The influence of product quality, prices, and promotions on buyer decisions in the Small and Medium industry handicrafts of Tanjungpinang City

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Abstract
Purpose: The purpose of this research is to Analyse the impact of promotions, pricing, and product quality on consumer choices in Tanjungpinang City's small and medium-sized handicraft industry. The goal of the study is to comprehend how these variables influence consumers' decision-making processes and, in turn, influence the purchases that they make.

Research methodology: The study used a mixed methods research approach with structural equation modeling and partial least squares data analysis.

Results: Results show that product variables have a significant influence on purchase decisions, price variables have a very significant influence, and variable promotion has no significant influence.

Limitations: Acknowledging the evolving nature of legal landscapes, this study recognizes the temporal constraints that may impact the generalizability of its findings. Additionally, variations in legal interpretations across regions may influence the outcomes.

Contribution: This research contributes a nuanced exploration of the legal dimensions surrounding spousal consent in land transfers from jointly owned property, specifically within the context of unregistered marriages. The insights provided serve as a foundation for legal practitioners, policymakers, and scholars grappling with similar issues.

Implementation: The quality of service also has a major impact on buying decisions, and the quality of the product, which is mediated by the quality of the service, has a major impact on purchasing decisions. The quality of service also acts as a mediator in the price of a product; however, promotion is not greatly affected by service quality.

Keywords: *Products, Prices, Promotions, Quality of Service , Buyer Decision*

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1. Introduction

Business development in Indonesia is increasing day by day and continues to grow along with the times. Entrepreneurs must be better able to understand the needs and desires of their consumers and design strong marketing strategies to create satisfaction for their consumers. The increasing number of competitors requires entrepreneurs in order to optimise their marketing efficacy. In an effort to draw in as many customers as they can, Small and Medium-Sized Industries (SMIs) are also in competition with one another. With so many competitors, entrepreneurs need to be able to seize any openings or gaps

that present themselves. In the fiercely competitive world of business, entrepreneurs are constantly searching for the best marketing plan for their goods.

The development of the Small and Medium Industry (KSM) in the field of handicrafts in the City of Tanjungpinang is carried out by the Ministry of Trade and Industry, the Development Modal Agency, and other entities that can support the development of the KSM handicraft industry. In 2023, it is recorded that there are 145 KSM handicraft industries that have been registered and established by the Ministry of Trade and Industry. This serves as a catalyst for the City of Tanjungpinang to maximize the quality of the KSM handicraft industry.

Based on the data, it can be seen that there are still relatively few customers who make decisions to purchase KSM handicraft products in the months of April, May, and June 2023. A survey conducted indicates that respondents still prefer to buy products that have been considered as solutions to their needs. However, there are several aspects that are considered less satisfactory, such as product quality that is not wet enough, too high prices, less attractive advertising, lack of information, and distribution of products that are not wide enough.

Based on the background that has been presented, the research problem is formulated as "The Influence of Product, Price, and Promotion with Service Quality as a Mediating Variable on the Purchase Decision of the Small and Medium Industry (KSM) Handicrafts in the City of Tanjungpinang".

2. Literature Review

2.1. Marketing Management

In this research, the term "Marketing Management" is utilized within the framework of the Middle Theory. The purpose of this theory is to ensure that a company's marketing planning activities are well-organized and executed. This requires the formulation of appropriate strategies and skills to determine the nature of the plan (Rizky, Ramadhani, Husnia, & Saputra, 2021). The role of marketing management in a company is of paramount importance, which includes developing more innovative products, choosing a target market that is expected to benefit the company, and promoting new products to potential customers. According to Kotler, Keller, Ang, Tan, and Leong (2018), marketing management is a target market for attracting, retaining, and increasing customers by creating and providing good sales quality (Rozanna, 2023).

In this context, the researcher applies the Marketing Management Middle Theory (Putra & Suprapti, 2019), which is an applied science that is used to keep a business alive through the planning, implementation, and control of the marketing concept development program.

