

The Influence of Location, Price and Promotion on Decisions to use Shipping Services AT SPX Express Pematangsiantar

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ABSTRACT

The results of this study are to analyze the influence of location, price and promotion on the decision to use shipping services at SPX Express. The number of samples in this study was 60 respondents and used the random sampling method. This study uses the multiple linear regression test analysis method. The results of this study indicate that there is a simultaneous influence on the variables (location, price and promotion) on the decision to use shipping services, the significant value is below 0.05 and the Fcount value (39.898) > Ftable (2.77). The results of this study also show that the t-value on the location variable is (2.641), the price is (2.127) and the promotion is (2.753) greater than the t-table (2.00) so it is stated that there is an influence on the decision of the delivery service. In the determination test, there is an influence of 66.5% of the independent variables (location, price and promotion) on the dependent variable (decision of the delivery service). Meanwhile, 33.6% is influenced by other variables and is not included in this regression analysis, such as brand image, brand equity, product quality and others.

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1. INTRODUCTION

In the industrial revolution 4.0 which is marked by extraordinary developments in the field of internet technology, the need for delivery services has increased quite rapidly. Delivery services are part of consumer needs, consumers tend to want something that is fast, easy, safe and practical in terms of shipping goods. The increasing needs of consumers, as well as the development of online store or e-commerce businesses, show the high enthusiasm of consumers for shipping services.

The development of technology that makes human life more practical changes consumer behavior and shopping habits. If previously sellers and buyers made transactions directly in traditional markets, now with the development of technology, sellers and buyers can make transactions online. Currently, by using an internet connection and smartphone, buyers can search for what they need without leaving home and the seller will send their goods to their address.

The shipping business is one of the business sectors that currently has a high growth rate, along with the increasing needs of society and increasingly sophisticated technological

developments. The role of shipping companies, especially logistics in the country, will also continue to grow along with improving economic growth.

2. METHODOLOGY

According to Tjiptono (2019:92), selecting a location requires careful consideration of several factors that need to be considered in determining the following location:

- 1) Access, for example locations that are passed or easily reached by public transportation.
- 2) Visibility, namely a location or place that can be seen clearly from a normal viewing distance and a location that is frequently passed by consumers.
- 3) Traffic, in this case related to the number of people passing by, can provide a great opportunity for impulse buying, which is a purchasing decision that often occurs spontaneously, without planning, and or without going through special efforts. For example, Ian who was walking around Bintaro Plaza, was interested in trying D'Cost's new menu after seeing the poster in front of its outlet, even though he was not actually hungry.
- 4) Parking facilities, comfortable and safe parking, both for two-wheeled and four-wheeled vehicles.
- 5) Expansion, namely having sufficient space available for business expansion in the future.
- 6) Environment, which is the surrounding area that supports the services offered. For example, a food stall is close to a boarding house, student dormitory, campus, or office area.
- 7) Competition, namely the location of competitors. For example, in determining the location of a wartel (telecommunications kiosk), it is necessary to consider whether there are many other wartels on the same street or area. Interestingly, in a number of industries, there is a tendency for similar companies to occupy nearby locations. For example, workshops, car showrooms, shoe and clothing retailers, furniture stores, and so on.
- 8) Government regulations, for example provisions prohibiting businesses from polluting the environment, such as dumping waste carelessly.

Location according to Haryoko, UB, & Rabani, H. (2019: 76) can be defined as a place to carry out daily activities or business, the indicators of the location variable are:

1. Affordability.
2. Fluency.
3. Proximity to residence.

Price is a critical factor in building long-term relationships with customers and haphazard pricing techniques can confuse and alienate customers, as well as jeopardize the company's ability to generate profits. Pricing is not only one of the most difficult decisions a small business owner has to face but also one of the most important (Zimmerer and Scarborough, 2022:68).

Pricing is a company management system that will determine the right basic price for a product or service and must determine a strategy regarding discounts, shipping costs and sharing related variables (Amstrong & Kotler, 2021:62).

Price has two main roles in the decision-making process of buyers, namely Tjiptono (2019:152):

- a. The role of price allocation, namely the function of price in helping buyers to decide how to obtain the highest expected benefits based on their purchasing power. Thus, with the existence of prices, it can help buyers to decide how to allocate their purchasing power to various types of goods or services. Buyers compare prices from various available alternatives, then decide on the desired allocation of funds.
- b. The informational role of price, namely the function of price in "educating" consumers about product factors, such as the suitability of price to product. This is especially useful in situations where buyers have difficulty assessing production factors or their benefits objectively. The perception that often applies is that high prices reflect high quality.

