



## **Analysis of Service Tariffs and Customer Participation in the Purchase Decision of Prepaid Electricity Services at PT. PLN (Persero) Ulp Medan Kota Mediated by Corporate Image**

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### **Abstract**

This study aims to test and analyze the influence of service tariffs and customer participation on the purchase decision of prepaid electricity services at PT PLN (Persero) ULP Medan Kota and test and analyze the influence of service tariffs and customer participation on the purchase decision of prepaid electricity services at PT PLN (Persero) ULP Medan Kota mediated by the company's image. The type of research is quantitative, with an associative approach. The types of data used are primary and secondary. Data collection techniques with questionnaires and interviews. The sample of this study was taken by the Purposive Sampling method with the desired respondent criteria being customers who had visited the PLN (Persero) ULP Medan Kota office more than 2 times. The results of the study show that service tariffs and customer participation have a positive and significant effect on the decision to purchase prepaid electricity services at PT PLN (Persero) ULP Medan Kota, service tariffs and customer participation have a positive and significant effect on the decision to purchase prepaid electricity services at PT PLN (Persero) ULP Medan Kota which is mediated by the company's image.

### **Keywords:**

Service Tariffs, Customer Participation, Company Image, Purchase Decision

### **Introduction**

Electrical energy is the most important energy to facilitate work and also for growth, having a role in driving the economy in the industrial sector. Electric power plays an important role in people's intelligence. In the image of justice in the fulfillment of electric power, it is necessary to control and manage electric



power that is fully carried out by the state for the prosperity and welfare of the people. The government needs to make arrangements and arrangements regarding the implementation of national electricity by appointing a State-Owned Enterprise (BUMN) named PT. The State Electricity Company is usually called PT PLN (Persero). As a state-owned enterprise, electricity management by PLN should be carried out as much as possible, so that the utilization and supply of electricity can be carried out evenly and with quality. However, in reality, the realization of additional customers from 2018 – 2022 at PT PLN (Persero) ULP Medan Kota has fluctuated. In fact, it should be based on the 2018-2027 Electricity Supply Business Plan (RUPTL) that has been set by the Government, with a projected electricity demand of 6.86% per year, then the projected demand for electrical energy in 2027 diprediksi sebesar 434 TWh. So that in 2025 it is targeted that the electrification ratio of all in Indonesia can reach 100%, which means that PLN must immediately sell its electricity to people in need who in this case are included in the residential group (general public), government offices, business, industry or corporate.

Broadly speaking, PLN's customers can be divided into two, namely the consumer segment, namely the household segment and the corporate customer segment. As a state-owned company in the country, PLN has the main task to fulfill public service obligations by ensuring the provision of household electricity. This household segment has a very large number of customers, but it cannot be relied on to be a profit driver. In the household segment, PLN is indeed a big player in addition to independent power plants in several regions.

The State Electricity Company (PLN) which is an electricity service provider company needs to carry out a marketing strategy in the implementation of its business according to Assauri (2012:27) strategic marketing needs to be understood because the activities and actions carried out in the field of marketing must be interrelated, integrated and a single effort to achieve the company's goals and company goals in particular and the company in general. With this understanding, the need for marketing business activities, especially in the company's business activities in the long term, therefore the implementation of marketing strategies is important for the company.

The importance of marketing strategies in the company to ensure the continuity of the company, so one of the strategies implemented by PLN Medan Kota is the marketing mix strategy (Surya et al., 2018). Where the marketing mix strategy is important in the marketing of products and services, the marketing mix strategy includes 4 elements known as the marketing mix of goods consisting of: products, prices, places and promotions, and plus 3 other elements



into 7P, namely: people, physical evidence and processes(Surya & Suwarno, 2023). The addition of the service marketing mix is carried out, among other things, because services have different characteristics from products, namely intangible, inseparable, and diverse(Surya et al., 2022). Because the State Electricity Company (PLN) is engaged in the electricity sector, the marketing mix strategy is emphasized on 7 elements of the 7P which include: products, prices, locations, promotions, people, physical evidence/facilities and infrastructure as well as process or service management(Surya et al., 2023). But in this case, what is very influential on PLN is the 4 P's of the latest 9 P's marketing mix, namely service products, service rates, public relations and customer participation(Mesra et al., 2023).

