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The Effect Of Promotion Service Quality And Brand Image On Purchase Decisions

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Abstract

The purpose of this study is to provide empirical evidence regarding service quality, promotion, and brand image on purchasing decisions at Toko Maju Hardware Madiun. The data source used is primary data, obtained from data collection using a questionnaire with a sample of 390 respondents. The research method used is a quantitative approach with Structural Equation Model (SEM) analysis with the help of SmartPLS (Partial Least Square) Version 4.0 software. The results of this study indicate that service quality has a positive and significant effect on purchasing decisions at Toko Maju Hardware Madiun. Promotion also has a positive and significant effect on purchasing decisions at Toko Maju Hardware Madiun. Brand image also has a positive and significant effect on purchasing decisions at Toko Maju Hardware Madiun.

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1 INTRODUCTION

Along with the increasing needs of society, the development of marketing management is becoming increasingly important. This has an impact on the increasingly tight competition in the business world. In general, marketing can be considered as the belief that a company cannot survive without sales transactions. Business actors must be able to market their products well. Therefore, they design strategies that include planning, organizing, directing, monitoring, and controlling the company to ensure that products are sold as much as possible.

Toko Maju Hardware Madiun is a shop that offers various products such as smartphones, laptops, televisions, computer equipment, electronic accessories, and other electronic equipment. As time goes by, companies need to become more competitive. Companies must be agile and strong in facing changes that occur from time to time and be able to adapt to various market needs. With the advancement of technology that continues to develop, humans must also be able to follow these developments

However, with the rapid advancement of technology, especially through devices such as smartphones, laptops, and electronic equipment, electronic retail stores such as Maju Hardware must face significant changes in consumer behavior. This phenomenon makes smartphones, laptops, and electronic equipment a basic necessity in everyday life. These devices are now not just communication and information processing tools. To maintain business continuity, companies need to maintain consumer satisfaction (Kusuma, 2023). Toko Maju Hardware Madiun realizes that smartphones and laptops have become the main needs of modern society, and is committed to providing quality products to meet these needs.

Table 1. Comparison of Smartphone, laptop and electronic equipment stores in Madiun City

Store Name	Percentage
Advanced Hardware	69.7%
East Java Cell	11.9%
Java Cell	3.7%
Artomoro	10.1%
Ratan Store	4.6%

Source: 2024 Pre-Research Survey Questionnaire

Based on table 1. above shows that the data of visitors who have made transactions or purchases at smartphone, laptop and electronic equipment stores in Madiun shows that Toko Maju Hardware is very dominant with a percentage of consumers who have made purchases of 69.7%, then in second place is the Jatim Celll store with a percentage of 11.9%, then Artomoro with 10.1%, then there is Ratan Store with a percentage of 4.6%, and the last is Jawa Cell with a percentage of 3.7%. The data was obtained after the distribution of pre-research questionnaires that had been filled out by 109 respondents from the Madiun community and it can be concluded that Toko Maju Hardware Madiun is very dominant and controls the market with a percentage of 69.7%.

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In his research,(Budiono, 2020)shows a positive influence of service quality on purchasing decisions. In addition,(Nasution & Lesmana, 2018)states that price and service quality have a positive and significant partial influence on consumer purchasing decisions.(Destiana & Rinaldi, 2023)in his research showed that promotion has a significant influence on purchasing decisions. Also,(Windusara & Kusuma, 2015)shows that advertising also has a positive and significant influence on purchasing decisions.(Sumiati & Gea, 2021)states that brand image has a positive and significant influence on purchasing decisions, and research by(Lukitaningsih & Lestari, 2023)shows that brand image has a positive and significant effect on purchasing decisions. Based on this phenomenon, researchers are interested in conducting research entitled "THE EFFECT OF PROMOTION SERVICE QUALITY AND BRAND IMAGE ON PURCHASE DECISIONS (Case Study of Consumers of Maju Hardware Store, Madiun City).

