

INDEPENDENT VARIABLES AFFECTING INTEREST TO BUY

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ABSTRACT

This study aims to analyze the effect of price on buying interest, the effect of product diversity on buying interest, the effect of service quality on buying interest, the effect of location on buying interest, and simultaneously the effect of price, product diversity, service quality, and location on buying interest.

The population in this study are all modern market consumers in Semarang City, who have made purchases more than three times. The number of samples in this study 100 consumers. The sampling technique uses accidental sampling, if it is considered that the consumers who happened to be met are suitable as data sources.

The results showed that price had a positive and significant effect on buying interest, product diversity had a positive and significant effect on buying interest, service quality had a positive and significant effect on buying interest, location had a positive and significant effect on buying interest, together with price, product diversity, service quality, and location have a positive and significant effect on buying interest.

KEYWORDS: *Price, Product Diversity, Service Quality, Location, Buying Interest*

INTRODUCTION

Modern markets are not much different from traditional markets, but in this type of market sellers and buyers do not transact directly, but buyers see the price tag listed on the goods (barcode), are in the building and the service is carried out independently (self-service) or served by salespeople.

According to Kotler and Armstrong (2012), in a narrow sense, price is the amount charged for a product or service. More broadly, price is the sum of all the values that customers give up to benefit from having or using a product or service.

According to Kotler and Armstrong (2018), product diversity is a collection of all products and goods offered by business actors to consumers. Therefore, business actors must make the right decisions regarding the variety of products offered.

According to Kotler (2019), service quality is the performance offered by one person to another. The performance can be in the form of an action that is tangible and intangible and does not result in the ownership of any goods and to anyone.

According to Suparman (2011), location is a place of business that greatly influences a consumer's desire to come and shop. Furthermore, according to Heizer (2012), the purpose of location strategy is to maximize location benefits for the company, location decisions often depend on the type of business.

According to Assael (2001) buying interest is a consumer's tendency to buy a brand or take action related to a purchase which is measured by the level of possibility of consumers to make a purchase.

The presence of modern markets (supermarkets, hypermarkets, minimarkets), is considered by various groups to have cornered the existence of traditional markets in urban areas. Based on the results of a study by Nelson (2005), the modern market in Indonesia grows 31.4% per year, while the traditional market shrinks 8% per year. The results of a study by the Ministry of Cooperatives and SMEs with PT Solusi Dinamika Manajemen (2005) show that the presence of modern markets has threatened the traditional market ecosystem in terms of decreasing sales turnover. Similarly, the results of research by Solfros (2002) on the comparison of traditional markets (wet market) with modern markets in Hong Kong stated that although the wet market remained dominant, there was a decline in the share of consumer spending in the wet market.

LITERATURE REVIEW

Price

Price is the amount of money that is exchanged for a product or service, furthermore, price is the sum of all the values that consumers exchange for the number of benefits by having or using an item and service (Kotler & Armstrong 2001).

According to Kotler and Armstrong in Suparyanto and Rosad (2015), price is the amount of money that is sacrificed for an item or service, or the value from consumers that is exchanged for benefits or ownership or use of the product or service.

Price is the amount of money that customers have to pay to get the product (Kotler and Armstrong, in the journal Pertiwi, et al, 2016). Thus it can be concluded that the place is a channel for producers to sell their products to consumers.

Therefore, the following hypothesis is proposed:

H1: Price has a positive effect on buying interest.

Product Diversity

Decisions about product placement are related to the variety of products in the right amount and in the right location (Tjiptono, 2005). The number and types of products sold in one place are increasingly diverse, so consumers will feel satisfied if they make a purchase at that place and they do not need to make a purchase elsewhere. He will repeat the same thing for the next purchase.

According to Kotler and Keller (2015), indicators of product diversity are product mix width, product mix length, product mix depth, and product mix consistency.

According to Kotler and Keller (2008), product variety (product mix) is a collection of all products and goods offered by certain sales to consumers. Product mix or product variations of a company can be classified according to width, length, depth, and consistency.

Therefore, the following hypothesis is proposed:

H2: Product diversity has a positive effect on buying interest.

Service Quality

Service quality is a consumer evaluation of the perfection of service performance. Service quality is dynamic, that is, it changes according to customer demands (Mowen 2002).

According to Ibrahim in Hardiyansyah (2011), service quality is a dynamic condition related to products, services, people, processes and the environment where the quality assessment is determined at the time of the purchase of the public service, Tjiptono and Chandra (2012) identify there are 5 indicators, namely reliability (reliability), responsiveness (responsiveness), assurance (assurance), empathy (empathy), and physical evidence (tangibles).

Therefore, the following hypothesis is proposed:

H3: Service quality has a positive effect on buying interest.