- Marketing mix strategy has an influence on increasing sales volume, this is based on research conducted by Sari and Kusumadewi (2016), Suddin (2013), Purwanto, et.al. (2016) whose research results found that products, prices, promotions and places have a positive and significant influence on sales volume(Mesra et al., 2021)Mesra, Ferine, K., Astuti, D., & Sentosa, I. (2023). Website Quality, Social Media and Satisfaction on Choosing Decisions Private Universities. *Trikonomika*, 22(2), 93–99. <https://doi.org/10.23969/trikononika.v22i2.10349>
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. Meanwhile, Adrianah (2017), the results of the study found that the service marketing mix (products, prices, promotions, distribution, people, physical



evidence and processes had a positive and significant effect on sales volume). Meanwhile, Saputra, et.al. (2018) whose research results show that the marketing mix (product, price, promotion, place, people, process, and physical evidence) has an effect on purchase decisions, so that from the results of research conducted by previous researchers, the influence of marketing mix strategy on purchase decisions is inconsistent because there is a difference with the results of research on the influence of marketing mix strategy on purchase decisions. So this is the basis for the need to re-test the elements of the marketing mix that mempengaruhi volume penjualan pada PT. PLN (Persero) Unit Pelaksana Pelayanan di ULP Medan Kota permasalahan yang terjadi So far, sales of electrical services in the last 5 years have increased from year to year. However, the achievement of electricity sales from year to year has not been achieved.

This is in accordance with the results of market surveys and Public Service Integrity (ILP) surveys conducted by the company, where indicators of service quality and service speed still need to be improved at PT. PLN (Persero) Medan City ULP Implementation Unit both during complaints and when employees are late in serving customer complaint resolution. Due to the urgency of the research, the author is interested in conducting a research with the title "Analysis of Service Tariffs and Customer Participation in the Decision to Purchase Prepaid Electricity Services at PT. PLN (Persero) ULP Medan Kota Mediated by Citra Company.

## **Literature Review**

### **Service Rates**

According to Sangadji and Sopiah (2018:93), services are economic activities that have a number of intangible elements (values or benefits) related to them, and involve a number of interactions with consumers or with goods, but do not result in a transfer of ownership. Tjiptono and Chandra (2019:14) said that services are activities, benefits, or satisfaction offered for sale. For example, motor vehicle repair workshops, beauty salons, skill courses, fitness centers, restaurants, hotels, hospitals, universities and others. Suparyanto and Rosad (2015:126) said that service is an act that does not result in any ownership, is intangible, in its delivery can be associated with goods.

### **Customer Participation**



Customer participation is defined as the extent to which customers are involved in the activities of producing and providing services. The role of customers is not only as consumers but also as producers (Pralhad & Ramaswamy, 2002). Customers play an active role in producing and consuming valuable products and services (Nysveen & Pedersen, 2014). Ranjan & Read (2016), the customer should be considered an essential element of co-production. Chan, Yim and Lam (2010) stated that customer participation as a behavioral construct that measures the extent to which customers share information, suggest, and are involved in decision-making during service cocreation and service delivery processes , namely: Product The entire concept of an object or process that provides a certain amount of value to consumers, so it needs to be noted in the product that consumers do not only buy physical from the product, but buying the benefits and value of the product.

1. Price A number of sacrifices that must be paid by customers to obtain a product or service.
2. Place is related to where the company is headquartered and conducts operations or activities. The place also explained how the delivery system will be implemented.

### **Company Image**

According to (Ruslan, 2014, p. 68). Image is the main goal and at the same time is the reputation and achievement to be achieved, the meaning of image itself is abstract and cannot be measured mathematically, but its form can be felt from the results of good or bad assessments. The assessment or response of the community can be related to the emergence of respect (respect), the impression of a good and favorable impression on the image of an institution/organization or its products and services represented by the Public Relations/PR (Rusadi Ruslan, 2014, p. 68). (Sudarso, 2016, p. 51) in his book says that the corporate image is the image that the company or institution as a whole has. This image is formed by a history of success, stability in the financial sector, product quality, export success, good industrial relations, social responsibility, and commitment to conducting research.

The image of a company according to (Muis & Fahmi, 2017) is the view or perception of the company by people both inside and outside the company. Thus, the image of the company is a public impression of the company based on their knowledge and experience. It can change because everyone's knowledge and experience are personal.



