Consumer Considerations in Choosing A Place to Buy: Reducing Observation Factors to Form New Factors

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Abstract: This research aims to determine and analyze the factors considered by consumers in choosing a place to buy. The research variable is observation variable. Research analysis is a factor analysis that serves to reduce and summarize certain factors into new factors. The findings shows that out of 15 variables used as research indicators, 4 new factors are formed as the consumer considerations in choosing a place to buy. Factor 1, is food taste factor with its forming variable consists of food taste, opening hours, speed of presentation time, and location. Factor 2, is the cafe reputation factor with its forming variables consists of service hospitality, relatives recommendation, and cafe reputation. Factor 3, is adequate facilities factor with its forming variable consist of price, adequate facilities, and space condition. Factor 4, land and parking lot security factors with its forming variables consists of land and parking lot security and cleanliness of space and equipment.

Keywords: Consumer considerations, observation factors, new factors.

I. INTRODUCTION

The current business development is due to the changing mindset of a dynamic consumer. Thus, understanding the needs of consumers through marketing activities is needed by the company as the basis of ideal customer service. As a lot of companies offer products and services, the consumer has a lot of choices, thus the greater bargaining power (Supranto, 2007:4). Market-oriented thinking is an inevitable necessity. The embodiment of service complexity affects how consumers evaluate the services they purchase (Tjiptono, 2004:97).

One of the profitable business products and services today is cafe restaurant. The selected object is the largest cafe restaurant in Jember Regency, that is Cafe Campus Resto. This cafe restaurant has many customers, because they always succes to make their customers are satisfied. Based on the customers judgement, this cafe resto is good place because of its strategic location, has a spacious space, has a security officer who ensures the customers comfort as well as security of parking vehicles, and a large parking lot making it easier for consumers who come with their personal vehicles. According to Supranto (2007:4), consumers have several different characteristics, where the difference will affect consumer attitudes and behavior in the decision making. Purchasing decisions is the stage of the decision process which the consumer actually purchases the product. Kotler (2008:179) states that the purchase decision process consists of five stages, such as; recognition of needs, search of information, alternative evaluation, purchase decisions, and post-purchase behavior.

The increasing number of cafes and restaurants in Jember Regency demand the cafe managers to manage their business to be consumer-oriented so that the fulfillment of customer needs are always met. The cafe management must be able to realize the needs of its customers, as well as affect the process of purchasing its products. If it is well managed, then existing customers will remain loyal and at the same time attract new customers. The main problem in this research is "What are the factors that consumers consider in choosing a place to buy?".

The purpose of this research is to determine and analyze the factors considered by consumers in choosing a place to buy.

II. REVIEW LITERATURE

Marketing is the process of managing profitable customer relationships. Two marketing goals are attracting new customers by promising value excellence as well as keeping and growing existing customers by providing satisfaction. Marketing is also the process which the company creates value for customers and builds strong relationships with customers in order to capture the value of customers in return (Kotler, 2008:5).
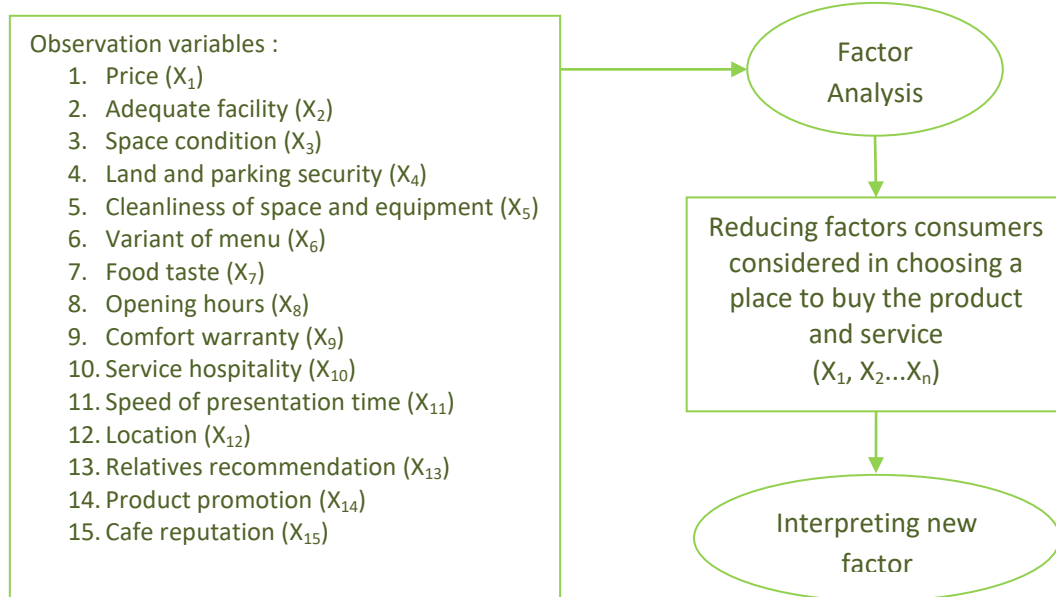
Consumer behavior is an individual or group action that is directly involved in obtaining and using economic services including the decision-making process that precedes and determines the action (Engel, in Mangkunegara, 2005:3).