2.2. Product

The aspect that has the most significant impact on product purchase decisions is product quality, as explained by Kotler and Amstrong (2010). The uniqueness of a product or service is a contributing factor to its potential to meet consumer needs. This suggests that product quality is a relative consideration in product purchase decisions, and it is important to consider the quality of the product offered by each company. Product is the final result of the production process carried out by the company and will be misused or sold to consumers. This product can be in the form of goods, namely real objects or services, namely non-real products (Putra, 2022).

2.3. Price

The term price refers to the amount of money deposited for a product or service, or the value of goods exchanged by customers for the purpose of earning profits and using a product or service. Price is expressed in currency such as dollars and cents or other monetary units as a means of exchange. Price is considered as the value of a product or service that is determined by the amount of money one or more individuals or companies are willing to pay for it. Companies should set prices appropriately in order to succeed in selling their products and services. According to Nurliyanti, Susanti, and Hadibrata

(2022) price is one of the elements of the marketing mix that generates revenue, while the other elements generate costs. Price is also an element that is easily adjusted to fit the features of the product, distribution channels, and communication. A company must determine the price when it first develops a new product, when it introduces the product to a new distribution channel or a new geographic area.

2.4. Promotion
Promotion is the dissemination of information, arguments, and reminders about a product to prospective customers with the goal of swaying their decision or eliciting an action (Pramono & Indriyani, 2019). It is not expected that clients will be able to recognise the bank without promotion. Promotion is therefore the most effective way to draw in and keep clients. Promotion spreads information, influences or persuades, or reminds the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned (Pramono & Nopritama, 2020). Promotion is part of the communication mix, all messages conveyed by the company to consumers about its products (Rizky et al., 2021). Promotional techniques, especially advertising, must convey the usefulness, characteristics, and benefits of the product. Promotions are carried out by companies to communicate the benefits and products and to convince consumers to buy.

2.5. Service Quality
Service quality is the level of quality expected in dealing with consumers. Service quality is not only from the perspective of producers, but also from the perspective of consumers who use the service. According to Ikasari, Suryoko, and Nurseto (2013), In order for an organisation or corporation to achieve customer expectations by giving customers what they want, service quality assessment must be focused on and informed by customer expectations (Pramono & Safarini, 2021). Service quality refers to how well a business uses its method to determine whether it succeeds in offering high-quality services to its clients, gaining a large market share, and growing profits (Pramono & Pratama, 2020). The outcomes of a product's service quality approach are crucial to a business's ability to successfully defend itself against competitors. Declare that meeting or surpassing expectations for people, processes, goods, services, and the environment constitutes a dynamic state of quality (Wibowati, 2021). Garvin (2020), lists five different ways to develop high-quality viewpoints.lists five different ways to develop high-quality viewpoints.

2.6. Buying Decision
The purchasing decision-making process is a five-stage process that consumers go through, starting from problem recognition, information search, evaluation of alternative solutions, decision-making, and post-purchase behavior. This process ultimately leads to the selection of the best solution, as explained by Fitriyandi (2022). According to Arli and Tjiptono (2014), the decision-making process starts with the consumer recognizing the problem, searching for information about the product or brand, evaluating the different alternatives to solve the problem, and ultimately making a decision without considering all the alternatives. Gunatirin, Wijanarko, Amaliyah, and Deli (2023) defines decision-making as choosing one alternative from two or more alternatives without considering the other alternatives. Wardani, Jannah, and Setiadi (2020) defines the purpose of the decision-making process as the process of combining knowledge to evaluate two or more alternative actions and choose one of them. Based on the experts' explanations, it can be concluded that the purchasing decision-making process is a problem-solving process that ultimately leads to the selection of the best alternative solution.

