

# THE INFLUENCE OF SERVICE QUALITY, PRICE AND LOCATION ON CONSUMER PURCHASING DECISIONS ON CAPTAIN SERVICES FIELD BARBERSHOP

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## ABSTRACT

This study aims to assess and analyze the impact of service quality, price, and location on consumer purchasing decisions at Captain Barbershop in Medan. The study population consists of all customers who use Captain Barbershop services throughout 2022, with a total population of 9,574 people. Given the large population, the sample was determined using the Slovin formula with an error rate of 10%, so that 99 samples were obtained. The sampling technique used is accidental sampling, where respondents are randomly selected. The results showed that service quality has a positive and significant effect on purchasing decisions at Captain Barbershop Medan. Conversely, price has a negative and significant effect on purchasing decisions. Location also shows a positive and significant influence on purchasing decisions. Overall, service quality, price, and location together have a significant influence on purchasing decisions at Captain Barbershop Medan.

**Keywords:** Service Quality, Price, Location, Purchase Decision

## INTRODUCTION

Service business is a sector that focuses on providing products in the form of services. The principles applied in service businesses are similar to those of goods businesses, where companies offer services with the aim of making a profit. Service businesses, or businesses that provide services, usually offer specialized skills that provide benefits to consumers. One example of a service business is a barbershop, which faces a high level of competition, especially as many new barbershops have sprung up in major cities in Indonesia, including Medan.

Captain Barbershop is the largest luxury barbershop chain in Indonesia. Since its establishment in 2015, Captain Barbershop has grown to 100 branches spread across various locations such as Jabodetabek, Karawang, Bandung, Surabaya, and Medan, with one of its

branches located on Jalan Sumatera, Medan. Captain Barbershop emphasizes on customer satisfaction by providing high-quality services, including adequate sanitary equipment, comfortable facilities, and experienced barbers. However, the increasingly fierce competition, where each barbershop implements various marketing strategies to attract consumers, led to a decrease in the number of customer visits to Captain Barbershop.

Observations showed that the decline in consumers' decision to use Captain Barbershop's services was caused by several factors, including service quality, price, and location. Regarding service quality, it was found that some barbers were not able to provide satisfactory service, such as being less responsive to customer requests. In addition, the facilities provided by Captain Barbershop were considered inadequate, such as waiting rooms with a limited number of chairs and slow service, including barber breaks that exceeded the standard and long waiting times.

The price factor is also an issue, where Captain Barbershop's rate of Rp 100,000 per person is considered higher than other barbershops that charge between Rp 50,000 and Rp 80,000. This causes consumers to reconsider their decision, as many other barbershops offer similar facilities at lower prices.

Captain Barbershop's location on Jalan Sumatera, Medan, is also an issue, especially as it is often congested, especially during peak hours. In addition, the limited parking space, especially for car drivers, means that consumers have to park far away and walk to the location, reducing their convenience. These factors encourage consumers to look for other alternatives that are more satisfying.

Research by Utama et al. (2019) entitled "The Effect of Product Quality and Price on Purchasing Decisions at Setia Kawan Stationery Stores in Lumajang Regency" shows that product quality and price have a positive and significant effect on purchasing decisions, both partially and simultaneously. Research by Rahmadiyah (2018) entitled "The Effect of Promotion, Location, and Products on Purchasing Decisions at the GTT UD Kediri Souvenir Center" also shows that promotion, location, and products have a positive and significant effect on purchasing decisions, both partially and simultaneously. In addition, research by Raharjo et al. (2019) entitled "Analysis of the Effect of Location, Service Quality, and Price Perception on Purchasing Decisions at T.B. Rajawali Kalicilik Demak" concluded that location, service quality, and price perception have a positive and significant effect on purchasing decisions, both partially and simultaneously.

## **LITERATURE REVIEW**

### **Service Quality**

According to Tjiptono and Chandra (2019), service quality is defined as the result of a comparison between the level of service provided by the company and consumer expectations. Service quality is reflected in how well the company can meet the needs and desires of consumers, as well as its ability to provide services that meet expectations or even exceed consumer expectations. Meanwhile, Sudarso (2020) defines service quality as a comparison between consumer expectations and the actual performance of the services provided. Service quality is an important element considered by consumers in product purchasing decisions.

