

THE INFLUENCE OF PROMOTION, PRICE, AND SERVICE QUALITY ON CONSUMER PURCHASE INTENTION AT LAZATTO CHICKEN & BURGER YOUTEFA

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Abstract

This study aims to determine the effect of promotion, price, and service quality on consumer purchase intention at Lazatto Chicken & Burger Youteffa. Purchase intention is one of the key indicators for measuring the success of marketing strategies, particularly in the culinary sector, which faces intense competition. This research was conducted to emphasize the importance of understanding the factors that drive consumers to make purchases so that business owners can enhance their competitive advantage. The research method used is a quantitative approach with a survey technique. Data were collected through questionnaires distributed to 100 respondents who are consumers of Lazatto Chicken & Burger Youteffa. The data analysis technique employed logistic regression using SPSS version 16 software. The results show that the promotion variable (X1) has a significant effect on consumer purchase intention, with a significance value of $0.010 < 0.05$. The price variable (X2) also has a significant effect, with a significance value of $0.002 < 0.05$. However, the service quality variable (X3) does not have a significant effect, with a significance value of $0.436 > 0.05$. Simultaneously, promotion and price have been proven to significantly influence purchase intention, while service quality does not make a meaningful contribution. The model's classification accuracy level reached 67%, indicating a fairly good prediction accuracy. Thus, effective promotional strategies and appropriate pricing are the main factors in increasing consumer purchase intention. This study is expected to provide valuable insights for business owners in developing more effective marketing strategies.

Keywords: Promotion, Price, Service Quality, Purchase Intention.

INTRODUCTION

The development of the business sector in Indonesia has experienced rapid growth, ranging from small enterprises to large-scale businesses. Small enterprises represent small-scale economic activities that meet the criteria of net assets and annual sales as stated in Law Number 9 of 1995 concerning Small Enterprises and Small and Medium Enterprise Institutions, including the culinary industry (Tarigan, 2013). Based on data from 2022, the entrepreneurship rate in Indonesia increased by 3.47%, or approximately 9 million people, out of the total population. However, this figure still lags behind other countries in the Association of Southeast Asian Nations (ASEAN) region, such as Singapore at 8.76%, Thailand at 4.26%, and Malaysia at 4.74%. This situation poses a challenge for Indonesian society, particularly the productive generation, to enhance creativity and innovation in utilizing existing resources. The government, through Presidential Regulation Number 2 of 2022 concerning the National Entrepreneurship Development for 2021–2024, targets an increase in the national entrepreneurship ratio to 3.95% by 2024 as an effort to strengthen the national economic structure (Grant & Booth, 2009).

The culinary industry is one of the creative economy sectors that has experienced significant development in recent years. According to a report by the Indonesian Creative Economy Agency (Bekraf), the added value of the creative economy in the first quarter of

2024 reached IDR 749.58 trillion, or approximately 55.65% of the 2024 annual target. This data indicates that the culinary subsector is one of the largest contributors to the growth of the creative economy, alongside the fashion and craft subsectors (Stock & Stock, 2024). Local governments have also actively supported the growth of Micro, Small, and Medium Enterprises (MSMEs) and Small and Medium Industries (SMIs) through various forms of assistance and training programs aimed at enhancing business competitiveness across regions, including in Papua.

One of the growing culinary industry players operating through a franchise system is Lazatto, a local fast-food restaurant brand offering various chicken and burger dishes. Lazatto emphasizes delicious taste, affordable prices, and attractive product presentation (Company Internal Data, 2021). The expansion of Lazatto has now reached Eastern Indonesia, including the city of Jayapura, through its outlet Lazatto Chicken & Burger Youtefa. The presence of Lazatto amid the increasingly competitive fast-food industry requires the company to understand consumer behavior in order to maintain and increase purchase intention. This aligns with Tjiptono's (2000) view that companies must be customer-oriented by focusing on promotion, price, and service quality as the main factors influencing consumer interest (Tjiptono, 2000).

Promotion is one of the key strategies that influence consumer purchasing decisions. Through promotional activities, companies can convey product information, generate interest, and encourage consumers to make purchases (Familmaleki et al., 2015; Magdalena & Abdurrahman, 2024). However, promotional activities at Lazatto Chicken & Burger Youtefa remain suboptimal, particularly in updating menu information, discounts, or "buy one get one drink free" promotions on social media or print media. In terms of price, Lazatto's product price of IDR 15,000 per portion has not been fully attractive to all market segments, as competitors offer similar products at lower prices (Kusmaria et al., 2022). This situation potentially decreases consumer purchase intention toward Lazatto's products.