2.7. Frame of Mind
The concepts in the framework of thinking are taken from current theories and serve as the foundation for the research that will be done. Three independent variables are used in this study: promotion (X3), price (X2), and product (X1). In this study, the mediating (intervening) variable Service Quality (Z) is paired with the dependent variable, Purchase Decision (Y). Thus, the following is a description of the research's conceptual framework:
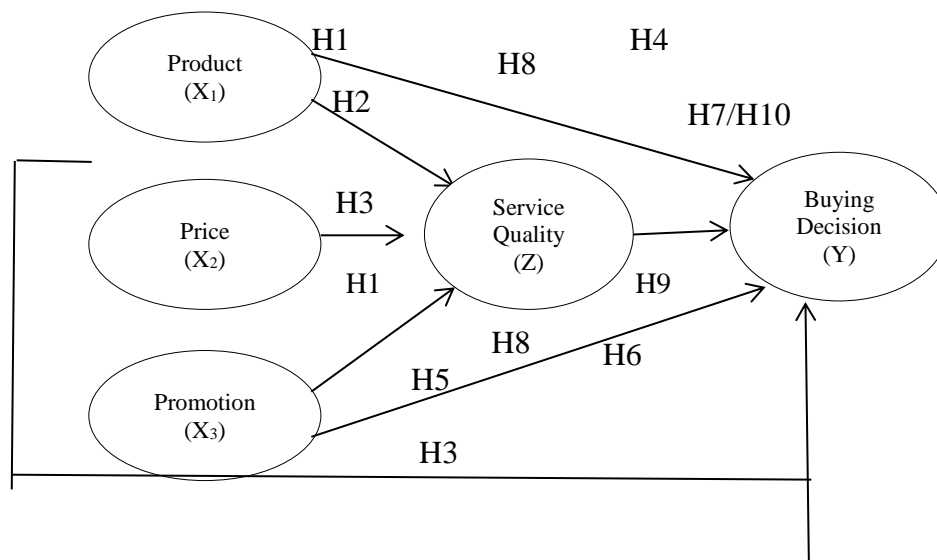
Figure 1: Research Framework

2.8. Hypotesis
2.8.1. The influence of products on service quality
Based on previous research conducted by Murnilawati, Hairudinor, and Rasyidi (2019) outlined the relationship between high-quality services and products. yields a probability of 0.096 and a T statistics value of 1.680. The likelihood is greater than alpha (5%), according to the test results. This indicates that there isn't a discernible direct relationship between service quality and product quality.
H1: The quality of products and services has a positive relationship.

2.8.2. The effect of price on service quality
Based on previous research conducted by Murnilawati et al. (2019) Given the explanation, the T statistics value for the influence of price on service quality is 4.132, with a probability of 0.000. According to the test results, the probability is less than alpha (5%). This indicates that there is a notable direct relationship between price and service quality.
H2: The relationship between cost and level of service is favourable.

2.8.3. The effect of promotion on service quality
Based on previous research conducted by Murnilawati et al. (2019) T statistics value of 6.089 with probability of 0.000 is produced when the influence of promotion on service quality is explained. According to the test results, the probability is less than alpha (5%). This indicates that promotion has a major direct impact on the calibre of services. A survey of researchers in the field produced a picture that culinary MSMEs in East Bogor use special recipes so that even though the products are the same, they have different tastes, create flavor variants and even maintain the original taste. from time to time without ignoring consumer tastes and the durability of the product and considering how it is presented and packaged so that it does not easily go stale/change taste.
H₃ : There is a positif effect between promotion and service quality

2.8.4. Product influence on purchasing decisions
Based on previous research conducted by Murnilawati et al. (2019) outlined how decisions are influenced by the quality of the product. Purchasing results in a probability of 0.337 and a T statistics value of 0.964. The likelihood is greater than alpha (5%), according to the test results. This indicates that decisions about what to buy are not significantly influenced by the quality of the products.
H4: Buying decisions and products have a positive relationship.

2.8.5. Price's impact on decisions to buy through service quality

Drawing from earlier studies carried out by Murnilawati et al. (2019); Putra and Cahyo (2021) provided an explanation of how service quality affects pricing in purchasing decisions. Price is known to have a big impact on service quality, and service quality is known to have a big impact on decisions about what to buy. Given the importance of both routes, it can be concluded that price significantly influences decisions about what to buy based on the calibre of the services. As a result, service quality has the ability to mitigate the impact of price on decisions about what to buy.

