

The Effect of Location, Price and Product Design on Consumer Purchase Interest in Sri Jaya Meubel Bogor

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ARTICLE INFO

Keywords: Location, Price, Product Design

Received : 22, May

Revised : 21, June

Accepted: 30, July

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ABSTRACT

This study aims to analyze and identify the effect of location, price, and product design either simultaneously or partially on consumer buying interest at Sri Jaya Meubel Bogor. Questionnaires were distributed to 100 respondents who were taken by purposive sampling technique. The questionnaire has been tested with validity test, reliability test and classical assumption test. The test results are valid, reliable and can be used for regression data. The analytical method used in this research is descriptive and verification method with a quantitative approach. The results showed that the variables of location, price and product design either simultaneously or partially had a positive and significant effect on consumer buying interest at Sri Jaya Meubel Bogor.

INTRODUCTION

The development of technology and the increasingly modern lifestyle of society has led to the development of increasingly varied and complex consumer needs. This encourages companies to race each other in order to satisfy consumer needs by producing goods and services according to consumer desires. One of the growing industries in Indonesia is the furniture industry, this can be seen based on the development of the furniture industry GDP (2016-2021), showing that the development of the furniture industry has improved with an average development of 4.37% per year. In 2021 the development of the furniture industry has increased by 8.16%. This is because the demand for furniture increases along with the development and renovation of hotels.

Consumer decisions in determining or choosing certain products are not something that just happens. According to Kotler and Keller (2017: 164) purchase interest is consumer behavior that appears in response to an object that shows a person's desire to make a purchase. The tight competition among competitors makes location an important factor in business success because before deciding to visit, consumers will certainly also consider the location of the place. According to Hurriyanti (2015: 56) place or location as a place of service related to where the company must be headquartered and carry out its operational activities.

The price set must be in accordance with the level of economic capacity of consumers because the price of a product affects consumer perceptions of the product. According to Tjiptono and Diana (2016: 20) price is the amount of money that customers have to pay to get a product. Product design is one of the considerations for consumers in determining buying interest because they can compare it with other products. According to Kotler and Armstrong (2016: 396) product design is the totality of features that affect the appearance and function of a product based on customer needs.

Sri Jaya Meubel Bogor is one of the companies engaged in the furniture business. The current tight competition makes location an important factor in business success. Currently, similar businesses that are competitors of Sri Jaya Meubel Bogor include Syera Furniture, Tiga Mas Furniture Store, Mekar Sari Jaya Furniture, Thamrin 2 Furniture, and Metropolitan Furniture. competition in the same business field is increasing so that to win the competition the company must know and understand consumer behavior in making buying interest.

Table 1 shows that the prices of products set by Sri Jaya Meubel Bogor are more expensive than the prices set by competitors. According to Daryanto (2016: 175) price is a major factor that can influence the choice of a buyer, price plays a role in consumer buying interest. Based on pre-surveys conducted on consumers on product design, it shows that the product is in accordance with consumer needs, the product does not have current features, the product design does not have an elegant style. According to Abubakar (2018: 33) good design will affect buying interest because good design will show certain values to

consumers, create its own personality, so that it stands out when compared to competitors' products that look similar, and facilitate the selection process.

Table 1. Price Comparison List of Sri Jaya Meubel Bogor

No	Type	Sri Jaya Meubel Bogor	Competitor	Description
1	Sofa	Rp 2.600.000	Rp 2.550.000	Higher Price
2	TV cabinet	Rp 1.950.000	Rp 1.960.000	Lower Price
3	Plastic Cabinet	Rp 500.000	Rp 475.000	Higher Price
4	Dining Table	Rp 1.850.000	Rp 1.850.000	Equally
5	Display Cabinet	Rp 2.600.000	Rp 2.590.000	Higher Price
6	Wardrobe Cabinet	Rp 800.000	Rp 790.000	Higher Price
7	Mattress	Rp 3.650.000	Rp 3.620.000	Higher Price
8	Dish Rack	Rp 850.000	Rp 800.000	Higher Price
9	Foldable Mattress	Rp 230.000	Rp 240.000	Lower Price
10	Computer Table	Rp 350.000	Rp 350.000	Equally

Source: Sri Jaya Meubel, 2022

THEORETICAL FRAMEWORK

Marketing Management

According to Sudaryono (2016: 42), marketing management is a combination of several interrelated activities to find out consumer needs through the creation, offering and exchange of valuable products and services as well as developing promotions, distribution, services and prices so that consumer needs and desires can be satisfied properly.

