

THE EFFECT OF PRICE, LOCATION, AND SERVICE QUALITY ON REPEAT PURCHASE DECISIONS IN MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) FESTALS ON SUNDAY ACTIVITIES IN LHOKSEUMAWE CITY

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Abstract

This study aims to analyze the influence of price, location, and service quality on repurchase decisions among MSMEs at the Ahad Festival in Lhokseumawe City. The research method applied is quantitative with an associative approach. Data were collected through questionnaires distributed to 125 respondents who had previously made purchases at the Ahad Festival. Instrument testing was carried out using validity and reliability tests, while classical assumption tests included normality, multicollinearity, and heteroscedasticity tests. Data analysis was conducted using multiple linear regression with SPSS version 26. The results indicate that price, location, and service quality have a positive and significant effect on repurchase decisions, both partially and simultaneously. The coefficient of determination (R^2) value of 0.376 shows that 37.6% of the variation in repurchase decisions can be explained by the independent variables, while the remaining portion is influenced by other factors outside this research model.

Keywords: *Price, Location, Service Quality, Repurchase Decision, MSMEs*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy. They not only contribute to job creation and income distribution but also act as the backbone of national economic growth. According to the Ministry of Cooperatives and MSMEs, more than 99% of business actors in Indonesia fall into the MSME category, absorbing over 90% of the labor force. This confirms that MSMEs are essential pillars for sustaining the national economy. In Lhokseumawe City, one of the government's initiatives to support MSME development is the Ahad Festival, a routine event that serves as a platform for local entrepreneurs to promote and market their products. The festival showcases a variety of offerings, including food, beverages, clothing, handicrafts, and accessories. Beyond being a commercial activity, the Ahad Festival provides an opportunity for MSMEs to interact directly with consumers, thereby creating a unique shopping experience while strengthening the local economy. Nevertheless, despite its routine implementation, sales data of MSMEs participating in the Ahad Festival reveal fluctuating revenues from month to month. Several factors may explain these inconsistencies, such as non-competitive pricing, limited selling space that often feels overcrowded, and inconsistent levels of service quality among vendors. These issues directly influence customer satisfaction, which in turn determines whether consumers are willing to make repeat purchases.

Price is often a key determinant of consumer decisions. Kotler and Armstrong (2020) argue that price is the most flexible element of the marketing mix, directly generating revenue. Consumers tend to compare product prices with the quality they receive, and when prices do not align with expectations, the likelihood of repurchase decreases significantly. In addition to price, location plays an equally important role. A strategic and accessible location enhances consumer convenience and increases the probability of repurchase. Previous research (Permana et al., 2022) emphasized that the right location provides added value for consumers, strengthening their purchasing decisions. In the case of the Ahad Festival, although the event is held in the city center, limited space and crowded conditions often reduce consumer comfort,

creating barriers to repeat purchases. The third factor, service quality, has been widely recognized as a critical determinant of consumer satisfaction and loyalty. Excellent service—characterized by responsiveness, reliability, and empathy encourages positive consumer experiences, while poor service tends to discourage repeat purchases (Parasuraman et al., 2018). At the Ahad Festival, service quality varies significantly across MSME vendors, resulting in different consumer experiences that ultimately affect repurchase decisions.

Previous studies have explored the effects of price, location, and service quality on consumer purchasing behavior. However, most of these studies focused on modern retail outlets, restaurants, or e-commerce platforms. Research specifically examining MSMEs participating in local community-based events such as the Ahad Festival in Lhokseumawe remains limited. This research gap underlines the importance of conducting an empirical study in this particular context.

Therefore, this study aims to analyze the influence of price, location, and service quality on repurchase decisions among MSMEs participating in the Ahad Festival in Lhokseumawe City. The findings are expected to contribute to the theoretical development of marketing management literature and provide practical insights for MSME actors as well as local government in formulating strategies to strengthen consumer loyalty and ensure business sustainability.

LITERATURE REVIEW

Price

Price is one of the most critical elements of the marketing mix because it directly generates revenue and affects consumer purchasing behavior. According to Kotler and Armstrong (2020), price is the amount of money charged for a product or service, or the value consumers exchange for the benefits of owning or using the product. A fair and competitive price can attract consumers to repurchase, while an overpriced product may discourage loyalty. Previous studies (Febriani et al., 2023) found that consumers tend to repurchase when the price is perceived as fair and aligned with product quality.

Location

Location refers to the place where goods and services are offered to consumers. A strategic and easily accessible location increases consumer convenience and enhances purchasing decisions. According to Kusnadi et al. (2022), location is a critical factor that creates competitive advantage and long-term business sustainability. In the context of MSMEs, location does not only determine accessibility but also consumer comfort during transactions. Prior studies (Permana et al., 2022) showed that location has a positive and significant influence on consumer repurchase decisions.