## **Purchase Decision**

Purchasing decisions are very important for individuals and organizations. Making decisions is sometimes easy but more often difficult, decision-making is one of the important management processes for every organization (Amirullah, 2015). The decision making by consumers to make a purchase begins with an awareness of the fulfillment of needs and desires, which Assael calls need arousal (Putri et al., 2015, pp. 220-228).

Purchase decision according to (Assauri, 2014, p. 141) is a decision-making process for purchases that includes determining what to buy or not to buy and the decision is obtained from previous activities. According to (Kodu, 2013, p. 1253) A purchase decision is a person's attitude to buy or use a product either in the form of goods or services that have been believed to satisfy him or her and willingness to bear the risks that may be caused. Purchase decisions according to (Arif, 2016, p. 2) are the final result of a thought and action in making a purchase decision to use, use, or consume a good or service in meeting its needs and desires.

## **RESEARCH METHODS**

### **Research Approach**

The type of research used in this study is quantitative research with a descriptive approach. According to Sugiyono (2016), the quantitative research method is a type of research whose specifications are systematic, planned and clearly structured from the beginning to the creation of the research design.

### **Place and Time of Research**

This research was conducted at the PLN (Persero) Office of ULP Medan Kota. This research was conducted by interview techniques and surveys to customers who came to the PLN (Persero) ULP Medan Kota Office.

### **Population and Sample**

Based on the research, the author determines the population. According to (Sugiyono, 2015) that Population is a generalization area consisting of



objects/subjects that have certain qualities and characteristics that are applied by researchers to be studied and then conclusions drawn. Population is the entire collection of subjects or objects in an area that have certain criteria (Sujarweni and Endrayanto, 2012). In this study, the population taken is customers who come to the PLN (Persero) ULP Medan Kota office with a minimum age of 25 years and a maximum of 55 years old who are domiciled in Medan City

The sample of this study was taken by the Purposive Sampling method with the desired respondent criteria being customers who had visited the PLN (Persero) ULP Medan Kota office more than 2 times. According to (Sugiyono, 2010), Purposive Sampling is a technique to determine research samples with certain considerations that aim to make the data obtained later more repressive. If the population is unknown, according to Hair et al., (2016) recommends that there should ideally be a minimum of 5 samples for each number of question items in the questionnaire. In this study, using the number of questionnaire items, the minimum sample is  $25 \times 5 = 125$  reserved 10 so the total respondents are 135 customers. So the number of samples in this study is 135 customers.

## **Data Collection Techniques**

Data collection in this study was carried out by means of surveys, interviews, questionnaires and documentation.

## **Data Source**

In this study, the author uses primary data and secondary data, primary data is used to answer research questions and draw conclusions on the answers to the research questions. Meanwhile, secondary data is used to complete the information needed for this research.

## **Result and Discussion**

### **Analysis Outer Model**

The statistics used in the measurement of composite or construct reliability calculations are as follows: a composite reliability value of more than 6.0 implies that the construct is reliable or has high reliability as a measurement tool. A limit value of 0.6 or higher indicates acceptable, while acceptable between 0.8 and 0.9 indicates extremely satisfactory.



**Tabel 1.1**  
***Construct Validity dan Reability***

	Cronbach's alpha	Composite Reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Company Image	0,962	0,963	0,970	0,867
Purchase Decision	0,952	0,952	0,963	0,839
Customer Participation	0,960	0,961	0,969	0,864
Service Rates	0,967	0,968	0,975	0,885

Source: 2024 Research Results

1. The value of *Cronbach's alpha* at the limit of commonly used value numbers is greater than 0.7 to ensure an adequate level of validity and reliability. The results were Purchase Decision (0.952), Company Image (0.962), Service Tariff - Price (0.967), and Customer Participation (0.960). From the value of all latent variables above 0.7, it shows good validity and reliability
2. The *composite reliability (rho a)* value at the limit of commonly used value numbers is greater than 0.7 to ensure an adequate level of reliability. The results were Purchase Decision (0.952), Company Image (0.963), Service Rate (0.968), and Customer Participation (0.961). From the value of all latent variables above 0.7, it shows good validity and reliability
3. The *composite reliability (rho c)* value at the commonly used value limit is greater than 0.7 to ensure an adequate level of reliability. The results were Purchase Decision (0.963), Company Image (0.970), Service Tariff - Price (0.975), and Customer Participation (0.969). From the value of all latent variables above 0.7, it shows good validity and reliability
4. AVE or *average variance extracted* is a measure used to evaluate the validity of the convergence of latent variables in confirmatory factor analysis (CFA). The AVE value reflects how well the indicators used to measure a latent variable actually reflect the variation in that variable. The commonly used value limit is greater than 0.5 to ensure an adequate level of validity. The results were





