

The Effect Of Service Quality and Promotion on Dimsum Purchasing Decisions at CV. Royal Insan Mandiri in Medan

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Abstract

This study aims to determine "The Effect of Service Quality and Promotion on Dimsum Purchasing Decisions at CV. Royal Insan Mandiri in Medan". This type of research is an associative and quantitative approach. The population in this study was 101 consumers using the Slovin formula technique, so the number of samples in this study was 50 respondents taken from part of the population. Based on the t-test of service quality with a value of $t_{count} > t_{table}$ ($3,317 > 1,677$) with a significant level of $0.002 < 0.05$, then the promotion variable obtained $t_{count} > t_{table}$ ($7,125 > 1,677$). Partial positive and significant effect on dim sum purchasing decisions at CV. Royal Insan Mandiri. The value of $F_{count} 28,680$ is greater than F_{table} of 3.19 with sig $0.000 < 0.05$, indicating that H_0 is rejected and H_a is accepted. So, it can be concluded that the variable service quality and promotion together have a positive and significant effect on dim sum purchasing decisions at CV. Royal Insan Mandiri. The coefficient of determination (KD) = $R^2 \times 100\%$, to obtain $KD = 0.530\%$. This figure shows that 53% of purchasing decisions (dependent variable) can be explained by variables of service quality and promotion. The remaining 47% is influenced by other factors that are not explained in this study.

Keywords: Service Quality, Promotion, Purchase Decision

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INTRODUCTION

During the COVID-19 pandemic and the subsequent adoption of the new normal or new lifestyle, information technology has emerged as a critical component of people's lives, particularly within the business realm. With stay-at-home campaigns designed to curtail outdoor activities, there's been a notable shift in consumer behavior from traditional offline shopping to online platforms. This transition underscores the importance of digital technology in facilitating business continuity and meeting consumer needs amidst evolving circumstances (Pakpahan, Hasugian, Eduard, & Supri, 2022; Susilo et al., 2020; Wajdi et al., 2020).

Online shopping is a process where consumers directly buy goods or services from sellers in real-time, without service intermediaries, and through the Internet. This process is called Business-to-Consumer (B2C) online shopping. When a business buys from another business it is called Business-to-Business (B2B) online shopping. Both B2C and B2B online shopping are forms of e-commerce (Harahap & Amanah, 2018; Harahap, Putra, Teviana, & Amanah, 2020; Prasad et al., n.d.).

Online shopping consumer behavior leads to the process of purchasing products and services via the Internet. Thus, online purchases have become an alternative to purchasing goods or services. Online sales are growing well in terms of service, effectiveness, security, and popularity.

The types of businesses that developed during the COVID-19 pandemic and the new normal were food and beverage businesses, basic needs businesses, health service/product businesses, education and training services businesses, and digital businesses. This type of business creates competitive competition that requires companies to be able to apply the best methods in implementing their marketing strategies including the application of service quality and promotions to motivate consumer purchasing decisions (Alfikri et al., n.d.; Tawai, Suharyanto, Putranto, De Guzman, & Prastowo, 2021).

(Payne, 2000), states "Service is an intangible product resulting from reciprocal activities between service providers (producers) and service recipients (customers) through one or several activities to meet customer needs. The definition of service, (Tjiptono, 2004) defines service quality "as a form of expected excellence action and control over the level of excellence to meet customer desires.

CV. Royal Insan Mandiri is a business that is engaged in four fields, namely the frozen food business, EOA gold (nationally certified), sister programs, and also the charter flight business for Umrah departures. Of the four business fields owned by CV. Royal Insan Mandiri, researchers will examine the frozen food business because it is related to the research that the researchers are doing.

Culinary or frozen food is a business unit in the frozen food division that sells types of food, such as dimsum, kebabs, pancakes, resolve, and potato donuts, the business already has main branches, such as waroeng royal dimsum, dapoer dimsum, dimsum212 production, which is located in Medan, North Sumatra. Meanwhile, from the culinary food business or frozen food CV. Royal Insan Mandiri researchers also limit the object of study. The object of study in this research is the purchase of dimsum at a royal dimsum stall located at Jalan Beo No.54 Sei Sikambang B, Medan Sunggal District, North Sumatra.

