

ANALYSIS OF THE INFLUENCE OF PRODUCT QUALITY, PROMOTIONS AND LOCATION ON PURCHASE DECISIONS NATURAL STONE CRAFTS AT NATURAL STONE RAINBOW STONE

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Abstract: Purchase Decision is the selection of various alternatives in accordance with certain interests by establishing an option that is considered the most profitable for consumers. Therefore this research was conducted to find out how product quality, location, and promotion affect Purchase Decisions. This research was conducted on 89 respondents who had made purchases at Rainbow Stone Batu Alam at least twice. The results of this study prove that product quality, location, and promotion have a significant positive effect on Purchase Decisions. Product quality variable (X1) is the most influence to Purchase Decision (Y) with coefficient value 0,30, and then follow with promotion variable (X3) with coefficient value 0,24, and location variable with coefficient value 0.13. Through F-test, it is found that product quality, location, and promotion have significant influence towards purchase decision simultaneously.

Keywords: *Product Quality, Promotion, Location, Marketing Mix, Purchase Decision*

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1. Introduction

In facing various changes in the world economic order, Indonesia needs diversification of new sources of power as a source of economic development while maintaining the concept of sustainable development, namely creative and innovative ideas. The development approach is shifting from being based on information technology and knowledge to being based on creativity and innovation, known as economy 4.0. In this century, economic development has been very rapid, giving rise to intense competition in the business world. Competition between similar industries is very competitive both in terms of price and quality. The increasingly diverse needs of consumers today require companies to identify what consumers want and need, as a consideration in making and marketing their products.

Along with the increase in population in Indonesia, the need for housing is increasing. Upper-middle-class housing is increasingly being developed by developers in Indonesia, who use natural stone crafts to beautify homes. With the increasing demand for housing, natural stone crafts to support beautifying homes and gardens is also increasing. Based on data from Bank Indonesia related to Commercial Property Development (PPKOM) in 2021, it was found that the commercial property demand index for the first quarter of 2021 grew 0.03%, compared to the fourth quarter of 2020.

Rainbow Stone Batu Alam is a company that sells natural stone crafts in Surabaya. The following is data on sales of natural stone crafts for 2019 – 2021 at the Rainbow Stone Batu Alam company. Sales of natural stone crafts at Rainbow Stone Batu Alam have not reached the target set by the company.

Based on customer complaints received by the company, it was found that the causes of this non-achievement were several things, namely stone cut, stone color, remote location, hard to find location, online promotions and discounts that could have been more optimal. When a consumer makes a Purchase Decision, some factors are considered that influence the decision in terms of quality, location, promotions or the atmosphere of the place. The Purchase Decision is the stage where consumers purchase and consume a product. Purchase Decisions involve selecting various alternatives according to certain interests by determining an option that is considered the most profitable for consumers. Based on the background of the problem above, this research analyzes the influence of product, promotion, and location on Purchase Decisions about natural stone crafts.

2. Literature Review

According to Tjiptono (2019), Putri and Manik (2021), Purchase Decisions are a process where consumers recognize the problem, look for information about a particular product or brand, and evaluate how well each alternative solves the problem, which then leads to a Purchase Decision. According to Putri and Manik (2021), Purchase Decisions are how consumers decide which alternative options to choose and include decisions regarding what to buy, whether to buy or not, when to buy, where to buy, and how to pay.

A product is anything that a producer can offer for the market to seek, purchase, request, use, pay attention to, or consume to fulfill market needs and desires. Marsella et al. (2020) said that products offered physical goods, services, people, places, organizations, and ideas. So, products can be in the form of tangible or intangible benefits that can satisfy consumers.

Location is a decision made by a company or educational institution regarding where its operations and staff will be located, both referring to various marketing activities that seek to expedite and facilitate the delivery or distribution of goods or services and can be taken into consideration by consumers in making Purchase Decisions (Tanjung, 2020).

Promotion is an activity carried out by a company to communicate product benefits and as a tool to influence consumers to purchase or using services according to their needs (Lupiyoadi, 2014). Meanwhile, according to Milano et al. (2021), promotion is one of the priority components of marketing activities, which informs consumers that the company is launching a new product that tempts consumers to make purchases.

