INFLUENCE OF PRODUCT DESIGN, PRICING AND PROCESSES TO CONSUMER PURCHASE DECISION TO USE MOZA INTERIOR SERVICES

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ABSTRACT

One attempt interior design services are classified as Small and Medium Enterprises (SMEs) in Gresik is Moza Interior. Interior design business that is run by the Moza Interior over time do not always go well. There are some obstacles or problems that occurred that caused prospective consumer does not use the services of Moza Interior. Often consumers are very attention to design, price, and service processes when using the services of an interior. If there is no compliance against these three factors will cause consumers to forgo purchasing decisions.

This study aims to determine the effect of product design, pricing, and process the purchasing decision of consumers to use the services of Moza Interior. This type of research is associative. The population in this study is that use the services of Moza Interior in the last year 64 consumers. The sampling technique in this research is total sampling. The research instrument used in this study was a questionnaire. The data analysis used is multiple linear regression, hypothesis testing while using the F test and t test.

The results showed the product, pricing, and process simultaneously influence the consumer decision to use the services of Moza Interior, because the hypothesis proposed in this study proved to be true. Influence simultaneously occurs because F value is found to have a significant level of less than 5%. The correlation coefficient and determination shows there is a very strong relationship between the independent variable product design (X1), price (X2), and process (X3) with the purchase decision (Y). Variable product design (X1), price (X2), and process (X3) each have a t-test positives and significantly less than 5%, meaning that the partial design of the product (X1), price (X2), and process (X3) significantly influence consumer purchasing decisions (Y).
Key words: Products Design, Price, Processes, Purchasing Decisions.

INTRODUCTION
A nation economic development is an important pillar in national development process. The industry sector is believed to be the supporting sector in leading to the economic success. The industry sector has superiorities, among others are it can present contribution in labor absorption and create higher added value in various commodities produced. The higher industry sector contribution on its nation economic development will result in more advance the country. One of the today’s industry sectors encouraged by the government to support the national economics is creative industry.

Problem Formulation
Based on the previous background, the problem formulations taken in this research are:
1. Does the product design affect on consumer purchase decision to use the Moza Interior service?
2. Does the price affect on the consumer purchase decision to use the Moza Interior service?
3. Does the process affect on the consumer purchase decision to use the Moza Interior service?

Research Purposes
These research purposes are:
1. To test the effects of product design on the consumer purchase decision to use the Moza Interior service.
2. To test the effects of price on the consumer purchase decision to use the Moza Interior service?
3. To test the effects of process on the consumer purchase decision to use the Moza Interior service?

Research Benefits
This research is expected to give benefits, both academically and practically, as follow:
1. Academic Benefit
   It is expected to improve the review on the marketing management knowledge related to the effects of product design, price and process on the consumer purchase decision. Also, this research can be as the reference for further research with similar topic.
2. Practical Benefit
   This research can give recommendation for Moza Interior concerning the effects of product design, price and process on the consumer purchase decision, so that it can be as the guidance in designing the marketing strategy to increase Moza Interior income.

LITERATURE REVIEW
Former Researches
The former researches as the references in this research are:
1. Khan and Amir (2013) conducted a research on product design strategy. The type of research used is qualitative based on the secondary data exploring on various sources of secondary data such as research papers, various journals, books, internet, magazines,
newspapers, some government data. This research was conducted on craft industry in India. The research results showed that the craft design product was adjusted to the consumer demand and preference. This research finding was to improve the creativity of craft design in India.

2. Purwati et al., (2012) conducted a research with the purpose to know the price impact on the decision of PT Nusantara Surya Sakti consumers to buy Honda Beat motorcycle. The type of research used is qualitative using regression data analysis.

3. Soewito. (2013) conducted a research with the purpose to know the effects of product design on purchase decision of Yamaha Mio motorcycle. The research used qualitative approach by survey to the consumers of Yamaha Mio motorcycle.

4. Kuyram (2013) conducted a research with the purpose to know the affecting factors on the purchase behavior of Thailand hair beauty shop owner on the hair coloring product. The population used is the owners of hair beauty shop who have run the business more than one year, and their beauty shops were in Pathumwan, Bangrak, Sathon, and Wattana districts Bangkok.

5. Alfred (2013) conducted a research with the purpose to analyze the price and quality effects on purchase decision of mobile phone in Kumasi city, Ghana. This research used quantitative approach and the data collection technique used was questionnaires. The research results showed that the price and quality affected significantly on the customer purchase decision of mobile phone in Kumasi city.

6. Mutsikiwa and Marumbwa (2013) conducted a research with the purpose to know the package design impact in purchase decision of milk products in Zimbabwe. This research used qualitative approach by using samples of 150 respondents.