Consumer Purchase Interest

According to Kotler and Keller (2017: 164) purchase interest is consumer behavior that arises in response to an object that shows a person's desire to make a purchase. The indicators of buying interest according to Kotler and Keller (2017: 164) in this study are as follows:

- a. Transactional Interest, is the tendency of consumers to always buy products (goods or services) produced by the company, this is based on high trust in the company.
- b. Referential Interest, is the tendency of consumers to refer their products to others. This interest arises after consumers have experience and information about the product.
- c. Preferential Interest, is an interest that describes the behavior of consumers who have a primary preference for these products.
- d. Exploratory Interest, is an interest that describes the behavior of consumers who are always looking for information about the products they are interested in and looking for information to support the properties of these products.

Location

According to Tjiptono (2019: 92) location is where the company operates or where the company carries out activities to produce goods and services that are concerned with their economic aspects. The location indicators according to Tjiptono (2019: 92) are as follows:

- a. Access, locations that are frequently traversed or easily accessible by means of transportation.

- b. Visibility, which is a location or place that is clearly seen from a normal viewing distance.
- c. Traffic
- d. A large, comfortable, safe parking lot for both two-wheeled and four-wheeled vehicles.
- e. Expansion, namely the availability of a large enough place if there is expansion in the future.
- f. Environment, namely the surrounding area that supports the products offered.
- g. Competition, the location of competitors.

Price

Kotler and Armstrong (2016: 324) the amount of money spent on a product or service, or the amount of value exchanged by consumers to obtain benefits, ownership or use of a product or service. Kotler and Armstrong (2016: 324) explains that there are 4 price indicators:

- a. Price affordability, namely consumers can reach the price set by the company.
- b. Price compatibility with product quality, namely consumers will assess whether the price is in accordance with the quality, even whether the price is in accordance with the desired results.
- c. Price competitiveness, in this case the high price of a product is considered by consumers when buying the product.
- d. Price compatibility with benefits, consumers decide to buy a product if the perceived benefits are greater or equal to what has been spent to get it.

Product Design

Kotler and Armstrong (2016: 396) product design is the totality of features that affect the appearance and function of a product based on customer needs. The indicators of Kotler and Armstrong are as follows:

- a. Shape, is the form displayed of a particular product.
- b. Features, is a competitive means to differentiate the company's products from competitors' products.
- c. Style, is the appearance and feeling that the product evokes for the buyer.

METHODS

Study Design

The object of this research is about location, price, product design and purchase intention. this research used a quantitative approach with a survey method. Survey research method is a quantitative research method used to obtain data that occurred in the past or present about beliefs, opinions, characteristics, behavior, variable relationships and to test several hypotheses from samples taken from a certain population, data collection techniques by observation (questionnaire or questionnaire) from research results tend to be generalized according to Sugiyono (2019: 24). Data collection techniques are carried out by interview, questionnaire and observation. The data used is data

obtained by giving a questionnaire (questionnaire). Respondents' assessment of the variables studied using a Likert scale.

Sample

To determine the number of samples using a population of 1,220 consumers who have purchased Sri Jaya Meubel Bogor products in 2021. To determine the number of samples using the Taro Yamane formula (1967). Based on the calculation of the Taro Yamane formula, the research sample was rounded up to 100 respondents.

Sampling Technique

The sampling technique uses purposive sampling technique. According to Sugiyono (2019: 85), purposive sampling is a sampling technique with certain considerations. This is a consideration of consumers who have bought Sri Jaya Meubel Bogor products at least twice.

Research Variables

The independent variables in this study are location (X_1), price (X_2) and product design (X_3). While the dependent variable (bound) in this study is purchase intention (Y).

Data Analysis Method

The data sources used are primary and secondary data. Primary data was obtained directly through a questionnaire given to respondents who were selected as samples of this study, namely consumers of Sri Jaya Meubel Bogor. While secondary data is from the company directly. The technique used to analyze the data is multiple linear regression analysis, correlation coefficient, coefficient of determination, F-test and t-test.

Classical Assumption Test

To test the feasibility of the regression model used, it must first fulfill the classical assumption test. To test the hypothesis, the estimation results will be estimated by the ordinary least square (OLS) method, which is as follows; 1) Normality test conducted using the histogram graph method and normal probability plots, the results of normality testing all data are declared normally distributed; 2) Multicollinearity test conducted with VIF (Variance inflation Factor). The test results do not contain multicollinearity; 3) The heteroscedasticity test is carried out using a scatter plot and the results show that the points spread with an unclear pattern, giving a sign that heteroscedasticity does not occur.

