
Effect of Promotion and Pricing Strategies in Improving Customer Purchasing Decisions

Muhammad Fachmi^{1)*}; Hasniati²⁾; Nasrullah³⁾

^{1,2,3)} STIE Amkop Makassar

Muhammadfachmi22@gmail.com*

ABSTRAK

Tujuan dilakukannya penelitian ini adalah untuk menganalisis pengaruh promosi dan strategi harga terhadap keputusan pembelian Pisang Goreng Nugget di Kota Makassar baik secara parsial maupun secara simultan. Penelitian ini menggunakan pendekatan kuantitatif. Ukuran besarnya sampel dalam penelitian ini adalah 60 responden yang juga merupakan jumlah besarnya populasi. Adapun teknik pengumpulan data yang digunakan adalah melalui penyebaran kuesioner dan dokumentasi dari data primer dan data sekunder. Metode analisis yang digunakan adalah analisis regresi linier berganda, sedangkan untuk hipotesis digunakan Uji-F dan Uji-T. Hasil pengujian hipotesis menunjukkan bahwa; Promosi berpengaruh positif dan signifikan terhadap keputusan pembelian pisang goreng nugget. Strategi harga berpengaruh positif dan signifikan terhadap keputusan pembelian pisang goreng nugget. Promosi dan strategi harga berpengaruh positif dan signifikan terhadap keputusan pembelian pisang goreng nugget.

Kata-kata Kunci : Promosi, Strategi Harga, Keputusan Pembelian

ABSTRACT

This research aims to analyze promotion strategy and pricing strategies on purchasing decisions of Fried Banana Nugget In Makassar City both partially and simultaneously. This study uses a quantitative approach. The sample size in this study is 60 respondents, which is also the size of the population. The data collection techniques used are through the distribution of questionnaires and documentation of primary data and secondary data. The analytical method used is multiple linear regression analysis, while the hypothesis used the F-Test and T-Test. The hypothesis testing results show that; the promotion has a positive and significant effect on fried banana nuggets' purchasing decisions. The price strategy has a positive and significant effect on purchasing decisions on fried banana nuggets. The promotion strategy and price strategy positively and significantly influence fried nugget bananas' purchase decision.

Keywords : Promotion, Price Strategy, Purchase Decision

1. Introduction

Social media development is currently increasing considering that technology currently cannot be separated from every human life. Based on We Are Social's data in early 2019, social media users in Indonesia have reached 150 million people. This means that around 57% of all Indonesians have used various social media. Promotion on social media is indeed made to invite people to want to buy a certain product. Therefore, usually, the image is designed as well and as perfect as possible. However, due to the excessive amount, the advertised products sometimes do not match the original product.

Purchasing decisions are a concept in purchasing behavior in which consumers decide to act or do something, making a purchase, or utilizing certain products or services (Balawera, 2013). According to Sangadji and Sopiah (2013), a purchasing decision is a process of appraising and selecting various alternatives according to certain interests by determining an option that is considered the most profitable.

Assael's view in Muanas (2014) a purchasing decision is a process of appraising and selecting various alternatives according to certain interests by determining an option that is considered the most profitable. Consumer decision-making is a problem-solving process. Researchers use this purchase decision because the study of mass purchasing decisions is feasible to be researched considering that the increasing number of products in circulation results in various considerations for the community in making purchasing decisions.

Consumers can decide to make a purchase, and an appropriate marketing strategy is needed, for example, with a promotional strategy through social media. According to Hermawan (2013), promotion is one of the priority components of marketing activities that inform consumers that companies are launching new products that tempt consumers to make purchases. Promotion is an activity in marketing, which is a communication carried out by the company to buyers or consumers that contains news, persuades, and influences everything regarding goods and services produced for consumers; all activities aim to increase sales volume by attracting consumer interest in making decisions buy. Promotion in various research shows that the better promotional activities, consumers will make decisions to purchase products (Indriani in Fachmi et al., 2019).

