

# “IN IMPROVING CONSUMER DECISIONS CHOOSE SHOPPING AT INDOMARKET MINIMARKET BY UPGRADE QUALITY OF SERVICE AND THE INFLUENCE OF REFERENCE GROUP“

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## Abstract

*This research is based on the growth rate of minimarket in Bandung. This of course will affect the number of people who shop in the modern market or minimarket. Shopping service providers must prepare the best strategy to attract consumers, because with the emergence of new outlets the consumer becomes increasingly have many choices. Minimarket Indomaret In Bandung is one of the outlets affected by the imbalance. Can be seen from the number of outlets between rivals Indomart The problem in this study is "what factors influence a person's decision to choose to shop at Indomaret". Specifically focused on two variables: service quality and reference group. The purpose of this study is to be able to study the influence of these two variables in influencing consumer decisions in choosing to shop at Indomaret. Population in this research is minimarket consumer Indomaret. The samples used in the study of 100 consumers randomly, using the method of accidental sampling with random sampling approach. Methods of data collection using questionnaires. Data analysis using descriptive analysis of the percentage and multiple linear regression analysis. Based on the result of research, it is known that there is influence of service quality and reference group to consumer decision. Simultaneously influence of service quality and trust to the satisfaction of inpatient patient based on F test obtained value 11.776. This research concludes service quality and reference group have positive and significant influence to consumer decision in choosing shopping at Indomaret.*

**Keywords:** Service Quality and Reference Group, Consumer Decision

## Introduction

Along with the development of the retail business, at this time the retail business is no longer managed traditionally, but in a modern way so that it becomes an innovative, dynamic, and competitive business. Intense competition in retail is inseparable from its growth in business centers both locally, nationally, and internationally with various scales and targeted segments. Every company to create a good competitive strategy and competition is the key to the success or failure of a company. Increased competition from competitors requires companies to always pay attention to consumer needs and desires and try to meet consumer expectations by providing more satisfying services than competitors. Thus, only quality companies can compete and dominate the Atmawati and Wahyuddin market, Retail Business [1]. Minimarket is a type of retail business that is growing rapidly today that sells daily necessities and offers convenience because of its location or location that can be reached and close to consumers and prioritizes practicality and speed which is supported by the size of the store or outlets that are not too large so that consumers shopping in a not too long time. Another advantage of shopping at minimarkets is that there is a safe and comfortable atmosphere in shopping, there is no difficulty in choosing the items needed, the quality of goods is more guaranteed when compared to shopping at traditional markets, the price of goods is certain so there is no need to bargain and you can shop for various needs in one place. thus saving time and energy[2].

All efforts are made by Indomaret to be able to compete with Indomaret including strategic locations, in various areas and easy to reach and always close to Indomaret, clean and comfortable places, setting a price strategy in such a way as to attract consumers, for example by providing discounted prices, setting high prices, providing coupons for certain products, opening some Indomaret outlets within 24 hours, convenience of non-cash payments, member card facilities, and others. AC Nielsen, Indonesian Retail Entrepreneurs Association, in [3].

Companies are required to be able to meet customer needs and adjust customer desires so that companies must be able to detect what the market needs or consumer desires and read and interpret any changing situation as an opportunity. The company will not grow without customers. The more customers, the company will be able to compete with other companies in this era of globalization. Companies must be able to satisfy and retain existing customers. Satisfied customers are usually associated with the retention of [4, 5]. [6] suggest that "Quality is a dynamic condition associated with products, services, people, processes and the environment that meet or exceed expectations". And stated according to [7, 8] "Quality is all the characteristics and properties of a product or service that affect the ability to satisfy stated or implied".

According to [9, 10], the company's success in providing quality services can be determined by using a service quality approach. Meanwhile, [11] argues that: "Service quality refers to customer assessments of the core of service, namely the service provider itself or the entire service organization, most people are now starting to show demands for excellent service, they are no longer just in need of products. quality but they prefer to enjoy the convenience of service.

From the explanation according to the experts above that the quality of service is very important and plays a full role in consumers who will buy at Indomaret stores. The competition between these two modern retailers is very tight, marked by business locations that are always close together, and retail designs that are not much different. It can be said that the competition between Indomaret and Indomaret is open, in the sense that it is known by the public.

