

## **THE INFLUENCE OF PRICE AND PROMOTION ON PURCHASING DECISIONS AT THE SUKSES MINI MARKET IN JAMBI CITY**

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### **ABSTRACT**

Consumer behavior is related to purchasing decisions by individually, groups and organizations to fulfill their needs and wants for goods or services. The purpose of this research is to determine the influence of price on purchasing decisions, promotion on purchasing decisions and both of price and promotion on purchasing decisions. The research results show that the test shows the form of the regression equation is  $Y=0,516+0,712X_1+0,324X_2+e$ . The coefficient of determination value (R<sup>2</sup>) is obtained 0,891% that means the influence of price (X<sub>1</sub>) and promotion (X<sub>2</sub>) on purchasing decisions (Y) is 89,1%. It shows that by using regression model obtained 89,1% while the rest of the results 10,9% is explained by other factors that is not included in this regression analysis.

**Keyword: Price, Promotion, Purchasing Decisions.**

### **INTRODUCTION**

Nowadays the business world is developing and changing very quickly and creating intense competition everywhere. This forces companies to compete in developing and maintaining the company to remain competitive with other companies. To survive in an increasingly competitive environment, the company needs to know a lot about consumers and the markets they enter. To win the competition here, apart from innovation, there are still many other factors that business actors need to pay attention to maintain and increase customer satisfaction, so that consumers do not move elsewhere. These factors include price, promotions and other factors. Price is one of the important variables in marketing, where price can influence customers in making decisions to buy a product for various reasons (Ghozali, 2013) Kotler and Armstrong (2017), "promotions means activities that communicate the merits of the product and persuade target customers to buy it". It means that promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product. In accordance with the theory put forward by Tjiptono (2015) promotion is a communication method that is shown to the market and becomes the right target product to be sold to the place at the right price. This shows the magnitude of the

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influence that promotion will have on purchasing decisions. The Sukses Mini Market is located on Jl. Lingkar Selatan II No. 12, Paal Merah Jambi, operated from 09.00 Wib to 21.00 Wib, providing goods with the prices that are almost same as market price on average and some types of goods are cheaper. The form of marketing that carried out by Sukses Mini Market is by providing discounts and promos such as weekly promos, JSM promos and monthly promos. Sukses Mini Market does not carry out promotions through media or advertisement, only promotes through consumers by giving discounts if you shop there with the minimum purchase. With this way, consumer will be interested and recommended the mini market to others as well as the power of word of mouth marketing strategies.

**Table 1. Sukses Mini Market Sales Data Year 2017-2021**

Years	Sales Amount	Percentage (%)
2017	Rp. 480.120.011	-
2018	Rp. 519.114.590	8,12%
2019	Rp. 599.773.300	15,5%
2020	Rp. 547.598.055	-9,32%
2021	Rp. 669.819.025	22,31%

**Data Resources: Sukses Mini Market(2023)**

### METHODS

The type of research used in this research is quantitative research, namely research data in the form of numbers and analyzed using statistics and SPSS. The survey was carried out either directly or by distributing questionnaires to respondents who were Sukses Mini Market consumers in order to obtain data and information. The data analysis technique is using the classic assumption test and hypothesis testing using multiple linear regression, t-test, f-test and coefficient of determination (R<sup>2</sup>).

### RESULT AND DISCUSSION

#### The result of hypothesis test

**Table 2. The result of the Linearity of X<sub>1</sub> against Y**

ANOVA Table							
			Sum of Squares	Df	Mean Square	F	Sig.
X *	Between Groups	(Combined)	100,041	7	11,292	5,650	,000
		Linearity	74,577	1	34,567	29,484	,000
		Deviation from Linearity	25,464	6	2,244	1,678	,612
Within Groups			232,709	92	1,429		
Total			332,750	99			

It is known that the result of the linearity test are the sig value. Deviation From Linearity is 0,612 significant, meaning that the result can be said to be higher than 0,005 and

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states that these two variables have a linear relationship or can be called the Price variables ( $X_1$ ) on Purchasing Decisions ( $Y$ ) has a linear relationship.

**Table 3. The result of the Linearity of  $X_2$  againts  $Y$**

ANOVA Table			Sum of Squares	df	Mean Square	F	Sig.
X * Y	Between Groups	(Combined)	24,556	7	2,508	1,127	,353
		Linearity	3,702	1	6,702	1,189	,278
		Deviation from Linearity	20,854	6	3,476	1,117	,324
Within Groups			286,354	92	3,113		
Total			310,910	99			

It is known that the result of the linearity test are the sig Value. Deviation From Linearity is 0,324 significant, meaning that the result can be said to be higher that 0,05 and states that these two variables have a linear relationship or can be called the Promotion variables ( $X_2$ ) on Purchasing Decisions ( $Y$ ) has a linear relationship.

