

## Price, Service Quality, and Purchasing Decision in Artist Management Services

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### Abstract

*The purpose of this study is to determine the influence of price and quality of service on the decision to purchase a product/service for artist management services at RRY Management. The independent variables in this research are price (X1), service quality (X2) and the dependent variable is purchasing decision (Y). Primary data for 2019-2023 is the type of data used in this study. The research method was quantitative approach. Multiple regression analysis was used for data analysis. According to the results of the simultaneous test (F), price and service quality significantly influence the purchasing decision. Meanwhile, the partial test (T) shows that price significantly influences the purchase decision and service quality significantly influences the purchase decision.*

**Keywords:** price, service quality, purchase decision

### Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Harga dan Kualitas Pelayanan terhadap Keputusan Pembelian Jasa Manajemen artis PT. RRY Manajemen. Variabel independen dalam penelitian ini adalah Harga (X1), Kualitas Pelayanan (X2) dan variabel dependennya adalah Keputusan Pembelian (Y). Jenis data pada penelitian ini adalah data primer yang diambil dari data tahun 2019-2023. Jenis penelitian menggunakan pendekatan kuantitatif. Analisis data yang digunakan dalam penelitian ini menggunakan analisis regresi berganda. Menurut hasil uji simultan (F) menunjukkan bahwa Harga dan Kualitas Pelayanan berpengaruh signifikan terhadap Keputusan Pembelian. Sedangkan secara uji parsial (T) menunjukkan bahwa harga berpengaruh signifikan terhadap keputusan pembelian dan kualitas pelayanan berpengaruh signifikan terhadap keputusan pembelian.

**Kata Kunci:** harga, kualitas pelayanan, keputusan pembelian

### INTRODUCTION

The entertainment industry in Indonesia is evolving with the times. In today's digital age, people can show their talents through social media applications such as YouTube, TikTok, Instagram, and so on. These people can be called talented or gifted people. Innate abilities or talents are certain characteristics possessed by an individual and are potentials that have not yet been fully realised and require continuous development and practice to achieve special skills, knowledge, and abilities (Andi Hakim Nasoetion et al., 1985; Snow, 2021). For example, people who are talented in music can quickly master musical skills through the same practice as other people who do not have similar talents.

Realising talent potential requires support through strong interest, continuous training, knowledge, and supportive experience.

In developing a person's talents, someone needs to help them in their career. One type of company that usually deals with talent or talented people is an agency company. In this case, the talent is a stakeholder in the entertainment agency company. The main role of an entertainment agency is to act as a bridge for talented people, introducing them to the world of entertainment. Entertainment agencies handle branding and provide stages for their artists. In the entertainment world, entertainment agencies are usually referred to as "artist management". Their job is to make payments, contract agreements, handle patents and promote the artist (Suryana & Yulianti, 2021).

The high quality of artist management reflects the level of professionalism of the artists it represents. Therefore, when a television station or production house is interested in using the services of the artist, they can directly contact the management that represents the artist. Based on 2021 data, there are 7 (seven) top artist management companies in Indonesia.

Table 1.7 (Seven) Top Artist Management in Indonesia

No	Artist Management
1	RANS Entertainment
2	LESLAR Entertainment
3	INBEK
4	SA - Itainment
5	ZEMA
6	AVTAR 88
7	PM Artist Management

*Source: mediaini.com*

The blossoming of the artist management business in Indonesia has attracted several entrepreneurs, including the artists themselves. There are currently at least eight artists who have their own management, including Raffi Ahmad, Kevin Aprilio, Indra Beki, Rizki Febrian, Ahmad Dhani, Baim Wong, Leslar and Gleen Alinskie. The increasingly competitive nature of the artist management industry creates a very challenging dynamic. Every artist management company is trying hard to stand out and compete during this intense competition. Therefore, in this competitive environment, agencies need to compete by offering high quality services to stay ahead of the competition. Nowadays, many entertainment agencies promise attractive career opportunities to those who are talented enough to join their management.