Service Quality

Service quality is defined as the extent to which a service meets or exceeds customer expectations (Parasuraman et al., 2018). High-quality service—characterized by responsiveness, empathy, reliability, and assurance—encourages customer satisfaction and loyalty. In contrast, poor service quality negatively affects consumer perceptions and decreases the likelihood of repurchase. Studies by Aflah et al. (2024) emphasize that service quality significantly influences consumer behavior, especially in repeat purchase decisions.

Repurchase Decision

Repurchase decision refers to the consumer's tendency to buy a product or service repeatedly after a prior consumption experience. According to Yossy et al. (2020), repurchase occurs when consumers are satisfied with past purchases, which creates a positive evaluation and strengthens loyalty. Indicators of repurchase behavior include the intention to buy the same product again, willingness to recommend to others, and resistance to switching brands (Maryudi & Khoiri, 2021). In MSME contexts, repurchase decisions are essential because they ensure sustainable revenue streams and long-term competitiveness.

METHOD

This study employed a quantitative method with an associative approach to analyze the influence of price, location, and service quality on repurchase decisions among MSMEs at the Ahad Festival in Lhokseumawe City. The sample consisted of 125 respondents selected using purposive sampling, namely consumers who had made at least one purchase at the festival. Primary data were collected through a questionnaire using a five-point Likert scale. The independent variables were price (X_1), location (X_2), and service quality (X_3), while the dependent variable was repurchase decision (Y). Instrument testing was conducted using validity and reliability tests. Furthermore, classical assumption tests (normality, multicollinearity, and heteroscedasticity) were performed to ensure the feasibility of the regression model. Data were analyzed using multiple linear regression with SPSS version 26, supported by the t-test (partial), F-test (simultaneous), and the coefficient of determination (R^2) to measure the explanatory power of the independent variables.

RESULTS AND DISCUSSION

Respondent Characteristics

This section presents the demographic characteristics of the respondents, which serve to provide a clearer understanding of the sample population used in this research. The following are the main attributes of the respondents.

Table 1. Respondent Characteristics

		Gender			
		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Man	24	19,2	19,2	19,2
	Women	101	80,8	80,8	100,0
	Total	125	100,0	100,0	

Source: Data processed by researchers (2025)

Table 1 presents the gender distribution of respondents in this study. It can be seen that the number of male respondents was 24 (19.2%) and female respondents reached 101 (80.8%). Thus, it can be concluded that the majority of respondents in this study were female, with a total of 101 (80.8%). This phenomenon occurs because the Sunday Festival has significant appeal among female consumers.

Validity and Reliability Test

The validity test results show that all statement it can be seen that all the variable indicators used in this study have correlation values above 0.1757. Thus, it can be concluded that all the indicators employed to measure the variables in this study are declared valid.

Table 2. Validity Test Results

Variable	r_{hitung}	r_{tabel}	Description
X _{1.1}	0,927	0,1757	Valid
X _{1.2}	0,798	0,1757	Valid
X _{1.3}	0,651	0,1757	Valid
X _{1.4}	0,927	0,1757	Valid
X _{2.1}	0,675	0,1757	Valid
X _{2.2}	0,704	0,1757	Valid
X _{2.3}	0,751	0,1757	Valid
X _{2.4}	0,788	0,1757	Valid
X _{2.5}	0,772	0,1757	Valid
X _{2.6}	0,819	0,1757	Valid
X _{2.7}	0,555	0,1757	Valid
X _{2.8}	0,801	0,1757	Valid
X _{3.1}	0,634	0,1757	Valid
X _{3.2}	0,626	0,1757	Valid
X _{3.3}	0,659	0,1757	Valid
X _{3.4}	0,733	0,1757	Valid
X _{3.5}	0,636	0,1757	Valid
Y ₁	0,721	0,1757	Valid
Y ₂	0,831	0,1757	Valid
Y ₃	0,769	0,1757	Valid
Y ₄	0,788	0,1757	Valid

Source: Data processed by researchers (2025)

The next step is the reliability test results revealed that all variables had Cronbach's Alpha coefficients greater than 0,60. It can be concluded that all variables, namely price, location, service quality, and repurchase decision, demonstrate good reliability. This is evident from the Cronbach's alpha values for price, location, service quality, and repurchase decision, all of which are greater than 0.60.

Table 3. Reliability Test Results

No	Variable	Nilai Cronbach's alpha	Description
1	Price	0,852	Reliabel
2	Location	0,875	Reliabel
3	Service Quality	0,663	Reliabel
4	Repurchase Decision	0,772	Reliabel

Source: Data processed by researchers (2025)

The reliability test results further confirm that the instruments used are consistent and dependable, with Cronbach's Alpha values exceeding the minimum threshold of 0.60 for all variables.

