Analysis of the effectiveness promotion prices (cashback) with promotion prices (buy1 get1) on consumer buying decisions

Ristandi Nurcahyono[1], Setyo Riyanto[2]

[1,2]Faculty of Economics and Business students, Mercu Buana University, Jakarta.
[1]Email: ristandi.n88@gmail.com;
[2]Email: setyo.riyanto@mercubuana.ac.id

Abstract

This study aims to find out something that influences the effectiveness in carrying out marketing strategies in the form of promotional discounts (Cashback) with promotional discounts (Buy1 Get1) on consumer purchasing power decisions. This type of research is carried out by the method of explanatory research or explanatory research with a quantitative approach. Variables used in this study include; discounted price promotions (Cashback), discounted price promotions (buy1 get1), consumer purchasing power decisions, the population of this research is the general public which is carried out randomly with a sample of 115 respondents taken using purposive sampling techniques and data collection methods using questionnaires. Analysis of the data used is descriptive analysis and path analysis.

Keywords: Promotion; price discounts; consumer purchasing power

INTRODUCTION

Zama n continues to experience growth very rapidly, so that changes for the sake of change in the development of science and technology make patterns of human life change. Changes in human life patterns encourage an increase in economic conditions that result in rapid growth in industries that compete in meeting the level of consumer needs both in the form of goods and services. In view of the increasingly widespread industry - similar industries that seek to influence consumers to buy their products. The producers also perform

a variety of ways to market products produced for consumption on the consumer, strategies for the strategy carried out in order to win the market competition in order to get consumers to buy the product, and therefore the marketing strategy is spearheading the company to market the product in production. With the implementation and implementation of a good marketing system the company will be able to face competitors.

According to (Kotler and Armstrong 2008: 62). The marketing mix is a collection of tactical marketing tools that are controlled and integrated by the company to produce the desired response in the target market. The marketing mix consists of all things that the company can do, there is a "4 P" in the marketing mix consisting of:

Product

Products consist of goods and service products, products are something that producers can offer consumers to pay attention to, look for, buy, use, or consume by the market to fulfill their needs or desires (Tjiptono, 2006: 95).

Price

According to Kotler and Armstrong (2008: 63) price is the amount of money that must be paid by consumers to obtain the desired product or service. In pricing, management must set prices according to the product. Pricing decisions are influenced by complex and admirable corporate strength, the environment, and competition (Kotler and Armstrong, 2008: 4). Price becomes something that is sensitive for consumers in purchasing decisions on products produced by producers, because prices become an exchange rate between consumers and producers.

Distribution Channels

The place is a container for company activities to make products and distribute them to consumers. Tjiptono (1997: 185) distribution is a marketing activity that aims to facilitate and facilitate the distribution and delivery of products or services to consumers. In the distribution process there are institutions that participate in distribution channels such as producers, traders and agents, and end consumers or end users.

Promotion

A series of activities regarding the delivery of benefits, functions, and uses of products to consumers that aim to persuade and attract consumers to buy and use these products. Promotion is a form of communication used by companies or marketers to inform information about goods or service products (images), ideas (ideas) or the involvement of companies and the public that aims to accept and carry out acts as desired by the company (Swastha, 2005: 349).

The marketing mix activity becomes the company's technique in marketing its products to consumers. But to win the increasingly fierce market competition in this globalization era, companies must carry out their product introduction activities to consumers by conducting promotional activities. According to Rambat Lupiyoadi (2006: 120), promotion is one of the variables in the marketing mix that is very important to be carried out 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 or using services in accordance with their wants and needs. By carrying out promotional strategies that are a success of the company, producers can offer their products to attract consumers' purchasing power.

