



THE INFLUENCE ANALYSIS OF PRICE AND PROMOTION ON THE DECISION TO PURCHASE PRODUCTS AT PT SHINTA POOLS AND WATERBOOM IN SOUTH JAKARTA

Retno Wulansari^{1*}, Thalita Farah Faidah²

^{1,2}Universitas Pamulang, Indonesia

E-mail: dosen00568@unpam.ac.id¹, farahfaidah@gmail.com²

Abstract

This study aimed to assess the simultaneous impact of price and promotion on product purchasing decisions at Shinta Pools & Waterboom South Jakarta. This study employs a quantitative research method. The sample employed is saturated, encompassing the entire population of 90 individuals. The data analysis methods used in this study are validity test, reliability test, normality test, multicollinearity test, heteroscedasticity test, simple linear regression test, multiple linear regression test, determination test and significance test. The results of the multiple linear regression equation $Y = 4.769 + 0.643X_1 + 0.703X_2$. The study's results obtained partial results that price significantly affects purchasing decisions; this can be seen from the t-test with a t count value of $6.449 > t_{table} 1.662$ with a significance value of 0.001. This value is smaller than 0.1 ($0.001 < 0.1$). Partially, the promotion has a significant effect on purchasing decisions; this can be seen from the t-test with a t count value of $6.010 > t_{table} 1.660$ with a significance level of 0.001; this value is smaller than 0.1 ($0.001 < 0.1$) and simultaneously price and promotion have a significant effect on purchasing decisions, this can be seen from the results of the F test with $F_{count} 123.850 > F_{table} 3.10$ ($123.850 > 3.10$). The coefficient of determination for Price (X1) and Promotion (X2) affecting Purchasing Decisions (Y) of swimming pools at Shinta Pools & Waterboom in South Jakarta is 74%, with the remaining 26% attributed to other variables. Consequently, it can be inferred that price and promotion concurrently exert a substantial influence on purchasing decisions.

Keywords: Price, Promotion, Purchase Decision

INTRODUCTION

The rapid expansion of human needs and desires characterizes the current era of globalization. As a result, humans can no longer satisfy their own needs and desires, necessitating the establishment of organizations that can address these needs and wishes. The business world is characterized by a heightened level of competition in marketing products and services to consumers as it continues to expand rapidly with the advancements of the times.

Engaging in sports is an essential requirement for maintaining physical fitness. Individuals with a fit physique undoubtedly possess a healthy spirit. The advancement of science and technology, coupled with the growing human demand for health, influences the evolution of the sports industry. Entrepreneurs recognise this opportunity and vie with one another to satisfy the needs and desires of consumers. Consequently, numerous entrepreneurs seize the opportunity to offer sports facility provision services.

Shinta Pools and Waterboom is a sole proprietorship that provides swimming pool construction

and maintenance services in South Jakarta. Although the company is located in South Jakarta, Shinta Pools and Waterboom also provides swimming pool construction services in Java, Sumatra, and Bali. Shinta Pools and Waterboom was established in 2019. It provides a 5-year warranty and a construction period of no more than 2.5 months, which is very interesting for consumers who want to make swimming pools through the services provided by Shinta Pools and Waterboom.

A purchasing decision is a concept in purchasing behaviour where consumers decide to act or do something, in this case, make a purchase or use a particular product or service. Consumer decision-making is a problem-solving process. Consumer purchasing decisions can be made if the product is what the consumer wants and needs. When making a purchase decision, the first thing consumers usually consider when choosing a product is licorice.

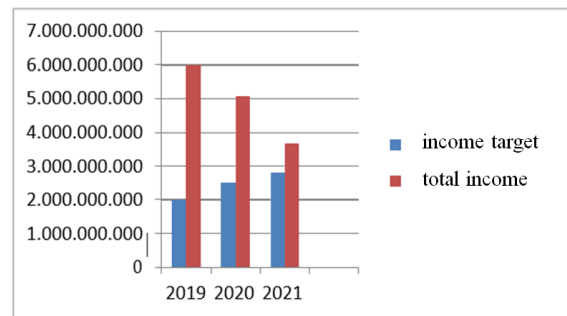
According to observations conducted by researchers on sales data from Shinta Pools and Waterboom in South Jakarta, the author identified issues with customer purchasing decisions. These were evidenced by insufficient consumer engagement with Shinta Pools and Waterboom's swimming pool maintenance services and a reluctance to recommend these services to acquaintances or other consumers. This is corroborated by data indicating a decline in visitor numbers, as illustrated in the accompanying table.