RESEARCH CONCEPT FRAMEWORK
Framework
Based on the background, problem formulation and theories described above, the framework in this research is:
Problem background:
Obstacles or problems faced by Moza interior are in design, price and process

Problem Formulation:
1. Does the product design affect on consumer purchase decision to use the Moza Interior service?
2. Does the price affect on the consumer purchase decision to use the Moza Interior service?
3. Does the process affect on the consumer purchase decision to use the Moza Interior service?

Former Researches:
1. Khan and Amir (2013): product design strategy
2. Purwati et al., (2012): price impact on consumer decision
4. Kuyram (2013): the affecting factors on purchase behavior

Literature Study:
1. According to Kotler and Keller (2010:62) marketing mix is a series of marketing tools used by the company to reach its marketing purposes.
2. According to Widjaja (2010) the service marketing mix consists of some dimensions namely product, price, place, promotion, physical evidence, process and people.

Hypotheses

Data Analysis

Results and Discussion

Figure 1. Research Framework
Analysis Model
The analysis model used in this research can be illustrated as follow:

Hypotheses
Based on the background and problem formulation proposed in this research as well as the former researches presented above, the hypotheses proposed in this research are as follow:

H1 : The product design affects on consumer purchase decision to use the Moza Interior service
H2 : The price affects on the consumer purchase decision to use the Moza Interior service
H3 : The process affects on the consumer purchase decision to use the Moza Interior service?

RESEARCH METHODS
Type of Research
This type of research is associative. According to Istijanto (2009: 107), the associative research is a research to test whether there is an association or influence between the two variables studied. This research includes as the associative one because it aims to examine the relationship between the variables of product design, pricing, and process on the purchasing decision.

This study uses a quantitative approach. Sugiyono (2012: 55) argued that the quantitative approach is the research approach using data numerical as the survey answers results distributed to the research sample and analyzed using statistical analysis techniques. A quantitative approach is used because the data used in this study will be processed using statistics. In this research, the method used was survey. The survey was conducted on the Moza Interior consumers.

Population and Sample
1. Population
   The definition of population according to Eriyanto (2007:61) is all parts or members or object to be observed. The population can be people, items, object, event, or anything to be the objects of survey.
2. Sample
   Sample is part of amount and characteristics owned by the population (Sugiyono, 2012: 62). Thus, the number of sample used in this research is 64 people, so, the sample collection in this research uses saturated sampling namely the sample collection technique for all population members as the samples.

Definition of Variable Operational
In facilitating to research the variables, the variables must be operated so that they can be measured. In this research, the variable operationalizations observed are:

1. Product design (X1)
   Suswardjiet al., (2012:158) explained that the design is a distinctive totality affecting on a product presentation manner and function in the case of customer demand. Another way to add the consumer value is by different product design from other products. The interior product design can be seen based on:
   1) Interesting form of room interior layout
   2) Room interior model using artistic lighting
   3) Appropriate use of color in the interior
2. Price (X2)  
The price will be measured by using the indicators (Ahmadi, 2013:82):  
1) The price offered is normal  
2) The price is based on the customer purchase ability  
3) The price is based on the quality  
4) The price is based on the product used required by consumers

3. Process (X3)  
Vellasand Becherel (2011:143) mentioned that the indicator or order completion process:  
1) Fast process in doing the interior works  
2) Day and night works  
3) Consumers can save money and cost  
4) Easy system of appointment

4. Purchase Decision (Y)  
Kotlerand Keller (2010:240), explained that in purchasing, consumers can take five sub-considerations in purchase decision as follow:  
a. Options of product brands to be bought  
b. Options of the number of product to be bought  
c. Option of time for shopping.

The measurement for each indicator is done in 5 options according to Likert scale, namely using the interval value of 1-5. The Likert scale is the scale asking the respondents to show the level of agreement or disagreement on a series of statements on an object (Istijanto, 2009:90). The criteria limitations used are as follow:  
1. Very disagree  
2. Disagree  
3. Quite Agree  
4. Agree  
5. Very Agree.

Data Collection Procedure  
Type of Data  
There are two types of data used in this research, namely:  
1. Primary Data obtained from the questionnaires containing a list of questions on the product design, price, process and purchase decision.  
2. Secondary data obtained from literature study and researches conducted previously on the dependent variables in the research.

Source of Data  
The data in this research is from two sources, namely:  
1. The internal source from the company, namely the documents of Moza Interior  
2. The external source namely the data from outside the company including books, journal, website, documents and magazines.

