**Research Article**

The Effect of Service Quality and Location on Consumer Decisions at Vista Hotel in Prabumulih City

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**Abstract**

This study aimed to determine whether the implementation of Service Quality and Location carried out at Hotel Vista in Prabumulih City was in accordance with the program that applied to hotels. The result showed that when testing the quality of service all the questions in the questionnaire were said to be valid with the provisions that exceed the r table value where the r table value was 0.185. And for the reliability value, a value of 0.849 was obtained with the conditions above 0.185, it could be said that the existing questionnaire was declared reliable for further testing. At the time of testing the location, all the questions in the questionnaire were said to be valid with the condition that it exceeded the r table value, where the r table value was 0.185. And for the reliability value, a value of 0.853 was obtained with the conditions above 0.185, it could be said that the existing questionnaire was declared reliable for further testing. For the calculated f value of 33.505 and for the f table value from the results n-k-1 (n=respondents, k= independent variable) of 2.76. In this way, for the calculated f value of 33.505 > the f table value of 2.76, the service quality and location variables had a positive effect on consumer decisions.

**Keywords:**

Consumer decision, Location, Service quality

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1. **Introduction**

Increasing business competition in Indonesia was a very interesting phenomenon for us to observe, especially with globalization in the economic field, the free market era was increasingly opening up opportunities for foreign entrepreneurs to compete in capturing local consumers and local business actors also had opportunities for business expansion on an international scale. The impact of globalization had caused the service industry, which consists of various industries such as the telecommunications, transportation, banking and hospitality industries, to develop rapidly. Local companies as hosts were increasingly required to be responsive to market needs and recognized consumer behavior and then adapted the company's capabilities to their needs.

Many things could affect the progress and decline of the hospitality business, one of which was how the hotel could attract customers and retain them by providing the best quality service so that guests were satisfied with the services provided. In today's business competition, service was the most important thing for companies for differentiation strategy when they sold the same product. Good service saved a bad meal. Conversely, a delicious main course did not guarantee and could save bad service (Orilio, 2016:62). This proves that service quality was a very important

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aspect that must be considered by the company. Service quality was centered on meeting needs and wanted as well as on the accuracy of delivery to match customer expectations. Services here were all kinds of services provided by the hotel as long as the guest or consumer was at the hotel, including services provided by the receptionist, bell boy, room service, security, cleaning, service, and others.

The services provided by Vista Hotel also provided satisfaction for customers in terms of adequate facilities. So that Vista Hotel was one of the hotels that was growing and great demand by domestic tourists who were not less competitive than other hotels because Vista Hotel was the one with the best quality service.

There were two factors that influence service quality, expected service and perceived service. Quality must started from the customer's needs and end with the customer's perception. This meant that a good quality image was not based on the point of view or perception of the service provider but based on the point of view or perception of the customer. This statement was also reinforced by (Zeithaml, 2018: 25) namely "a customer's judgment of the overall excellence or superiority of a service". Often we also heard the proverb which stated that the customer is the king who must be served as well as possible. The superior quality of service was expected to be able to attract consumers to have a tendency to re-purchase the products we offer.

In building a business, a place was needed where the company will be located. According to Murti and Soeprihanto (2012: 34) the location or location of the company was often referred to as the place where the company's activities carried out its daily activities. The majority of hotel service users were those who came from outside the area who were having business around the hotel either for tourism, business or just as a temporary transit place to then continued their journey. Therefore, the strategic location of the hotel would make it easier for consumers to gain access to the hotel. The hotel’s proximity to several tourist destinations or public facilities would be an added value for the company. According to Heizer (2016: 31) location had the power to succeed or destroy a company's strategy. Therefore, service providers might really consider, select and select locations that were responsive to possible future economic, demographic, cultural, competitive and regulatory changes.

