



Effects of Promotion and Price on the Purchasing Decisions of Herbs Product

Nani Nani¹, Umi Narimawati², Azhar Affandi³, Sidik Priadana⁴, Heri Erlangga⁵

¹Universitas Pamulang, Tangerang, Indonesia

²Universitas Komputer Indonesia (UNIKOM), Bandung, Jawa Barat, Indonesia

^{3,4,5}Universitas Pasundan, Bandung, Jawa Barat, Indonesia

Email: dosen01704@unpam.ac.id

Article Info

Article History:

Received: 29 March 2019

Revised: 1 April 2019

Published: 20 August 2019

e-ISSN: 2623-2324

p-ISSN: 2654-2528

DOI: 10.5281/zenodo.6410634

Abstract:

This study aims to determine the effect of promotion on purchasing decisions, determine the effect of price on purchasing decisions and the effect of promotion and price on purchasing decisions of herbal medicines at CV. Omar Smart Brain. The type of research used in this research is quantitative. The population in this study were consumers who shopped for herbal medicines at CV. Omar Smart Brain with a sample size of 100 customers using the slovin method. In collecting data using interview techniques and distributing questionnaires. The data analysis method used is multiple linear regression analysis, coefficient of determination, and coefficient significance test (t test and f test). The results showed that, partially the promotion variable has a significant effect on purchasing decisions by showing the results of the t-test = 4.657 while t-table = 1.98472 (tcount > ttable) with a significance level of 0.000. partially the price variable has a significant effect on purchasing decisions by showing the results of tcount = 3.632 while ttable = 1.98472 (tcount > ttable) with a significance level of 0.000. Simultaneously, promotion and price variables have a significant effect on purchasing decisions by showing Fcount = 60,461 which is greater than Ftable = 3,09 with a significance of 0,000. it can be said that promotion and price simultaneously have a significant effect on purchasing decisions. the coefficient of determination is obtained at 0.555, it can be concluded that promotion (X1) and price (X2) affect purchasing decisions (Y) by 55.50% while the remaining 44.50% is influenced by other factors not tested in this study. In this study, the results of the multiple linear regression coefficient of $Y = 12,292 + 0,445X1 + 0,351X2 + e$.

Keywords: Promotion, Price and Purchase Decision.

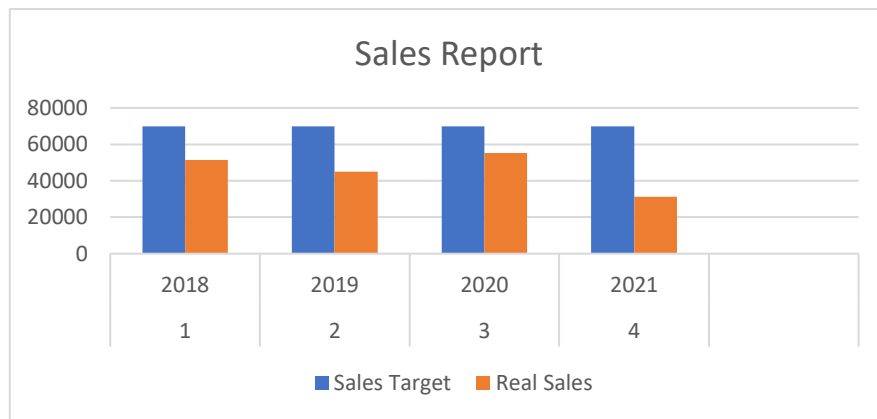
INTRODUCTION

Traditional medicine in Indonesia has a very large role in public health services in Indonesia, so that traditional medicine has the potential to be developed. Indonesia is rich in medicinal plants, which are still not used optimally for health. Indonesia is known to have the second largest biodiversity in the world after Brazil (Notoatmodjo, 2014). Traditional medicine is the nation's cultural heritage that needs to be preserved and developed to support health development as well as to improve the people's economy. This traditional medicine, of course, has been tested for years and even centuries in accordance with the development of Indonesian culture (Notoatmodjo, 2014). Research on traditional Indonesian medicine includes research on single herbal medicines or in the form of ingredients. The types of research that have been carried out so far include research on medicinal plant cultivation, analysis of chemical content, toxicity, pharmacodynamics, formulations and clinical trials. Medicinal plants and traditional medicines to be used in health services must meet quality requirements and have scientific evidence of their efficacy and safety, which are universal provisions that are owned by almost every country (Ardianto, 2013).