### **Price**

According to Ramdhani et al. (2020), price is an element that directly affects company profits, and is the value set for a good or service. Price plays an important role in the purchasing decision-making process. Kurniawan (2018) defines price as the exchange rate paid by consumers to obtain goods or services with certain benefits, including services. Product prices affect the level of profit that can be achieved by the company.

### **Location**

Kurniawan (2018) explains that location refers to the place where the company chooses to set up its business. Location selection is a crucial factor in running a business. Halim et al. (2021) state that location is the place where the organization offers its products or services, making it easier for target consumers to access them. Rachmawati (2020) added that location selection is a significant investment because location can affect the level of visitor crowds.

### **Purchase Decision**

Firmansyah (2018) defines purchasing decisions as a problem-solving process carried out by individuals in choosing between two or more alternative behaviors that are considered the most appropriate for making purchases, through the stages of the decision-making process. Rossanty et al. (2018) states that in the context of a purchase, consumers can make several sub-decisions regarding brand, supplier, quantity, execution time, and payment method. For complex products, consumers usually take longer to make purchasing decisions, while for everyday products,

purchasing decisions are generally made more quickly. Firmansyah (2018) defines purchasing decisions as a problem-solving process carried out by individuals in choosing between two or more alternative behaviors that are considered the most appropriate for making purchases, through the stages of the decision-making process. Rossanty et al. (2018) states that in the context of a purchase, consumers can make several sub-decisions regarding brand, supplier, quantity, execution time, and payment method. For complex products, consumers usually take longer to make purchasing decisions, while for everyday products, purchasing decisions are generally made more quickly.

## **METHODS**

The approach used in this research is a quantitative approach, which is characterized by a systematic and structured flow. This research falls into the category of quantitative research and is causal in nature, also known as explanatory research. Causal research aims to identify the existence of a cause-and-effect relationship between two separate events. In this context, changes in the independent variable are expected to affect changes in the dependent variable. This research will be conducted at Captain Barbershop which is located at Jalan Sumatera Medan. The research time is estimated from August 2023 to April 2024. The population in this study were all consumers who used the services of Captain Barbershop during 2022 as many as 9,574 consumers. Due to the total population of 9,574, the sampling technique using the Slovin formula with a standard error of 10% was obtained as many as 99 research samples. The type of data used in this study is quantitative data. The data sources used are:

1. Primary Data Source

Primary data in this study includes interviews and the results of filling out questionnaires distributed to consumers.

2. Secondary Data Source

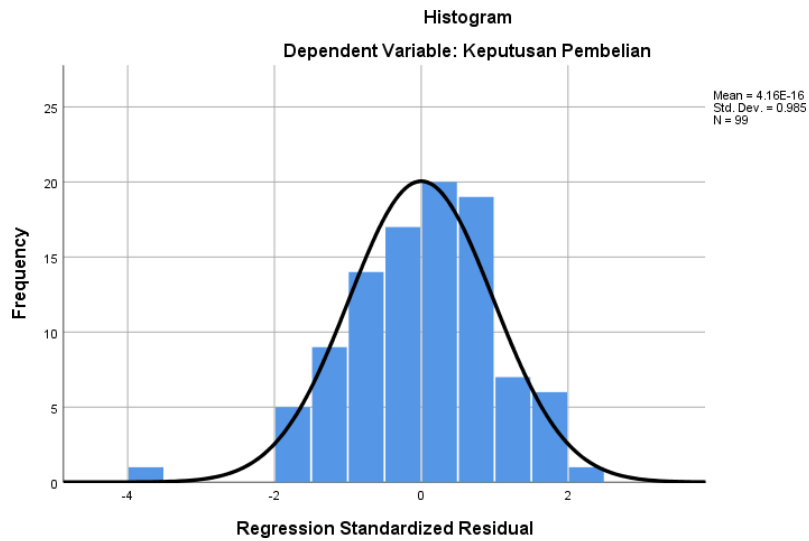
Secondary data in the research includes documentation and literature studies.

## **RESULTS**

### **Normality Test**

There are two ways to detect whether the residuals are normally distributed or not, namely by graph analysis and statistical tests.

