Abstract.

The development of the world of tourism, which continues to increase is certainly a support for the Tour and Travel business. One of the attractions of a tourist is a tourist attraction. Therefore, tourists need in their tour to travel to places that are interesting and able to provide comfort, serenity, and joy in itself. The purpose of this study to find out the relationship of personal sales service, price perception, and quality product to the package purchase of the travel package incentives. The object of this study is all customers of Preferred Tours Management Jakarta. The sample in this study are Preferred Tours Management customers in Jakarta, with 155 respondents. Purposive sampling method was used and the sample were selected based on its characteristics. Data were processed using Smart PLS (partial least square) 3.0. The results of hypothesis testing in this research explain that service quality influences purchasing decisions, but price has a negative and significant effect. Besides, product quality also has a significant influence. Therefore, considering the existing market, the company requests an increase in purchases by paying attention to service quality and product quality through the application of attractive prices.

Keywords: service quality, price, product quality, purchasing decisions

1. Introduction

The real impact of the Covid-19 pandemic can be seen in all industrial sectors in the world, one of which is the tourism industry. The linkage with the impact of the Covid-19 pandemic has an influence on other industries, namely hospitality, transportation, micro small and medium enterprises (MSMEs), especially businesses in the field of travel agents and tourism.

Industry tourism that is increasingly rapid and advanced in terms of the effectiveness of travel and tourism causes very strong competition and attracts traveling products or
services to seize the tourism market. Therefore, a planned strategy is needed in getting the attention and heart of the community.

Travel is a type of business engaged in the service sector that serves various needs of customers who want to travel to a place [1]. The development of the increasing world of tourism is certainly a support for the Tour and Travel business. This is because business does not only rely on consumers or tourists who increase, but the factors that make tourists increase are also factors that support the smooth running of the business. Therefore, the increase in tourism as in these indicators has a major influence on the best-selling tour and travel business.

However, in today’s digital era, tourists very easily access vacation needs by only using gadget or cellphones to get their needs during vacations starting from flight tickets, to entrance tickets to tourist attractions with just one touch. Flight tickets can be issued from airlines. The mold of Travel Online has now eroded the Tour and Travel market on a walk-in basis or usually customers who come to the agent tour.

<table>
<thead>
<tr>
<th>Table 1: Travel agent online growth table.</th>
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<td>Tiket.Com</td>
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<td>Traveloka</td>
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<td>Pegi Pegi.Com</td>
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<td>Airy</td>
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<td>Blibli.Com</td>
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<td>Nusa Trip</td>
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<td>Go Indonesia</td>
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</table>

Source: Daily social

From the Table 1, Traveloka’s company is ranked first with a growth of 76.22% then followed by Tiket.com this is a challenge for tour agents who only run their business in an offline. The development of the travel business world is marked by increasingly sharp competition, seeing the challenges that come from this phenomenon, especially in the management of the company’s business units in which there is one MICE division that accommodates demand and implementers for incentive travel organizers. Where in this division it is unlikely that Travel Online can compete with the requested service according to customer requests.

Incentive trips are often described as business trips designed to motivate or stimulate employee performance or as a reward for actions taken by employees or business partners [2]. In practice, incentive travel is not only organized by a company but there is also a demand for family travel packages where the characteristics of the travel packages offered are all inclusive or travel packages that are included in all of this,
making travel packages for families privacy trips are not combined with tour participants others and will cause many additional requests outside of the predetermined event program. Therefore, this is one of the opportunities that can open a new business with a company that only focuses on customer demand related to incentive travel, both B2B sales and business to customer (B2C) sales that focus on customer demand for the need for family travel.

The phenomenon that occurs is an increase in the number of incentive trips for Preferred Tours. According to sources from internal preferred tours management (2022) data, there is an increase in incentive travel at this time, that the increase continues to increase every month, and there is a decline in departures in May 2022 which can be seen in the column of total tour participants reaching 1,150 people. Preferred Tours can grow in the incentive travel business quickly.

In addition to Preferred Tours is a travel agent founded by entrepreneurs who have dived into the field of tourism, especially incentive travel, more than 20 years of experience so that Preferred Tours can develop quickly, Preferred Tours also has staff who are tourism graduates with long enough experience in the world of tourism, especially the incentive travel section so that they are able to provide the best and professional service at the time present or offers to customers. One of the advantages offered by Preferred Tours is fast service and also has an extensive network with suppliers such as travel tickets, hotels to local agents, this is able to make the price of tour packages made based on customer requests more friendly or more competitive with other travel agent companies.

