

## THE EFFECT OF PROMOTION AND PRICE ON THE PURCHASING DECISIONS

Reminta Lumban Batu\*<sup>1</sup>, Cindy Monica<sup>2</sup>, Bela Nadila Aprilia<sup>3</sup>

Universitas Singaperbangsa, Indonesia\*<sup>123</sup>

[Reminta.lumban@fe.unsika.ac.id](mailto:Reminta.lumban@fe.unsika.ac.id)\*<sup>1</sup>, [Cindy.monica17055@student.unsika.ac.id](mailto:Cindy.monica17055@student.unsika.ac.id)<sup>2</sup>,  
[bela.nadila17053@student.unsika.ac.id](mailto:bela.nadila17053@student.unsika.ac.id)<sup>3</sup>

**Abstract:** Indonesia with many people perfume lovers. Tiara Addict shop is a shop that sells perfume. The purpose of this research is to find out promotions, prices, purchasing decisions. In addition to determining the effect of promotion on purchasing decisions, the effect of prices on purchasing decisions and to determine the magnitude of the influence of promotions and prices on purchasing decisions perfume Tiara Addict shop. Quantitative research methods with data collection techniques through questionnaires. The results showed that promotion at Tiara Addict shop was said to be good but the promotion carried out only on one social media thus still needed to be improved even better. Prices at the Tiara Addict shop are good but there are still those that are valued according to the market price offered by consumers. The purchasing decision at the Tiara Addict shop can be said to be good but the purchasing of perfume which decreases every year results in losses. Promotion affects the purchasing decisions and the price influences the buying decision at the Tiara Addict shop, meaning that together or simultaneously the independent variable that is the promotion and price variables significantly influence The dependent variable is the purchase decision variable.

**Keywords:** Promotion, Price, Purchasing Decisions

---

### INTRODUCTION

Perfume is a product that is already familiar in everyday life, especially now that the aroma of perfume offered is increasingly diverse, both devoted to men, women or both. The word perfume itself comes from the Latin "per fumum" which means through the smoke. The history of perfume has existed since ancient Mesopotamia around 4000 years ago. In ancient times, people used herbs, herbs, and flowers and then mixed to make fragrances. Then in the mid-15th century perfume began to be mixed with oil and alcohol. Nevertheless, new perfume progressed rapidly in the 18th century with the appearance of a variety of beautiful fragrances and fragrances. (Pertiwi & Yulianto, 2016)

The rapid increase in the amount of perfume production. Even the perfume industry is expected to obtain annual sales of 25-30 million dollars. One of the most expensive perfumes in the world, Caron's Poivre Perfume. From the beginning until today, this perfume is still loved and has become a legend because of the unbeatable and

unique perfume. Unique, because this perfume eats spicy ingredients such as cloves, black pepper, and red. That fragrance is the "masterpiece" and elegant. The price of this perfume is Rp.28.000.000. This shows people's need for a perfume which is increasing day by day (Lestari, 2017).

Indonesia with many people perfume lovers. There are 10 best-selling perfume brands among women including Sarah Jessica Parker, The Body Shop, Marc Jacobs, Bvlgari, and Jo Malone. Fantastic prices are ignored because the needs of the Indonesian people for perfume are increasing day by day. The types of perfume are very diverse based on the level of fragrance resistance, namely, Extrait De perfume, Eau De Perfume, Eau de Toilette, Eau De Cologne, and Splash Cologne. The type of perfume that will be discussed this time is Muslim perfume whose alcohol content can be balanced according to the needs of Muslim women to carry out worship (Goyena, 2019).

Tiara Addict shop is an online shopping store that sells a variety of

things about Muslim women. Such as Muslim clothes, hijab, inner, Muslim perfume, etc. One of its flagship products is Muslim perfume. Evident from the sales data as follows.