Location

Location is a very important factor in the retail mix, choosing the right and strategic location in an outlet or store will be more successful than other outlets that are less strategically located, (Berman & Evans in Ma'ruf 2006).

The definition of location according to Kasmir (2009) is a place to serve consumers, it can also be interpreted as a place to display their wares. Location is a place of business activity, whether technical, administrative, or managerial.

According to Handoko (2012), choosing the right location will minimize the costs (investment and operations) in the short and long term, and will increase the company's competitiveness.

Therefore, the following hypothesis is proposed:

H4: Location has a positive effect on buying interest.

Buying Interest

Buying interest is related to feelings and emotions, if someone feels happy and satisfied in buying goods or services then it will strengthen buying interest, dissatisfaction usually eliminates interest. Buying interest that exists in consumers is a very important phenomenon in marketing activities, buying interest is a consumer behavior that underlies a purchase decision to be made (Swastha and Irawan 2001).

According to Ferdinand (2006), buying interest can be identified through indicators: transactional interest, referential interest, and preferential interest.

According to Howard & Sreth (Piransa, 2017), buying interest is something that relates to consumers in their plans to buy a product and how many units of product are needed in a certain period.

Therefore, the following hypothesis is proposed:

H5: Taken together, price, product diversity, service quality, location have a positive effect on buying interest.

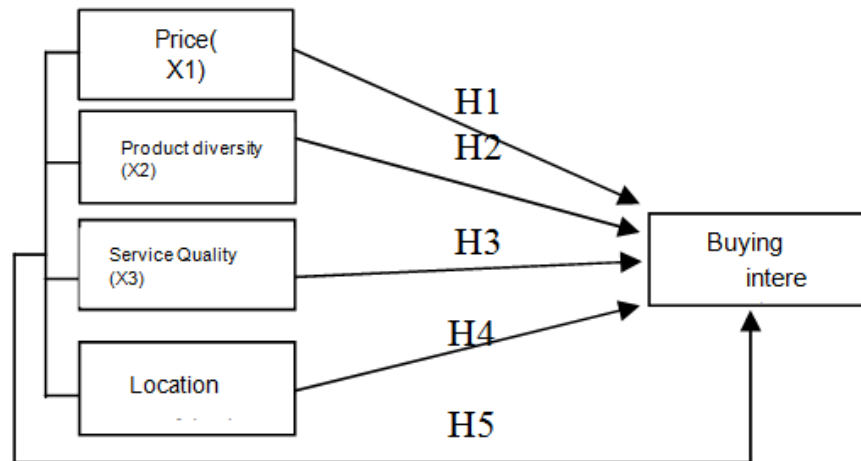


Figure 1: Research Model Development.

RESEARCH METHODS

Types of Research

The research design used in this study is survey research and the research method used is associative research which aims to see the relationship between variables. Sugiono (2005) stated that survey research is research conducted on large and small populations but the data studied are data from samples collected. taken from the population.

Method of Collecting Data

The questionnaire contains a number of written questions that are related to the problem being researched that are posed to consumers.

Population and Sample

The population of this study is the consumers in the modern market in the city of Semarang who have made the purchase process more than 3 times. The number of samples is 100 consumers. The sampling technique uses accidental sampling, if it is considered that the consumers who happened to be met are suitable as data sources.

Variable Measurement

All variables in this study were measured using a Likert scale model. This scale uses an ordinal measure. The ordinal measure is a given number where the numbers use the sense of level. This measure does not contain an absolute value for the object, but only provides a measure (rank) of the answers from respondents who are given a certain score. This scale model is seen as follows:

Strongly agree	= weight 5
Agree	= weight 4
Disagree	= weight 3
Do not agree	= weight 2
Strongly Disagree	= weight 1

Validity and Reliability Testing

Validity testing is done by correlating the score of each question item with the total score obtained from the sum of all the question scores. If the correlation is significant, then the measuring instrument used has validity. Furthermore, by using critical numbers from r table (table r product moment) with a significant level of 5% and the number of respondents as many as 100 people, if the correlation coefficient obtained is greater than r table then the question is declared valid, otherwise if the correlation coefficient obtained is more smaller than r table then the question is not valid. Reliability testing is carried out to determine whether the answers given by respondents are trustworthy or reliable by using Reliability analysis through the Cronbach Alpha method,

Method Analysis

The analysis used in this research is multiple regression analysis. Multiple linear regression analysis is a general statistical method used to examine the relationship between a dependent variable and several independent variables. To measure the presence or absence of correlation between variables:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

- X1 = Price
- X2 = Product Diversity
- X3 = Service quality
- X4 = Location
- Y = Buying Interest
- b0 = Intercept
- e = Disturbing factor

The formulation of this model is a linear regression where this form is theoretically the dependent variable to be studied has a linear relationship tendency towards each independent variable.

