

Analysis of Factors Affecting Consumer Decisions to Make a Purchase

by Bob Foster

Submission date: 05-Feb-2021 01:33PM (UTC+0700)

Submission ID: 1502171568

File name: s_of_Factors_Affecting_Consumer_Decisions_to_Make_a_Purchase.pdf (917.1K)

Word count: 3696

Character count: 20551

Analysis of Factors Affecting Consumer Decisions to Make a Purchase

21

Bab Foster

University of Business and Informatics Indonesia

Jl. Soekarno-Hatta No.643, Sukapura, Kiaracondong, Bandung City, West Java 40285, Indonesia
bobriset@unibi.ac.id;

Muhamad Deni Johansyah

Department of Mathematics, Faculty of Mathematics and Natural Sciences, Universitas Padjadjaran, Indonesia
deni_johansyah@yahoo.com

Abdul Talib Bon

Department of Production and Operations, University Tun Hussein Onn Malaysia, Malaysia
talibon@gmail.com

16

Abstract

10

The purpose of this study is to find out the most influential factors in purchasing decisions by consumers, in addition to knowing the effect of each variable either partially or simultaneously. From the population available, then based on the calculations performed, the sample used in this study was 100 respondents. This research uses primary data by distributing questionnaires to visitors. The sampling technique used is non-probability sampling with purposive sampling technique. The research method used is the quantitative method and the analytical tool used to support this research is multiple regression analysis with the software used is SPSS version 24. The most dominant variable influences the consumer decisions in choosing Warunk Upnormal Dipatiukur Branch is a location variable (X7). Simultaneously (together) it is known that all independent variables in the study such as atmosphere (X1), product variety (X2), discount promo (X3), live entertainment (X4), facilities (X5), service (X6), location (X7), and price (X8) has a significant influence on purchasing decisions (Y). While based on partial testing, it can be concluded that what is a factor of consumers choosing Warunk Upnormal Dipatiukur Branch is the variables of atmosphere (X1), live entertainment (X4), facilities (X5), location (X7), and price (X8).

Keywords:

Purchasing decisions, non-probability sampling, purposive sampling technique, and multiple regression.

1. Introduction

The culinary industry is one of the promising business industries today. This is due to changes in lifestyle trends in adolescents and executives. The city of Bandung, which is one of the tourist destinations, makes the culinary business a promising investment choice. Cafe business in the city of Bandung continues to experience growth, based on data from the Bandung City Tourism Office the growth of cafes in the city of Bandung from 2011 to 2015 was more than 240% (bandungkota.bps.go.id). The number of restaurants or cafes in the city of Bandung causes increasingly fierce competition. Increasing competition will increase the high level of creativity that must be owned by a company. Therefore the company must be able to make a strategy to maintain and develop the business being run.

Of the many cafes that operate in the city of Bandung, based on data processed by the author it is known that Warunk Upnormal has the most percentage of branches when compared to its competitors. The percentage of branches owned by Warunk Upnormal is 36.4% or equivalent to 12 outlets, this high percentage shows Warunk Upnormal is more advanced than its competitors. Of course, this is inseparable from the various innovations that continue to be done. One of the important innovations to do is innovation related to products, new product development by companies or industries both existing and not yet (Dhewanto, 2014).

Based on observations made, it is known that various activities are carried out by Warunk Upnormal management to increase sales. Some of the things done to increase sales include advertising, sales promotion, public relations, personal selling, and direct marketing. These efforts led to an increase in sales, but in December 2015 Warunk Upnormal revenue decreased, but after an evaluation, the resale increased. One of the causes of the decline in sales is due to consumer complaints on social media related to the atmosphere of the cafe that is not comfortable, this causes a decrease in consumer purchasing interest, which in turn has implications for income that also decreased.

The object in this study is Dipatiukur Warunk Upnormal, the thing that is based on the Dipatiukur branch selection is because based on interviews conducted by Dipatiukur branch consumer management, more than 90% are students and students. This is due to locations close to several campuses including the Indonesian Computer University, Harapan Bangsa College, Padjadjaran University, Bandung Institute of Technology, Bandung Islamic University, and Pasundan University. Based on the data and background that have been explained before, the writer is interested in researching Warunk Upnormal in Dipatiukur area regarding the factors that influence purchasing decisions.