Purchase Decision (0.839), Company Image (0.867), Service Tariff - Price (0.885), and Customer Participation (0.864). From the value of all latent variables above 0.5, it shows good validity and reliability

### Analysis Inner Model

In the inner *model analysis*, an evaluation is carried out on the significance of the path coefficient or t-values for each relationship between variables. *The inner model* predicts causal relationships between latent variables. The path coefficient shows the influence of exogenous latent variables on endogenes, with a standardized value  $\geq 0.1$  considered significant. The path coefficient score is measured by T-statistics, which should be above 1.96 for the two-way hypothesis and above 1.64 for the one-way hypothesis at a significance level of  $\alpha = 5\%$ . This evaluation helps interpret the extent of the relationship between latent variables in the model and determine the significance of their influence. In the PLS-SEM inner model, the outer loading is evaluated for each indicator as part of the model validation process, following the results of the outer loading in the Inner Model

**Table 1.2**  
**Outer Loading Inner Model**

	Original sample (O)	Sample mean (M)	Standar deviation (STDEV)	T- Statistics (O/STDEV)	P- Value
CIT1 ← Company Image	0,916	0,916	0,010	89.203	0.000
CIT2 ← Company Image	0,910	0,910	0,014	65.864	0.000
CIT3 ← Company Image	0,926	0,926	0,010	94.005	0.000
CIT4 ← Company Image	0,941	0,941	0,008	121.042	0.000
CIT5 ← Company Image	0,939	0,939	0,008	110.765	0.000
KEP1 ← Purchase Decision	0,940	0,940	0,009	79.975	0.000
KEP2 ← Purchase Decision	0,916	0,915	0,011	113.150	0.000
KEP3 ← Purchase Decision	0,946	0,946	0,008	90.803	0.000
KEP4 ← Purchase Decision	0,929	0,929	0,010	85.045	0.000
KEP5 ← Purchase Decision	0,924	0,924	0,011		
PRC1 ← Service Rates	0,916	0,916	0,010	89.203	0.000
PRC2 ← Service Rates	0,910	0,910	0,014	65.864	0.000
PRC3 ← Service Rates	0,926	0,926	0,010	94.005	0.000
PRC4 ← Service Rates	0,941	0,941	0,008	121.042	0.000
PRC5 ← Service Rates	0,939	0,939	0,008	110.765	0.000
PRT1 ← Customer Participation	0,940	0,940	0,009	79.975	0.000
PRT1 ← Customer Participation	0,916	0,915	0,011	113.150	0.000
PRT1 ← Customer Participation	0,946	0,946	0,008	90.803	0.000
PRT1 ← Customer Participation	0,929	0,929	0,010	85.045	0.000
PRT1 ← Customer Participation	0,924	0,924	0,011		



Source: Research Results, (2024)

The results of the *Outer Loading Inner Model* showed high T statistical values for each independent variable of intervening and dependent variables, all P-values were very low (0.000), indicating that the influence was statistically significant. Service Tariff (X1), Customer Participation (X2) significantly affect the decision of the Purchase Decision Variable (Y) and Company Image (Z).

### Inner Model of Path Coefficients Test Direct Influence

In the following table, you can see the results of the Inner Model Path Coefficients test with direct influence

**Table 1.3**  
**Uji Path Coefficient**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Company Image -> Purchase Decision	0,420	0,421	0,083	6,446	0,000
Customer Participation -> Company Image	0,468	0,466	0,059	7,863	0,000
Customer Participation -> Purchase Decision	0,184	0,181	0,061	3,043	0,002
Service Rate - Price -> Company Image	0,583	0,589	0,091	6,423	0,000
Service Rate - Price -> Purchase Decision	0,670	0,670	0,048	4,457	0,000

Source: Research Results, (2024)

In the context of the analysis of the significance level set at 0.05, this means that the result is considered statistically significant if its p-value is less than 0.05, and the T-value of the statistic, which must be above 1.96 for a bidirectional hypothesis. From the results obtained from the *Path Coefficients* table in the Inner Model, it is found that all the t-values are less than 0.05, and the t-statistic > 1.96.

