

“EFFORTS TO DIFFERENTIATE SERVICES AND PRICES ON BUYING INTEREST OF YUDHA AUTO MATIC CAR WASH CONSUMERS IN BANDUNG CITY”

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Abstract

This study aims to test and analyze the influence of differentiate services and prices on consumer buying interest in Yudha Auto Matic Car Wash in Bandung. Along with the large number of vehicles in Indonesia, business opportunities in the automotive sector are increasingly wide open. This is used by many companies in developing a car wash service business. All compete for the sake of winning consumer confidence, so that every company needs to create differentiation in order to attract consumer interest and emphasize that the services they offer are the best different from competitors. But before making a decision, consumers tend to evaluate various things based on what they like and not, one of which is price. Because consumers only want to spend a budget according to their abilities. This type of research is descriptive and verificative, research data are primary data and secondary data, data collection techniques through questionnaires, research samples are 100 respondents, the sampling method uses non probability sampling with purposive sampling technique. The variable of this study consists of 1 dependent variable (Y), namely buying interest and 2 independent variables (X), namely service differentiation and price. This research was tested using validity test, reliability test, classic assumption test consisting of normality test, multicollinearity test, and heteroscedasticity test, correlation test, multiple linear regression, hypothesis testing consisting of T test and F test, and coefficient of determination. The results of multiple linear regression tests on buying interest show that service differentiation has an effect of 0.583, and prices have an influence of 0.437, while the simultaneous effect is 0.571. So it can be concluded that service differentiation variables and prices have a significant influence on buying interest.

Keywords: Service Differentiation, Price, Buying Interest

Introduction

Along with the large number of vehicles in Indonesia, business opportunities in the automotive sector are increasingly wide open. This is a promising market share for business players considering that the island of Java is ranked first with the largest number of cars in Indonesia. Some of the business opportunities that can be exploited include buying and selling new and used vehicles, repair shops and maintenance, sales of accessories and spare parts, modification services, and washing services.

In the city of Bandung itself, many companies are developing a car wash service business. All compete to win the trust of consumers. This requires every company to create differentiation to attract consumers and emphasize that the services they offer are the best different from competitors. According to Kotler (2016)[1], differentiation is a way of designing meaningful differences to differentiate a company's offerings from those of its competitors. The differentiation strategy is carried out so that the company gets more value in the minds of consumers.

Various efforts were made by the company in implementing differentiation, one of which was at the Yudha Auto Matic Car Wash car salon in Bandung. This company is trying to attract consumers by providing services that are not owned by competitors. The service in question is car washing with a robotic system. Robotic is a term used for a car wash where the cleaning staff uses the help of a special machine. This machine is then known as a robot. In the washing process, customers don't have to get out of their cars, they just need to close the entire car and leave the car in neutral without pulling the handbrake.

Considering that in the city of Bandung the majority of car wash services still utilize human power in carrying out their activities, the application of this robotic system is expected to attract consumer interest. According to [2] Buying Interest is a step that consumers take before planning to buy a product. Therefore, companies must be able to recognize and know what the needs and desires of consumers are. The low buying interest of consumers in Yudha Auto Matic Car Wash is contrary to the implementation of service differentiation that has been carried out.

Before making a decision, consumers tend to evaluate things based on what they like and don't like. These considerations will later have an impact on an attitude that determines the emergence of Buying Interests. One factor that is highly considered by consumers is price. Because consumers usually will really consider the price before making a transaction. Consumers tend to only want to spend a budget according to their abilities. Next they will see if the price offered will match the perceived quality. According to Kotler and [3] price is the amount of money charged for a product or service, or the amount of value that consumers exchange for the benefits of having or using the product or service.[4]

Literature Review and Hypothesis

Service Differentiation

"Differentiation strategy is a way of designing meaningful differences to differentiate the company's offerings from the offerings of its competitors, service companies can differentiate competitors' offerings given to the market from four aspects, including product differentiation strategies, service differentiation, channel differentiation and image differentiation owned by the company" . [5, 6] stated: While [7, 8] stated: "Service quality must start from customer needs and end at customer perception, customer perception of service quality is a comprehensive assessment of the superiority of a service." Based on the above definition, it can be concluded that Service Differentiation is a way to provide better and different services compared to competitors. Service Differentiation is done to create a competitive advantage against other companies in the same industry[9].[10]