2. Literature Review

2.1 Consumer Behavior

According to Olson (2013) defines consumer behavior as the dynamic of interaction between influence and awareness, behavior, and the environment in which humans exchange aspects of life. Hawkins (2013) explains that customer behavior is the study of individuals, groups, or organization and the processes they use to select, secure, use, and dispose of products, services, experience, or ideas to satisfy needs and the impact that these processes have on the customer and society. Whereas Solomon (2015) states that customer behavior is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experience to satisfy needs and desires. Kotler and Keller (2016) state that the model of consumer behavior can be described as follows.

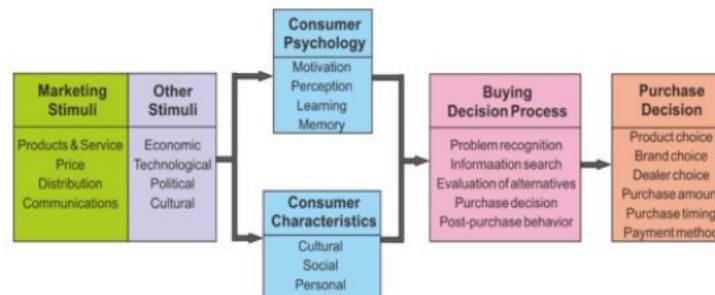


Figure 1. Consumer Behavior Model

According to Kotler and Keller (2016), several factors can influence consumer behavior in purchasing a product. These factors include cultural factors, social factors, and personal factors. In this study refer to previous studies conducted by Alam (2008), Assidiqi (2009), and Verina et. al. (2014), the variables used to explain consumer behavior are atmosphere, product variations, promo discounts, live entertainment, facilities, services, location, and prices.

2.2 Purchasing Decision

Purchasing decisions are actions taken by individuals when deciding to purchase an item or service, hereinafter referred to as behavior. According to Kotler and Armstrong (2014), customer buyer behavior refers to the buying behavior of final customers individuals and households that buy goods and services for personal consumption. Mulyadi (2012) states that consumer decision making is a process of interaction between affective attitudes, cognitive attitudes, behavioral attitudes and environmental factors where humans exchange in all aspects of their lives. In making a purchase decision there are several stages carried out by consumers. Kotler and Keller (2016) state that the purchase decision process consists of 5 stages, as follows.

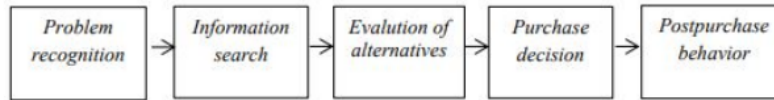


Figure 2. Stages of the Purchasing Decision Process

3. Research Methodology

The population in this study were all customers of Warunk Upnormal Dipatiukur Branch. In this study, the authors used a non-probability sampling technique, which is a technique that does not provide an opportunity for each member of the population to be a member of the sample (Riduwan, 2010). Besides, purposive sampling is used to select criteria that have been selected by researchers in selecting samples. Because of the limitations possessed by the authors both limited labor costs and time, the sample used in this study was determined using the Bernoulli formula (Kurniawan, 2014). Based on the calculation done, the sample in this study is a minimum of 96.4, to facilitate the distribution of questionnaires, the number of samples is rounded up to 100 respondents.