In this era of globalization there are many ways that make it easy to carry out promotional strategies on their products to provide information and offers in consumer purchasing power decisions such as; advertising, personal selling, sales promotion, and public relations. So consumers can know and recognize the products produced by the producers. Thus, consumer purchasing power on

products produced by producers can be in accordance with the target and the intended market share. Promotions that can attract consumers' purchasing power are promotions for discounts (discounts), because discounts can provide special offers for consumers in purchasing decisions for these products. Application of price discounts promotion by producers in price competition can add to the attractiveness of consumers to purchase products with the many choices available, the conditions faced, as well as the considerations that underlie the differences of each individual to make purchasing decisions on products that offer special prices so that they can influence consumer decisions.

Consumer purchasing decisions will be made using the rules to balance the positive side with the negative side of a product or find the best solution from the consumer's perspective after it is felt and will be re-evaluated. The introduction of needs makes consumers feel the difference between the real situation with the desired state, so consumers look for information to find out about it, usually what consumers do before making a product purchase , that is , consumers will seek information on the price and quality of goods. Usually consumer purchasing decisions are based on price promotions displayed through website advertisements, social media, newspapers, etc. After introducing the needs and getting enough information, the prospective buyer will make a purchase decision, namely whether the consumer will make the purchase after getting the information, or not make a purchase.

Literature review
Marketing

According to (Kotler and Armstrong 2008: 5) . Marketing is an activity undertaken to establish relationships with customers and manage profitable relationships . Two marketing objectives to attract new customers by using value excellence as well as maintaining and providing satisfaction to customers. Cannon, et al (2008: 6) argue that, marketing is an activity that seeks to achieve organizational activities by answering the needs of consumers and directing the flow of goods and services that meet the needs of producers to consumers. Based on this theory, marketing makes a form of company activities in establishing relationships with customers with the aim of getting profits for the company.

Promotion

Promotion is one component of the selling combine (marketing mix), additionally to determinative the terms, product, and distribution. Promotion is incredibly cogent on the company's efforts to realize most sales volume, as a result of though the merchandise offered ar already sensible, comparatively cheap and straightforward to get, if not in the course of sensible promotions, the extent of sales won't be adequate. Fitria Yuliana, Putri Puspitasari, Jesica Marina, Setyo Riyanto. Promotion One way for companies to introduce their products is to use promotions. Boyd, et al (2000: 65) states that promotion is an effort to attract consumers by persuading to accept the products offered, while the promotion strategy is a controlled and integrated program of communication methods and materials designed to bring the company and its products to prospective consumer.

Boyd, et al (2000), states that companies develop promotional strategies through a promotional mix consisting of:
Advertising (advertising) is a form of presentation and promotion of ideas, non-personal products and services paid by certain sponsors;
Personal selling is a process of helping and persuading one or more prospective customers to buy products or services;
Sales Promotion is an incentive activity created to encourage the purchase or sale of a product. Sales promotions take place within a certain time period or in a short time period;
Public relations is the stimulation of unpaid and non-personal requests for a product, service or business unit by producing interesting news about it or a preferred presentation about it in the media;
Promotional mix in marketing strategies is a form of company in introducing and offering products produced to consumers, so that information on products can be known by consumers who can make decisions in making a purchase.

Discount

According to Kotler and Keller (2007: 103) . Said that the company will adjust its price list and provide discounted prices, discounts (allowances and allowances) for faster payments, purchases in

bulk , and out-of-season purchases . Meanwhile according to Tjiptono (2008: 166) . Discounts are discounted prices given by sellers to buyers as a tribute to certain activities of buyers that are pleasing to the seller. "

According to Kotler and Keller (2007: 104) . J enis - jen is discount is divided into three, namely:

Cash discounts, discounted prices for buyers who pay directly;
Season discounts, discounts on purchases made outside of the season or on holidays; and
Discounted prices, discounted prices given to consumers from the official prices listed.

But of the three types of discounts according to the theory of Kotler and Keller (2007: 104), there are developing types of discounts such as:

Merging discounts, discounts are given by combining prices on a product or called a discount (buy1 get1); and

Cashback discounts, discounted prices are given by giving back money with certain discounts through digital applications.

