

The Influence of Promotion Mix towards Purchasing Decision of Indihome product in Telkom Region of Padang City

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Abstract

The purpose of this study is to analyze 1) The influence of advertising on consumer purchasing decisions in buying indihome in the Padang city, 2) the influence of sales promotion on consumer purchasing decisions in buying indihome in the Padang city, 3) the influence of direct selling on consumer purchasing decisions in buying indihome in the Padang city, 4) the influence of publicity on consumer purchasing decisions in buying indihome in the Padang city, and 5) the most influential variable of promotion mix is used in increasing sales of indihome products in the Telkom region of West Sumatra. The result shows that 1) Advertising has not a significant and positive effect on consumer purchasing decisions. 2) Direct sales have a significant and positive effect on consumer purchasing decisions. 3) Sales promotion has a significant and positive effect on consumer purchasing decisions. 4) Publicity has not a significant and positive effect on consumer purchasing decisions. and 5) direct sales has the most significant and positive effect on consumer purchasing decisions.

Keywords: promotion mix, purchase decision, indihome

Introduction

Purchasing decisions are actions of consumers whether they want to buy product or not (Kotler, 2002). There are several factors that are taken into consideration in determining purchasing decisions, promotion is one of them. Promotion is an activity which is done by the company to complete the marketing strategy by providing information to the consumers about the uses and characteristics of products offered.

Products or services produced by a company may not be known when information about these products do not reach potential customers. Therefore, producers in marketing their products or services must provide information to consumers who are the target market. One of the methods that used by manufacturers to increase sales is through promotional activity.

The promotional activity is usually used by the company named promotion mix. Promotion mix consists of several activity such as advertising, direct selling, sales promotion, and publicity. According to Hackley (2018), advertising is a strategy in marketing which can create brands and change markets. By creating an effective advertisement, getting a customer is not only a dream. Therefore, Rani N (2016) state that direct selling is one way of marketing where products are promoted directly to consumers without passing through advertisers and retailers. The marketer can do a demo to assure the potential customer to buy a product when they do direct selling activity.

Moreover, the next component in the promotion mix is sales promotion. Sales promotion is an activity from marketers that can have a direct impact on potential customers (Chaharsoughi, 2012). The marketer can sell the product by offering some promo such as customer will get a merchandise. It will increase the interest of customer to buy the product. On the other hand, there is a way that can be a good promotion for the producer with lower cost to advertise the product, but it should be managed properly. It is a publicity. According to Rivero (2014), well-managed publicity will have an impact on the use of lower costs in promoting products than using advertisements.

The success of promotional activity certainly cannot be separated from how the activity is managed strategically. Determining the right model and media in advertising decisions, determining

the most effective form of communication in direct sales, how company creates and maintains relationships as a function of publicity, or when the company needs to hold sales promotions, are some examples that should be considered by the company in managing promotional activity effectively.

Based on observations made by researcher, it is known that people know this Indihome from their neighbors or friends who have already used this product. It indicates that the types of promotional mix such as advertising, direct selling, sales promotion, or publicity are not running really well, so that information from the company does not reach the target market.

In achieving the company's target, marketing division needs related data that informs about how the customer knows about the product, so that the manager can determine the right promotional strategy. Soegoto, et al (2015) stated that promotion is a process of influencing and persuading prospective target customers to make they want to buy or divert purchases on products produced by the company. The right way of promotion would influence the costumer's decision to buy the product offered by the company.

Methods

Based on the problems and research objectives, this study is included in the causative research, which determines the extent of the influence of promotion mix on consumer purchasing decisions in the Padang city. The causative research aims to find the influence of independent variables toward an dependent variable. In this case they are advertising, direct sales, sales promotion, and publicity as the independent variable, and consumer purchasing decisions as dependent variable.

This research is conducted in Padang city and the population is all prospective consumers who already know about indihome products. The sample which is taken for this study amount to 150 samples. Data collection techniques are carried out by giving questionnaires directly to 150 potential indihome consumers in Padang city. According to Mardalis (2008), the questionnaire is a data collection technique through a form containing questions submitted in writing to a person or group of people to get answers or responses and information needed by the researcher. The analytical method used in this study is Multiple Regression. And also, the sampling technique method used in this study is convenience sampling.

Results and Discussion

Advertising has not a significant and positive effect on consumer purchasing decisions.

Based on the results of the study, it is known that the significant value is $0.054 > 0.05$ (5%), so H_0 is accepted and H_a is rejected. Thus it can be concluded that advertising has not a significant and positive effect on consumer purchasing decisions.

