

The Effect Of Service Quality And Price On Purchasing Decisions At Id Express Tamalate Makassar Branch

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ABSTRACT

This study aims to determine the effect of service quality and price on purchasing decisions at the ID Express Tamalate Makassar branch. Respondents in this study were users of ID Express services, Tamalate Makassar Branch, with a total sample of 100 respondents. The sampling technique used purposive sampling technique with data collection using a questionnaire. The data obtained were processed using SPSS 25, which consisted of validity and reliability tests on research instruments, classical assumption tests, multiple linear regression analysis and hypothesis testing. The results showed that the service quality variable had a positive and significant partial effect on purchasing decisions at ID Express, Tamalate Makassar Branch. The price variable has a partially positive and significant effect on purchasing decisions at ID Express, Tamalate Makassar Branch. The variables of service quality and price simultaneously have a positive and significant effect on purchasing decisions at ID Express, Tamalate Makassar Branch. This was proven based on the Correlation Test, T Test, F Test, and the Coefficient of Determination Test on the data obtained.

Keywords: Quality of Service, Price, Purchase decision.

INTRODUCTION

The development of the business world is so rapid that it has created competition between companies, especially in the field of technology and knowledge about marketing. Now people can easily find out information spread throughout the world through internet access. The rapidly growing internet access encourages business people to build companies in the field of goods delivery services today. Delivery of goods online or e-commerce uses goods delivery services to customers throughout Indonesia and abroad.

Goods delivery services are a form of public service that offers convenience in the process of sending goods from one city to another safely and can be accounted for by the service party. Delivery of goods can be in the form of documents, logistics,

electronic products and others. (Nazelina & Novitasari, 2020) Services are all performances or actions that one party can offer to another party which are essentially intangible and do not result in any ownership in the service sector. Service is a very important thing to pay attention to. Good service is service that can understand consumers' desires and needs and strives to provide more satisfaction value to consumers.

According to (Akib et al., 2016) quality service and/or "service that makes the recipient happy" is the main orientation for every organization that provides public services. Service quality is one of the main keys to success. Companies are required to continue to make improvements, especially in the quality of their services. Service quality is the fulfillment of consumer needs and desires as well as the provision of delivery in keeping with consumer expectations. Good service quality supported by a competitive pricing strategy will of course also influence purchasing decisions.

Price is one element of the marketing mix that generates income, other elements generate costs (Indrasari, 2019). An in-depth analysis of the factors that influence consumer purchasing decisions will help management to answer the questions who, what, why, how, when, and where in relation to a purchase made by consumers.

Several delivery service industries in Indonesia are now spread across several regions. Generally, those who have shopped both online and offline over long distances, most consumers are very familiar with the name of goods delivery services. Apart from being more effective in delivery time, one of the goods delivery services in South Sulawesi Province, Makassar City, is ID Express. ID Express Tamalate Branch is the first branch in Makassar which consists of eighteen branches for the South Sulawesi area. This expedition service can also be trusted, because it has collaborated with large marketplaces such as Tokopedia, Lazada, Shopee and others. This company operates in the field of goods delivery or expedition services which focuses on sending goods from the seller platform that is currently collaborating, namely Shopee. In this case, ID Express acts as a delivery service company that meets Shopee Indonesia's delivery targets.

The purchasing decision to use an expedition service cannot be separated from the quality service with the advantages provided by the company, as can also be seen from the expedition company's policy of setting a price.

Table 1.1 Price rate comparison

Expedition	Price /1kg	Estimated delivery
JNE	Rp43.000	2-3 day
J&T	Rp26.000	2-3 day
Pos Indonesia	Rp27.000	3 day
ID Express	Rp26.000	2-3 day

Source: JNE, J&T, Pos Indonesia and ID Express official website, 2023

Based on a price comparison of regular shipping rates from several existing expedition services with the same destination, namely Tamalate, Makassar - Central Jakarta. With the price comparison shown in table 1.1, the JNE expedition service has a price rate of IDR 43,000/kg with an estimated delivery of two to three days, Next, the J&T expedition service has a price rate of IDR 26,000/kg with a delivery estimate of two to three days, then the Pos Indonesia expedition service has a price rate of IDR 27,000/kg with an estimate of three days, and then the ID Express expedition service has a price rate of IDR 26,000/kg. with estimated delivery of two to three days.

