Buying Decision Influence With Price, Product Quality and Promoting

Rahmat Hidayat

Email: Rahmatidayat@umsu.ac.id
Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Sumatera Utara

ABSTRACT

Consumers continue to experience rashes due to inappropriate skin care, use of counterfeit products, and use of harmful ingredients such as skin care ingredients that influence Nature Republic skin care product decisions. The purpose of this study was to analyze and determine the effect of product quality, price and promotion which simultaneously or partially influences consumer purchasing decisions for Generation Y Skincare Nature Republic products in Binjai City. This research is a combined quantitative research. The population in this study was Generation Y in Binjai and the sample used in this study was 96 people using the Objective Sampling method. The data collection method in this study used a questionnaire. The data analysis technique in this study used multiple linear regression, classical hypothesis testing, t test and F test, and the coefficient of determination. Part of product quality has a big influence on purchasing decisions, part of price has a big influence on purchasing decisions, and promotions have a big influence on purchasing decisions. At the same time, product quality, price and promotion will have a significant impact on purchasing decisions for Generation Y skin care products in Binjai City. and promotions have a great influence on purchasing decisions. At the same time, product quality, price and promotion will have a significant impact on purchasing decisions for Generation Y skin care products in Binjai City.

Keywords: Product Quality, Price, Promotion, Purchase Decision

INTRODUCTION

Competition in the increasingly fierce business world makes entrepreneurs look for the right strategy to market their products. For that we need a policy that can provide benefits for companies in implementing an effective and efficient marketing system in achieving high consumer buying interest.

Good marketing can be seen from the interdependence between consumers and producers, while bad marketing can be seen from the absence of dependence between the two parties. To be successful in the marketing process, the steps that must be taken are to identify your consumers first, give them what they want, use the right media according to the target, use non-media and reach consumers (B. Handoko, 2017).

One of the business fields that is developing and in great demand at the moment is in the field of snacks. This business in the food sector is quite attractive because usually this business is not too influenced by changes in the economy. Therefore, companies are currently trying to increase their activities by conduct marketing in marketing its products and produce products that have high competitiveness so that they can be accepted by all levels of society. However, with the increasingly varied market demand, companies are increasingly competing to produce products that can attract consumer interest, by improving the quality or quality of products and producing products that have characteristics to get more attention from consumers and try to seize existing market share.

A person's buying behavior can be said to be something unique, because the preferences and
attitudes towards the object of each person are different. Manufacturers need to understand consumer behavior towards products on the market. Furthermore, it is necessary to do various ways to make consumers interested in the products produced. Promotion is seen as a communication activity between buyers and sellers and is an activity that helps in making decisions in the field of marketing (Rizky & Yasin, 2014).

To attract consumers’ interest in making their choice, business people must be able to apply the right strategy in order to win the competition. Companies must be able to read what factors can influence consumer purchasing decisions. By knowing what factors can influence consumer purchasing decisions, the company must be responsive to what must be done in order to maintain the company’s survival and become a winner in such a tight competition (Nasution, Putri, Pratami, & Lesmana, Taufik, 2019).

A purchase decision is a decision to continue or not to continue a purchase (Kotler & Keller, 2012). Factors that can influence consumer purchasing decisions include product, price, promotion and place or what is known as the marketing mix. Marketing mix is the process of combining in a marketing strategy that is tailored to the conditions of each company which is standardized by product, low price, promotion and place. The consumer's decision to buy a product will be influenced by several underlying factors, including product quality, price and promotion of the product. Consumers have diverse perceptions of a product, this encourages marketers to determine the right marketing strategy in order to gain market share.

A product is said to be of high quality if the product is able to meet consumer expectations. Various efforts have been taken by the company to produce quality products. Product quality is an important thing that must be sought by every company if it wants to be able to compete in the market to satisfy the needs and desires of consumers.

Product quality is the sum total of product characteristics from marketing, engineering (planning), manufacturing (product) and maintenance that make the product used to meet customer expectations. (Marwanto, 2015).

