The Effect of Location and Promotion on Purchase Decisions Through Price as an Intervention Variable at The Surabaya UMKM Center, Kriya Gallery (Skg), Siola, Surabaya

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Abstract: *This study aims to analyze the influence of location and promotion on purchasing decisions, with price as an intervening variable, at the Surabaya UMKM Center, Kriya Gallery (SKG), Siola, Surabaya. The background of this study is based on the importance of strategic location and effective promotional strategies in attracting consumers and driving purchasing decisions, especially amidst intense business competition in the MSME sector. Furthermore, price also plays a crucial role as a bridge between marketing strategy and consumer decisions. The research method used was quantitative with a causality approach. The population of this study was all consumers who had made purchases at SKG Siola, Surabaya. The sampling technique used was purposive sampling, with specific criteria relevant to the research objectives. Data were collected through questionnaires distributed to respondents. Data analysis was conducted using Partial Least Squares (PLS) using SmartPLS software. The results showed that location and promotion had a positive and significant influence on price. Furthermore, location and promotion were also shown to have a positive and significant influence on purchasing decisions. Interestingly, price was shown to partially mediate the effect of location and promotion on purchasing decisions. This indicates that although location and promotion directly influence purchasing decisions, this influence is also partially channeled through consumer price perceptions.*

Keyword: Location, Promotion, Price, Purchasing Decision, MSMEs, Surabaya Kriya Gallery.

INTRODUCTION

Location is one of the determining factors for business success, especially retail businesses and shopping centers such as SKG Siola. Strategic location, easily accessible, and have good visibility tend to attract more consumers. According to Porter (1980:108), location is one of the competitive strengths that can give long term competitive superiority. Meanwhile, Tjiptono

(2015:206) explains that the ideal locations are locations that can minimize cost distribution and maximize potential sales. SKG Siola is located in the center of Surabaya city, namely in the building Siola, has superior accessibility. However, how much big influence location This to decision purchase consumers in the middle of competition with other centers modern shopping needs to be reviewed more carry on.

Besides location, promotion holds a vital role in introducing products and attracting consumer interest. Effective promotion can build brand awareness, educate consumers about product superiority, and ultimately encourage purchasing decisions. Kotler and Armstrong (2018:425) define promotion as activities that communicate brand products or services to the target market and persuade them to buy. Solomon (2017:390) added that promotion Not only about advertising, but rather covers various forms of marketing communication such as personal selling, sales promotion, relationships society and marketing directly. MSMEs at SKG Siola need a creative and relevant promotional strategy so that the product they know is broad and capable of competing. Use of social media, exhibitions, and collaboration with other parties can become a form of effective promotion (Yusuf et al. 2023).

A number of previous studies have studied the influence of location and promotion to purchase decisions, with or without involving price as intervening variable. Research by Widya (2017) found that location and promotion in a partial and simultaneous way have a significant influence on purchasing decisions. Similarly, a study by Puspitasari (2018) shows that promotion itself has a positive influence on purchase decisions, and price mediates the connection. However, the research often focuses on a more business context, big or specific product. Research This will focus on the context of MSME Centers, where the characteristics of products and consumer behavior Possible own uniqueness alone (Fajariani, Jaya, and Firdiansyah 2023).

Focus study This is To analyze in a comprehensive way How location and promotion influence consumers' purchase decisions at the SKG Siola Surabaya UMKM Center, with price as intervening variable. Selection of SKG Siola as location study based on its significance as development center of MSMEs in Surabaya and potential for attracting diverse consumers. Problems that arise are How MSME actors in SKG Siola can optimize their location and promotion To increase consumer buying interest, and to what extent the pricing strategy price plays a role as a bridge between variables and the purchase decision. Thus, this research is expected to provide a theoretical and practical contribution to the development of marketing strategies for MSMEs, especially in similar MSME centers, as well as providing a valuable outlook for government areas in supporting economic growth based on MSMEs.

Although Lots study has studied the influence of location, promotions, and prices in a way separated to purchase decisions, there is still limited research that is comprehensively integrating all three, especially with price as intervening variable, in the context of MSME centers. This study will fill in emptiness study and provide greater understanding deep about mechanism interaction between variables . Research results This is expected to provide practical recommendations for SKG Siola Surabaya managers, participating MSME actors, and government areas in formulating a better effective marketing strategy to increase Power competitiveness and sustainability of MSMEs in Surabaya.