Vista Hotel was a hotel which was the most visited place for tourists to stay. Vista Hotel’s location was very strategic, in the city center and not far from shopping centers. Currently, the development of hotel business competition in Prabumulih City was quite rapid. From a demographic perspective, the location of the Prabumulih City area which was a crossing route between cities and cross-provincial routes, as well as the icon of Prabumulih City as a city of commerce and business was an interesting phenomenon for us to study, especially with globalization in the economic sector which was increasingly opening up opportunities for entrepreneurs to attract consumers. Realizing the rapid development of hotels in Prabumulih City, hotel entrepreneurs were increasingly required to recognize consumer behavior and then adapted the company's capabilities to consumer needs. The added value offered by hotel companies was increasingly providing stability to potential customers to make transactions or encourage existing customers to make transactions.

Various strategies and methods were carried out by hotel companies to attract customers, one of which was how the hotel could attract customers and retain them by providing the best quality service so that consumers were satisfied with the services provided by the hotel. With a variety of attractive promos and discounts, it is expected that customers would continue to increase. However, on the other hand, competition in the hotel industry was increasingly competitive with the ease with which potential customers could access prices and facilities offered by online applications such as Traveloka and similar applications that could be easily accessed via the internet. So that potential customers had a variety of choices to fulfill their desires.

The problems underlying this research were service quality and location. Companies carried out various strategies to be able to provide satisfaction to customers, so that it led to loyalty to
the company. Hospitality companies that won the competition were those able to provide satisfaction to their customers, so that the company could continue to increase profits.

The following data had been obtained regarding the number of guests staying at Hotel Vista Kota Prabumulih in the last 3 years:

**Table 1. Number of Hotel Visitors Period 2017-2019**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,657 people</td>
</tr>
<tr>
<td>2018</td>
<td>1,815 people</td>
</tr>
<tr>
<td>2019</td>
<td>2,134 people</td>
</tr>
</tbody>
</table>

Source: Vista Hotel Report (2020)

Based on the Table 1, it could be seen that there were fluctuations in the number of guests staying at the hotel. During the 2017-2019 period the number of guests staying overnight tends to increase. The hotel had set a minimum target occupancy rate in 2019, namely 2,000 guests or an average of around 5 to 6 guests checking in per day, in fact the number of guests in 2019 only reached 2,134 which meant it is in accordance with the target set by the hotel. Consumers in this case were heterogeneous communities that come from various backgrounds, characteristics, habits, regions, cultures, and economic levels. With the background of several theories, previous research and the phenomenon of the problem, a study was conducted to analyze the effect of service quality and location on consumers’ decisions to stay at Hotel Vista Kota Prabumulih. According to Payne (2012: 10) service marketing is the process of perceiving, understanding, stimulating and fulfilling the needs of specially selected target markets by channeling the resources of an organization to meet those needs. Based on some of the descriptions above, a study was conducted to determine the factors that influence a person to stay at a hotel. In this study, the variables of service quality and location were selected as the focus of the research. The research focused on these two variables because it was suspected that these variables had a significant influence on consumer decisions to stay at Hotel Vista.

From the background stated, the research took the title related to Effect of Service Quality and Location on Consumer Decisions at Vista Hotel in Prabumulih City.

**Literature Review**

**Service Quality**

Service quality is a benchmark in determining whether or not a service user purchases a decision, because through service quality they will be able to assess performance and feel satisfied or not with the services provided by the service provider. According to Zeithaml (2016: 29) argues that service quality is the result of a customer’s assessment of the superiority or features of the service as a whole. If the resulting assessment is a positive assessment, then the quality of this service will have an impact on the purchase decision. Service quality provides an impetus to customers or in this case visitors to establish strong ties with institutions or agencies providing services. This good relationship bond will enable service providers to understand carefully the expectations of customers/visitors and their needs.

**Location**

According to Lupiyoadi (2011: 22) states that location means relating to where the company must be headquartered and carry out operations. According to Heizer and Render (2016: 207) the purpose of the location strategy is to maximize location advantages for the company. Location decisions often depend on the type of business. In the location analysis in the industrial sector, the strategy focused on minimizing costs, while in the service sector, the focus is on maximizing revenue. This is because manufacturing companies find that costs tend to vary widely between locations, while service companies find that location often has a revenue impact rather than costs.
Therefore, for a specific location service company, it often affects revenue more than it affects costs. This means that the location focus for service companies should be on determining business volume and revenue.

