THE INFLUENCE OF PRICE PERCEPTION, CUSTOMER TRUST, AND CUSTOMER EXPERIENCE ON PURCHASING DECISIONS AT MTM PHARMACY IN BEKASI

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ABSTRACT
Pharmacy is one of the healthcare facilities supported by the Pharmaceutical Industry as the final means to directly sell to the public. This research aims to determine the influence of price perception, customer trust, and customer experience on purchasing decisions of MTM Pharmacy products/services in Bekasi. The subjects of this study are MTM Pharmacy customers, with a total sample size of 80 respondents. The sample selection was done using non-probability sampling with purposive sampling technique. The method used is Partial Least Square – Structural Equation Modeling (PLS-SEM). The results show that all four variables are declared valid with AVE values greater than 0.5, and the reliability test with Cronbach's Alpha parameter for all four variables shows values greater than 0.6. Furthermore, the results of the direct influence test of the three independent variables show that price perception has a (positive) influence on purchasing decisions with p-values of 0.000; customer trust has a (positive) influence on purchasing decisions with p-values of 0.016; and customer experience has a (positive) influence on purchasing decisions with p-values of 0.001."

Keywords: *Purchase Decision, Price Perception, Customer Trust, Customer Experience, Structural Equation Modeling (SEM)*

1. INTRODUCTION

The public's demand for medicines is increasing. Alongside population growth and a healthy lifestyle, there is a growing need for the provision of medicines and vitamins, leading to the emergence of many pharmaceutical industries. The pharmaceutical industry is a highly regulated industry due to its clinical impact on humans, and it can have adverse effects on human health if the production or use processes do not comply with applicable regulations and standards, both through the produced drugs and the resulting waste. The pharmaceutical industry must undergo a very strict registration process and must adhere to applicable regulations. Pharmacies are one of the healthcare facilities supported by the pharmaceutical industry as the final means to directly sell to the public. Pharmacies are healthcare facilities based on the legal basis of Minister of Health Regulation Number 14 of 2021 concerning Standards of Business Activities and Products in the Implementation of Risk-Based Licensing in the Health Sector.

MTM Pharmacy is a business unit owned by PT Multi Talenta Medika with license number: 449/0037/DPMPTSP.PPJU issued on July 27, 2021 by the Integrated One-Stop Service and Investment Office of Bekasi City. MTM Pharmacy provides thousands of medicines from vitamins to prescription drugs. MTM Pharmacy's tagline is "Affordable and Original," providing an opportunity for the public to obtain vitamins and medicines at affordable prices. With the pandemic that has been ongoing since 2020, healthcare facilities in the form of pharmacies have begun to attract various entrepreneurs. In the Galaxy area where MTM Pharmacy is located, about three new pharmacies have emerged, ready to compete. Therefore, there is a need for added value for MTM Pharmacy to compete with competitors. In addition,

MTM Pharmacy also needs to know the reasons why people choose to buy at MTM Pharmacy rather than at other pharmacies, so that MTM Pharmacy's revenue can be maintained and expected to grow each year.

Purchase decision is one of the stages in the purchasing process before post-purchase behavior. Customers will seek information when making a purchase decision according to the desired product needs. Kotler and Armstrong (2016) state that purchase decision is part of consumer behavior where individuals, groups, and organizations choose, buy, and use goods and/or services to satisfy their own needs and desires. All companies, including MTM Pharmacy, aim to increase sales, so the company's hope is for purchase decisions to be made by its customers. Price perception is one variable that can influence someone in making a purchase decision.

According to Schiffman and Kanuk (2007), price perception is how customers view prices as high, low, and fair. This strongly influences purchasing decisions, indicating that price information is received by the senses of sight and hearing. Customer perception of the prices charged by the company can influence purchasing decision behavior. Another variable that influences purchase decisions is customer trust. According to Sobandi and Somantri (2020), customer trust is the belief of customers that a specific individual has integrity, is trustworthy, and the trusted person will fulfill all obligations in conducting transactions as expected. The trust attitude held by customers can lead to purchase decisions, as customer trust arises when the company makes promises and expectations through its advertising.

