The Effect of Product Quality, Price and Promotion on Purchasing Decisions

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ABSTRAK

Saat ini dalam bisnis telepon seluler terjadi persaingan yang sangat ketat, setiap perusahaan atau operator yang mengeluarkan kartu seluler saling berlomba menciptakan berbagai alternative pilihan untuk mempengaruhi keputusan pembelian dan memenangkan persaingan. Penelitian ini bertujuan untuk melakukan pengujian pengaruh kualitas produk, harga, dan promosi terhadap keputusan pembelian. Jumlah sampel dalam penelitian ini 100 konsumen telkomsel Gresik. Analisis data yang digunakan adalah analisis regresi linier berganda. Hasil penelitian ini menyimpulkan bahwa hasil pengujian secara simultan kualitas produk, harga, dan promosi terhadap keputusan pembelian. Hasil pengujian secara parsial kualitas produk berpengaruh signifikan terhadap keputusan pembelian, harga berpengaruh signifikan terhadap keputusan pembelian, dan promosi berpengaruh signifikan terhadap keputusan pembelian.

Kata kunci: *kualitas produk, harga, dan promosi, keputusan pembelian*

ABSTRACT

Currently in the mobile phone business going on a very tight competition, any company or operator of a mobile card issuing competing to create various alternatif option to influence purchasing decisions and win the competition. This study aims to test the effect of product quality, price, and promotion on purchasing decisions. The number of samples in this study were 100 Gresik Telkomsel consumers. Analysis of the data used is multiple linear regression analysis. The results of this study concluded that the results of simultaneous testing of product quality, price, and promotion of purchasing decisions. The results of partial testing of product quality have a significant effect on purchasing decisions, prices have a significant effect on purchasing decisions, and promotions have a significant effect on purchasing decisions.

Keywords: *product quality, price, and promotion, purchasing decision*

INTRODUCTION

Currently in the mobile phone business going on a very tight competition, any company or operator of a mobile card issuing competing to create various alternatif option to influence purchasing decisions and win the competition. Organizations that want to succeed in marketing activities must have the awareness that it is not possible to serve all the buyers available in the market. Prospective buyers also have demands in their purchases, so the right strategy is needed in serving these buyers (Sukaris, S. 2018).

Identify all possible choices to solve the problem and assess the choice of options systematically and objectively and the targets that determine the advantages and disadvantages of each (Drumond and Gautama 2012; 101).

Consumer purchasing decisions are "The process of formulating various alternative actions to make choices on one particular

alternative to do consumers" Visser, Gattol, and Van Der Helm (2015; 10). Based on data on the *Top Brand Index* of cellular cards in Indonesia, Telkomsel is the first ranked cellular card in terms of TBI 2017 acquisition, namely in the category of prepaid GSM simcard and internet service provider. Telkomsel on its official website explained that the number of subscribers as of the third quarter of 2014 was 139.3 million. The number is up 8.9 percent compared to the same period last year. Of the total number of subscribers as much as 46 percent or 63.5 million of them are data customers, while the remaining 35.4 million are smartphone users. (www.telkomsel.co.id).

To provide the best service for its customers, Telkomsel is committed to continuing to build infrastructure to provide the best digital experience throughout Indonesia, as shown by the construction of 31,672 BTS during 2017 which are all 3G / 4G BTS. As of the end of 2017, total on-air Telkomsel BTS were 160,705 units of which around 70% were

3G / 4G BTS, while Telkomsel's 4G service is now present in 490 cities throughout Indonesia, this is one of the important points of the quality of the products provided by Telkomsel so that in the same year Telkomsel registered 196.3 millionsubscribers (www.wartaekonomi.co.id).

In addition to product quality, price is an important element for the company, Tjiptono (2012; 227) argues that "Price is the amount of money (monetary unit) and / or other aspects (non-monetary) that contain certain utilities to obtain a service.