**Consumer Decisions**

The consumption stage is at the stage of the consumer decision process, this is where a consumer decides to buy and use a product or service or not. The consumer decision made in the hospitality business is a person’s decision to stay at the hotel. The decision that consumers choose in choosing a hotel is the key to the continuity of a hotel’s cycle because consumers are assets. The decision taken by the guest is principally the consumer’s decision in choosing a hotel as a place to stay, which is broadly explained in consumer behavior. Consumer decisions are one part contained in consumer behavior.

2. **Materials and Methods**

The type of research used in this research was quantitative research, meaning that in analyzing data using formula numbers or mathematical models (Singarimbun (2011: 5). The reason for using this research was to get the expected results. In this research a hypothesis was used relation to the analysis under study, accompanied by data collection techniques used, namely questionnaires, interviews, and literature studies. The descriptive method according to Subiyanto (2021: 12) is a method that is carried out by examining in depth a research object that is selected from several conditions that are considered the same and is research that photographs the situation as it is, in as much detail as possible and complete, then it is analyzed and concluded as a description of a the situation taken should not be generalized with overall conclusions being considered the same.

**Research design**

The design of this research started from a quantitative problem and limits the existing problems to the problem formulation. The formulation of the problem was stated in the question sentence, then the researcher used theory to answer it. Sugiyono (2015: 23) states that "The research design must be specific, clear and detailed, determined steadily from the start, to be a guide step by step".

**Population**

According to Sugiyono (2015: 117), that is an area of generalization consisting of objects or subjects that have certain qualities and characteristics determined by the researcher so that they can be studied and then conclusions drawn. The population in this study were 80 visitors to Vista Hotel Kota Prabumulih.

**Sample**

According to Sugiyono (2015: 96), the sampling in this study was by using the Accidental Sampling Method, which is an arbitrary sampling technique (whenever and wherever found) as long as it meets the requirements as a sample from a certain population. The determination of the research area was carried out purposively at Vista Hotel in Prabumulih City. Determination of the sample from the population of 80 people staying at the hotel. The sampling method was done by Saturated Sampling method, because the total population was less than 100 people.

**Data Collection Technique**

The instrument used in this study WAs intended to produce accurate data by using a Likert scale. According to Sugiyono (2015: 134) "it is used to measure an attitude, opinion and perception of a person or group of people about a social phenomenon". In this study, researchers used a questionnaire or questionnaire with the following scores:
1. Interview
   Interviews are data collection by holding question and answer with respondents, namely with a list of questions to be filled in with statements by respondents during the interview process.

2. Questionnaire
   A questionnaire or questionnaire is a data collection technique that is carried out by compiling closed and open questions with the answers provided, and must be filled in by the respondent by selecting one of the alternative answers available along with the reasons.

3. Literature study
   Is data collection with the aim of knowing various knowledge or theories related to research problems, including those from books, magazines, journals or various literature relevant to research.

**Coefficient of Determination**

The coefficient of determination showed how well the estimation of the regression line was able to accurately describe the actual regression line (goodness of fit). $R^2$ was also able to show the percentage of variation in the dependent variable that can be explained by the variation in the independent variables. The $R^2$ test is intended to measure the ability of the percentage variation of the independent (independent) variable in the simple linear regression model to explain the variation of the dependent (dependent) variable, Priyatno (201:142). In other words, testing the model using $R^2$, can show that the independent variables used in the simple linear regression model are independent variables that are able to represent the entirety of the other independent variables in influencing the dependent variable, then the magnitude of the effect is shown in percentage form.