RRY Management is an entertainment agency established to provide special services to artists or talents who want to develop their careers. Talent needs services to arrange everything beyond the talent's capabilities to pursue a career in the country's entertainment industry. Talent will be needed to deal with contracts, scheduling, intellectual property rights, payments, long-term projects, as well as planning and control in the creation of work. Therefore, a talent needs an agency that can organise his career activities and act as a bridge between him and other parties that need his talent.

In the development of a business, price is an important factor that determines the success of a business. The price a company charges for a quality product or service determines whether it is expensive or not. In entertainment agencies, high prices are most sensitive to talent. However, the trend is for higher prices for talent development to include full facilities, which can play a role in the talent's decision to choose the appropriate entertainment agency. In this case, price is one of the factors that makes people decide to buy goods or services.

Currently, there are 38 (thirty-eight) talents under PT RRY Management. They have different talent categories as shown in the following table.

Table 2. Number of PT Talents RRY Management (2023)

No	Category	Number of Talents
1	Artist	6
2	Comedian	23
3	Singer	7
4	Internet Celebrity	2
	Total	38

*Source: Company Data (2023)*

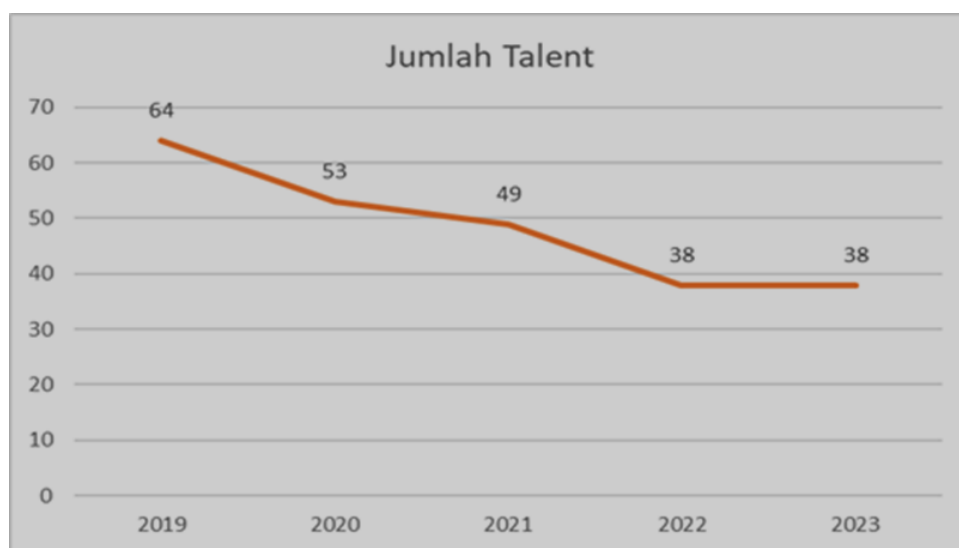


Figure 1. Number of RRY Management Talents (2019-2023)

*Source: Company Data (2023)*

The decrease in the number of talents at PT RRY Management also occurred for various reasons, such as the talent's contract with the company expired, the talent unilaterally terminated the contract with the company, the talent passed away, or the talent is still under contract with another company. In this case, the quality of service provided by PT RRY Management must be a concern. Based on this description, the author focuses this study on the influence of price and service quality on deciding to purchase artist management services, specifically what happens at PT RRY Management.

## LITERATURE

### Price

Price is defined as an exchange value that can be equated with money or other goods as a value given or offered in exchange for obtaining something of value or management in an overall arrangement.(Supriadi, 2020). Price also plays a significant role in influencing consumers' purchasing decisions (Gunawan, 2012). If the price of a product or service is high without significant differences in functionality or quality compared to competing products or services, consumers are more likely to consider offers from those competitors. Conversely, if the price is low without good product or service quality, the company's product or service may be perceived as inferior to

competitors. Therefore, when setting prices, companies need to consider the balance between price, product or service quality, consumer purchasing power and competition from competitors to attract consumer interest in purchasing the products or services offered.