The conditions that must be met by a company in order to be successful in competition are trying to achieve the goal of creating and retaining customers. In order for this goal to be achieved, every company must strive to produce and deliver the goods that consumers want at a reasonable price.

Review of prices is also increasingly important, because each price set by the company will result in a different level of demand for the product. In most cases, usually demand and price are inversely related, ie the higher the price, the lower the demand for the product. On the other hand, the lower the price, the higher the demand for the product. Therefore, setting the right price needs to get great attention from the company (Pharisees & Siregar, 2020).

Price has a strong influence on consumer decisions in buy products. Price is the amount of money charged for a product or service (Kotler & Armstrong, 2012b). In addition, price is also an important component of a product, because it will affect profits for the company. In addition to price, another factor related to purchasing decisions is promotion.

Promotion is one of the variables in the marketing mix that is very important to be implemented by companies in marketing a product (Sunyoto, 2014). Promotion is one of the effective ways to attract consumers to make purchasing decisions. Promotion plays an important role in the company’s marketing strategy.

Based on the research that has been done by researchers, it can be seen that the problems that occur in milkita candy products are fewer purchasing decisions in buying milkita candy products.
Maybe because, many consumers complain about the poor quality of milkita candy products as evidenced by the ingredients used. Prices are relatively less competitive. And in terms of promotions that are less intense so that they can influence consumers in making purchasing decisions.

LITERATURE REVIEW

Performance
Deciding means choosing one of two alternatives. Decisions in every purchase are very important to make which choices are useful and not useful in meeting their needs and desires, the decisions made must be well considered by potential consumers starting from the quality of the product, packaging, and others.

Purchasing decision is an integration process that is used to combine knowledge to evaluate two or more alternative behaviors and choose one of them (Paul & Olson, 2013).

Purchasing decisions are a series of processes that start with the consumer recognizing the problem, seeking information about a particular product or brand and evaluating the product or brand how well each alternative can solve the problem, which then leads to a purchase decision. (Tjiptono, 2014).

Purchasing decision is a consumer decision that is influenced by financial economy, technology, politics, culture, product, price, location, promotion, physical evidence, people and process. So that it forms an attitude in consumers to process all information and draw conclusions in the form of responses that appear what products to buy (Alma, 2009).

Purchasing decisions are actions from consumers to want to buy or not to products. Of the various factors that influence consumers in making purchases of a product or service, usually consumers always consider the quality, price and products that are already known by the public. The purchase decision is a purchase decision made by consumers which is a collection of a number of decision stages (Kotler, 2011).

Communication
Satisfied customers will buy again, and they will tell others about their good experience with the product. Product quality is the most basic ability, where consumers have expectations of fulfilling their needs and desires through a product. So the fulfillment of these needs and desires is closely related to product quality.

Product quality is something that needs to get the main attention of the company/producer, considering that the quality of a product is closely related to the problem of customer satisfaction, which is the goal of marketing activities carried out by the company. (Assauri, 2011).

Product quality is a characteristic of a product or service that persists in its ability to meet stated or implied customer needs (Kotler & Armstrong, 2015).

Product quality is a condition of an item based on an assessment of its suitability with predetermined measuring standards. The more according to the standards set, the more quality the product will be judged (TH Handoko, 2013).

Quality as the expected level of quality and control of diversity in achieving that quality to meet consumer needs (Tjiptono, 2012).

Next The notion of quality is the totality of features and characteristics of a product or service that has the ability to satisfy stated or implied needs (Kotler & Keller, 2016).
Work Discipline

Price can indicate the brand quality of a product, where consumers have the assumption that high prices usually have good quality. In general, price has a positive influence on quality, the higher the price, the higher the quality. Prices are not just the numbers listed on the the label of a package, but price takes many forms and performs many functions.

Price is the amount of money (monetary unit) and/or other (non-monetary) aspects that contain certain utilities needed to get a product. (Tjiptono & Chandra, 2012).