Nowadays, many people are returning to using herbal plants as an alternative treatment. Factors that encourage people to utilize natural medicines include the high price of modern/synthetic medicines and the many side effects they produce. In addition, promotional factors through mass media also play a role in increasing the use of natural medicines. According to Agustina (2011:127) states that "promotion is a form of marketing communication. Marketing communication is a marketing activity that seeks to disseminate information, influence / persuade, and remind the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned.

Promotion is a means by which companies try to inform, persuade, and remind consumers directly or indirectly about the products and brands being sold according to Kotler & Keller (2012:172). Like the case with Omar Smart Brain, OSB Omar Smart Brain is a nutrient for the brain or brain vitamin that helps improve memory and intelligence. Can be consumed by children, adolescents and adults, without side effects. OSB Omar Smart Brain, an original product from Indonesia, is a brain vitamin made from safe herbs (Centella Asiatica and Gynura Segetum), increasing blood circulation to the brain smoothly, thereby increasing the ability of memory nerves in the brain. This has a positive effect on increasing learning concentration, easily absorbing/memorizing subject matter and improving/sharpening memory so that the subject matter is not easily forgotten. The content of Triterpenoids in Centella Asiatica Omar Smart Brain can reduce anxiety levels and increase mental function, children are more relaxed, so as to form a child full of confidence and build courage. Children become more daring to raise their hands at school and appear in front of many people. Because of this function, currently OSB Omar Smart Brain is also widely used by insomniacs, stress sufferers, people with mental fatigue, children with mental retardation, hyperactive children and vitamins for autistic children or children with special needs. Omar Smart Brain has been officially registered with BPOM Pom TR.153,389,521 and received MUI halal certification. children with mental retardation (mental retardation), hyperactive children and vitamins for children with autism or children with special needs. Omar Smart Brain has been officially registered with BPOM Pom TR.153,389,521 and received MUI halal certification.

Pricing and promotion policies include some of the factors that can influence customer decisions, of course, determining competitive prices and providing memorable promotions. In economic theory, the notion of price, value, utility, are interrelated concepts. What is meant by utility is an attribute attached to an item, which allows the item to fulfill needs, wants, and satisfy consumers. Value is the value of a product to be exchanged for other products. This value can be seen in the situation of bartering between goods for goods. To find out the condition of selling herbal medicinal products on OSB Smart Brain, see the graph below.



Based on the sales report above, it can be seen that sales of herbal medicinal products have not been optimal. Of course, this requires serious enough attention to handle it.

Formulation of the problem

Based on the background that has been stated above, the formulation of the problem in this study is as follows:

1. Is there any influence of Sales Promotion on the Purchase Decision of Omar Smart Brain Herbal Products?
2. Is there a price effect on purchasing decisions in selling Omar Smart Brain Herbal Products?
3. Is there a joint influence of Sales Promotion and Price on the Purchase Decision of Omar Smart Brain Products?.

LITERATURE REVIEW

Definition of Marketing

According to Kotler and Armstrong (2014:14), "Marketing is the process of planning and implementing the conception, pricing, promotion, and distribution of ideas, goods and services to produce exchanges that meet individual and organizational goals". According to Saladin (2013: 11) "marketing is a total system of business activities designed to plan, determine prices, promote and distribute goods that can satisfy wants and achieve target markets and company goals

Promotion

According to Agustina (2011:127) stated that "promotion is a form of marketing communication. Marketing communication is a marketing activity that seeks to disseminate information, influence / persuade, and remind the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned. According to Mursid, (2017: 95) concluded that "Promotion is communication that is persuasive, invites, urges, persuades, convinces". According to Lupiyoadi (2014: 32) stated that "Promotion is one of the variables in the marketing mix that is very important to be implemented by companies in marketing service products. Promotional activities not only function as a communication tool between companies and consumers, but also as a tool to influence consumers in purchasing activities or using services according to their wishes and needs.

Prices

Price The only element of the marketing mix that can generate revenue is price, while the other elements can generate costs. Price is probably the easiest element in a marketing program to adjust in terms of product features, channels, and even communication takes more time. Prices are flexible which can change at any time. Price also communicates the intended value positioning of the market company's product or brand. A well-designed and marketed product can sell for a high price and generate a large profit. According to Buchari Alma (2013:169) "Price is the value of an item expressed in money". Meanwhile, according to Kotler and Armstrong (2015: 312) "The amount of money charged for a product or service, the sum of the values that customers exchange for the benefit of having or using the product or service". Similarly, According to Fandy Tjiptono (2016:218) "Price is the only element of the marketing mix that brings income or income for the company".