Coefficient Determination (R Square)

To see the magnitude of the contribution of the independent variable to the dependent variable using the formula:

$$R^2 = \frac{\beta_1 \Psi + \beta_2 \Psi}{\Psi^2}$$

R² = is between 0 and 1 or 0 R² 1

R² = 1 means the percentage of contribution x1, x2, x3 x4 to the rise and fall of Y is 100% and there are no other factors that affect the Y variable

R² = 0 means that regression cannot be used to make predictions about Y.

Coefficient Correlation (Multiple R)

To measure the strength of the relationship between the independent variables together on the dependent variable using the formula:

$$r = \frac{b_1 \square X_1 Y + b_2 \square X_2 Y + b_3 \square X_3 Y + Y}{\Psi''}$$

Hypothesis Test

Simultaneous Hypothesis Testing (F test)

To see the effect simultaneously, F test statistics and partial t test were used. The hypotheses tested by the F test statistic are:

Ho : $b_1 = b_2 = b_3 = b_4 = 0$ (price, product diversity, service quality, and location have no effect on buying interest).

Ha : $b_1 \neq b_2 \neq b_3 \neq b_4 \neq 0$ (price, product diversity, service quality, and location affect buying interest).

This is intended to analyze whether all independent variables have a significant effect or not on the dependent variable. If $F_{count} < F_{table}$ then Ho is accepted and Ha is rejected. But if $F_{count} > F_{table}$ then Ho is rejected and Ha is accepted, which means that together X1, X2, X3, X4 affect Y. Or $Sig F < 0.05$ then Ho is rejected and Ha is accepted.

Partial Hypothesis Test (t test)

Testing with the t test is to analyze each independent variable partially affects consumer loyalty.

Ho : $b_1 = 0$ (price has no effect on buying interest).

Ha : $b_1 \neq 0$ (price has an effect on buying interest).

Ho : $b_2 = 0$ (product diversity has no effect on buying interest). Ha : $b_2 \neq 0$ (product diversity affects buying interest).

Ho : $b_3 = 0$ (service quality does not affect buying interest). Ha : $b_3 \neq 0$ (service quality affects buying interest)

Ho : $b_4 = 0$ (location does not affect buying interest).

Ha : $b_4 \neq 0$ (location affects buying interest).

If t arithmetic t table (0.05) the model is rejected.

If t arithmetic t table (0.05) the model is accepted. If $Sig t < 0.05$ then Ho is rejected, Ha is accepted.

RESULTS

Multicollinearity Assumption Test

Multicollinearity was tested by calculating the value of VIF (Variance Inflating Factor). If the VIF value is less than 5, there is no multicollinearity or non-multicollinearity.

Table 1: Multicollinearity Assumption Test Results

Independent Variable	VIF	Information
(X1)	3,632	Non multicollinearity
(X2)	1.312	Non multicollinearity
(X3)	3,883	Non multicollinearity
(X4)	1,657	Non multicollinearity

From the results of the classical assumption test shown in Table 1 above, it is obtained that all independent variables have a VIF value of less than five. Thus, there is no multicollinearity.

Heteroscedasticity Assumption Test

Heteroscedasticity was tested using the Spearman Rank correlation coefficient test, which correlates the absolute residuals of the regression results with all independent variables. If the probability of the correlation result is less than 0.05 (5%) then the regression equation contains heteroscedasticity and vice versa means non-heteroscedasticity or homoscedasticity.

Table 2: Heteroscedasticity Assumption Test Results

Independent Variable	Correlation Coefficient (r)	Probability (p)	Information
(X1)	-0.029	0.772	Homoscedasticity
(X2)	-0.078	0.440	Homoscedasticity
(X3)	-0.104	0.305	Homoscedasticity
(X4)	-0.164	0.104	Homoscedasticity

The results of the heteroscedasticity assumption test shown in the table above show that all independent variables have a probability value greater than five percent. Thus the regression equation does not contain heteroscedasticity.

Normality Assumption Test

The method used to test normality is to use the chi square test to the standard residual value of the regression equation. If the probability of the chi square test result is less than 0.05 (5%) then it is normally distributed and vice versa is not normally distributed. The test results show the chi square value of 108.740 (probability of 0.000) which means the residual value of the data is normally distributed.