**Table 1. Average sales of perfume Tiara Addict shop**

Year	Number of Sales
2015	4.320
2016	6.480
2017	5.400
2018	3.240

Source: Results of data processing by researchers (2019)

Perfume industry which is a heavy competitor of Tiara Addict Shop perfume is a factory default perfume found in minimarkets such as Fresh, Marina, Posh, and others. Then there is an Aromanian perfume refill which is a fixed store and has very many branches in each city (Lestari, 2017). After that, there was also Muslim perfume which became the main competitor of Tiara Addict perfume, Annata Perfume seen from sales in 2018, that year the sales of Tiara Addict shop perfume dropped dramatically. With the same type of perfume and claim that is Muslim perfume, the promotion of innate perfume is very nimble making perfume Tiara Addict Shop a little knocked out. Promotion conducted by Tiara Addict shop only relies on advertising on one social media, namely Facebook. Along with the rapid rate of development in the perfume business world, the competition between companies is increasingly competitive.

Promotion can be done directly or indirectly. In direct promotion, the seller also functions as an individual who promotes the brand of the product being sold, while indirect promotion can be carried out with various steps, one of them by using the help of various media, such as electronics, print, to online media (Kuspriyono, 2017). For Tiara Addict shop promotion is a very important part and is one of the keys to the success of Tiara Addict shop's

success in reaching the market. The promotion concept developed by Tiara Addict shop is an efficient concept that will be considered quite effective, namely by way of promotion directly to customers, and using online media, namely Facebook. In promotional activities, the product marketer tries to create a positive impression from consumers, through that impression the consumer will certainly continue to commit and discuss or inform spontaneously to colleagues or people closest to him to buy the brand of product (perfume) he uses. The concept is certainly by the promotion module known as the worth of mouth. Then marketers promote products in online media namely Facebook by opening a special online shopping account and posting every item there or it's up.

Another external factor is the price that affects the increase in sales of a product. Tiara Addict shop's perfume products are already very popular with consumers because of the very diverse fragrance, and the excellent level of fragrance. However, the price of the perfume is quite expensive because when its new competitor is newly released, Annata Parfumah (Parfume Muslimah) and its similar promotion have a lower price than the Perfume Tiara Addict shop. Although it only has a little different it has made consumers switch.

Internal factors that influence the increase in sales of a product are purchasing decisions. The right promotion and the right price offered by perfume Tiara Addict shop have an impact on consumer purchasing decisions. Some interesting things to study because the Tiara Addict shop perfume already has good product quality but does not carry out widespread promotion, and has survived in other Muslim perfume competition but continues to experience a decline in sales of goods so that it has an impact on the company's revenue decline.

The objectives of this study are:

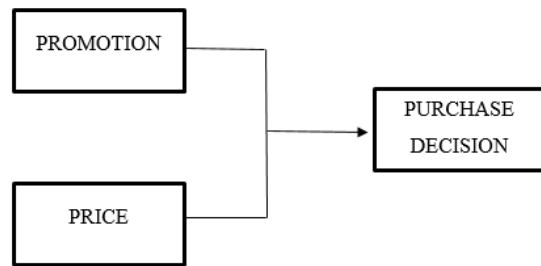
1. To find out the promotion picture on the Tiara Addict shop perfume.
2. To find out the description of the price of the Tiara Addict shop perfume.
3. To find out the description of the purchase decision on the perfume Tiara Addict shop.
4. To find out how much influence the promotion of perfume Tiara Addict Shop.
5. To find out how much influence the price of Tiara Addict shop perfume.
6. To find out how much influence the promotion and price of purchasing decisions on perfume Tiara Addict shop.

Promotion is one of the determinants of the success of a marketing program. In essence, promotion is an effort to notify or offer a product or service to attract potential customers to buy or consume it. With the promotion of producers or distributors expect an increase in sales figures. Many several experts put forward their views on promotion according to Alma (2016) the definition of promotion is a kind of communication that gives a clear explanation of prospective consumers about goods and convincing prospective consumers.

Price is one of the competitive factors in marketing products. Each company competes to offer attractive prices for consumers, so they want to buy the products they offer (Kotler & Armstrong, 2016).

According to Kotler & Armstrong (2016) the purchase decision is the stage in the process of making a purchasing decision where consumers buy. Decision making is an individual activity that is directly involved in obtaining and using the goods offered.