Pramana (2022) researched "The Influence of Product Quality, Brand Image and Sales Promotion on Tupperware Tumbler Purchase Decisions". Data analysis used multiple linear regression statistical tests with 100 respondents. From the research results, it was found that brand image, quality maintains a positive brand image, provide quality products, and carry out more sales promotions to increase sales. The results of this research show that product quality and promotion have a significant effect on Tupperware's Purchase Decisions. Product quality and promotion variables will also be examined in this research.

Septyadi et al. (2022), researched "Literature Review of Purchase Decisions and Consumer Purchase Interest in Smartphones: Price and Promotion". This article reviews the influence of price, promotion on Purchase Decisions, and purchase intention. This marketing management literature review article aims to build a hypothesis that can be used in further research. Based on the results of this research, it is concluded that price influences Purchase

Decisions. The better the perception of price by consumers, the more impact it will have on Purchase Decisions for a product or service. Promotions influence Purchase Decisions. The higher and more attractive the promotions carried out by the company, the higher the consumer's decision to make a purchase of a product or service. Promotions influence purchasing interest. The higher and more interesting the promotion carried out, the more it will attract consumers' interest in buying the product or service. The influence of promotional variables on Purchase Decisions will also be examined in our research.

Herlina et al. (2021), researched "The Influence of the Flash Sale Promotion Model on Buyer Interest and Buyer Decisions in Online Marketplaces". The flash sale promotional model is a promotional model that provides big discounts for a limited time. This research is a type of quantitative association research. The total sample was 85 respondents and sampling was taken by accidental method. The data processing results show a significant influence of the flash sale promotion model on buyer interest and has a significant positive relationship with Purchase Decisions. Our research will also examine the influence of promotional variables on Purchase Decisions.

Previous research shows several similarities and differences between the studies conducted. The similarity between previous research and this research is the independent variable, namely Purchase Decisions, while the independent variables studied in previous research are product, location, store atmosphere, promotions, and other independent variables.

Hypotheses Development

The Relationship between Product Quality and Purchase Decisions

Rachmawati et al. (2019) examined the influence of product quality, price, location, promotion, and company image on property purchase decisions in several residential areas in Selangor, Malaysia. From the research results, it was found that product quality had a significant influence on Purchase Decisions. Pramana (2022), researched "The Influence of Product Quality, Brand Image and Sales Promotion on Purchase Decisions for Tupperware Tumblers". The research results found that brand image, product quality, and promotions have a significant and positive influence on Purchase Decisions.

H1 : Product quality has a significant effect on the decision to purchase natural stone.

The Relationship between Location and Purchase Decisions

Tanjung (2020), researched "The Influence of Store Atmosphere, Location, and Promotion on Purchase Decisions". The research results show that the store atmosphere variable partially does not affect Purchase Decisions, while location and promotion partially have a positive and significant effect on Purchase Decisions. Simultaneously, store atmosphere, location, and promotions positively and significantly affect Purchase Decisions. Putri and Manik (2021), researched "The Influence of Location and Store Atmosphere on Purchase Decisions at the Jaelansky Pamulang Coffee Shop". The research results show a significant simultaneous influence between location and store atmosphere on Purchase Decisions at Warung Kopi Jaelansky Pamulang.

H2 : Location has a significant effect on the decision to purchase natural stone.

The Relationship between Promotion and Purchase Decisions

Herlina et al. (2021) researched "The Influence of the Flash Sale Promotion Model on Buyer Interest and Buyer Decisions in Online Marketplaces". The data processing results

show a significant influence of the flash sale promotion model on buyer interest, and it has a significant positive relationship. Septyadi et al. (2022) researched "Literature Review of Purchase Decisions and Consumer Purchase Interest in Smartphones: Price and Promotion". Promotions influence Purchase Decisions. The higher and more interesting the promotions carried out by the company, the higher the consumer's decision to make a purchase of a product or service. Promotions influence purchasing interest. The higher and more interesting the promotion carried out, the more it will attract consumers' interest in buying the product or service.

H3 : Promotion has a significant effect on the decision to purchase natural stone.

3. Research Method

This research type is quantitative research with an analysis approach to the influence of three independent variables, product quality, location, and promotion, on the dependent variable Purchase Decision to natural stone crafts. This research population is Rainbow Stone Batu Alam customers who have purchased more than twice at Rainbow Stone Batu Alam. The research population was 115 people and the sample was 89. Primary data in this study was obtained and collected directly from respondents' answers via questionnaires to 89 Rainbow Stone Batu Alam customers. In this research, secondary data sources come from books, articles downloaded from the internet, journals, and theses (previous research). Data collection was carried out using a questionnaire. The data analysis method uses multiple regression analysis with SPSS.