According to Kotler, price dimensions include (Kotler & Armstrong, 2010; Kotler & Keller, 2009):

- a. Affordability of price
- b. Price suitability with product or service quality
- c. Competitiveness of prices
- d. Matching price with all the benefits

### **Service Quality**

Service quality plays an important role in improving business performance and creating competitive advantage. It is a service provided to customers to meet their needs and preferences. Services have specific characteristics that differentiate them from physical products: they are intangible, they disappear quickly, they emphasise experience rather than ownership, and they involve the active participation of consumers in the consumption process. Lupiyoadi (2018) explains several service features, including:

- a. Intangibility  
Services cannot have a pre-purchase look or feel.
- b. Unstorability  
Services have no stock or inventory because they are produced and consumed simultaneously. This is also known as indistinguishability, where the production and consumption of services occur simultaneously.
- c. Customization  
Services are often specifically designed to meet individual customer needs, as in insurance and healthcare.

Service quality is one of the key elements determining company success and image, as well as controlling the level of excellence to meet customer expectations. Aspects of service quality consist of several parts, namely tangibility, reliability, responsiveness, assurance, and empathy (Lupiyoadi, 2018).

### **Purchase Decision**

Tjiptono (2016) stated that the purchase decision is the stage at which the buyer has chosen, purchased and used a product. Problem recognition, information search, alternative evaluation, purchase decision and post-purchase behaviour are the five stages of the purchase decision process. (Kotler & Keller, 2009). Adriza (2015) identified purchase decision dimensions consisting of attention, interest, desire, and action. Consumer satisfaction or dissatisfaction will influence subsequent consumer behaviour in transactions. There are two types of consumer behaviour when shopping: (a) if the consumer is satisfied, he or she will give positive reviews to others and may purchase the product again; and (b) if the consumer is dissatisfied, he or she may return the product or seek to reduce dissatisfaction by seeking information that reinforces the value of the product itself. (Kotler & Keller, 2009).

### **Model**

The aim of this research is to evaluate the influence of the variables of price and quality of service on the purchase decision for artist management services at PT RRY Management, both partially and simultaneously. This is illustrated in the following figure, which illustrates how this works.