Another important factor is service quality. Good service fosters trust and higher consumer satisfaction (Hidayat & Sulistyani, 2022). However, Lazatto Chicken & Burger Youtefa faces challenges in this aspect due to the limited number of cashier staff, resulting in suboptimal service quality. This issue indicates that improving service quality should be a key focus in efforts to increase consumer purchase intention.

Based on these phenomena, this study aims to analyze the influence of promotion, price, and service quality on consumer purchase intention at Lazatto Chicken & Burger Youtefa. Conceptually, this study is grounded in consumer behavior theory as proposed by Kotler and Keller (2016), which explains that consumer purchase intention is influenced by both internal and external factors (Kotler et al., 2016). External factors such as promotion, price, and service quality play a crucial role in shaping consumer perceptions of product value. Promotion communicates product value and advantages, price reflects purchasing power and perceived quality, while service quality creates positive experiences that foster loyalty and repeat purchases. Therefore, a deep understanding of these three factors is

essential for companies seeking to strengthen their competitiveness in the local culinary industry, particularly in fast-food restaurants such as Lazatto Chicken & Burger Youtefa.

LITERATURE REVIEW

Promotion is one of the essential elements in the marketing mix that functions as a communication tool between the company and consumers. Promotion not only conveys product information but also aims to influence consumer behavior to encourage purchase interest (Lupiyadi, 2022). An effective promotional strategy can increase purchase intention as consumers become more familiar with the product and motivated to try it. According to Abdurahman (2024), promotion is a way of communicating and persuading consumers to buy the products offered. Attractive, consistent, and well-targeted promotions play a significant role in enhancing purchase intention, especially amid intense business competition.

Price also plays an important role in shaping consumer purchase decisions and purchase intentions. Price is the amount of value exchanged that consumers must pay to obtain a product or service (Suhardi et al., 2022). In business contexts, price becomes a major competitive factor as it is directly related to perceived value and consumers' purchasing power. According to Supriyatna et al. (2021), price is the basis for generating profit, so companies need to set competitive prices that align with product quality (Supriatna & Hendratmoko, 2024). Safitri (2021) explains that price indicators include affordability, competitiveness, price suitability with product advantages, and price appropriateness with product utility (Safitri & Nurdin, 2021). Proper pricing encourages purchase intention because consumers perceive that they receive value equivalent to the cost incurred.

Service quality is also a key factor in attracting consumer purchase intention. Good service creates positive experiences that lead to customer trust and loyalty. Putri (2021) states that service quality refers to the seller's attitude in fulfilling the needs and desires of buyers to achieve satisfaction (Putri et al., 2021). The study by Mahe et al. (2023) found that good service quality makes buyers feel satisfied and more likely to make repeat purchases (Mahe et al., 2023). According to Winda and Kusumayadi (2021), the main function of service quality is to enhance customer satisfaction through optimal service (Winda & Kusumayadi, 2021). Service quality indicators, according to Rizky (2022), include tangibles, reliability, responsiveness, assurance, and empathy (Rizky, 2022).

Purchase intention refers to an individual's tendency or desire to buy a product as a response to external stimuli such as promotion, price, and service quality (Gunawan, 2021). Arianto and Difa (2022) explain that purchase intention increases when a product has good quality and meets buyer expectations (Arianto & Difa, 2020). Fasha et al. (2020) mention that purchase intention represents a psychological drive that motivates consumers to make a purchase (Fasha et al., 2022). According to Hariani (2013), the indicators of purchase intention consist of four dimensions: transactional intention, referential intention, preferential intention, and exploratory intention (Putra & Hariani, 2024). These dimensions

reflect how consumers' desire, recommendation, preference, and curiosity contribute to shaping their purchasing decisions.

Several previous studies also support the relationship between promotion, price, service quality, and purchase intention. Dita Mistianasari and Sri Yanti (2021) found that price perception, service quality, and promotion have a positive and significant influence on consumer purchase intention at KFC Batam (Mistianasari et al., 2021). Research by Achmad (2023) revealed that promotion and service quality, both partially and simultaneously, significantly affect purchasing decisions for fast food at Rocket Chicken Kebumen (Achmad, 2023). Umi Nelawati (2023) also found that product, price, and promotion significantly influence consumer purchase intention toward Lapis Labu products in Samarinda (Nelawati, 2023). Meanwhile, the study by Menik Aryani (2024) on Mixue in Mataram City showed that promotion has a significant effect on purchase intention, whereas service quality does not (Aryani, 2024). Similarly, research by Rizqy Tsaniya and Ni Luh Wayan Sayang Telagawathi (2022) found that product quality and price significantly affect consumer purchase intention at Kedai Kopi Nau in Seririt District (Tsaniya & Telagawathi, 2022).