LITERATURE REVIEW
Location

Location in business and marketing context refers to a place physical activity in which business operations, products offered, and transactions sell buy happened. This is a strategic factor determining accessibility for customers, business visibility, as well as potential market reach.

Selecting the right location is crucial because it can influence power pull something business, convenience distribution, operational costs, up to perceived value by consumers. Location does not only coordinate geographically, but also involves aspects such as environment around, infrastructure supporters, and the demographics of the target market around them.

Promotion

According to Assauri (2018), promotion is a company's effort to influence and persuade potential buyers through the use of all elements of the marketing mix. This promotional policy is inseparable from the integrated marketing mix policy, so its success or effectiveness is highly dependent on other marketing policies as a whole. From the explanation above, we can conclude that promotion is a marketing activity that introduces or informs consumers about goods so that consumers are interested in making purchases.

Price

According to Mardia et al. (2021), price is the amount of money spent on a product or service, or the amount of value exchanged by consumers to obtain benefits or use a product or service. According to Indrasari (2019), price is the amount of money consumers must pay to obtain a product. Price is an amount of money that has an exchange value to obtain benefits from a product or service (Handayani and Fathoni, 2019).

Purchasing decision

According to Kotler and Keller (2012) in (Cahya & Harti, 2015) purchasing decisions are decisions where consumers must go through several stages, namely problem recognition, information search related to the product or service offered, evaluation of the information obtained, purchasing decisions, and consumer behavior or responses after purchase. In the marketing process, great attention is paid to how the process of introducing goods to consumers is right at the right price and time in order to attract consumers to make purchasing decisions.

METHOD

This study will use a quantitative approach quantitative approach chosen. Because this study aims to test hypothesis and analyze causal connections between the variables studied, namely location, promotion, price, and purchase decision. With using numerical data and analysis statistics, it is expected to obtain objective and reliable generalized results.

Population in study This is all over consumers or visitors who have done purchase products at the Surabaya Kriya Gallery (SKG) Siola Surabaya UMKM Center. Considering the difficulty of identifying certain amount over consumers, population will be defined as the average number of visitors who make a visit transaction purchase in a certain time period, for example in three months final based on SKG internal data (if available), or with use approach population not limited if the data is No can be accessed.

Taking technique samples to be used is non-probability sampling with purposive sampling method. The selection of purposive sampling is based on considerations that samples taken must fulfill certain criteria relevant to objective research. Criteria sample includes: Consumers who have ever done minimum one-time purchase at the Surabaya Kriya Gallery (SKG) Siola Surabaya UMKM Center. And consumers who are willing to fill in questionnaire.

RESULTS AND DISCUSSION
Validity Test

The formula used to determine the validity of the questionnaire is the product moment correlation formula managed using the SPSS version 24 program. The significance test is carried out by comparing the calculated r value with the table r. The rule for the decision results of the questionnaire analysis is to compare the calculated r with the table r. If the calculated r ≥ table r for the error level α = 0.05, then the instrument is declared valid. Conversely, if the calculated r < table r then the instrument is declared invalid, and the table r value used is 0.1 9 17535. The questionnaire used, the questionnaire score and the complete validity calculation can be seen in the appendix, while the rules for the results of the variable analysis can be seen in the following table:

Table 1.

Uji Validitas		
No Item Pertanyaan	r hitung	Keterangan
Lokasi (X1)		
1	0,798	Valid
2	0,818	Valid
3	0,797	Valid
4	0,826	Valid
Promosi (X2)		
1	0,653	Valid
2	0,851	Valid
3	0,786	Valid
4	0,818	Valid
5	0,800	Valid
Harga (Z)		
1	0,817	Valid
2	0,802	Valid
3	0,689	Valid
4	0,790	Valid
Keputusan Pembelian (Y)		
1	0,727	Valid
2	0,654	Valid
3	0,835	Valid
4	0,776	Valid
5	0,786	Valid

Source: SPSS output attachment 24.0, 20 24

From table 1 above, it can be seen that the correlation between each indicator and the total construct score of each variable shows significant results, and indicates that the calculated r > table r. So it can be concluded that all question items declared valid.

Reliability Test Results Instrument

Based on these criteria, the reliability test tool used is the Cronbach Alpha technique. The results of the reliability test on all variables are shown in table 4.8 below.