Based on previous research conducted by Hidayat (2018) elucidated that the hypothesis that "There is a Positive Influence of Price on Purchasing Decisions (Case Study of Palm Palm Sugar Buyers in Simpang Empat Village, Sei Rampah District, Sergai Regency, North Sumatra Province)" is accepted based on the statistical results of the t test for the price variable, which obtained a calculated t value of 2.445 with a significance value of 0.020 which is less than 0.05 (0.020 < 0.05).
H_5 : There is a positif effect between price, purchasing decision and service quality

2.8.6 Promotion's impact on decisions to buy through service quality
Drawing from earlier studies carried out by Murnilawati et al. (2019) explained the Influence of promotions on purchasing decisions through service quality. It is known that promotions have a significant effect on service quality and The quality of the services has a big impact on what people decide to buy. Given the importance of both routes, it can be concluded that promotion has a big impact on consumers' decisions to buy through service quality. Therefore, service quality has the ability to mitigate the impact of promotions on decisions about what to buy (Pramono & Safarini, 2022).
H_6 : There is a positif effect promotion, purchasing decision and service quality.

2.8.7. The influence of service quality on purchasing decisions
Based on previous research conducted by Murnilawati et al. (2019) explained the Influence of service quality on decisions purchasing produces a T statistics value of 2.183 with a probability of 0.031. The test results show that the probability is <alpha (5%). This means that there is a significant direct influence on service quality on purchasing decisions.
H_7 : There is a positif effect between service quality and purchasing decision

3. Methodology
The location or place of The subject of this study is Tanjungpinang City's IKM Crafts, a small and medium-sized business. Tanjungpinang City will be the site of this research in 2023. Using a questionnaire instrument, the data collection technique employs variable measurement. A questionnaire is provided to each respondent as a source of variable measurement investigated. By providing respondents with a list of questions or questionnaires, data was gathered through the use of questionnaires. The reason for using this method is that the research subject is the person who knows best about himself, and the subject's statements given are true and trustworthy (Zillah, Husniati, & Aziz, 2022).

The population of this research is 145 samples of Tanjung Pinang City Crafts Small and Medium Industry (IKM) consumers. The samples are a portion of this population's size and makeup (Sugiyono, 2018). In this study, the census technique was employed as the sampling method. By choosing the entire population to serve as the research sample, the census technique is sample selection. As a result, there were 145 samples in this investigation.

This study uses a quantitative method to investigate causality. Primary data is what is utilised from research respondents. In this research, the target population is consumers or buyers in the Tanjungpinang City Craft Small and Medium Industries (IKM) in the last three months (April, May, June) taken from three places. The samples taken were 145 samples of Tanjungpinang City Craft Small and Medium Industry (IKM) consumers. The following are the demographics of the respondents.

Table 1. Respondents based on gender

No		Frequency	Percent
Gender	Male	49	33.8%
	Female	96	66.2%
TOTAL		145	
Age	< 20 years old	10	6.9%
	20– 30 years old	20	13.8%
	31– 40 years old	40	27.6%
	41 – 50 years old	51	35.2%
	< 50 years old	24	16.5%
Education	Middle School	8	5.5%
	High School	48	33.1%
	Associate Degree /Bachelor	68	46.9%
	Master/Doctor	21	14.5%

3.1. Operational Definition of Variables

Anything that can be made available to the market to attract attention, be purchased, used, or consumed in order to fulfil a need or desire is considered a product. Respondents are required to complete a list of questions and rate their answers on a Likert scale from 1 (strongly disagree) to 5 (strongly agree).

The cost of a good or service is expressed as its price. or the quantity of value that a client trades in exchange for the advantages of possessing and making use of a good or service. Respondents are required to complete a list of questions and rate their answers on a Likert scale from 1 (strongly disagree) to 5 (strongly agree).

Marketing communications that enlighten, convince, and remind prospective customers about a product in to sway their viewpoint or elicit a response (Parela, 2022). Answers to the list of questions that must be filled in by respondents are made using a Likert scale from 1 (strongly disagree) to 5 (strongly agree).

Service quality is the expected level of quality (Putra & Herawati, 2017). Service quality is not only from the perspective of producers but also from the perspective of consumers who use the service. Answers to the list of questions that must be filled in by respondents are made using a Likert scale from 1 (strongly disagree) to 5 (strongly agree).

