The Effect of Promotion, Quality of Products, and Prices on Purchase Decisions

(Case Study on Printing Convection KAOSAN AE Surabaya)

Junita Ari Angraini¹, Drs Ec. I Nyoman Sudapet, MM², Hamzah Denny Subagio, SE., MM³
Narotama University Indonesia
nitaa.arii@gmail.com

Abstract. This study aims to analyze whether promotion, product quality, and price have a significant effect on consumer purchasing decisions of the Printing Konveksi KAOSAN AE Surabaya. This research is quantitative research. Population and sample distributed were 107 respondents. Data collection techniques using a questionnaire. Analysis of the data used is using multiple linear regression analysis techniques and classical assumption tests. Based on the results of the study showed that the price variable has a positive and significant effect on purchasing decisions with a calculated value = 2.074 > from table 1.983 with a significance of 0.041 < 0.05 which means significant, and for product quality variables on purchasing decisions shows calculated values = 5.968 > from the table 1.983 with a significance of 0.000 < 0.05 which means significant, the price of purchasing decisions shows a calculated value = 3.091 > of table 1.983 with a significance of 0.003 < 0.05 which means significant.

Keywords: promotion, product quality, price, purchasing decision

1 INTRODUCTION

Surabaya is a city of Heroes, Surabaya is also the second largest city after the city of Jakarta, with a population of around 3 million people, Surabaya has become a city of Metropolis with some rich diversity in it. Apart from that, Surabaya is now also the center of business, trade, industry and education in Indonesia, not only in the large business sector in the UMKM sector also in Surabaya which is experiencing very rapid development because if a region has good potential and is supported by his government will have a positive impact on future developments.

The UMKM players in Surabaya themselves have received support from the government, as evidenced by the Mayor of Surabaya, Tri Rismaharini, encouraging people to open their own jobs, not looking for work to other people. "I don't teach the people of Surabaya to work with people. I teach them to create their own jobs. Of the 92 MSMEs in 2010 up to 3,000 more MSMEs have been able to teach, that is what I teach to the Surabaya community. So it's not (Working) joining people," he explained at the Office of the Coordinating Minister for Economic Affairs, Banteng Field, Central Jakarta, Wednesday (02/24/2016).

From this phenomenon I would like to do research at UMkm in Surabaya, and I chose the field of convection and printing. because the UMkm is currently developing in the city of Surabaya, there are a lot of business people in this field because fashion will never fade Fashion will continue to innovate to follow its era, so businesses in this field will continue to grow, Fashion today is not just for style, but also used to be a symbol of togetherness, such as for communities, campaigns, campus events, school events so that market competition also increases.

Seeing this condition, can affect consumer behavior in choosing a variety of clothing offered by the founder of the UMkm business in the field of convection. For this reason, business people must pay attention to the potential of the UMkm, and pay attention to the factors that influence consumer behavior in making purchasing decisions for a product, based on the description of the above phenomena, the authors are interested in conducting research with the title "Effect of promotion, product quality and price towards the purchase decision on screen printing KAOSAN AE convection in the city of Surabaya.

2 LITERATURE REVIEW

PROMOTION

Promotion is an activity that is shown to influence consumers so that they can become familiar with the products offered by the company to them and then they become happy and buy the product. The tools that can be used to promote a product can be selected in several ways, namely advertising, sales promotion, publicity, personal selling called the promotion mix. [1]

PRODUCT QUALITY

Stating that product quality is the ability of a product to demonstrate its function, it includes overall durability, reliability, accuracy, ease of operation, and product repairs as well as other product attributes. [2]

PRICE

Price is money charged on a product or service, or the amount of value that consumers exchange for benefits because they own or use the product or service. [3]

BUYING DECISION

Purchasing decisions are actions of consumers to want to buy or not to the product. Of the various factors that influence consumers in purchasing a product or service, usually consumers always consider the quality of prices and products already known to the public. [4]

RESEARCH CONCEPT FRAMEWORK

The author sets the concept of this research with variables including: promotion, product quality, price of purchasing decisions with the conceptual framework model in this study, namely:

3 RESEARCH METHODS

RESEARCH APPROACH

In this study using a quantitative approach

POPULATION AND SAMPLES

The population in this study is the consumer screen printing convection KAOSAN AE in Surabaya, the sample in this study includes, consumers convection screen printing KAOSAN AE in Surabaya men and women, who are domiciled in Surabaya, have made new purchases or purchases that have decided to order or buy at KAOSAN AE in Surabaya

If the population is large and the number is unknown, then the study uses a reference formula to determine the sample that is as follows, determine the sample whose population size is unknown, then the sample size that can be taken is to multiply the indicator. The minimum number is 5x the number of indicators of each variable, while the maximum number is 10x the number of indicators, $n = 21$ (number of indicators) $\times 5$ (minimum number) = 105, this study uses 105 samples and determination of samples using Accidental sampling method. [5]

TYPES AND DATA COLLECTION

Primary data: Primary data in this study were obtained through respondents who had filled out the questionnaire.

Secondary Data: Secondary data in this study were obtained from data from owners, literature reviews and journals

DATA COLLECTION TECHNIQUE

Interviews, observations, data collection techniques in this study the author uses a direct survey on the object of research and distributes questionnaires directly to consumers (loyal) and new consumers who visit convection screen printing KAOSAN AE in Surabaya.

TYPE OF MEASUREMENT SCALE

The measurement scale in this study uses a Likert scale, which is a measurement scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena.

OPERATIONAL VARIABLES AND DEFINITIONS

The independent variable in this study consisted of: Promotion (X1), product quality (X2), Price (X3), in this study the dependent variable was a purchasing decision (Y).

DATA ANALYSIS TECHNIQUES

TRANSFORM ORDINAL DATA TO INTERVAL

States that transforming ordinal data into interval data serves to fulfill a portion of the parametric statistical analysis requirements at least interval scale. The simplest transformation technique uses MSI (method of successive interval). [6]

TEST OF RESEARCH INSTRUMENTS

RELIABILITY TEST

The items in this study are said to have high reliability if they have a coefficient > 0.60 . Reliability measurement can use formulas or applications, namely SPSS. The formula for calculating the reliability coefficient of an instrument using Cronbach Alpha is as follows: [7]

VALIDITY TEST

test is said to have high validity if the tool runs the measuring function appropriately or gives a measurement result that is suitable for the purpose of the measurement. Calculate the validity of the instrument being tested (r-count), whose value is greater than in (r-ttable), the criteria are: valid instrument, if $r\text{-count} > r\text{-table}$, the instrument is invalid, if $r\text{-count} < r\text{-table}$. [8]

NORMAL DISTRIBUTION TEST

Before the normal distribution test is carried out, the value of each variable must first be calculated. This value is obtained by averaging the number of each indicator, in order to fulfill one of the requirements for the implementation of multiple linear regression data is needed for each variable that is normally distributed or almost normal, how to measure it generally using the normal Kolmogorov and Smirnov distribution tests. the rule is if the significance value is greater than 0.05 then the variable is normally distributed.

ANALYSIS OF MULTIPLE LINEAR REGRESSION

Before the multiple linear regression analysis is carried out the process of multiple linear regression is carried out by entering the relevant data. The result is output as material for analysis.

DETERMINATION TEST R AND ADJUSTED RSQUARE,

How to measure it if R is greater than 0.5, so this independent variable has a significant effect on the dependent variable. if the adjusted R² is greater than 50%, the effect of the independent variable of this study is the adjusted R². other influences of variables not examined in this study were 100% minus adjusted R². [9]

HYPOTHESIS TEST

TEST F

Ghozali I (2013), the F Test is basically used to show the effect of simultaneous independent variables on the dependent variable. F test decision making criteria is, if the value of F count $>$ F table then H₀ is

rejected, so that simultaneous promotion (X1), product quality (X2), and price (X3) have a significant effect on purchasing decisions (Y), if the value $F_{count} < F_{table}$ then H_0 is accepted, so that simultaneous promotion (X1), product quality (X2), and price (X3) have no significant effect on purchasing decisions (Y). [10]