Definition of Purchase Decision

The definition of a buying decision in general is a choice, which is a choice of two or more possibilities. If it is related to the process, then the decision is the final state of a more dynamic process which is labeled decision making. The decision is seen as a process because it consists of a series of related activities and is not only considered as an act of being hijacked there. In other words, the decision is a conclusion that is reached after consideration, which occurs after possible choices, while others are put aside. Another definition of decision put forward by Prajudi Atmosordijo (2012: 95) that a decision is an end to the thought process about a problem by choosing an alternative. an alternative

RESEARCH METHODS

The type of research used in this research is quantitative research. Quantitative research method is one type of research whose specifications are systematic, well-planned and clearly structured from the beginning to the making of the research design. Quantitative research methods, as stated by Sugiyono (2015:13) are: "Research methods based on the philosophy of positivism, are used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative/statistical, with the aim of testing the established hypothesis.

The research population is a set of objects that are determined through certain criteria, and those that will be categorized into these objects can include humans, documents or records that are seen as research objects. According to Sugiyono (2015:61) defines "Population is the number of generalization areas consisting of objects or subjects that have the qualities and characteristics set by the researcher and then draw conclusions". The population used in this study were all consumers who bought Herbal Products at CV Omar Smart Brain, totaling 55,305 consumers in 2021.

The sampling technique used in this study is a simple random sampling technique, namely the technique of determining the sample and population at random without regard to the existing strata in the population. Based on the calculation results, the number of samples is rounded up to 100 respondents. Because of this basis, the researchers determined the number of samples in this study as many as 100 respondents.

RESEARCH RESULTS AND DISCUSSION

Validity test

a. Promotion (X1)

Table 1
X1 . Variable Validity Test Results

Statement Items	r-count	r-table	Information
P_1	0.643	0.1966	Valid
P_2	0.659	0.1966	Valid
P_3	0.657	0.1966	Valid
P_4	0.616	0.1966	Valid
P_5	0.757	0.1966	Valid
P_6	0.628	0.1966	Valid
P_7	0.737	0.1966	Valid
P_8	0.683	0.1966	Valid
P_9	0.55	0.1966	Valid

Source: Processed Research Results (2021)

Based on the table above, if $r_{count} > r_{table}$, it is declared valid and vice versa, if $r_{count} < r_{table}$, it is declared invalid. In this study, the number of samples (n) that will be tested are 100 respondents with a two-way significant level of 0.05 with the provisions of $df = n - 2$, then $df = 100 - 2 = 98$, so the r table is 0.1966. From the table above shows the questions on the Promotion variable can be said to be valid because all questions have a significant value below 0.05.

b. Price (X2)

Table 2
X2 . Variable Validity Test Results

Statement Items	r-count	r-table	Information
H_1	0.693	0.1966	Valid
H_2	0.743	0.1966	Valid
H_3	0.773	0.1966	Valid
H_4	0.739	0.1966	Valid
H_5	0.719	0.1966	Valid
H_6	0.826	0.1966	Valid
H_7	0.794	0.1966	Valid
H_8	0.74	0.1966	Valid

Source: Processed Research Results (2021)

Based on the table above, if $r_{count} > r_{table}$, it is declared valid and vice versa, if $r_{count} < r_{table}$, it is declared invalid. In this study, the number of samples (n) that will be tested are 100 respondents with a two-way significant level of 0.05 with the provisions of $df = n - 2$, then $df = 100 - 2 = 98$, so the r table is 0.1966. From the table above shows the questions on the price variable can be said to be valid because all questions have a significant value below 0.05.

c. Purchase Decision (Y)

Table 3
Y Variable Validity Test Results

Statement Items	r-count	r-table	Information
KP_1	0.622	0.1966	Valid
KP_2	0.661	0.1966	Valid
KP_3	0.427	0.1966	Valid
KP_4	0.629	0.1966	Valid
KP_5	0.725	0.1966	Valid
KP_6	0.684	0.1966	Valid
KP_7	0.661	0.1966	Valid
KP_8	0.688	0.1966	Valid
KP_9	0.609	0.1966	Valid
KP_10	0.474	0.1966	Valid

Source: Processed Research Results (2021)

Based on the table above, if $r_{count} > r_{table}$, it is declared valid and vice versa, if $r_{count} < r_{table}$, it is declared invalid. In this study, the number of samples (n) to be tested was 100 respondents with a two-way significant level of 0.05 with the provisions of $df = n - 2$, then $df = 100 - 2 = 98$, then obtained r table of 0.1966. From the table above shows the questions on the Purchase Decision variable can be said to be valid because all questions have a significant value below 0.05.