From the description above, food can be described as follows:



**Figure 1. Framework for Thinking**

Source: Data that has been processed by the author (2019)

Based on the above framework, the hypothesis in answering the problem is as follows:

1. Promotion conducted by Tiara Addict shop perfume is quite good.
2. The price set by Tiara Addict shop perfume is considered inappropriate.
3. The decision to purchase Addict Tiara Perfume shop is right.
4. Promotion influences the purchasing decision of the Perfume Tiara Addict shop.
5. Price influences the purchasing decision of Tiara Addict shop perfume.
6. Promotion and price affect the purchasing decision of Tiara Addict shop perfume.

## METHODS

This research method is used to provide an overview of the research to be conducted so that it knows how to solve research problems and make it easy to conclude. Based on Sugiyono (2017) the research method is a scientific way to obtain data with specific purposes and uses. Based on these four keywords need attention, namely the scientific way, data, purpose, and usability.

This research is a type of quantitative research that can be used to examine a particular population or sample, sampling techniques are generally carried out randomly or

randomly, data collection using research instruments, statistical data analysis to test hypotheses that have been set.

The variables studied are Promotion (X1) and Price (X2) as independent variables (independent variables) and Purchase Decision (Y) as dependent variables.

According to Sugiyono (2017) defines the population is as follows: "In quantitative research, the population is a generalization area consisting of objects/subjects that have certain quantities and characteristics set by researchers to be studied and then drawn conclusions." Interests of Perfume Tiara Addict Shop totaling 4,823 people. We obtained this data from sources: <https://www.facebook.com/kartini.nie.90> in November 2019 at 1:59 p.m. Based on this understanding and data, we can understand that the population that we took in this study were consumers or visitors of the Perfume Tiara Addict Shop fan, we can understand that the population in this study amounted to 4,823 people in Karawang.

According to Sugiyono (2017) what is meant by the sample is as follows: "In quantitative research, the sample is part of the number and characteristics possessed by the population." The sample is used as a sample size where the sample size is a step to find out the size of the sample to be taken in carrying out a study. Then the sample size is usually measured statistically or research estimates. Besides, it is also noted that the representative sample must be chosen. This means that all population characteristics should be reflected in the selected sample. To count the number of samples from a certain population.

This study uses probability sampling techniques. According to Sugiyono (2017) understanding probability sampling techniques that provide equal opportunities for each element (Member) of the population to be elected as a sample member. The sampling technique using proportionate

stratified random sampling is used to obtain a representative sample by looking at the population from the data interested in the Perfume Tiara Addict shop. So the researchers took samples from data enthusiasts Tiara Addict shop perfume.

Data collection techniques used in this study are:

1. Observation  
Researchers first determine the place of research and conduct a survey of the place in this study, namely on the promotion, price and purchasing decisions Tiara Addict Shop Perfume
2. Interview  
Interviews were conducted with questions and answers to the Caaya Tea Company. This is done to explore, gather, find information needed or related to research
3. Questionnaire.  
The questionnaire is a data collection technique that is done by giving a set of questions or written statements to respondents to answer. The questionnaire is a data collection technique to obtain relevant information about the research variables to be measured in this study. This questionnaire will be distributed to respondents who logically relate to promotions, prices and purchasing decisions of the Perfume Tiara Addict shop.
4. Library Studies  
In this literature study, the writer collects and studies various theories and basic concepts related to the problem under study. The basic theories and concepts are obtained by examining various sources such as books, journals, and relevant reading material.
5. Internet Research (Online Research)  
The technique of collecting data originating from sites or websites related to various information needed in research.

Data analysis techniques in this study are directed at testing hypotheses and answering the problems raised.

Descriptive analysis techniques are for quantitative variables and verification for testing hypotheses using statistical tests. Data analysis processes the organizing and sorting of data into patterns, categories and basic units of a description so that themes can be found and work hypotheses can be formulated as based on data, This study uses a questionnaire as a tool to measure research. The questionnaire was arranged based on the variables in the study. Then the data analysis can be

done after the questionnaire all respondents have been collected.