The consumer as an object of a marketing activity is a member of various groups, so its behavior will be influenced by several main factors such as; cultural factors, social factors, personal factors and psychological factors (Kotler, 2007:153).

Individual buying decisions are strongly influenced by psychological factors used by consumers in interaction. These factors are also a tool for consumers to recognize their feelings, collect and analyze information, formulate thoughts and opinions, and finally make decisions to purchases. The purchase decision process consists of five stages, such as; problem recognition, search of information, alternative evaluation, purchase decisions, and post-purchase behavior (Kotler, 2005:195).

Conceptual Framework in this research is;

Conceptual Framework:

Observation variables :
1. Price (X_1)
2. Adequate facility (X_2)
3. Space condition (X_3)
4. Land and parking security (X_4)
5. Cleanliness of space and equipment (X_5)
6. Variant of menu (X_6)
7. Food taste (X_7)
8. Opening hours (X_8)
9. Comfort warranty (X_9)
10. Service hospitality (X_{10})
11. Speed of presentation time (X_{11})
12. Location (X_{12})
13. Relatives recommendation (X_{13})
14. Product promotion (X_{14})
15. Cafe reputation (X_{15})

Factor Analysis

Reducing factors consumers considered in choosing a place to buy the product and service ($X_1, X_2...X_n$)

Interpreting new factor

III. RESEARCH METHOD

The research design can be classified as exploratory research. According to Supranto (2004:6), exploratory research is a research conducted intentionally to dig data from respondents and to examine the level where the variables studied are expected to explain the object under research through the collected data.

Population refers to a set of people or objects that have similarities in one or more things and that form the underlying problem of a particular research (Santono, 2001:79). The population in this research is all consumers who make purchasing decisions in a place where to buy the products and using the service at Cafe Campus Resto.

Sampling used in this research is multistage sampling method. This research is using non probability sampling technique, where the population does not have the opportunity to be sampled again (Santono, 2001:80). The use of purposive sampling technique is where the retrieval of elements included in the sample is done intentionally, with the note that the sample is representative or represents the population (Arikunto, 2007:84).

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Determination of the number of samples in this research refers to the opinion of Malhotra (in Rahayu, 2005:46), is the amount of samples taken can be determined by at least multiplying the variable by 5. This research uses 15 variables, the the minimum sample will be 75 respondents.

Scale of measurement in this research using Likert scale. According to Maholtra (2003:6), criteria in Likert scale used are ordinal, that means level of number.

The variables in this research are observation variables such as; price (X1), adequate facilities (X2), space condition (X3), land and parking lot security (X4), cleanliness of space and equipment (X5), variant of menu (X6) (X10), speed of presentation time (X11), location (X12), relatives recommendation (X13), product promotion (X14), and cafe reputation (X15).

Factor analysis serves as an analytical tool to perform a summary of variables based on the level of closeness of relationships between variables, so that will get the underlying variable or dominant factors that affect other variables. The main factor analysis is used to reduce data or summarize. This analysis uses factors observed by researchers directly in the field so called exploratory factor analysis (Supranto, 2004:114). According Santoso (2002:97), the stages of factor analysis are; 1) assessing the appropriate variable; 2) factoring and rotation; 3) factor validation, and; 4) create a score factor.