2. THEORITICAL REVIEW

2.1 Marketing Management

According to Kotler and Keller (2021:29), marketing management is the art and science of determining target markets and attracting, retaining, and developing customers through creating, delivering, and providing the highest value for customers. Along with the development of modern markets that are increasingly expanding throughout the country, both in the form of hypermarkets and other modern markets, competition between companies is getting tighter, especially in the retail sector such as Toko Maju Hardware. Each of these companies has great capital strength, allowing them to survive and succeed in less competitive markets.(Yuningsih et al., 2023)

2.2 Buying decision

According to Kotler and Armstrong (2017), consumer decisions to purchase are often influenced by brand popularity, but there are two factors that may influence the intention and final purchase decision.(Septyadi et al., 2022)reveals that purchasing decisions are a form of consumer behavior when using or consuming a product. Consumers go through a certain process when buying or using a product, where this process describes how they analyze various information before making a purchasing decision.

According to Kotler and Armstrong (2008) as quoted in research by(Lukitaningsih & Lestari, 2023), purchasing decision indicators include: purchasing confidence after obtaining product information, purchasing decisions based on the most preferred brand, purchases that suit needs and desires, and purchasing decisions based on recommendations from others.

2.3 Quality of Service

Service quality can be interpreted as an effort to fulfill consumer needs and desires and deliver them appropriately according to consumer expectations (Tjiptono, 2007).(Sipayung, 2021)states that service quality is the level of excellence recognized by consumers with the aim of meeting the needs and desires of consumers who use the company's services. Service quality is measured by five indicators proposed by Kotler (2016), namely: tangibles, reliability, responsiveness, assurance, and empathy.

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2.4 Promotion

According to Kotler and Armstrong (2014), promotion is one of the methods used by companies to communicate with consumers. Through promotion, information about the products offered can be conveyed. Promotion functions as a way for companies to convey information about their brands to customers and potential customers (Cahyono, 2018). Promotion indicators include: Promotion reach, promotion quality, promotion quantity, promotion time, and promotion target accuracy.

2.5 Brand Image

According to Kotler and Keller (2016), brand image is defined as the perception or belief of consumers that is reflected in their personal experiences. Brand image is an overall picture of the perception of a brand, which is formed from information and past experiences of consumers towards the brand. Consumers who have a positive view of a brand tend to be more likely to make purchases.(Ashari et al., 2023). Sipayung (2021) stated that there are three indicators of brand image, namely: company image, user image, and product image.

2.6 Conceptual Framework

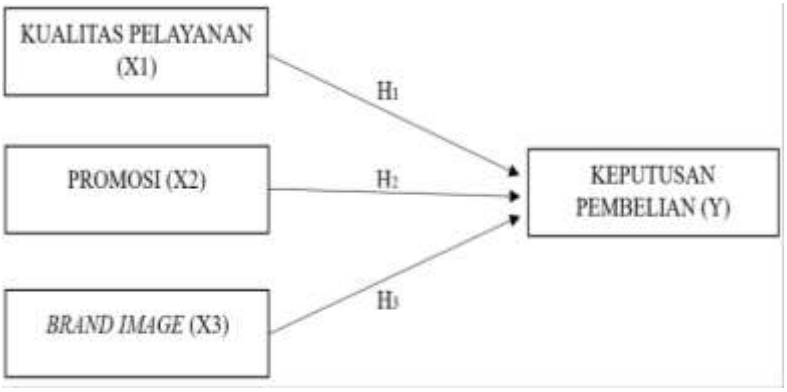


Figure 1. Conceptual Framework

Based on the conceptual framework above, the hypothesis in this study is as follows:

2.7 Hypothesis

H1:	It is suspected that Service Quality has a significant influence on consumer purchasing decisions at the Maju Hardware Store in Madiun City.
H2:	It is suspected that promotions have a significant influence on consumer purchasing decisions at the Maju Hardware Store in Madiun City.
H3:	It is suspected that Brand Image has a significant influence on consumer purchasing decisions at the Maju Hardware Store in Madiun City.