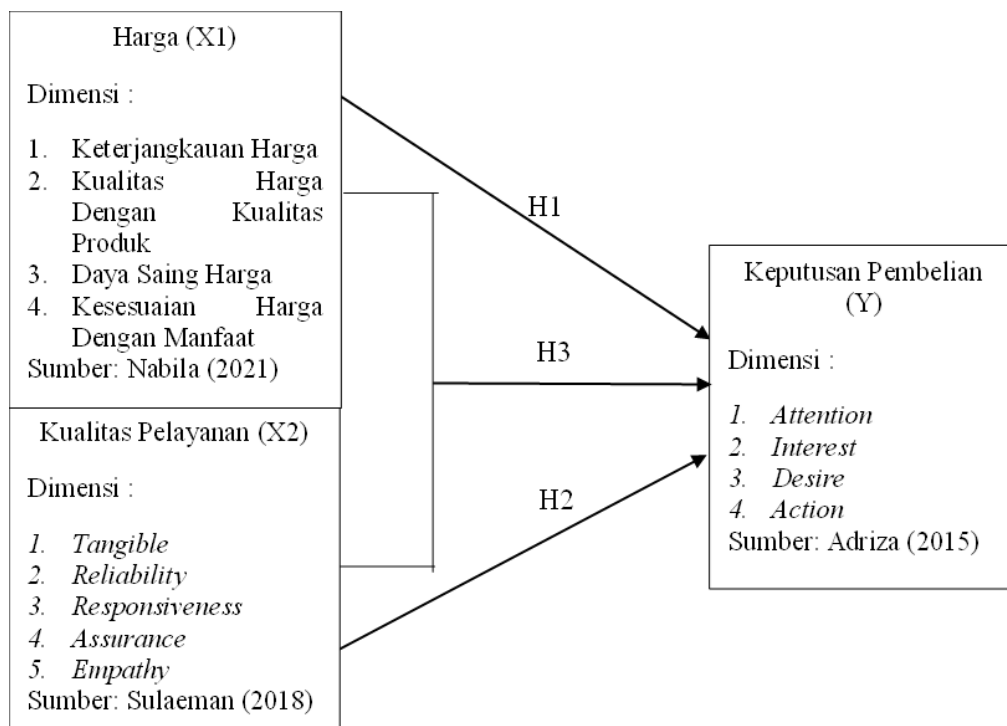


Figure 2. Research Model  
Source: Processed

## Hypothesis

The hypothesis formulated in this study is as follows:

- H<sub>1</sub> : Price has a positive and significant impact on the decision to purchase artist management services from PT RRY Management
- H<sub>2</sub> : Service quality has a positive and significant impact on the decision to purchase artist management services from PT RRY Management
- H<sub>3</sub> : Price and service quality both have a positive and significant impact on the decision to purchase artist management services from PT RRY Management

## METHODS

This study was conducted using a quantitative survey approach with samples of active and former PT RRY Management talent. Silalahi (2006) suggests that a sample size of around 30 is sufficient for statistical analysis. Therefore, in this study, the researchers added 22 samples of former talent and 38 samples of active talent, for a total of 60 talent respondents, to ensure the accuracy of the data. The sampling technique used was convenience sampling, with the main data collection tool used by the researchers being a questionnaire. Researchers present statements on the questionnaire using a Likert scale from categories 1 (strongly disagree) to 5 (strongly agree).

## RESULTS AND DISCUSSION

### Validity and Reliability

Based on the results of the validity testing, all indicator items used in this research meet the requirements of the validity test and can be considered valid. Meanwhile, from the results of the reliability test, the Cronbach's alpha value for variable X1 is 0.854, which means that the reliability is in a high position, while for variable high.

### Description of Respondents

Based on all the subjects studied (population), with a total of 60 respondents, it can be stated that the gender and age characteristics of the respondents are as follows.

Table 3. Gender of Respondents

Gender	Number of Respondents	Percentage
Male	36	60%
Female	24	40%

*Resource: Processed Data*

Table 4. Age of Respondents

Age	Number of Respondents	Percentage
11 - 20	3	5%
21 - 30	12	20%
31 - 40	15	25%
41 - 50	10	16,7%
51 - 60	6	10%
≥ 60	14	23,3%

*Resource: Processed Data*

Most respondents are male (60%), while 40% are female. The age characteristics of the respondents range from 11 years to more than 60 years, with the largest proportion in the 31-40 age group, with 25% of respondents. However, there is an interesting phenomenon where 23.3% of the active talent in the company is in the over 60s age group. This indicates that a significant number of talents are loyal to the company to refer colleagues. The talent categories of the respondents are shown in the following table.

Table 5. Talent of Respondents

Talent Type	Number of Respondents	Percentage
Comedian	27	45%
Singer	6	10%
Actor/Actress	12	20%
Influencer	5	8,3%
Internet Celebrity	6	10%
Content Creator	5	8,3%

*Resource: Processed Data*

The entertainment agency RRY Management hires more comedians than other talents. This is because a comedian is flexible when it comes to job requirements. This means that a comedian can become an actor, master of ceremonies, influencer or even content creator compared to a singer or actor. An actor, for example, will look at the character or figure that already exists. Then, on average, the production process for a comedy show will not take as long as the production process for soap operas, TV movies or music concerts, which can take quite a long time. The development of a comedian's talent focuses more on planning or creating the comedy material or jokes that will be delivered and when the jokes will be released.

Meanwhile, influencers and content creators were the least likely respondents to own talent at 8.3%. Where the presence of content creators and influencers in the entertainment industry currently provides its own colour, indicating developments in the entertainment industry.