Results of Classical Assumption Test

Normality Test

To ensure the validity of the regression model used in this study, a normality test was conducted to assess whether the residuals were normally distributed. The normality assumption is a critical prerequisite in multiple linear regression analysis, as it affects the accuracy and reliability of the statistical inference. In this study, the normality of the residuals was evaluated using a Normal P-P Plot of standardized residuals. The results showed that the plotted points closely followed the diagonal line, indicating that the residuals were approximately normally distributed. Furthermore, the significance value obtained from the Kolmogorov-Smirnov test exceeded the threshold of 0.05, confirming that the residuals

did not deviate significantly from a normal distribution. These findings demonstrate that the data fulfilled the assumption of normality, thereby confirming the suitability of the regression model used to analyze the influence of price, location, and service quality on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City. Meeting this assumption enhances the credibility of the hypothesis testing process, particularly the t-test and F-test, which are sensitive to non-normal data distributions. Consequently, the results and conclusions of this research can be interpreted with greater confidence and reliability..

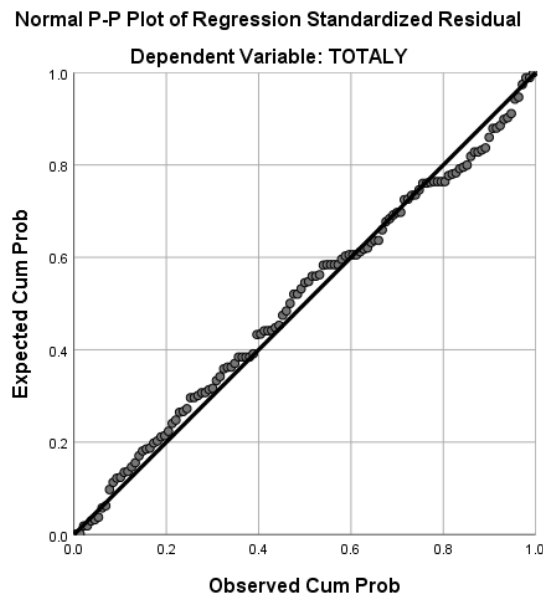


Image 1. Normality Test

Multicollinearity Test

To test the presence of multicollinearity in the regression model, tolerance and Variance Inflation Factor (VIF) values were examined. Multicollinearity occurs when independent variables are highly correlated with each other, which can distort the estimation of regression coefficients and weaken the reliability of hypothesis testing. In this study, the tolerance values for all independent variables—price, location, and service quality—were greater than 0.10, and the corresponding VIF values were less than 10. These results indicate that no multicollinearity existed among the independent variables included in the model. The absence of multicollinearity suggests that each independent variable contributes uniquely to explaining variations in repurchase decisions. Therefore, the regression model used in this study is considered reliable and suitable for further hypothesis testing regarding the influence of price, location, and service quality on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City.

Table 3. Multicollinearity Test Results

Model	<i>Coefficients^a</i>	
	<i>Tolerance</i>	<i>VIF</i>
(Constant)		
Price	0,523	1,911
Location	0,469	2,133
Service Quality	0,816	1,225

a. *Dependent Variable:* Repurchase Variable

Source: Data processed by researchers (2025)

Heteroscedasticity Test

To test the presence of heteroscedasticity in the regression model, a scatterplot of standardized residuals against predicted values was examined. Heteroscedasticity occurs when the variance of the residuals is not constant across all levels of the independent variables, which can reduce the accuracy of regression estimates and bias hypothesis testing. In this study, the scatterplot results showed that the residuals were randomly distributed above and below the zero line without forming a clear pattern. This indicates that heteroscedasticity did not occur in the model. The absence of heteroscedasticity suggests that the regression model meets the homoscedasticity assumption, thereby strengthening the reliability of the statistical tests conducted. Accordingly, the regression model used to analyze the influence of price, location, and service quality on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City can be considered valid and robust.



Image 2. Heteroscedasticity Test

Result of Data Analysis Methods
Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to examine the influence of price, location, and service quality on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City. The regression results showed that the three independent variables jointly had a significant positive effect on repurchase decisions, as indicated by the F-test significance value of 0.000, which was lower than the 0.05 threshold. This confirms that the overall regression model was statistically significant. The

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t-test results further revealed that each independent variable—price, location, and service quality—had a positive and significant effect on repurchase decisions, as the significance values of all variables were below 0.05. This finding suggests that consumers’ decisions to repurchase products at the Ahad Festival were strongly influenced by competitive pricing, strategic location, and the quality of service provided by MSME vendors.