Besides that, the pricing strategy can also influence consumers to make purchases. According to Kotler, et al. (2016), there are several pricing strategies: Market - Skimming Pricing. At market milking prices, the company charges high prices on new products to gradually squeeze out the maximum revenue from the segment that is willing to pay the high price. And Market - Penetration Pricing, where the company's market share price sets a low price on a new product to attract a large number of buyers and a large market share. In selling a product, the price is very important for both the seller and the consumer. For companies, prices can be used as a foothold to penetrate the market, improve product quality and increase profits. Meanwhile, consumers aim to get quality products at low prices or get quality products at low prices or get products at high prices but can increase the buyers' prestige. As a result of the prestige problem carried out by consumers, there must be some resentment in each product's price. The issue of price policy is to determine the success of product marketing.

Researchers observe the phenomenon in the field, where there are still some consumers who give negative comments about fried banana nuggets, which may impact consumer decisions to make purchases. With this social media's existence, it is hoped that the promotion carried out will have implications for the purchase decision of fried banana nuggets. The presence of competitive product prices can also influence the decision to make a purchase. Therefore, further research is needed to prove the role of promotion and price strategy in increasing the purchase decision of nuget fried bananas in Makassar City.

2. Research Methods

The type of research used based on the characteristics of the problem under study is quantitative research, aiming to determine the degree of relationship and the pattern/form of influence between two or more variables. This study discusses the effect of independent variables on the dependent variable. The population shows a group of people or objects with similarities in one or several things and form the main problem in special writing. As used in this study are consumers of Fried Banana Nugget. The number of samples in this study was 60 people with 5-10 x indicators, so the researchers determined $5 \times 12 = 60$.

This study's promotion variables were measured by four items, namely the type of promotional media, promotion coverage, direct marketing, and discounting. Three items measure the price strategy variable: Price Affordability, Price Competitiveness, and Price Match with Quality. Five items measure purchase decision variables: Stability in a Product, Habits in Buying Products, Recommending to Others, Making re-purchases, and payment methods. The data collection technique in this study used to research, one of which is a questionnaire. Researchers distributed questionnaires to customers of

fried banana nuggets. The data analysis technique used is multiple regression analysis. Regression analysis is a study of the dependent variable's dependence with one or more independent variables (Ghozali, 2012).

3. Result and Discussion

Validity and Reliability Test

The validity test is used to measure whether a questionnaire is valid or not. In this case, item questions are used, which are expected to validly reveal the measured variables. The criteria used to declare an assessment instrument that is valid or appropriate for testing the item correction value criteria - Total Correlation is greater than 0.30 using the SPSS tool. The test results in this study can be seen in Table 1 below.

Table 1. Validity Test

Variable	Item	Corrected Item – Total Correlation	Conclusion
Promotion (X ₁)	X _{1.1}	.450	Valid
	X _{1.2}	.663	Valid
	X _{1.3}	.854	Valid
	X _{1.4}	.854	Valid
Price Strategy (X ₂)	X _{2.1}	.589	Valid
	X _{2.2}	.442	Valid
	X _{2.3}	.617	Valid
Purchase Decision (Y)	Y _{.1}	.446	Valid
	Y _{.2}	.728	Valid
	Y _{.3}	.644	Valid
	Y _{.4}	.565	Valid
	Y _{.5}	.770	Valid

Source: Results of Data Processing, 2020

Table 2. Reliability Test

Variable	Cronbach's Alpha	Conclusion
Promotion (X ₁)	.855	Reliable
Price Strategy (X ₂)	.725	Reliable
Purchase Decision (Y)	.831	Reliable

Source: Results of Data Processing, 2020

Based on Table 1, that all statement items in the questionnaire have met the valid criteria, as indicated by the corrected item-total correlation value greater than 0.3. Therefore, all statement items in the questionnaire can be categorized as valid in measuring the variables studied. Furthermore, a reliability test was carried out on the research instrument. Based on Table 2, all the variables studied, namely promotion, price strategy, and purchasing decisions, had a Cronbach's Alpha value greater than 0.60 so that the instrument could be categorized as reliable.