Buying decision

The decision to buy taken by the buyer is actually a collection of the number of decisions. Every purchasing decision has a consumer purchasing structure which is also a very important or decisive part. Each purchase decision has a structure of seven components as explained by Sudaryono (2014: 226), namely:

Decisions on the Types of Products, consumers can make decisions to buy certain products;
Decisions on Product Forms, consumers can make decisions to buy a product or use the money for other purpose;
Decisions about Brands, consumers must make decisions about which brands to buy. Each brand has its own differences;
Decisions about the seller, the consumer must make a decision where the product will be purchased;
Decisions on the Number of Products, consumers can make decisions about how many products to buy at a certain time;
Decisions about the Time of Purchase, consumers can make decisions about when to buy; and
Decisions on Payment Methods, consumers can make decisions about the method or method of payment for products purchased, in cash or by installments.

Purchase interest

Consumer purchasing behavior is influenced by the presence of stimuli (stimuli) from various places or circumstances outside of him, stimuli can occur from the environment or marketers. Stimuli from the environment or marketers will be processed according to the characteristics of the consumers' behavior and personality. Consumer behavior and personality will influence the purchase decision process that will be carried out. The consumer purchasing decision process is first encouraged by self-motivation or interest to buy. Interest is a description and condition of the attitude of one's desires before committing an act as the basis for carrying out the action. According to Kotler (2002:

15) defines buying interest is a behavior that arises as a response to an object that shows the desire of the customer to make a purchase. According to Durianto, et al (2003:109) buying interest is something that is related to the consumer's plan to buy a certain product, as well as how many units are needed in a certain period

METHODS

This type of research used in this study is research with a survey method . Survey research is research by taking samples in one population, then using a questionnaire as a primary data collection tool (Singarimbun, 2002: 3). The survey research used is explanatory research, in explanatory research, the aim is to explain and ensure differences between several variables or independence of two or more factors in a situation (Sekaran, 2006: 162). This study uses a quantitative approach that aims to provide an explanation of the causality relationship between variables through hypothesis

testing. This research is used to explain the effect of promotional discounts (Cashback) with discounted prices (buy1 get1) on consumer purchasing power decisions .

The population in this study is the wider community with the distribution of questionnaires through Googlefrom conducted randomly (randomly) with 115 respondents. Criteria for respondents in this study are consumers who buy products that have promotional discounts with variable price discounts (Cashback) with price discounts (buy1 get1).

The sampling technique used in this study was purposive sampling. Purposive sampling is sampling based on research on several characteristics of sample members that are tailored to the purpose of the study (Kuncoro, 2003: 119). Purposive sampling is used in this study because in order to become a respondent, the conditions of the elements are needed first, namely consumers who buy products at discounted prices.

Data analysis

Analysis of the data used in this study are: 1. Descriptive Analysis Descriptive analysis is quantitative data collected in correlational, comparative, and

experimental research obtained with statistical formulas that have been provided, either manually or using a computer in the presence of tables, on average , and percentage (Arikunto, 2006: 239). 2. Path Analysis Path analysis is used to find out how much influence each path between the variables studied. Path analysis is a technical analysis that is used to determine the inherent causal relationship between each variable arranged in a temporary order by using the path coefficient as the value in determining the amount of influence of exogenous independent variables on endogenous dependent variables (Sarwono, 2012: 17).

RESULTS AND DISCUSSION

Table 1. Test results for coefficient of the first line model price discount (cashback) against the decision of purchasing power (x 1 to y)

Independent variable	Dependent variable	Standardized Coefficients Beta (β)	t count	Prob	Ket
Rebate " Cashback "(X 1)	Purchasing power decision (Y)	0.524	6,540	0,000	Sig.

