

THE INFLUENCE OF PRICE, PROMOTION AND PRODUCT QUALITY ON SAMSUNG SMARTPHONE PURCHASE DECISIONS IN UMSU STUDENTS

Nadia Ika Purnama¹
Anggia Ramadhan²
Ragil Kurniawan³

¹Faculty Of Economy And Bisnis, University Of Muhammadiyah Sumatera Utara , Indonesia (E-Mail: nadiaika@umsu.ac.id)

²Faculty Of Economy Pembangunan University Of Panca Budi , Indonesia(E-Mail: ramadhan.anggia@yahoo.com)

³Faculty Of Economy And Bisnis, University Of Muhammadiyah Sumatera Utara , Indonesia (E-Mail: ragil.kurniawan@gmail.com)

Abstract: The purpose of this study was to determine and analyze the effect of decisions on purchasing decisions, to analyze and to analyze the influence of promotion on purchasing decisions, to know and to analyze the influence of products on decisions made by decisions and to analyze the influence of the influence, promotion and product quality. partially or simultaneously on purchasing Samsung smartphones for Umsu students. The approach used in this research is an associative approach. The population in this study were all students while the sample that met the sampling criteria was carried out with 100 people using non-probability. The data analysis technique in this study used a questionnaire technique. The data analysis technique in this study used the Classical Assumption Test, Multiple Regression, Hypothesis Test (t test and F test), and the coefficient of determination. Data processing in this study used the SPSS (Statistic Package for the Social Sciens) software program version 22.00. The results of this study prove that partially the price has an effect on purchasing decisions, promotion has an effect on purchasing decisions. Product quality has an influence on purchasing decisions. Simultaneously Price, Promotion, and Product Quality influence Purchasing Decisions

Keywords: *Purchase Decision, Price, Promotion, Product Quality*

Introduction

I. Study Of Theory

1.1 Purchase Decisions

In fact, consumer buying behavior is a process of selecting, buying and using products to fulfill their wants and needs. In running its business the company must always change consumer behavior to improve its marketing strategy, because in essence the purpose of marketing is to understand and understand consumer intentions well so that the products offered can be sold and consumers

are loyal to the products produced. Recognizing consumers is the easy way, sometimes they are forthright, candid with their demands and wishes. However, they often act the opposite. Perhaps they do not understand their motivations more deeply, so they often react to change their mind at the last minute in their purchasing decisions.

The purchase decision is a solution to solving problems in human activities to buy goods or services in fulfilling their wants and needs, which consists of identifying needs and wants, searching for information, evaluating alternative purchases, purchasing decisions and behavior after buying (Martini, 2015). The decision-making process is an individual activity that is directly involved in obtaining and using the goods offered. (Kotler, 2009)

A very strong driving factor in purchasing decisions that can be chosen by the number of interactions people have in the buying decision. And people who have interactions in purchasing decisions are the following initiators, Influencers, Deciders, Buyers (Hasan, 2008)

1.2 Price

For some people at the community level, it becomes a symbol of the quality of the product offered. The higher the product price, in general, the quality of the relevant product is also, on the other hand, the lower the price the lower the product quality. However, for some consumers this error affects the quality of the product.

Price is an amount of money as a medium of exchange for obtaining a product or service (Anwar & Satrio, 2015). Price is the amount of money charged for "something" of value ". (Cannon, Perreault, Jerome, & Carthy, 2009)

Indicators of price are one of the bases of reference in assessing consumer interest in a product or service offered by a company. namely objective monetary prices, perceived prices, sacrificial prices, discounted prices (Muanas & Suhermin, 2014)

1.3 Promotion

Marketing today is not enough only with product development, quality improvement, affordable pricing, or the right product distribution, but moreover, producers must be able to communicate with their customers or customers. This can be done for example by promotion, advertising, or by Training salespeople in order to convey the message of producers about the products they sell. So it can be said that promotion includes all corporate promotional activities to introduce products and aims to get consumers interested in buying them.

