The Role of Service in Mediating the Influence of Price on Digital Alliance Purchase Decisions at PT Agres Medan Teknologi

Dini Irhamna, Slamet Widodo, Husni Muharram Ritonga

Abstract

This study aims to analyze the effect of price on consumer purchasing decisions, with service quality as an intervening variable, on Digital Alliance products at PT Agres Medan Teknologi. Rapid developments in information and communication technology have changed marketing patterns and consumer behavior, particularly in the computer hardware industry, which is growing rapidly in the gaming and high productivity sectors. PT Agres Medan Teknologi, as a distributor of Digital Alliance products in Medan, faces challenges in maintaining and increasing consumer purchasing decisions despite competitive product prices and reliable performance. This study uses a quantitative approach with primary data collection through a survey of 180 consumers. The results of the analysis show that price has a significant effect on purchasing decisions, both directly and through service quality, which functions as a mediating variable. This study also found that good service quality can strengthen the influence of price on purchasing decisions. Based on these findings, it is recommended that PT Agres Medan Teknologi better tailor its products to consumer needs and improve service quality to maximize purchasing decisions. This study provides important insights for companies in designing more effective marketing strategies, with a focus on competitive pricing and optimal service.

Keywords: Price, Purchase Decision, Service

Dini Irhamna[1]
[1]Bachelor of Management, Universitas Pembangunan Panca Budi, Indonesia e-mail: Dini.irhamna97@gmail.com[1]

Slamet Widodo[2], Husni Muharram Ritonga[3]
[2,3]Master of Management, Universitas Pembangunan Panca Budi, Indonesia e-mail: widodoprofesional@gmail.com, husnimuharram@dosen.pancabudi.ac.id
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Introduction

The development of information and communication technology in the digital era has created a major transformation in consumer behavior and company marketing patterns. One of the significant impacts of this technological advancement is the increasing market demand for computer hardware, especially in the gaming and high productivity sectors. Companies engaged in this industry must compete fiercely not only in terms of technological innovation but also in the implementation of marketing strategies that are able to attract and retain customer loyalty. Therefore, understanding the factors that influence consumer purchasing decisions is very important.

In the context of the computer hardware industry in Indonesia, one local brand that has experienced rapid growth is Digital Alliance. This brand offers a variety of products ranging from graphics cards and monitors to gaming accessories. PT Agres Medan Teknologi is one of the official distributors of Digital Alliance products in the city of Medan. Although Digital Alliance is known for its competitive prices and reliable product performance, the company still faces challenges in maintaining and increasing consumer purchasing decisions. This is important to research because purchasing decisions are not only influenced by product technical specifications but also by marketing factors such as price, promotions, product quality, and service quality.

According to Kotler and Armstrong (2023), price is one of the important elements in the marketing mix that directly influences customer value perception. Herawati et al. (2025) found that price has a significant effect on customer satisfaction and impacts purchasing decisions. Consumers tend to compare price with the quality obtained, so affordability and price suitability are key factors in choosing a product. However, in practice, some consumers feel that the price of Digital Alliance products still needs to be reviewed when compared to the features and performance offered by foreign competitors. The problem that arises is dissatisfaction with the perception that the price is not commensurate with the benefits, which has the potential to reduce consumer interest in purchasing.

Apart from price, promotions also play an important role in influencing consumer behavior. Promotions not only create consumer awareness of a product, but also shape perceptions and encourage purchasing actions. Kotler and Armstrong (2023) state that promotions are activities that aim to communicate product value and persuade consumers to buy. Research by Altauriq and Hadisuwarno (2024) shows that promotions that are carried out consistently and in line with the target audience can significantly increase purchasing decisions. In the context of Digital Alliance, there are obstacles in the reach of promotions that are not yet evenly distributed across all digital and offline platforms, resulting in suboptimal product visibility among potential consumers.

