Analysis of trust, price and service quality on purchasing decisions

Latifah Wulandari Binti Asbaruna
Department of Bisnis Digital, Universitas Ma'soem, Sumedang, Indonesia

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Second Purchases;
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ABSTRACT

The aim of this research is to analyze the influence of price, trust and service quality on purchasing decisions, as well as the influence of the three factors (price, trust, service quality) on partial or simultaneous purchasing decisions made to CV Laris Barokah customers. This research uses associative methodology. Participants in this research were all clients of CV Laris Barokah. One hundred participants met the observation sample criteria. The data collection tool used is a questionnaire, while the coefficient of determination, multiple regression, t test, and F test are the data analysis procedures. It is known that trust, price, and service quality all have positive and important influences, sometimes simultaneously.

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Corresponding Author:
Latifah Wulandari Binti Asbaruna,
Department of Bisnis Digital,
Universitas Ma'soem,
Jl. Raya Cipacing No.22, Cipacing, Kec. Jatinangor, Kabupaten Sumedang, Jawa Barat 45363, Indonesia
Email: latifahwulandariasbaruna@gmail.com

1. INTRODUCTION

Trust can be built through consistency, transparency, and integrity. In an interpersonal or business context, trust is the foundation of a strong relationship between customers and service providers or between individuals in a group. If a person or entity is proven to be able to fulfill its expectations or commitments repeatedly, then trust can grow. Conversely, inconsistent actions or a lack of integrity can undermine trust. In the context of purchasing or business collaboration, trust can be a key factor in decision making. Customers tend to choose products or services from providers they believe can meet their needs well and are reliable.

Price includes the monetary value that customers must pay to obtain a product or service. Factors such as production costs, market competition, and marketing strategies influence price setting. Price has an important role in consumer purchasing decisions, because it can influence the perception of value and availability of a product or service. Setting prices that match the value provided by the product or service can attract customers. Prices that are too high without commensurate value or too low may affect perceptions of quality or reliability. In some cases, pricing strategies such as discounts or special offers can influence customers' purchasing decisions. Along with trust and quality, price is one of the main factors influencing customer perceptions of the value of a product or service. Providers who can offer balanced value between price and quality have an advantage in winning customer trust and purchasing decisions.

Service quality includes the extent to which a product or service meets or exceeds customer expectations. Factors such as responsiveness, reliability, security, and ability to meet customer needs play an important role in assessing service quality. Responsiveness involves the speed and adequacy of a service provider's responses to customer needs or questions. Reliability includes a service provider's ability to provide service without errors or failures. Security focuses on protecting customer data or assets during service use. Good service quality can build customer trust, increase satisfaction, and trigger loyalty. Examples can be found in the customer service sector, where quick responses and effective solutions can improve service quality. Companies that can provide a positive
customer experience with high service quality tend to have stronger relationships with their customers.

The relationship between trust, price, and service quality has a significant impact on customer purchasing decisions. Trust plays a major role in shaping customer preferences towards a brand or service provider. If customers trust a brand or service provider, they are more likely to choose products or services from that entity. Price also plays an important role. Customers will weigh the balance between the value they receive from a product or service and the price they pay. Prices that are appropriate to the value provided can build customer trust, while prices that are deemed inappropriate can influence purchasing decisions. Service quality adds an important dimension to purchasing decisions. If service quality is high, customers may be more likely to choose that product or service even at a higher price. Conversely, low service quality can reduce trust and influence purchasing decisions. Overall, a good balance between trust, appropriate pricing, and high service quality can be key to winning and retaining customers and influencing their purchasing decisions.

The difference between this research and previous research is in terms of different samples or populations. Where this research focuses only on consumers of the best-selling Barokah CV. CV bestselling barokah is a CV located in Jatinangor, Sumedang. The samples taken were only consumers who already had a clone shop. This research is conducted in different contexts or time periods where changes in external factors such as the economy, consumer trends, or regulatory changes may influence purchasing decisions. This shows added value to our understanding of the factors that influence purchasing decisions at CV Laris Barokah.

It is anticipated that this research will advance our theoretical and practical knowledge of the variables influencing customer choice. The findings of this study can offer businesses useful information for creating marketing plans that are more successful and better satisfy the needs of their target audience.

2. RESEARCH METHOD
This research uses an associative research approach, which is research that aims to determine the relationship between two or more variables. The population in this research is all CV Laris Barokah customers. The sample is part of the number and characteristics of the population. The sample in this study used a type of sample that is included in nonprobability sampling, namely incidental sampling technique. The number of samples used in this research was 100 customers who had purchased products at CV Laris Barokah. The data analysis technique in this research is quantitative data analysis, the test uses a) classic assumptions, namely the normality test, multicollinearity test and heteroscedasticity test. b) multiple linear regression test. c) hypothesis testing, namely the t test and f test. d) coefficient of determination.