Promotion is something from a seller and a buyer that comes from the right information which aims to change the attitude and behavior of the buyer, who was previously unfamiliar, so that he becomes a buyer and remembers the product (Laksana, 2008). Sales promotion indicators aim to

determine the extent to which promotions have succeeded in influencing consumer satisfaction, mission, money, messages, media, and measurement (Fahmi, 2016).

1.4 Product Quality

The term quality contains various interpretations, because quality has a number of levels such as universal, cultural, social and personal. In simple terms, quality can be defined as a defect-free product. Product quality is a product or service characteristic that depends on its ability to satisfy stated or implied customer needs (Purwati, Setiawan, & Rohmawati, 2012) "There are several things that companies need to pay attention to in improving product quality, namely, a product must be discontinued as soon as the product is. problem and that a new product must be introduced to replace the problematic product. There are several factors that affect product quality, namely: durability and form: the level of durability of a product, price / cost: the value of money spent by consumers, raw materials: the basic materials for creating or making a product, size: how much size created (Adams, 2007).

Method

In this research, associative and quantitative methods are used. According to (Juliandi, 2014) that associative research is research that seeks to examine how a variable is related or related to other variables, or whether a variable is influenced by other variables. The reason for choosing associative research as a research method is due to examining data that is a relationship or influence between two or more variables.

The population in this study were all general students while the samples that met the sampling criteria were 100 people using nonprobability. The data collection technique in this study used a questionnaire technique. The data analysis technique in this study used the Classical Assumption Test, Multiple Regression, Hypothesis Test (t test and F test), and the Coefficient of Determination. Data processing in this study used the SPSS (Statistical Package for the Social Sciens) software program version 22.00

Result and Discussion

1. Classic Assumption Test

The classical assumption test is carried out to detect the presence or absence of deviations from the classical assumptions in multiple regression. The classical assumption tests used are the normality test, multicollinearity test and heteroscedasticity test.

a. Data Normality Test

This test aims to test whether in the regression model, the dependent variable (bound) and the independent variable (free) both have a normal distribution or not. The normality test used in this study is the Normal P-P Plot of Regression Standardized Residual Test.

This test can be used to see whether the regression model is normal or not with conditions, that is, if it follows the diagonal line and spreads around the diagonal line.

- 1) If the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, then the regression model meets the assumption of normality.
- 2) If the data spreads far from the diagonal and follows the direction of the diagonal line or the histogram graph does not show a normal distribution pattern, the regression model does not meet the normality assumption.

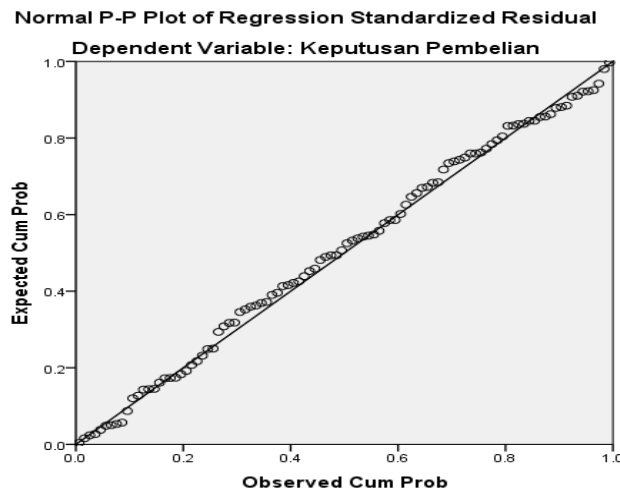


Figure IP-Plot of Regression Standardized Residual Normality Test Results

Source: SPSS Results 22.00

From the results of the P-Plot Regression test, it can be seen that the regression model is normal with the data following the diagonal line and spreading around the points of the diagonal line, so it can be concluded that the regression model has met the assumption of normality.

b. Multicollinearity Test

This test aims to test whether the regression model found a correlation between the independent variables (independent). A good regression model should be free of multicollinearity, it can be seen from the tolerance value and its counterpart, and the Variance Inflation Factor (VIF). If the tolerance value is greater than 0.1 or the VIF value is less than 10, it can be concluded that there

is no multicollinearity in the data to be processed. The following are the results of the processed mutlikolonierity test