Multiple Linear Regression Analysis

The calculation of multiple linear regression assisted by using the SPSS system from the data that has been analyzed is as follows:

Table 4
Multiple Linear Regression Analysis Test Results

Coefficients ^a						
Model	Unstandardized Coefficients		Standardize d Coefficients	T	Sig	Collinearity Statistics
	B	Std. Error	Beta			Tolerance VIF
(Constant)	12,292	2.451		5.015	0	
1 Promotion	0.445	0.096	0.451	4.657	0	0.489 2,047
Price	0.351	0.097	0.352	3,632	0	0.489 2,047

a. Dependent Variable: Purchase Decision

Source: Output SPSS Version 26. Processed data

Based on the table 4 coefficient above, the regression equation is obtained as follows:

$$Y = 12,292 + 0.445X_1 + 0.351X_2$$

- a. The constant (a) of 12,292 indicates that the Promotion and Price are considered constant, so the result of the Purchase Decision is 12,292.

- b. Promotion variable of 0.445 means that if the other independent variables have a fixed value and Promotion changes 1 time, the Purchase Decision (Y) will increase by 0.445. The positive coefficient means that there is a positive relationship between the Promotion and the Purchase Decision, the higher the Promotion, the higher the Purchase Decision.

Price variable of 0.351 means that if the other independent variables have a fixed value and the price changes 1 time, the Purchase Decision (Y) will increase by 0.351. The positive coefficient means that there is a positive relationship between the price and the purchase decision, the higher the price, the higher the purchase decision.

Coefficient of Determination

Analysis of the coefficient of determination aims to show how big the percentage of independent variables used in the model is able to explain the dependent variables. $R^2 =$, then the percentage contribution of the influence given by the independent variable to the dependent variable is perfect. The results of the coefficient of determination can be seen in the following table 5.

Table 5
Coefficient of Determination Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.745a	0.555	0.546	2,672	1,695

a. Predictors: (Constant), Price, Promotion

b. Dependent Variable: Purchase Decision

Source: Output SPSS Version 26. Data processed

Based on table 5, the coefficient of determination R Square (R^2) = 0.570, then $KD = R^2 \times 100\% = 0.555 \times 100\% = 55.50\%$, so it can be concluded that Promotion and Price have an effect of 44.50% on Purchase Decisions while the rest 44.50% is influenced by other variables not examined in this study.

Effect of Promotion on Purchase Decision

Based on the results of hypothesis testing, the results of the Promotion on Purchase Decisions (Y) with the tcount value of Promotion are higher than the ttable value or ($4.657 > t_{table} 1.98472$) with a significance value of 0.000 which means that this value is less than the significance level ($0.000 < 0, 05$). So it can be concluded that partially Promotion has a significant effect on Purchase Decisions. This means that H_{a1} is accepted and H_{o1} is rejected.

. Promotional factors have an important influence. Considering today, consumers are increasingly selective in choosing products to use or consume. This is due to the rapid development of the flow of information, supported by the presence of technology, which makes consumers able to absorb information and knowledge about the existence of a product quickly. Under these circumstances, companies must be responsive to consumer desires, companies must be able to communicate their products appropriately, companies need to provide good information about their products to consumers so that consumers will give positive responses to the product. The marketing strategy that can be done by the company is to carry out a promotional mix that is able to provide information to consumers.

The Influence of Price on Purchase Decision

Based on the results of hypothesis testing, it is obtained that the result of Price on Purchase Decision (Y) with a value of tcount of Price is higher than the value of ttable or ($3.632 > t_{table} 1.98472$) with a significance value of 0.000 which means that this value is less than the significance level ($0.000 < 0, 05$). So it can be concluded that partially the price has a significant effect on purchasing decisions. This means that Ha2 is accepted and Ho2 is rejected.