Service quality is seen as one of the components that needs to be realized by service companies, because it has the influence of bringing in new customers and can reduce the possibility of old customers moving to other expeditions. In an effort to improve purchasing decisions, price also plays a role in influencing purchasing decisions for a product.

Table 1.2 Data on Volume of Shipments

Shipment Volume	
Year	Goods
2020	358.368
2021	167.782
2022	163.788
Amount	684.938

Source: PT ID Express, 2023

Based on table 1.2, it is known that the volume of goods deliveries has decreased every year, as seen in 2020, goods deliveries were 358,368 units, then in 2021 goods deliveries fell to 167,782 units, and in 2022 it also fell to 163,788 units. Decreasing and increasing purchasing decisions can be influenced by several factors such as the quality of service provided and the prices set by the Company.

The phenomenon that occurred is based on observations in February 2023, located at the ID Express Tamalate Branch office, that the company experienced a drastic decrease in the volume of goods sent in 2021 until now and has not seen any increase as when this business was initiated in 2019 until 2021. 2020. Considering that the ID Express service has only been running for approximately 3 years in Makassar, and several complaints from ID Express service users found by researchers on the official ID Express Instagram account were that goods were not delivered on time from the predetermined estimate, even for weeks. It didn't arrive for weeks, he said, and ID Express customer service could not be contacted. The customer even tried to contact him but there was no response

Apart from the issue of service quality, price is also a consideration for customers. The prices meet the standards of the service obtained from ID Express, but when compared with other service companies, which have high service standards so prices are relatively high, each service company has a strategy to provide the best service balanced with competitive prices. Pricing will influence customers if the

perceived benefits are greater than or equal to what has been spent to obtain a high standard of service.

METHOD

In this research, the approach used by researchers is a quantitative approach. This research was conducted by taking sample data from a population and using a questionnaire as the main data collection tool. The population in this study were 11,127 customers who used the ID Express Tamalate Makassar Branch service. Sampling in this research used a purposive sampling technique, meaning it was determined by considering the research objectives based on predetermined criteria (Sugiyono, 2016). So the samples in this study were 100 respondents. The data collection technique used is by making observations, distributing questionnaires, and documenting. The data analysis technique in this research uses validity and reliability tests. The application that will be used in the validity and reliability test uses the SPSS application. The data analysis used is statistical analysis techniques, classical assumptions and hypotheses.

RESEARCH RESULTS AND DISCUSSION

1. Does service quality influence purchasing decisions at ID Express Tamalate Makassar Branch.

This research was conducted to determine the influence that the Service Quality variable (X1) has on Purchasing Decisions (Y). Based on research results through Hypothesis Testing, service quality has a positive and significant influence on purchasing decisions at ID Express Tamalate Makassar Branch. Proven by the results of the T test (partial) with a T value of 8.837 > from a T table value of 1.984 and a significance level (Sig) of 0.000 < 0.05. This shows that partially Service Quality (X1) has a positive and significant influence on the purchasing decision variable (Y). This provides evidence that the higher the level of service quality provided, the greater the purchasing decision for the ID Express Tamalate Makassar Branch service.

It can also be seen from the respondents' answers to each question item. Questionnaire questions that have a high average value mean that the average respondent agrees with each questionnaire statement on the service quality variable. From the results of interviews conducted with several ID Express customers, Tamalate Makassar Branch, it was stated that ID Express service was very good, they recently added employees so that the delivery process was faster and they were willing to deliver packages until the evening. The results of this research are in line with research conducted by (Pragosep & Laksana, 2022) which examined the

influence of service quality on purchasing decisions at Idexpress Surabaya with research results which stated that service quality had a positive and significant effect.

Companies need to pay attention to five indicators of service quality to improve purchasing decisions, namely tangibility, reliability, responsiveness, certainty and empathy. This is also proven by the results of multiple regression analysis also carried out by researchers, showing that the service quality variable has an effect of 0.460 or 46%. . So the hypothesis set by the researcher is in accordance with the results obtained, in other words (H1) there is a positive and significant influence between service quality on purchasing decisions at ID Express Tamalate Makassar Branch, which is declared accepted.