T TEST

The t test basically shows how much influence an independent variable individually has on explaining the variation of the dependent variable. T test testing criteria is if the value of $t_{count} > t_{table}$ then H_0 is rejected, so that partially promotion (X1), product quality (X2), and price (X3) affect the purchasing decision (Y), if the value of $t < t_{table}$ then H_0 is accepted, so that partially promotion (X1), product quality (X2), and price (X3) does not affect the purchasing decision (Y). [10]

DETERMINE MULTIPLE LINEAR REGRESSION EQUATIONS

Determining multiple linear regression equations obtained by entering the regression coefficient constant values and research errors is generally the following form The form of multiple linear regression equation models with three independent variables, namely

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

CLASSIC ASSUMPTION TEST

MULTICOLLINEARITY TEST

According to Imam Ghozali (2005), the Multicollinearity Test aims to test whether the regression model is found to have correlation between independent (independent) variables, a good regression model should not have a correlation between the independent variables, if the tolerance value is > 0.1 and the value of Variance inflation factor (VIF) > 10 then there is a conclusion there is no multicollinearity between independent variables in the regression model, if the tolerance value is < 0.1 and the value of Variance inflation factor (VIF) < 10 , there is a conclusion that there is multicollinearity between independent variables (independent) in the regression model.

HETEROSCEDASTICITY TEST

Heteroscedasticity test aims to find out whether in the regression model variance occurs from a residual observation to another observation. One way to approach heteroscedasticity is to look at a scatter plot graph between the predicted value of the dependent variable (ZPRED) and the residual (SRESID). If there are dots forming certain patterns that are regular like wavy, widened, then narrowed, heteroscedasticity has occurred. If the points spread above and below the number 0 on the Y axis without forming a certain pattern there is no heteroscedasticity. [10]

NORMALITY TEST OF THE REGRESSION EQUATION

A good model is if the residual value of multiple linear regression has a normal distribution, using a "normal probability plot" facility results in a normal P-P plot image, if the data points spread around the diagonal line from the lower left to the right then the normal regression equation means.

4 ANALYSIS AND DISCUSSION

COMPANY LOCATION

This research was conducted at the convection screen printing UMKM "KAOSAN AE" in Surabaya which is located at Tanah Merah Utara Gg 11 No.9 Surabaya

CHARACTERISTICS OF RESPONDENTS

Respondents in this study were consumers of screen printing Convection KAOSAN AE Kota Surabaya with a sample of 107 respondents from the population unknown Characteristics of respondents in this study took from gender, employment, education

Based on gender, male respondents numbered 48 respondents or 45% and female respondents as many as 59 or 55%, based on the work of respondents it was known that there were 33 respondents or 30.8% with jobs as students, 13 respondents or 12.1% with employment as entrepreneurs, 51 respondents or 47.8% with jobs as employees and the remaining 10 respondents or 9.3% with jobs as housewives, based on respondent education it is known that there were 8 respondents or 7.5% with junior high school education,

68 respondents or 63, 5% with high school / vocational education and the remaining 31 respondents or 29% with GRADUATE education.

DESCRIPTION OF RESEARCH VARIABLES

in this study using a scale of 1-5, the minimum and maximum scale can be used as follows, Maximum Value-Minimum value = $5-1 = 0.8$, Maximum scale 5

So that it can be obtained:

Average Score Interval	
Average Score Interval	Criteria for each variable
1-1,8	Strongly Disagree
1,8-2,6	Disagree
2,6-3,4	Simply Agree
3,4-4,8	Agree
4,8-5	Strongly agree

PROMOTION VARIABLE (X1)

Against the promotion variable (X1) with 5 questions, it can be known with the following details, from the 5 questions given to the respondent, the answers chosen strongly disagree there are 5 people, the answers chosen do not agree there are 78 people, the answers chosen quite agree there are 167 people, the answers chosen agree there are 211 people, the answers chosen strongly agree there are 74 people, and that the overall average of the promotion variable 3.59 indicates that the average value of the respondent's answer agrees with the statement on the promotion variable .