Table I Multicolonierity Test Results

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Price	.986	1.014
Promotion	.691	1.447
Product Quality	.687	1.455

a. Dependent Variable: Purchase Decisions

Source: SPSS Results 22.00

c. Heteroscedasticity Test

1) The heteroscedasticity test aims to test whether in the regression model there is an unequal variance from the residuals of one observation to another. If the variance from one residual is observed for another. fixed, it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is one that has homoscedasticity or does not occur heteroscedasticity. To find out whether heteroscedasticity occurs or not in the regression model of this study, the analysis is carried out using informal methods. Informal methods in heteroscedasticity testing are graphical methods and Scatterplot methods. If there are certain patterns, such as dots that form regular patterns (wavy, widened). then narrowed), then it indicates that heteroscedasticity has occurred.

2) If there is no clear pattern, and the dots spread above and below the 0 on the Y axis, then there is no heteroscedasticity.

With SPSS version 22.00, the results of the heteroscedasticity test can be obtained as

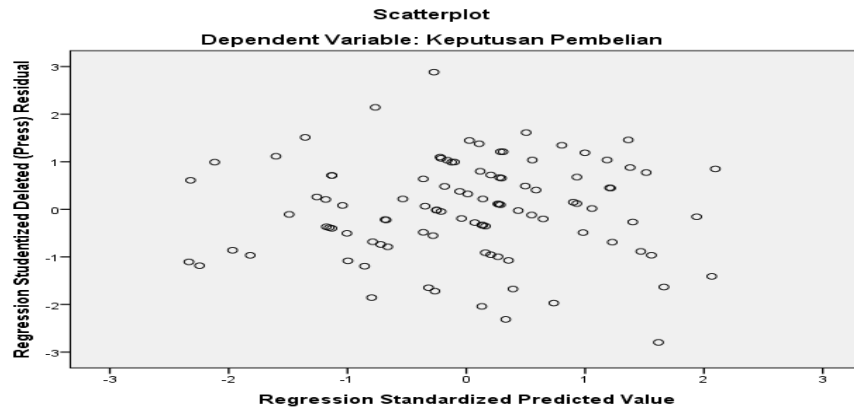


Figure II Heteroscedasticity Test Results

Source: SPSS Result Data 22.00

From the Scatterplot graph, it can be seen that if there is no clear pattern, and the points spread above and below the number 0 on the Y axis, it indicates that heteroscedasticity does not occur. It can be concluded that there is no heteroscedasticity in the regression model so that the regression model is suitable for use for see Purchase Decisions on Samsung smartphones for Umsu students based on the input of independent variables, namely Price, Promotion and Product Quality.

1. Multiple Linear Regression

In analyzing the data, multiple linear regression analysis is used, where multiple analysis is used to determine the effect of each independent variable on the dependent variable. Following are the results of data processing using IBM SPSS Statistics version 22.00:

Table II Multiple Linear Regression Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	1.517	4.208	
Price	.188	.084	.177
Promotion	.510	.120	.399
Product Quality	.289	.101	.272

a. Dependent Variable: Purchase Decisions

Source: SPSS Results 22.00

From the table above, it can be seen the following values:

Constant (a) = 1.517

Price (X1) = 0.188

Promotion (X2) = 0.510

Product Quality (X3) = 0.289

From these results, it can be seen that the linear regression equation model is as follows:

$$Y = 1.517 + 0.188 X1 + 0.510 X2 + 0.289 X3 + e$$

Information :

a. The value of "a" = 1.517 indicates if the value of the dimensions of Price, Promotion and Product Quality is zero, then the Purchase Decision on a Samsung smartphone for UMSU students is 1.517, or it can be said that the Purchase Decision is still worth 1.517 if it is not influenced by Price, Promotion and Product Quality.

b. The price (X1) of 0.188 with a positive direction indicates that any increase in price will be followed by an increase in Purchasing Decisions of 0.188, assuming other independent variables are considered constant.

c. Promotion (X2) of 0.510 with a positive relationship direction indicates that each increase in Promotion will be followed by an increase in Purchase Decisions of 0.510, assuming other independent variables are considered constant.

d. Product Quality (X3) of 0.289 with a positive relationship direction indicates that any increase in Product Quality will be followed by an increase in Purchasing Decisions of 0.289 assuming other independent variables are considered constant.