Price is any form of monetary cost sacrificed by consumers to obtain, own, utilize a number of combinations of goods and services from a product (Ali, 2018:98). According to Gitosudarmo (2019:228), "price is the amount of money needed to obtain a number of certain goods and services or a combination of both". Price is the only element of the marketing mix that generates sales revenue, while the other elements are only cost elements.

3. RESULTS AND DISCUSSION

Respondents in this study were consumers at SPX Express with a total of 60 respondents with characteristics based on gender and age. The characteristics of the respondents can be described as follows:

a. Respondent Data Based on Gender

Table 1. Respondent data by gender on SPX Express

No	Gender	Amount	Percentage
1	Man	43	72%
2	Woman	17	28%
Amount		60	100%

b. Respondent Data Based on Age

Table 2. Respondent Data Based on Age

No	Age	Amount	Percentage
1	< 25 Years	3	5%
2	25 - 30 Years	7	12%
3	30 - 35 Years	11	18%
4	35 - 40 Years	27	45%
5	> 40 Years	12	20%
Amount		60	100%

Pearson product moment validity test used by researchers in calculating each variable item. Validity test is useful for knowing the coefficient or suitability of the questionnaire used by researchers in measuring and obtaining research data from respondents.

The basis for taking the Pearson validity test is the comparison of the calculated r and r table values.

1. If the calculated r value $>$ r table = valid

2. If the calculated r value $<$ r table = valid

The r table value with $N=60$ in the significance of the distribution of statistical t table values, then the r table value obtained is 0.254.

Look at the Significance value (Sig.)

1. If the significance value $<$ 0.05 = valid

1. If the significance value $>$ 0.05 = not valid

Question Items	Corrected Item Total Correlation (r _{count})	r _{table}	Information
Location (X1)			
L1	0.832	0.254	Valid
L2	0.791	0.254	Valid
L3	0.754	0.254	Valid
L4	0.847	0.254	Valid
L5	0.730	0.254	Valid
L6	0.749	0.254	Valid
Price (X2)			
HG1	0.763	0.254	Valid
HG 2	0.745	0.254	Valid
HG 3	0.696	0.254	Valid
HG 4	0.635	0.254	Valid
HG 5	0.599	0.254	Valid
HG 6	0.819	0.254	Valid

HG 7	0.753	0.254	Valid
Promotion (X3)			
P1	0.702	0.254	Valid
P2	0.696	0.254	Valid
P3	0.661	0.254	Valid
P4	0.558	0.254	Valid
P5	0.575	0.254	Valid
P6	0.605	0.254	Valid
P7	0.491	0.254	Valid
P8	0.443	0.254	Valid
P9	0.489	0.254	Valid
P10	0.494	0.254	Valid
P11	0.583	0.254	Valid
P12	0.616	0.254	Valid
P13	0.641	0.254	Valid
P14	0.641	0.254	Valid
Delivery Service Decision (Y)			
KP1	0.826	0.254	Valid
KP2	0.728	0.254	Valid
KP3	0.784	0.254	Valid
KP4	0.549	0.254	Valid
KP5	0.579	0.254	Valid
KP6	0.515	0.254	Valid
KP7	0.579	0.254	Valid
KP8	0.686	0.254	Valid
KP9	0.484	0.254	Valid
KP10	0.729	0.254	Valid
KP11	0.751	0.254	Valid
KP12	0.666	0.254	Valid
KP13	0.768	0.254	Valid
KP14	0.788	0.254	Valid

Table 4. Results of Reliability Test of Research Variables

Question Items	Cronbach's Alpha	N Of Item	Information
Location (X1)	0.875	6	Reliable
Price (X2)	0.839	7	Reliable
Promotion (X3)	0.854	14	Reliable
Delivery Service Decision (Y)	0.909	14	Reliable

