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“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

The Effect of Promotion and Price on The Decision to Choose Higher Education**Syahrida Khairani^{1*}, Rahmat Hidayat¹**¹ Universitas Sumatera Utara, Medan, Indonesia¹ Sekolah Tinggi Ilmu Manajemen Sukma, Medan, Indonesia***Email:** syahridakhairani01@gmail.com**ABSTRACT**

This study aims to find out how much the influence of promotion and price on the decision to choose Higher Education. Samples in this study was 89 students majoring in Information Systems S1 in 2018. Sampling using purposive sampling is the sample taken has been determined by researchers. The analytical method used is quantitative descriptive analysis method with multiple linear regression test analysis. Hypothesis testing used the coefficient of determination test (R²), partial test (t test), simultaneous test (F test), data processing using SPSS 22. The results of this study indicate that together promotion and price affect the decision to choose college decisions, while partially the promotion has no effect and is not significant to the purchase decision while the price has a positive and significant effect on the decision to choose a college.

Keywords: Promotion, price and decision to choose

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INTRODUCTION

The role of education that is so important in the world of work is the main reason for the selection of Continuing Studies from high school to college level, this is the main reason why universities sell their products. Colleges compete to provide something that is needed by prospective customers. Diverse choices make consumers more selective in choosing, especially in the field of education that will be continued because it is related to life in the future. From the consumer's point of view, promotion and price are very influential in the decision to choose a college. Promotion is an effort to convey information about a product to attract the attention of consumers. For consumers, promotion is one way that can be used as a reference when choosing a college. Promotional Media used by universities are very effective today is through social media and the web. For consumers to decide to choose a college the main thing to look for is the College information, language that is easy to understand and interesting programs offered can be the reason consumers choose college. In addition to the promotion of things that can affect the decision to choose a college is the price offered. Price is a financial value given to a product. Another factor into consideration for choosing a college is the cost to be incurred, most consumers expect an affordable cost and good quality. In other cases, the ease of payment of tuition can be one way to attract consumers. A purchase decision is the final stage in which the consumer has already chosen a product. Consumers decide to choose a product on the basis of consideration of the needs and desires in line with the products offered.

Research conducted by Seehanate (2017), that Universities need to establish policies related to marketing strategies that can take into account different personal factors and focus on student needs. According to Gulliandodan Shihab (2019) promotion has an effect on purchasing decisions seen from the high correlation between advertising and problem recognition.

Sherly et al., (2020), promotion has four objectives as follows 1) changing behavior, that is, the behavior and image of consumers who value a product to make a purchase, can be done using promotion; 2) information provision, that is, informing the target and the intended market segment about the company's offer of a product; 3) persuading, that is, the promotion process aimed at influencing the behavior of buyers with a certain period of time, then encouraging consumers to make purchases; 4) reminding, that is, to maintain the brand image in the hearts of consumers. It aims to maintain customer loyalty. so that consumers can buy a product repeatedly. Kango et al., (2021) Promotion can be divided into two, namely promotion through traditional media such as print media (magazines, tabloids, the like), and electronic media such as television, radio, and outdoor, such as banner ads or billboards. Promotion through this medium is much more effective than physical promotion because it can reach a wider range of potential consumers, but this method requires considerable costs. Promotion Indicators according to Kotler & Keller, (2016: 272) promotion indicators include: 1). Promotional Messages. 2). Media Promotion 3). Promotion Time 4) Promotion Frequency.

Price has an important role in consumer purchasing decisions, because prices have a big impact on consumers, especially for consumers who are sensitive and selective to price. Pricing will also have a major impact on revenue and business continuity Sjukun, et al (2022). When consumers are confident and steady to choose a product, consumers will immediately make a purchase decision (Supardin, 2022). Price evaluates costs in terms of what is perceived benefit from offers. In most cases, customers have the opportunity to choose from the variety of offers and thus the price will be one of the indicators by which the

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purchase will be decided (owusu, 2013). Pricing Methods there are several price penetration methods according to Laksana (2017) 1). The Cost Of Oriental Prices 2). Oriental price inquiry 3). Competition Oriented Pricing. If the brand image, price and promotion of good value then the consumer's decision to buy will increase (Athar 2020). According Mursid, (2014) price indicators are as follows: 1). Compatibility of price with market price 2). Product quality is the price offered in accordance with the quality of a given product 3). Competitive price 4). Payment methods.