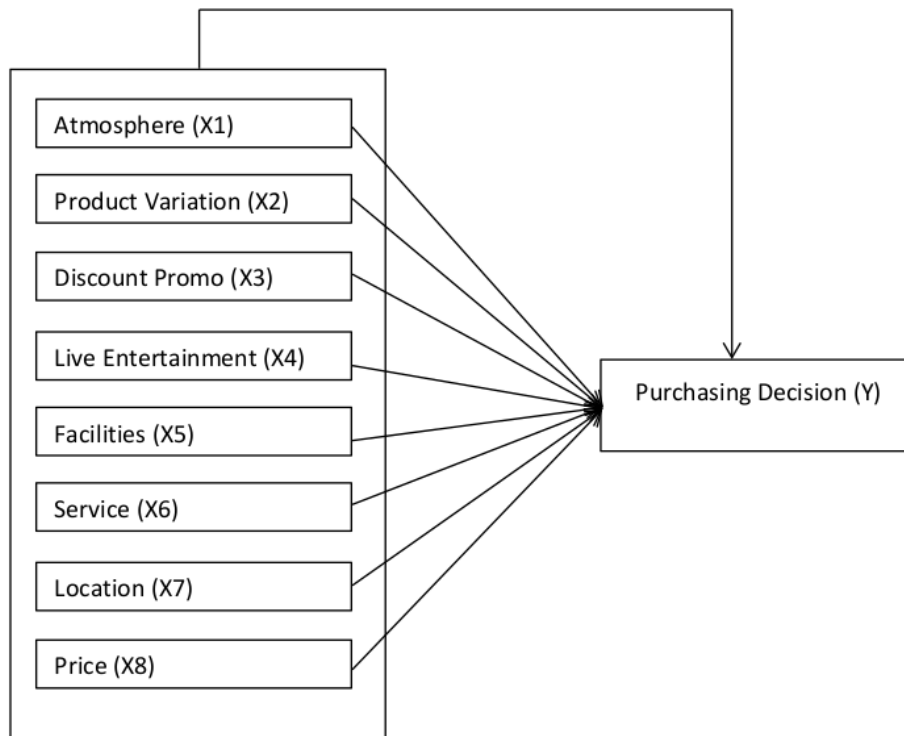


Figure 3. Research Paradigm

4. Results and Discussion

4.1 Multiple Regression Analysis

Multiple regression analysis was performed to determine the effect of variables of atmosphere (X1), product variation (X2), discount promo (X3), live entertainment (X4), facilities (X5), service (X6), location (X7), and price (X8) of the decision to purchase at Warunk Upnormal Dipatiukur Branch. By using the analysis in the form of SPSS 24.0, it is known that the multiple regression equation is as follows.

$$Y = 0.572 + 0.079X_1 - 0.079X_2 - 0.181X_3 + 0.216X_4 + 0.136X_5 - 0.052X_6 + 0.439X_7 + 0.480X_8$$

From the results of the multiple regression equation, the meaning can be interpreted, the constant value states that if the variables of atmosphere (X1), product variation (X2), discount promo (X3), live entertainment (X4), facilities (X5), service (X6), location (X7), and price (X8) are zero (0) and are fixed, so the purchase decision is 0.572. In addition to increasing purchasing decisions can be done by taking into account the variables of atmosphere (X1), live entertainment (X4), facilities (X5), location (X7), and price (X8). This can be reflected from the coefficient value of each variable that has a positive value, meaning that each increase in one unit of the variables of atmosphere (X1), live entertainment (X4), facilities (X5), location (X7), and price (X8) it will affect the increase in purchasing decisions. While the variables of product variation (X2), discount promo (X3), and service (X6) in this study are not factors that encourage consumers to make purchasing decisions at Warunk Upnormal Dipatiukur Branch.

4.2 Hypothesis Test F (Simultaneous)

Based on the F test that has been done, it is known that the F_{count} value is 40.994, the value is greater than the F_{table} value of 2.00 and the significance value of the results of the study is 0.000, the value is smaller than the α value in this study which was previously set at 5% or 0.05. These results indicate that all variables in this study simultaneously are influential in purchasing decisions at Warunk Upnormal Dipatiukur Branch. Therefore based on the test results, it can also be explained that what drives consumers to make purchasing decisions at Warunk Upnormal Dipatiukur Branch requires a good combination of factors in this study. Where these factors can be external and internal factors when referring to the factors used in this study to explain purchasing decisions in Warunk Upnormal Branch Dipatiukur.