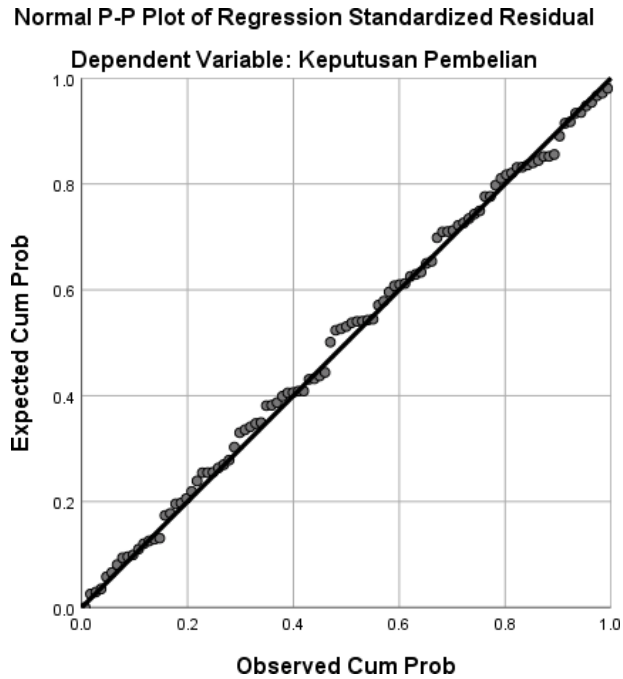
**Figure 1. Histogram Graph**



*Source: Research Results, 2024 (Data processed)*

Based on the picture above, it can be seen that the line drawing is bell-shaped, not deviating to the left or right. This shows that the data is normally distributed and fulfills the assumption of normality.

**Figure 2. Normal Probability Plot of Regression Graph**



*Source: Research Results, 2024 (Data processed)*

Based on the picture above, it shows that the data (dots) spread around the diagonal line and follow the diagonal line. So from this picture it is concluded that the residuals of the regression model are normally distributed.

**Table 1. One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		99
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.16472508
Most Extreme Differences	Absolute	.049
	Positive	.040
	Negative	-.049
Test Statistic		.049
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

*Source: Research Results, 2024 (Data processed)*

Based on the table above, the test results prove that the significant value produced is greater than 0.05, which is 0.200, it can be concluded that the data is classified as normally distributed.

### Multicollinearity Test

Multicollinearity testing can be seen in the table below:

**Table 2. Multicollinearity Test Results (VIF Test)**

Model	Coefficients <sup>a</sup>					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	10.564	1.865		5.664	.000		
Service Quality	.097	.036	.186	2.706	.008	.821	1.218
Price	-.077	.035	-.152	-2.195	.031	.810	1.234
Location	.490	.060	.619	8.223	.000	.688	1.454

a. Dependent Variable: Purchase Decision

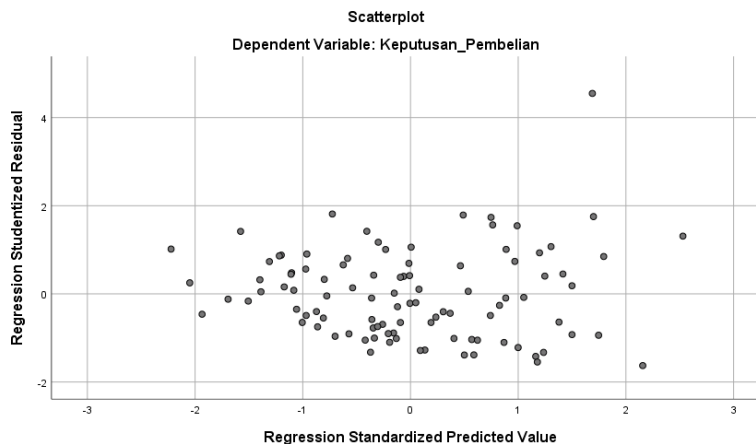
Source: Research Results, 2024 (Data processed)

Based on the table above, it can be seen that each variable has a *tolerance* value > 0.1 and a VIF value < 10. Thus, there is no multicollinearity problem in this study.

### Heteroscedasticity Test

The following heteroscedasticity test graphically can be seen in the picture below:

**Figure 3. Scatterplot Graph**



Source: Research Results, 2024 (Data processed)

Based on the *scatterplot* graph presented, it can be seen that the points spread randomly and do not form a certain clear pattern and are spread both above and below zero on the

Y axis. This means that there is no heteroscedasticity in the regression model, so the regression model can be used to predict performance based on the input of the independent variables.