Data Collection Technique  
The data collection technique in this research is done by direct survey by distributing the questionnaires to the Moza Interior consumers.  
Research Instruments  
The research instruments in this research are:
1. Questionnaires
Questionnaire can be defined as a set or a list of questions prepared systematically, then sent to be filled by the respondents (Bungin, 2010: 123). In this study, the questionnaires were distributed face-to-face to the respondents as the Moza Interiorconsumers. In the questionnaire, the respondents were asked to provide a cross (X) on the alternative answers based on the scale presented for each question. The questionnaires in this study used a Likert scale with the following reply response options:
   a. Very agree (SS) with 5 score
   b. Agree (S) with 4 score
   c. In doubt /Neutral with 3 score
   d. Disagree (TS) with 2 score
   e. Very disagree (STS) with 1 score

2. Literature Review
The literature review was done to find out the data or information by reading scientific journal, or reference books and publication materials provided in the library. The result of this literature review is the secondary data such as journal for previous researches and theories supporting the research.

Data Analysis
The data analysis used in this research consists of:
   a. Validity and Reliability Tests
   The validity test is used to measure the validity of a questionnaire. The validity shows the extent of a measurement tool can be measured. The step in testing the validity of question item is by looking for r count (Pearson correlation number) by the following formula (Sugiyono, 2010:356). An item is stated to be valid if it has significant value of Pearson collection of < 5%.
   Kuncoro (2009:175) stated that the reliability is a condition where a measurement scale can be consistent and stable in applying its task. The reliability test used in this research is by Cronbach alpha, which the measurement is stated to be reliable if the Cronbach alpha is > 0.6.
   b. Multiple linear regression
   The multiple regression analysis is a statistic method generally used to observe the correlation of a variable and some independent variables (Soewito, 2013:222). The multiple linear regression equation used is as follow:
   \[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \]
   Where:
   \[ Y = \text{purchase decision} \]
   \[ e = \text{error or residual} \]
   \[ X_1 = \text{Product design} \]
   \[ \beta_1 = \text{product design coefficient} \]
   \[ X_2 = \text{price} \]
   \[ \beta_2 = \text{Price coefficient} \]
   \[ X_3 = \text{Process} \]
   \[ \beta_3 = \text{Price coefficient} \]
   \[ \beta_0 = \text{constant coefficient} \]
   c. F Test
   F Test is used to know whether the independent variable affects on dependent variable simultaneously. The data processing will be done by using SPSS 20.0 program. The provision used is that if the significance value in F test is ≤ 0.05, so \( H_0 \) is rejected and \( H_1 \) is accepted, meaning that the product design, price and process simultaneously affect
on the consumer purchase decision significantly in Moza Interior. But, if the significance value in F test is ≥ 0.05, it means that the product design, price and process simultaneously do not affect significantly on the consumer purchase decision in Moza Interior.

d. t test
According to Kuncoro (2009:239) t statistic test basically tests on the extent of a independent variable describing dependent variables. The data processing will be done by using program SPSS 20.0. The provision used is that if the significance value in F test is ≤ 0.05, so $H_0$ is rejected and $H_1$ is accepted, meaning that the independent variable affects significantly on dependent variables. But, if the significance value in F test is ≥ 0.05, it means that the independent variable does not affect significantly on dependent variables.

e. Correlation (R) and Determination ($R^2$) Coefficients
Multiple correlation coefficient (R) is an estimation on the effects of two independent variables or more on the dependent variables. According to Kuncoro (2009:240) the determination coefficient ($R^2$) basically measures on the model ability in describing the dependent variable. The correlation level (correlation coefficient) has the value of 0-1. If the R result is closer to one (1), then the correlation of the independent variable and the dependent variable is getting stronger. If the R result is close to zero (0), then the correlation of independent variable and the dependent variable is getting weaker. The $R^2$ value is also between 0-1. If the value is close to 1 then the model’s ability to explain the dependent variable is better.

f. Classical Assumption test
Classical assumption test used consists of:
1) Normality test
This test is used to determine whether a regression model meets the assumptions of classical residual in normal distribution or not. In other words, the normality test is intended to check whether the research model residual is from population with normal distribution. This test is necessary for calculating the parametric statistical with assumptions of normality distribution (Soewito, 2013: 222). The normality test uses Kolomongorov-Smirnov test on the residual. If the value of Kolomongorov-Smirnov with sig > 0.05, it can be concluded that the residuals are normally distributed.