Hypothesis test

Hypothesis testing is done by t-test and F-test. A partial test (t-test) is done by making a comparison between the t-count and t-table values. Indicates the acceptance of the hypothesis if (t-count > t-table), the t-table is obtained from the number of observations minus the number of variables used (nk), namely $(60-3) = 57$ then it is known that the t-table is 1.672 where the degree of significance used is smaller than $\alpha = 0.05$, meaning that the significance value must be less than the degree of confidence (α) or probability. The results of the t-test can be seen in Table 3 below.

Table 3. T-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.191	.922		2.377	.021
1 Promotion (X ₁)	.795	.131	.687	6.083	.000
Price Strategy (X ₂)	.442	.184	.272	2.410	.019

Source: Results of Data Processing, 2020

From the data in Table 3 above, the following analysis results are obtained:

1. Promotion variable (X₁) of 0.687. The regression coefficient value is at a significance level of 0.05 with a Sig of 0.000 ($0.000 < 0.05$). The t value is 6.083, while the t table is 1.672. Thus, the t value > t table, then the results of this test indicate that the promotional variable has a positive effect on purchasing decisions, or in other words, H₁ is accepted.
2. The price strategy variable (X₂) is 0.272. The regression coefficient value is at a significant level of 0.05 with a Sig of 0.019 ($0.019 < 0.05$). The t value is 2.410, while the t table is 1.672. Thus, in the t value > t table, this test results indicate that the price strategy variable has a positive effect on purchasing decisions. In other words, H₂ is accepted.

Furthermore, the F test is used to determine whether this test involves the two independent variables (promotion strategy and price strategy) against the dependent variable (purchase decision). The F test is carried out by comparing the F-count value with the Ftable value using a significant level of 5%. If the F-count value is greater than F-table, all independent variables affect the dependent variable. The results of the F test can be seen in Table 4 as follows.

Table 4. F-Test Results
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	344,934	2	172,467	235,188	,000 ^b
Residual	41,799	57	,733		
Total	386,733	59			

Source: Results of Data Processing, 2020

From the ANOVA test or F test above, the calculated F value is 235.188 with a probability of 0.000. as for F table is 3.16 because F count > F table ($235.188 > 3.16$) and the probability is much smaller than 0.05, it can be concluded that Promotion and Price Strategy have a positive and significant effect simultaneously on Purchasing Decisions.

Table 5. Determination Coefficient Test Results
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.944 ^a	.892	.888	.856

Source: Results of Data Processing, 2020

Furthermore, the coefficient of determination is tested to determine how much influence the dependent variable has on the independent variable. From the research results, as shown in Table 5, the independent variables (X) and the dependent variable (Y). In this research data, the correlation coefficient value is 0.944 or equal to 94.4%, so that 94.4% of purchasing decisions (Y) can be explained by variable X (promotion strategy and price strategy), while the remaining is 5.6% (100% - 94.4%). Meanwhile, R Square describes the large variation in y caused by x, where the result of the calculation of the R² value is 0.892 or 89.2%. Adjusted R Square is the adjusted R² value so that the image will approach the quality of the model assessment and the calculation result of the adjusted R square value is 0.888 or 88.8%. This research can be seen that the coefficient of determination is 88.8%, which means that the two independent variables, namely the promotion strategy and the price strategy, have a simultaneous or joint effect on purchasing decisions. Thus, the amount of influence exerted by the independent variable on the dependent variable is 88.8% and the remaining 11.2% is influenced by other factors not examined in this study, including product strategy and place strategy variables.