3. Results and Discussion

**Company Overview**

The research was conducted at Hotel Vista which is located at Jalan Jendral Sudirman KM 5 Prabumulih Timur, Prabumulih City. Vista Hotel was built in 2011 which is located on Jalan Jendral Sudirman KM 5 Prabumulih Timur, Prabumulih City. Located near Kota, Hotel Vista is the ideal place to explore Prabumulih City. Hotel Vista also offers many facilities to enrich your stay in Prabumulih. While lodging at this wonderful property, guests can enjoy laundry service cleaning, concierge, elevator, coffee shop, valet parking. Guests can choose from 90 rooms, all of which are filled with an atmosphere of peace and harmony. Moreover, some of the recreational offerings of this hotel will guarantee you are far from boredom during your stay. Super facilities and a brilliant location make Hotel Vista the perfect place to enjoy your stay while in Prabumulih.

**Normality test**

The normality test must be carried out with independent variable data to find out whether the population data is normally distributed or not. Testing of these requirements is carried out using the Normality detection test by looking at the normal probability plot graph from the SPSS Program, normality.

1. If the data spreads around the diagonal line and follows the direction of the diagonal line, the regression model meets normality.
2. If the data spreads away from the diagonal and or does not follow the direction of the diagonal line, then the regression model does not meet normality.

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Quality of service and location on the decision to stay
Graph 1. Normality Test

In Graph 1 above it can be seen that the Normal Plot of the dots, then the regression model meets normality because the data spreads around the diagonal line and follows the direction of the diagonal line.

**Heteroscedasticity Test**

After testing for normality, the next step is Heteroscedasticity. Heteroscedasticity testing aims to find out whether in the regression model there is an inequality of variance from the residuals of other observational observations with the basis for making decisions as follows:
- If there is data that forms a certain pattern, such as dots that form a certain and regular pattern (wavy, widens then narrows) then heteroscedasticity has occurred.
- If nothing is clear and the points spread above and below the zero on the Y axis, then heteroscedasticity does not occur.

Graph 2. Heteroscedasticity Test Results

**Multicollinearity Test**

After the Normality and Heteroscedasticity Tests, a Multicollinearity test would be carried out to see whether multicollinearity occurs, it could be explained from the high R square value but the variability is not significant. In the calculation results, the value of R square = 0.
Hypothesis testing

Data analysis was performed using multiple linear regression with the aim to determine the effect of service quality and location on the decision to stay. The Statistical Package For Social Science (SPSS) will be used to assist the process of multiple linear analysis. Hypothesis testing is carried out to test the hypotheses that have been made and see how much influence service quality, facilities, and location have on the decision to stay. Hypothesis testing is done by testing the effect of each variable on loyalty.

\textit{t Test}

The \( t \) test basically shows how far the influence of one independent variable individually or partially explains the variation of the dependent variable. This decision was made based on a comparison of the significance value of the \( t \)count value of each regression coefficient with a predetermined level of significance, namely 5\% (0.05), if the \( t \)count significance is greater than 0.05 then the null hypothesis (Ho) is accepted which meaning that these variables have no effect on the dependent variable. If the significance of \( t \)count is less than 0.05 then (Ho) is rejected, which means that the independent variable affects the dependent variable. The explanation for the results of the \( t \) test on each independent variable is as follows:

\textit{Table 2. t Test}

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>23,915</td>
<td>11,139</td>
<td>2,147</td>
</tr>
<tr>
<td></td>
<td>Kualitas Pelayanan</td>
<td>,663</td>
<td>,088</td>
<td>,687</td>
</tr>
<tr>
<td></td>
<td>Lokasi</td>
<td>,012</td>
<td>,089</td>
<td>,412</td>
</tr>
</tbody>
</table>

Source: Data processed with SPSS 26.0, 2022

H0 : \( b_i = 0 \), there is no influence between the independent variable and the dependent variable
H1 : \( b_i > 0 \), the independent variable affects the dependent variable.

The results of the \( t \) test analysis are as follows:

a. From the table above we can see that the Service Quality variable (X1) has a \( t \)count (7.528) > \( t \)table (1.668) with a significant value of 0.000 < 0.05 so it can affect Consumer Decisions (Y) and means H1 is accepted.

b. From the table above we can see that the location variable (X2) has a \( t \)count (5.134) > \( t \)table (1.668) with a significant value of 0.000 < 0.05 so it can affect Consumer Decisions (Y) and means H1 is accepted.