### **Hypothesis Test Results**

#### **The Effect of Price on Purchasing Decisions for Artist Management Services**

The results of the analysis show that the calculated t-value is 3.881, which is higher than the table value of 1.672 with a significance of  $0.00 < 0.05$ . Therefore, it can be concluded that for hypothesis 1,  $H_0$  is rejected, and  $H_a$  is accepted. In other words, the price variable has a positive and significant effect on the decision to purchase the artist management services of PT RRY Management. In this case, price is a sensitive issue for talent. Based on the available data, the average talent or artist under RRY Management has no formal education related to their talents. They generally feel that they can develop their talents self-taught, so the price of artist management services becomes something sensitive and influences their dreams of becoming artists. These results are in line with the study conducted by Brata et al. (2017), who found that the price influence on the purchase decision of Nitchi products at PT Jaya Swarasa Agung in central Jakarta. However, the research is reinforced by the statement that it shows more and more discounts, the better the purchase decision. Another similar study on consumer shopping behaviour in the Shoppe marketplace by Prasetyono et al. (2021) also finds that the price variable has a partially significant effect on purchase decisions. Price is an important factor in the consumer's decision to purchase a product/service.

#### **The Effect of Service Quality on Purchasing Decisions for Artist Management Services**

The analysis results show that the calculated t-value is 6.643 which exceeds the t-table value of 1.672 with a significance of  $0.00 < 0.05$ . This shows that for hypothesis 2,  $H_0$  is rejected, and  $H_a$  is accepted. Thus, the service quality variable has a positive and significant effect on the decision to purchase the artist management services of PT RRY Management. In this case, service quality has a positive and significant effect on the decision to purchase artist management services, which means that an increase in service quality will also increase the tendency to purchase these services. If the quality of RRY Management's artist management services improves, then the number of purchase decisions for their services will increase, meaning that more talent will want to use their artist management services. These results are consistent with the findings of the study by Rasyid et al. (2024) that service quality has a positive and significant effect on consumer purchase decisions at the body shop at shopping malls in south Jakarta.



### **The Effect of Price and Service Quality Simultaneously on Purchasing Decisions for Artist Management Services**

Based on the analytical calculations performed, the Fcount value is 111.804 with a probability of 0.000. The probability is therefore much smaller than 0.05. In this case,  $F_{count} > F_{table}$  or  $111.804 > 2.37$ . It can therefore be concluded that price and service quality together influence the decision to purchase artist management services. If the price (rate) of PT RRY Management's artist management services decreases while the quality of service increases, then the number of decisions to purchase artist management services will increase. On the other hand, if the price (rate) of PT RRY Management's artist management services increases but the quality of the service decreases, then the number of decisions to purchase these services will decrease. This finding is consistent with another finding by Dyatmika & Firdaus (2021) in a study on consumer's purchase decision on *jalanjalan.id gresik* that other than company image, price and service quality have a significant effect on the purchase decision simultaneously.

### **CONCLUSION**

In a study conducted on price and quality of service and the decision to purchase these services, the results showed that price has a positive and significant influence on the decision to purchase services, especially RRY Management's artist management services. Then, in terms of service quality, it also has a positive and significant influence on the decision to purchase services. Finally, looking at the influence of these two independent variables simultaneously on the purchase of artist management services from RRY Management, price and service quality also have a positive and significant influence on the decision to purchase artist management services from PT RRY Management, reaching 79%. Meanwhile, the remaining 21% is influenced by other variables not examined in this research.

From a practical point of view, it is recommended for artist management to be more transparent with talents regarding the costs that talents incur for certain types of development. Meanwhile, in terms of quality of service, it is hoped that companies can pay more attention to understanding talent's desires, for example by communicating about the percentage discount on fees, without compromising the principles of a win-win solution. For future research on artist management services at RRY Management and in Indonesia in general, it is necessary to consider factors other than price and service quality such as brand image, word of mouth and brand equity for further research.

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