PRODUCT QUALITY VARIABLE (X2)

The product quality variable (X2) with 7 questions can be known as follows, from 7 questions given to respondents, the answers chosen strongly disagree there are 12 people, the answers chosen do not agree there are 79 people, the answers chosen simply agree there 199 people, the chosen answer agrees that there are 317 people, the answers chosen strongly agree there are 142 people, and it is known that the overall average of 3.15 indicates that the average value of the respondents' answers is quite agree with the statement on the variable quality product.

PRICE VARIABLE (X3)

with respect to the price variable (X3) with 5 questions, it can be known as follows, from the 5 questions given to the respondent, the answers chosen strongly disagree there are 4 people, the answers chosen do not agree there are 36 people, the answers chosen quite agree there are 136 people, the answers chosen agree there are 245 people, the answers chosen strongly agree there are 114 people, and it is known that the overall average of 3.79 indicates that the average value of the respondent's answer agrees with the statement on the price variable.

VARIABLE PURCHASE DECISION (Y)

The purchase decision variable (Y) with 4 questions can be known as follows: From the 4 questions given to respondents, the answers chosen strongly disagree there are 4 people, the answers chosen do not agree there are 41 people, the answers chosen simply agree there 141 people, the answers chosen agreed there were 156 people, the answers chosen strongly agreed there were 86 people. and it is known that the overall average of 3.64 indicates that the average value of the respondent's answer agrees with the statement on the purchase decision variable.

RELIABILITY TEST

The item reliability test in this study is said to have high reliability if it has a coefficient > 0.60 . Reliability measurement can use formulas or applications, namely SPSS.

Reliability Statistics

Cronbach's Alpha	N of Items
,953	21

In the table above, the data for which Cronbach's alpha coefficient of 0.953 is above 0.6 so that it is reliable.

VALIDITY TEST

the criteria for the instrument are valid, if $r\text{-count} > r\text{-table}$, the instrument is invalid, if $r\text{-count} < r\text{-table}$

Validity Test

VARIABLES	QUESTION	CORRELATION	r table	DECISION
Promotion(X1)	X1.1	0,553	0,1599	Valid
	X1.2	0,557	0,1599	Valid
	X1.3	0,697	0,1599	Valid
	X1.4	0,745	0,1599	Valid
	X1.5	0,508	0,1599	Valid
Quality Product(X2)	X2.1	0,688	0,1599	Valid
	X2.2	0,736	0,1599	Valid
	X2.3	0,662	0,1599	Valid
	X2.4	0,661	0,1599	Valid
	X2.5	0,783	0,1599	Valid
	X2.6	0,773	0,1599	Valid
	X2.7	0,669	0,1599	Valid
Price (X3)	X3.1	0,477	0,1599	Valid
	X3.2	0,739	0,1599	Valid
	X3.3	0,677	0,1599	Valid
	X3.4	0,708	0,1599	Valid
	X3.5	0,779	0,1599	Valid
Buying decision (Y)	Y1	0,783	0,1599	Valid
	Y2	0,689	0,1599	Valid
	Y3	0,701	0,1599	Valid
	Y4	0,727	0,1599	Valid

In the table above, it can be seen that the Rhitung value $>$ R table (0.1599) on all items in each variable is valid.

NORMAL DISTRIBUTION TEST

How to measure it generally uses the normal Kolmogorov and Smirnov distribution tests. the rule is if the significance value is greater than 0.05 then the variable is normally distributed.

One-Sample Kolmogorov-Smirnov Test

	X1	X2	X3	Y
N	107	107	107	107
Normal Mean	3,4431	3,5279	3,5868	3,6881
Parametersa,b Std. Deviation	,71841	,75230	,75169	,79099
Most Absolute	,082	,072	,063	,108
Extreme Positive	,082	,072	,063	,108
Differences Negative	-,055	-,053	-,059	-,065
Kolmogorov-Smirnov Z	,852	,745	,653	1,114
Asymp. Sig. (2-tailed)	,462	,635	,787	,167

In the table above states that the results of testing normal distribution by the Kolmogorov-Smirnov method state that the significant value is greater than 0.05 so it is concluded that the regression model is normally distributed.