4. Results and Discussion

The first test is validity testing, the results of which are in table 1 below:

Table 1. Results of Validity Testing of Research Instruments

Variable	Indicator	Pearson Correlation	Sig.	Result
Product Quality (X1)	X1_1	0.78	0.00	Valid
	X1_2	0.61	0.00	Valid
	X1_3	0.65	0.00	Valid
	X1_4	0.49	0.00	Valid
	X1_5	0.76	0.00	Valid
	X1_6	0.79	0.00	Valid
Location (X2)	X2_1	0.46	0.00	Valid
	X2_2	0.41	0.00	Valid
	X2_3	0.66	0.00	Valid
	X2_4	0.63	0.00	Valid
	X2_5	0.63	0.00	Valid
	X2_6	0.62	0.00	Valid
	X2_7	0.67	0.00	Valid
	X2_8	0.64	0.00	Valid
Promotion (X3)	X3_1	0.81	0.00	Valid
	X3_2	0.75	0.00	Valid

	X3_3	0.74	0.00	Valid
	X3_4	0.79	0.00	Valid
Purchase Decisions (Y)	Y1_1	0.72	0.00	Valid
	Y1_2	0.78	0.00	Valid
	Y1_3	0.74	0.00	Valid
	Y1_4	0.73	0.00	Valid
	Y1_5	0.79	0.00	Valid

Source: Processed Data (2023)

Based on Table 1 above, it can be seen that the results of the validity test for each instrument show that the significance value from the Pearson test is 0.00, where these results meet the validity test requirements, namely below the significance value, namely 0.05.

The next instrument test is reliability testing. The results of the reliability testing of this research instrument are in Table 2 below:

Table 2. Research Instrument Reliability Test Results

Variable	Indicator	Cronbach's Alpha	Cronbach's Alpha if item deleted	Result
Product Quality (X1)	X1_1	0.7772	0.71	Reliable
	X1_2		0.76	Reliable
	X1_3		0.75	Reliable
	X1_4		0.78	Reliable
	X1_5		0.73	Reliable
	X1_6		0.72	Reliable
Location (X2)	X2_1	0.7382	0.74	Reliable
	X2_2		0.74	Reliable
	X2_3		0.69	Reliable
	X2_4		0.70	Reliable
	X2_5		0.70	Reliable
	X2_6		0.71	Reliable
	X2_7		0.69	Reliable
	X2_8		0.71	Reliable
Promotion (X3)	X3_1	0.7719	0.68	Reliable
	X3_2		0.75	Reliable
	X3_3		0.73	Reliable
	X3_4		0.70	Reliable
Purchase Decisions (Y)	Y1_1	0.8048	0.78	Reliable
	Y1_2		0.76	Reliable
	Y1_3		0.76	Reliable
	Y1_4		0.77	Reliable

Y1_5	0.77	Reliable
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Source: Processed Data (2023)

Based on the results of the instrument reliability test in Table 2. it can be concluded that all indicators in the research instrument meet the requirements for the reliability test, namely having a Cronbach's alpha value > 0.60 .

Normality testing in this study was carried out on the residuals to determine whether the residual data was normally distributed. The normality test results are in Table 3 below:

Table 3. Residual Normality Test

Variable	N	Joint	
		Adj chi2(2)	Prob>chi2
Residual	89	0,62	0,7343

Source: Processed Data (2023)

Based on the normality test results in Table 3, it can be concluded that the Prob>chi2 value is 0.7343, which is more than the significance value (0.05), which means that this research data meets the normality assumption.

Multicollinearity testing is carried out to determine whether the independent variables are related to each other. The results of this research's multicollinearity testing are in Table 4 below:

Table 4. Independent Variable Multicollinearity Test

Variable	VIF
Product Quality (X1)	1,33
Location (X2)	1,33
Promotion (X3)	1,29

Source: Processed Data (2023)

Based on Table 4 above, it can be seen that the VIF values obtained from the test results for variables X1, In conclusion, there is no multicollinearity relationship between the independent variables.