4.3 Hypothesis Test t (Partial)

14

Partial testing or often known as the t-test is intended to determine the effect of all independent variables in this study on the dependent variable, namely the purchasing decision on Warunk Upnormal Branch Dipatiukur partially or separately. Based on the results of tests that have been carried out, it is known that there are 5 variables namely atmosphere (X1), live entertainment (X4), facilities (X5), location (X7), and price (X8) which partially have $t\text{-count} / t\text{-stat} > t\text{-table}$ (1.98969), and also a significance level smaller than 0.05. So thus the variables of atmosphere (X1), live entertainment (X4), facilities (X5), location (X7), and price (X8) in this study have a significant influence on purchasing decisions on Warunk Upnormal Branch in Dipatiukur. While the variables of product variation (X2), discount promo (X3), and service (X6) in this study are based on the results of tests that have been identified as having $t\text{-count} / t\text{-stat} < t\text{-table}$ (1.98969), and also a significance level greater than 0.05, so that the variables of product variation (X2), discount promo (X3), and service (X6) in this study did not have a significant influence on purchasing decisions on Warunk Upnormal Branch in Dipatiukur.

4.4 Test the Coefficient of Hypothesis Determination (R^2)

Determination Coefficient Test is used to determine the percentage of influence of the independent variables such as atmosphere (X1), product variation (X2), discount promo (X3), live entertainment (X4), facilities (X5), service (X6), location (X7), and price (X8) in this study of the dependent variable, namely the decision of purchasing. Referring to the results of the study used it is known that the magnitude of the coefficient of determination in this study is 0.783, this shows the magnitude of the influence of the independent variable on the dependent variable that is 78.3% percent. While the remaining 21.7% is influenced by other variables in this study.

4.5 Discussion

The influence of the variables of atmosphere (X1), product variation (X2), discount promo (X3), live entertainment (X4), facilities (X5), service (X6), location (X7), and price (X8) on purchasing decisions. From this study it was found that the variables of atmosphere (X1), product variation (X2), discount promo (X3), live entertainment (X4), facilities (X5), service (X6), location (X7), and price (X8) influence together with the purchasing decision (Y). The magnitude of the effect of all independent variables was 78.3%. This means that by continuing to make improvements and pay attention to the quality of all independent variables in this study will increase or influence potential consumers to make purchases at Warunk Upnormal Dipatiukur Branch.

3.6 Effect of Atmosphere Variable (X1) on Purchasing Decisions

Based on the results of partial testing it is known that there is a significant relationship between atmospheres (X1) on purchasing decisions (Y) during this research period, this shows that the atmosphere variable has a positive and significant influence on purchasing decisions. Test results that have a positive effect indicate that company leaders

can consider continuing to control the atmosphere, because of the better the atmosphere available, the more impact on consumers' decision to choose Warunk Upnormal.

4.7 Effect of Product Variation Variable (X2) on Purchasing Decisions

Based on the partial test results, it is known that there is no significant relationship between product variation (X2) purchasing decisions (Y) during this research period, this shows that product variations have a negative and not significant effect on purchasing decisions. The results of tests that have a negative effect show that although the products offered vary, consumers who come to Warunk Upnormal Dipatiukur Branch are not caused by the products offered. So that if product innovation continues to be carried out without regard to other factors it will not increase consumers' decision to choose Warunk Upnormal.

4.8 Effect of Discount Promo Variable (X3) on Purchasing Decisions

Based on the partial test results, it is known that there is no significant relationship between the promo discount (X3) the purchase decision (Y) during this research period, this shows that product variations have a negative and not significant effect on purchasing decisions. The results of tests that have a negative effect show that although there are discount promos currently offered, consumers who come to Warunk Upnormal Dipatiukur Branch are not caused by discount promotions offered. So if continued discount promotion without regard to other factors will not increase consumers' decision to choose Warunk Upnormal.

3.9 Effect of Live Entertainment Variable (X4) on Purchasing Decisions

Based on the results of partial testing it is known that there is a significant relationship between live entertainments (X4) on purchasing decisions (Y) during the study period, this shows that the live entertainment variable has a positive and significant influence on purchasing decisions. The test results that have a positive effect show that with live entertainment that can be in the form (uno stacko, snakes and ladders, chess, etc.) that has been provided has affected consumers to decide to make a purchase, thus if another live entertainment is provided it will have an impact on increasing consumer decisions choose Warunk Upnormal.