In addition, the Preferred Tour staff excels in making arrangements for attractions that will be visited by customers when incentive travel requests are received customers will usually mention various requests and Standard qualifications that will be used in the tour which will be subsequently made by the staff of Preferred Tours include airlines, standardization of the use of star-rated hotels starting from 3-star to 5-star hotel usage, total days and night trips with special requests such as preparing a special dinner or gala dinner that requires a special room along with a complete sound system.

With the services that have been described above, it is felt that it provide convenience for consumers to determine whether to adopt preferred tours services as incentive travel agents. Preferred Tours has also collaborated with several airlines that provide group promo ticket prices or net to agent prices which will usually be cheaper with some requirements, and have a good relationship with local agent suppliers around the world.

Importance of product quality, there is a price. Consumers are very concerned about price in the modern economy now, consumers prioritize emotions in making decisions
to buy. Through the benefits and also the quality implied in it, it is used as one of the important attributes for the community in determining purchasing decisions. Kertajaya [3] added that low prices do not guarantee that the product will sell well but prices that are too expensive will cause consumers to feel cheated if they do not match the perceived value.

Product quality according to, Kotler [4] the product is capable of being demonstrate the benefits, includes all durability, reliability, accuracy, ease of use and easy to repair products. Purchasing decisions is important for some companies and consumers. The purchase decision has become the main goal for some businessmen because it is to retain customers who have already made the decision to buy the product. It can be said that there is a relationship between purchasing decisions with product quality and service quality [5].

In several previous studies, it was stated that the factors that influence purchasing decisions can be caused in quality service factors, as was done by Qalati et al. [6], in their research explaining service quality has a big influence on factors indicates that currently most consumers are starting to expresses the demand for excellent service. In Indonesia, several studies have examined that purchasing decisions are influenced by factors, namely service quality, price, product quality, and value [6-9].

Service quality is still a crucial issue in purchasing decisions. The purchasing decision is a crucial stage where someone will make the final decision to buy the product we produce or not [10]. In the service industry, especially travel agents, the quality of service in work operational standards has a major impact on customer service. However, researchers find it difficult to find studies on the effect of service quality on purchasing decisions industry, especially travel agents. For this reason, this study fills the existing research gap.

According to Pitaloka and Widyawati [11] in his research, quality of service is the actions and abilities of employees in a company that are carried out with full commitment to provide the best and quality service to consumers, fellow employees, and company leaders. Service quality can identified by comparing consumer opinions of he services they receive with services that match their expectations of the service attributes of an organization.

Meanwhile, according to Darmawan et al. [12] in his research, service quality can be defined as how far the difference between reality and customer services they receive. The quality of service can be known by comparing the perceptions of customers towards the service. Service quality is an added value of a product in terms of providing benefits to consumers, where when a product of goods or services is equipped with good
services, it will cause a feeling of comfort from consumers which will cause a tendency for consumers to reuse products [13].

Definition of Service Quality according to Tjiptono et al. [14] service quality is the expected advantage and control over this advantage to meet consumer needs. There are two main factors influencing service quality, namely expected and perceived service. From definition of the experts above, it can be concluded that service quality is an added value in a product by providing perfection of services carried out by service providers in meeting customer needs and desires and their customer expectations can be realized. Personal selling has different characteristics than other promotional tools. In the description of the product indicated by the unit value of the product. The value of an item can be shown in detail with the characteristics possessed by the product [15]. According to Keller and Kotler [16] today several industries have depended on qualified marketing personnel to find potential customer locations, find potential customers to target their products in developing business ventures. Industries can look for agents and distributors to make direct sales.

Kotler and Keller [17] explain price is part of the marketing mix elements which means generating income and costs. Company usually develops pricing reflects variations in demand by customers which are also influenced by demographic factors of people who want to buy certain products. How consumers come on the price is an important marketing priority. There are three key topics of the price are reference price, quality price assumption, and price suffix. The author takes these three topics into the dimensions of research on the price.

According to Armynda and Muqorrobin [18] the definition of price is something that is very important for consumers to pay attention to when buying a product or service. If consumers feel that they are satisfied with the price offered, they will tend to repurchase the same product. In competition for consumers, a company must be able to understand consumers better than its competitors. Paradigm shifts, lifestyle dynamics, and various other environmental changes have had an impact on how consumers perceive the prices of the products/services they will consume [19]. The price of an item or service can be seen in the benefits and uses of the product purchased, to win the hearts of consumers, the company must understand the ability / purchasing power of the community. Price as the value of a product expressed in money [20]. Purchasing decisions are influenced by two price indicators, namely location and information.