R Square: 0.275
n = 115

Table 2. Test results for the coefficient of the second line discount model (buy 1 get1) against the decision on purchasing power (x 2 to y)

Independent variable	Dependent variable	Standardized coefficients beta (β)	t count	Prob	Ket
Discount on " buy1 get 1 " (X 2)	Decision of purchasing power (Y)	0.413	4,832	0,000	Sig.

R Square: 0.171
n = 115

Table 3. Test results for the coefficient of the path of the third model of price discount (cashback) with price discount "buy1 get1" on the decision of purchasing power (x 1 with x2 to y)

Independent vairiabel	Variabel dependen	Standardized coefficients beta (β)	t count	Prob	Ket
Discounts (Cashback) (X1)	Discounted price (buy1 get1) (X2)	0.786	13,533	0,000	Sig.

R Square: 0.618
n = 115

Direct effect (DE) = PX 2 Y= 0.413
Indirect effect (IE) = PX 1 Y x PX 2 X 1 = 0.524 x 0.786 = 0.411
Total effect (TE) = PX 2 Y + (PX 1 Y x PX 2 X 1) = 0.413 + 0.411 = 0.824

Calculation shows Direct Effect (DE) or the direct effect on variable discount (buy1 get1) against to the decision of purchase in this study was 0.413. The direct effect (IE) or indirect effect on

the discount variable (Cashback) with the discount variable (buy1get1) through a purchase decision is 0.411 while the total effect (TE) with the DE + IE formula is 0.413 + 0.411 = 0.824.

The accuracy of the hypothesized model of the research data is measured by the correlation coefficient of determination (R^2) in the three equations. The results of the model are as follows:

R^2 model = 1 - (1 - $R^2$1) (1 - $R^2$2

= 1 - (1 - 0,275) (1 - 0,618)

= 1 - (0.725) (0.382)

= 1 - 0.277

= 0.723 or 72.3%

Descriptive analysis
Effectiveness of discounts (cashback) on consumer purchasing power decisions

This research shows that the discount (Cashback) has a very significant effect on consumers' purchasing power decisions . The discount variable consists of five items, namely receiving the effectiveness of the discount (Cashback) of the consumer's purchasing power decision (X.1), consumers will have an interest in the discount promotion (Cashback) (X.2), consumers will be interested in making purchases on the product during the promotion discount (Cashback) although previously did not need (X.3), consumers are interested in buying products with a discounted price promotion (Cashback) from information contained on the website and social media (X.4), consumers will purchase products when there is a discount offer (Cashback) although not previously planned (X.5).

Effectiveness of discounts (buy1 get1) on consumer purchasing decisions

This study shows that the discount (Buy1 Get1) has a very significant effect on consumer purchasing power decisions . Variable discount consists of five items, namely receiving the effectiveness of the discount (Buy1 Get1) to the consumer's purchasing power decision (X.1), consumers will have an interest in the discount promotion (Buy1 Get1) because it is efficient (X.2), consumers will be interested in making purchases at during product discount promotion (Buy1 Get1) because it is more efficient (X.3), consumers are interested in purchasing products with a discounted price promotion (Buy1 Get1) from information contained on the website and social media (X.4), consumers will purchase products when there is a discount offer (Buy1 Get1) even though it has not been planned beforehand (X.5).

Effectiveness of discount promotion (cashback) with discount promotion (buy1 get1) on consumer purchasing decisions

This study shows that the two variables that have to effectiveness that affect signif fish on to the decision of consumer purchasing power . Both of these variables there are a few items per y an t aan namely konsumen will make purchases with ketertarikan on sale discount (Cashback) (X 1.1), consumers are interested in buying products with promotional discounts (Cashback) if get a discount cashback > 30% (X 1.2), consumers buy products with promotional offers discount (Cashback) based on the quality of the product (X 1.3), consumen will make purchases with kete rtarikan on sale discount (Buy1 get1) (X 2 .1), consumers are interested in buying products with promotional discounts (Buy1 get1) for efficient (X 2.2), consumers buy products with promotional offers discount (Buy1 get1) based on the quality of the product (X 2.3), two variables has effectiveness in attracting consumer purchasing power (Y.1), Second This variable is effective in consumer purchasing power decisions in certain situations (Y.2), promotional discounts (Cashback) are efficient for consumers who need certain products, while discount promotions (Buy1 Get1) are efficient for consumers who want new products. same charcoal (Y.3).