The results of this study provide evidence that the price factor is very important in giving birth to someone to make a purchase. the price factor is a factor that is first considered, then adjusted to the consumer's ability to buy. If the price offered is quite attractive and in accordance with the consumer's purchasing ability, then the possibility that consumers will make a purchase decision is very large. On the other hand, it is likely that consumers will delay or move to another place that is considered to offer the right price, even though there are some consumers with upper middle income who think that the price offered is expensive, not the size (WN Faroh: 2017). Therefore, it is important to determine and determine an attractive price strategy, one of which can be done by carrying out a discount strategy (big sale), giving cash back, giving gifts when buying certain goods or a certain amount, setting prices based on sales and psychological prices. In other words, we can conclude that the price factor is a factor that can determine product purchasing decisions

Effect of Promotion and Price on Purchase Decision

Based on the results of hypothesis testing that has been carried out on the hypothesis using the Software Statistical Product and Service Solution (SPSS) Version 26, the results obtained are:

Based on the output table 4.23, the results of the ANOVA test above obtained the Fcount 60.461 which is greater than Ftable with a significant 0.000 less than 0.05 or (Fcount > Ftable) and (Fsignificant < 0.05). So it can be concluded that promotion and price simultaneously have a significant effect on purchasing decisions. This means that Ha3 is accepted and Ho3 is rejected.

CONCLUSION

Based on the results of data analysis that has been carried out on all the data obtained, the following conclusions can be drawn:

1. Promotion partially has a significant effect on Purchase Decision (Y) with the tcount value of Promotion higher than ttable value or ($4.657 > t_{table} 1.98472$) with a significance value of 0.000.
2. Price partially has a significant effect on Purchase Decision (Y) with the tcount value of Price higher than the ttable value or ($3.632 > t_{table} 1.98472$) with a significance value of 0.000.
3. Simultaneously, the Promotion and Price variables have a significant effect on Purchase Decisions. This is evidenced by the calculated F value is greater than the table F value, namely $60.461 > 3.09$ with a significance level of $0.000 < 0.5$.

BIBLIOGRAPHY

Augustine. 2011. Marketing Management. Bandung : Alfabeta
Akbar, Purnomo Setiady and Husaini Usman. 2012. Introduction to Statistics. Jakarta: Earth Literacy
Anwar, Saifuddin (2014). Research methods. Yogyakarta: Student Library
Ardianto, Elvinaro. 2013, Handbook of Public Relations, Bandung, Simbiosis Rekatama Media

(Second Printing).

- Assauri Sofjan. 2014. Marketing Management. Raja Grafindo Persada: Jakarta.
- Assauri, Sofjan. 2012. Marketing Management. Jakarta: Rajawali-Gramedia Main Library
- Atmosudirdjo. 2012. Management Information System. Jakarta : STIA-Institution of Press Trade Administration.
- Buchari Alma, (2011), Marketing Management and Service Marketing, Prints, Alfabeth, Bandung
- Dharmmesta, Basu Swastha and T. Hani Handoko. 2012. Marketing Management Consumer Behavior Analysis. First Edition. Yogyakarta: BPPFE.
- Djsalim Saladin and Herry Achmad Buchory (2013). Marketing Management practical summary, theory, application and frequently asked questions, Linda Karya, Bandung
- Ekananda, Mahyus. (2014). Econometric Analysis of Panel Data for Economic Research, Management and Accounting. Jakarta: Media Discourse Partners.
- Fandy Tjiptono and Gregory Chandra. 2012. Service, Quality Satisfaction. Jogjakarta: Andi Offset.
- Fandy Tjiptono and Gregory Chandra. 2016. Service, Quality & satisfaction. Yogyakarta. Andi
- Fandy Tjiptono. 2012. Marketing Strategy, ed. 3, Yogyakarta, Andi.
- Faradina, Anissa and Budhi Satrio. 2016. The Effect of Promotion and Service Quality on Customer Satisfaction at Rumah Cantik Alamanda. Journal of Management Science and Research, (Online) 5 (7) : 1-18.
- Ghozali, Imam. 2013. Application of Multivariate Analysis with IBM SPSS 21 Update PLS Regression Program. Semarang: Diponegoro University Publishing Agency.
- Haryadi, R. N., Rojali, A., & Fauzan, M. (2021). Sosialisasi Penggunaan Online Shop berbasis Website di UMKM Cimanggis. Jurnal Pengabdian Masyarakat Madani (JPMM), 1(1), 10-16.
- Haque, M. G., Munawaroh, M., Sunarsi, D., & Baharuddin, A. (2021). Competitive Advantage in Cost Leadership and Differentiation of SMEs “Bakoel Zee” Marketing Strategy in BSD. PINISI Discretion Review, 4(2), 277-284.
- Yuwana, S. I. P., & Hasanah, H. (2021). Literasi Produk Bersertifikasi Halal Dalam Rangka Meningkatkan Penjualan Pada UMKM. Jurnal Pengabdian Masyarakat Madani (JPMM), 1(2), 104-112.