IV. FINDINGS

Respondent Charateristics

The most respondent age is the age range 21 - 25 years that is 44% or 33 people, respondents 18 - 20 is 36% or 27 people and age range more than 25 year is 20% or 15 people. The highest number of respondents is male by 73,34% or 55 people, and women 26,66% or 20 people. The highest number of respondents is students by 64% or 48 employees, 8% employee or 6 people, businessman 17.34% or 13 people, and civil servant 10.67% or 8 persons.

Instrument Test

Instrument tests conducted in this research are the validity test with Product Moment Pearson's, reliability test with Cronbach's Alpha, and normality test with Kolmogorov-Smirnov. The result of the validity test states that the variable data in the research is valid with the significance below 0.05. The result of the reliability test states that the questioner in the research is reliable with the limit of 0.6. The result of the normality test states that the data in the research is normal with a significance above 0.05.

Factor Analysis

Total Variance Explained

Determination of the number of factors in this research is based on the value of Eigenvalue with criteria; 1) eigenvalue value greater than 1 is considered valid, and; 2) if the value of Eigenvalue is less than 1 then it can not be used to calculate the number of factors formed.

Table I. Total Variance Explained

Component	Initial Eigenvalue		
	Total	**% of Variance**	**Cumulative %**
1	4.726	31.509	31.509
2	1.620	10.798	42.306
3	1.482	9.882	52.189
4	1.395	9.302	61.491

Based on Table 1, it can be concluded from out of 15 variables, only 4 variabels that represent it.

Rotated Component Matrix

The number of new factors formed is shown on Table 1, there are only 4 factors that represent it. In this research, factor rotation is done by using varimax method.

Table II. Rotated Component Matrix[n]

Variables	Component			
	1	**2**	**3**	**4**
X_7	**0,790**	0,194	0,021	0,024
X_8	**0,643**	0,142	-0,011	0,324
X_{11}	**0,688**	0,079	0,147	0,200
X_{12}	**0,780**	0,062	0,057	0,103
X_6	0,448	0,274	0,504	-0,163
X_{10}	0,094	**0,847**	0,026	0,098
X_{13}	0,280	**0,653**	0,301	-0,037
X_{15}	0,119	**0,902**	0,099	0,163
X_9	0,261	0,498	0,178	0,455
X_1	-0,055	0,216	**0,713**	0,255
X_2	0,144	-0,077	**0,760**	0,049
X_3	0,033	0,156	**0,652**	0,146
X_{14}	0,517	0,253	0,420	-0,328
X_4	0,166	0,081	0,225	**0,778**
X_5	0,110	0,104	0,047	**0,718**

Based on Table 2, it can be seen clearly the membership of each factor and the membership of the new factor rotation formed are; 1) variable items X7, X8, X11, X12, clustering on factor 1 indicate that these variable items are component of factor 1; 2) variable items X10, X13, X15, clustering on factor 2 indicate that these variable items are component of factor 2; 3) the variable items X1, X2 and X3, which are grouped on factor 3 indicates that the question items are the components of Factor 3, and; 4) variable items X4 and X5, which are grouped on factor 4 indicate those question items are the components of factor 4.

Factor Interpretation

Extracted variables are grouped and named according to the variables included in the factor. Giving a new name for each factor is subjective, sometimes the variable that has the highest loading factor value is used to name the factor.

Table 3. Factor Interpretation

Variables		Factors
X_7	Food taste	
X_8	Opening hours	Food taste
X_{11}	Speed of presentation time	
X_{12}	Location	
X_{10}	Hospitality of service	
X_{13}	Relatives recommendation	Cafe reputation
X_{15}	Cafe reputation	
X_1	Price	
X_2	Adequate facility	Adequate facility
X_3	Space condition	
X_4	Land and parking lot security	Land and parking lot security
X_5	Cleanliness of space and equipments	

V. DISCUSSION

The results of this research conducted on consumers by using factor analysis, shows that out of 15 factors that is proposed, 4 new factors are formed into consideration of consumers in making purchasing decisions.