Furthermore, there is another equally important variable that influences purchase decisions, which is customer experience. According to Payne and Frow (2016), customer experience can be defined as a customer's interpretation of their total interaction with a brand. The ultimate goal of implementing this concept is to create a good relationship with customers and build loyalty with them.

2. THEORETICAL FOUNDATION

This research aims to identify the factors that can influence purchase decisions. These factors may vary for each individual as they are related to preferences and tastes. Therefore, Simon (1977) developed a decision-making theory that classifies these factors into several stages in the decision-making process. Baehaqi, Udayana, and Welsa (2022) concluded that price perception is the customer's view of the price of a product, whether it is considered high, low, or reasonable. Oscar and Keni (2019) summarized it as the consumer's perception of the cost required to obtain a product compared to similar products. This research concludes that price perception is the customer's view of the price of a product/service based on the benefits of the product/service.

The level of price perception in customers can also be assessed through a comparison of the price of a product with similar products or through subjective assessments by customers, whether the price is perceived as high, low, or reasonable. Tanjung and Keni (2023) define customer trust as the willingness of consumers to believe that a product can meet their needs. Nurhasanah et al. (2020) argue that brand trust is the brand's ability to be reliable, which stems from the consumer's belief that products from that brand can deliver the promised benefits. This research concludes that customer trust is the willingness of consumers to believe in the ability of a product to deliver promised benefits and meet consumer needs.

Verinanda, Rini, and Harahap (2020) state that customer experience is the consumer's response after interacting directly or indirectly with a product. Furthermore, according to Robinnete and Brand (2008), customer interaction with a brand can occur through products, services, company environments, and events organized by the company. The better and more consistent the experience perceived by customers through these factors, the better the customer experience. This research concludes that customer experience is the consumer's response after interacting with a product, both directly and indirectly. This interaction can take the form of interaction with the product, service, company environment, or events organized by the company.

Kotler and Armstrong (2016) argue that purchase decisions can be made after considering factors (dimensions) such as product choice, brand, distributor, purchase frequency, quantity purchased, and payment method.

Furthermore, according to Tjiptono (2015), based on the level of involvement, the purchasing process can be grouped into three types:
1. Habitual decision making: customers identify a need and immediately decide to buy their favorite brand, without evaluating alternatives;
2. Limited decision making: customers identify a need and evaluate several alternatives based on their knowledge, without seeking new information about those alternatives;
3. Extended decision making: customers identify a need and seek information about a specific product or brand, and evaluate how good the alternative is. This evaluation will affect the purchase decision. This research defines purchase decision as the selection of an alternative product/service after a comprehensive assessment of those alternatives. This assessment can be influenced by product choice, brand, distributor, purchase frequency, quantity purchased, and payment method.

3. RESEARCH HYPOTHESES

Based on the theoretical foundation above, this research identifies three independent variables, each formulated within the framework of thinking, and research hypotheses towards the dependent variable. The theoretical framework and hypotheses constructed in this research are as follows:
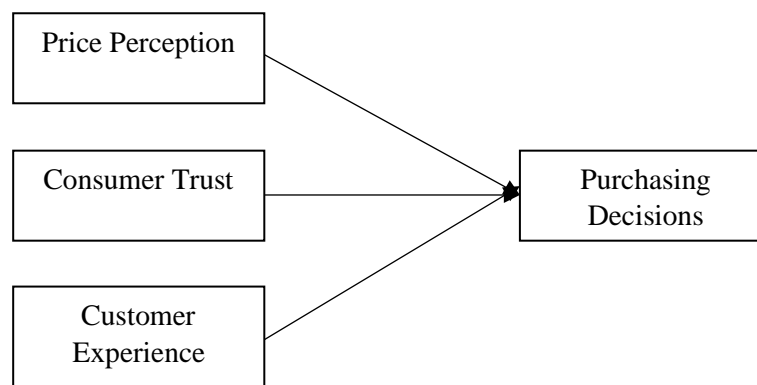
Figure 1. Research Hypotheses

H$_1$: Price perception has a positive influence on purchase decisions at MTM Pharmacy in Bekasi.

H$_2$: Customer trust has a positive influence on purchase decisions at MTM Pharmacy in Bekasi.