### Correlation Test

According to (Sugiyono 2012, 228), simple correlation analysis is a technique for measuring the strength of the relationship between three variables and also for knowing the form of the relationship between variables  $X_1$  (Price) and  $X_2$  (Promotion) with  $Y$  (Purchasing Decisions). Based on the correlation results between the variables  $X_1$  and  $X_2$  and  $Y$ , it can be concluded that the calculated R value is 0,541 and it can be stated that the two variables are correlated. With a result of 0,541, it can b stated that it is moderately correlated.

**Table 4. Correlation Test**

Correlations		X	Y
X	Pearson Correlation	1	,229
	Sig. (2-tailed)		,280
	N	100	100
Y	Pearson Correlation	,541	1
	Sig. (2-tailed)	,280	
	N	100	100

### The Results of Regression Analysis

**Table 5. The Result of Regression Analysis**

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	

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1	(Constant)	,516	2,405	5,228	,000
	X1	,712	,100	,473	,000
	X2	,324	,014	,300	,000

a. Dependent Variable: Y

Based on the test results above, the following regression equation can be formed:

$$Y = a + b1.X_1 + b2.X_2 + e$$

$$Y = 0,516 + 0,712X_1 + 0,324X_2 + e.$$

### T Test Results

The partial hypothesis testing is carried out as proof of whether the independent variables is partial to the dependent variables.

- H<sub>1</sub> : Price has significant positive influences on purchasing decisions at Sukses Mini Market Jambi
- H<sub>0</sub> : Price has no significant positive influence on purchasing decisions at Sukses Mini Market Jambi.
- H<sub>2</sub>: Promotion has no significant positive influences on purchasing decisions at Sukses Mini Market Jambi.
- H<sub>0</sub>: Promotions has no significant positive influences on purchasing decisions at Sukses Mini Market Jambi
- H<sub>3</sub> : Price and Promotion have a significant positive influences on purchasing decisions at Sukses Mini Market Jambi.
- H<sub>0</sub>: Price and Promotion do not have a significant positive influences on purchasing decisions at Sukses Mini Market Jambi.

The hypothesis results in this test are as follows:

**Table 6. T Test**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,516	2,405		5,228	,000
	X1	,712	,100	,473	2,911	,000
	X2	,324	,014	,300	6,122	,000

a. Dependent Variable: Y

### F Test Results

The criteria for hypothesis testing using F statistics is if the sig value < 0,05 and the calculated Fvalue > F table (2,305).

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**Table 7. F Test**

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	695,174	3	231,725	16,551	,000 <sup>b</sup>
	Residual	152,315	92	1,656		
	Total	847,490	95			

a. Dependent Variable: Y

b. Predictors: (Constant), X1,X2

It is known sig value.  $0,000 < 0,05$  and the calculated F value is  $16,551 > 2,305$ . So it can be concluded that H3 is accepted, which means there is an influence between the variables Price ( $X_1$ ) and promotion ( $X_2$ ) on Purchasing Decisions (Y).

### Correlation Determination Test ( $R^2$ )

The coefficient of determination is defined as how much the independent variables is able to play a role in the dependent variable. The coefficient of determination is calculated by squaring the correlation coefficient ( $R^2$ ). In this case, to find out the magnitude of the role given by the Price ( $X_1$ ) and Promotion ( $X_2$ ) variables on Purchasing Decisions (Y).

**Table 8. Correlation Determination Test ( $R^2$ )**

Model Summary				
el	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,612 <sup>a</sup>	,891	,450	1,28670

a. Predictors: (Constant), X1 dan X2

From the output above, we get an R Square value (coefficient of determination) of 0,891, which means that the influences of the Price ( $X_1$ ) and Promotion ( $X_2$ ) variables on Purchasing Decisions (Y) is 89,1%.

### CONSLUSION

It is known sig value.  $0,000 < 0,05$  and the calculated F value is  $16,551 > 2,305$ . So it can be concluded that H3 is accepted, which means there is an influences between the variables Price and Promotion on Purchasing Decisions. The R Square value (coefficient of determination) was obtained at 0,891, which means that the influence of the Price and Promotion variables on Purchasing Decisions was 89,1%. This shows that by using the regression model obtained where the Price and Promotion variables on Purchasing Decisions are 89,1% and while the remaining 10,9% is explained by other factors or variables not included in this regression analysis.

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