Product quality is also a major factor in creating customer satisfaction and loyalty. According to Kotler and Keller (2021), product quality is the ability of a product to perform its function as expected by consumers. Quality aspects include reliability, durability, product features, and specification suitability. A study by Sugeng Widodo et al. (2023) confirms that product quality has a significant effect on purchasing decisions. Quality products will build consumer trust and encourage repeat purchases. Although Digital Alliance is known for its competitive product performance, some users have complained about the durability and availability of after-sales service for certain products, which affects their overall perception of quality.

In addition to these three factors, service quality is an important aspect that should not be overlooked. Service quality encompasses various dimensions such as reliability, responsiveness, assurance, empathy, and physical evidence (Kotler and Keller, 2021). Good service creates a positive experience for consumers, strengthens long-term relationships, and increases loyalty. Widodo (2021) in his research at Molivia Cafe Medan found that service quality has a significant influence on customer satisfaction. Meanwhile, Widodo and Ferianto

(2024) showed that service combined with product innovation and digital marketing has a significant positive impact on tourist satisfaction in the city of Medan.

Purchase decisions are the result of interactions between various internal and external factors that influence consumer attitudes and behavior. Kotler and Keller (2016) state that purchase decisions are influenced by consumers' personal characteristics, social and psychological factors, and the marketing elements offered by companies. In many cases, the influence of price, promotion, product quality, and service quality does not directly drive purchasing decisions, but is mediated by consumer trust in the product and brand. This situation highlights the need for empirical studies to identify the dominant factors that influence purchasing decisions for Digital Alliance products in Medan.

Based on this background, this study aims to analyze the influence of price, promotion, and product quality on purchasing decisions, with service quality as an intervening variable. This study was conducted on consumers of Digital Alliance products at PT Agres Medan Teknologi, with the hope of providing a deeper understanding of consumer behavior and serving as a basis for more effective and efficient marketing strategies to increase customer satisfaction and loyalty.

Theoretical Foundation

2.1 Purchase Decision a. Definition of Purchase Decision

According to Kotler and Keller (2020), a purchase decision is a process that consumers go through to select, purchase, and use a product or service. This process involves a number of stages that are influenced by various external and internal factors.

b. Indicators of Purchase Decisions

The indicators of purchasing decisions according to Kotler and Keller (2020) are:

1. Perceived Needs or Problems

   The first indicator in the purchasing decision process is the recognition of a need. If consumers feel that there is a deficiency or problem that needs to be addressed, they will tend to seek solutions through specific products or services.
2. Information Obtained

   Consumers gather information from various sources (internal and external) about products or services. This indicator includes how consumers access information through advertisements, recommendations from friends, product reviews, and personal experiences.
3. Evaluation of Alternatives

   Consumers will evaluate various product or brand alternatives. Factors considered include price, quality, product features, and brand. This evaluation includes comparing products based on criteria that consumers consider important.
4. Purchase Behavior

   The decision made by consumers to purchase a product or service based on the evaluation that has been carried out. At this point, the purchase decision indicator includes whether consumers buy the product or choose other alternatives.
5. Post-Purchase Behavior

   After making a purchase, consumers assess whether their decision was the right one. This indicator includes the level of consumer satisfaction with the product or service purchased, which can influence loyalty and future purchasing decisions.

2.2 Service a. Definition of Service

Tjiptono (2020) states that service quality is an effort to meet customer needs and desires.

b. Service Indicators

According to Tjiptono (2020), there are five main indicators used to measure service quality in the context of service marketing. These five indicators are known by the acronym REACT:

1. Reliability
   The ability of service providers to deliver promised services accurately and reliably, in line with customer expectations.
2. Responsiveness
   The willingness and ability of staff to assist customers and provide prompt and timely service.
3. Assurance
   The knowledge, skills, courtesy, and ability of staff to create a sense of trust and comfort for customers.
4. Empathy
   The ability to understand and give individual attention to customers, as well as build good relationships.
5. Tangibles
   The physical aspects of service, such as facilities, equipment, and staff appearance that reflect professionalism and service quality.