H$_3$: Customer experience has a positive influence on purchase decisions at MTM Pharmacy in Bekasi.

4. METHODOLOGY

The design of this study is descriptive research aimed at determining the influence of price perception, customer trust, and customer experience on purchase decisions at MTM Pharmacy in Bekasi. Descriptive research is conducted to explain the characteristics of the variables studied in a specific situation. The subjects of this study are customers of MTM Pharmacy, which sells various medicines and vitamins. Data collection was carried out through questionnaires distributed directly at MTM Pharmacy and conducted from June 2023 to July 2023. The data was obtained directly from respondents using questionnaires. The population of this study is all customers of MTM Pharmacy, while the sample of this study is customers who purchase medicines or vitamins at MTM Pharmacy, are domiciled in Bekasi, and are at least 17 years old.

The sample size for this study is 80 respondents. The sample selection was done using non-probability sampling with purposive sampling technique, which means selecting samples based on the desired objectives, with the following criteria: 1) Respondents who purchase medicines or vitamins at MTM Pharmacy; 2) Respondents domiciled in Bekasi; 3) Respondents at least 17 years old. The collected questionnaire data will then be subjected to multivariate analysis using the Partial Least Square – Structural Equation Modeling (PLS-SEM) method, from which the significance test results of the relationships between the 3 independent variables and the dependent variable will be obtained, based on the t-statistics and p-value (Hair et al., 2021).

5. DATA ANALYSIS & RESULTS

The research sample consists of customers of MTM Pharmacy who are over 17 years old and reside in Bekasi. There were 80 respondents in the sample, and the characteristics of the respondents are as follows:

Table 1. Characteristics of Respondents

Profile Characteristics	Frequency	Percentage (%)
Gender		
Male	**54**	**67.50%**
Female	**26**	**32.50%**
TOTAL	**80**	**100%**
Age		
< 18 Years Old	3	3.75%
18 - 45 Years Old	50	62.50%
> 45 Years Old	27	33.75%
TOTAL	**80**	**100%**
Occupation		
Students	12	15%
Private Employee	34	43%

Entrepreneur / Self-Employed	33	41%
Homemaker	1	1%
TOTAL	**80**	**100%**
Monthly Expenses		
< Rp1.500.000	10	12.50%
Rp1.500.000 – Rp3.000.000	22	27.50%
Rp3.500.000 – Rp. 7.000.000	30	37.50%
>Rp7.000.000	18	22.50%
TOTAL	**80**	**100%**
Highest Education Attained		
SD	0	0.00%
SMP	0	0.00%
SMA/SMK	29	36.25%
S1/S2/S3	51	63.75%
TOTAL	**80**	**100%**
Sources of Information about MTM Pharmacy		
Social Media (Instagram, Tiktok, Facebook, Twitter, etc.)	0	0.00%
Billboards, brochures, or banners	37	46.25%
Friends/Family	43	53.75%
TOTAL	**80**	**100%**

Characteristics of respondents based on gender indicate that there are more male respondents than female. There are 54 male respondents (67.50%) and 26 female respondents (32.50%). Furthermore, characteristics of respondents based on age show that the majority of respondents are aged between 18 - 45 years, accounting for 62.50% or 50 respondents. Respondents over 45 years old are 27 people (33.75%), and respondents under 18 years old are 3 people (3.75%). Next, characteristics of respondents based on occupation show that students or university students amount to 12 people (15%), respondents working as private employees amounted 34 people (43%), entrepreneurs are 33 people (41%), and there is 1 homemaker (1%).

Characteristics of respondents based on monthly expenses indicate that respondents with expenses less than Rp1,500,000 are 10 people (12.50%), Rp1,500,000 - Rp3,000,000 are 22 people (27.50%), Rp3,500,000 - Rp7,000,000 are 30 people (37.50%), and more than Rp7,000,000 are 18 people (22.50%). Meanwhile, characteristics of respondents by highest education attained show that no respondents have only completed elementary or junior high school. Respondents with a high school/vocational school education are 29 people (36.25%), and respondents with a bachelor's/master's/doctoral degree are 51 people (63.75%).