RESULTS

Respondents in this study are Sri Jaya Meubel Bogor consumers who have purchased products. Consumer characteristics are distinguished based on gender, age, occupation and income per month. The general description of Sri Jaya Meubel Bogor respondents who are female is 58%, aged between 20-30 years is 54%, working as private employees is 33%, income around Rp 3,000,000 - Rp 5,000,000 per month is 42%.

Consumer Responses to Location

Consumer responses regarding the location variable have the following recapitulation:

1. The access indicator has an average value of 4.09, including in the strategic category.
2. The visibility indicator has an average value of 3.79 including in the strategic category.
3. The traffic indicator has an average value of 3.75 including in the strategic category.
4. The large parking lot indicator has an average value of 3.86 including in the appropriate category.
5. The expansion indicator has an average value of 3.78 including in the strategic category.
6. The environment indicator has an average value of 3.93 including in the strategic category.
7. Competition indicators have an average value of 3.95 including in the strategic category.

Based on the recapitulation of consumer assessments, the access indicator shows the highest average value of 4.09. Traffic shows the lowest average value of 3.75. Meanwhile, the average location recapitulation of 3.88 with a strategic interpretation means that the location of Sri Jaya Meubel Bogor is in a strategic location making it easier for consumers to make purchases.

Consumer Responses to Price

Consumer responses regarding the price variable have the following recapitulation:

1. The price affordability indicator has an average value of 3.91, including in the affordable category.
2. The indicator of price compatibility with product quality has an average value of 3.90 including in the appropriate category.
3. The price competitiveness indicator has an average value of 3.73 including in the competitive category.
4. The indicator of price compatibility with benefits has an average value of 3.84 including in the appropriate category.

Based on the recapitulation of consumer assessments, it states that the price affordability indicator shows the highest average value of 3.91. Price competitiveness shows the lowest average value of 3.73. While the average recapitulation of prices is 3.85 with interpretation is appropriate, meaning that the price offered by Sri Jaya Meubel Bogor is in accordance with what consumers get.

Consumer Responses to Product Design

Consumer responses regarding product design variables have the following recapitulation:

1. The shape indicator has an average value of 4.03, including in the good category.
2. The feature indicator has an average value of 3.82 including in the good category.

- The style indicator has an average value of 3.87 including in the good category.

Based on the recapitulation of consumer assessments, it states that the shape indicator shows the highest average value of 4.03. Features show the lowest average value of 3.82. Meanwhile, the average recapitulation of product design is 3.91 with a good interpretation, meaning that the product design offered by Sri Jaya Meubel Bogor gives a good impression for consumers to make purchases.

Consumer Responses to Purchase Interest

Consumer responses regarding the purchase interest variable have the following recapitulation:

- The transactional interest indicator has an average value of 3.84, including in the high category.
- The referential interest indicator has an average value of 3.76 including in the high category.
- Preferential interest indicators have an average value of 3.78 including in the high category.
- The exploratory interest indicator has an average value of 3.77 including in the high category.

Based on the recapitulation of consumer assessments, it states that the transactional interest indicator shows the highest average value of 3.84. Referential interest shows the lowest average value of 3.76. Meanwhile, the recapitulation of buying interest is 3.79 with a high interpretation, meaning that consumers already believe in buying products at Sri Jaya Meubel Bogor.

Multiple Linear Regression Analysis

Multiple linear regression was carried out to determine the effect of location, price and product design on consumer buying interest in Sri Jaya Meubel Bogor.

Table 2. Multiple Linear Regression Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0,099	3,197		,031	,975
	Location	,104	,044	,162	2,377	,019
	Price	,320	,092	,308	3,462	,001
	Product Design	,629	,116	,479	5,410	,000

Dependent Variable: Purchase Intention (Y)

Source: Data Processed, 2022

Based on Table 2, a regression equation with the estimated model is obtained as follows:

$$Y = 0.099 + 0.104X_1 + 0.320X_2 + 0.629X_3 + \varepsilon$$

From the regression equation, it is known that the location variable (X_1), price (X_2) and product design (X_3) are positive. So that if the value of the independent variable, it will be followed by an increase in consumer buying interest in Sri Jaya Meubel Bogor.

Correlation Coefficient Analysis

Table 3. Results of Correlation Coefficient and Coefficient of Determination Analysis

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,749 ^a	,561	,547	3,56133

a. Predictors: (Constant), Product Design, Location, Price

b. Dependent Variable: Purchase Intention

Source: Data Processed, 2022

From Table 3, it can be seen that the R value is 0.749, which shows the correlation value or relationship between the independent variable and the dependent variable, namely buying interest (Y) has a strong correlation (0.601-0.800), meaning that when the independent variable increases, it will be followed by an increase in the dependent variable Sugiyono (2019: 267). This shows that the increasing location (X_1), price (X_2) and product design (X_3) will have a positive effect on consumer buying interest in Sri Jaya Meubel Bogor.