The stage of the decision-making process where consumers actually make a purchase is known as the purchasing decision. A consumer's decision to purchase a combination of two or more available alternatives is influenced by a number of factors, such as location, promotion, quality, price, convenience, service, and others (Sulistyawati, Setyadi, & Nawir, 2022). Answers to the list of questions that must be filled in by respondents are made using a Likert scale with 5 being strongly agreed and 1 being strongly disagreed.

3.2. Test of Validity and Reliability

Before data analysis is carried out, the quality of the data obtained is first tested using the following steps:

3.2.1 Validity Test

In Ridwan (Umar, 2003), it was explained that the term validity refers to a dimension that indicates the level of reliability or authenticity of an instrument used to collect data. If an instrument is deemed valid, it indicates that the tool is capable of measuring the things it is designed to measure, and thus it can be used to obtain data that is valid. As LESTARI (2019) states, an instrument that is deemed valid must have both internal and external validity. An instrument that has internal validity or rationality is considered valid if the criteria that exist within the instrument have shown what is intended to be measured. Meanwhile, an instrument that has external validity or empirical is deemed valid if it is based

on empirical facts that have been proven through comparison with standards that have been established and consultation with experts as a means of validity testing.

There are two types of internal validity, namely construct validity, which is developed based on relevant theory with consultation and validation by experts, and content validity, which is developed based on planning or program that has been made with comparison and consultation with experts as a means of validity testing. Meanwhile, external validity or empirical is developed based on empirical facts that have been proven through comparison with standards that have been established and analysis of facts as a means of validity testing. Researchers often use external validity to test the validity of instruments at a certain level of a subject of the research (Oktarendah & Putri, 2023).

3.3. Data Analysis Technique

Analysis was conducted using SmartPLS version 4, a Partial Least Squares (PLS) software commonly used in social science research. PLS is a structural equation modeling (SEM) technique with more flexibility in connecting theory and data, suitable for small samples, and can perform path analysis with variable latency. It is used to confirm theories, explain relationships, and analyze constructs formed by reflective and formative indicators. The choice of PLS was based on the presence of six latent variables formed by reflective indicators and variable length. In this context, the reflective model makes the assumption that the construct or variable latency affects the indicator, with a second-order causal relationship between the construct and the indicator. Confirming the relationship between latent variables is therefore essential.

4. Results and discussions

The Two stages of evaluation are the outcome of data analysis using Partial Least Square (PLS): assessment of the measurement model (outer model) and assessment of the structural model (inner model). By comparing each variable's cross loading value with the reflexive indicator criteria as determined by discriminant validity measurements, the measurement model is evaluated. A latent construct is said to predict a measure in a block more accurately than a measure in another block if its correlation with a measurement item is higher than that of other measurement measures. To make sure that every concept from every latent model is distinct from other variables, discriminant validity is used. The goal of discriminant validity is to determine if a construct variable's indicator is legitimate or If the Heterotrait - Monotrait Ratio of Correlation (HTMT) value is less than 0.90, the variable is considered to have good discriminant validity.

Table 2. Discriminant Validity

	Price X2	Purchase Decision Y	Service Quality Z	Product X1	Promotion X3
Price X2					
Purchase Decision Y	0,108				
Service Quality Z	0,938	0,092			
Product X1	0,433	0,241	0,423		
Promotion X3	0,449	0,106	0,461	0,365	

Price has a positive correlation with purchasing decisions and service quality variables. Service quality has a positive correlation with product and promotional variables. Positive product correlation with promotional variables.

4.1. Analysis of the Measurement Model (Outer Model)

The outer model, sometimes referred to as the prediction model, is used to define how the latent variables and the model's indicators relate to one another. The PLS algorithm is used in the outer model specification test. Internal consistency analysis is a reliable method for evaluating how consistently an

exam's entire item is constructed. A composite reliability criterion is used in internal consistency testing, and a variable is deemed reliable if its composite reliability is higher than 0.600. ([Youp, 2021](#)).