The results of the heteroscedasticity test in this study are in Table 5. below:

Table 5. Heteroscedasticity Test

Cook-Weisberg test	
chi2(1)	2,78
Sig > chi2	0,0952

Source: Processed Data (2023)

The results of the heteroscedasticity test in Table 5 show that significance $> \chi^2$ is 0.0952, where this result is more than the significance value, namely 0.05, so it can be concluded that the data in this study does not have heteroscedasticity and meets the classic assumption of heteroscedasticity.

The results of this research data processing produce the following regression model:

Table 6. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	5.579	.520	10.730	.000
	x1	.302	.103	.419	.004
	x2	.130	.056	.290	.023
	x3	.240	.074	.273	.002

a. Dependent Variable: y

Source: Processed Data (2023)

Based on Table 6 above, the following regression model can be concluded:

$$Y = 5,579146 + 0,3018509 X_1 + 0,1301326 X_2 + 0,2399828 X_3 + \varepsilon$$

Based on the linear regression equation model above, it can be interpreted as follows:

1. The constant value 5.579146 means that if the other independent variables have a constant value (0), then the Purchase Decision variable (Y) will change to a constant value is 5.579146
2. The coefficient value of variable X1 in the equation above is 0.3018509, which means that the relationship between variables is 0.3018509 units.
3. The coefficient value of variable X2 in the equation above is 0.1301326, which means that the relationship between variables is 0.1301326 units.
4. The coefficient value of variable X3 in the equation above is 0.2399828, which means that the relationship between variables is 0.2399828 units.

Model testing using the F test is carried out to determine the feasibility of the model being tested and know whether the independent variable being tested has a simultaneous influence on the dependent variable. The following are the results of the F Test in Table 7 below:

Table 7. Determination Coefficient Test (R-squared)

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	140.355	3	46.785	383.689	.000 ^b
	Residual	10.364	85	.122		
	Total	150.719	88			

a. Dependent Variable: y

b. Predictors: (Constant), x3, x2, x1

Source: Processed Data (2023)

Based on Table 7 above, it can be concluded that variables X1 Product Quality, X2 Location, and X3 Promotion simultaneously influence variable Y on Purchasing Decisions. This can be seen from the Sig value <0.05.

The partial t test is carried out with the aim of knowing the effect of each dependent variable on the dependent variable.

Table 8. T Test

Variable	Coefficient	sig
Product Quality (X1)	0,3018509	0.004
Location (X2)	0,1301326	0.023
Promotion (X3)	0,2399828	0.002

Source: Processed Data (2023)

The interpretation results of the t test in Table 8 are as follows:

1. The hypothesis that the product quality variable (X1) has a significant positive influence on the purchase decision variable (Y1) = valid,
This can be seen from the significant value of the variable X1 is 0.004. Its mean is less than 0.05, so it can be concluded that product quality (X1) significantly influences purchase decisions (Y1). Meanwhile, the positive form of this influence can be seen from the coefficient on the product quality variable (X1), which has a positive value.
2. The hypothesis that the location variable (X2) has a significant positive influence on the purchase decision variable (Y1) = valid,
This can be seen from the significant value of the location variable (X2) is 0.023. Its mean is less than 0.05, so it can be concluded that location (X2) significantly influences purchase decisions (Y1). Meanwhile, the positive form of this influence can be seen from the coefficient on the location variable (X2), which is positive..
3. The hypothesis that the promotion variable (X2) has a significant positive influence on the purchase decision variable (Y1) = valid,
This can be seen from the significant value of the promotion variable (X3) is 0.002. Its mean is less than 0.05, so it can be concluded that the promotion variable (X3) significantly influences purchasing decisions (Y1). Meanwhile, the positive form of this influence can be seen from the coefficient on the promotion variable (X3), which is positive.

The coefficient of determination test was carried out to test the ability of the dependent variable in this study to describe the dependent variable. The results of the coefficient of determination test are in Table 9 below:

Table 9. Coefficient of Determination Test (R-squared)

	Score
R-squared	0.9312
Adj R-squared	0.9288

Source: Processed Data (2023)

The calculated value of r-squared is 0.9312, indicating that the independent variables consisting of Product Quality (X1), Location (X2), and Promotion (X3) can explain the Purchase Decision variable (Y) by 93.12%, while other variables outside this research explain the remaining portion.