Price is the amount of money charged for a product or service, or the sum of the value that consumers exchange for the benefits of having or using the product or service. (Kotler & Keller, 2012).

The price is a sum of money plus some goods and services. Price is often used as an indicator of value when the price is related to the perceived benefits of an item or service (Dharmmesta, 2010).

Price is “the amount of money charged for services. Price is broadly the amount of value exchanged by consumers for the benefits of ownership or use of a product or service (Mahmud Machfoedz, 2010).

In marketing its products, companies need to stimulate and disseminate information about the presence, availability, characteristics, condition of the product, and the benefits or uses of the resulting product. This activity is referred to as promotion.

Promotion is one of the variables in the marketing mix that is very important to be carried out by companies in marketing products and services (Lupiyoadi, 2009).

Promotion can be defined as an overall system of business activities aimed at planning, pricing, promoting and distributing goods and services to satisfy the needs of both existing and potential buyers. (Dharmmesta & Irawan, 2013).

Promotion is an action that aims to increase sales, as well as a strategy to invite prospects through transactions (Tejakusuma, 2010).

Promotion is an element of the marketing mix that focuses on informing, persuading, and reminding consumers of the company's brands and products (Tjiptono, 2015).

RESEARCH METHODS

This study uses an associative research approach which aims to determine the relationship between two or more variables. This type of research is survey research, because it takes a sample from one population (Nasution, Fahmi, Jufrizen, Muslih, & Prayogi, 2020). The population in this study is all generation y in Binjai City who use products from Nature Republic skincare. The number of samples used in this study were 96 respondents using purpose sampling. The data collection technique used is a) list of questionnaire questions given to research respondents, namely generation y in Binjai City.

Data analysis techniques in this study are quantitative data analysis, b) Multiple Linear Regression Test. c) Hypothesis Testing, namely t-test and F-test. d) Coefficient of determination.
RESEARCH RESULTS AND DISCUSSION

Classic assumption test

Normality

Classical assumption test is a requirement of multiple regression analysis which aims to obtain valid analysis results. In this classical assumption test includes normality test, multicollinearity test, heteroscedasticity test,

Normality test

The normality test of the data was carried out to see whether in the regression model, the dependent and independent variables had a normal distribution or not. If the distribution data spreads around the diagonal line and follows the direction of the diagonal line then the regression model meets the assumption of normality (Juliandi et al., 2015)

![Normality P-P Plot](image)

Figure 1. Normality

The picture above identifies that the regression model has met the assumptions previously stated, so that the data in the regression model in this study tend to be normal.

Multicollinearity Test

Multicollinearity was used to test whether the regression model found a strong correlation between the independent (independent) variables. The method used to assess it is by looking at the value of the variance inflation factor (VIF) which does not exceed 4 or 5. (Juliandi et al., 2015)

Table 2. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
</tr>
<tr>
<td>Product Quality (X1)</td>
<td>.973</td>
</tr>
<tr>
<td>Price (X2)</td>
<td>.931</td>
</tr>
<tr>
<td>Promotion (X3)</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Decision (Y) Source: SPSS Data
Output Results
The three independent variables, namely X1, X2 and X3 have VIF within the tolerance limit that has been set (not exceeding 4 or 5), so that there is no multicollinearity in the independent variables (independent) of this study.

Heteroscedasticity Test
Heteroscedasticity is used to test whether in the regression model, there is an inequality of variance from the residuals from another observation. If the residual variance from one observation to another observation remains, it is called homoscedasticity, and if the variance is different it is called heteroscedasticity. A good model is that there is no heteroscedasticity (Juliandi et al., 2015) The basis for decision making is if a certain pattern, such as the existing dots (points) form a certain regular pattern, then heteroscedasticity occurs, if there is no clear pattern, and the points (points) spread below and above above the number 0 on the Y axis, then there is no heteroscedasticity.

![Figure 2. Heteroscedasticity](image)

The picture above shows the points spread randomly, do not form a clear/regular pattern, and are spread both above and below the number 0 on the Y axis, thus there is no heteroscedasticity in the regression model.