\textit{F Test (Simultaneous Test)}

The \( F \) test is used to test whether the independent variables simultaneously have a significant effect on the dependent variable. Where \( F \) count > \( F \) table, then the hypothesis is accepted or together the independent variables can explain the dependent variable simultaneously. Conversely, if \( F \) count < \( F \) table, then H0 is accepted or together the independent variables have no influence on the dependent variable. To find out whether the independent variable has a significant or not joint effect on the dependent variable, a probability of 5\% (\( \alpha = 0.005 \)) is used.
Table 3. F test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1070.937</td>
<td>2</td>
<td>535.469</td>
<td>33.505</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1230.613</td>
<td>77</td>
<td>15.982</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2301.550</td>
<td>79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Keputusan Konsumen  
b. Predictors: (Constant), Lokasi, Kualitas Pelayanan  
Source: Data processed with SPSS 26.0, 2022

Based on the ANOVA test or f test from the SPSS output, it can be seen that \( f_{count} (33,505) > f_{table} (2.76) \) with a significant value of 0.000 < 0.05 means that the Independent Variable has a positive and significant effect on the Dependent Variable.

**Coefficient of Determination**

The coefficient of determination is used to detect how far the relationship and the ability of the model are to explain dependent variation. In the processed data there are three independent variables. As in the following table.

Table 4. Determination Coefficient Table

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Lokasi, Kualitas Pelayanan  
Source: Data processed with SPSS 26.0, 2022

In the table above it can be seen that the results of the adjusted R2 test in this study obtained an adjusted R2 value of 0.451, which means that the influence of service quality and location variables on consumer decisions is 45.1%, while the remaining 54.9% is influenced by other factors that are not included in the study such as Facility.

**Partial Effect of Service Quality on Consumer Decisions**

The Service Quality Variable (X1) is stated to have a positive influence on the Consumer Decision variable (Y) where we can see that the Service Quality variable (X1) has a \( t_{count} (7.528) > t_{table} (1.668) \) with a significant value of 0.000 < 0.05 so it can have an effect on Consumer Decisions (Y). With an X1 Regression value of 0.678. This means that if there is an increase of 1 (unit) in the Service Quality variable (X1), the Consumer Decision (Y) will increase by 0.687.

**Partial Effect of Location on Consumer Decisions**

The location variable (X2) is stated to have a positive influence on the consumer decision variable (Y) where we can see that the location variable (X2) has a \( t_{count} (5.134) > t_{table} (1.668) \) with a significant value of 0.000 < 0.05 so it can influence decisions Consumer (Y). With an X2 Regression value of 0.012. This means that if there is an increase of 1 (unit) in the location variable (X2), the consumer decision (Y) will increase by 0.012.

**Simultaneous Effect of Service Quality and Location on Consumer Decisions**

Service Quality (X1) and Location (X2) variables are stated to have a positive influence on the Consumer Decision variable (Y) where we can see that Service Quality (X1) and Location (X2) variables have \( f_{count} (33,505) > f_{table} (2.76) \) with a determination value of 0.000 < 0.05, it can
affect consumer decisions (Y). With an Adjusted R Square value of 0.451. This increases the contribution of the effect of the Independent variable on the Dependent variable by 45.1% and the remaining 54.9% is influenced by other variables such as facilities.

4. Conclusion and Suggestions

Based on the results of the research and the results of data analysis, the following conclusions can be drawn: there is a partial effect that the Service Quality variable (X1) has a tcount (7.528) > ttable (1.668) with a significant value of 0.000 < 0.05 so it can influence Consumer Decisions (Y). There is a partial effect that the location variable (X2) has a tcount (5.134) > ttable (1.668) with a significant value of 0.000 < 0.05 so it can influence Consumer Decisions (Y). There is a simultaneous effect that the variables Service Quality (X1) and Location (X2) have fcount values (33,505) > ftable (2.76) with a determination value of 0.000 < 0.05 so they can influence Consumer Decisions (Y).

References