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3 METHOD

This study uses a quantitative descriptive method, namely explaining and describing the research results obtained from the questionnaire results and is associative to explain the causal relationship between the independent variables and the dependent variables. The method used will later help answer the existing hypothesis about how consumer purchasing decisions for products at the Maju Hardware Madiun Store are influenced by service quality, promotion and brand image. The data in this study were obtained from primary data using a questionnaire method distributed to all consumers of the Maju Hardware Store in Madiun City through a purposive sampling technique. The selection of samples was based on the criteria set by the researcher, namely respondents who had shopped at the Maju Hardware Store in Madiun City and were between 18 and 45 years old. The minimum number of samples used was 384 respondents. This study uses a quantitative approach with Structural Equation Model (SEM) analysis carried out using SmartPLS (Partial Least Square) software version 4.

4. RESULTS AND DISCUSSION

The following is a schematic of the SmartPLS program model that will be tested.

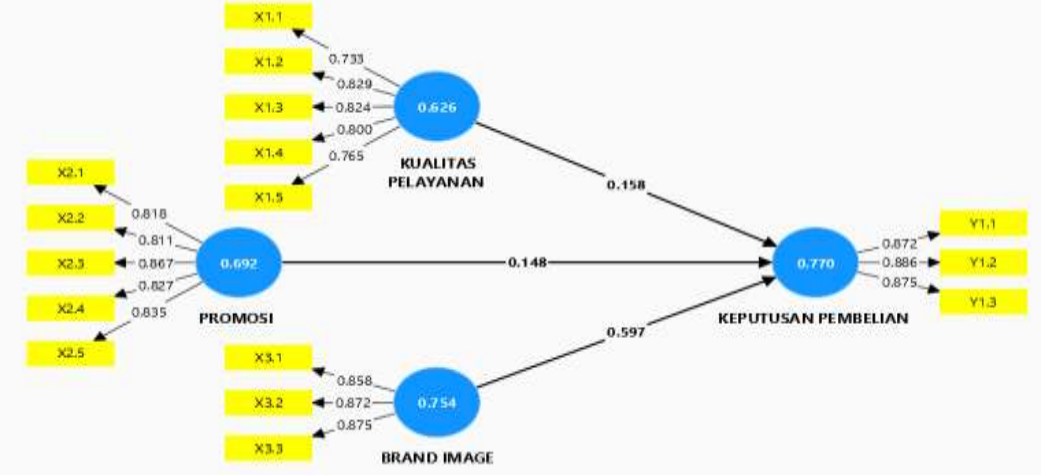


Figure 2. Inner Model Test

Figure 2 above shows the results that have been eliminated by the researcher, so that the loading factor value is >0.50 and the outer loading >0.70 is said to be valid.

4.1 Validity Test

1. Convergent Validity

If the outer loading value is > 0.70 then the indicator can be declared to meet convergent validity in the good category.

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Table 2. Convergent Validity Test (Outer Loading)

Variables	Item	*Outer Loading*	Information
Service Quality (X1)	Physical Evidence	0.733	*VALID*
	Reliability	0.829	*VALID*
	Responsive	0.824	*VALID*
	Guarantee	0.800	*VALID*
	Empathy	0.765	*VALID*
Promotion (X2)	Promotion Reach	0.818	*VALID*
	Promotion Quality	0.811	*VALID*
	Promotion Quantity	0.867	*VALID*
	Promotion Time	0.827	*VALID*
	Promotion Target Accuracy	0.835	*VALID*
***Brand Image*(X3)**	Corporate Image	0.858	*VALID*
	User Overview	0.872	*VALID*
	Product Overview	0.875	*VALID*
Purchase Decision (Y)	Buying because of knowing product information	0.872	*VALID*
	Buying because you like the brand	0.886	*VALID*
	Buy according to your wishes and needs	0.875	*VALID*

Source: PLS data processed 2024

The table above shows that the indicators in the questionnaire in this study have a loading factor value of >0.70, which means that the indicators used in this study have good ability to explain the construct.