Price

"Price is the amount of money charged for a product or service or the sum of the value that consumers exchange for the benefits of having or using the product or service." Kotler and [5, 11, 12] stated: "Price is the only element of the marketing mix that provides income or revenue for the company." Based on this definition explains that the price can be interpreted as the amount of money. Price is an important element in a company where with the price the company will get income for the sustainability of the company. In addition, the price is also a tool that will be used as a process of exchange for an item or service by consumers. According to [13-15] there are four criteria that can measure prices, including: Price Affordability, Price Match with Product Quality. The price of a product according to its quality. Price Competitiveness, Having strong competitiveness compared to other products. Price Match with Benefits

Buying Interes

"Buying interest is the stage that consumers take before planning to buy a product. A company must be able to recognize and know what the needs and wants of consumers. [16, 17] suggest that Buying Interest behavior is influenced by four main factors, namely: Culture (culture, sub culture and economic class), Social (reference group, family and roles and status), Personal (age and stages of the life cycle, work, economic circumstances, lifestyle, as well as personality and self-concept), Psychological (motivation, perception, learning, beliefs and attitudes). The starting point for understanding consumer behavior through Buying Interests is to use the AIDA stimulation model. According to [18-20] explaining the AIDA theory (Attention, Interest, Desire, and Action) is a message that must get attention, become interested, become interested, and make consumers take action. This theory tries to describe the stages of stimulation that may be passed by consumers to a certain stimulus given by marketers.[21]

Framework and Hypothesis

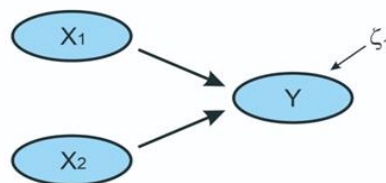


Figure 2. Relationship Flow Framework between Latent Variables

- X₁ = Service Differentiation (variabel laten eksogen)
- X₂ = Price (variabel laten eksogen)
- Y = Buying Interes (variabel laten endogen)
- ζ = Residue factor

Hypothesis

- H1: Service Differentiation has an influence on Buying Interest.
- H2: Price has an influence on Buying Interest.
- H3: Service Differentiation and Price has an influence on Buying Interest.

Research Methodology

The object of research in the preparation of this “Efforts To Differentiate Services And Prices On Buying Interest Of Yudha Auto Matic Car Wash Consumers In Bandung City” With the variables examined are the effects of Service Differentiation And Prices On Buying Interest. The design research used in this research is exploratory, descriptive, verifiative, and causal, which aims to find views or insights into the problem in general, to clarify emerging phenomena and to clarify the priority of the problem in research. Descriptive research is research that aims to obtain variable characteristics or provide a more accurate description of the variable or segment. Hypothesis testing with Multiple Linear Regression Analysis.. So in determining the research sample 100 is carried out by using probability sampling techniques.

Research Finding and Argument

Table 1

Goodnes fit model test (F-test)

Model	Sum Of Squares	df	Mean Square	F	Sig
Regression	5.482	2	2755	12.017	.000
Risidual	4.317	98	.155		
Total	9.799	100			

Based on the calculations in table .1. obtained Ftable is 3.09. The results of statistical calculations show the value of Fcount = 12,017 where the result is greater than Ftable (12,017> 3.09) then Ha is accepted. Based on the table above, a significance value of 0.00 is obtained, where the number is smaller than 0.05 (0.000 < 0.05), then Ho is rejected. So, it can be concluded that simultaneously Service Differentiation and Price have a significant effect on Buying Interests at Yudha Auto Car Wash.

Table 2

Pearson Correlation Analysis and Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.772	.583	.546	.37803

The calculation result of the correlation coefficient (R) is 0.772. So, based on the table above, it shows the close relationship between the relationship variables of Service Differentiation, Price, and Buying Interest, including strong criteria which are in the interval 0.60 – 0.799. From table .2. the coefficient of determination is known that the coefficient of determination is 0.583 or 58.3%, meaning that the Service Differentiation and Price variables have a contribution to Buying Interests at Yudha Auto Car Wash by 58.3% and the remaining 41.7% is influenced by other factors not examined . For example: location, promotion. Multiple Linear Regression Analysis

Coefficients^a

Table 3

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.571	.524		1.829	.012
	Service Differentiation	.583	.174	.244	3.738	.001
	Price	.437	.128	.638	4.226	.013

a. Dependent Variable: Buying Interests

From the equation obtained, it can be explained that the meaning and significance of the regression coefficients of each variable, namely Service Differentiation and Price have a positive influence on Buying Interests at Yudha Auto Car Wash, the following is an explanation of each regression coefficient:

The constant of 0.571 states that if Service Differentiation and Price = 0 (equal to zero) and there is no change, then the Buying Interest in Yudha Auto Car Wash is 0.571.