At this time, CV. Royal Insan Mandiri has not been able to achieve the goal of applying the best method to the marketing strategy. This can be seen, in the application of service quality and promotion to motivate consumer purchasing decisions. Application of service quality from CV. Royal Insan Mandiri is less focused on physical evidence services and there are IT limitations so that consumers always consider the products or services offered by the company in making purchasing decisions. According to (Lupiyoadi, 2018), "If the reality is more than expected, the service can be said to be of high quality". (Parasuraman, Zeithaml, & Berry, 1988), state that service indicators, namely: physical evidence (tangibles), reliability (reliability), responsiveness (responsiveness), assurance (assurance), and empathy (empathy).



Application in terms of promotion of CV. Royal Insan Mandiri itself is also less aware of the importance of promotions that must be implemented. The range of promotions is not wide, such as in Medan itself, and the quality of message delivery in the ad serving on promo media that only use promo ads. This causes consumers to have less access to the information conveyed by the company. According to (Tjiptono, 2004), promotion is a marketing activity that seeks to disseminate information, influence, persuade, or remind the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned.

According to (Kotler & Keller, 2016), "Sales promotion consists of a diverse set of incentive tools, mostly short term, designed to encourage quicker and/or greater purchase of a particular product/service by consumers or merchants." The role of consumers in purchasing decisions according to (Swastha & Handoko, 2011) argues that there are five individual roles in a buying decision, namely: taking the initiative (initiator), people who influence (influencers), decision-makers (decider), buyers (buyer), and users. (users).

The research aims to achieve three specific objectives concerning dimsum purchasing decisions at CV. Royal Insan Mandiri in Medan. Firstly, it seeks to investigate the effectiveness of the company's services and promotions in enhancing dimsum purchasing decisions. Secondly, it aims to quantify the impact that these services and promotions exert on dimsum purchasing choices. Lastly, the research intends to analyze the magnitude and robustness of the relationship between the quality of service and the effectiveness of promotions in influencing dimsum purchasing decisions at CV. Royal Insan Mandiri in Medan.

RESEARCH METHODS

This study uses an associative and quantitative approach. The location of this research is Beo No. 43, Medan Sunggal District, Sei Sikambing B Village, Medan, 20122 (+62) 811-6572-100. This research was conducted from November 2020 to January 2021. The population in this study was 101 customers. From this total population of 101 people, the slovin formula in Sujarweni (2014) is used to determine the number of samples. So, the number of samples obtained is 50 respondents.

A. Data analysis technique

1. Validity and Reliability Test

- a. Validity test, (Sugiyono, 2013) this test is seen from whether or not the data processed is valid, a valid instrument means that the measuring instrument used to obtain the data is valid.
- b. Reliability Test, The reliability test is used to determine the consistency of the measuring instrument, whether the measuring instrument used is reliable, and remains consistent if the measurement is repeated. The method used is Cronbach's Alpha method.

2. Classic assumption test

- a. Normality test. For testing the normality of the data in this study, it was detected through graphical analysis and statistics generated through regression calculations with SPSS. Analysis of graphs and statistics in the form of histograms and graphs of normality probability plots.
- b. Multicollinearity Test. Multicollinearity test can be done by: if the value, tolerance > 0.1 and the value of VIF (Variance Inflation Factors) < 10 , it can be concluded that there is no multicollinearity between the independent variables in the regression model (Ghozali, 2018).



- c. Heteroscedasticity Test. The heteroscedasticity test is a data test that has a Sig value. Less than 0.05 (Sig. < 0.05), ie if the data has a value less than the value of Sig. 0.005, then the data has heteroscedasticity and the way to detect the presence or absence of heteroscedasticity in the study is carried out using the Glaser test, the Glaser test is one of the statistical tests carried out by regressing the independent variables to the absolute value.

3. Statistic test

- a. Multiple Linear Regression Analysis. Multiple linear regression analysis, namely the method of analysis used to determine the effect of two or more independent variables on the dependent variable.
- b. Hypothesis testing
 - 1. Partial Test (t-Test). The statistical t-test is intended to partially test the effect of the independent variables on the dependent variable with the assumption that other variables are considered constant with a 95% confidence level ($\alpha = 0.05$).
 - 2. Simultaneous Test (F Test). The F test is intended to test whether the independent variables simultaneously affect the dependent variable, with a 95% confidence level ($\alpha = 0.1$).

4. Coefficient of Determination (R2)

This test is used to measure the closeness of the relationship of the model used. The coefficient of determination (adjusted R2). The magnitude of the coefficient of determination is between 0 to 1, where the coefficient value is close to 1.