2. Does price influence purchasing decisions at ID Express Cabanag Tamalate Makassar.

This research was conducted to determine the influence that the Price variable (X2) has on Purchasing Decisions (Y). Based on the results of research through Hypothesis Testing, price has a positive and significant influence on purchasing decisions at ID Express Tamalate Makassar Branch. Proven by the results of the T test (partial) with a T value of $3,729 >$ from a T table value of 1,984 and a significance level (Sig) of $0.000 < 0.05$. This shows that partially price (X2) has a positive and significant influence on the purchasing decision variable (Y). This shows that price has an important influence on purchasing decisions. For this reason, price is an important indicator for customers to behave rationally.

And this is also proven by the results of multiple regression analysis also carried out by researchers, showing that the price variable has an influence of 0.044, which means that every 1% increase in the price variable will influence purchasing decisions by 0.044%. For this reason, the second hypothesis (H2) in this research is: H2: There is a positive and significant influence between price and purchasing decisions at ID Express Tamalate Branch. Declared accepted.

3. Do service quality and price influence purchasing decisions at ID Express Tamalate Makassar branch

This research was conducted to determine the influence that the Service Quality (X1) and Price (X2) variables have on Purchasing Decisions (Y). Based on the results of research through Hypothesis Testing, service quality and price have a positive and significant influence on service purchasing decisions at ID Express Tamalate Makassar branch. Based on the results of the F test, it shows that the variables of service quality and price simultaneously influence purchasing decisions. This resulted in an Fcount value of $38,819 >$ the Ftable value of 3.09 and

a significant value (Sig) of $0.000 < 0.05$. This means that before using the service, customers will consider things related to the quality of the service they have and the price offered. If the quality of service is better and the prices are competitive with other services, purchasing decisions at ID Express Tamalate Makassar Branch will increase.

This research is in line with research conducted by (Maimuna & Putri, 2022) which examined the influence of price and service quality on consumer satisfaction and involved 100 respondents with research results which stated that price and service quality simultaneously had a positive and significant effect on consumer satisfaction with services. Lhokseumawe city express ID

This shows that the service quality (X1) and price (X2) variables simultaneously (together) have a significant influence on the purchasing decision variable (Y). The results based on the coefficient of determination test were 0.433 or 43%, while the remaining 57% was influenced by other variables not examined in this research.

Based on the explanation above, the fourth hypothesis (H3) in this research is: H3: There is a positive and significant influence between Service Quality and Price simultaneously on purchasing decisions at ID Express Tamalate Makassar Branch. Declared accepted.

CONCLUSION

Based on the results of research to determine the influence of service quality and price on purchasing decisions at ID Express Tamalate Makassar Branch, which has been carried out by researchers, the following conclusions can be drawn:

1. The Service Quality variable has a partially significant effect on purchasing decisions at ID Express Tamalate Makassar Branch. The Service Quality variable is the variable that has the greatest influence on purchasing decisions made in this research. This can be seen from the results of the partial test (T Test) which shows the calculated t value is greater than the t table value. This provides evidence that the higher the level of service quality provided, the greater the purchasing decision for the ID Express Tamalate Makassar Branch service.
2. The price variable has a partially significant effect on purchasing decisions at ID Express Tamalate Makassar Branch, this can be seen from the results of the partial test (T Test) which shows the calculated t value is greater than the t table value. Even though the influence of the price variable is lower than the service quality variable on purchasing decisions, the price variable has an important influence on purchasing decisions. Therefore, the price is very important for the company to pay attention to so that it can compete with other expedition services.

3. The variables Service Quality and Price simultaneously have a significant effect on purchasing decisions at ID Express Tamalate Makassar Branch, this can be seen from the results of the simultaneous test (F Test) which shows the calculated F value is greater than the F table value. This means that before using the service, customers will consider things related to the quality of the service they have and the price offered. If the quality of service is better and the prices are competitive with other services, purchasing decisions at ID Express Tamalate Makassar Branch will increase.

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