The Influence of Location and Price on Shopping Decisions at Practical Gelael Makassar

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A B S T R A C T

The important factors considered in choosing the location of each supermarket are different. For a supermarket or mini market, the most important factor is being close to consumers. To achieve the goals of a good marketing company, it is necessary to have the right marketing strategy, including pricing by paying attention to changes in consumer behaviour. This study aims to determine the effect of location and price on shopping decisions at Gelael Practical Makassar. This study uses quantitative analytical research methods. The results of this study found that location and price had a significant effect on shopping decisions; Price has a significant effect partially on shopping decisions. Price is the main variable that influences consumer evaluation of the product to be purchased; Meanwhile, the results of multiple linear regression analysis show that consumer decisions are more influenced by price than location, in shopping decisions at Gelael Practical Makassar. It is recommended that the company can pay attention to other factors that exist to further improve the shopping decision.

INTRODUCTION

The process of developing the business world which is increasingly rapid today has led to increasingly fierce market competition. With this market competition, a business organization (company) is required to be able to take appropriate steps to adapt to changes in the very dynamic business climate (Husen, Sumowo and Rozi, 2018). Makassar has a society with many different social classes, religions, educational backgrounds, occupations, and incomes. So that in the face of current conditions there will be lots of answers which of course differ from one another depending on the need factor. Humans will still try to buy the necessities of life even with a decrease in purchasing power. Consumers can't leave the market atmosphere, because the market is a place to buy and sell goods, both basic needs and other complementary needs. With the market, consumers can buy or shop according to the goods they need (Zuliani, 2005).

The important factors considered in choosing the location of each supermarket are different. For a supermarket or mini market, the most important factor is being close to consumers. Other organizations may find that the most important factor in choosing a location where there is a workforce that meets the organization's needs, or transportation costs are cheap. So, the main reason for the differences in location selection is the different needs of each mini market (Ma'ruf, 2017). In the process of determining where a person will shop, it will be seen that the location and price factors will also determine. Shopping decisions usually require considerations that support and can benefit buyers such as location and price factors. Buyers tend to choose to shop at supermarkets that have strategic locations (Yanti, Ong and Sofyanty, 2021).

The location of Practical Gelael which is in the Makassar area has a strategic location because judging from its location in the city centre, the consumers at Practical Gelael Makassar are mostly middle to upper-class people who want to shop practically without any bargaining like what occurs in

traditional markets. Therefore, it is likely that the consumers of Gelael Practical are people who live in residential areas in the city centre. Another factor that influences consumer decisions in shopping is the price factor. According to Swastha (2005) Price is a component that directly influences the process of determining where a person will shop. Pricing itself is quite complex and difficult. Price, value, and utility are closely related concepts. The utility is an attribute of a product that can satisfy a need.

In general, two main factors need to be considered in setting prices, namely the company's internal factors and external environmental factors. The company's internal factors include the company's marketing objectives, marketing mix strategy, costs, and organization. Meanwhile, external environmental factors concern competition and the nature of the market and demand. Pricing plays an important role in influencing the tastes and preferences of customers or consumers. Pricing itself is based on considerations, customer purchasing power, namely the ability and willingness of customers to buy, and customer lifestyle, which concerns whether the product is a status symbol or just a product that is used daily (Tjiptono, 2009).

Prices in mini markets tend to be more expensive than other supermarket prices. However, these supermarkets may be visited by consumers if the managers can understand the behaviour of their consumers. Swastha & Handoko (2000) explained that to achieve the goals of a good marketing company, it is necessary to have the right marketing strategy, including pricing by paying attention to changes in consumer behaviour.

