

The Relationship Between Price and Location with the Interest of the Academic Community of FPP Laundry at Unp Hospitality Laundry

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ABSTRACT

This study investigates the influence of price and location on purchase intention in the context of UNP Hospitality Laundry, Indonesia. Using a quantitative approach, data were collected from 150 respondents through purposive sampling and analyzed using descriptive statistics, classical assumption tests, and multiple regression analysis. Results reveal that both price and location have positive and significant effects on purchase intention, with price showing a slightly stronger standardized coefficient. These findings support the Price-Value Theory and Location Theory, emphasizing that competitive pricing aligned with perceived quality, along with strategic and accessible location, are critical determinants of consumer decision-making in service industries. Theoretically, this research extends the application of these theories to the hospitality laundry sector, a relatively underexplored service niche in emerging markets. Practically, the results suggest that service providers should maintain price-quality alignment, improve price accessibility, and enhance location visibility beyond regular operational hours to attract more customers. For hospitality managers, integrating competitive pricing strategies with location-based service improvements may increase customer purchase intention and strengthen market competitiveness. Future studies could incorporate additional variables such as service quality, customer satisfaction, and brand image to provide a more comprehensive understanding of purchase behavior in hospitality services.

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1. INTRODUCTION

The laundry service industry has become a vital segment of the modern service economy, offering indispensable convenience to time-constrained populations—particularly within institutional settings like university campuses. In such environments, where students and staff balance academic, administrative, and personal responsibilities, both price and location critically influence service uptake and the overall quality of life.

Price serves as a fundamental determinant of purchase intention, encapsulating perceived value, fairness, and affordability. Competitive, transparent pricing tends to elevate purchase intention, while views of pricing as excessive—or misaligned with perceived benefit—can dissuade potential users, even when services are easily accessible. Strategic pricing approaches, including dynamic pricing such as peak/off-peak and data-informed models, are increasingly advocated to optimize both consumer attractiveness and provider sustainability [1].

Location, in turn, plays a central role in service accessibility and user behavior. High-visibility placement, ease of access, and proximity to demand centers positively influence patronage. Yet, in campus contexts, mere proximity does not guarantee high usage—constraints like limited operating hours, visibility, and local infrastructure can attenuate location advantages [2].

Despite extensive literature examining price and location independently as predictors of purchase intention, studies analyzing their combined effects in campus or institutional laundry settings—especially within emerging-market contexts—remain scarce [3].

At Universitas Negeri Padang (UNP), the Hospitality Laundry service managed by the Faculty of Tourism and Hospitality (FPP) embodies this issue: despite its strategic campus location, actual usage by the academic community remains below expectations. This suggests that neither price nor location alone fully accounts for consumer behavior in this context.

Therefore, this study aims to examine both the individual and interaction effects of price and location on the purchase intention of UNP's academic community toward the FPP Hospitality Laundry. By exploring these dynamics, we intend to enrich theoretical discussions in service marketing and consumer behavior while offering practical guidance for improving institutional service offerings in emerging-market and campus-based environments.

2. METHOD

This study employed a causal–associative quantitative approach to analyze the relationship between price and location as independent variables and purchase intention as the dependent variable in the context of UNP Hospitality Laundry services. The population comprised the academic community of the Faculty of Tourism and Hospitality (FPP) at Universitas Negeri Padang, aged at least 17 years and having previously used laundry services. Using purposive sampling based on these criteria, a total of 150 respondents—consisting of active students, lecturers, and educational staff—were selected. Data was collected between [May] and [June] 2025 through a structured questionnaire using a five-point Likert scale (“strongly disagree” to “strongly agree”) measuring 12 price-related indicators (affordability, value for money, value for benefits, and competitiveness) [1], 21 indicators for location (visibility, accessibility, supporting facilities, environment) [2], and 12 indicators for purchase intention (transactional, referential, preferential, exploratory) [3]. Prior to analysis, instrument validity was tested using Pearson's product–moment correlation [4], and reliability was assessed using Cronbach's alpha, with all constructs meeting the minimum threshold of 0.70 [5]. Classical assumption testing included the Kolmogorov–Smirnov test for normality [6], the Glejser test for heteroscedasticity [7], and Variance Inflation Factor (VIF) with tolerance values for multicollinearity [8]. Hypothesis testing was performed using multiple linear regression analysis in IBM SPSS Statistics version 26.0, with the t-test applied to evaluate the partial effects of price and location, the F-test to assess their simultaneous effects, and the coefficient of determination (R^2) to determine the proportion of variance in purchase intention explained by the two independent variables.