Dapas et al. [21] added that low prices do not guarantee that the product will sell well but too expensive prices will cause consumers to feel cheated if they do not match the existing perceived value. Khatoon et al. [22] stated if the price is expensive, the
quality of the product should be good, on the contrary, the price is cheap, the quality is perceived as bad.

Price reflects the perception of customers or consumers lest a product or service that actually has a high value in the eyes of the customer its value decreases because the price set is low. On the contrary, the product or service that the customer perceives does not give too much value to them being sold at a high price so that eventually customers are reluctant to buy it. Customers make price as an indicator of the quality of a product. If the price is expensive, the quality of the product should be good, on the contrary, the price is cheap, the quality is perceived as bad [23].

Companies have ways to communicate with consumers, including by communicating which is part of the product introduction promotion offered. The definition of promotion [24] is holding activities that communicate the superiority of the goods offered and influence customers to buy. Alma [25] defines the meaning of promotion as follows, promotion is part of series of marketing activities for a product or service. Promotion is a field of marketing activities and is a communication carried out by the company to buyers or consumers which includes news, persuasion and influence. Unlike the case with the definition of promotion according to Stanton who was quoted by Febriana et al. [26] who defined the meaning of promotion as follows, Promotion is an exercise in information, persuasion and conversely, a person who is persuades is also being informed. The definition states that Promotion is an exercise in information, persuasion and vice versa, by people persuading to be informed. Based on the definition above, promotion is an effort to notify or offer products or services at the destination by attracting potential consumers to buy or consume them. With the promotion of manufacturers or distributors expect an increase in sales figures.

According to Supangkat and Supriyatin [27] quality product is the character of a product that has the ability to meet customer needs. Product quality has a direct influence on performance products and services so it direct influence between value and customer satisfaction. This definition is a consumer-centered definition of quality so that it can be said that a seller has provided good quality products and services so that it meets or exceeds consumer expectations.

According to Mardhotillah [28] that the definition of product quality is something that can be fulfilled wants and needs of consumers. So it can be said that quality is not only related to product quality, however also to other needs are accuracy of delivery, affordable prices, service that satisfies customers and can be fulfilled by government regulations related to marketed products. According to Darmawan [12],
giving a definition of a product is everything an be offered into make market noticed, owned, consumed to satisfy wants and needs.

According to Khatoon et al. [22], states that consumers’ purchasing decisions are determining the choice of product is carried out by the buyer through the stages it passes. Customers in making decisions to buy products begin with planning the needs needed, then consumers will look for information about the existence of the product they want.

Consumers in the process of seeking information is done by collecting all the required product characteristics to select the available alternatives. For consumers, the decision-making process is an important activity because the process contains various steps that occur sequentially before consumers make decisions. So it can be concluded that a purchasing decision is an activity or action that evaluates two or more behaviors and chooses one as an alternative option as a form of behavioral desire [23].

Meanwhile, according to Hanifa et al. [24] purchasing decisions are a series of consumer decisions in buying there are elements of choice faced, in order to choose the goods needed. This selection process can be called the evaluation of information. Various criteria exist in the minds of consumers to choose a brand that is believed to provide value. Consumers who have high tastes for the selected product will consider it in detail.

2. Methods

The research was conducted at the preferred tour management in Jakarta, beginning with problem identification, formulating the problem, looking for previous research literacy and use the variable theory. Population in this research is all preferred tour management customers. The study was conducted using a non probability sampling method, which is a sampling technique that does'n provide equal opportunities for each element or member of the population to be selected into sample, using purposive sampling techniques, where samples are selected based on their characteristics. Sample used in this study are 155 sample. Data analysis used Smart PLS.

3. Results and Discussion
3.1. Path analysis test results

The results of the hypothesis test can be seen from the results of the boostraping test by looking at the parameter coefficients and the significance value of the T-statistik by looking at the table number of 1.96. The results of hypothesis testing can be seen in the following Table 2.