2) Multicollinearity Test
Multicollinearity can be seen from the VIF value. This second measurement shows which of each independent variable can be described by other independent variable. VIF measures the variability of the independent variables chosen which are not described by other independent variables. The provision used is that if the tolerance value is less than 10, it indicates that there is no correlation between the independent variables. If the VIF value is greater than 10, then there is Multicollinearity.

3) Heteroscedasticity Test
The heteroscedasticity test is a condition where there is inequality variants of residuals for all observations in the regression model. The method used in the heteroscedasticity test is a Glejser test (Priyatno, 2010: 83). The
heteroscedasticity test can be done by Glejser test by regressing between independent variables and its residual absolute value. If the significance value between independent variable and its absolute residual is greater than 0.05 then there is no heteroscedasticity problem.

4) Autocorrelation test
There is the autocorrelation test if there is linear correlation between t period nuisance error and t-1/ previous period nuisance error. The existence of problem or not in autocorrelation test can use the Durbin-Watson (DW).

\[ H_0: \text{There is no autocorrelation.} \]
\[ H_1: \text{There is autocorrelation} \]

The provision used is if the Durbin-Watson value is between \(d_U\) and \((4-d_U)\), so, there is no autocorrelation (Wahyuningtias, 2013).

5) Linearity Test
The linearity test is the statistic test to know the correlation of dependent variable and independent variable in linear (straight line) (Santoso, 2011:52). The correlation of independent and dependent variables is said to be linear if its linearity significance is smaller than 0.05

ANALYSIS OF RESEARCH RESULT DATA
Data Collection Tool Analysis
The data collection tool used in this study is a questionnaire. In the questionnaire, the respondents were asked to provide a cross (X) in the alternative answers based on scale presented for each question. The questionnaires were distributed to 64 respondents as the Moza Interior consumers.

Respondent Profile
The respondent profile in this research will be described based on the gender characteristics.

Distribution of Respondent Answer
In the following sub chapter, it will be described on the respondent answer distribution for the questions in research variables including the product design, price, process and purchase decision.

Data Analysis Results
Validity and Reliability
The validity test in this research uses the Pearson correlation with provision of the significance value obtained is less than 0.05, so it is stated to be valid. The validity test result on all question items proposed to the respondents for the variables of product design \((X_1)\), price \((X_2)\), management process \((X_3)\), and purchase decision \((Y)\)

Multiple Linear Regression Analysis
The results of multiple linear regression analysis is a method of general statistic used to observe the correlation of a dependent variable and some independent variables (Soewito, 2013:222).

Hypotheses Testing
The hypotheses testing in this research uses F test and t test with the results as follow:

a. F test
The F test is used to know whether the independent variable affects simultaneously on the dependent variables. The provision used is that if the significance value in F test is \(\leq 0.05\), so \(H_0\) is rejected and \(H_1\) is accepted, meaning that the product design, price and
process simultaneously affect on the consumer decision significantly to use the Moza Interior service. But, if the significance value in F test is ≥ 0.05, it means that the product design, price and process simultaneously do not affect significantly on the consumer decision in using the Moza Interior service.

b. t test

t test is to test the effects of independent variables partially (one by one) on the dependent variables, and the results are as follow:

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>t count</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product design (X₁)</td>
<td>4.002</td>
<td>0.000</td>
</tr>
<tr>
<td>Price (X₂)</td>
<td>2.058</td>
<td>0.044</td>
</tr>
<tr>
<td>Process (X₃)</td>
<td>2.468</td>
<td>0.016</td>
</tr>
</tbody>
</table>

Table 1. t test (partial)

Source: primary data, processed

T test results show that the variable of product design (X₁) has a t-count value of 4.002 with a significant level of 0.000, the variable of price (X₂) has a t-count value of 2.058 with a significant level of 0.044, while the variable of process (X₃) has the value t count of 2.468 with a significant level of 0.016. The variables of product design (X₁), price (X₂), and process (X₃), each of which has significance less than 5% (0.05), meaning that partially the product design (X₁), price (X₂), and process (X₃) significantly affect on the consumer purchase decision (Y).

**Correlation and Determination Coefficient**

The determination coefficient ($R^2$) is to measure the model’s ability to explain the dependent variable, while the correlation coefficient is to see the correlation closeness level. If the $R$ result is closer to one (1), then the correlation of the independent variable and dependent variable is getting stronger. If the $R$ result is close to zero (0), then the correlation of the independent variable with the dependent variable is getting weaker.

Based on the results of data processing that has been done, the author obtains the determination coefficient and correlation coefficient.