The purchase decision is assumed that the decision of students to choose a college is one of the important things for universities. The key to the continuity of the college cycle, because students are assets for universities (Harahap, et al, 2017). Factors affecting the purchase of Alma (2016:101) there are several factors affecting the purchase of 1). Social factors 2). Cultural factors 3). Personal factors 4). Psychological factors

The author is interested in doing research because the campus STMIK Budi Darma in the past five years the recipient of new students did not reach the target that has been set while the price offered is relatively affordable when compared with universities around the same cluster

METHOD

Data collection methods used in the study are documentation studies, questionnaires, observation. The population taken in this study was STMIK Budi Dharma students in 2018 totaling 800 students. Sampling technique used the technique of Accidental Sampling, this sample uses slovin technique. With a population of 800 people and an estimated error rate of 10% then obtained the number of samples as many as 89 people. Data analysis method used in this study is a quantitative descriptive method, while the analysis used in this study is a multiple linear regression.

$$Y = a + b_1X_1 + b_2X_2 + e$$

Y = Purchase Decision

X₁ = Promotion

X₂ = Price

a = Constants

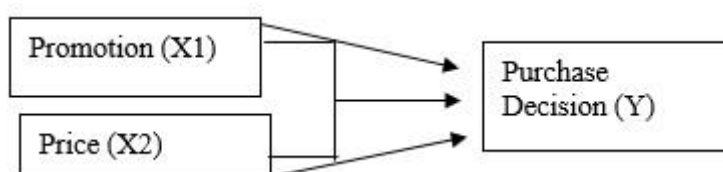
b₁ = Promotion variable regression coefficient

b₂ = Regression coefficients of price variables

e = Error of term

RESULT AND DISCUSSION

A. Framework



Promotion is the delivery of information about a product. Price is the selling value of a product expressed in money. Purchasing decision is the final process of an assessment of a product to determine whether consumers decide to buy or not. Promotion related to

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purchasing decisions this is because to get to know a product, consumers can find out information about a product through promotional media carried out by the company. Price is the main determinant of someone deciding to buy a product, this is because the price can determine the quality of an item. Indirectly promotions and prices can influence consumers to buy a product

B. Respondent Profile

Characteristics of respondents is a collection of identity of respondents who became the research sample. The author's research sample is 89 students of the Informatics Engineering Study Program Class of 2018 who have filled out questionnaires based on age, gender, class. Here are the characteristic data of respondents that can be presented.

Table 1. Characteristics of respondents

No	Characteristic	Description	Total
1	Age	18-21	47
		22-25	40
		> 28	2
2	Gender	Female	41
		Male	48
3	Class	Regular	74
		Employees	14

C. Validity and Reliability

Validity test is used to determine the accuracy of choosing a statement on the questionnaire that will support the results of the study. It is said to be valid when the value : $r_{hitung} > r_{tabel}$.

Table 2. Validity of variable instrument

No	Instrument	R _{count}	R _{table}	Result
1	Promotion	0,501	0.3673	Valid
		0,475		
		0,702		
		0,443		
		0,517		
		0,577		
		0,586		
2	Price	0,499		Valid
		0,691		
		0,739		
		0,836		
		0,748		
		0,583		
3	Purchase Decision	0,472		Valid
		0,573		
		0,655		
		0,834		
		0,766		
		0,560		
		0,435		
		0,388		

From the table 4-6 above can be seen the results of testing each instrument promotion, price and purchase decision has a value $r_{hitung} > 0.3673$, thus it can be concluded that the overall statements used is valid

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Reliability test is performed to ensure that the instrument used is a consistent and stable instrument to be used. The instrument is said to be reliable if the value of cronbach Alpha count > cronbach Alpha tolerance (0.6).

Table 3. Research instrument reliability results

No	Variabel	Nilai Cronbach's Alfa	Kesimpulan
1	Promosi	0,814	Reliabel
2	Harga	0,873	Reliabel
3	Keputusan Pembelian	0,843	Reliabel

From the reliability test results above shows that the value of Cronbach's Alpha in all variables greater than 0.6, it can be concluded that the research instrument is said to be reliable this is in line with the theory that states the decision-making criteria to determine reliable or not if r is greater or equal to 0.6 can be said

Table 4. Multiple linear regression test results

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	13,881	4,234		3,278	,002
	Promotion	,019	,141	,017	,137	,892
	Price	,426	,176	,303	2,415	,018

a. Dependent Variable: Decision

In multiple linear regression model obtained the value of the purchasing decision constant of 13.881 in other words each independent variable rises one level then the variable y increased by 13.881. The results of multiple liner regression on each independent variable are positive and can be interpreted as selection decisions on universities can be influenced by promotions and prices.