Regarding characteristics of respondents based on the source of information about MTM Pharmacy, the majority of respondents obtained information about MTM Pharmacy from friends/family, amounting to 43 people (53.75%), while 37 respondents (46.25%) received information from billboards, brochures, or banners. There were no respondents who obtained information about MTM Pharmacy from social media.

Data Analysis

In this study, the data analysis employed is Structural Equation Modeling (SEM) using Partial Least Squares (PLS). In SEM-PLS analysis, there are two tests or evaluations of the analysis model: measurement model testing (outer model) and structural model testing (inner model). In the measurement model testing (outer model), there are two test parameters: validity test by examining the value of Average Variance Extracted (AVE), and reliability test by observing the values of *Cronbach's Alpha* and *Composite Reliability*.

Table 2. Results of the Outer Model Testing

Variabel	AVE	Cronbach's Alpha	Composite Reliability
Price Perception	0.796	0.914	0.940
Customer Trust	0.702	0.859	0.904
Customer Experience	0.708	0.862	0.906
Purchase Decision	0.686	0.846	0.897

Based on the table above, the AVE values for all four variables are above 0.5, indicating that all variables meet the absolute criteria for validity testing. This means that all four variables are valid. Additionally, the composite reliability and Cronbach's alpha values for all variables are greater than 0.7. Therefore, all four variables can be considered reliable and suitable for further testing, specifically the structural model testing (inner model). In the inner model testing, the statistical tests used are the coefficient of determination (R-squared) and the test of influence between variables. The R-Square value for the purchase decision variable is 0.785, indicating that customer trust, customer experience, and price perception can explain the purchase decision variable by 78.5%, while the remaining 21.5% can be explained by other variables. This result is substantial as it is greater than 0.75.

Furthermore, the test of influence between variables is conducted to determine whether there is a partial influence provided by the independent variables on the dependent variable.

Table 3. Results of the Outer Model Testing

| Hypotheses	Path Coefficient	t-statistics	p-values
H_1: Price Perception → Purchase Decision	0.420	5.469	0.000
H_2: Customer Trust → Purchase Decision	0.263	2.546	0.011
H_3: Customer Experience → Purchase Decision	0.341	3.531	0.000

Based on the table above, it can be observed that the path coefficients for all variables are positive. This indicates that all three independent variables have a positive influence on the purchase decision. Therefore, the analysis proceeds with hypothesis testing. The variable with the highest coefficient is price perception. This means that the variable contributing the most to the purchase decision is price perception.

The first hypothesis states that there is a positive influence of price perception on purchase decisions. Based on Table 3, the price perception variable positively influences purchase decisions with a path coefficient of 0.420. Furthermore, this influence has a t-statistic value of

5.469 (greater than 1.96) and a p-value of 0.000 (less than 0.05), supporting H_1. This means that there is a positive and significant influence of price perception on purchase decisions.

The second hypothesis states that there is a positive influence of customer trust on purchase decisions. Based on table 3, the customer trust variable positively influences purchase decisions with a path coefficient of 0.263. Furthermore, this influence has a t-statistic value of 2.546 and a p-value of 0.011, supporting H_2. This means that there is a positive and significant influence of customer trust on purchase decisions.