RESEARCH METHOD

Place, population, and research sample

This research took place in Gelael Practical, on Jalan Perintis Kemerdekaan 8 Makassar. The population is the entire research subject (Arikunto, 2002). Meanwhile, according to Morrisan (2012) population is a collection of subjects, variables, concepts, and phenomena. The population in this study, the size will be set at 120, which includes all consumers who happen to be shopping at Gelael Practical in Makassar. Determination of the number of samples is carried out using the approximation method (Slovin's Formula), as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = number of samples
N = population
e = slack rate (10%)
n = 120/(1+120.(10%)^2)
n = 120/(1+120.(0,1)^2)
n = 120/(1+1.2)
n = 101 Respondent

Data collection

To obtain the necessary data, the method used in this research is the questionnaire method, which is a method that uses several written questions that are used to obtain information from respondents in terms of reports about themselves or things they know (Arikunto, 2002). In this research, the available questionnaires will be given to consumers at Gelael Practical in Makassar. They were asked to fill out a list of questions about location, price, and shopping decisions. This method is used to obtain data on two independent variables, namely location and price and shopping decisions as to the dependent variable.

The reasons for using this method are 1). Respondents are people who know about themselves so that complete and correct data will be obtained because the material disclosed is more personal. 2). Save time, effort, and cost. The questionnaire used is a closed questionnaire, in which respondents are not allowed to answer using their own words. Respondents just choose the answer provided. For each question, there are four alternative answers with a score as follows: answer A is given a score of 4. Answer B is given a score of 3, answer C is given a score of 2, and answer D is given a score of 1.

The steps taken in collecting data using a questionnaire are as follows: 1). Create open-ended questions to reveal consumer profiles consisting of occupation, age, gender, education, and income. 2) Make test questions.

Data analysis

The data analysis method is a method used to process research results to obtain a conclusion (Sugiyono, 2013). The data analysis methods used are as follows: (a) This percentage descriptive analysis method is used to examine the variables in the study. Thus, it can be seen the percentage of location and price in shopping decisions. To measure the location variable, the price variable, and the shopping decision variable. To measure the location variable, the price variable and the shopping decision variable, is done by giving a score from the answers to the questionnaire filled out by the respondents with the following conditions: 5=Strongly Agree (SA); 4=Agree (A); 3=Disagree (D); 2=Don't Agree (DA); and 1=Strongly Disagree (SD); (b) Referring to the research objectives and hypotheses, the analytical model used is multiple linear regression analysis. The use of this analysis model is for the reason of knowing the relationship between the independent variables and the dependent variable, namely location (X_1), price (X_2) on shopping decisions (Y) besides that we also want to know the extent of the influence between the independent variables and the dependent variable is good together or partially.

$$Y = \alpha + \beta 1 X_1 + \beta 2 X_2 + e$$

Where:

Y = Shopping Decisions at Gelael Supermarket

X_1 = Location Effect

X_2 = Price Effect

α = Constant

e   = Error term

β_1 = Regression Coefficient X_1

β_2 = Regression Coefficient X_2

The connection with the hypothesis testing of this research is intended, namely: Ho: = 0, meaning that there is no significant effect of regional original income, balancing funds, and other legitimate income on regional expenditure simultaneously (together). The confidence level used is 95% or the significance level is 5% (α = 0.05) with the following research criteria: a). Legitimate income together has a significant influence on regional spending.

Hypothesis testing

Test the coefficient of determination to find out how big the percentage of the contribution of the influence of the independent variables together on the dependent variable. The method is done by looking at the value of R^2 in the output table model summary (Ghozali, 2006).

F test to determine whether the independent variables simultaneously affect the dependent variable (Ghozali, 2006). The method is carried out by comparing the calculated F value with the F table with the following conditions: 1) H0: = 0, meaning that there is no significant effect of regional original income, balancing funds, and other legitimate income on regional expenditure simultaneously (together),

and 2) H0: ß>0, meaning that there is a significant influence of local original income, balancing funds, and other legitimate income on regional expenditure simultaneously (together).

RESULTS AND DISCUSSION

Characteristics of Respondents

Table. 1 Characteristic by Gender, Age, Type of Work, Education and Income of Respondents in Practical Gelael Makassar

Characteristic	Frequency	Percent (%)
Gender		
Woman	60	59,4
Man	41	40,6
Age (Years)		
< 20 Year	43	42,57
20–30 Year	17	16,83
31–40 Year	32	31,68
> 41 Year	9	8. 92
Type of work		
Housewife	9	8,91
Student	32	31,68
College Student	22	21,78
Private Employees	17	16,83
Civil Servant	21	20,80
Education		
Primary school	15	14,85
Junior High School	15	14. 85
Senior High School	19	18,81
Diploma	19	18,81
Bachelor	33	32,68
Income		
< Rp. 1. 500. 000,-	40	39,6
Rp. 1. 500. 000–Rp. 3. 000. 000,-	32	31,7
Rp. 3. 000. 000–Rp. 6. 000. 000,-	15	14,8
> Rp. 6. 000. 000,-	14	13,9
Total	**101**	**100%**