D. Hypothesis

Table 5. Coefficient of determination (R^2)

Model Summary				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	,313 ^a	,098	,077	4,255

a. Predictors: (Constant), Price, Promotion

Can be seen from the table above the value of the coefficient of determination obtained by 0.098 or 9.8% this shows the variable promotion and price can explain the considerable influence on the variable decision to choose a college and the remaining 90.2% is explained by other variables that are not examined by this research such as facilities and services

Simultaneous test (F test)

Simultaneous test conducted to see the effect of promotion and price simultaneously to the decision to choose a college. The test was performed at an error rate $\alpha = 0.05$ (5%)

Table 6. Simultaneous test results (F test)

		ANOVA ^a		Mean Square	F	Sig.
Model		Sum of Squares	df			
1	Regression	169,304	2	84,652	4,675	,012 ^b
	Residual	1557,146	86	18,106		
	Total	1726,449	88			

a. Dependent Variable: Decision

b. Predictors: (Constant), Price, Promotion

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From the table above can be seen that the value of F_{count} is $4.675 >$ from the value of F_{table} is 2.71 and significant value $0.012 <$ from the value of alpha 0.05 then the decision taken H_0 rejected H_1 accepted. H_1 accepted indicates that the variable promotion (X1) and price (X2) together are able to influence the decision variable selection (Y). Thus the promotion and price variables simultaneously have a positive and significant effect on the decision to choose a college

Partial Test (t test)

Partial test aims to see the influence of promotions and prices on college selection decisions

Table 7. Partial test result (t test)

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	13,881	4,234		3,278
	Promosi	,019	,141	,017	,137
	Harga	,426	,176	,303	2,415

a. Dependent Variable: Decision

1. Thitung value for variable promotion $0.137 < T_{\text{table}}$, 1662 and significant value 0.892 $>$ from alpha 0.05, then H_0 is accepted and H_1 is rejected, in other words partially variable promotion has no effect on the decision to choose a college
2. Thitung value for the price variable $2.415 > T_{\text{table}}$, 1662 and significant value $0.018 >$ from alpha 0.05, then H_0 is rejected and H_1 is accepted, in other words, partially the price variable has a positive and significant effect on the decision to choose a college

DISCUSSION

From the test results that have been done by the author by distributing questionnaires to students of college regarding the influence of promotion and price on the decision to choose a college, can be known at the beginning of the hypothesis testing is known if the variable promotion and price can affect the decision to choose a college this can be evidenced by the value of the coefficient of determination (R^2) with a value of 0.098 or 9.8% and the remaining 90.2% influenced by other factors such as campus facilities and services.

The results of the second hypothesis test results in the value of promotional variables and prices simultaneously have a positive and significant effect on the decision to choose a college this is evidenced by the value of F_{count} is $4.675 >$ from the value of F_{table} is 2.71 and a significant value of $0.012 <$ from the value of alpha 0.05 then the decision taken H_0 rejected H_1 accepted. H_1 accepted indicates that the variable promotion (X1) and price (X2) together are able to influence the decision variable selection (Y). The results of this study can be supported by the results of research conducted by Balak, (2016) with the title of the effect of the image of Higher Education, Price and promotion on the decision of the study of Tanimbar students in Surabaya and Malang with the results of research variables image of Higher Education, price and promotion simultaneously significant effect on the decision of the study. This research is also in line with the results of Kelvin's research, (2018) entitled analysis of the influence of promotion, study costs and lecture and lecture facilities at Surabaya Technical High School with the result that promotion, study costs and facilities variables jointly affect lectures at Surabaya Technical High School.

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The results of the third hypothesis test shows that partially promotion has no effect on the selection of universities this is evidenced by the value of T_{count} for variable promotion $0.137 < T_{table}$, 1662 and significant value $0.892 >$ of alpha 0.05, then H_0 is accepted and H_1 is rejected, in other words partially variable promotion has no effect on the decision to choose, 1662 and a significant value of $0.018 >$ from alpha 0.05, then H_0 is rejected and H_1 is accepted, in other words, partially the price variable has a positive and significant effect on the decision to choose a college.

IMPLICATIONS

Promotions and prices together have a significant influence on the decision to choose a college. Partially promotion has no effect on the decision to choose a college while the price has a significant influence on the decision to choose a college

CONCLUSION

Simultaneously promotions and prices have a positive and significant effect on the decision to choose a college at Stmik Budi Darma. Partially variable promotion has no effect on the decision to choose a college while the price variable has a positive and significant effect on the decision to choose a college. Students are interested in choosing Stmik Budi Darma because the price offered is quite affordable coupled with the stimulation that attracts prospective students

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This research is in line with the results of Siahaan and Cristiani's (2021) Research entitled The Effect Of Prices And Promotions On Purchase Decisions At Shopee (Case Study Of Bhayangkara University Jakarta Raya) with the results of promotions and prices having a significant influence on purchase decisions. however, for the next study is planned to add other research indicators that can influence election decisions such as brand image, place and others.

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