The third hypothesis states that there is a positive influence of customer experience on purchase decisions. Based on table 3, the customer experience variable positively influences purchase decisions with a path coefficient of 0.341. Furthermore, this influence has a t-statistics value of 3.531 and a p-value of 0.000, supporting H_3. This means that there is a positive and significant influence of customer experience on purchase decisions.
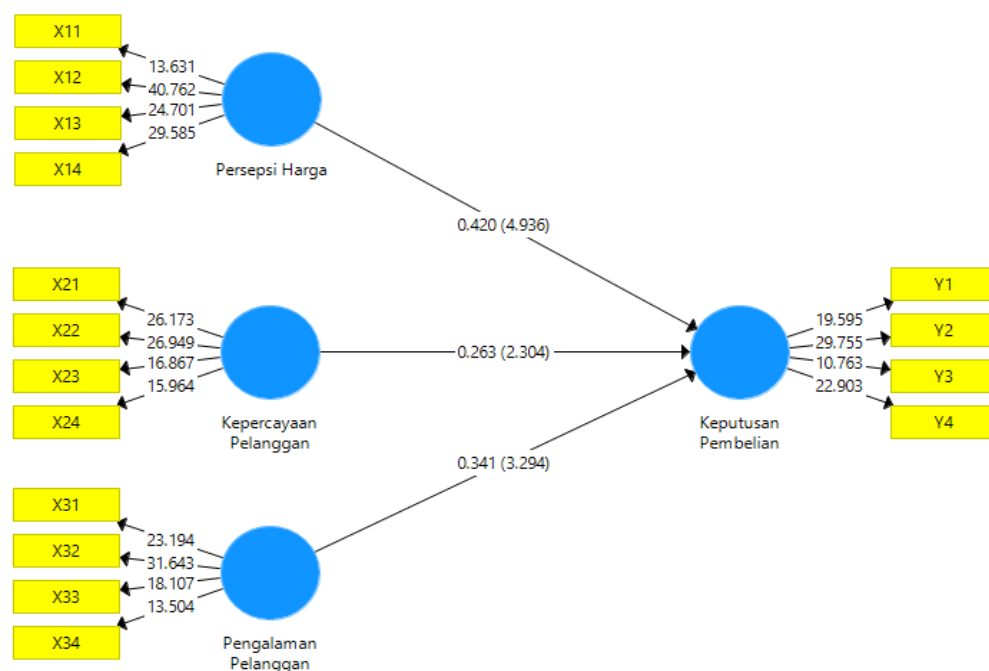
Figure 2. Results of Hypothesis Testing in the Inner Model Analysis

Discussion

The results of hypothesis testing indicate that hypothesis H_1 is accepted, which means that price perception has a positive and significant influence on purchase decisions. This aligns with Clarita (2023), who stated that consistent price perception can have a positive and significant impact on purchase decisions. When customers buy medicine at MTM pharmacy, they may face one of two conditions: they have either bought the medicine before or they have never known about it. If customers have purchased the medicine before, they will compare its price with the price they paid during their previous purchase. Subsequently, customers tend to make a purchase if the price is similar to what they paid previously or has increased by an amount considered reasonable.

Furthermore, hypothesis H_2 is accepted, meaning that customer trust has a positive and significant influence on purchase decisions. This is supported by Kirom and Handayati (2022), who revealed that customer trust has a positive and significant influence on online purchasing decisions. This study shows that trust in MTM pharmacy includes the belief that the medicine provided is genuine and in accordance with the doctor's prescription. The authenticity of the medicine is crucial for customers as it relates to its effectiveness and potential side effects. In addition, customers believe that MTM pharmacy can accurately interpret doctor's prescriptions, ultimately motivating customers to purchase medicine or vitamins from MTM pharmacy.

Lastly, hypothesis H_3 is accepted, indicating that customer experience has a positive and significant influence on purchase decisions. This is in line with Setyawan and Adiwijaya (2018), who conducted a study on customers renting futsal fields. The results showed that customer experience can positively and significantly influence purchase decisions. The study demonstrated that the better the customer's experience with a brand, the higher the likelihood of the customer buying products from that brand. This behavior is motivated by the interaction between the customer and the brand, which can convince the customer that the product is indeed the best alternative to meet their needs.

6. CLOSING

This research aimed to identify the factors influencing purchasing decisions at MTM Pharmacy in Bekasi. Based on the analysis and discussion, the following conclusions can be drawn:
1. Price perception has a positive and significant influence on purchasing decisions. This indicates that the prices offered by MTM Pharmacy affect customers' decisions to buy products.
2. Customer trust also has a positive and significant influence on purchasing decisions. Customer trust in the authenticity and accuracy of services at MTM Pharmacy affects their purchasing decisions.
3. Customer experience has a positive and significant influence on purchasing decisions. Positive experiences with MTM Pharmacy increase the likelihood of customers buying products from the pharmacy.

The results of this research provide valuable contributions to the management of MTM Pharmacy in Bekasi in improving marketing strategies and customer service. Understanding the factors influencing purchasing decisions can help the pharmacy optimize customer experiences and maintain consumer trust.

The limitations of this research include the limited location scope in Bekasi and a restricted number of respondents. Therefore, future research could expand the location scope and increase the number of respondents to obtain more representative results.

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