**Classical Assumption test**

1. Multicollinearity test

2. Multicollinearity can be seen from the VIF value. This second measurement shows which of each independent variable can be described by other independent variable. VIF measures the variability of the independent variables chosen which are not described by other independent variables. The provision used is that if the tolerance value is less than 10, it indicates that there is no correlation between the independent variables. If the VIF value is greater than 10, then there is Multicollinearity.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>Product Design (X₁)</td>
<td>0.999</td>
</tr>
<tr>
<td>Price (X₂)</td>
<td>0.988</td>
</tr>
<tr>
<td>Process (X₃)</td>
<td>0.987</td>
</tr>
</tbody>
</table>

Table 2. Multicollinearity Test

Source: primary data, processed
Based on table 5.18, it can be known that the variables of product design (X₁), price (X₂), and process (X₃) has the tolerance value of more than 0.1 and VIF less than 10, this shows that there is no multicollinearity symptoms.

3. Normality test
This test is necessary because the parametric statistic calculation has assumption of normal distribution. The normality test uses the Kolomongorov-Smirnov test. If the Kolomongorov-Smirnov value with sig > 0.05, so it can be concluded that the residual has normal distribution.

4. Heteroscedasticity test
The method used in heteroscedasticity test is Glejser test. The heteroscedasticity test aims to know whether there is any variance similarity of regression model residual. The Glejser test results

5. Autocorrelation test
Whether there is autocorrelation test or not, it can use the Durbin-Watson (DW) test. The provision used is if the Durbin-Watson value is between dU and (4 - dU), so, there is no autocorrelation (Wahyuningtias, 2013).

6. Linearity test
It is the statistic test to see the correlation between dependent variables and independent variables (X₁, X₂, X₃) as linear (straight line) (Santoso, 2011:52). The correlation between independent and dependent variables is said to be linear if the deviation from linearity of its significance is greater than 0.05 and its linear significance is smaller than 0.05 (Arifiyaniai and Sukirno, 2012).

**Discussion**

Effect of Product Design on Purchase Decision
The hypothesis testing results show that the product design (X₁) has t-count value of 4.002 test with a significant level of 0.000, so we can say that the product design variable affects on the purchase decisions. It shows that the product dimensions has significant contribution in affecting on the consumer purchase decision. The effect is positive, it means that the increase in the variable of product design will affect the increase of consumer purchase decision. The following is the managerial implications for the variable of product design based on three indicators.

Effect of Price on Purchase Decision
The hypothesis testing results show that the variable of price (X₂) has t-count value of 2.058 with a significant level of 0.044 which shows that the price significantly affects on the consumer purchase decisions so that it can be stated that the price has significant contribution in affecting on the consumer purchase decision. The effect is positive, it means that the increase in the variable of price will affect the increase in consumer purchase decision. The results are consistent with a research conducted by Alfred (2013) showing that the variable of price significantly affected on the purchase decision. The following is the managerial implications for the variable of price.

Effects of Process on Purchase Decision
The variable of process (X₃) has t-count value of 2.468 with the significance level of 0.016. This shows that the variable of process has significant contribution in affecting on the consumer purchase decision. The following is the managerial implications for the variable of process.
purchase decision. The effect is positive, it means that the increase in the variable of process will affect the increase of consumer purchase decision. The following is the managerial implications for the variable of process based on four indicators.

CONCLUSION AND RECOMMENDATIONS

Conclusion
Based on the data analysis of research result discussed in previous chapters, it can be concluded that:

1. The product design, price, and process simultaneously affect consumer decision to use Moza Interiorservices, because the hypotheses proposed in this research are proved to be valid. There is simultaneous effect because F-count value has smaller significant level than 0.05. The correlation coefficient and determination results show there is a very strong correlation between the independent variables, namely product design (X1), price (X2), and process (X3) and the purchase decision (Y).

2. The variables of product design (X1), price (X2), and process (X3), each of which has a positive test and significantly less than 5%, meaning that partially, the product design (X1), price (X2), and process (X3) significantly affect on the consumer purchase decision (Y).

3. Among the independent variables used in this research, the product design presents the dominant effect on the consumer purchase decision (Y), so that three hypotheses in this research are proved to be valid.

Recommendations
After it is known on the effects of product design and price on purchase decision, the recommendations proposed are as follow:

1. Practical recommendations include:
   a. Moza interior in creating room model and interior should be more creative and innovative with a variety of options so that consumers are interested in using the Moza Interiorservices.
   b. Interior moza party can apply member card systems with discount facility for customers so that they will be aware of the services provided by Moza Interior

2. Academic recommendations include:
   The recommendation for further research with similar is advisable to add other variables affecting on the consumer purchase decision than those presented in this research so that it can also be useful for businesses actors in the furniture industry. It is also expected to use a larger number of samples.

REFERENCES