4.10 Effect of Facility Variable (X5) on Purchasing Decisions

Based on the partial test results, it is known that there is a significant relationship between the facilities (X5) and the purchase decision (Y) during this research period, this indicates that the facility variable has a positive and significant influence on the purchasing decision. The results of tests that have a positive effect show that the presence of good facilities can be in the form of (equipment, wifi, toilets, prayer rooms, etc.) which has been provided at this time has influenced consumers to decide to make a purchase, thus if the quality of the facilities available is improved and its function will have an impact on increasing consumer decisions to choose Warunk Upnormal.

3.11 Effect of Service Variable (X6) on Purchasing Decisions

Based on the results of partial testing, it is known that there is no significant relationship between service (X6) on purchasing decisions (Y) during this research period, this shows that services have a negative and not significant effect on purchasing decisions. The results of tests that have a negative effect show that consumers who come to Warunk Upnormal Dipatiukur Branch are not caused by the services offered. This can be caused by consumers who come are dominated by students and students, so that service is not a factor that is considered by consumers. The services currently in progress are considered to have met the standard needs of consumers. So that even if service improvements are made without regard to other factors, it will not increase consumers' decision to choose Warunk Upnormal.

3.12 Effect of Location Variable (X7) on Purchasing Decisions

Based on the results of partial testing, it is known that there is a significant relationship between location (X7) on purchasing decisions (Y) during the study period, this shows that location variables have a positive and significant influence on purchasing decisions. Test results that have a positive effect show that with a strategic location as it is today, close to several private and public campuses and the ease of going to the location has caused consumers to decide to make a purchase, thus the strategic location is one of the factors that need to be considered to improve decisions consumer.

3.13 Effect of Price Variable (X8) on Purchasing Decisions

Based on the results of partial testing, it is known that there is a significant relationship between price (X8) on purchasing decisions (Y) during this research period, this shows that the price variable has a positive and significant influence on purchasing decisions. Test results that have a positive effect indicate that the price currently set by management is considered to be more competitive and has caused consumers to decide to make a purchase, thus the price factor is also one factor that needs to be considered to improve consumer decisions. This is because consumers Warunk Upnormal Dipatiukur Branch are students and students who still consider the price factor.

5. Conclusions

Judging from the value of the beta coefficient of the largest and the most dominant influence on consumer decisions in choosing Warunk Upnormal Dipatiukur Branch that is equal to 0.451 is the location variable (X7). Simultaneously (together) note that all independent variables in the study such as atmosphere (X1), product variations (5), discount promos (X3), live entertainment (X4), facilities (X5), services (X6), location (X7), and price (X8) has a significant influence on purchasing decisions (Y). Whereas based on partial testing, it can be concluded that the factors that choose consumers to choose Warunk Upnormal Dipatiukur Branch are variables of atmosphere (X1), live entertainment (X4), facilities (X5), location (X7), and price (X8). Future researchers are expected to increase the number of respondents, so that research results are more accurate. It also can make a comparison of two or more cafes to make it appear which cafe is the most desirable and in terms of what consumers are more interested in the cafe. For cafe entrepreneurs, it is better to pay attention to the characteristics of consumers, because the characteristics will determine the treatment that must be done. Location is the key when consumers will make a purchase decision, therefore strategic location must be the main consideration by not ignoring other factors.

References

- Alam, S. S, et al. (2008). Young Consumers Online Shopping: an Empirical Study. *Journal of Internet Business*, (5).
- Assidiqi, H. (2009). *Analysis of Factors Affecting Consumer Decision Behavior in Online Purchasing (E-Commerce) in Jakarta and Bandung*. Jakarta: Bina Nusantara.
- Dhewanto, W. (2014). *Innovation Management: Opportunities for Success in Facing Change*. Yogyakarta: Andi Offset.
- Hawkins, M. (2013). *Customer Behavior Building Marketing Strategy*.
- Olson, J. P. P. J. C. (2013). *Consumer Behavior and Marketing Strategies Volume 1*.
- Kurniawan, A. (2014). *Research Methods for Economics & Business*. Bandung: Alfabeta.
- Kotler, P. & Armstrong, G. (2014). *Principle of Marketing*, 15th Edition. New Jersey: Pearson Prentice Hall.
- Kotler, P. & Keller, K. L. (2016). *Marketing Management*, 15th Edition. New Jersey: Pearson Prentice Hall.
- Mulyadi, N. (2012). *Consumer Behavior in Entrepreneurial Perspectives*. Bandung: Alfabeta.
- Riduwan. (2010). *Measurement Scale of Research Variables*. Bandung: Alfabeta.
- Solomon, M. R. (2015). *Consumer Behavior: Buying, Having and Being*, 11th Edition. New Jersey: Prentice Hall.
- Verina, E., Yulianto, E. & Latief, W. A. (2014). Factors that Influence Buying Decisions on Fashion Stores on Facebook Social Networks (Survey of Fashion Store Consumers on Facebook Social Networks Located in Indonesia). *Jurnal Administrasi Bisnis*, 10(1). 1-11.