Heteroscedasticity testing can be seen in the table below:

**Table 3. Glejser Test Results (Heteroscedasticity) Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.019	1.083		2.788	.006
	Service Quality	.039	.021	.202	1.870	.065
	Price	-.047	.020	-.251	-1.804	.063
	Location	-.074	.035	-.252	-1.728	.076

a. Dependent Variable: Purchase Decision

Source: Research Results, 2024 (Data processed)

Based on the table above, it can be seen that the significance level of each variable is greater than 0.05. From the calculation results and the significant level above, there is no heteroscedasticity found.

## Research Model

The results of multiple linear regression analysis testing can be seen in the table below as follows:

**Table 4. Multiple Regression Coefficient test results Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	10.564	1.865		5.664	.000		
	Service Quality	.097	.036	.186	2.706	.008	.821	1.218
	Price	-.077	.035	-.152	-2.195	.031	.810	1.234
	Location	.490	.060	.619	8.223	.000	.688	1.454

a. Dependent Variable: Purchase Decision

Source: Research Results, 2024 (Data processed)

$$\text{Purchase Decision} = 10.564 + 0.097 \text{ Service Quality} - 0.077 \text{ Price} + 0.490 \text{ Location} + e$$

Based on the equation above, then:



1. Constant (a) = 10.564. This means that if the independent variables, namely Service Quality ( $X_1$ ), Price ( $X_2$ ), and Location ( $X_3$ ) are 0, the Purchasing Decision (Y) is 10.564.
2. If there is an increase in Service Quality, the Purchasing Decision will increase by 9.7%.
3. If there is an increase in price, the Purchasing Decision will decrease by 7.7%.
4. If there is an increase in Location, the Purchasing Decision will increase by 49%.

### Coefficient of Determination ( $R^2$ )

The results of testing the coefficient of determination can be seen in the table below:

**Table 5. Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 <sup>a</sup>	.630	.619	2.199

a. Predictors: (Constant), Location, Service Quality, Price

b. Dependent Variable: Purchase Decision

Source: Research Results, 2024 (Data processed)

Based on the table above, the *Adjusted R Square* coefficient of determination is 0.619. This shows that the ability of the Service Quality ( $X_1$ ), Price ( $X_2$ ), and Location ( $X_3$ ) variables to explain their influence on Purchasing Decisions (Y) by 61.9%. While the remaining 38.1% is the influence of other independent variables not examined in this study such as trust, experience, perception, promotion and so on.

### Simultaneous Hypothesis Testing (F-test)

The results of simultaneous hypothesis testing can be seen in the table below as follows:

**Table 6. Hypothesis Testing Simultaneously**

Model	ANOVA <sup>a</sup>					
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	782.728	3	260.909	53.974	.000 <sup>b</sup>
	Residuals	459.231	95	4.834		
	Total	1241.960	98			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Location, Service Quality, Price

Source: Research Results, 2024 (Data processed)

Based on the table above, it is obtained that the value of  $F_{\text{tabel}}$  (2.70) and significant  $\alpha = 5\%$  (0.05), namely  $F_{\text{hitung}}$  (53.974) and sig.a (0.000<sup>a</sup>). This indicates that the results of the study accept  $H_a$  and reject  $H_0$ . The comparison between  $F_{\text{hitung}}$  and  $F_{\text{tabel}}$  can prove that simultaneously Service Quality, Price, and Location have a positive and significant effect on Purchasing Decisions.

### Partial Hypothesis Testing (t-test)

The results of partial hypothesis testing can be seen in the table below as follows:

**Table 7. Partial Test Results Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t		Tolerance	VIF
1 (Constant)	10.564	1.865		5.664	.000		
Service Quality	.097	.036	.186	2.706	.008	.821	1.218
Price	-.077	.035	-.152	-2.195	.031	.810	1.234
Location	.490	.060	.619	8.223	.000	.688	1.454

a. Dependent Variable: Purchase Decision

Source: *Research Results 2022, (Data Processed)*

Based on the table above, it can be seen that :

1. The  $t_{\text{count}}$  value for the Service Quality variable ( $X_1$ ) shows that the  $t_{\text{count}}$  value (2.706) >  $t_{\text{tabel}}$  (1.984) with a significant level of 0.008 < 0.05 so it can be concluded that there is a partially significant positive effect between Service Quality on Purchasing Decisions.
2. The  $t_{\text{count}}$  value for the Price variable ( $X_2$ ) shows that the  $t_{\text{count}}$  value (2.195) >  $t_{\text{tabel}}$  (1.984) with a significant level of 0.031 < 0.05 so it can be concluded that there is a partially significant negative effect between Price on Purchasing Decisions.
3. The  $t_{\text{count}}$  value for the Location variable ( $X_3$ ) shows that the  $t_{\text{count}}$  value (8.223) >  $t_{\text{tabel}}$  (1.984) with a significant level of 0.000 < 0.05 so it can be concluded that there is a partially significant positive influence between Location on Purchasing Decisions.