Discussion

. A promotion through social media that is good in consumers' eyes can influence purchasing decisions, but on the other hand, purchasing decisions are influenced by several factors such as the reach of promotions, the quality of updates on social media, the quality of messages. A promotion affects the sales of these products. Based on the analysis results, it is known that consumers in deciding to buy products in Fried Banana Nugget are more influenced by a wide and attractive range of promotions. At the same time, the supporting factors are reviews from previous customers. A promotion through good social media will attract the attention of consumers. This study's results are consistent with previous studies conducted by Fandiyanto (2017) and Yusuf & Sunarsi (2020), which state that the promotional strategy variables on social media affect purchasing decisions.

Also, a product that has the right price in consumers' eyes can influence purchasing decisions. However, on the other hand, purchasing decisions are influenced by several factors such as price affordability, price competitiveness, price compatibility with product quality. A price greatly influences purchasing decisions. Based on the analysis results, it is known that consumers in deciding to buy products in Fried Banana Nugget prioritize price compatibility with product quality. The results of this study are consistent with the results of previous studies conducted by Fandiyanto (2017), Fachmi et al. (2019), Yusuf & Sunarsi (2020), which state those price strategy variables on social media affect purchasing decisions.

4. Conclusion

Based on the results of the analysis carried out regarding the effect of social media marketing strategies on purchasing decisions for fried banana nuggets, it can be concluded that this study has succeeded in supporting all of the proposed hypotheses. This study's finding is that the promotion strategy has a positive and significant effect on purchasing decisions. This shows that the more attractive the company's promotional strategy is, the more purchasing decisions. The pricing strategy also has a positive and significant effect on purchasing decisions. This shows that the more precise the price strategy offered, the more purchasing decisions will be made.

This research can be improved by further researchers who are still related to similar research objects to make this research better. Researchers suggest developing research by adding other independent variables, such as adding four other marketing mixes such as places and products, so that the research results can be more extensive than previous studies. In addition, developing the population and sample in this study is also needed, for example, by using a wider and more extensive population and sample.

Reference

- Balawera, Asrianto. (2013). Green Marketing dan Corporate Responsibility Pengaruhnya Terhadap Keputusan Pembelian Konsumen Melalui Minat Membeli Produk Organik di Freshmart Kota Manado. *Jurnal EMBA*, Volume 1, Nomor 4, hal. 2117-2129
- Fachmi, M., Setiawan, I. P., & Hidayat, A. (2019, October 14). Analysis of Factors Affecting Consumer Purchase Decision at Online Shops. *International Journal of Innovative Science and Research Technology*. <https://doi.org/10.17605/OSF.IO/WV7MU>.
- Fandiyanto, Randika, Sularso Raden Andi dan Irawan Bambang (2017). Pengaruh Kemudahan, Keamanan, Ketanggapan, Harga Dan Reputasi Perusahaan Terhadap Kepercayaan Dan Keputusan Pembelian Produk Kerajinan Danbo Secara Online. *Jurnal Penelitian melalui social networking websites Universitas Diponegoro*.
- Ghozali, Imam. (2012). *Aplikasi Analisis Multivariate dengan Program SPSS Edisi 4*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hermawan, Agus. (2013). *Komunikasi Pemasaran*. Jakarta: Erlangga.
- Kotler, P., Armstrong, G., & Opresnik, M. O. (2018). *Principles of Marketing (17e Global Edition ed.)*. United Kingdom: Pearson Education Limited.
- Muanas, A. (2014). Pengaruh Produk, Harga dan Promosi Terhadap Keputusan Pembelian Mobil Buana Indomobil Trada, *Jurnal Ilmu & Riset Manajemen Vol. 3 NO. 12 2014*
- Sangadji, Etta M dan Sopiah. (2013). *Perilaku Konsumen: Pendekatan Praktis Disertai Himpunan* *Jurnal Penelitian (Ed. pertama)*. Yogyakarta: Andi.
- Yusuf, A., & Sunarsi, D. (2020). The Effect of Promotion and Price on Purchase Decisions. *Almana: Jurnal Manajemen dan Bisnis*, 4(2), 272-279.