Theoretically, the relationship among variables in this study is based on consumer behavior theory proposed by Kotler and Keller (2016), which explains that consumer purchasing decisions are influenced by external marketing stimuli such as promotion, price, and service quality. These three factors shape consumer perceptions and preferences toward a product, thereby affecting their level of purchase intention. Therefore, effective promotion, appropriate pricing, and high-quality service become essential strategies for companies to attract consumer attention and enhance purchase intention in an increasingly competitive market.



Figure 1. Five Stage Model of the Purchasing Decision Process

Source: Philip Kotler and Kevin Lane Keller (2016).

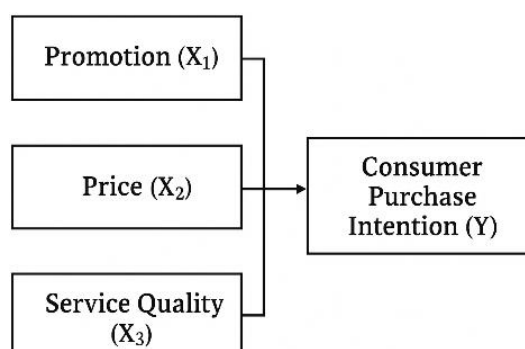


Figure 2. Conceptual Framework of Factors Supporting Customer Loyalty

Source: Primary Data

METHOD

The type of research used in this study is correlational research, which aims to determine the relationship or influence between two or more variables without making any changes or manipulations (Erwin Widiaspono, 2019).

The population in this study consists of all consumers who come to purchase products at Lazatto Chicken & Burger Youtefa. The sample size was determined using the Lemeshow formula, as the total number of consumers at Lazatto Chicken & Burger Youtefa is unknown.

Lemeshow Formula:

$$n = \frac{Z^2 P(1-P)}{d^2}$$

n = sample size

z = z-score at 95% confidence level

p = estimated proportion/population 0.5% d = 5% margin of error

This formula can be used to calculate the number of samples to be used in this study. Using the formula above, the samples to be taken are:

$$n = \frac{1,96^2 \cdot 0,5 \cdot (1-0,5)}{(0,010)^2}$$

n = 100 samples

The data collection methods used in this research are questionnaires and direct observation. Questionnaires were distributed to respondents who made purchases at Lazatto Chicken & Burger Youtefa. Direct observation was conducted to strengthen the data obtained from the questionnaires, ensuring that the collected data are comprehensive and reliable for research purposes.

Data Analysis Techniques:

1. Univariate Analysis

Univariate analysis aims to describe or explain the characteristics of each research variable. This analysis includes frequency distribution, percentage, and measures of central tendency (mean, median, mode), depending on the type of data. Univariate analysis serves as an initial step to understand data distribution patterns and identify deviations early (Wijayanti & Prasetyo, 2022).

2. Bivariate Analysis

Bivariate analysis is a statistical technique used to examine the relationship between two variables, typically between an independent and a dependent variable. The bivariate test can be performed using the Chi-Square test, Pearson correlation, or t-test, depending on the data type being analyzed. In this study, bivariate analysis was used to examine the effect of each independent variable on consumer purchase intention (Retnowati et al., 2021).

3. Multivariate Analysis

Multivariate analysis is used to analyze more than two variables simultaneously to explore complex relationships among variables within a single model. This technique helps researchers identify which variables have the most dominant influence in predicting an event (Rahmawati & Yuliana, 2020). This study employs multivariate

analysis through logistic regression to determine the simultaneous effects of promotion, price, and service quality on consumer purchase intention.

4. Logistic Regression Analysis

Logistic regression is a statistical analysis method used to predict the probability of an event occurring based on one or more independent variables and a categorical dependent variable. Logistic regression is appropriate when the dependent variable has two categories, such as yes or no, buy or not buy (Maulana & Riyanto, 2022). This method is particularly suitable for analyzing data measured on a categorical scale.