<table>
<thead>
<tr>
<th>Table 2: Hypothesis testing results.</th>
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<tr>
<td><strong>Quality of Service Purchasing Decisions</strong></td>
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<tr>
<td>Quality of Service Purchasing Decisions</td>
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<tr>
<td>Purchase Decision Pricing</td>
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<td>Product Quality Purchasing Decision</td>
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3.1.1. The effect of service quality on purchasing decisions

Based on the hypothesis test in this study, the results of the T-statistical value of 8.568 were obtained, the original sample value was 0.870, and the P values value was 0.000. The T-statistic value is greater than the T-table value of 1.96, the original sample value is a positive value, and at the P Values value shows less than 0.05, this result shows that the quality of service has a positive and significant effect on the decision purchases.

This research shows that in general, consumers choose marketers who feel comfortable in communicating when there are questions from consumers who want to find out more about the product to be purchased. Friendly, friendly, ready to serve and able to provide information is the attitude needed by consumers from marketers so that this action encourages consumers to make purchases, and vice versa if marketers show opposite behavior, consumers will provide bad behavior, namely not doing the purchase process. The services needed are not only in the form of behavior but how marketers are able to pay attention to products that have been purchased and have even been used by consumers.

Research is supported by Kumar and Ghodeswar [29], the results of his research say that service quality influences purchasing decisions. Syahfutra [30] and Fadilah [31] stated that service quality has a significant influence on purchasing decisions where when consumers feel satisfaction with the service provided, the food is consumers will decide to buy a product or service that matches expectations.
3.1.2. The effect of price on purchasing decisions

Based on the hypothesis test in this research, the results of the T-statistik value of 6.264 were obtained, the original sample value was -0.392, and the p values are 0.001. The T-statistik value is greater than the T-table value of 1.96, the original sample value is a negative value, and at the P-values value shows less than 0.05, this results shows that the price a negative and significant effect on the purchase decisions.

This is because the price is one of the values that consumers exchange for the benefit of owning or using products and services whose value is set by buyers and sellers through bargaining or set by the seller for one price that is the same against all purchases. Where in this study customers are more interested in making a purchase on a product or service offered at a low price and provide benefits that are in accordance with the price. So it can be said that the lower the price offered by the service providers of products and services, the more interested the buyers will be in making purchases of products and the services offered.

The results of this study support research conducted by Apriliya [32] which found that promotion and service quality have a significant influence on purchasing decisions while prices do not have a significant influence on the purchasing decisions. The results of this study show that products, prices, places, promotions and service quality each have a significant effect on purchasing decisions at Convenience Stores: a survey of adults in Bekasi [33].

3.1.3. The effect of product quality on purchasing decisions

Based on the hypothesis test in this study, the results of the T-statistical value of 3.452, the original sample value of 0.266, and the P Values value of 0.002. The T-statistic value is greater than the T-table value of 1.96, the original sample value is a positive value, and at the P Values value shows less than 0.05, this result shows that the quality of the product has a positive and significant effect on the purchase decision.

The perception of product quality is also one of the consumer factors in basing the perception assessment of the interest in buying the product. For example, low quality will be a negative role in influencing consumers to the interest in buying products. On the other hand, if consumers perceive the product or service offered as excellent quality, then the perception of quality will play a positive role in influencing consumers’ purchasing decisions. This is because the quality of the product is able to influence the interest in buying products by creating superior and competitive products, as well as
creating products at affordable prices so as to allow companies to survive in various economic conditions.

This research is supported by Febriyani [34] who states that product quality and price have a positive and significant effect on purchasing decisions. Mukhlis [35], Pangesti and Sri [36] stated that the perception of product quality and promotion has a positive and significant effect on the decision to use.

4. Conclusion and Suggestion

The service quality has effect on purchasing decisions in preferred tours management customers. This means that the better the quality of services provided by the company, the better it will affect the decision of consumers to buy and sell the products or services offered. Price has a significant negative effect on purchasing decisions in preferred tours management customers. This means that the lower the price offered by the service providers of products and services, the more it will encourage consumers in deciding on their purchases. Product quality has a positive significant effect on purchasing decisions in Preferred Tours Management customers. The perception of high quality of the products and services offered will increasingly make customers interested in making purchases.

Preferred Tours should determine the relationship with consumers, including do not neglect customers after traveling this can be done by contacting consumers again after traveling, using testimonials to attract loyal customers. Preferred Tours must improve product quality, such as beautifying the packages offered, namely by making gold packages, platinum and silver packages so that consumers will feel the appropriate service with the desired package. Suggestions for subsequent researchers, can use variables that have not been researched by the author such as, Customer satisfaction, Loyalty, Marketing Mix, Repurchase Intention, Promotion, Marketing Mix, Customer Experience and others.

References