2.3 Price a. Understanding Price

According to Kotler and Armstrong (2022), price is the amount of money charged for a product or service, or the amount of value that consumers must pay to obtain the benefits of owning or using that product or service. **b. Price Indicators**

According to Kotler & Armstrong (2022), price indicators can be seen from several factors that influence consumers' decisions to accept or reject the price of a product or service. Some price indicators according to them include:

1. Perceived Value

   Consumers tend to pay prices that correspond to the value they perceive in a product or service. If consumers feel that the price they pay is commensurate with the benefits they receive, they will consider the price to be fair value.

2. Competitive Pricing

   The price of a product or service also needs to take into account the prices offered by competitors. If the price is higher than that of competitors without a clear reason, consumers may switch to other products that are cheaper or comparable.

3. Costs and Profit Margins

   Production and distribution costs are important indicators in determining prices. Companies must ensure that the prices set are sufficient to cover costs and provide an adequate profit margin, while remaining competitive in the market.

4. Market Demand (Demand Sensitivity)

   Prices are also influenced by the level of market demand. If demand for a product is high, companies may be able to set higher prices. Conversely, when demand is low, prices need to be adjusted to attract consumers.

5. Psychological Impact

   Price can influence perceptions of product quality. Higher prices are often seen as an indication of better quality. Therefore, companies need to consider the psychological effects of pricing.

6. Price Flexibility

   Some companies can adjust their prices based on various external factors, such as market conditions, seasonal trends, or changes in production costs. This price flexibility can help companies remain relevant and competitive.

2.4 Conceptual Framework

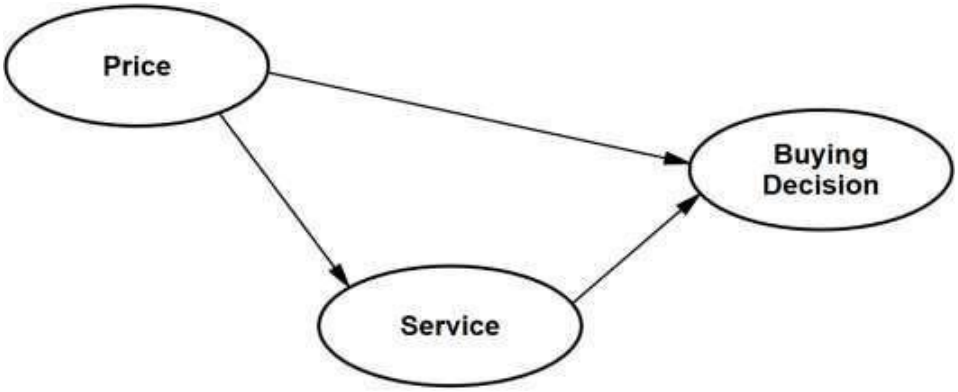

Figure 1. Conceptual Framework

2.5 Research Hypotheses

H1: Price has a positive and significant effect on the purchasing decisions of Digital Alliance consumers at PT Agres Medan Teknologi.

H2: Price has a positive and significant effect on customer service at Digital Alliance at PT Agres Medan Teknologi.

H3 Service has a positive and significant effect on consumer purchasing decisions at Digital Alliance at PT Agres Medan Teknologi.

H4: Price has a positive and significant effect on consumer purchasing decisions through Digital Alliance services at PT Agres Medan Teknologi.

Research Method 3.1 Type of Research

The type of research used by the researcher is quantitative research. This type of quantitative research is conducted to create a study that aims to adjust a study and to analyze the influence of price and brand image on purchasing decisions with service as an intervening variable (case study of Digital Alliance at PT Agres Medan Teknologi).

3.2 Research Location and Time

The research location was conducted on consumers who made purchases at PT Agres Medan Teknologi, located at Jl. Mojopahit No.12E, Petisah Tengah, Medan Petisah District, Medan City. PT Agres Medan Teknologi is a company engaged in the distribution and sale of computer devices, including Digital Alliance products.

3.3 Population and Sample

According to Hair et al. (2023), in quantitative research, understanding the population is very important because the data collected from the sample is used to generalize the findings to a wider population. The population can be finite (e.g., all consumers in a city) or infinite (e.g., all customers of a particular product worldwide).