2. *Average Variance Extracted*(AVE)

*AverageVariance Extraction*A good (AVE) has the condition that each question or statement item has a value of more than 0.5.

Table 3. Average Variance Extracted (AVE)

Variables	*Average Variance Extracted*(AVE)
Quality of service	0.627
Promotion	0.629
Brand Image	0.754
Buying decision	0.770

Source: PLS data processed 2024

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3. Discriminant Validity

The discriminant validity test can be said to be fulfilled if the correlation value of the variable to the variable itself is greater than the correlation value of all other variables.

Table 4. Discriminant Validity Test Values

	BRAND IMAGE	QUALITY OF SERVICE	PROMOTION	PURCHASE DECISION
X1.1	**0.599**	0.733	0.545	0.528
X1.2	**0.678**	0.829	0.630	0.633
X1.3	**0.646**	0.824	0.642	0.590
X1.4	**0.547**	0.800	0.652	0.540
X1.5	**0.576**	0.765	0.621	0.607
X2.1	0.605	**0.628**	0.818	0.586
X2.2	0.564	**0.660**	0.811	0.569
X2.3	0.653	**0.692**	0.867	0.622
X2.4	0.583	**0.621**	0.827	0.548
X2.5	0.617	**0.649**	0.835	0.611
X3.1	0.858	0.696	**0.660**	0.688
X3.2	0.872	0.636	**0.593**	0.761
X3.3	0.875	0.683	**0.647**	0.703
Y1.1	0.708	0.671	0.616	**0.872**
Y1.2	0.735	0.606	0.571	**0.886**
Y1.3	0.735	0.659	0.673	**0.875**

Source: PLS data processed 2024

4.2 Reliability Test

Reliability testing can be done through composite reliability, variables in the study can be said to be reliable if they have a composite reliability value ≥ 0.7, it can also be interpreted using the Cronbach alpha coefficient, variables in the study can be said to be reliable if they have a conbrach alpha value ≥ 0.7.

Table 5. Cronbach's Alpha and Composite Reliability Values

	Cronbach's Alpha	*Composite reliability*
Brand Image	0.837	0.839
Quality of Service	0.850	0.853
Promotion	0.889	0.890
Buying decision	0.851	0.851

Source: PLS data processed 2024

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4.3 R-Square Test

Table 6. R-Square Test

	R-square	*R-square adjusted*
Buying decision	0.716	0.713

Source: PLS data processed 2024

Based on the r-square value in the table above, it shows that the quality of promotional services and brand image are able to explain the variability of the purchasing decision construct by 71.6%, and the remaining 28.4% is explained by other constructs outside those studied in this study.

4.4 Q-Square Test

Table 7. Q-Square Test

Variables	*Q-Square*
Buying decision	0.709

Source: PLS data processed 2024

Based on the table above, it explains that the Q-Square value for the endogenous variable of purchasing decisions (Y) has a value of 0.709 > 0.33. So it can be concluded that the research model is included in the good category (fit).

4.5 Hypothesis Testing

The researcher's acquisition of the data processing that has been done, the results can be used to answer the hypothesis in this study. The research hypothesis can be declared accepted if the t statistics values are > 1.96 and P values < 0.05. The following are the results of the hypothesis test obtained through the inner model (Bootstraping).