Coefficient of Determination Analysis

Based on Table 3, it can be seen that the amount of R square is 0.561 or 56.1%. This shows that the percentage contribution of the influence of the independent variable on the dependent variable is 56.1%, while the remaining 43.9% is influenced by other variables not examined in this study such as factors of encouragement from within the individual, social motive factors and emotional factors (Fajar, 2016: 194).

F-test

The F-test is used to see the effect of the independent variables, namely location (X_1), price (X_2) and product design (X_3) simultaneously on the dependent variable (dependent) purchase intention (Y).

Table 4. Simultaneous Regression Testing

Model	Sum Of Squares	df	Mean Square	F	Sig
1 Regression	1557,018	3	519,006	40,921	<,001 ^b
Residual					
Total					
Residual	1217,572	96	12,683		
Total	2774,590	99			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Product Design, Location, Price

Source: Data Processed, 2022

Based on Table 4 that the value that the F_{count} value is 40.921 which will be compared with F_{table} , to find out F_{table} , it is necessary to calculate using a significance level of 0.05 ($\alpha = 5\%$) with degrees of freedom ($df = n-k$) or $100 - 3 - 1 = 96$. By looking at the results of freedom, the F_{table} value of 2.699 is obtained, which shows that F_{count} is greater than F_{table} ($40.921 > 2.699$), therefore it can be concluded that H_0 is rejected and H_a is accepted, meaning that the independent variables location (X_1), price (X_2) and product design (X_3) simultaneously have a positive and significant effect on buying interest in Sri Jaya Meubel Bogor.

Test t

The t test is conducted to compare t_{count} with t_{table} . If t_{count} is greater than t_{table} ($t_{count} > t_{table}$), it indicates that the independent variable partially affects the dependent variable.

Table 5. Partial Regression Testing Model Summary^b

		Coefficients ^a	
	Model	T	Sig.
1	(Constant)	,031	,975
	Location	2,377	,019
	Price	3,462	,001
	Product Design	5,410	,000

Source: Data Processed, 2022

Based on Table 5 above, the t_{count} value and the significance value of each independent variable can be seen. While the t_{table} value for $\alpha = 0.05$ with a degree of freedom of $100 - 3 - 1 = 96$ is 1.661, thus the partial test results are obtained as follows:

Table 6. Recapitulation of Partial Testing

No	Variables	Tcount	T _{tabel}	Sig.	A	Purchase Intention	Kesimpulan
1	Location	2,377	1,661	,019	0,05	Ha1 accepted	Location has a positive and significant effect on buying interest.
2	Price	3,462	1,661	,001	0,05	Ha2 accepted	Price has a positive and significant effect on purchase intention.
3	Product Design	5,410	1,661	,000	0,05	Ha3 accepted	Product design has a positive and significant effect on buying interest.

Source: Data Processed, 2022

Based on Table 6, it can be seen that the independent variables, namely location (X_1), price (X_2) and product design (X_3) have a partially positive and significant effect on the dependent variable, namely purchase intention (Y). This is indicated by the t_{count} value of all these variables greater than the t_{table} . The product design variable (X_3) is the most dominant variable in its influence on buying interest (Y).

CONCLUSIONS AND RECOMMENDATIONS

Based on the research and hypothesis testing that has been carried out, conclusions can be drawn:

1. Based on consumer research Sri Jaya Meubel Bogor on location, price, product design and purchase intention, it can be concluded that consumer responses are as follows:
 - a. Consumer assessment of location has an average value of 3.88
 - b. Consumer assessment of price has an average value of 3.85
 - c. Consumer assessments regarding product design have an average value of 3.91

- d. Consumer assessment of buying interest has an average value of 3.79
2. The results of location research, price and product design simultaneously have a positive and significant effect on buying interest.
3. The results of the study partially location, price and product design have a positive and significant effect on buying interest.

Based on the results of the study, the suggestions that the authors can propose are as follows:

1. For location, the company should pay attention to the ease with which consumers can reach Sri Jaya Meubel Bogor.
2. For prices, the company should determine the selling price must adjust to competitors' prices in order to help the company generate more sales.
3. For product design, companies should be advised to improve features that keep up with the times so that consumers are interested in the products offered.
4. For buying interest, the company should be able to make consumers satisfied with what the product provides so that good consumer reviews will influence other people in making choices.
5. For further researchers, this research can be used as a reference and reference. Further researchers are advised to look for other variables that influence buying interest such as.

ACKNOWLEDGMENT

Thanks are sent to the research subjects and people who contributed to this research.

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