The price offered by Telkomsel is directly proportional to the ability of the connection speed received by consumers, this is evidenced by Telkomsel being named as the telecommunications operator with the best mobile internet performance throughout 2017 outperforming its competitors. At least once according to the report *"Barometer Of Mobile Internet Connections In Indonesia"* yang issuedapp *Nperf Speed Test* based on testing conducted from 1 January to 31 December 2017.
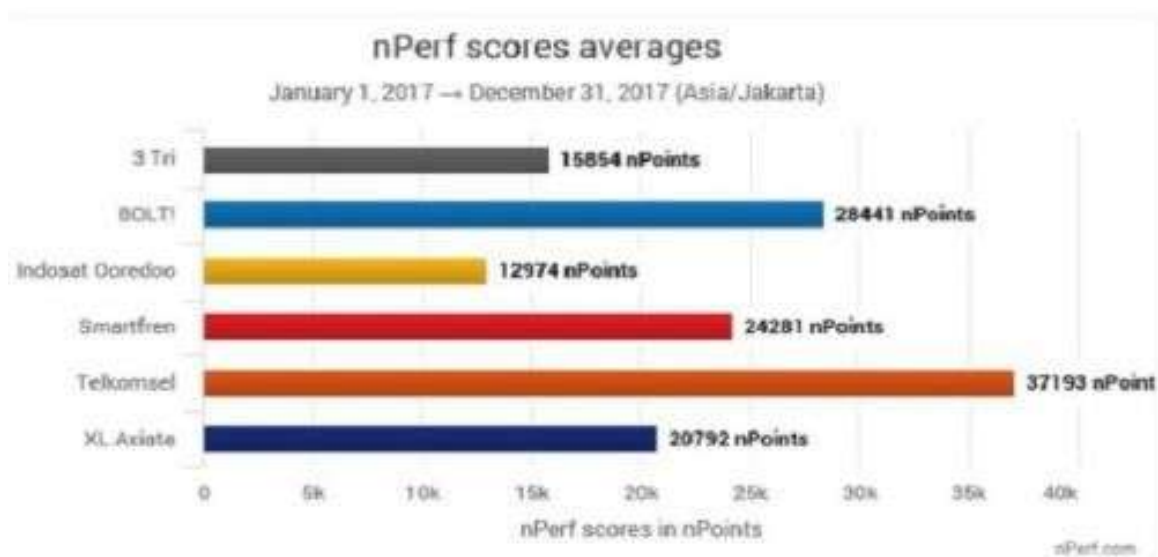
Sumber : //www.carakoneksi.com

Figure 1: nPerf Scores Averages

In terms of promotion Telkomsel promotes through print media, electronic media and direct promotions to consumers through *sales promotion*. For non-personal promotions Telkomsel uses a variety of media aimed at

stimulating purchases, advertising is carried out through print media both newspapers, magazines, tabloids, billboards and notice boards that are displayed clearly in a crowd or shoulder area. and Promotion through electronic

media such as television, radio and internet (www.telkomsel.co.id).

Telkomsel always tries as much as possible to retain its customers, according to several strategies that the author has described. But there is a phenomenon that occurs where the marketing activities that are applied are not directly proportional to the target and realization that the company obtained. Like the description of the target data table and the realization of Telkomsel Gresik's sales achievements in 2017 as in table 1:

Table1: Target and the realization of Telkomsel Gresik

No	Month	Target (Rp)	Realization (Rp)
1	Januari	430.615.000	351.785.000
2	Februari	451.270.000	378.820.000
3	Maret	587.131.880	670.399.000
4	April	612.555.625	468.890.000
5	Mei	452.465.201	421.405.000
6	Juni	865.765.442	552.435.000
7	Juli	573.739.471	519.645.000

Data Sources: Telkomsel Gresik 2017

Author suspects that purchase decision factors are the most important benchmarks for review. Consumer decisions in making purchases will be influenced by several factors that come from a business unit which can be controlled by the business unit itself. As a business unit that wants to maintain its survival, companies must know what is the attraction for consumers to choose and buy their products. By knowing what causes purchase, companies may define and develop a strategy that is competitive, so the company can attract more customers and retain consumer