3. RESULTS AND DISCUSSION

3.1. Result

3.1.1. Description of Data Variables

The descriptive analysis shows that the price variable (X_1) at UNP Hospitality Laundry has an average score of 4.14 with a Total Category Response (TCR) of 82.88%, which falls into the good category. Most respondents believe that the prices offered are consistent with the quality of service, the benefits received, and remain relatively competitive. The highest-rated indicator is “high price reflects good quality” (Mean = 4.28; TCR = 85.60%), while the lowest-rated is “price is affordable” (Mean = 3.91; TCR = 78.13%). This finding suggests that although price quality is viewed positively, affordability should still be considered to increase service attractiveness. The location variable (X_2) has an average score of 4.08 with a TCR of 81.56%, also classified as good. Respondents perceive UNP Hospitality Laundry's location as strategic, easily accessible, and supported by adequate facilities such as safe and sufficient parking areas. The highest-rated indicator is “safe parking area” (Mean = 4.25; TCR = 84.93%), while the lowest-rated is “location visible from the main road” (Mean = 3.74; TCR = 74.80%). These results imply that, although the location is supportive, improving visibility and accessibility outside regular campus hours could further enhance customer reach. The purchase intention variable (Y) records an average score of 4.08 with a TCR of 81.50%, indicating a good level of intention to use UNP Hospitality Laundry. The highest-rated indicator is “giving positive reviews” (Mean = 4.20; TCR = 84.00%), while the lowest-rated is “having an intention to order” (Mean = 3.95; TCR = 78.93%).

Table 1. Description of Price Variable (X_1)

No.	Statement	Mean	TCR (%)	Category
1	Price is affordable	3.91	78.13%	Good
2	Willing to pay the set price	4.03	80.53%	Good

No.	Statement	Mean	TCR (%)	Category
3	Price matches economic conditions	4.09	81.87%	Good
4	Price reflects quality	4.24	84.80%	Good
5	High price indicates good quality	4.28	85.60%	Very Good
6	Price is consistent with quality	4.13	82.53%	Good
7	Benefits are worth the cost	4.17	83.33%	Good
8	Satisfied with the service	4.21	84.13%	Good
9	Price is reasonable according to benefits	4.15	82.93%	Good
10	Easy to compare prices	4.21	84.27%	Good
11	Service prices are competitive	4.09	81.73%	Good
12	Price is an important factor	4.23	84.67%	Good
	Average	4.14	82.88%	Good

Table 2. Description of Location Variable (X_2)

No.	Statement	Mean	TCR (%)	Category
1	Location visible from main road	3.74	74.80%	Good
2	Business name is clearly visible	3.85	77.07%	Good
3	Direction signs are available	3.93	78.67%	Good
4	Location is in a busy area	3.97	79.47%	Good
5	Access is not congested	4.18	83.60%	Good
6	Location is easy to reach	4.13	82.53%	Good
7	Adequate parking area	4.17	83.47%	Good
8	Safe parking area	4.25	84.93%	Good
9	Comfortable parking experience	4.05	81.07%	Good
10	Additional land available	4.11	82.13%	Good
11	Empty space available	4.07	81.33%	Good
12	Potential for business expansion	4.18	83.60%	Good
13	Located in a high-activity area	4.11	82.27%	Good
14	Environment supports the business	4.14	82.80%	Good
15	Environment has potential	4.05	81.07%	Good
16	Other businesses present in location	4.14	82.80%	Good
17	Location advantage	4.10	82.00%	Good
18	Competition is not too dense	4.06	81.20%	Good
19	Location does not violate regulations	4.07	81.47%	Good
20	Has a business license	4.17	83.33%	Good
21	Not located in a prohibited area	4.15	83.07%	Good
	Average	4.08	81.56%	Good

Table 3. Description of Purchase Intention Variable (Y)

No.	Statement	Mean	TCR (%)	Category
1	Willing to use the service	3.98	79.60%	Good
2	Intention to order	3.95	78.93%	Good
3	Plans to use the service	3.99	79.73%	Good
4	Willing to recommend	4.09	81.87%	Good
5	Giving positive reviews	4.20	84.00%	Good

No.	Statement	Mean	TCR (%)	Category
6	Willing to promote	4.10	82.00%	Good
7	As a top choice	4.06	81.20%	Good
8	Remain loyal to the service	4.04	80.80%	Good
9	Satisfied with UNP Laundry	4.04	80.80%	Good
10	Interested in seeking information	4.15	82.93%	Good
11	Want to know more	4.13	82.67%	Good
12	Want to know service details	4.17	83.47%	Good
	Average	4.08	81.50%	Good

3.1.2. Instrument Testing

3.1.2.1. Validity Test

Validity testing was performed using Pearson's product-moment correlation to assess whether each item accurately measured its respective construct [7]. The results in Table 4 show that all correlation coefficients (r-count) exceeded the critical value of 0.160 ($n = 150$, $\alpha = 0.05$) with p-values < 0.05 , indicating that all items for the variables of Price, Location, and Purchase Intention were valid and could be used for further analysis.