Sampling in this study used the formula developed by Hair et al. Sample determination usually uses a rule of thumb, which is to multiply the number of indicators or latent variables by a multiplier between 5 and 10. The recommended minimum sample size is 5 times the number of indicators. In this study, 20 indicators were used, multiplied by 9, resulting in a sample size of 180 samples.

3.4 Research Data Sources

The data source used in this study is primary data.

Results Outer Model Analysis

Outer Model Analysis using the PLS Algorithm produced the following results:

Validity Test

Table 1. Outer Loadings Values

	Buying Decision	Price	Service
X1.1		0.856	
X1.2		0.857	
X1.3		0.859	
X1.4		0.843	
X1.5		0.868	
X1.6		0.906	
Y.1	0.883		
Y.2	0.900		
Y.3	0.877		
Y.4	0.900		
Y.5	0.890		
Z.1			0.891
Z.2			0.894
Z.3			0.888
Z.4			0.910
Z.5			0.909

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value
≥ 0.70. This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

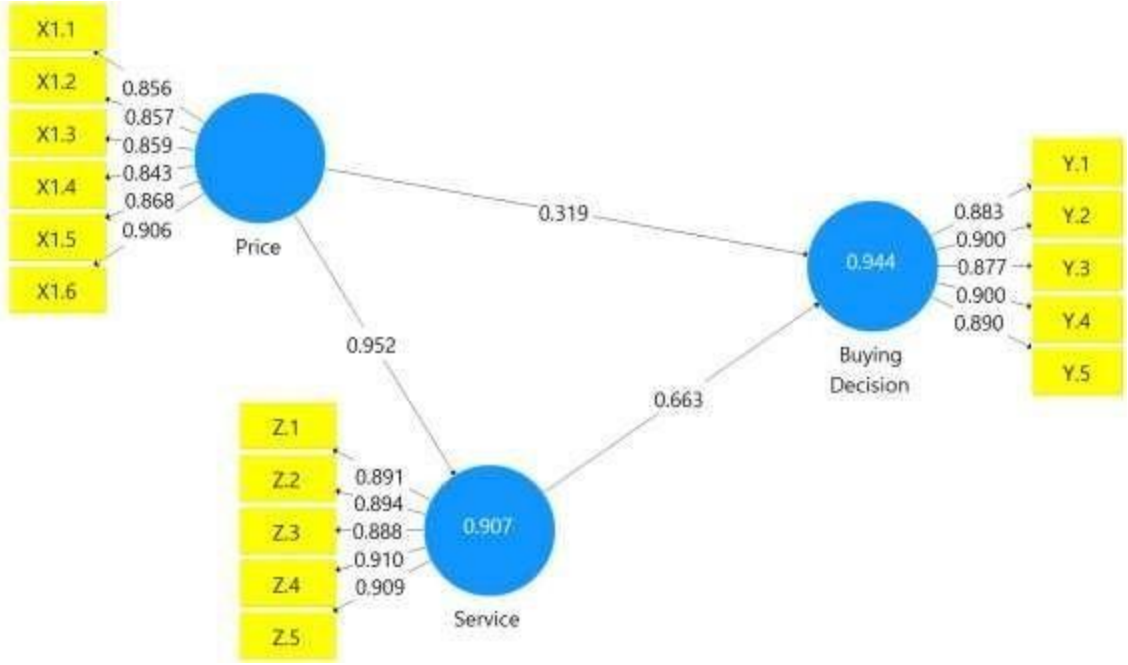

Figure 1. Outer Loading

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Buying Decision	0.935	0.935	0.950	0.793
Price	0.933	0.934	0.947	0.749
Service	0.940	0.940	0.954	0.807

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing.

Coefficient of Determination (R^2)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the Rsquare estimation results using SmartPLS.

able 3. R Square Results

	R Square	Adjusted R-Square
Service	0.907	0.907
Buying Decision	0.944	0.944

Source: Smart PLS, 2025

Table 3 shows the R square values for both dependent variables. For the service variable, the R square value is 0.907, meaning that the influence of price is 90.7%, with the remainder attributable to other variables outside the model. The R square value for the purchase decision is 0.944, meaning that price, brand image, and service account for 94.4%, with the remainder attributable to other variables outside the model.