Table 3. Internal Consistency Analysis

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Price X2	0,944	0,948	0,951	0,564
Purchase Decision Y	0,975	0,988	0,977	0,743
Service Quality Z	0,953	0,955	0,958	0,605
Product X1	0,970	0,973	0,972	0,617
Promotion X3	0,969	0,974	0,972	0,701

Based on the internal consistency analysis data in the table above, all variables are reliable because they have a value of 0.600.

4.2. Structural Model Analysis (inner Model)
Testing the interdependence between latent variables with latent variables—whether exogenous or endogenous—is the fundamental idea behind the structural (inner model) principle of the model. Testing hypotheses is another name for model testing. When testing a model, one looks at the explained variance percentage of the dependent (endogenous) variable under study. Another looks at the impact of the independent (exogenous) variable, which has a large coefficient of structural links and a small stone-geisser Q square test. Statistical tests that are obtained through bootstrapping are used to assess the stability of the estimated parameters.

4.3. Coefficient of Determination (R Square)
To assess how well predictions are made for a variable, one can use the Coefficient of Determination (R Square). Stated differently, assessing the relationship between changes in the independent variable's value and changes in the dependent variable's value in a path model.

Table 4. Coefficient of Determination

	R-square	R-square adjusted
Purchase Decision Y	0,958	0,946
Service Quality Z	0,765	0,723

This study's R-square test demonstrates the impact of independent factors on purchasing decisions and service quality, including product, price, and promotion. The Buy Quality variable's coefficient of determination (R2) is 0.946, meaning that 94% of the variance in the dependent variable—Purchase Decisions—can be explained by the independent variable. The dependent variable, service quality, has an R2 value of 0.723, meaning that 72% of the variance in the dependent variable can be explained by the independent variable. Other factors not included in the research model account for the remaining amount.

4.4. Hypothesis Testing Product Influence on Purchasing Decisions
An increase in the value of the Product variable will be followed by an increase in the Purchasing Decision variable due to the direct influence of the Product variable on the Purchasing Decision variable, which has a path coefficient of 0.305 (positive). P-value for the influence of products on decisions to buy is 0.003 < 0.05, indicating a highly significant influence of products on decisions to buy. The results of the analysis regarding products and purchasing decisions showed empirical findings that products had a positive and significant effect on purchasing decisions. Where the better the quality

of the products offered by the Tanjungpinang City Craft Small and Medium Industries (IKM), the better the purchasing decisions will be. It can be seen from the respondents' responses regarding products and purchasing decisions in the good category. This is in accordance with the conditions where the products offered by the Tanjungpinang City Small and Medium Handicraft Industry (IKM) have their own uniqueness and are not found anywhere else, thus making customers interested in making purchases. Discussion about the importance of products can influence attitudes in running a business within the scope of a business organization, so that if the product is of good quality it will have an influence on buyers' decisions.

4.5. The influence of price on purchasing decisions
The direct influence of Price on Purchasing Decisions has a path coefficient of -0.536 (negative), so that an increase in Price value will be followed by an increase in Purchasing Decisions. The influence of price on purchasing decisions has a P-value of 0.000 < 0.05, so it can be stated that the influence of price on purchasing decisions is significant. The results of the analysis regarding price and purchasing decisions showed that the product had a positive and significant effect on purchasing decisions. Where the better the prices offered by the Tanjungpinang City Craft Small and Medium Industries (IKM), the better the purchasing decisions will be. Respondents' responses regarding price and purchasing decisions were in the good category. This is in accordance with conditions where the prices of products offered by small and medium craft industries (IKM) vary and are affordable for consumers. Consumers are satisfied with the prices of products offered by the Tanjungpinang City Small and Medium Handicraft Industry (IKM). Discussion about the prices of products in the Tanjungpinang City Crafts Small and Medium Industries (IKM) is reasonable compared to the products that consumers get. Consumers are also satisfied with the discounts and promotions provided by the Kot Craft Small and Medium Industries (IKM).