3. RESULTS AND DISCUSSIONS
Classic Assumption Test
Normality Test

Figure 1. Results of the Normality Test
The data spreads along a diagonal line, as shown in Figure 1 above, indicating that there is a normal connection or distribution between the dependent and independent variables, or that the data passes the normality assumption test.

Multicollinearity

The multicollinearity test is used to determine whether in the regression model a high correlation is found between the independent variables, provided that:

If Tolerance < 0.1 or the same as VIF > 10 then there is a serious multicollinearity problem.
If Tolerance > 0.1 or the same as VIF < 10 then there is no multicollinearity problem.

With SPSS version 24.00, the following multicollinearity test results can be obtained:

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td>.606</td>
<td>1.516</td>
</tr>
<tr>
<td>Prices</td>
<td></td>
<td>.373</td>
<td>3.779</td>
</tr>
<tr>
<td>Service Quality</td>
<td></td>
<td>.369</td>
<td>5.014</td>
</tr>
</tbody>
</table>

Based on table 1 above, it can be seen that the Variance Inflation Factor (VIF) value for the trust variable (X1) is 1.516, the price variable (X2) is 3.779 and the service quality variable (X3) is 5.014. Each independent variable has a value smaller than 10. Likewise, the Tolerance value for the trust variable (X1) is 0.606, the security variable (X2) is 0.373 and the service quality variable (X3) is 0.369. For each variable, the tolerance value is greater than 0.1, so it can be concluded that there are no symptoms of multicollinearity between the independent variables, which is indicated by the tolerance value for each independent variable being greater than 0.1 and the VIF value being smaller than 10.

Heteroscedasticity Test

The heteroscedasticity test is carried out to determine whether in the regression model there is an inequality of variance from the residuals of one observation to another.

It is evident from Figure 2 above that there is no pattern or irregularity in the residual distribution. Plots that spread out, or dots, demonstrate this. It is possible to conclude that heteroscedasticity is not present.
Test of Multiple Linear Regression

The outcomes of data management with SPSS version 24.00 are listed below.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>.791</td>
<td>1.409</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>.223</td>
</tr>
<tr>
<td></td>
<td>Prices</td>
<td>.504</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>.346</td>
</tr>
</tbody>
</table>

- a. Dependent Variable: Buying decision

These results are entered into the multiple linear regression equation so that the following equation is known:

\[ Y = 0.791 + 0.1131 + 0.5032 + 0.3263 \]

Description:

A constant of 0.891 indicates that if the value of the independent variable is considered constant then purchasing decisions for CV Laris Barokah will increase by 0.891 for CV Laris Barokah customers.

- \( \beta_1 \) is 0.223 with a positive relationship direction, indicating that if trust experiences an increase it will be followed by an increase in purchasing decisions of 0.223 assuming the other independent variables are considered constant.

- \( \beta_2 \) of 0.504 with a positive relationship direction indicates that if prices increase it will be followed by an increase in purchasing decisions of 0.503 assuming other independent variables are considered constant.

- \( \beta_3 \) is 0.346 with a positive relationship direction indicating that if service quality increases it will be followed by an increase in purchasing decisions of 0.346 assuming other independent variables are considered constant.

The following are the results of the t test carried out in this research

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>.791</td>
<td>1.409</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>.223</td>
</tr>
<tr>
<td></td>
<td>Prices</td>
<td>.504</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>.346</td>
</tr>
</tbody>
</table>

- a. Dependent Variable: Buying decision

Based on table 3 above, the calculated t for the trust variable is 2.966 while the t table value is 1.984. So t count: 2.966 > t table: 1.984. This means that there is an influence between trust and purchasing decisions at CV Laris Barokah. Furthermore, it can also be seen that the t probability value, namely sig, is 0.004, while the significance level \( \alpha \) previously determined is 0.05, so the sig value is 0.004 ≤ 0.05, so that H0 is rejected, this means that there is a significant influence between trust and purchasing decisions at CV Laris Barokah. This means that if CV Laris Barokah is able to give customers a sense of trust, purchasing decisions will automatically increase. This research is in accordance with the results of research conducted by Mauludiyahwati (2017) showing that trust influences purchasing decisions in online shops. BEdasarkan tabel 3 diatas diperoleh t hitung untuk variable keamanan sebesar 7,824 sementara nilai t tabel 1,984 dan t hitung: 7,824 > t table: 1,984. Ini berarti terdapat pengaruh yang signifikan antara keamanan dengan keputusan pembelian pada CV Bestselling Barakah. Furthermore, it can also be seen that the probability value of t, namely sig, is 0.000, while the significance level \( \alpha \) previously determined is 0.05, so the sig value is 0.000 < 0.05, so H0 is rejected, this means that there is a significant influence between price and purchasing.
decisions at CV Laris Barokah. This means that when customers feel that the price offered is attractive when making a transaction, their purchasing decision will automatically increase.

