficient ≥ 0.6 .

5.1.5 Normality Test

Table 5. 3 Normality Test

Asymp. Sig. (2-tailed)	Information
.065 ^c	Usual

Source: Appendix

The results of the Kolmogorov-Smirnov Normal test showed a significance of > 0.05 , so the data proved to be normally distributed.

5.1.6 Heteroskedasticity Test

Table 5. 4 Heteroskedasticity Test

Variable	Sig. (2-tailed)	Information
Service Quality (X1)	0,787	No heteroskedasticity occurs
Price(X2)	0,769	No heteroskedasticity occurs
Product (X3)	0,909	No heteroskedasticity occurs

Source: Appendix

Spearman's rho test results showed a significance of > 0.05 which means that heteroskedasticity does not occur.

5.1.7 Multicollinearity Test

Table 5. 5 Multicollinearity Test

Type	Collinearity Statistics		Information
	Tolerance	VIFs	
Service Quality	.741	1.350	No multicollinearity
Price	.730	1.369	No multicollinearity
Product	.975	1.026	No multicollinearity

Source: Appendix

The test results showed a VIF number < 10 and a tolerance value of > 0.1 . Therefore, there is no multicollinearity in both free variables.

5.1.8 Linearity Test

Table 5. 6 Linearity Test

Variable	Sig. (Linearity)	Information
Purchase Intention (Y)*Service Quality (X1)	.000	Has a linear relationship

Purchase Intention (Y)*Price (X2)	.000	Has a linear relationship
Purchase Intention (Y)*Product (X3)	.000	Has a linear relationship

Source: Appendix

5.1.9 Multiple Linear Regression Analysis

Table 5. 7 Multiple Linear Regression Analysis

Type	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	.314	.210	1.491	.138
Service Quality	.093	.046	2.013	.046
Price	.221	.039	5.637	.000
Product	.597	.037	16.180	.000

Source: Appendix

Based on Table 5.7 the multiple linear regression equations are produced as follows:

$$Y = 0.314 + 0.093X_1 + 0.221X_2 + 0.597X_3$$

A constant value of 0.314 when the value of the variables Service quality, price, product is valued at 0. The service quality variable has a positive regression value of 0.093. The Price variable has a positive regression value of 0.093. The Product variable has a positive regression value of 0.597.

5.1.10 Test F

Table 5.8 F Test Results

	Sum of Squares	Mean Square	F	Sig
Regression	32.896	10.965	125.014	.000
Residual	14.999	.088		
Total	47.895			

Source: Appendix

The results of the statistical test F showed a significant value of ≤ 0.05 . It means Service quality (X1), Price (X2), and Product (X3) together affect the Purchase Intention (Y).

5.1.11 t-test

Table 5.9 t Test Results

Variable	t	Sig.	Information
Service quality(X1)	2.013	.046	Significant Effect
Price(X2)	5.637	.000	Significant Effect
Product (X3)	16.180	.000	Significant Effect

Source: Data Processed 2021

The significance value of the t test in the Service quality, Price, and Product variables is ≤ 0.05 so it can be concluded that these variables have a partial significant effect on Purchase Intention.

5.1.12 Analysis of Correlation Coefficients (R) and Determination (R^2)

Table 5.10 R and R 2 Test Results

R	R^2
.829	.687

Source: Data Processed 2021

The result of the R value or correlation coefficient of 0.829 shows a strong and positive relationship between the free variable (service quality, price, product) and the bound variable (purchase intention). The value of the coefficient of determination (R^2) of 0.687 proves the ability of the free variable to describe bound variables by 68.7%, while the remaining 31.3% is explained by other variables outside the study.

5.2 Discussion

5.2.1 Effect of Service Quality on Purchase Intention

In this study, the service quality variable had a positive and significant effect on the purchase intention of the Paris Florist company. This shows that potential buyers from Paris Florist like the quality of service that is able to provide sales services for products or works that can be seen directly by customers, thereby increasing the purchase intention of the Paris Florist company.