MULTIPLE LINEAR REGRESSION

DETERMINATION COEFFICIENT TEST R AND ADJUSTED R SQUARE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,848	,719	,711	,42512

Based on the table above, the coefficient value of $R > 0.5$ is equal to 0.848, which means the promotion variable (X1), product quality (X2), and price (X3), have a significant effect on purchasing decisions (Y). Adjusted R Square results are 0.719 which indicates that the promotion variable (X1), product quality (X2), price (X3) has an effect of 71.9% on purchasing decisions (Y). And the remaining 28.1% is influenced by other variables not examined in this study.

HYPOTHESIS TESTING

TEST F

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	47,705	3	15,902	87,987	,000
Residual	18,615	103	,181		
Total	66,320	106			

Predictors: (Constant), X3, X1, X2

Dependent Variable: Y

Based on the above table data it is known that the calculated F value obtained is 87,987 greater than F table 2,698 and significant value $< 0,05$ which is 0,000 It means promotion variable (X1), product quality (X2), and price (X3) simultaneously have significant effect towards purchasing decisions (Y) on screen printing Convection KAOSAN AE.

T TEST

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	,216	,223		,970	,335
X1	,177	,085	,161	2,074	,041
X2	,537	,090	,511	5,968	,000
X3	,270	,087	,256	3,091	,003

The test results obtained the value of t count for promotion variables on purchasing decisions shows the value of t count = 2.074 > from t table 1.983 with a significance of 0.041 < 0.05 which means significant, t value calculated for product quality variables on purchasing decisions shows t count = 5.968 > from t table 1.983 with a significance of 0,000 < 0.05 which means significant, and the value of t count for the price variable on purchasing decisions shows the value of t count = 3.091 > from t table 1.983 with a significance of 0.003 < 0.05 which means significant.

ANALYSIS OF MULTIPLE LINEAR REGRESSION

Based on the results of calculations from multiple linear regression models, the results of the regression equation can be seen in the table.

Analisis Regresi Linier Berganda

Information	B	t count	t table	Sig
Constants	0,216			
Promtion	0,177	2,074	1,983	0,041
Quality Product	0,537	5,968	1,983	0,000
Price	0,270	3,091	1,983	0,003
R				0,848
Rsquare				0,719
R adjusted				0,711
F Count				87,987
F table				2,698
Sig				0,000
Df				106
SEE				0,425

Regression equation models that can be written from these results in the form of standard form regression equations are as follows:

$$\begin{aligned}
 YR &= 0.216 + 0.177 X_1 + 0.537 X_2 + 0.270 X_3 + e \\
 YR_{\max} &= 2.108 + 0.177 X_1 + 0.537 X_2 + 0.270 X_3 \\
 YR_{\min} &= 1,766 + 0,177 X_1 + 0,537 X_2 + 0,270 X_3 - 1,766
 \end{aligned}$$

VALUE OF R

The value of R in this study shows a number of 0.848 shows that the correlation / relationship between purchasing decisions with 3 independent variables (promotion, product quality, price) is strong because the value of R is 0.848 above 0.5

STANDARD ERROR OF ESTIMATE (SEE)

The value of SEE in this study shows the number 0.425 which means that the error rate of the regression model is quite large but still below 1. The smaller the value of the standard error of estimate (SEE), the regression model is more precise in predicting purchasing decisions.

CONSTANTS

Obtained Y constant value of 0.216, which means purchase decision (Y) Convection of KAOSAN AE printing for 0.216 units if it is assumed that promotion, product quality and price are 0 means if the value of the independent variable 0 then the dependent or dependent variable will be 0.216.

PROMOTION COEFFICIENT VALUE (X1)

The promotion coefficient X1 is 0.177, so the screen printing Convection product KAOSAN AE increases promotion (X1) then it will increase the purchasing decision (Y).

VALUE OF PRODUCT QUALITY COEFFICIENT (X2)

The product quality coefficient value (X2) is 0.537, if the Convection product is printed, KAOSAN AE improves product quality (X2) then it will increase the purchasing decision (Y).

VALUE OF PRICE (X3)

The price coefficient value is 0.270, if the product of the Convection is the KAOSAN AE (X3) printing, it will increase the purchasing decision

**CLASSIC ASSUMPTION TEST
MULTICOLLINEARITY TEST**
Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	,453	2,209
	X2	,372	2,690
	X3	,397	2,520

The table gets the tolerance value for the independent variable > 0.1 and $VIF < 10$. This value indicates that there is no multicollinearity between independent variables.