### RESULTS AND DISCUSSION

Analysis of the effect of Promotion and Price on the decision to purchase Perfume Products at Tiara Addict Shop The variables in this study are Promotion (X1), Price (X2) and purchase decision (Y), the correlation coefficient between these variables is calculated using the Pearson product-moment correlation formula, using the help of SPSS 24 Software program with the following results:

**Table 2. Correlations between Research Variables**

		Correlations		
		PURCHASE DECISION (Y)	PROMOTI ON(X1)	PRICE (X2)
Pearson Correlation	PURCHASE DECISION (Y)	1.000	.792	.844
	PROMOTION (X1)	.792	1.000	.797
	PRICE(X2)	.844	.797	1.000
Sig. (1-tailed)	PURCHASE DECISION (Y)		.000	.000
	PROMOTION (X1)	.000		.000
	PRICE (X2)	.000	.000	
N	PURCHASE DECISION (Y)	98	98	98
	PROMOTION (X1)	98	98	98
	PRICE (X2)	98	98	98

Source: Results of Data Processing using SPSS Version 24 Software (2019)

Based on the spss output, the correlation between explanatory variables has a p-value <0.05 so it can be seen that each explanatory variable has a real linear relationship or correlation.

From the table above it can be explained that the relationship between the Promotion variable (X1) and Price (X2) obtained a value of 0.792 so that when consulted with the interpretation

table r value (correlation), has a strong and direct relationship level because the value is positive. The correlation between X1 and X2 is significant because the significance value is 0,000 smaller than 0.05. The above statement can be interpreted if the quality of service increases by one unit, then followed by an increase in the price of 0.792 units.

Furthermore, to find the path coefficient value from exogenous variables to endogenous variables with

the help of the SPSS Version 24 Software program.

**Table 3. Coefficients**

		<u>Coefficients<sup>a</sup></u>						
		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
Model		B	Std. Error	Beta	T	Sig.	Toleranc e	VIF
1	(Constant)	-1.413	2.160		-.654	.514		
	PROMOTIO N(X1)	.313	.081	.327	3.850	.000	.364	2.746
	PRICE(X2)	.670	.097	.583	6.876	.000	.364	2.746

a. Dependent Variable: PURCHASE DECISION (Y)

Source: Data processing through SPSS 24 software (2019)

Based on table 3, standardized Coefficients Beta value on each variable of 0.327 and 0.583 shows the value of the path coefficient of Promotion (PYX1 = 0.327) and Price (PYX2 = 0.583) on the purchase decision.

Calculation of the coefficient of determination analysis is performed to determine the value of the magnitude of partial and simultaneous influences, Promotion (X1) to the Purchase decision (Y), Price (X2) to the Purchase decision (Y) and Promotion (X1) and Price (X2) to the Purchase decision (Y).

Calculation of the effect of Promotion (X1) on the Purchase decision (Y) in a section with the following equation:

$$\begin{aligned} &\text{The effect of X1 on Y directly} \\ &= (\rho_{YX1})^2 \\ &= (0.328)^2 \\ &= 0.107 \text{ or } 10.7\% \end{aligned}$$

$$\begin{aligned} &\text{Effect of X1 on Y through X2} \\ &= (\rho_{YX1} \cdot r_{X1X2} \cdot \rho_{YX2}) \\ &= (0.328 \times 0.792 \times 0.583) \\ &= 0.151 \text{ or } 15.1\% \end{aligned}$$

$$\begin{aligned} &\text{The effect of X1 to Y in total} \\ &= 0.107 + 0.151 \\ &= 0.258 \text{ Or } 25.8\% \end{aligned}$$

From the above equation, the magnitude of the effect of Promotion (X1) which directly determines changes in purchasing decisions is 10.7%. This means that the coefficient of determination of the Promotion (X1) to the purchase decision (Y) partially is the magnitude of the total effect or a combination of direct and indirect influences of  $0.107 + 0.151 = 0.258$  or 25.8%.