Table 1 shows Shinta Pools and Waterboom customer data that makes swimming pools decline yearly. This indicates that consumer purchasing decisions are decreasing. Another suspected cause is consumer perception of the lack of promotion provided by Shinta Pools and Waterboom South Jakarta. Therefore, Shinta Pools and Waterboom South Jakarta are less well-known to new consumers. We can see that from 2019 to 2021, there has been a decline; where in 2019, the sales data for Shinta Pools and Waterboom in South Jakarta was IDR 5,995,689,250, - then in 2020, it decreased to IDR 5,082,031,580, - and in 2021 it further reduced to IDR 3,671,981,150, - only. This makes Shinta Pools and Waterboom in South Jakarta have to pay more attention to aspects that influence purchasing decisions, one of which is price. Therefore, companies are expected to adjust prices to competitors to compete and increase purchasing decisions. This shows that consumer purchasing decisions are decreasing. A decline will be seen in the following image if depicted on a graph. Source: Shinta Pools and Waterboom South Jakarta (2022)

Table 1 Sales Data of PT Shinta Pools and Waterboom South Jakarta 2019 – 2021

Year	Consumer	Revenue Target (Rp)	Total Income (Rp)	Percentage (%)
2019	161	2,000,000,000	5,995,689,250	299.7%
2020	138	2,500,000,000	5,082,031,580	203.2%
2021	90	2,800,000,000	3,671,981,150	131.1%

Source: Shinta Pools and Waterboom South Jakarta, 2022



Sumber: *Shinta Pools dan Waterboom Jakarta Selatan (2022)*

Figure 1 Sales Data for Shinta Pools and Waterboom South Jakarta 2019-2021

Based on the description of the background of the problem that occurred above, a study can be submitted with the title "The Effect Of Price And Promotion On The Purchase Decision Of Swimming Pool Products At Shinta Pools And Waterboom In South Jakarta". Based on the background of the problem described above, the formulation of the problem in this study is as follows: 1) Does price influence the decision to purchase swimming pool products at Shinta Pools and Waterboom South Jakarta? 2) Does promotion influence purchasing swimming pool products at Shinta Pools and Waterboom South Jakarta? 3) Does price and promotion simultaneously influence the decision to purchase swimming pool products at Shinta Pools and Waterboom South Jakarta?

LITERATURE REVIEW

Buying decision

According to Buchari Alma (2016:96), a purchasing decision is a consumer decision that is influenced by the financial economy, technology, politics, culture, product, price, location, promotion, physical evidence, people and process to form an attitude in consumers to process all information and draw conclusions in the form of responses that arise what products are purchased. In addition, Kotler and Armstrong (2016: 177) define purchasing decisions as part of consumer behaviour, namely the study of how individuals, groups, and organizations choose, buy, use and how goods, services, ideas or experiences satisfy their needs and desires.

Price

According to Sakti & Maria (2016:32), "price is an amount of money charged for" a product or service or the total value consumers must exchange for the benefits of having the goods or services. "Interest, tariffs, storage costs, and salaries are all prices that must be paid to obtain goods or services. Then, according to Ari Setyaningrum, JU (2015:128), Price is the main factor influencing a buyer's choice; price plays a role in determining consumer purchases. Before setting a price, the company should look at several price references for a product considered relatively high in sales.

Promotion

Promotion, according to Gitosudarmo Indriyo (2015:159), states that sales promotion is an activity aimed at influencing consumers to become familiar with the products offered by the company to them and then become interested in the product and then buy it. According to Rambat Lupiyoadi (2018:178), promotional activities function as a means of communication between companies and consumers and as a tool to influence consumers in purchasing activities or using services according to their desires and needs. The following is the research framework:

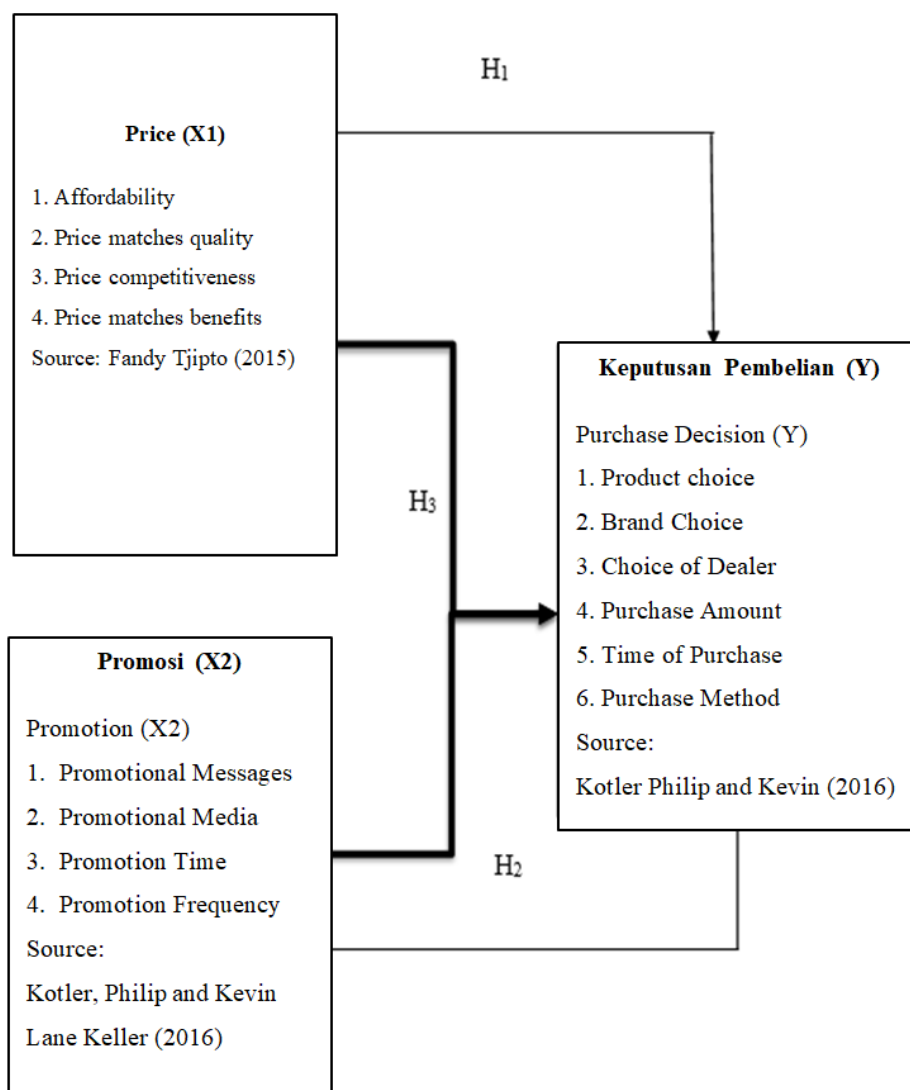


Figure 2 Thinking Framework

METHOD

Types of research

This type of research is quantitative research because the data that is the object of this research is quantitative data in the form of numbers generated from the Likert scale, Sugiyono (2017:13). The method used is the Associative method, according to Sugiyono (2017:44): "The associative method is

a study that aims to determine the influence or relationship between two or more variables."

Research Place and Research Time

This research will be conducted at Shinta Pools and Waterboom at Graha Karyawan Putra, Jl. Kampus Jaya No.30, Cidodol, Kebayoran Lama, South Jakarta City, Special Capital Region of Jakarta 12220. The time used in this research is 7 months, from September 2022 to March 2023.

Population and Sample

According to Sugiyono (2015:117), population is a generalization area consisting of objects or subjects with specific qualities and characteristics determined by the author to be studied and then conclusions drawn. Population is not only people but also objects and other natural objects. From this term, the population is the number of objects/subjects being studied and includes the characteristics/traits of the subjects/objects. The population of this study was 90 visitors who had made swimming pools at Shinta Pools and Waterboom 2021.

The sampling technique in this study uses a non-probability technique, namely a purposive sampling technique with a saturated sampling approach. According to Alimul Hidayat (2016:74), "Saturated sampling is a sampling method that takes all members of the population as samples, and this method is carried out when the population is small." The sample of this study was determined to be as many as 90 people, all consumers who made swimming pools in 2021 at Shinta Pools and Waterboom South Jakarta, because the population was below 100 respondents answers. The interval scale is used to facilitate the assessment of the average. Sugiyono (2015:97) states that the Interval Scale has a sequence and the same interval or distance between categories or closest points. The results of the questionnaire distribution are then averaged using the following formula:

$$\text{Nilai rata - rata} = \frac{\sum(\text{frekuensi} \times \text{bobot})}{\sum \text{sampel (n)}}$$

Simple Linear Regression Test

According to Supardi (2015:156), "Simple linear regression analysis is used to determine the pattern of dependent variables (criteria) that can be predicted through independent variables (predictors)". The regression equation is as follows:

$$Y = a + bX$$

Multiple Linear Regression Test

According to Sugiyono (2017:277), "Multiple linear regression is intended to predict the condition (rise and fall) of the dependent variable if two or more independent variables are predictor factors. The meaning of the β coefficient is that if the β value is positive (+), it indicates a unidirectional relationship between the independent and dependent variables. In other words, an

increase or decrease in the magnitude of the independent variable will be followed by an increase or decrease in the magnitude of the dependent variable. While β is negative (-), indicating an opposite relationship between the independent and dependent variables. In other words, every increase in the value of the independent variable is followed by a decrease in the value of the dependent variable, and vice versa.