#### b. Inner Model Test of Specific Indirect Effects

Pada inner model dalam uji *specific indirect effects* (pengaruh tidak direct) was carried out to test specific indirect effects on the measurement model or path model, namely the indirect impact of one independent variable to the dependent variable through the mediator variable (intervening) the relationship between the independent variable and the dependent variable indirectly.



**Tabel 1.4**  
**Uji Specific Indirect Effects**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Service Rate - Price -> Company Image -> Purchase Decision	0,670	0,670	0,058	6,657	0,000
Customer Participation -> Company Image -> Purchase Decision	0,356	0,357	0,051	3,355	0,004

Source: Research Results, (2024)

From the results obtained from the *specific indirect effects* test table in the Inner Model, it was found that all intervening variables had a t-value less than 0.05, and a t-statistic > 1.96.

**c. Coefficient of Determination (R2)**

The determination coefficient (R2) is used to assess how well the independent variable model explains the variation in the dependent variable, with values between 0 and 1. The interpretation of the R2 value is as follows:  $R2 \geq 0.75$  indicates an excellent model,  $0.5 \leq R2 < 0.75$  indicates a fairly good model, and  $R2 < 0.5$  indicates a poor model in explaining data variability. Adjusted R2 is used when the model involves exogenous variables with the measurements of this study.

**Tabel 1.5**  
**Coefficient of Determination (R<sup>2</sup>)**

	R-square	R-square adjusted
Citra Perusahaan	0.967	0.966
Kepurtusan Pembelian	0.970	0.969

Source: Research Results, (2024)

An interpretation of the R2 value above  $\geq 0.75$  indicates an excellent model. Company Image 0.967 and Purchase Decision 0.970. The R-Square value of each variable and its influence relationship is described with Adjusted R2 using the following:

1. Based on the Adjusted *R-square* value , the purchase decision variable (Y) has a value of 0.966, which indicates that Image (Z), Product Variable (X1), Service Rate (X2), Public Relations (X3), and Customer Participation (X4) together can explain 96.6% of the purchase decision (Y). The remaining 3.4% of the variation was explained by factors outside the variables that were not studied.
2. At the Adjusted *R-square* value, the Company Image variable (Z) has a



value of 0.969, which indicates that the Product Variable (X1), Service Tariff (X2), Public Relations (X3), and Customer Participation (X4) together can explain 96.9% of the Company Image (Z). The remaining 3.1% of the variation was explained by factors outside the variables that were not studied.

### G. Hypothesis Testing

In hypothesis tests considering that the t-statistical value is greater than 1.96 shows statistical significance at the level of  $\alpha = 0.05$ , or if the P-value is less than 0.05. A hypothesis that involves direct influence and mediation (intervening). The following results can be summarized in the following table:

**Table 1.6**  
**Hypothesis Testing**

No	Hypothesis	Original sample (O)	T Statistics ( O/STDEV )	P Values	Hypothesis Results
H1	Service tariffs have a positive and significant effect on purchasing decisions at PT PLN (Persero) ULP Medan Kota	0,670	4,457	0,000	Diterima
H2	Service tariffs have a positive and significant effect on the company's image at PT PLN (Persero) ULP Medan Kota.	0,583	6,423	0,000	Diterima
H3	Customer participation has a positive and significant effect on purchasing decisions at PT PLN (Persero) ULP Medan Kota	0,184	3,043	0,002	Diterima
H4	Customer participation has a positive and significant effect on the company's image at PT PLN (Persero) ULP Medan Kota.	0,468	7,863	0,000	Diterima



No	Hypothesis	Orginal sample (O)	T Statistics ( O/STDEV )	P Values	Hypothesis Results
H5	Service tariffs have a positive and significant effect on purchasing decisions through the company's image at PT PLN (Persero) ULP Medan Kota	0,670	6,657	0,000	Diterima
H6	Customer participation has a positive and significant effect on purchasing decisions through the company's image at PT PLN (Persero) ULP Medan Kota.	0,356	3,355	0,004	Diterima
H7	The company's image has a positive and significant effect on the purchase decision at PT PLN (Persero) ULP Medan Kota	0.420	6,446	0,000	Diterima

Source: Research Results, (2024)