Calculation of the effect of Price (X2) on purchasing decisions (Y) Passively with the following equation:

$$\begin{aligned} &\text{The effect of X2 on Y directly} \\ &= (\rho_{YX2})^2 \\ &= (0.583)^2 \\ &= 0.339 \text{ or } 33.9\% \end{aligned}$$

$$\begin{aligned} &\text{Effect of X2 on Y through X1} \\ &= (\rho_{YX2} \cdot r_{X2X1} \cdot \rho_{YX1}) \\ &= (0.583 \times 0.792 \times 0.328) \\ &= 0.151 \text{ or } 15.1\% \end{aligned}$$

$$\begin{aligned} &\text{The effect of X2 to Y in total} \\ &= 0.339 + 0.151 \\ &= 0.49 \text{ or } 4.9\% \end{aligned}$$

From the equation above, the magnitude of the influence of Price (X2)

which directly determines changes in purchasing decisions is 0.339 or 33.9%. This means that the coefficient of price determination (X2) on purchasing decisions (Y) partially is the magnitude of the total effect or a combination of direct and indirect effects that is  $0.339 + 0.151 = 0,49$  or 4.9%.

Based on this it can be concluded that the price of purchasing decisions has an effect of 4.9% and the remaining% is a contribution from other variables outside the study.

Based on the results of processing using SPSS 24 Software obtained the coefficient of simultaneous determination of the Promotion (X1) and Price (X2) variables to the Purchase decision variable (Y) as follows:

**Table 4. Coefficient of Determination (R-square) Model Summary**

Model	Coefficients		Adjusted R Square	Std. Error of the Estimate
	R	R Square		
	.867 <sup>a</sup>	.751	.746	3.362
PROMOTION(X1)				
PRICE(X2)	.670	.097	.583	6.876

a. Dependent Variable: PURCHASE DECISION (Y)

Source: Data processing through SPSS 24 software (2019)

The coefficient of determination (R Square) is interpreted as the magnitude of the effect of Promotion and Price on financing purchase decisions. the influence of other variables outside the study.

While the amount of influence received by the purchase decision (Y) from promotions (X1) and Price (X2) as well as all variables (X1) and (X2) expressed by the residual variable  $\epsilon$  are as follows:

$$R^2 + \rho\epsilon = 75.1\% + 24.9\% = 100\%$$

### Partial Hypothesis Testing (t-Test)

Partial hypothesis testing is performed to determine the effect of each independent variable on the dependent variable. The statistical test used in partial testing is the t-test. For two-party tests the value of the t-test statistics used in partial testing can be seen in the following table:

**Table 5. Partial Hypothesis Testing Results**

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.413	2.160		-.654	.514
	PROMOTIO N (X1)	.313	.081	.327	3.850	.000
	PRICE (X2)	.670	.097	.583	6.876	.000

a. Dependent Variable: PURCHASE DECISION (Y)

Source: Data processing through SPSS 24 software (2019)

From the table above, the SPSS output results obtained the t-count for the promotion variable of the purchasing decision of 3,850 and the p-value (Sig.) of 0,000. Because the value of t is greater than the table value (3,850 > 1,985) and the significance of 0,000 < 0.05 then H0 is rejected and H1 is accepted, meaning that partially the promotion has a significant effect on the decision

Purchase a Tiara Addict Shop Perfume Shop The Amount of Price Effect On Purchasing Decisions.

The partial test is shown in the coefficients table. The research hypothesis to be tested is formulated in the following statistical hypothesis:

H0:  $PYX_2 = 0$ , Price does not significantly influence the purchase decision at the Tiara Addict Shop Perfume Shop.

H1:  $PYX_2 \neq 0$ , Price has a significant effect on purchasing decisions at the Tiara Addict Shop Perfume Shop.

With a significant level ( $\alpha$ ) of 5%,

df = 95, so that the obtained table for the two-party test of -1,985 and 1,985.