5.2.2 The Effect of Price on Purchase Intention

In this study, the price variable had a positive and significant effect on the purchase intention of the Paris Florist company. It is that prospective buyers from Paris Florist, price is not a problem of purchase intention, if the customer gets good product quality it will increase the purchase intention of the Paris Florist company.

5.2.3 Effect of Product on Purchase Intention

In this study it proves that product variables have a positive and significant effect on the purchase intention of the Paris Florist company. This shows that Paris Florist customers like to buy products that have an explanation before buying their products so as to increase the purchase intention of the Paris Florist company.

5.3 Managerial Implications

Table 5. 11 Results of Managerial Implications

No	Problems	Clarification	Suggestion
1.	Reliability	Difficulty making flower orders, due to lack of raw materials.	Adding several suppliers, so that if there is a shortage of raw materials, it still has reserves of several suppliers.
2.	Responsiveness	Customers feel that Paris Florist is not quick to respond when replying to booking chats.	Improve service with faster response or increase human resources for admins to receive bookings.
3.	Assurance	Sometimes flowers wither during delivery, because at the time of delivery there are problems with traffic jams. The customer complained asking for a change of interest.	Provide a guarantee of interest replacement, if there is a problem with wilted flowers or received in poor condition.
4.	Empathy	The negligence of Paris Florist sometimes does not provide a purchase note, until it gets a reprimand to send the note to the customer's office.	Applying SOPs to provide purchase notes, if not given, sanctions will be given.
5.	Affordability Pricing	Many prospective customers only ask for a pricelist and then do not order because the price range given is too expensive, starting at Rp. 300,000.	Make some flowers at affordable prices with a variety of prices.
6.	Price Suitability	Consumers sometimes object to having to buy flowers at a fairly expensive price, they often ask if there are custom flowers according to the budget.	Create a custom budget service.
7.	Competitiveness	More and more competitors are selling on Instagram at competitive prices, sometimes customers compare competitors' prices with the prices of Paris Florist Surabaya.	Providing innovation in terms of price varied products that attract consumers, so that consumers are interested in buying.
8.	Performance	It often happens that Paris Florist has to refuse orders, because of the lack of operational parts so that sometimes customers order elsewhere.	Add a team of Paris florists and divide the job desk so that Paris Florist operations are more organized.
9.	Feature	Some customers want to order and want to make transactions and order interest in cash at the workshop. But Paris Florist does not have a store for customers to order flowers and on-the-spot transactions.	Create an open house for products that can be purchased on the spot.
10.	Conformity with specifications	There are often complaints, from customers because the inconsistency with the delivery schedule makes the interest late to the customer due to a price.	Must pay attention to service quality and product so that customers do not feel disappointed with the finishing of

			the product by the Paris Florist team before delivery.
11.	Service Capability	If there is a flower withering during delivery sometimes, the Paris florist takes a rather long time to find a replacement for the flower, it makes customers sometimes disappointed because the service from Paris Florist is not ready to replace flowers.	Paris florist can provide a choice of flowers that have a long enough durability so that the flowers are still in a fresh state.

Source: Data Processed 2021

6. Conclusions and Suggestions

6.1 Conclusion

1. Service quality affects the Purchase Intention of the Paris Florist company, so the first hypothesis (H1) is accepted.
2. Price affects the Purchase Intention of the Paris Florist company, so the first hypothesis (H2) is accepted.
3. Product affects the Purchase Intention of the Paris Florist company, so the first hypothesis (H3) is accepted.

6.2 Suggestion

6.2.1 For Paris Florist

Paris Florist is expected to provide service quality, price and product to increase purchase intention as follows:

1. Able to provide quality service that is able to like the results of products or works that can be seen directly the finished product.
2. Able to provide a price that is equivalent to good product quality
3. Able to sell products by providing explanations and specifications of goods before buying a product.

6.2.2 For Future Researchers

Researchers are expected to examine more deeply other variables beyond service quality, product, and price to find out whether other factors can influence purchase intention. Researchers are expected to conduct continuous research with variables of price, service quality, product, and purchase intention. Researchers are also expected to increase the number of respondents and samples from several different universities in order to get a comparison of the research results.

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