RESULTS AND DISCUSSION

This research was conducted with 100 respondents, who are consumers of Lazatto Chicken & Burger Youtefa. Based on respondent characteristics, 36% were male and 64% were female, indicating that female consumers make more purchases at the outlet. In terms of age, the majority of respondents were 31–40 years old (42%), while based on occupation, the majority were civil servants (41%). These findings suggest that the main consumer segment of Lazatto Chicken & Burger Youtefa consists of productive-age individuals with stable employment.

The description of the research variables shows that the average response scores for the variables of promotion, price, service quality, and purchase intention were categorized as good, with an overall mean score of 4.288. This indicates that, in general, consumers have a positive perception of the marketing activities and services provided by Lazatto Chicken & Burger Youtefa.

The bivariate analysis results show a relationship between each independent variable and the dependent variable. Based on the Chi-Square test, the promotion variable had a significance value of 0.010 (< 0.05), indicating that promotion has a significant effect on consumers' purchase intention. This suggests that the more intense and attractive the promotional activities, the greater the consumers' intention to purchase. This finding aligns with (Mistianasari et al., 2021), who found that promotion positively influences purchase intention at KFC Batam. However, this study also shows a negative direction in the logistic regression coefficient, indicating that an increase in promotion without an appropriate communication strategy may reduce the likelihood of purchase.

The price variable also shows a significance value of 0.002 (< 0.05), meaning that price has a significant effect on consumers' purchase intention. The Exp(B) value of 0.248 indicates a negative relationship between price and purchase intention, where an increase in price could reduce purchase intention by 76%. This implies that price is an important consideration for Lazatto's consumers, as most respondents come from middle to lower-income groups. This finding supports Supriyatna et al. (2021), who stated that consumers' perceptions of price fairness influence purchasing decisions. Therefore, Lazatto needs to adopt a competitive pricing strategy to remain attractive amidst competition from similar products offered at lower prices.

Meanwhile, the service quality variable shows a significance value of 0.436 (> 0.05), indicating no significant effect between service quality and consumers' purchase intention. Although service was generally rated as good, it has not had a direct impact on purchase intention. This may be due to operational factors, such as a limited number of cashiers, resulting in slower service during peak hours. This finding is consistent with Menik Aryani (2024), who found that service quality did not significantly affect consumers' purchase intention at Mixue Mataram City. Nonetheless, service quality remains important as a supporting factor in maintaining customer loyalty.

Based on multivariate analysis using logistic regression, the regression model was found to be fit (Hosmer and Lemeshow test significance value = 0.331 > 0.05). This indicates that the model is able to explain the relationship between promotion, price, and service quality on purchase intention. The Classification Table shows a model accuracy rate of 67%, suggesting that the model has a fairly good level of precision in predicting consumer purchase intentions. Simultaneously, the three independent variables influence consumers' purchase intention, although the direction of influence varies.

Overall, the findings reveal that promotion and price are the two dominant factors influencing consumers' purchase intentions at Lazatto Chicken & Burger Youtefa, while service quality does not have a significant effect. These results reinforce Kotler and Keller's (2016) theory of consumer behavior, which states that purchasing decisions are influenced by external factors such as promotion and price, shaping consumers' perceived value of a product. Therefore, to enhance purchase intention, Lazatto should improve interactive promotional strategies, adjust pricing according to local purchasing power, and enhance service quality to ensure consumers have a positive brand experience.

CONCLUSION

Based on the results of this study on the influence of promotion, price, and service quality on consumer purchase intention at Lazatto Chicken & Burger Youtefa, it can be concluded that all three variables affect purchase intention at varying significance levels. Promotion has a significant positive effect, indicating that effective promotional strategies—such as discounts and engaging product campaigns—enhance consumers' willingness to buy. However, infrequent updates in promotion may reduce its impact.

Price also significantly influences purchase intention but in a negative direction—higher prices reduce consumer interest. This shows that Lazatto's consumers are price-sensitive and value affordability and price-quality balance, emphasizing the need for competitive pricing.

In contrast, service quality does not have a significant effect on purchase intention, likely due to operational limitations such as limited cashier staff during peak hours. Still, maintaining good service quality remains essential for fostering long-term customer satisfaction and loyalty.

Overall, promotion and price are the most dominant factors shaping purchase intention. This supports Kotler and Keller's (2016) theory that purchasing decisions are

strongly influenced by external factors such as promotion and price. Therefore, Lazatto's success depends on its ability to design effective promotional strategies, offer competitive pricing, and continuously enhance service quality to encourage repeat purchases.

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