## Result And Discussion

### 1.The Effect of Service Tariffs on Purchase Decisions at PT. PLN (Persero) ULP Medan Kota.

Pricing is a critical aspect of service marketing because it determines revenue and affects the perception of service quality. According to Kotler and Armstrong (2018:312), price is the basic rate set by a company to customers. Factors measured in determining price include affordability, conformity with quality, and product benefits (Karam, 2018). The average satisfaction of respondents with PLN's prepaid electricity tariff was 3.82, indicating that the majority of respondents were quite satisfied with the affordability, fairness, and transparency of PLN's prepaid electricity tariff. The results of the study show that service tariffs have a positive and significant effect on purchasing decisions at PT. PLN (Persero) ULP Medan Kota, with an original sample value (O) of 0.670, T-Statistic of 4.457, and p-value of 0.000. The third hypothesis was accepted. That the affordability and fairness of prepaid electricity service tariffs offered by PLN ULP Medan Kota contributes significantly in influencing customer purchase decisions.



## 2.The Effect of Service Tariffs on the Company's Image at PT. PLN (Persero) ULP Medan Kota

The service tariff applied by PT. PLN (Persero) ULP Medan Kota has a positive and significant effect on the company's image. This is evidenced by the original sample value (O) of 0.583, T-Statistic of 6.423, and p-value of 0.000. The fourth hypothesis was accepted, showing that fair, transparent, and affordable rates can increase customers' positive perception of the company's image. Thus, competitive service rates and in accordance with customer expectations help build and strengthen the positive image of PT. PLN (Persero) ULP Medan Kota in the eyes of its consumers.

## 3.The Effect of Customer Participation on Purchase Decisions at PT. PLN (Persero) ULP Medan Kota

Customer participation shows a positive and significant influence on purchasing decisions at PT. PLN (Persero) ULP Medan Kota, with an original sample value (O) of 0.184, T-Statistic of 3.043, and a p-value of 0.002, supports the hypothesis proposed. Customer participation is defined as the extent to which customers are involved in the activities of producing and providing services. The role of customers in this context is not only as consumers, but also as producers. Customers who play an active role in producing and consuming valuable products and services tend to be more satisfied and loyal. According to Prahalad and Ramaswamy (2002), as well as Nysveen and Pedersen (2014), customer participation includes several aspects such as the expression of personal needs, giving brand advice, participating in purchases, and finding solutions. In this study, the average satisfaction of respondents with customer participation in PLN's prepaid services was 3.83. This shows that most respondents feel quite satisfied with their participation and involvement in the services provided by PLN. This satisfaction reflects that customers feel valued and empowered, which in turn encourages them to make positive purchasing decisions. Overall, the active involvement of customers in PLN's services not only increases satisfaction but also strengthens purchase decisions, demonstrating the importance of customer participation in the company's marketing and service strategies.

## 4.The Effect of Customer Participation on the Company's Image in PT. PLN (Persero) ULP Medan Kota

Customer participation has a positive and significant influence on the company's image at PT. PLN (Persero) ULP Medan Kota, with an original sample value (O) of 0.468, a T-Statistic of 7.863, and a p-value of 0.000, supports the hypothesis proposed.



Customer participation here reflects the extent to which customers are actively involved in the activities of producing and providing services. According to Prahalad and Ramaswamy (2002), as well as Nysveen and Pedersen (2014), customer participation is not only limited to consumption but also involves an active role in the service production process, which includes expressing personal needs, giving brand advice, participating in purchases, and finding solutions. Ranjan and Read (2016) add that customers who are involved in this process will feel more empowered and valued. In the context of PT. PLN (Persero) ULP Medan Kota, the average respondent's satisfaction with customer participation in PLN's prepaid services was 3.83. This shows that most respondents feel quite satisfied with their participation and involvement in the services provided by PLN. This involvement contributes to a positive perception of the company.

#### 5. The Effect of Service Tariffs on Purchase Decisions Through the Company's Image at PT. PLN (Persero) ULP Medan Kota.