Research Hypothesis
Multiple Linear Regression
Regression analysis is used to determine the effect of the independent variable on the dependent variable. The regression equation in this study is as follows:

\[ Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e \]

Sugiyono (2016, p. 275)

The following are the results of data management using SPSS version 15.0
Table 3. Multiple Linear Regression Test Results Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>12.939</td>
<td>4.897</td>
<td></td>
<td>2.643</td>
</tr>
<tr>
<td>Product Quality (X1)</td>
<td>.388</td>
<td>.096</td>
<td>.357</td>
<td>3.953</td>
</tr>
<tr>
<td>Price (X2)</td>
<td>.352</td>
<td>.134</td>
<td>.235</td>
<td>2.639</td>
</tr>
<tr>
<td>Promotion (X3)</td>
<td>.305</td>
<td>.129</td>
<td>.217</td>
<td>2.370</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Decision (Y)

Source: SPSS Data Output Results

So the linear multiple regression equation for the four predictors (product quality, price and Promotion) are:

\[ Y = 12.939 + 0.388 X1 + 0.352 X2 + 0.305 X3 \]

The constant value of 12.939 indicates that if the independent variables, namely product quality, price and promotion, are constant or unchanged (equal to zero), then the purchase decision is 12.939.

The coefficient value of X1 = 0.388 indicates that if the quality of the product increases by 100%, it will result in an increase in purchasing decisions for Nature Republic products in Binjai City by 38.8%.

The regression coefficient value X2 = 0.352 indicates that if the price increases by 100%, it will result in an increase in purchasing decisions for Nature Republic products in Binjai City by 35.2%.

The regression coefficient value X3 = 0.305 indicates that if the price increases by 100%, it will result in an increase in purchasing decisions for Nature Republic products in Binjai City by 30.5%.

The above equation shows that all independent variables (product quality, price and promotion) have a positive bi coefficient, meaning that all independent variables have a direct influence on the Y variable (purchase decisions). Product quality variable (X1) is the largest among the three independent variables.

Partial Test (t test)

T statistical test shows how far the influence of one explanatory variable (Independent) individually in explaining the dependent variables (Dependent).
Table 4. t test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>12.939</td>
<td>4.897</td>
<td>2.643</td>
<td>.001</td>
</tr>
<tr>
<td>Product Quality (X1)</td>
<td>.388</td>
<td>.098</td>
<td>.357</td>
<td>3.953</td>
</tr>
<tr>
<td>Price (X2)</td>
<td>.352</td>
<td>.134</td>
<td>.235</td>
<td>2.639</td>
</tr>
<tr>
<td>Promotion (X3)</td>
<td>.305</td>
<td>.129</td>
<td>.217</td>
<td>2.370</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Decision (Y)

Source: SPSS data output results

The Effect of Work Discipline (X2) on Employee Performance (Y)

From table 4, the results obtained are significant t the effect of product quality variable (X1) on purchasing decisions (Y) = 0.000, when viewed from the tcount value of 3.953 > ttable 1.660 where significantly t is smaller than = 0.05. This means that hypothesis 1 (one) is accepted that product quality (X1) partially has a significant influence on purchasing decisions on Nature Republic skincare products in Binjai City.

Effect of price on purchasing decisions

From table 4, it is obtained that there is a significant effect of t price (X2) on purchasing decisions (Y) = 0.000, when viewed from the tcount value of 2.639 > ttable 1.660 where the significant t is smaller than = 0.05. This means that hypothesis 2 (two) is accepted that the price (X2) partially has a significant influence on purchasing decisions on Nature Republic skincare products in Binjai City.

Effect of promotion on purchasing decisions

From table 4, there are significant results t the effect of promotion (X3) on purchasing decisions (Y) = 0.000, when viewed from the tcount 2.370 > ttable 1.660 where the significant t is smaller than = 0.05. This means that hypothesis 3 (three) is accepted that promotion (X3) partially has a significant influence on purchasing decisions on Nature Republic skincare products in Binjai City.