Table 8. Hypothesis Testing (Path Coefficients)

	Original sample(O)	*Meln sample*(M)	*Standard deviation*(STDEIV)	T statistics (|O/STDEIV|)	P values
***Brand Image*-> Purchase Decision**	0.597	0.594	0.053	11,196	0.000
Service Quality -> Purchase Decision	0.158	0.161	0.063	2.498	0.013
Promotion -> Purchase Decision	0.148	0.150	0.060	2.464	0.014

Source: PLS Output

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

1) **The influence of service quality on purchasing decisions at the Maju Hardware Store in Madiun City**

The results of the hypothesis testing in this study indicate a positive and significant influence between the service quality variable and the purchasing decision variable. which shows a t-statistic value of 2,498 greater than the t-table of 1.96 and a p-value of 0.013 smaller than 0.05. Based on this, it can be concluded that the first hypothesis is proven and acceptable, meaning that the service quality variable (X1) with the following indicators: tangibles, reliability, responsiveness, assurance, empathy, has a significant effect on purchasing decisions (Y) with indicators: Determination to buy after knowing product information, deciding to buy because the brand is the most preferred and buying because it suits the needs and desires.

This research is supported and in accordance with research conducted by(Destiana & Rinaldi, 2023), got results that showed that there was a positive influence of service quality on purchasing decisions. Then the research conducted by(Nasution & Lesmana, 2018)states that service quality has a positive and significant effect on purchasing decisions. And research conducted by(Sopiyan, 2022)getting results of service quality has a positive and significant influence on purchasing decisions.

2) **The influence of promotions on purchasing decisions at the Maju Hardware Store in Madiun City**

The results of the hypothesis testing in this study indicate that the promotion variable has a positive and significant influence on the purchasing decision variable. This is evidenced by the t-statistic value of 2.464 which is greater than the t-table of 1.96, and the p-value of 0.014 which is smaller than 0.05. Based on these results, the second hypothesis is declared proven and accepted, which means that the promotion variable (X2) with indicators such as promotion reach, promotion quality, promotion quantity, promotion time, and promotion target accuracy, has a significant influence on purchasing decisions (Y) with indicators: Determination to buy after knowing product information, deciding to buy because the brand is the most preferred and buying because it suits needs and desires.

This research is supported and in accordance with research conducted by(Widjaja & Wildan, 2023)get results that show that promotion has a significant effect on purchasing decisions. Then the research conducted by(Lukito & Fahmi, 2020)get the results that Promotion has a positive and significant influence on Purchasing Decisions.(Windusara & Kusuma, 2015)get the results that the promotional variables have a significant positive influence on purchasing decisions.

3) **The influence of brand image on purchasing decisions at the Maju Hardware Store in Madiun City**

The results of the hypothesis testing in this study indicate a positive and significant relationship between the brand image variable and purchasing decisions. This is indicated by the t-statistic value of 11,196 which is greater than the t-table of 1.96, and the p-value of 0.000 which is less than 0.05. Thus, the second hypothesis can be accepted, which means that the brand image

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variable (X3) with indicators such as company image, user image, and product image, significantly influences purchasing decisions (Y) with the following indicators:Determination to buy after knowing the product information, deciding to buy because it is the most preferred brand and buying because it suits the needs and desires.

This research is supported and in accordance with research conducted by(Sari et al., 2022)which obtained results that the brand image variable had a significant or positive influence on purchasing decisions, then research was conducted by(Astuti et al., 2021)got the results that the brand image variable had a positive influence on purchasing decisions, and the research conducted (Saputri & Utomo, 2021)get results that brand image has a positive and significant influence on purchasing decisions.

5. CONCLUSION

Based on the results of the study, data processing, and analysis of the influence of service quality, promotion, and brand image on purchasing decisions at the Maju Hardware Store in Madiun City, it can be concluded that: The service quality variable has a positive and significant effect on purchasing decisions at the Maju Hardware Store in Madiun City. The promotion variable has a positive and significant effect on purchasing decisions at the Maju Hardware Store in Madiun City. Also, the brand image variable has a positive and significant effect on purchasing decisions at the Maju Hardware Store in Madiun City.

6. SUGGESTION

It is expected that further researchers will conduct further research using other variables, using other theories and analysis methods, and it is suggested for further researchers to increase the literature sources related to the title they want to use in order to obtain better research results. As well as, new discoveries that can be useful for everyone.

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