First Factor (F1). Factor 1 has a total value of initial eigenvalues of 4,726 or 31,509%, meaning factor 1 is able to explain 31.509% of the total factor that will be considered by consumers in choosing a place to buy. Variables included in the first

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factor, such as; food taste, opening hours, speed of presentation time and location. Referring to the highest loading factor value, then the factor is named as food taste factor factor. Groups of factor 1 are; 1) food taste (X7), has a value of 0.790, meaning that the value indicates that this variable is quite important because a food taste that in accordance with the tastes of consumers then the consumers will be interested to re-purchase the products; 2) opening hours (X8), has a value of 0.643, meaning that the value indicates that this variable is quite important because when the business has 24 opening hours, then the consumer can make purchases with no limited time; 3) Speed of presentation time (X11), has a value of 0.688, meaning that the value indicates that this variable is quite important in being a consideration for consumers in choosing a place to buy, because the consumers do not want to wait too long to be able enjoying the dishes they ordered; 4) location (X12), has a value of 0.780, meaning that the value indicates that this variable is quite important in the consideration of consumers in choosing a place to buy, because the location is on the roadside can facilitate consumers to make purchases.

Second factor (F2). Factor 2 has a total value of initial eigenvalues of 1620 or 10 798%, meaning that factor 2 is able to explain 10,798% of the total factor that will be considered by consumers in making purchasing decisions. The variables included in the second factor, such as the hospitality of service, the relatives recommendation and cafe reputation. Referring to the highest loading factor value, then the factor is named as cafe reputation factor. The groups of factor 2 are; 1) service hospitality (X10), has a value of 0.847, meaning that the value indicates that this variable is very important because this variable is able to provide attractiveness as a consideration on consumers in choosing a place to buy; 2) relatives recommendation (X13), has a value of 0.653, meaning that the value indicates that this variable also has an important role because consumers can be more interested in choosing a place to buy, and; 3) cafe reputation cafe (X15), has a value of 0.902, meaning that the value indicates that this variable also has a very important in providing attractiveness to consumer decisions in making purchases, because a good reputation makes the consumers interested to choose a place to buy.

Third factor (F3). Factor 3 has a total value of initial eigenvalues of 1,482 or 9,882%, meaning factor 3 is able to explain 9.882% of the total factor that will be considered by consumers in making purchasing decisions. Variables included in the third factor, including price, adequate facilities and space conditions. Referring to the highest loading factor value, then the factor is named adequate facility factor. Groups of factor 3 are; 1) price (X1), has a value of 0.713, meaning that the value indicates that the variable is important enough in giving consideration to the consumer's decision in choosing a place to buy, because when the price is not too expensive then the consumer will give a positive response to its consideration to purchase the products; 2) adequate facilities (X2), has a value of 0.760, meaning that the value indicates that this variable is quite important as consideration of consumers in choosing a place to buy, because the consumers will feel more comfortable to visit, and; 3) space condition (X3), has a value of 0.652, meaning that the value indicates that this variable is quite important as a consideration of consumer decisions in choosing a place to buy, because spacious and comfortable space make the consumers enjoying the atmosphere.

Factor fourth (F4). Factor 4 has a total value of initial eigenvalues of 1,395 or 9.302%, meaning factor 4 is able to explain 9.302% of the total factor that will be considered by consumers in purchasing decisions. The variables included in the fourth factor, including land and parking lot security, and cleanliness of space and equipments. Referring to the highest loading factor value, then the factor is named the land and parking lot security factor. Groups of factor 4 are; 1) land and parking lot security (X4), has a value of 0.778, meaning that the value indicates that this variable is quite important because a large parking lot and officers who maintain for the security of parking lot make the consumers much easier to park their vehicle and feel more secured, and; 2) cleanliness of space and equipment (X5), has a value of 0.718, meaning that the value indicates that this variable is quite important because consumers who visit and enjoy the dishes can be more comfortable when the space and equipments are clean.

VI. CONCLUSION

The results of this research concluded as follows; 1) factor 1 (F1), named the food taste factor. The forming variable consists of food taste (X7), opening hours (X8), speed of presentation time (X11), and location (X12); 2) factor 2 (F2), named cafe reputation factor. The forming variable consists of service hospitality (X10), relatives recommendation (X13), and cafe reputation (X15); 3) factor 3 (F3), named adequate facilities factor. The forming variable consists of price (X1),

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adequate facilities (X2) and space condition (X3), and; 4) factor 4 (F4), named land and parking lot security factor. The forming variable consists of land and parking lot security (X4) and cleanliness of space and equipment (X5).

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