Source: Primary Data, year 2021

In table 1 the number of female respondents is more than the number of male respondents. The number of female respondents in Gelael Practical Jalan Perintis KM. 8 Makassar is 60 people (59.4%) and the number of male respondents is 41 (40.6%). Gender can influence consumption patterns and a person's choice of goods and services. Table 1 above also shows the age of respondents in the Makassar Practical Gelael which shows that for age <20 years there are 43 people (42.57%), and the age that is slightly found is around >41 years as many as 9 people (8.92%). Consumer age is one of the determinants of consumer behaviour in choosing a product. The selection of a product can be determined by age which has a considerable influence on consumers. A person in choosing a product is also influenced by the type of work done.

Table 1 shows that the number of respondents with the most characteristics of the type of work is 32 students (31.68%), 9 housewives (8.91%), 22 students (21.78%), for private employees there are 17 people (16.83%), and civil servants as many as 21 people (20.80%). Seeing this situation, students have more opportunities to do shopping. Meanwhile, for the last educational characteristics of the

respondents, the highest number of respondents is Bachelor as many as 33 people (32. 68%), for elementary and junior high schools as many as 15 (14.85%), high school and diploma as many as 19 people (18.81 %). In this education, we need to get so that it helps to get a knowledge that is very useful for ourselves or others. Looking at the number of respondents based on their most recent education, the majority are respondents with undergraduate education who have shopped at the Makassar Practical Gelael. Table 1 above also shows the income characteristics of respondents with the most respondents' income, namely <Rp. 1. 500. 000,- as many as 40 people (39.6%). And the least is > Rp. 6. 000. 000,- as many as 14 people (13.9%). Revenue is the amount of money earned by consumers from their activities, from selling products or services to customers.

Descriptive Research Variables

A shopping decision is an action taken by consumers to buy a product (Kotler and Keller, 2007). In Table 2 the decision to shop at Practical Gelael Makassar has the highest sub-variable, namely, Type as many as 48 people (47.5%) and the lowest sub-variable, namely product, type and amount of spending, each is 1 person (1.0%).). This shows that consumers in shopping have different things from what they want. The shopping decisions at Gelael Practical Makassar can be seen in Table 2 as follows:

Table 2. Shopping Decisions, Shopping Locations and Prices at Practical Gelael Makassar

Sub Variable	Alternative	Frequency	Percent (%)	Note.
Shopping Decision (Y)				
Product	SA (5)	25	24,8%	Valid
	A (4)	47	46,5%	Valid
	D (3)	28	27,7%	Valid
	DA (2)	1	1,0%	Valid
Type	SA (5)	32	31,7%	Valid
	A (4)	48	47,5%	Valid
	D (3)	19	18,8%	Valid
	DA (2)	1	1,0%	Valid
	SD (1)	1	1,0%	Valid
Amount of Spend	SA (5)	31	30,7%	Valid
	A (4)	47	46,5%	Valid
	D (3)	22	21,8%	Valid
	DA (2)	1	1,0%	Valid
Location (X₁)				
Seller Location	SA (5)	22	21,8%	Valid
	A (4)	50	49,5%	Valid
	D (3)	20	19,8%	Valid
	DA (2)	4	4,0%	Valid
Distribution Range	SA (5)	25	24,8%	Valid
	A (4)	55	54,5%	Valid
	D (3)	20	19,8%	Valid
	DA (2)	1	1,0%	Valid
Freight	SA (5)	34	33,7%	Valid
	A (4)	54	53,5%	Valid
	D (3)	13	12,9%	Valid
Price (X₂)				
Price Level	SA (5)	26	25,7%	Valid
	A (4)	40	39,6%	Valid
	D (3)	35	34,7%	Valid
Discounts	SA (5)	30	29,7%	Valid