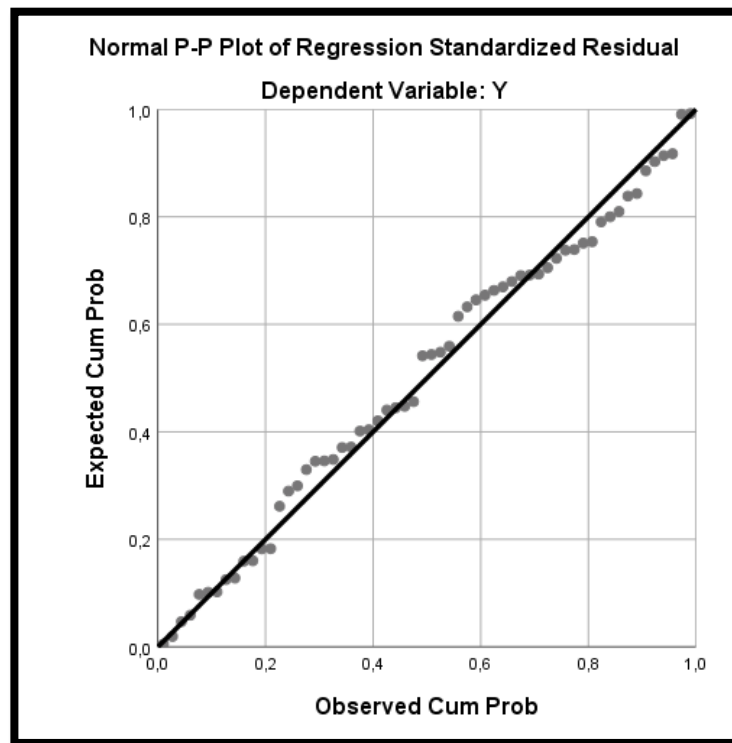


Figure 1. Data Normality Test Results Using P-Plot

Table 5. Normality Test Results Using Kolmogorov-Smirnov One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	3.85693485
Most Extreme Differences	Absolute	,069
	Positive	,057
	Negative	-,069
Test Statistics		,069
Asymp. Sig. (2-tailed)		,200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Processed data, 2024

Table 6. Multicollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,664	5,468		,121	,904		
	LOCATIO N	,601	,228	,303	2,641	,011	,433	2,310
	PRICE	,496	,233	,235	2,127	,038	,465	2,152
	PROMOTI ON	,468	,170	,384	2,753	,008	,293	3,411

a. Dependent Variable: PURCHASE SERVICE DECISION

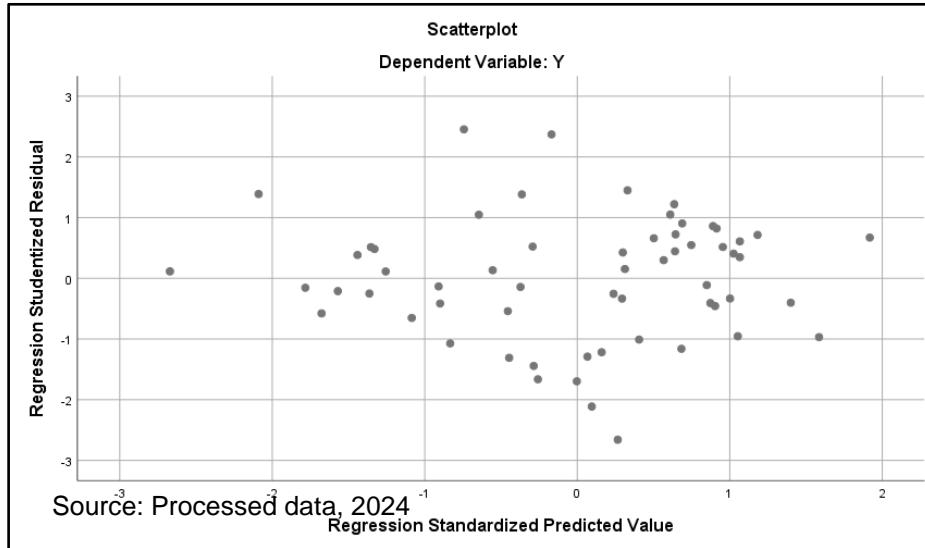


Figure 2.Heteroscedasticity Test Results

Table 7.t-Test Results (Partial Test Results)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,664	5,468		,121	,904
	LOCATION	,601	,228	,303	2,641	,011
	PRICE	,496	,233	,235	2,127	,038
	PROMOTIO N	,468	,170	,384	2,753	,008

a. Dependent Variable: SHIPPING SERVICE DECISION

Table 8.F Test Results (Simultaneous Test Results)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1875,969	3	625,323	39,898	,000b
	Residual	877,681	56	15,673		
	Total	2753,650	59			

a. Dependent Variable: Delivery Service Decision
 b. Predictors: (Constant), Promotion, Price, Location