Criteria:

Reject H0 if  $t > t_{table}$  or  $-t < -t_{table}$ , accept H1

Reject H1 if count  $< t_{table}$  or  $-t_{count} > -t_{table}$ , accept H0

Based on the hypothesis test curve above, it can be seen that the t value is greater than the table value so that H1 is accepted, which shows that with a

5% error can be seen that the price has a significant effect on plebeian decisions at the Tiara Addict Shop Perfume Shop.

### Simultaneous Hypothesis Testing (Test F)

Testing the results of research conducted to prove whether Promotions and Prices influence purchasing decisions. To test the above hypothesis, the F-test statistics are used obtained from the SPSS 24 output table below:



**Table 6. Simultaneous Hypothesis Testing ANOVA**

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.413	2.160		-.654	.514
	PROMOTION (X1)	.313	.081	.327	3.850	.000
	PRICE (X2)	.670	.097	.583	6.876	.000

a. Dependent Variable: PURCHASE DECISION (Y)

Source: Data processing through SPSS 24 software (2019)

Testing the overall research results of the Promotion and Price of Purchasing decisions using the following statistical hypotheses:

H1:  $PYX1X2 \neq 0$ : This means that promotions and prices have a significant effect on purchasing decisions at the Tiara Addict Shop Perfume Shop.

The results of Fount are compared with F table with criteria:

- Reject H0 if  $F_{count} > F_{table}$  at alpha 5%.
- Reject H1 if  $F_{count} < F_{table}$  at alpha 5%.

Based on the above SPSS output the Fcount value is 143,249 with a p-value (sig.) = 0,000. With  $\alpha = 0.05$ ,  $df1 = 2$ , and  $df2 = (n-k-1) = 95$ , then get  $F_{table} = 3.09$ . Due to the Fcount value greater than Ftable ( $143,249 > 3.09$ ) and a significance value of  $0,000 < 0.05$  then H0 is rejected and H1 is accepted, meaning that simultaneously Promotions and Prices are significant to the purchase decision at the Tiara Addict Shop Perfume Shop.

### CONCLUSION

After discussing the results of research on promotions and prices on purchasing decisions on the Tiara Addict shop perfume. So, the promotion conducted by the Tiara Addict shop has

a positive effect on consumer purchasing decisions on the perfume tiara shop addict in Karawang. Price has a positive influence on purchasing decisions on the fragrance of the Addict Tiara store. The most dominant promotion. Because promotion is a strategy undertaken to increase target consumers to buy products (purchasing decisions).

### REFERENCES

- Alma, Buchari. (2016). *Manajemen Pemasaran dan Pemasaran Jasa*. Bandung: Alfabeta.
- Goyena, R. (2019). Manajemen Keuangan dan Pembiayaan Pendidikan. *Journal of Chemical Information and Modeling*, 53(9), 1689–1699. Retrieved from <https://doi.org/10.1017/CBO9781107415324.004>
- Kuspriyono, T. (2017). Pengaruh Promosi Online dan Kemasan Terhadap Keputusan Pembelian Kosmetik Merek Sariayu Martha Tilaar. *Jurnal Perspektif*, 15(2), 147–154. Retrieved from <https://doi.org/10.31294/JP.V15I2.2231>
- Lestari, P. (2017). Pengaruh Kualitas Produk dan Harga Terhadap Kepuasan Konsumen dan Dampaknya Terhadap Kepercayaan Konsumen Teh

- Botol Sosro. *Institutional repository and scientific journals*, 22–70. Retrieved from <http://repository.unpas.ac.id/30183/>
- Pertiwi, M., & Yulianto, E. (2016). Pengaruh Bauran Pemasaran terhadap Keputusan Pembelian (Survei pada Konsumen Bakerâs King Donuts & Coffee di MX Mall Malang). *Jurnal Administrasi Bisnis S1 Universitas Brawijaya*, 37(1), 188–195. Retrieved from <http://administrasibisnis.studentjournal.ub.ac.id/index.php/jab/article/view/1447>
- Kotler, Philip & Amstrong, Gary. (2016). *Prinsip-prinsip Pemasaran. Edii13. Jilid 1*. Jakarta: Erlangga
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta, CV.