Table 4. Validity Testing Results

Variable	Item Code	r-count	r-table (n=150)	Sig. (p-value)	Conclusion
Price (X1)	X1.1	0.612	0.160	0.000	Valid
	X1.2	0.645	0.160	0.000	Valid
	X1.3	0.598	0.160	0.000	Valid
	X1.4	0.661	0.160	0.000	Valid
	X1.5	0.674	0.160	0.000	Valid
	X1.6	0.642	0.160	0.000	Valid
	X1.7	0.657	0.160	0.000	Valid
	X1.8	0.669	0.160	0.000	Valid
	X1.9	0.655	0.160	0.000	Valid
	X1.10	0.648	0.160	0.000	Valid
	X1.11	0.637	0.160	0.000	Valid
	X1.12	0.662	0.160	0.000	Valid
Location (X2)	X2.1	0.604	0.160	0.000	Valid
	X2.2	0.617	0.160	0.000	Valid
	X2.3	0.621	0.160	0.000	Valid
	X2.4	0.633	0.160	0.000	Valid
	X2.5	0.640	0.160	0.000	Valid
	X2.6	0.659	0.160	0.000	Valid
	X2.7	0.665	0.160	0.000	Valid
	X2.8	0.671	0.160	0.000	Valid
	X2.9	0.648	0.160	0.000	Valid
	X2.10	0.652	0.160	0.000	Valid
	X2.11	0.645	0.160	0.000	Valid
	X2.12	0.663	0.160	0.000	Valid
	X2.13	0.657	0.160	0.000	Valid
	X2.14	0.669	0.160	0.000	Valid

Variable	Item Code	r-count	r-table (n=150)	Sig. (p-value)	Conclusion
Purchase Intention (Y)	X2.15	0.650	0.160	0.000	Valid
	X2.16	0.644	0.160	0.000	Valid
	X2.17	0.653	0.160	0.000	Valid
	X2.18	0.636	0.160	0.000	Valid
	X2.19	0.642	0.160	0.000	Valid
	X2.20	0.667	0.160	0.000	Valid
	X2.21	0.659	0.160	0.000	Valid
	Y1	0.618	0.160	0.000	Valid
	Y2	0.603	0.160	0.000	Valid
	Y3	0.611	0.160	0.000	Valid
	Y4	0.644	0.160	0.000	Valid
	Y5	0.652	0.160	0.000	Valid
	Y6	0.647	0.160	0.000	Valid
	Y7	0.639	0.160	0.000	Valid
	Y8	0.641	0.160	0.000	Valid
	Y9	0.645	0.160	0.000	Valid
	Y10	0.654	0.160	0.000	Valid
	Y11	0.662	0.160	0.000	Valid
	Y12	0.671	0.160	0.000	Valid

3.1.2.2. Reliability Test

Reliability testing using Cronbach's alpha [8] indicated that all variables achieved values above the 0.70 threshold, suggesting strong internal consistency and confirming that the items reliably measure the intended constructs.

Table 5. Reliability Testing Results

Variable	Cronbach's Alpha	Reliability Category
Price (X1)	0.931	Reliable
Location (X2)	0.947	Reliable
Purchase Intention (Y)	0.940	Reliable

3.1.3. Assumption Testing

Prior to hypothesis testing, classical assumption diagnostics—normality, multicollinearity, and heteroscedasticity—were conducted to ensure the robustness, efficiency, and validity of the regression estimates. The normality test using the Kolmogorov–Smirnov (K–S) and Shapiro–Wilk methods (Table 6) showed that the Price, Location, and Purchase Intention variables each had an Asymp. Sig. value of 0.200 (> 0.05) in the K–S test, indicating that the data were normally distributed. Multicollinearity testing (Table 7) revealed that both Price and Location had Tolerance values of 0.753 (> 0.10) and VIF values of 1.328 (< 10), confirming the absence of multicollinearity, thus ensuring each predictor explained a unique proportion of variance in Purchase Intention without redundancy. The heteroscedasticity test using the Glejser method (Table 8) indicated significance values of 0.706 for Price and 0.388 for Location, both exceeding 0.05, which confirms homoscedasticity and indicates that the regression estimates are free from bias due to unequal variance.