Table 9.Multiple Linear Regression Equation Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	,664	5,468			
	Location	,601	,228	,303		
	Price	,496	,233	,235		
	Promotion	,468	,170	,384		

a. Dependent Variable: Delivery Service Decision

Table 10. Results of Determination Coefficient (Adjusted R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,825a	,681	,664	3,959
a. Predictors: (Constant), Promotion, Price, Location				

The research results suggest that the variables location, price and promotion influence the decision on delivery services. The following is an interpretation of the research results:

The influence of location variables on delivery service decisions

The results of the study stated that there was a partial positive influence between location and delivery service decisions based on a significant value of less than 0.05. This proves that the better the location, the greater the delivery service decision.

The research results are in accordance with the theory expressed by Erwin, M.M. Inawati, MM Suciati (2021) in the interactive purchasing decision book states that location plays a very important role in business, especially businesses that aim directly at end consumers. Location and access to the location greatly determine how consumers reach and purchase consumer products or services. Business locations can vary depending on the concept or form of the business. The results are also in accordance with research conducted by Elwin Frandika Sembiring (2022), the results state that the variables Price (X1), Promotion (X2) and Location (X3) have a positive and significant influence on the decision to purchase subsidized KPR houses at PT Sinar Jaya Putra Kampar (Y). It can be concluded that the three independent variables together influence the dependent variable of purchasing decisions.

The influence of price variables on delivery service decisions

The results of the study stated that there was a partial positive influence between price and delivery service decisions seen based on a significant value of less than 0.05. This proves that the better the pricing strategy, the greater the delivery service decision.

The results of the study are in accordance with the theory expressed by Zimmerer and Scarborough (2022:68) which states that price is an important factor in building long-term relationships with customers and haphazard pricing techniques can confuse and drive customers away, in addition to putting the company's capacity to generate profits at risk. Pricing is not only one of the very difficult decisions that small business owners have to face but also one of the most important. The results are also in accordance with research conducted by Musfiroh (2019), the results state that the product variables (X1), Price (X2), Location (X3) and Promotion (X4) on Purchasing Decisions (Y). It can be concluded that the four independent variables together influence the dependent variable of purchasing decisions. Other studies are also in accordance with research conducted by Marisa Simamora (2022), the results of the study state that price (X1), promotion (X2) and location (X3) have a significant effect on purchasing decisions (Y).

The influence of promotional variables on delivery service decisions

The results of the study stated that there was a partial positive influence between promotion and delivery service decisions seen based on a significant value of less than 0.05. This proves that the better the quality of service, the greater the delivery service decision.

The research results are in accordance with the theory expressed by Tjiptono (2019:59) which states that promotion is one of the determinants of the success of a marketing program to provide information about the existence of a product.

Each buyer has different characteristics and opinions about the products offered by marketers. Sales promotion tools influence consumer purchasing decisions, sales promotions can also provide stimuli that can attract consumers' attention to make more purchases.

It is known that consumers respond positively to various promotions promoted by marketers. This is because consumers believe more that during the promotional sales price of all products is cheaper than usual and they feel they get a better purchase. This means that the more positive or beneficial the attitude towards promotional tools, the more likely consumers are to make purchasing decisions during sales promotions.

The results are also in accordance with the research conducted by Taufan Hidayat (2020), with the title analysis of the influence of products, prices, promotions and locations on purchasing decisions. The results of his research stated that service has a positive influence on purchasing decisions, price has a positive influence on purchasing decisions, promotion has a positive influence on purchasing decisions.

4. CONCLUSION

Based on the results of the study and discussion on the analysis of the influence of location, price and promotion on the decision of delivery services, several conclusions can be drawn as follows: 1) Based on the results of the partial multiple regression test, the results of the t-test show that the location variable (X1) has a significant effect on the decision of delivery services (Y). 2) Based on the results of the partial multiple regression test, the results of the t-test show that the price variable (X2) has a significant effect on the decision of delivery services (Y). 4) Based on the results of the partial multiple regression test, the results of the t-test show that the promotion variable (X3) has a significant effect on the purchasing decision (Y). 5) Based on the results of the simultaneous multiple regression test, the results of the F-test show that the three independent variables, namely location, price and promotion with a significant value of 0.000 and the F-count value (39,898) > Ftable (2.77) provides a large contribution to the delivery service decision variable.

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