2. Hypothesis Testing

Hypothesis testing is data analysis carried out during the study to answer the problem formulation and prove the research hypothesis. The analysis carried out in this study is the t test and the F test using the IBM SPSS Statistics 22.00 program.

a. T test (partial)

The t test is conducted to test whether the independent variable (X) partially has a significant relationship or not to the dependent variable (Y). The results of processing data from IBM SPSS Statistics 22.00 can be seen in the following table:

Table III Result of t Statistical Test (Partial

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.517	4.208		.361	.719
Price	.188	.084	.177	2.239	.027
Promotion	.510	.120	.399	4.230	.000
Product Quality	.289	.101	.272	2.871	.005

a. Dependent Variable: Purchase Decisions

Source: SPSS Results 22.00

b. Determination Test (R-Square)

The purpose of the determination coefficient test is to determine the percentage amount of the independent variable in influencing the dependent variable, the value of the determination coefficient can be seen in the table below.

In the table above, it can be seen that the results of the regression analysis as a whole show an R value of 0.639 indicating that the correlation or relationship between Purchasing Decisions (the dependent variable) with Price, Promotion and Product Quality (independent variable) has a level of:

$$D = R^2 \times 100\%$$

$$D = 0.639 \times 100\%$$

$$D = 63.9\%$$

This figure identifies that the Purchase Decision (dependent variable) can be explained by Price, Promotion and Product Quality (independent variable) of 63.9%, while the rest of 36.1% is explained by other factors not examined.

Discussion

1. The Effect of Price on Purchasing Decisions

Based on the results of testing individually the effect of Price on Purchasing Decisions, the t-count value is $2.239 > t\text{-table } 1.985$ and has a significant number of $0.027 < 0.05$. Based on the decision making criteria, it can be concluded that H_a is accepted (H_o is rejected), this indicates that there is

a significant positive effect between Price on Samsung Smartphone Purchase Decisions on Umsu students.

According to (Tjiptono & Candra, 2012), states that price can be interpreted as the amount of money (monetary unit) and / or other (non-monetary) aspects that contain certain utilities / uses needed to get a product.

The opinion above is relevant to previous research conducted by (Sumiati, 2016), which states in his journal that price affects the purchasing decision, if the price decreases, the purchase decision will also decrease.

2. The Effect of Promotion on Purchasing Decisions

Based on the results of testing individually the effect of Promotion on Purchasing Decisions, the t-count value is $4,230 > t\text{-table } 1,985$ and has a significant number of $0,000 < 0,05$. Based on the decision making criteria, it can be concluded that H_a is accepted (H_o is rejected), this indicates that there is a significant positive effect between Promotion on Samsung Smartphone Purchase Decisions on Umsu students.

According to (Laksana, 2008), it states that Promotion is a seller and buyer that comes from the right information which aims to change the attitudes and behavior of buyers, who were previously unfamiliar so that they become buyers and keep remembering the product.

The opinion above is relevant to previous research conducted by (Muanas & Suhermin, 2014), which states in their journal that Promotion has an effect on Purchasing Decisions, if Promotion decreases, Purchasing Decisions will also decrease.

3. The Effect of Product Quality on Purchasing Decisions

Based on the results of testing individually the effect of Product Quality on Purchasing Decisions, the t-count value is $2.871 > 1.985$ and has a significant value of $0.005 \leq 0.05$. Based on the decision making criteria, it can be concluded that H_a is accepted (H_o is rejected), this indicates that there is a significant positive effect between Product Quality and Samsung Smartphone Purchase Decisions on Umsu students.

According to (Rawung, Oroh, & Sumarauw, 2015), product quality is the ability of an item to provide results / performance that match or exceed what consumers want.

The opinion above is relevant to previous research conducted by (Anwar & Satrio, 2015), in their journal states that Product Quality has a positive and significant effect on Purchasing Decisions.