Hypothesis testing results
Effectiveness of discounts (cashback) on consumer purchasing power decisions

Based on the results of the path analysis of the positive influence of the variable discount (Cashback) on consumer purchasing power decisions shown by the path coefficient of 0.524 and this result shows significant with a probability of 0,000 (p <0 , 05). Contribution of effectiveness of discount (Cashback) to consumer purchasing power decisions obtained a coefficient of determination of 27.5% with other variables outside the research model of 72.5%, it was recognized that of the three

indicators used in the discount variable, the discount indicator (Cashback) with effectiveness has the highest grand mean of 3.88. This means that the discount indicator (Cashback) contributes the highest in the level of effectiveness of consumer purchasing power decisions.

Effectiveness of discounts (buy1 get1) on consumer purchasing decision

Based on the results of the path analysis that has been done, it can be seen that the discount variable (Buy1 Get1) provides the effectiveness of the influence on consumer purchasing power decisions as indicated by the variable path coefficient of discount (Cashback) to the variable coefficient of the purchasing power decision of consumers by 0.413, with a significant probability of 0,000 (p <0.05). The existence of significant influence between variable discount (Buy1 Get1) against the decision of the purchasing power of consumers showed that more and more promotions are in laughter r right at discount prices (Buy1 Get1), the higher the level of consumer purchasing power decision on the product

Effectiveness effectiveness of discount promotion (cashback) with discount promotion (buy1 get1) on consumer purchasing decisions

Based on the results of the path analysis that has been done, it can be seen that the two promotional discount variables (Cashback) with discount promotions (buy1 get1) have an effective influence on consumer purchasing power decisions as indicated by the variable path coefficient of 0.786, and significant with a probability of 0,000 (p <0 , 05). The existence of significant influence between the two variables decision- purchase shows that these two variables can attract consumers based on specific circumstances and the views of consumers to make purchasing decisions on the desired product at a discounted price as required purchase amount the customer wants. K eputusan consumer purchasing power that has been done by the consumers will give satisfaction or dissatisfaction on purchasing decisions on a product with a piece price discount of interesting and efficient.

CONCLUSIONS

The results of this study indicate that the discount variable (Cashback) has a level of effectiveness that significantly influences consumer purchasing power decisions , because the path coefficient value is 0.524 and this result shows significant with a probability of 0,000 (p<0.05). The result is greater than the discount variable (Buy1 Get1).

Based on the results of the path (path analysis) that has been done, obtained a Beta value for the influence of discount promotion (Cashback) (X 1) with discount promotion (buy1 get1) (X2) has an effective influence on consumer purchasing power decisions indicated by 0.786 positive with Sig. = 0,000 <α = 0 , 05 . This shows that these two variables can attract consumers based on certain situations and consumer views to make purchasing decisions on the desired product at a discounted price according to the number of purchases desired by consumers. Consumer purchasing power decisions that have been made by consumers will provide a value of satisfied or dissatisfied with the purchase decision on a product at an attractive and efficient discounted price.

Based on the path (path analysis) has been done, the value of beta for a discount (Buy1 Get1 (X 2) on to the decision of the purchasing power of consumers (Y) is equal to 0.413 is positive with the Sig. = 0.000 <α = 0 , 05. This shows that this discount variable (X 2) has a significant influence on consumers' purchasing power decisions (Y), it can be concluded that consumers feel that this promotion is efficient for purchasing products on the same goods .

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