Hypothesis
H1. There is an effect of product quality on purchasing decisions.
H2. There is an effect of price on purchasing decisions.
H3. There is an effect of promotional on purchasing decisions.
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METHODE

According to Arikunto (2013: 173) The population is the whole of the research subjects. So what is meant by population is individuals who have the same nature even though the percentage of similarity is small, or in other words all individuals will be used as research objects. The population in this study were all Telkomsel Gresik Consumers

Withdrawing or making samples from the population to represent the population is caused to raise the conclusion of the study as applicable to the population. Arikunto (2010: 174) says that "The sample is part or representative of the population under study.

In this study samples using the technique of Non-Probability kind of incidental Sampling is a sampling technique based on chance, that anyone who incidentally / insidental met with the researchers can be used as a sample, when seen people who happened to be found suitable as a data source, Sugiyono (2013: 96).

To avoid misperceptions of research variables, the following is given an explanation of the variables used in this study, namely:

1. Product quality (X1)
   Product quality is a measure of the product's durability, trustworthiness of the product, accuracy the product, from the marketing point of view the quality is measured in terms of the buyer's perception of the quality or quality of the product. The indicators of product quality according to Tjiptono (2012; 121) are:
   a. Product performance Product
   b. features or features,
   c. Product endurance.

2. Price (X2)
   According to Kotler and Armstrong (2012; 52) in the variable price there are several elements of the main activities price includes the list price, discounts, rebates, and the repayment period, there are three indicators that characterize the price are:
   a. Affordability price of
   b. Compliance rates with product quality

c. Price match benefits.

3. Promotion (X3).

   Promotion is a form of marketing communication which is a marketing activity that seeks to spread information, influence or persuade, and / or increase the target market for companies and their products to be willing to accept, buy, and be loyal to the products offered by the company concerned. According to Lupiyoadi (2013: 92), there are three indicators that characterize promotions, namely: Attractive
   a. Advertising
   b. Salesperson hospitality
   c. Discounts given
   d. The effectiveness of articles on promotion

4. Purchasing decisions (Y)

   Purchasing decisions are making decisions about purchases, which include determining what to buy or not making a purchase, which decision is based on the results obtained from previous activities. The Purchasing Decision indicators according to Kotler and Armstrong (2014: 159), namely:
   a. Decisions on available products
   b. Decisions on Prices given
   c. Decisions on services provided

RESULTS AND DISCUSSION

Test Validity and Reliability From the results of the instrument validity test all variables obtained r count > r table 0.1946. So all items indicate that all statement indicators in the variable Product Quality, Price, and Promotion, the purchase decision is greater than 0.1946 so that all indicators have met the data validity requirements. so that the indicators in this study are able to form the variables of each variable. The reliability test results showed that each value variable Cronbach Alpha was greater than 0.70. so that the statement on the questionnaire was reliable. Thus that means that all data obtained from the research instrument is

stated to have fulfilled the principle of reliability of variable measuring tools. So the instruments used in this study can be used at different times.

Assumption Test Analysis. From the results of data management, the tolerance value is greater than 0.1 and the VIF is smaller than 10, it can be concluded that the regression model does not have multicollinearity problems. it means that from the multicollinearity test all independent variables are not interconnected and it can be concluded that there is no correlation between the independent variables and the variables used do not occur multicollinearity. Data management obtained tolerance value greater than 0.1 and VIF less than 10, it can be concluded that the regression model does not have a multicollinearity problem which means that the multicollinearity test of all independent variables are not interconnected and it can be concluded that there is no correlation between independent variables and the variables used do not occur multicollinearity.

Heteroscedasticity test shows that the Glejser Test Value sig. > 0.05, it shows there are no symptoms of heteroscedasticity. Thus it can be concluded that the regression model is heteroscedasticity free. The meaning of the heteroscedaticity test is all independent variables if there is an inequality of residuals for all observations in the linear regression model.