Multiple Linear Regression Test

Variable	B	Beta	t	Sig t	Information
Constant	-2.872		-2,720	0.000	
(X1)	0.422	0.314	3,177	0.002	Significant
(X2)	0.170	0.127	2,143	0.035	Significant
(X3)	0.458	0.411	4.029	0.000	Significant
(X4)	0.168	0.142	2,135	0.035	Significant
ttable	=	1,985			
R	=	0.863			
R Square	=	0.745			
Adjusted R Square	=	0.734			
Fcount	=	69,372			
Sig F	=	0.000			
Ftable	=	2,467			

Hypothesis Test

The formulation of the tested hypothesis has been put forward with a significance level used in this study of 5% or $= 0.05$, the results of testing the hypothesis are as follows:

F. Test Results

From the Fcount value, it shows a value of 69.372 (significance $F = 0.000$). So $F_{count} > F_{table}$ ($69.372 > 2.467$) or $Sig F < 5\%$ ($0.000 < 0.05$). This means that together the variables Price (X1), Product Diversity (X2), Service Quality (X3) and Location (X4) have a significant effect on buying interest (Y).

t test Results

This analysis examines whether price, product diversity, service quality, and location partially affect buying interest.

The variable (X1) has a tcount of 3.177 with a probability of 0.002. Because $|t_{count}| > t_{table}$ ($3.177 > 1.985$) or $sig t < 5\%$ ($0.002 < 0.05$) then partially the variable (X1) has a significant positive effect on the variable (Y) if the other independent variables remain in value.

The variable (X2) has a tcount of 2.143 with a probability of 0.035. Because $|t_{count}| > t_{table}$ ($2.143 > 1.985$) or $sig t < 5\%$ ($0.035 < 0.05$) then partially variable (X2) has a significant positive effect on variable (Y) if other independent variables remain in value.

The variable (X3) has a tcount of 4.029 with a probability of 0.000. Because $|t_{count}| > t_{table}$ ($4.029 > 1.985$) or $sig t < 5\%$ ($0.000 < 0.05$) then partially the variable (X3) has a significant positive effect on the variable (Y) if the other independent variables remain in value.

The variable (X4) has a tcount of 2.135 with a probability of 0.035. Because $|t_{count}| > t_{table}$ ($2,135 > 1,985$) or $sig t < 5\%$ ($0,035 < 0,05$) then partially the variable (X4) has a significant positive effect on the variable (Y) if the other independent variables remain in value.

DISCUSSION

The Influence of Price on Purchase Intention

The results showed that the price had a significant and positive effect on buying interest. The higher the price, people will prepare higher services, so the consequence will increase the value of one's perception. With the price, it can help buyers to decide how to allocate their purchasing power to various types of goods or services. (Dinawan, 2010) Making price as an indicator in the form of large sacrifices required to buy a product as well as serve as an indicator of the level of quality.

The Effect of Product Diversity on Purchase Intention.

The results showed that product diversity had an effect on buying interest. Products are purchased by consumers because they can meet certain needs or provide certain benefits. In this case the diversity of products can be seen from the product categories available in a retail or supermarket company, where marketers divide products based on the buying process and their use into consumer products and industrial products. a set of images and services that are used to satisfy consumer needs (Kismono, 2001).

The Influence of Service Quality on Purchase Intention

The results showed that service quality had a significant and positive effect on buying interest. The results of this study support Kotler's opinion which states that service quality must start from customer needs and end on customer perceptions (Kotler, 2005). This means that good quality is not based on perceptions of service provision, but based on customer perceptions. Service quality refers to customer assessments of the core of the service, namely the service provider itself or the entire service organization. Therefore, in formulating strategies and service programs, organizations must be oriented to the interests of customers and pay close attention to the dimensions of quality.

The Influence of Location on Buying Interest

The results showed that the location had a significant effect on consumer buying interest. Location selection has a strategic function because it can participate in determining the achievement of business goals. Location more firmly means a physical place (Bayu, 2010). Location is the location or retail store in a strategic area so as to maximize profits.

Companies should carefully consider the selection of business locations for future development (Kotler, 2005). From research conducted (Raharjani, 2005) location strategy is one of the most important determinants of consumer buying behavior, retailers must choose a strategic location in placing their stores. It can be concluded that the location variable is something that is considered by consumers.

Together, the Effect of Price, Diversity, Quality of Service, and Location on Buying Interest

CONCLUSIONS

Price has a positive and significant effect on buying interest. Product diversity has a positive and significant effect on buying interest. Service quality has a positive and significant effect on buying interest. Location positive and significant effect on buying interest. Taken together, price, product diversity, service quality, location have a positive and significant effect on buying interest.

Future research should be carried out among consumers in Central Java Province so that the scope is wider and the picture is more comprehensive. Independent variables that need to be researched in addition to price, product diversity, service quality, location and purchase intention, such as: customer satisfaction, brand preferences, product quality, perceived value, and physical environment.

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