Service tariffs have a positive and significant influence on purchasing decisions through the company's image at PT. PLN (Persero) ULP Medan Kota. The results of the analysis showed that the original sample value (O) was 0.670, T-Statistic was 6.657, and p-value was 0.000, supporting the hypothesis proposed. Determining service rates or prices is an important element in the service marketing mix because price determines revenue and plays an important role in the perception of service quality in the eyes of customers. Kotler and Armstrong (2018) state that price is the basic rate determined by a company to customers. In this context, the indicators used to measure service rates include price affordability, price suitability with product quality, and price suitability with product benefits (Karam, 2018). Overall, the average respondent towards PLN's prepaid electricity service tariff was 3.82, indicating that most respondents were quite satisfied with the affordability, fairness, and transparency of the prepaid electricity tariff imposed by PLN. Service rates that are considered reasonable and in accordance with the quality and benefits received by customers, will improve the company's image in the eyes of customers. A positive corporate image is a mediator that strengthens the influence of service tariffs on purchase decisions. When customers have a good view of the company, they tend to be more trusting and satisfied with the rates offered. This in turn increases their propensity to make a purchase decision.

#### 6. The Effect of Customer Participation on Purchase Decisions Through the Company's Image at PT. PLN (Persero) ULP Medan Kota.

Customer participation has a positive and significant influence on purchasing



decisions through the company's image at PT PLN (Persero) ULP Medan Kota. The results of the analysis showed that the original sample value (O) was 0.356, the T-Statistic was 3.355, and the p-value was 0.004, which showed that the hypothesis proposed was acceptable. Customer participation refers to the extent to which customers are involved in the production and service delivery process. Customer involvement is not only as a consumer, but also as a producer (Prahalad & Ramaswamy, 2002; Nysveen & Pedersen, 2014). Ranjan & Read (2016) explains that customer participation includes expressing personal needs, giving brand advice, participating in purchases, and finding solutions. Overall, the average satisfaction of respondents with customer participation in PLN's prepaid electricity services was 3.83. This shows that most of the respondents feel quite satisfied with their involvement in the services provided by PLN. The active participation of customers can contribute significantly to the formation of a company's image. When customers feel actively involved in the production and service process, they tend to have a positive perception of the company. A good corporate image, as a result of good customer participation, can influence customers' purchasing decisions towards the prepaid electricity services offered by PLN.

#### 7. The Influence of Corporate Image on Purchase Decisions at PT. PLN (Persero) ULP Medan Kota

The company's image has a positive and significant influence on the purchase decision of PT PLN (Persero) ULP Medan Kota. With an original sample (O) value of 0.420, T-Statistic of 6.446, and p-value of 0.000, the results of the analysis show that the hypothesis proposed is acceptable. The company's image refers to the perception or image that customers have about PLN as an electricity service provider. A good image tends to increase customer trust and preference for the products or services offered by the company. This is in accordance with the concept put forward by Kotler and Keller (2016), where the corporate image is an impression formed from various customer interactions and experiences with the company. In the context of PT PLN (Persero) ULP Medan Kota, the average respondent's satisfaction with various aspects of the company's image was 3.90. This figure shows that most respondents have a positive perception of PLN's corporate image related to prepaid electricity services. The importance of a good corporate image is proven to influence customer purchasing decisions. When customers have a positive view of a company, they tend to be more inclined to choose services from that company compared to its competitors. Therefore, strengthening the company's image through communication management, good customer service, and transparency in operations can be an effective strategy to improve customer purchasing decisions





## Conclusion

From the results of the study, it was found that all variables, namely service tariffs and customer participation, had a positive and significant effect on the decision to purchase prepaid electricity services at pt. PLN (Persero) ULP Medan Kota mediated by the company's image. Therefore, it is recommended that based on the survey results, the decision to purchase prepaid electricity at PLN in Medan City has a satisfaction mean of 3.76, which shows the lowest value in the results of the respondents' responses in the study. In the indicator, there is one variable that has the lowest mean, namely "Personal Experience Priority". This is due to negative experiences related to the use of prepaid electrical products, such as the process of filling up tokens and other customer experiences. Provide better education to customers on how to use prepaid electrical products effectively and efficiently. Training by PLN ULP Medan City to customers on the correct token filling technique can also help reduce negative experiences and increase positive experiences. In service tariffs, review the prepaid electricity service tariff policy to ensure affordability and tariff fairness for customers. provide more transparency in the determination of service tariffs so that customers feel that the value provided is proportional to the price they pay. encourage active participation of customers in decision-making related to prepaid electricity services, for example through surveys or discussion forums. provide incentives or rewards for customers who actively participate in programs organized by PLN. and on the company's image variables. maintain and improve the company's image by ensuring that every interaction with customers reflects the company's positive values. developing a sustainable CSR (*Corporate Social Responsibility*) program to support a good corporate image in the eyes of the public, especially in the city of Medan.

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