HETEROSCEDASTICITY TEST

In the picture above, it can be seen that the points spread above and below the number 0 on the Y axis without forming a certain pattern, it can be said that there is no heteroscedasticity.

NORMALITY TEST

In the picture above it can be seen that the data points spread around the diagonal line from the lower left to the right above, meaning the normal regression equation.

5 CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

Promotion variables have an influence on consumer purchasing decisions on Convection of the printing company KAOSAN AE Surabaya. This is evidenced by $t \text{ count } 2.074 > t \text{ table } 1.983$ and significance value $0.041 < 0.05$, H_0 is rejected and H_1 is accepted. Promotion has a positive and significant effect on purchasing decisions on the screen printing convection KAOSAN AE Surabaya.

The product quality variable has an influence on consumer purchasing decisions on Convection in the KAOSAN AE Surabaya City. This is evidenced by $t \text{ count } 5.968 > t \text{ table } 1.983$ and significance value $0.00 < 0.05$, H_0 is rejected and H_1 is accepted. Product quality has a positive and significant effect on purchasing decisions on Screen Printing Convection KAOSAN AE Surabaya.

Price variable has an influence on consumer purchasing decisions on Convection of the printing company KAOSAN AE Surabaya. This is evidenced by $t \text{ count } 3.091 > t \text{ table } 1.983$ and significance value $0.003 < 0.05$, H_0 is rejected and H_1 is accepted. Price has a positive and significant effect on purchasing decisions on screen printing Convection KAOSAN AE Kota Surabaya.

Promotion variables, product quality, prices have a simultaneous influence on consumer purchasing decisions for the convection of KAOSAN AE in the city of Surabaya. This is evidenced by $F \text{ count } 87.987 > t \text{ table } 2.698$ and significance value $0.000 < 0.05$, H_0 is rejected and H_1 is accepted. Promotion, product quality, price have a positive and significant effect simultaneously on purchasing decisions on screen printing Convection KAOSAN AE Surabaya.

**SUGGESTION
FOR RESEARCHERS**

For further researchers, it is hoped that they will explore other variables such as program marketing, total quality management for the development of science and to complement previous research

FOR THE COMPANY

Based on the results of the researchers and conclusions, it can be suggested that the three independent variable components that can influence purchasing decisions are promotion, product quality and price can be used as the main consideration in order for the business to grow and reach the desired target

6 REFERENCES

- [1] Drs. Danang Sunyoto, SH., SE., M.M, Dasar-Dasar Manajemen Pemasaran konsep, strategi, dan kasus, zv. Vol. Cetakan Ketiga, Yogyakarta: CAPS (Centr of Academic Publishing Service, 2014.
- [2] Armstrong, Gary dan Kotler, Philip, Prinsip-prinsip Pemasaran, zv. Vol. Edisi 12, Jakarta: Erlangga, 2008.
- [3] Kotler, Philip & Armstrong, rincipled of Marketing, zv. Vol. Jilid 13, New Jersey : Prentice-Hall, Inc, 2010.
- [4] Kotler, Manajemen Pemasaran, Zv. %1 z %2Milenium Ed, Vol. 01, Jakarta: Prehalindo, 2002.
- [5] Malhotra Naresh K, Marketing Research And Applied Orientation, USA: Prentice Hall International, 1993.
- [6] Mudrajad Kuncoro, Metode Riset Untuk Bisnis dan Ekonomi, Jakarta: Erlangga, 2007.
- [7] Azwar Saifuddin, Metode Penelitian, Yogyakarta: Pustaka Pelajar, 2010.
- [8] Azwar, Metode Penelitian, Jakarta: Binarupa Aksara, 1987.
- [9] Imam Ghozali, Ekonometrika teori, konsep dengan SPSS17, Semarang: Badan Penerbit Diponegoro, 2009.
- [10] Ghozali I, Aplikasi Analysis Multivarlate dengan program IBM SPSS21 Update PLS Regresi, Semarang: Badan Penerbit Universitas Diponegoro, 2013.