## DISCUSSION

### The Effect of Service Quality on Purchasing Decisions

Based on the results of the analysis, the t-count value for the Service Quality variable ( $X_1$ ) is 2.706, which is greater than the t-table of 1.984 with a significance level of 0.008, which is

smaller than 0.05. This shows that Service Quality has a partially positive and significant effect on Purchasing Decisions. An increase in Service Quality has the potential to increase Purchasing Decisions by 9.7%. This finding is consistent with the research of Raharjo et al. (2019) which shows that both partially and simultaneously, Location, Service Quality, and Price Perception have a positive and significant influence on Purchasing Decisions. In addition, Tjiptono and Chandra (2019) state that Service Quality is a comparison between the services provided and consumer expectations, while Sudarso (2020) adds that Service Quality is the result of a comparison between consumer expectations and actual service performance, and is a key element in purchasing decisions.

### **The Effect of Price on Purchasing Decisions**

The t-count value for the Price variable (X2) is 2.195, which exceeds the t-table of 1.984 with a significance level of 0.031, which is smaller than 0.05. This shows that Price has a partially negative and significant effect on Purchasing Decisions. An increase in price can cause a decrease in purchasing decisions by 7.7%. This research is in line with the study of Utama et al. (2019), which found that Product Quality and Price have a positive and significant influence on Purchasing Decisions. Ramdhani et al. (2020) state that price has a direct effect on company profits and is an important factor in making purchasing decisions. Kurniawan (2018) adds that Price is the exchange rate paid by consumers to obtain goods or services, which affects company profits.

### **The Effect of Location on Purchasing Decisions**

The t-count value for the Location variable (X3) is 8.223, which is much greater than the t-table of 1.984 with a significance level of 0.000, which is smaller than 0.05. This shows that Location has a partially positive and significant effect on Purchasing Decisions. Increasing Location can increase Purchasing Decisions by 49%. This research is consistent with the results of Rahmaniyah (2018) which show that Promotion, Location, and Product have a positive and significant influence on Purchasing Decisions. Kurniawan (2018) argues that location is a key factor in determining a place of business, while Halim et al. (2021) and Rachmawati (2020) emphasize that Location affects accessibility and visitor crowds.

### **The Effect of Service Quality, Price, and Location on Purchasing Decisions**

The F-count value is 53.974, while the F-table is 2.70 with a significance level of  $\alpha = 5\%$  (0.05). These results indicate that simultaneously, Service Quality, Price, and Location have a positive and significant influence on Purchasing Decisions, accepting the alternative hypothesis and rejecting the null hypothesis. The Adjusted R Square coefficient of determination of 0.619 indicates that the variables of Service Quality (X1), Price (X2), and Location (X3) explain 61.9% of their influence on Purchasing Decisions (Y), while the remaining 38.1% is caused by other independent variables not examined. This finding is in line with the research of Utama et al. (2019), Rahmadiyah (2018), and Raharjo et al. (2019), which show that Product Quality, Price, Promotion, and Location simultaneously have a positive and significant effect on Purchasing Decisions. Firmansyah (2018) adds that purchasing decisions involve individual problem solving in choosing between alternative behaviors, while Rossanty et al. (2018) show that consumers make several sub-decisions in the buying process.

## CONCLUSION

The conclusion that researchers can draw from the results of this study is that Service Quality has a positive and significant effect on Purchasing Decisions at Captain Barbershop Medan services. Price has a negative and significant effect on Purchasing Decisions at Captain Barbershop Medan services. Location has a positive and significant effect on Purchasing Decisions at Captain Barbershop Medan services. Simultaneously Service Quality, Price and Location have a significant effect on Purchasing Decisions at Captain Barbershop Medan services.

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