4.6. Promotion's Impact on Consumer Decisions
With a path coefficient of 0.076 (positive) for the Promotion variable's direct influence on Purchasing Decisions, an increase in the Promotion variable's value will be followed by an increase in the Purchasing Decision variable. With a P-Value of 0.399 > 0.05, the influence of the promotion variable on the purchasing decision variable is not significant, indicating that the relationship between the two variables is not very strong. The product had a favourable and negligible impact on purchasing decisions, according to the analysis's findings about promotions and purchase decisions. Where the better the promotions offered by Tanjungpinang City's Small and Medium Handicraft Industries (IKM), the better the purchasing decisions will be. It can be seen from the respondents' responses regarding promotions and purchasing decisions in the good category. This is in accordance with the conditions where the appearance of advertisements on social media is attractive and easy to remember in introducing small and medium industry (IKM) handicraft products. And many consumers are interested in buying new products from promotions carried out by the Tanjungpinang City Craft Small and Medium Industries (IKM). Tanjungpinang City Small and Medium Industries (IKM) must often carry out promotions at certain annual events. (Birthday, Eid al-Fitr, Christmas, New Year, etc.). Experience.

4.7. Influence of Products on Service Quality
With a path coefficient of 0.036 (Positive) for the direct relationship between the Product and Service Quality variables, an increase in the Product variable's value will be accompanied by an increase in the Service Quality variable. It is possible to conclude that there is no significant relationship between the Product variable and Service Quality because the P-Value of 0.564 > 0.05 indicates that the relationship is not significant. The examination of the relationship between the quality of the product and the services revealed empirical evidence that the product positively and marginally impacted the quality of the services. Where the better the quality of the products offered by the Tanjungpinang City Craft Small and Medium Industries (IKM), the better the quality of service. Respondents' responses regarding product and service quality were in the good category in accordance with the conditions where the products available in small and medium craft industries (IKM) never expired. Small and Medium Industries (IKM) Crafts provide convenience for consumers in making bill payment transactions for

product purchases and have a variety of similar products at varying prices according to customer needs. The products sold by small and medium handicraft industries (IKM) are Halal certified and existing small and medium handicraft industrial products (IKM) are in accordance with the regulations.

4.8. Effect of Price on Service Quality
A rise in the Price variable will be followed by an increase in the Service Quality variable due to the direct influence of the Price variable on the latter, which has a path coefficient of 0.858 (positive). Given that the Price variable has a P-Values value of $0.000 < 0.05$, it can be concluded that Price has a significant impact on Service Quality. Price had a positive and significant impact on service quality, according to empirical findings revealed by the analysis of price and service quality. Where the better the quality of the products offered by the Tanjungpinang City Craft Small and Medium Industries (IKM), the better the quality of service. Respondents' responses regarding price and service quality were listed as good, in accordance with the condition of the Small and Medium Industry (IKM) rooms which were neatly arranged and clean. The neat appearance of the employees and good room supervision indicate that good customer supervision can be provided by the employees. Apart from that, the prices offered at small and medium craft industries (IKM) are in line with people's purchasing power and are similar to the prices offered by other galleries. This research is in line with that conducted by Murnilawati, Hairudinor, M Nor Rasyidi in Jurnal

4.9. Promotion's Impact on Service Quality
With a path coefficient of 0.058 (Positive) for the direct relationship between promotion and service quality, an increase in the value of the promotion variable will be accompanied by an increase in the service quality variable. It is possible to conclude that the influence of promotion on service quality is not significant because the P-Value of the promotion variable on service quality is $0.137 > 0.05$.

Pricing significantly and favourably affects the quality of services, according to an empirical study on the relationship between promotions and service quality. The level of service quality increases with the quality of promotion provided by Tanjungpinang City's Small and Medium Industry (KIC). This is in line with the respondents' feedback on the promotion and service quality, which is generally positive. The KIC regularly updates information about the products being promoted through its website. The KIC always renews its products to meet consumer needs. And every day, it conducts effective promotions through radio, online, and print media, which can positively impact service quality.

4.10. The Impact of Service Quality on Decisions about What to Buy
The quality of service offered by Tanjungpinang City's Small and Medium Industries (IKM) has a positive and significant influence on purchasing decisions, according to the analysis of empirical data. Customers are more likely to make purchasing decisions when the quality of service is better. This aligns with the respondents' opinions regarding the factors influencing purchasing decisions, specifically price and product quality. Respondents reported that they would purchase again due to the high quality of products and would recommend the industry to others.