4. The Effect of Price, Promotion and Product Quality on Purchasing Decisions.

Based on the results of the F test, the calculated F value is 22.090, while the F table value based on $dk = n - k - 1 = 97$ with a significant level of 5% is 3.09. So F counts $22.090 > F$ table 3.09 then seen with the results of a significant probability value of $0.000 < 0.05$, then H_a is accepted and (H_0 is rejected). Decision to Purchase a Samsung Smartphone for Umsu Students.

According to Ratna (2016, p. 4) decision making is to assess a product, both goods and services and make choices about the product.

The opinion above is relevant to previous research conducted by (Wantiny, 2013) in his journal stating that Price and Promotion variables.

References

- Abdullah, T., & Tantri, F. (2012). Marketing Management, 1st edition edition 1. Jakarta: Pt Raja Grafindo Persada.
- Adams, B. (2007). Customer loyalty. Jakarta: Rineka Cipta.
- Anwar, I., & Satrio, B. (2015). The Influence of Price and Product Quality on Decision to Purchase Cookware at the Maxim Housewares Showroom in Grand City Mall Surabaya. *Journal of Management Science and Research*, 4 (12).
- Arianty, N. (2016). Marketing Management Revised Edition. Medan: Perdana Publishing.
- Cannon, J. P., Perreault, W. D., Jerome, J. E., & Carthy, M. (2009). Marketing The basis of a global managerial approach. Jakarta: Four Salemba.
- Fahmi, I. (2016). Consumer Behavior Theory and Applications. Bandung: Alfabeta.
- Hermawan, A. (2012). Marketing Communication. Jakarta: Erlangga.
- Juliandi, A. (2014). Business Research Methods, 2nd Printing. Medan: UMSU PRESS.
- Kotler, & Armstrong, G. (2008). Principles of marketing. Jakarta: Erlangga.
- Laksana, F. (2008). Marketing Management, practical approach, 1st edition, mold 1. Yogyakarta: Graha Ilmu.
- Lupiyoadi, R. (2013). Service marketing management. Jakarta: Four Salemba.
- Martini, T. (2015). The Influence of Price, Product Quality and Product Design on Purchasing Decisions of Honda Motor Vehicles of the matic type. *Journal of Research*, 9 (1), 113–132.

Morissan. (2010). *Advertising: Integrated Marketing Communication*. Edition 1. Jakarta: Kencana Prenada Media Group.

Muanas, A., & Suhermin. (2014). The Influence of Price and Promotion on Purchasing Decisions of Buana Indomobil Trada Cars. *Journal of Management Science & Research*, 3 (12).

Purwati, Setiawan, H., & Rohmawati. (2012). The effect of price and product quality on purchasing decisions for a Honda Matic Beat motorbike at PT. Nusantara Solar Sakti. *Journal of Economics and Accounting Information*, 2 (3), 260-277.

Ratna. (2016). The Influence of Brand Image, Product Quality, and Price on Cellular Card Purchase Decisions. *Journal of Management Science and Research*, 5 (7), 1–15.

Rawung, D. R., Oroh, S. G., & Sumarauw, J. S. B. (2015). Analysis of product quality, brand and price on purchasing decisions for Suzuki motorbikes at PT.Sinar Galesong Pratama Manado. *EMBA Journal*, 3 (3), 1298–1308.

Sangadji, E. M., & Sopiah. (2013). *Consumer Behavior Practical Approaches*, 1st Edition. Yogyakarta: Andi Yogyakarta.

Sugiyono. (2012). *Business Research Methods*, print 16. Bandung: Alfabeta.

Sugiyono. (2014). *Qualitative and Quantitative Research Methods R & D*. mold 20. Bandung: Alfabeta.

Sugiyono. (2016). *Quantitative Research Methods, Qualitative, and R & D*. Bandung: Alfabeta.

Sunyoto, D. (2015). *Consumer Behavior and Marketing*. Jakarta: PT. Exciting Book.

Suryani, T. (2013). *Consumer Behavior in the Internet Age; implications for marketing strategy*, 1st edition, print 1. Yogyakarta: Graha Ilmu.

Tjiptono, F., & Candra, G. (2012). *Strategic Marketing*, Issue 2. Yogyakarta: Publisher Andi.