RESULTS AND DISCUSSION

1. Validity and Reliability Test

- a. Validity test

The validity test was carried out using a significant test by comparing the value of count with the rtable. The value of rtable can be seen from Table r, in looking at table r, the degree of freedom (df) = N-2, in this study the magnitude of df can be calculated as 50-2 negligible 5% with df = 48, then the rtable can be 0.2787.

Table 1. Validity Test Results

Variable	Statement Items	rcount	rtable	Information
Service quality (X1)	P1	0.711	0.2787	VALID
	P2	0.752	0.2787	VALID
	P3	0.659	0.2787	VALID
	P4	0.786	0.2787	VALID
	P5	0.692	0.2787	VALID
	P6	0.812	0.2787	VALID
	P7	0.778	0.2787	VALID
	P8	0.780	0.2787	VALID
Promotion (X2)	P9	0.651	0.2787	VALID
	P10	0.612	0.2787	VALID
	P11	0.720	0.2787	VALID
	P12	0.730	0.2787	VALID
Buying decision (Y)	P13	0.658	0.2787	VALID
	P14	0.544	0.2787	VALID
	P15	0.622	0.2787	VALID
	P16	0.701	0.2787	VALID
	P17	0.693	0.2787	VALID
	P18	0.748	0.2787	VALID
	P19	0.738	0.2787	VALID
	P20	0,759	0.2787	VALID

b. Reliability Test



Tested its reliability with the Cronbach alpha technique. The reliability values for the three variables (Service Quality, Promotion, Purchase Decision) are presented, namely:

Table 2. Reliability Test Results

Variable	Reliability Value	Status
Service Quality (X1)	0.885	Very Reliable
Promotion (X2)	0.608	Reliable
Purchase Decision (Y)	0.838	Very Reliable

From the table above, it can be seen that the value of the independent variable in the form of service quality (X1) is $0.885 > 0.81$. Whereas the independent variable, namely promotion (X2) of $0.608 > 0.60$. Then for the dependent variable, namely the purchase decision (Y) of $0.838 > 0.81$. Based on the results of the table, the reliability value of this research instrument is adequate because it is close to 1.

2. Classic assumption test

a. Normality test

The value of Kolmogorov Smirnov is known as the Asymp value. Sig. (2-tailed) is 0.035 and above the significance value (0.05) this means that the residual data variables are normally distributed.

Table 3 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters, b	mean	0E-7
	Std. Deviation	2.33849610
	Absolute	.201
Most Extreme Differences	Positive	.113
	negative	-.201
Kolmogorov-Smirnov Z		1.424
asyp. Sig. (2-tailed)		.035

While on the probability plot as a normal distribution pattern because the data beam is around the diagonal line and follows the diagonal line. Thus, it can be said that this study meets the assumption of normality.

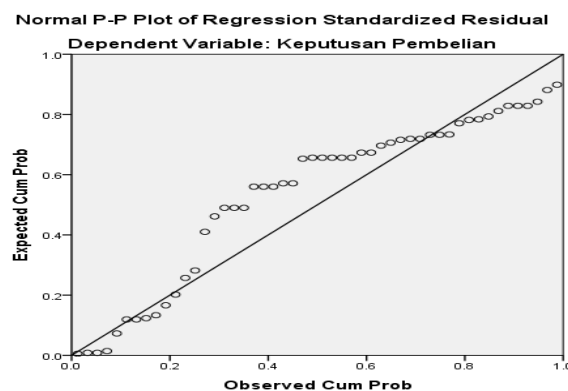


Figure 1. Normal Probability Graph

Source: SPSS 2021 Data Processing

b. Multicollinearity Test

The results of the analysis show that the VIF value for the independent variable below 5 is 1.012 and the tolerance value below 1 is 0.988, which means that there is no multicollinearity so the model is reliable as a basis for analysis.

Table 4. Multicollinearity Test Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2,635	4.376		.602	.550		
Service quality	.289	.087	.327	3.317	.002	.988	1.012
Promotion	1,459	.205	.702	7.125	.000	.988	1.012

c. Heteroscedasticity Test

On the scatterplot graph, it can be seen that the points spread randomly with no clear pattern and are spread both above and below the number 0 on the Y-axis. This indicates that there is no heteroscedasticity so this model is suitable for predicting based on the input of independent variables.