Table 2 Reliability Test Instrument

No	Variables	Alpha	Information
1	Quality Product	0.920	Reliable
2	Promotion	0.927	Reliable
3	Price	0.902	Reliable
4	Buying decision	0.915	Reliable

Source: Processed primary data, SPSS 24.0, 20 24

The recapitulation of the reliability measurement results in table 4.8 above shows that the five variables have an alpha value > 0.6, thus the research instrument is suitable for use in data collection.

Research Hypothesis Testing
Path Analysis

The results of the structural model estimation analysis are presented in the following figure:
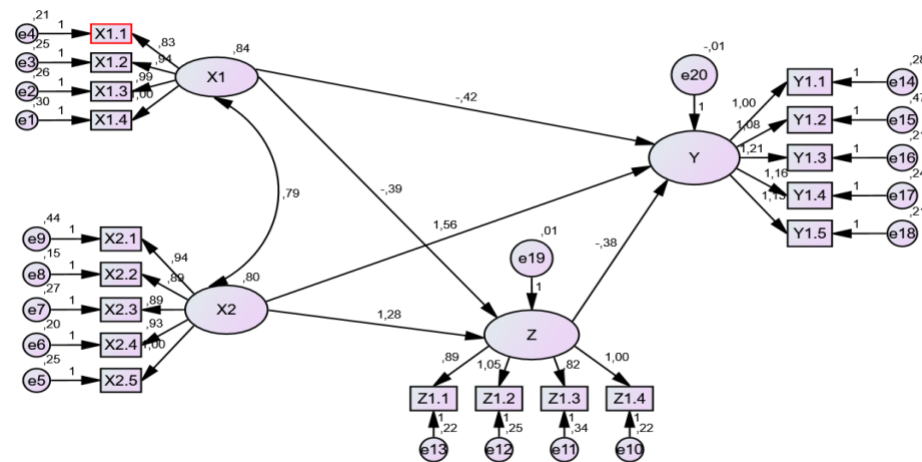
Figure 1. Structural Model 1Calculation results mark goodness of fit index produced by the modified model is as follows:

Table 3. Goodness of fit and cut off value of the model

Criteria	Model Test Results	Critical Value	Information
Probability X 2 chi-square	0.000 279.6904428	≤0.05	Fit Model
Cmin / df	2,166	≤5.00	Fit Model
RMSEA	0.033	≤0.080	Fit Model
GFI	0.972	≤0.90	Fit Model
AGFI	0.998	≤0.90	Fit Model
TLI	0.990	≤0.90	Fit Model
CFI	0.907	≤0.90	Fit Model

DISCUSSION

Based on testing results, this research concludes that a number of factors have a significant influence on purchasing decisions at the Surabaya Kriya Gallery (SKG) Siola Surabaya UMKM Center. Location: The location has a positive and significant influence on purchasing decisions. This is shown with mark P -value 0.021, which is smaller than 0.05. This means a strategic location participate contribute in push consumer For do purchase.

Promotion: Promotion is also proven to influence positively and very significantly to purchase decisions, with P -value 0.000. This shows that intensive and effective promotion efforts play a very important role in attracting consumer buying interest.

Price: Price has a positive and significant influence on purchase decisions, with P-value 0.031. Determining the right price is one of the determining factors for consumers in deciding to buy a product.

Impact on Price

Location to Price: Testing shows that location itself has a positive and significant influence on price, with P -value 0.041. This indicates that location can influence consumer perception to price product or even cost operations that impact the determination of price. (Note: These Points

call "Quality" Product" in the description, but the title is "Location Against Price". Summary This follows title points awarded.)

Promotion on Price: Promotions are also proven to influence positively and very significantly to price, with P -value 0.000. This can mean that certain promotional strategies can influence how product prices are perceived by consumers.

Indirect Influence (Through Mediation)

Location on Purchasing Decisions Through (Mediation): Yes positive and significant influence from location to decision purchase through mediation (although variables mediation No mentioned in a way explicit at the point here, it says "Quality" Service " in description). The P - value of 0.028 indicates existence effect No direct.

Promotion on Purchasing Decisions Through Price: Promotion own influence positive and significant to decision price - mediated purchases, with P -value 0.028. This means promotion can influence purchase decisions not only in a direct way, but also through impact on perception or price determination.

CONCLUSION

In a way overall, this research confirms that location, promotions, and prices are crucial factors that need to be paid attention to by the MSME actors at SKG Siola Surabaya to increase consumers' purchase decisions. In addition, there is also an interaction between location and promotion with price, and no direct influence through mediation variables.

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