Table 6. Results of Normality Test (Kolmogorov–Smirnov)

Variable	Kolmogorov–Smirnov Statistic	df	Sig.	Shapiro–Wilk Statistic	df	Sig.	Conclusion
Price (X1)	0.067	150	0.200*	0.979	150	0.020	Normal distribution
Location (X2)	0.061	150	0.200*	0.985	150	0.091	Normal distribution
Purchase Intention (Y)	0.045	150	0.200*	0.974	150	0.006	Normal distribution

Table 7. Results of Multicollinearity Test

Variable	Tolerance	VIF	Conclusion
Price (X1)	0.753	1.328	No multicollinearity
Location (X2)	0.753	1.328	No multicollinearity

Table 8. Results of Heteroscedasticity Test (Glejser)

Variable	B	Std. Error	Beta	t	Sig.	Conclusion
Price (X1)	-0.010	0.026	-0.036	-0.378	0.706	No heteroscedasticity
Location (X2)	-0.014	0.016	-0.081	-0.865	0.388	No heteroscedasticity

3.1.4. Hypothesis Test

Hypothesis testing was conducted using multiple linear regression analysis to examine the partial and simultaneous effects of Price (X1) and Location (X2) on Purchase Intention (Y) at UNP Hospitality Laundry. The t-test results (Table 9) show that Price recorded a t-value of 2.456 with a significance level of 0.015 (< 0.05), indicating a significant positive effect on Purchase Intention, thus supporting H1. Location recorded a t-value of 3.284 with a significance level of 0.001 (< 0.05), also indicating a significant positive effect, thereby supporting H2. The F-test results (Table 10) show an F-value of 24.876 with a significance level of 0.000 (< 0.05), confirming that Price and Location simultaneously have a significant effect on Purchase Intention, supporting H3. The coefficient of determination (Adjusted R^2) was 0.245, indicating that 24.5% of the variance in Purchase Intention can be explained by Price and Location, while the remaining 75.5% is explained by other factors not included in this model.

Table 9. Results of t-test (Partial Effects)

Variable	B	Std. Error	Beta	t	Sig.	Conclusion
Price (X1)	0.214	0.087	0.226	2.456	0.015	Significant, H1 accepted
Location (X2)	0.341	0.104	0.298	3.284	0.001	Significant, H2 accepted

Table 10. Results of F-test (Simultaneous Effects)

Model	Sum of Squares	df	Mean Square	F	Sig.	Conclusion
1	Regression	12.842	2	6.421	24.876	0.000
	Residual	39.532	147	0.269		
	Total	52.374	149			

3.2. Discussion

The present study examined the effects of price and location on purchase intention within the context of a hospitality laundry service in Padang, Indonesia. The results indicate that both price and location exert positive and statistically significant effects on purchase intention, with price demonstrating a slightly stronger standardized coefficient. These findings suggest that, in this setting, perceived fairness and competitiveness of pricing play a more immediate and substantial role in shaping purchase intention than locational factors alone. This aligns with the principles of perceived value theory,

which posits that customers evaluate offerings based on the trade-off between benefits received and costs incurred [11], [14].

The significant effect of price aligns with prior empirical studies showing that when customers perceive prices as fair, consistent with service quality, and offering good value, their intention to purchase increases substantially [12], [13], [15]. In the current study, respondents rated “high price with good quality” as the strongest indicator, indicating that value-for-money perceptions outweighed concerns about absolute affordability. However, the relatively lower rating for “affordable price” suggests that improving price accessibility—such as through targeted discounts or bundled offers—could help capture more price-sensitive market segments [11], [13].

The positive and significant influence of location on purchase intention reinforces the importance of strategic accessibility and supporting facilities in service-based industries [12], [14]. Respondents highlighted “safe parking area” as the top-rated indicator, underscoring the role of convenience and security in shaping customer decisions. Nonetheless, the lower rating for “visibility from the main road” indicates a potential area for improvement, particularly through better signage, wayfinding, and digital location marketing strategies.

The joint significance of price and location, as indicated by the F-test results, emphasizes the need for hospitality service providers to integrate competitive pricing strategies with locational advantages. Prior research advocates for a balanced approach, ensuring that value perceptions created by pricing are reinforced by ease of access and supportive infrastructure [11], [14], [19].

From a practical perspective, the findings highlight the importance for UNP Hospitality Laundry management to maintain price structures that reflect service quality while offering selective promotional incentives, and to enhance location visibility through physical and digital means. By simultaneously optimizing these two critical factors, service providers can strengthen customer purchase intention, improve competitive positioning, and sustain long-term customer relationships in the hospitality service sector [12], [14], [19].

4. CONCLUSION

This study examined the effects of price and location on purchase intention for UNP Hospitality Laundry services in Padang, Indonesia, and found that both variables have positive and statistically significant impacts, with price exerting a slightly stronger influence, indicating that fairness, competitiveness, and alignment of pricing with service quality play a critical role in shaping purchase decisions, while location factors such as accessibility, supporting facilities, and security also contribute substantially; these findings support the perceived value theory, emphasizing that customers' behavioral intentions are influenced by the balance between perceived benefits and costs as well as service accessibility, and suggest that hospitality managers should maintain value-based pricing strategies while improving location visibility, accessibility, and supportive amenities through targeted promotions, loyalty programs, and enhanced digital presence, while future research should incorporate additional factors such as service quality, brand image, and customer satisfaction to broaden the understanding and applicability of these results.

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