Service Differentiation (Variable X1) has a positive value of 0.583. This means that an increase in Service Differentiation by 1 unit will increase Buying Interests in Yudha Auto Car Wash by 0.583.

Price (Variable X2) has a positive value of 0.437. This means that an increase in Price of 1 unit will increase Buying Interests at Yudha Auto Car Wash by 0.437.

Partial Hypothesis Testing (t Test)

Table 4

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.571	.524		1.829	.012
	Service Differentiation	.583	.174	.244	3.738	.001
	Price	.437	.128	.638	4.226	.013

Dependent Variable: Buying Interests

The significant level (α) is 5%, $df = 100$ so that the t table is 1.984.

Variabel Service Differentiation

Based on table 4.20. it can be seen that the test results with SPSS were obtained for the Service Differentiation (X1) variable, the t-count value was 3.738 and the ttable was 1.984. Because the value of t count is greater than t table ($3.738 > 1.984$) with a significance value of $0.001 < 0.05$, H_0 is rejected and H_a is accepted. This means that Service Differentiation has a significant effect on Buying Interests at Yudha Auto Car Wash.

Daerah Penolakan H_0

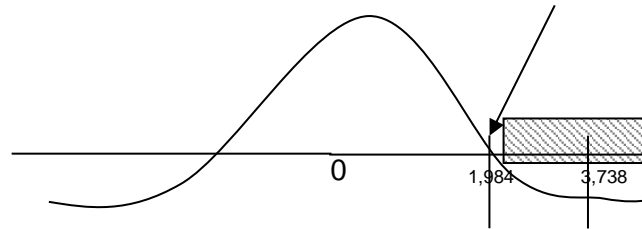


Figure 4.3. Areas of Acceptance and Rejection H_0 (T Test) Service Differentiation

Variabel Price

Based on table 4.20. it can be seen that the test results with SPSS obtained for the variable Price (X2) obtained the t-count value of 4.226 and ttable of 1.984. Because the value of t arithmetic is greater than t table ($4.226 > 1.984$) with a significance value of $0.013 < 0.05$, H_0 is rejected and H_a is accepted. This means that Price has a significant effect on Buying Interests at Yudha Auto Car Wash.

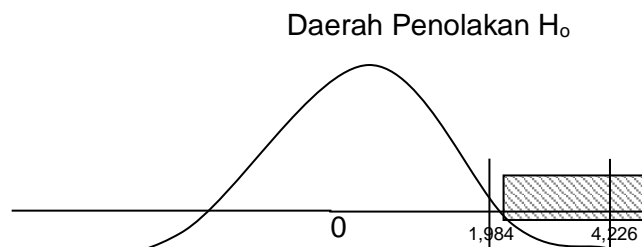


Figure 4.4. Area of Acceptance and Rejection H_0 (T Test) Price

Conclusion and Suggestion

Conclusion

Service Differentiation partially affects Buying Interests, it can be seen from the value of tcount which is greater than ttable so that it can be concluded that Service Differentiation has a significant effect on Buying Interests in Yudha Auto Matic Car Wash.

Price partially affects Buying Interests, it can be seen from the value of tcount is greater than ttable so it can be concluded that Price has a significant influence on Buying Interests on Yudha Auto Matic Car Wash.

Service Differentiation and Price simultaneously have an effect on Buying Interests, it can be seen from the value of Fcount which is greater than Ftable so that it can be concluded that Service Differentiation and Price together (simultaneously) have a significant effect on Buying Interests in Yudha Auto Matic Car Wash.

Suggestion

Yudha Auto Matic Car Wash needs to provide car washing services to homes that can be done by Yudha Auto Matic Car Wash so that consumers don't have to bother

coming to the place. However, this service needs to be limited to the specified mileage, because it is related to the costs that will be issued.

Yudha Auto Matic Car Wash also needs to pay attention to Price because it is also one of the factors that affect Buying Interests. One way that can be done is to improve the quality of services provided. Because although nowadays consumers tend to like an instant lifestyle, it turns out that consumers are also more critical and not in a hurry and pay attention to the quality of a product or service. Namely, the price offered is already a free vacuum.

For future research, it is recommended to add other independent variables besides Service Differentiation and Price which of course can affect the dependent variable Buying Interest, namely promotion, in order to further complement this research because there are still other independent variables outside of this study that might affect Buying Interest.

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