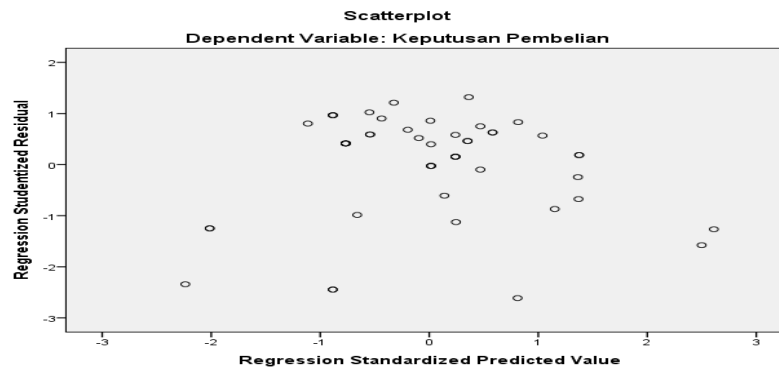


Figure 2. Scatterplot Graph
Source: SPSS 2021 Data Processing

3. Statistic test

a. Multiple Linear Regression Analysis

Statistical test using multiple linear regression analysis models, then the results are: $Y = 2.635 + 0.289 X1 + 1.459X2 + e$

Table 5. Multiple Linear Analysis

Model	Standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2,635	4.376		.602	.550
1 Service quality	.289	.087	.327	3.317	.002
Promotion	1,459	.205	.702	7.125	.000

This can be described as follows:

1. The constant is 2.635 shows that, there is no influence from the independent variables (X1 and X2), then the purchase decision (Y) will be worth 2,635, then the value of the coefficient with a positive sign indicates that the higher the value of the independent variables (X1 and X2), the value of the purchase decision (Y) will be higher. The negative value of the regression coefficient indicates that the higher the value of the independent variables (X1 and X2), the lower the value of purchasing decisions (Y).



2. The coefficient of X1 (β_1) = 0.289 shows that every time there is an increase in the service quality variable by one unit, it will increase purchasing decisions by 0.441.
3. The coefficient of X2 (β_2) = 1.459 shows that every time there is an increase in the promotion variable by one unit, it will increase purchasing decisions by 1.459.

b. Hypothesis testing

1. Partial Test (t-Test)

Based on the results of SPSS calculations obtained, the independent variable X1 (service quality) in the form of tcount is obtained 3.317 where the value of ttable at 5%, which is 1,677 means positive. Where the significance level is 5%, the tcount is 3,317 > ttable is 1,677 and the p-value is in the sig column. $0.002 < 0.05$ means significant. This explains that service quality has a positive and significant effect on dimsum purchasing decisions.

Then for the Independent variable X2 (Promotion), the tcount value is 7,125 where the ttable value is at 5%, namely, 1,677 which means it is positive. Where the significance level is 5%, the tcount value is 7,317 > ttable 1,677 and the p-value is in the sig column. $0.000 < 0.05$ means significant. This explains that promotion has a positive and significant effect on dimsum purchasing decisions. It can be seen in the following table;

Table 6. T Test (Partial)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,635	4.376		.602	.550
Service quality	.289	.087	.327	3.317	.002
Promotion	1,459	.205	.702	7.125	.000

2. Simultaneous Test (F Test)

The value of Fcount > Ftable obtained $28,680 > 3.19$ which means it is positive. Meanwhile, the p-value obtained in the column sig $0.000 < 0.05$ means it is significant. Thus, it can be concluded that the quality of service and promotion can simultaneously have a positive and significant effect on dimsum purchasing decisions at CV. Royal Insan Mandiri. It can be seen in the table below:

Table 7. Simultaneous Test (Test F) ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	327,020	2	163.510	28,680	.000b
Residual	267,960	47	5.701		
Total	594,980	49			

4. Coefficient of Determination (R2)

The result of the Coefficient of Determination (R2) test is the Adjusted R Square value obtained at 0.530. This figure shows that it is 53.0%. Purchase decisions (the dependent variable) can be explained by the service quality and promotion factors. The remaining 47% is influenced by other factors not described in this study. It can be seen in the table below.



Table 8. Coefficient of Determination Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.741a	.550	.530	2,388

CONCLUSION

There is a positive influence between service quality and a significant positive effect on dimsum purchasing decisions at CV. Royal Insan Mandiri. While the promotion has a positive and significant effect on purchasing decisions for dim sum on a CV. Royal Insan Mandiri. So, it can be concluded that the quality of service and promotion can simultaneously have a positive and significant effect on dimsum purchasing decisions on a CV. Royal Insan Mandiri.

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