Table 4. Multiple Linear Regression Analysis

Model	Coefficients			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	3.189	1.430		2.230	.028
Price	.240	.091	.270	2.633	.010
Location	.114	.056	.220	2.032	.044
Service Quality	.246	.072	.273	3.441	.001

a. *Dependent Variable:* Repurchase Decision

Source: Data processed by researchers (2025)

The results of the multiple linear regression analysis produced the following equation:

$$Y = 3.189 + 0,240X_1 + 0,114X_2 + 0,246X_3 + e$$

The results of the multiple linear regression analysis show that price, location, and service quality have a positive effect on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City. The regression coefficients for all variables were positive and significant, indicating that more competitive pricing, a more strategic location, and better service quality lead to a higher likelihood of consumers making repeat purchases. Thus, these three variables are proven to contribute to strengthening consumer loyalty.

Test Determination Coefficient (R2)

The coefficient of determination (R²) was found to be 0.376, indicating that 37.6% of the variation in repurchase decisions can be explained by price, location, and service quality. Meanwhile, the remaining 62.4% is influenced by other factors outside the model, such as promotion, product quality, and consumer preferences. This result suggests that although price, location, and service quality significantly affect consumer behavior, other factors also play an important role in shaping consumer loyalty toward MSMEs at the Ahad Festival in Lhokseumawe City.

Table 5. Test Results of Determination Coefficient (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.613 ^a	.376	.360	1,81272

a. *Predictors:* (Constant), service quality, Price, Location

b. *Dependent Variable:* Repurchase Decision

Source: Data processed by researchers (2025)

F Test Results

To Based on the results of the F-test (simultaneous analysis), the calculated F-value was 24.270 with a significance level of 0.000, which is less than 0.05. This indicates that the variables price (X₁), location (X₂), and service quality (X₃) simultaneously have a positive and significant effect on repurchase decisions (Y) among MSME consumers at the Ahad Festival in Lhokseumawe City. Therefore, the regression model used in this study is considered valid for explaining variations in repurchase decisions, and the simultaneous hypothesis proposed in this research is accepted. The F test is used to measure the effect of independent variables simultaneously (together) on the dependent variable. The results of the F test can be seen in the following table:

Table. 6 Test Result Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.189	1.430		2.230	.028
	Price	.240	.091	.270	2.633	.010
	Location	.114	.056	.220	2.032	.044
	Service Quality	.246	.072	.273	3.441	.001

a. *Dependent Variable:* Repurchase Decision

Source: Data processed by researchers (2025)

Partial Test Results (t)

Based on the results of the t-test (partial analysis), it was found that the variables of price, location, and service quality had a positive and significant effect on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City. This is evidenced by the significance values of all three variables being less than 0.05. Thus, each independent variable individually plays an important role in encouraging consumers to make repeat purchases. The more competitive the price, the more strategic the location, and the better the service quality provided by MSME vendors, the greater the likelihood that consumers will repurchase products at the Ahad Festival.

Testing is done using a significance of 0.05 ($\alpha = 5\%$). The t test results can be seen in the following table:

Table 7. Partial Test Results (t)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.189	1.430		2.230	.028
	Price	.240	.091	.270	2.633	.010
	Location	.114	.056	.220	2.032	.044
	Service Quality	.246	.072	.273	3.441	.001

a. *Dependent Variable:* Repurchase Decision

Source: Data processed by researchers (2025)

CONCLUSION

This Based on the findings of this study, it can be concluded that the variables price, location, and service quality have a positive and significant effect on repurchase decisions among MSME consumers at the Ahad Festival in Lhokseumawe City, both partially and simultaneously. The t-test results revealed that each independent variable significantly influenced repurchase decisions, while the F-test confirmed that all three variables jointly had a significant effect. The coefficient of determination (R^2) of 0.376 indicates that 37.6% of the variation in repurchase decisions can be explained by the three independent variables, whereas the remaining 62.4% is influenced by other factors outside the research model. Therefore, competitive pricing, strategic location, and good service quality are crucial factors in strengthening consumer loyalty toward MSMEs at the Ahad Festival.

Research Limitations

Although This study has several limitations that should be acknowledged. First, the research was conducted only on MSME consumers at the Ahad Festival in Lhokseumawe City, which limits the generalizability of the findings to other regions or different types of events. Second, the sample size was limited to 125 respondents, which, although adequate for statistical analysis, may not fully represent the entire population of Ahad Festival visitors. Third, the study focused only on three variables—price, location, and service quality—while other factors such as promotion, product quality, and customer satisfaction may also influence repurchase decisions but were not included in the analysis. Therefore, future research is recommended to expand the sample coverage, incorporate additional variables, and conduct comparative studies across different regions or types of MSMEs.

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