RESEARCH RESULTS AND DISCUSSION

1. The Influence of Price on Purchasing Decisions

Based on the simple linear regression statistical test, the equation $Y = 7,494 + 1.054X_1$ is obtained with the determination coefficient test of the magnitude of R square is 0.632 or 63.2%. This shows that the percentage of the influence of the Price variable (X_1) on the Purchasing Decision is 63.2%. While the rest ($100\% - 63.2\% = 36.8\%$) is influenced or explained by other variables outside the variables studied and partially (t-test), the Price Variable has a significance level of 0.001 this value is smaller than 0.1 ($0.001 < 0.1$) with t count values $6.449 > t$ table 1.662. This means that H_0 is rejected and H_a is accepted, so it can be said that price significantly affects purchasing decisions.

The results of this study are based on the survey by Shinta Devy and Nora Anisa Br (2018). Partially, there is a significant influence between price and the decision to purchase a Motorcycle at PT Rotella Persada Mandiri. This is also supported by the results of the study by Stephanus Felix Aristo (2016), which shows that price has a strong and significant favourable influence on consumer purchasing decisions for Woles Chips.

2. The Effect of Promotion on Purchasing Decisions

Based on the simple linear regression statistical test, the equation $Y = 13,010 + 1,222X_2$ is obtained with the determination coefficient test of the magnitude of R square is 0.616 or 61.6%. This shows that the percentage of the influence of the Promotion variable (X_2) on consumer satisfaction is 61.6%. While the rest ($100\% - 61.6\% = 38.4\%$) is influenced or explained by other variables outside the variables studied and partially (t-test), the Promotion variable has a significance level of 0.001; this value is smaller than 0.1 ($0.001 < 0.1$) with a count value of $6.010 > t$ table 1.660. This means that H_0 is rejected, and H_a is accepted. So, it can be said that promotion significantly affects purchasing decisions.

The results of this study agree with nine previous research findings that price and promotion positively influence purchasing decisions.

3. The Influence of Price and Promotion on Purchasing Decisions

Based on the multiple linear regression statistical test, the regression equation $Y = 4.769 + 0.643X_1 + 0.703X_2$ was obtained with the determination coefficient test of the R square being 0.740 or 74%. Price (X_1) and Promotion (X_2) on the dependent Purchase Decision (Y) were 74%. At the same time, the rest ($100\% - 74\% = 26\%$) were influenced or explained by other variables

outside the variables studied. And simultaneously, the F-count value was 123.850. While the F-table was 3.10, $F_{count} 123.850 > F_{table} 3.10$ with a significant value of $0.001 < 0.1$. Thus, H_0 is rejected, and H_a is accepted, meaning that simultaneously, there is a positive influence between price and promotion on purchasing decisions. The results of this study are based on nine previous research results that show that price and promotion positively impact purchasing decisions.

CONCLUSION

Based on the results of research on the purchase of swimming pool products at PT Shinta Pools and Waterboom South Jakarta, the following conclusions can be drawn:

1. Price positively and significantly influenced the purchase of swimming pool construction at Shinta Pools and Waterboom in South Jakarta. This can be proven from the straightforward linear regression equation $Y = 7.494 + 1.054X_1$, meaning that increasing the price by one unit will increase the purchasing decision by 1.054 units. The t-value is $6.449 > t_{table} 1.662$ with a significance of $0.001 < 0.01$. The magnitude of the influence of price on purchasing decisions is 63.2%. At the same time, the rest ($100\% - 63.2\% = 36.8\%$) is influenced or explained by other variables outside the variables studied.
2. Promotion positively and significantly influences purchasing decisions for swimming pool construction at Shinta Pools and Waterboom in South Jakarta. This can be proven from the simple linear regression equation $Y = 13,010 + 1,222X_2$, meaning that increasing promotion by one unit will increase purchasing decisions by 1.222 units. The t-value is $6.010 > t_{table} 1.660$ with a significance of $0.001 < 0.1$. The magnitude of the influence of promotion on buying decisions is 61.6%. At the same time, the rest ($100\% - 61.6\% = 38.4\%$) is influenced or explained by other variables outside the variables studied.
3. Price and promotion positively and significantly influenced the purchasing decision to build a swimming pool at Shinta Pools and Waterboom in South Jakarta. This can be proven from the multiple linear regression equation $Y = 4.769 + 0.643X_1 + 0.703X_2$, meaning that if the price variable (X_1) increases by 1 unit with the assumption that the promotion variable (X_2) is constant, then the purchasing decision (Y) will increase by 0.643 units and if the promotion variable (X_2) increases by 1 unit, with the assumption that the price variable (X_1) remains constant. The purchasing decision (Y) will increase by 0.713 units. The F_{count} value is $123.850 > F_{table} 3.10$ with a significance of $0.001 < 0.01$. The magnitude of the influence of price and promotion simultaneously on purchasing decisions is 74%. At the same time, the rest ($100\% - 74\% = 26\%$) is influenced or explained by other variables outside the variables studied.

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