Current conditions and in the future, Indomaret will continue to strive to increase people's buying interest. Various efforts continue to be made, including in the aspect of service and distribution of merchandise, so that consumer needs can be met. From

the preliminary research that has been done, it is known that currently there are still community complaints, especially related to the quality of services available at Indomaret. Another factor that influences consumer decisions in choosing to shop at Indomaret stores is the reference group. A reference group is an individual or group of people who can significantly influence a person's behavior, generally the closest people such as parents, family, or friends have an involvement in consumer decision making to choose a place to shop by giving advice or invitations.

A reference group is an individual/group of people who can significantly influence a person's behavior. A reference group consists of two or more people who interact with each other to achieve a common goal. Furthermore, [12, 13] stated that: "A reference group involves one or more people who are used as a basis for comparison or reference point in forming affective and cognitive responses and expressing one's behavior. Reference groups vary in size (from one to hundreds of people) can have tangible, or intangible and symbolic forms. A person's reference group (and someone who is a member of the reference) can come from the same or different social class, subculture, or even culture.

Through these suggestions or invitations, reference groups can influence a person's information, attitudes, and aspirations which are then used to determine standards for decision making. Reference groups are often used as guidelines by someone in behaving. Reference group members are very instrumental in the process of socialization of a person as a consumer. In their interactions, a person as a member of a reference group will indirectly be influenced by cultural norms and values in the surrounding community. Although the reference group is closely related to someone who has shopped or experienced with Indomaret stores for individuals. According to [3]. "Reference groups are all groups that have a direct (face-to-face) or indirect influence on people's behavior (attitudes)", but sometimes there are obstacles in the communication process so that there is a mismatch between the information conveyed by the reference group to someone.

Advice and advice between individuals or reference groups Others can also influence a person's buying decision. Group References are all groups that have a direct influence (face to face) face) or indirectly to a person's attitude or behavior [14, 15]. That personal advice in a routine group where the members meet each other more effectively as a determinant a person's behavior compared to advertisements in newspapers, television, and other mass media. Effectiveness of the influence of reference groups on behavior consumers vary depending on the product and the availability of information about the product for consumers. Less information or a person's experience of a particular product, the stronger the influence reference group to the product and the person.

### **Literature Review and Hypothesis**

#### ***Service Quality***

Servqual was developed by Parasuraman, Zeithmal and Berry. The model, also known as the Gap Analysis Model, is closely related to the customer satisfaction model which is based on the disconfirmation design. This design emphasizes that if the performance on an attribute (attribute performance) increases greater than the expectations of the attribute concerned, then the perception of service quality will be positive and vice versa [16]. This method includes one way in which respondents are asked to rate their level of expectations for certain attributes as well as their perceived level. This instrument was introduced by Zeithaml, Parasuraman & Berry in their book entitled "Delivering Quality Service; Balancing Customer Perceptions and Expectations", Free Press, 1990. [17] there are five dimensions that serve as a reference for measuring customer service, including: Tangible, Responsiveness, Assurance in the form of the ability of managers to generate confidence and trust in the promises that have been made to participants., Empathy, namely the willingness

of the training manager to care more about giving personal attention to participants. For example, managers should try to position themselves as participants. If the participant complains then a solution must be found to reach a harmonious agreement by placing a genuine concern.) political, governmental, and legal forces, (4) technological strength, (5) competitive strength.

### **Reference Group**

Groups are two or more people who interact with each other to achieve the same goal, these goals can be individual goals or common goals. The reference group is also called the reference group. According to [18, 19], a reference group is an individual or group of people who significantly influence a person's behavior. Reference groups provide standards (norms) and values that can be a determining perspective on how a person thinks or behaves. In a marketing perspective, a reference group is a group that serves as a reference for a person in purchasing and consumption decisions. According to [20] "A reference group is any person or group that is considered a basis for comparison (reference) for a person to form values. and general or specific attitudes or specific guidelines for behavior". Groups that directly influence and own a person are called membership groups..

### **Consumer Decision**

In making a decision to purchase a product, consumers are influenced by many factors. the factors that influence consumer behavior to buy are cultural, social, personal, psychological. According to [21] purchasing decisions are "Decision making by consumers to purchase a product begins with awareness on the fulfillment of needs and desires. Consumer for brands that are in the choice set by [14]. In this study, purchasing decisions are defined as a process where consumers recognize their needs, seek information about appropriate products and make decisions about which products to buy and use.