Furthermore, The research results align with a study carried out by Murnilawati, Hairudinor, and M Nor Rasyidi. The study examined the influence of price, promotions, and product quality on purchasing decisions at the "Andina" restaurant in Muara Teweh, North Barito, Central Kalimantan, using service quality as an intervening variable. A T-statistics value of 2.183 and a probability of 0.031 were discovered by the study.

5. Conclusions
The following succinctly describes the outcomes of the data analysis and hypothesis testing:
1. The decision to buy is heavily influenced by the product's quality; therefore, the more variations and higher quality products that the Small and Medium Industries (IKM) of Handicrafts inKota Tanjungpinang, the more consumers will make a purchasing decision.

2. The promotion does not have a significant impact on the purchasing decision, which means that the more and consistent the promotion activities conducted by IKM on social media, radio, and television, the more consumers will become familiar with the products offered by IKM and eventually make a purchasing decision.

3. The quality of service has a significant impact on the purchasing decision, where the better the quality of service provided by IKM, starting from clean and fast outlets and professional staff, the more consumers will make a decision to purchase the products offered.

4. The product does not have a significant impact on the quality of service, where the better and more variations of products offered by IKM, the better the quality of service provided by IKM can be, which can make the staff happy and confident to offer the products.

5. The price has a significant impact on the quality of service, where IKM providing promotional prices for new products can make consumers feel happy and appreciated. Additionally, if the price offered is suitable with the quality of the product, it can improve the quality of service provided by IKM.

6. Because Promotion rarely attends specific events or bazaars hosted by the city government, it has no discernible impact on Service Quality as measured by SMI. To guarantee the calibre and proficiency of staff members in providing products, the offered goods must go through a routine testing procedure.

7. In this study, Purchase Quality is assessed as an independent variable. According to the coefficient of determination (R^2), the dependent variable—the purchase decision—can account for 94% of the variance in the whole. With a coefficient of determination (R^2) of 0.723, the variable related to service quality can account for 72% of the variance in the dependent variable, service quality. The residual 38% variation.

5.1. Implications

The implications of this research can be stated as follows. First, theoretically, purchasing decisions will involve product, price and promotion aspects in developing the substance study concept to improve service quality. In the small-to-medium industry, products, promotions and prices are the benchmarks. By having good quality products, prices that match the products offered, and carrying out promotions that are right on target, you can make good purchasing decisions. Low or high purchasing decisions can be assessed from several factors, including product, price, promotion and service quality. Second, in practice, there is a relationship between products, prices, promotions and service quality and purchasing decisions. This proves that product, price and promotion are one of the factors that determine purchasing decisions. Finally, the use of the causality method is actually credible, but there are errors in causal reasoning that often occur. Therefore, it is hoped that other research studies can use more credible data to produce more accurate results.

5.2. Research Limitations

This research has several limitations that may influence the results, such as limitations in the relevance of the research model and analysis used, small samples in causality analysis, limitations in the availability of references with the latest year, and several questions that have not been carefully completed in the questionnaire. Apart from that, the primary research data is not strong enough and an interview stage is needed to identify the problem with each variable.

5.3. Suggestion

Small and Medium Industries (IKM) Tanjungpinang City Crafts has a responsibility to maintain and uphold the quality of the products they offer. They should continuously innovate and improve the products, ideas, designs, and other innovations that have emerged in their products, such as adding unique products to the Kota Tanjungpinang product line, which gives the product a differentiated appearance compared to competitors. The price of the product should be reasonable and consistent with the characteristics, specifications, and capabilities of the product, which are dependent on the ability of the product to meet consumer needs (quality of the product). If the product has a premium quality (good and attractive product), it can be offered at a slightly higher price. To increase sales and promote the products and outlets, Tanjungpinang City Crafts IKM should frequently conduct product promotions

and participate in social media. They should also actively participate and always follow up with the bazaars that are frequently held by the local government of Tanjungpinang, so that the products and outlets of IKM Crafts Kota Tanjungpinang are better known by the general public.

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