4.1 Structural Model Testing (Inner Model) Hypothesis Testing a. Direct Influence Between Variables

The direct effect between variables can be seen in the path coefficients. The data processing results show the direct effect values in the following table.

Table 4. Path Coefficients (Direct Effects)

	Original Sample	T Statistics	P Values	Conclusion
Price -> Buying Decision	0.319	4.252	0.000	Accepted
Price -> Service	0.952	100,701	0.00	Accepted
Service -> Buying Decision	0.663	8,697	0	Accepted

Source: Smart PLS Output, 2025

Table 4 shows the following direct effect values:

1. Price has a positive and significant effect on purchasing decisions with a t-statistic value of 4.252 above 1.96 and a significance of 0.000 below 0.05, meaning that price has a real effect on purchasing decisions because the significance value is below 0.05 . The results of this study are in line with previous studies, namely that price has a positive and significant effect on purchasing decisions (Nasution et al., 2019; Hertina, 2022).
2. Price has a positive and significant effect on service with a t-statistic value of 100.701 above 1.96 and a significance of 0.000 below 0.05, meaning that price has a significant effect on service because the significance value is below 0.05. This study is in line with research stating that price has a positive and significant effect on service quality (Putra et al., 2022).
3. Service has a positive and significant effect on purchasing decisions with a tstatistic value of 8.697 above 1.96 and a significance of 0.000 below 0.05, meaning that service has a real effect on purchasing decisions because the significance value is below 0.05. The results of this study are in line with previous studies, namely that service has a positive and significant effect on purchasing decisions (Karta et al, 2023).

b. Indirect Influence Between Variables

The indirect effect between variables can be seen in the specific indirect effects value. The data processing results show that the indirect effect value can be seen in Table 5 below.

Table 5. Specific Indirect Effects

	Original Sample	T Statistics	P Values	Conclusion
Price -> Service -> Buying Decision	0.631	8.906	0.000	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect effect between variables, namely price has a positive and significant effect on purchasing decisions through service with a t-statistic value of 8.906 above 1.96 and a significance value of 0.000 below 0.05, meaning that service acts as a mediating variable between price and purchasing decisions.

Conclusion

1. Price has a positive and significant effect on the purchasing decisions of Digital Alliance consumers at PT Agres Medan Teknologi.
2. Price has a positive and significant effect on customer service at Digital Alliance at PT Agres Medan Teknologi.

3. Service has a positive and significant effect on the purchasing decisions of Digital Alliance consumers at PT Agres Medan Teknologi.
4. Price has a positive and significant effect on consumer purchasing decisions through service at Digital Alliance at PT Agres Medan Teknologi.

Recommendations

1. The purchasing decision with the lowest value statement is "I buy this product in quantities according to my needs and perceived benefits." The advice that can be given to PT Agres Medan Teknologi is to tailor products to consumer needs. Based on purchases made according to perceived benefits, the company should focus more on product personalization. This can be done by collecting data on consumer preferences and needs, then adjusting product features or services to be more relevant and provide clearer benefits. This approach will increase customer loyalty and facilitate product marketing to more specific market segments.
2. Service with the lowest score: "Company employees are quick and responsive in helping and responding to customer needs." The main recommendation for PT Agres Medan Teknologi is to maintain and improve customer service quality by ensuring that employees continue to be trained in effective and responsive communication skills. With a culture that is already quick and responsive in responding to customer needs, the company can strengthen this by providing regular training to keep employees up-to-date with the latest trends in customer service and technology that support their work.
3. Price with the lowest value statement: "The discounts given are in accordance with the amount or value of my purchase." The main suggestion for PT Agres Medan Teknologi is to offer a more structured loyalty program or discounts based on purchase value. By providing discounts in accordance with the amount or value of purchases, the company can encourage customers to make more or more frequent purchases. Additionally, this program can be combined with a points or reward system, where customers who frequently transact receive additional benefits, increasing their loyalty and purchase frequency.

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