Sub Variable	Alternative	Frequency	Percent (%)	Note.
	A (4)	46	45,5%	Valid
	D (3)	24	23,8%	Valid
	DA (2)	1	1,0%	Valid
Payment Time	SA (5)	30	29,7%	Valid
	A (4)	39	38,6%	Valid
	D (3)	32	31,7%	Valid
Terms of payment	SA (5)	27	26,7%	Valid
	A (4)	21	20,8%	Valid
	D (3)	51	50,5%	Valid
	DA (2)	2	2,0%	Valid

Source: Primary Data, year 2021

Description: 5=Strongly Agree (SA); 4=Agree (A); 3=Disagree (D); 2=Don't Agree (DA); and 1=Strongly Disagree (SD);

In Table 2 above, the location of shopping at Gelael Practical Makassar has the highest sub-variable, namely the location of the seller of as many as 50 people (49.5%), and the lowest sub-variable is in the distribution range of 1 person (1.0%). This can be seen from the location of the company, which is very easy to reach, and its location is very strategic so that consumers can easily find a shopping centre at Gelael Practical. Therefore, the location of the right place of business is an absolute demand that must be met by every company. For this reason, in the process of selecting the location of the company, the entrepreneur must consider his decision properly so as not to cause losses in the future. Table 2 above also shows that the shopping price at the Makassar Practical Gelael has the highest sub-variable, namely the terms of payment as much as 51 (50.5%), and the lowest sub-variable is a discounted price of 1 (1.0%). When shopping at Gelael Practical Makassar, prices vary according to the product chosen by the consumer.

Multiple Regression Analysis

The results of multiple linear regression analysis, the Influence of Location and Price on Shopping Decisions at Practical Gelael Makassar, can be seen from the coefficients table as follows:

Table 3 Multiple Regression

		Coefficientsa				
		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	5. 421	1. 654		3. 277	. 001
	Location X$_1$	. 145	. 109	. 126	1. 331	. 186
	Price X$_2$	. 312	. 082	. 358	3. 795	. 000

a. Dependent Variable: Shopping Decision Y

Source: Primary Data, SPSS 16.0 year 2021

Based on table 3. Above, the significant column (sig), is a number that indicates the significance level of the individual tests. Based on the significant column, the Location Variable (X$_1$) has a significant value of 0.186>0.05. So that the location does not have a significant effect partially on shopping decisions. However, according to the Location Theory from August Losch in Sofa (2008), "looking at the problem from the demand side (the market)". Losch said that "the location of the seller greatly influences the number of consumers he can work with. The further away from the seller's place, the more reluctant consumers buy because the transportation costs to go to the seller's place are getting

more expensive." But another thing In choosing a location according to Buchari Alma (2018), choosing the right business location will determine the success and failure of future businesses.

The price variable (X_2) has a significant value of 0.000 <0.05. So that the price has a significant partial effect on shopping decisions. Prices can affect the competitive position between companies and can also affect their market share. The price of an item can also affect the company's marketing program because the price is the only marketing mix that can generate profits for the company. Price is the amount of money (plus some goods if possible) needed to get several combinations of goods and services (Swastha, 2005). Price is the sum of all values provided by customers to benefit from owning or using a product or service (Kotler and Keller, 2009). Based on table 3, the regression coefficient column shows the coefficient values that will be entered into the form of multiple regression equations are as follows:

$$Y = 5,421 + 0, 145 X_1 + 0, 312 X_2 + e$$

The meaning of the Regression Equation above is as follows: 1) Constant (a) is 5.421. Has an understanding that there is or is not an influence caused by the Location and Price variables on Shopping Decisions. 2) Coefficient X_1 (b1) = 0.145. This means that the location variable (X_1) has a positive effect on shopping decisions, or in other words, if the location (X_1) is increased by one unit, shopping will increase by 0.145; and 3) X_2 coefficient (b2) =0,312. This means that the price variable (X_2) has a positive effect on shopping decisions, or in other words, if the price (X_2) is increased by one unit, shopping will increase by 0.312.