Biographies

Bob Foster is a lecturer in University of Business and Informatics Indonesia. Currently as Rector of University of Business and Informatics Indonesia, the field of applied mathematics, with a field of concentration of financial mathematics and actuarial sciences.

Muhamad Deni Johansyah is a lecturer in the Department of Mathematics, Faculty of Mathematics and Natural Sciences, Universitas Padjadjaran. The field of pure mathematics, with a field of concentration of fractional derivative.

Abdul Talib Bon is a professor of Production and Operations Management in the Faculty of Technology Management and Business at the Universiti Tun Hussein Onn Malaysia since 1999. He has a PhD in Computer Science, which he obtained from the Universite de La Rochelle, France in the year 2008. His doctoral thesis was on topic Process Quality Improvement on Beltline Moulding Manufacturing. He studied Business Administration in the Universiti Kebangsaan Malaysia for which he was awarded the MBA in the year 1998. He's bachelor degree and diploma in Mechanical Engineering which he obtained from the Universiti Teknologi Malaysia. He received his postgraduate certificate in Mechatronics and Robotics from Carlisle, United Kingdom in 1997. He had published more 150 International Proceedings and International Journals and 8 books. He is a member of MSORSM, IIF, IEOM, IIE, INFORMS, TAM and MIM.

Analysis of Factors Affecting Consumer Decisions to Make a Purchase

ORIGINALITY REPORT

14%

SIMILARITY INDEX

9%

INTERNET SOURCES

8%

PUBLICATIONS

5%

STUDENT PAPERS

PRIMARY SOURCES

- 1** "Effect of Trust, Quality of Products and Quality Services on Purchase Decisions on E-Commerce Shopee in Palembang City", International Journal of Management and Humanities, 2019
Publication 2%
- 2** Lukasz Krzywiecki, Hannes Salin, Nisha Panwar, Mykola Pavlov. "Proxy Signcryption Scheme for Vehicle Infrastructure Immune to Randomness Leakage and Setup Attacks", 2020 IEEE 19th International Symposium on Network Computing and Applications (NCA), 2020
Publication 1%
- 3** journals.telkomuniversity.ac.id
Internet Source 1%
- 4** "Optimization of Foreign Exchange using Kelly Criteria Model", International Journal of Recent Technology and Engineering, 2019
Publication 1%

5	core.ac.uk Internet Source	1%
6	www.scribd.com Internet Source	1%
7	Submitted to University of Bristol Student Paper	1%
8	Submitted to University of Lincoln Student Paper	1%
9	Submitted to Universitas Muhammadiyah Yogyakarta Student Paper	1%
10	worldwidescience.org Internet Source	<1%
11	T.C. Lee, N.A.S. Mohd Pu'ad, M.A. Selimin, N. Manap, H.Z. Abdullah, M.I. Idris. "An overview on development of environmental friendly medium density fibreboard", Materials Today: Proceedings, 2020 Publication	<1%
12	doi.org Internet Source	<1%
13	Submitted to Sriwijaya University Student Paper	<1%
14	www.hindawi.com Internet Source	<1%

15 myassignmenthelp.com <1%
Internet Source

16 www.rsisinternational.org <1%
Internet Source

17 moam.info <1%
Internet Source

18 www.researchgate.net <1%
Internet Source

19 research-methodology.net <1%
Internet Source

20 journal.bakrie.ac.id <1%
Internet Source

21 www.ijicc.net <1%
Internet Source

Exclude quotes On

Exclude matches Off

Exclude bibliography On