### **Framework and Hypothesis**

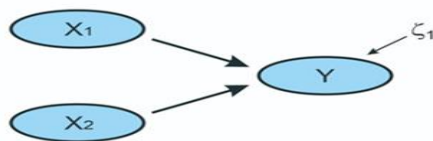


Figure 2. Relationship Flow Framework between Latent Variables

- X<sub>1</sub> = Service Quality (variabel laten eksogen)
- X<sub>2</sub> = Reference Group (variabel laten eksogen)
- Y = Consumer Decision (variabel laten endogen)
- ζ = Residue factor

### **Hypothesis**

- H1: Service Quality has an influence on Consumer Decision
- H2: Reference Group has an influence on Consumer Decision
- H3: Service Quality and Reference Group has an influence on Consumer Decision

### **Research Methodology**

The object of research is the variables that are the main concern in the study. What is meant by the researcher is the influence of the two independent variables on one dependent variable. The independent variables include service quality and reference groups and the dependent variable on consumer purchasing decisions in choosing to shop at Indomaret which is the object of interest. researchers in exploring the influence of these variables.

**Research Finding and Argument**

*Table 1*

**Multiple Linear Regression Analysis Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.561	.432		3.611	.000
	Service Quality	.025	.096	.023	.256	.798
	Reference Group	.453	.094	.441	4.839	.000

1. The constant value of 1.56 means that if the service quality and trust variables are considered equal to zero, then the patient satisfaction variable is 1.56.
2. The value of the regression coefficient for the service quality variable ( $X_1$ ) is 0.025, meaning that if there is an increase in the service quality variable ( $X_1$ ), with the assumption that trust ( $X_2$ ) is constant, it will cause an increase in satisfaction of 0.025.
3. The value of the regression coefficient for the trust variable ( $X_2$ ) is 0.453, meaning that if there is an increase in the trust variable ( $X_2$ ), assuming the service quality ( $X_1$ ) is constant, it will cause an increase in satisfaction of 0.453.
4. The results of statistical testing with SPSS on the variable  $X_1$  (quality of service) obtained a value of  $t_{count} = 0.256$  with a value of  $sig = 0.000 < 0.05$  so  $H_0$  is rejected and  $H_1$  which reads that there is an influence of service quality on consumer decisions to choose to shop at Alfamart is accepted. In the variable  $X_2$  (Reference Group) the value of  $t_{count} = 4.389$  with  $sig$  value =  $0.798 > 0.05$  so  $H_2$  is rejected and  $H_0$  has no influence on the reference group to the decision. Consumer purchases in choosing to shop at Indomaret are accepted.

**Conclusion and Suggestion**

**Conclusion**

Quality of Service has a positive and significant effect on Consumer purchasing decisions in choosing to shop at Indomaret. This means that the higher the quality of service, the higher the level of consumers in deciding to shop at Indomaret, conversely the lower the quality of service, the lower the level of consumers in deciding to shop at Indomaret. which is above the interval value of 3.40 statements from respondents that "Indomaret employees provide services quickly and precisely"

The average Reference Group of 3.40 is the same as the interval value with the highest score of 3.52 with a statement from the respondent himself that "customers shop at Indomaret minimarkets because of suggestions from family and relatives". So that there is still a positive influence on purchasing decisions

Serviceequal and Reference Groups have a positive and significant effect on consumer purchases in choosing to shop at Indomaret. This means that the higher the level of service quality and the role of the reference group, the higher the level of consumer decisions in choosing to shop at Indomaret, conversely the lower the level of service quality and the role of the reference group, the lower the level of consumer decisions in choosing to shop at Indomaret. It can be seen from the research results



that it can be said that consumers choose Indomaret as their shopping place because the average of the overall statements is 3.78 with the highest score of 3.68 with the statement that consumers choose to shop at Indomaret because of suggestions from others "

### Suggestion

For the Indomaret minimarket, the results of the study show that in general the service quality of the Indomaret minimarket is quite good, so it needs to be maintained. However, there are still some weak indications on service quality such as in the assurance aspect, this is evidenced from the descriptive analysis of the variable that the lowest percentage in the service quality variable is an indicator of empathy,

the Reference Group indirect reference group did not play a role in the selection of consumers to shop again at the Indomaret minimarket with an interval value of with the statement "consumers do not know Indomaret minimarket information from the internet or social media, so Indomaret minimarkets should improve, complete and perfecting in providing intensive information and promotions so as to attract consumers' hearts, these efforts are to instill a mind-set for consumers to keep shopping at Indomaret minimarkets in order to increase word mouth-to-mouth promotion or also known as referrals. group review. For further researchers, the independent variables used in

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