The Normality Test, the test results show that the Normal PP Residual Plot of Regression standardized graph depicts the spread of data around the diagonal line and the spread follows the diagonal direction of the graph, then the regression model used in this study meets the assumption of normality.

Data Analysis, Data analysis used in this study is multiple linear regression with purchasing decisions (Y) as the dependent variable. The independent variables are Product Quality (X1), Price (X2), Quality, and Promotion (X3) , $Y = 1.539 + 0.277X1 + 0.255X2 + 0.266X3 + e$, it can be explained that

The constant value of 1.539 indicates that if Product Quality (X1), Price (X2), and Promotion (X3), is 0, then the purchase decision (Y) is 1.539 This means that without or before the variable if Product Quality (X1), Price (X2), and Promotion (X3), in a company, the magnitude of the Purchasing Decision (Y) has an influence of 1,539.

Product quality variable regression coefficient (X1) of 0.277. This means that if the independent variable price (X2), promotion (X3) has a fixed value and product quality (X1) has increased by 1%, the purchasing decision (Y) will have an increase in effect of 0.277. 3. Price variable regression coefficient (X2) of 0.255. This means that if the independent variable of product quality (X1), promotion (X3) has a fixed value and price (X2) has increased by 1%, the purchasing decision (Y) will have an increase in influence of 0.255. 4. The regression coefficient of the promotion variable (X3) is 0.266. This means that if the independent variable price (X2), product quality (X1) value is fixed and promotion (X3) has increased 1%, the purchasing decision (Y) will experience an increase in influence of 0.266. A positive regression coefficient means that there is a positive relationship between promotion (X3) and purchasing decision (Y), the more promotion value (X3) increases the purchasing decision (Y).

The coefficient of determination (R2) and the multiple correlation coefficient, based on the data, the value obtained:

Adjusted R Square = 0.649 can be said that the change in the dependent variable purchase decision (Y) of 64.9% is caused by the variable Perception of Product Quality (X1), Price (X2), and Promotion (X3) while the rest can be explained by other factors beyond these variables such as brand image, company profile, and other alternative products.

R = 0.812 means that the strong relationship between the independent variables (X) together with the variable (Y) is 81.2%.

Hypothesis, Results of research on Product Quality variable(X-1) th values obtainedcounted for 2.760 while t table of 1.984. These results indicate that t> t table with 5% .With significant according to statistical calculations showed that in partial Product Quality (X1)significantly influence the purchase decision. From the table above it can be seen that the regression value has a significance level of 0,000. This value is smaller than 0.05 or the significance value <α and F arithmetic has a value of 62,064 while the F table has a value of 2,699 this means Fcount> F table, so that Ho is rejected and Ha is accepted, it means that simultaneously there is a significant influence on Product Quality Perception (X1), Price (X2), and Promotion (X3), on the purchase decision (Y)

CONCLUSION

Product Quality has been proven to have a significant partial effect on the Purchase Decision of Telkomsel Gresik products, the price has been proven to have a significant significant effect on the purchase decision of Telkomsel Gresik products. Promotion proved to be partially significant effect on the Purchasing Decision of Telkomsel Gresik products. Product Quality, Price and Promotion have been proven to have a significant simultaneous effect on the Purchasing Decision of Telkomsel Gresik products. See the results of the results mean product quality variable has the lowest value on product durability items, it is hoped Telkomsel's management will improve the materials of Telkomsel's prime card in order to last so that consumers do not feel afraid that the starter pack is damaged. See the results of the results mean variable price has the lowest value on the item in accordance with the price benefits, Telkomsel management is expected to provide additional features to match the selling value that has been issued by consumers. See the results of the results mean promotion variable has the lowest value on the discounted item given and the effectiveness of the article on promotion is expected telkomsel management is expected to minimize the terms and conditions so that consumers do not make

transactions to obtain discounts, and telkomsel management should provide clear and detailed information on product promotions. For further researchers, the results of this study can be used as a reference by increasing the number of variables that directly influence the purchasing decision of

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