The Influence of Product Quality (X1) on Purchase Decisions (Y)

Based on the results of data collection and processing carried out by researchers, the relationship between product quality (X1) and purchasing decisions (Y), it is proven that product quality (X1) has a significant positive influence on purchase decisions (Y). Product quality in this research focuses on the scope of performance indicators, reliability, features,

durability, suitability, and design. The results of this research are in line with Septyadi (2022), Herlina (2021), Putri (2021), Tanjung (2020), Harahap (2020), Ali and Suciana (2019), and Pramana (2022).

If you look at the distribution of customers who are respondents to this research, the scale of customers is not only local but international. Based on this, it can be concluded that the quality of Rainbow Stone Batu Alam products can compete and enter the international market. The quality of products from Rainbow Stone Natural Stone is recognized by customers with precise cut sizes, good quality, and custom models according to customer requests. Customer approves good product durability natural stone craft products have beautiful models and colors. All indicators regarding product quality received an average answer ranging from quite agree to agree.

Based on its quality, Rainbow Stone Batu Alam natural stone craft products have national and international competitiveness. Even so, Rainbow Stone Natural Stone must continue to develop product quality because as time goes by, new competitors will emerge who may be able to compete and match Rainbow Stone's natural stone craft products. Referring to the results of this research, the influence of the product quality variable is more significant than other variables as independent variables. It can be concluded from the three variables product quality is the main consideration for customers when making decisions to purchase natural stone products.

The Influence of Location (X2) on Purchase Decisions (Y)

Based on the results of data collection and processing carried out by researchers, the relationship between location (X2) and purchasing decisions (Y) is proven that location (X2) has a significant positive influence on purchase decisions (Y). Compared with the other two variables, location has the lowest strength of influence. However, that doesn't mean that location is not a consideration for customers when making purchasing decisions. It's just that other variables are more important to consider. The results of this research are in line with previous research conducted by Septyadi (2022), Herlina (2021), Putri and Manik (2021), Tanjung (2020), Harahap (2020), Ali and Suciana (2019), and Pramana (2022).

The location variable indicators used in this research are access, visibility, traffic, parking, and expansion. Environment, location of competitors and government regulations. All indicators obtained results approved by respondents. Even though it has easy access, the large parking lot at the Rainbow Stone Batu Alam location has heavy traffic. This traffic density can cause problems in product delivery. However, based on the results of the previous variables, Rainbow Stone Batu Alam managed to deliver the order on time. This means that the company is able to overcome potential threats that could influence customers' product purchasing decisions.

The Influence of Promotion (X3) on Purchase Decisions (Y)

Based on the results of data collection and processing carried out by researchers, the relationship between promotion (X3) and purchasing decisions (Y) is proven that promotions (X3) have a significant positive influence on purchase decisions (Y). The promotion variable (X3) is the second variable that customers consider second after product quality (X1). This proves that introducing and communicating product benefits and product ideas is important. The results of this research are in line with the results of this research are in line with Septyadi (2022), Herlina (2021), Putri and Manik (2021), Tanjung (2020), Harahap (2020), Ali and Suciana (2019), and Pramana (2022).

Indicators of this variable are advertising, promotion, public relations, and direct sales. These four indicators have been approved by respondents as considerations in making purchasing decisions.

5. Conclusion

Based on the results of the analysis and discussion regarding the influence of Product Quality (X1), Location (X2), and Promotion (X3) on the Purchasing Decision variable (Y) of natural stone products, Rainbow Stone Batu Alam can be concluded :

- 1) Product quality (X1) has a partially positive and significant effect on purchase decisions (Y) for natural stone products, Rainbow Stone Batu Alam.
- 2) Location (X2) has a partially positive and significant effect on the Purchase Decision (Y) of natural stone products Rainbow Stone Batu Alam.
- 3) Promotion (X3) has a partially positive and significant effect on the Purchase Decision (Y) of natural stone products Rainbow Stone Batu Alam.
- 4) Product Quality (X1), Location (X2), and Promotion (X3), together simultaneously have a positive and significant influence on the natural stone product Rainbow Stone Batu Alam.

This research was conducted when the Covid-19 pandemic had not yet been declared over, so there were limitations in conducting the research. Future research can add other independent variables like price and people to the 7p marketing mix concept. In addition, researchers can limit the scope of customer scale to local and international to find out whether there are different patterns between customers with a local or international scale. By knowing this pattern, the research results can be used as consideration to continue to improve the marketing mix of the Rainbow Stone Batu Alam company.

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