Coefficient of Determination

The coefficient of determination (R^2) essentially measures how far the model's ability to explain the dependent variables. The value of the coefficient of determination that is close to one means that the independent variables explain almost all the information needed to predict the dependent variable (Ghozali, 2009). The results of the calculation of the determination of this study can be seen in Table 4 as follows:

Table 4 Model Determination Coefficient Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	. 404a	. 163	. 146	1. 516

a. Predictors: (Constant), Price X_2, Location X_1

Source: Primary Data, SPSS 16.0 year 2021

From the results of computerized data processing using the SPSS version 16.0 program, it can be seen that: a) R square is 0.163. This figure means that location and price influence shopping decisions by 16.3%. While the rest (100%-16.3%=83.7%) were explained or influenced by other factors not studied; b) Standard Error of Estimated means measuring the variation of the predicted value. In this study, the standard deviation is 1.516. The smaller the standard deviation, the stronger the model.

Table 5 Test F ANOVA[b]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
	ANOVA[b]					
1	Regression	43. 829	2	21. 914	9. 537	. 000a
	Residual	225. 181	98	2. 298		
	Total	269. 010	100			

a. Predictors: (Constant), Price X_2, Location X_1

b. Dependent Variables: Shopping Decision Y

Source: Primary Data, SPSS 16.0 year 2021

Formulate a hypothesis where H_0: There is no significant effect between the location variable, and price on shopping decisions and H_1: There is a significant effect between location variables and price on shopping decisions. Determine the level of significance (5%) where the level of significance used is 5% (0.05), the F table value has degrees of freedom (db), v=m-1; v=n-k-1 where K=number of independent variables, m=number of variables, and n=number of samples. So, (db) V=3-1=2, V=101–2–1=98. Determine the test criteria, namely Ho is accepted (H1 is rejected) if the real level (0.05) <significancy while Ho is rejected (H1 is accepted) if the real level (0.05)>significancy. Because the level of significance (0.05)>significancy (0.000) then Ho is rejected, meaning that there is a significant and simultaneous influence between location and price on shopping decisions. So it can be concluded that location and price have a significant effect on shopping decisions at Gelael Practical Makassar.

This shows that the strategic sales location is close to residents, the distribution range is quite close, with low transportation costs, and the distance from the location to the transportation stop is relatively close to the highway. This condition has a positive influence on consumer decisions to shop at Gelael Practical Makassar which is located on Street Perintis KM. 8.

The test results of this study have a significant value of 0.186> 0.05. So that the location does not have a significant effect partially on shopping decisions. However, according to the Location Theory from August Losch in Sofa (2008), "looking at the problem from the demand side (the market)". Losch said that "the location of the seller greatly influences the number of consumers he can work with. However, according to Buchari Alma (2018), choosing the right business location will determine success and failure.

Price variable (X_2) has a significant value of 0.000 <0.05. So that the price has a significant partial effect on shopping decisions. Price is the main variable that influences consumer evaluation of the product to be purchased. Price is one of the most flexible elements of the marketing mix, it can be changed quickly, unlike the other elements, but will be more effective if it is supported by other variables. A consumer will survey before buying an item and believe that the price of the item is cheaper than other items. It also determines consumer selection in making purchases.

The price of an item can also affect the company's marketing program because price is the only marketing mix that can generate profits for the company. Price is the amount of money (plus some goods if possible) needed to get several combinations of goods and services (Swastha, 2005).

CONCLUSIONS

Based on the description in the discussion, the following conclusions are obtained: 1) That the F-test is significant (0.05)>significancy (0.000) then Ho is rejected, meaning that there is a significant and simultaneous influence between location and price on shopping decisions. So, it can be concluded that location and price have a significant effect on shopping decisions at Gelael Practical Makassar; 2) Price variable (X_2) has a significant value of 0.000 <0.05. So that the price has a significant partial effect on shopping decisions. Price is the main variable that influences consumer evaluation of the product to be purchased; 3) R square of 0.163. This figure implies that location and price affect shopping decisions by 16.3%. While the rest (100%-16.3%=83.7%) was explained or influenced by other factors not studied. Based on the results of multiple linear regression analysis, it turns out that consumer decisions are more influenced by price than location, in shopping decisions at Gelael Practical Makassar. So that the company can pay attention to other factors that exist to further improve the shopping decision.

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