F Uji test

The F statistic test (simultaneous) was conducted to determine whether the independent variable (independent) together have a significant or no effect on the dependent variable and at the same time to test the second hypothesis. This test is carried out using a significance level of 0.05 (α = 5%).

Table 5. F . test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>466,098</td>
<td>3</td>
<td>155.366</td>
<td>12.115</td>
<td>000a</td>
</tr>
<tr>
<td>Residual</td>
<td>1179,861</td>
<td>92</td>
<td>12.825</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1645,958</td>
<td>95</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Promotion (X3), Price (X2), Product Quality (X1)
b. Dependent Variable: Purchase Decision (Y)
Source: SPSS Output Results
In table 5 above, it can be seen that the F value is 12.115 with sig 0.000 < 0.05, indicating that hypothesis 4 (four) is accepted, meaning that product quality (X1), price (X2) and promotion (X3) have a significant effect on Y (purchasing decisions). At the level of 0.05.

Coefficient of Determination
Based on the research results, the product quality variable (0.005) is smaller than that of alpha 5% (0.05) or tcount 2.639 > ttable 1.660. The results of this study indicate that there is a positive and significant effect of the X1 variable (product quality) on the Y variable (purchase decision) in Nature Republic skincare products in generation y in Binjai City. This research is in line with previous research (Gultom, 2017) which explains that the quality of a product can also determine consumer loyalty in buying products because the benefits obtained are in accordance with their expectations. This study is also in line with the results of previous research conducted by (Fahmi, 2016) which states that the results of the study have a positive effect between product quality and purchasing decisions.

DISCUSSION
Based on the research results, the price variable (0.005) is smaller than the alpha 5% (0.05) or the tcount value is 3.953 > ttable 1.660 where t is significantly smaller than = 0.05. From the results of the research data, it was found that there was a positive and significant effect of the X2 variable (price) on the Y variable (purchase decision) on Nature Republic skincare products in generation y in Binjai City. This research is supported by a theory that states that price is a determining factor for consumers in obtaining products and also a determinant of the value in the minds of consumers (Arif, 2016). Price is also able to persuade consumers to behave in such a way that it can influence the thinking of consumers' buying decisions (Lubis 2015). This research is also in line with previous research conducted by (Kurniawan, 2018, p. 78) which states that the research results have a significant positive effect between price and purchase decisions.

CONCLUSIONS AND SUGGESTIONS
Conclusion
The Effect of Communication on Employee Performance
Based on the results of the research variable Promotion (0.005), it is smaller than alpha 5% (0.05) or tcount 2.370 > ttable 1.660 where t is significantly smaller than = 0.05. From the results of the research data, it was found that there was a positive and significant effect of the X3 variable (promotion) on the Y variable (purchase decision) in Nature Republic skincare products in generation y in Binjai City. This research is supported by the theory that promotions are compliments, recommendations and customer comments about their experience of services and products that really influence customer decisions or their buying behavior. (Rahayu, 2014, p. 3) in Hasan (2010). This study is also in line with research conducted by Husen, Sumowo, & Rozi (2018, p. 141) which states that promotion has a positive and significant effect on purchasing decisions.

The Effect of Work Discipline on Employee Performance
Based on the results of multiple linear regression analysis that has been carried out in this study, it was concluded that partially, each product quality, price and promotion variable had an effect on purchasing decisions for Nature Republic skincare products in generation y in Binjai City. Simultaneously, product quality, price and promotion variables affect the purchasing decisions of
Nature Republic skincare products in generation y in Binjai City. As for the suggestions in this study, namely: 1.) It is expected that companies will be able to pay attention to improving quality by providing quality products guaranteed to be better than other products, where consumers are the main goal in considering purchasing decisions. 2.) The company should be able to pay attention to prices in product sales by providing product price discounts that attract consumers in improving purchasing decisions. 3.) The company should be able to maintain good information in the delivery of promotions to consumers by maintaining better product quality in order to improve consumer purchasing decisions.

REFERENCES