Based on table 3 above, the t count for the service quality variable is 4.899 while the t table value is 1.984 so the t count: 4.899 > t table: 1.984. This means that there is an influence between service quality and purchasing decisions at CV Laris Barokah. This means that the higher the quality of service, the purchasing decision will increase, where if the service provided by CV Laris Barokah is satisfactory and meets customer expectations, it will increase purchasing interest in CV Laris Barokah. According to Tjiptono & Chandra (2012), in order to create customer satisfaction with the products offered by the organization, they must be of high quality. The research results are in accordance with previous research conducted by Kusumah (2011) in his research, namely "Analysis of Product Quality and Service Quality on Purchasing Decisions at the Warung Taman Singosari Restaurant in Semarang", stating that product quality and service quality have an influence on purchasing decisions.

Based on the results of data processing, the following results were obtained:

**Table 4. Simultaneous test results (F-test)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1668.901</td>
<td>3</td>
<td>556.300</td>
<td>334.530</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>237.849</td>
<td>96</td>
<td>2.478</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>1906.750</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Decision  
b. Predictors: (Constant), Service Quality, Trust, Price

Based on table 4 above, the calculated F for the trust, price and service quality variables is 334.530 where the f table is 3.09 so the calculated F: 334.530 > F table: 3.09. This means that there is a positive influence between trust, price and service quality on purchasing decisions at CV Laris Barokah. So it can be concluded that the variables of trust, price and service quality together have a significant positive effect on purchasing decisions at CV Laris Barokah. This means that the hypothesis states "trust, price and service quality simultaneously influence purchasing decisions." declared accepted. The results of this research show that trust, price and service quality simultaneously influence purchasing decisions. Thus, the results of this research support the results of studies (Mauludiyahwati, 2017) (Arasu & Viswanathan, 2011) in (Sukma, 2011) (Kusumah, 2011) and (Suresh & Shashikala, 2011).

To find out the extent of the contribution or percentage of trust, price and service quality to purchasing decisions.

**Table 5. Determination test results**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.836</td>
<td>.885</td>
<td>.881</td>
<td>1.57404</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Service Quality, Trust, Price  
b. Dependent Variable: Purchase Decision

From table 5 above it can be seen that the R value is 0.836 or 83.6%, which means that the relationship between purchasing decisions and the independent variables, trust, price and service quality is close. The R-Square value in this research is 0.885, which means that 88.5% of the variation in purchasing decisions is explained by the independent variables, namely trust, price and service quality. Meanwhile, the remaining 11.5% is explained by other variables not examined in this study. The R-Square (R2) value or coefficient of determination in this research is 0.881, which means that 88.1% of purchasing decisions at CV Laris Barokah can be explained by trust, price and service quality. Meanwhile, 11.9% can be explained by other factors not examined in this study.

**4. CONCLUSION**

The findings of this study indicate that trust, cost, and service quality all have a large and beneficial impact on consumers' purchasing decisions. Meanwhile, it is known that purchasing decisions at CV Laris Barokah are strongly influenced by factors such as trust, price and service quality. In terms of
trust, it is necessary to Strengthen Trust: Ensure all information related to products, prices and business policies is clear and easily accessible to customers. Activate customer reviews and testimonials on websites or online platforms to build trust in CV Laris Barokah products or services. In terms of price, there is a need for competitive pricing: Carrying out market research to ensure that the price offered is competitive and commensurate with the value of the product or service provided. Present special offers, discounts or bundling packages to attract customers and provide added value. And in terms of service quality, there is a need to improve Service Quality such as employee training: Ensure employees are well trained to provide friendly and efficient customer service. Respond to customer complaints or questions quickly and professionally to build a good service image. The implications and contributions of research related to factors such as trust, price and service quality in purchasing decisions at CV Laris Barokah can bring a deep understanding of consumer behavior and provide valuable insights for companies. By understanding the impact of these factors, CV Laris Barokah can optimize its marketing and operational strategies to achieve long-term success and build strong relationships with customers.

REFERENCES