This result is contradictory with some research that have been done before. Sandy (2014), Khairunnisa (2017), Nour (2014), stated that advertising has a significant and positive effect on customer purchasing decision. It may be caused by the lack of frequency in advertising Indihome to public. As Wells, et al in Evanita (2009) stated that repetition is a great way to make a consumer remember about the roduct.

Products have not guaranteed can be success in marketing, therefore the product must be introduced to the consumers. The function of promotional activities is as a communication tool between the company and its customers, also as a tool to influence consumers in purchasing to fulfill their wants and needs.

Advertising is important for companies that aim to provide information and introduce to consumers about a product or service, and also it makes a company can compete with other companies in attracting buyers. According to Karimova (2014), advertising is a message built by "observers" who form a frame containing promotions that have meaning for the "observer" itself. Advertising plays a role in determining the attitude of consumers to decide what products and services they would choose, otherwise consumer's decision will tell about advertisement whether it is successful or not. According to the research conducted by Sandy (2014), Mahmud Nour et al (2014),

and Khairunnisa (2017), they found that advertising had a positive and significant effect on purchasing decisions.

Direct Selling has a significant and positive effect on consumer purchasing decisions

Based on the results of the study, it is known that the significant value is $0.000 < 0.05$ (5%) so H_0 is rejected and H_a is accepted. Thus it can be concluded that direct sales have a significant and positive effect on consumer purchasing decisions. According to Merlin (2012), direct selling is marketing and transactions that are carried out directly. Direct sales mean that sales are done directly without using third parties. This also means that sales use telephone, e-mail and internet (Mahsa: 2015).

Direct marketing is direct communication with consumers without going through intermediaries. According to Rani N (2016), direct selling is a type of sale where products are marketed directly to consumers without intermediaries. When interacting with potential customers, the marketer can convince prospective customers with more leverage. There are many ways that can be done to convince the customers, such as marketers can do a demonstration of the product. It is wished that prospective customers are more interested in making purchases. The results of Sandy's (2014) and Khairunnisa's (2017) study show that the effect of direct marketing on purchasing decisions is positive.

Sales Promotion has a significant and positive effect on consumer purchasing decisions

Based on the table above, it is known that the significant value is $0.001 < 0.05$ (5%) so H_0 is rejected and H_a is accepted. Thus it can be concluded that sales promotion has a significant and positive effect on consumer purchasing decisions.

The sales promotion is expected to make customers want to repurchase the product. As stated by Omotayo (2011) that sales promotion has a function that is more than just building customer commitment to buy products, but also it is expected to make customers make repeat purchasing.

Sales promotion is a form of corporate promotion that offers incentives in certain periods to encourage consumer desires. The incentives provided can be in various forms, such as discounts, souvenirs, or maybe additional features of the product. According to research by Khairunnisa (2017), Sandy (2014), and Rahadian (2013), they found that sales promotion had a significant positive effect on purchasing decisions. The Go-jek company that became the object of research conducted several sales promotions to attract consumers' attention by making a price promotion, namely the tariff price of Rp. 15,000, up to 25 kilometers (www.go-jek.com). In addition, each consumer will get a different voucher code to get free Go-jek usage via Go-jek credit card.

Publicity has not a significant and positive effect on consumer purchasing decisions

Based on the results of the study, it is known that the significant value $0.474 > 0.05$ (5%) then H_0 is accepted and H_a is rejected. Thus it can be concluded that publicity has not a significant and positive influence on consumer purchasing decisions. This result shows that the relation between company and the customer needs an improvement. According to Chuelar and Healey (2013), publicity is an effort made by the company to maintain good relations with customers. This relates to the management function that provides an assessment of the attitudes, the identity of policies and procedures of individuals or organizations, and conduct an action program to gain understanding and recognition of the community.

Purchasing decisions will be influenced greatly by how community relations are built. Positive activities sponsored by the company will enhance the company's image in public. Furthermore, the public will be more convinced that the products offered by the company also have a good quality which appropriate with image of the company. This can be seen from the results of research conducted by Nugraha W and Artha K (2015) and Mahmud Nour et al (2014) that this publicity has a positive and significant effect on purchasing decisions.

Direct Selling has the most significant and positive effect on consumer purchasing decisions

Based on the table above, it shows that direct selling has the highest score in sig column. It means that direct selling give the biggest impact to the company in marketing Indihome product. Otherwise, publicity has the lowest score which means that the company should give more attention in publicity to increase the company's good image and news in society. Furthermore, when the company's image and news of the company have been known by other people, it is expected to increase number of sales.

Conclusions

Based on the results of research on the The Influence of Promotion Mix towards Purchasing Decision of Indihome product in Telkom Region of Padang City and from the discussions that have been stated in the previous chapter, some conclusions can be drawn as advertising has not a significant and positive effect on consumer purchasing decisions, direct sales have a significant and positive on consumer purchasing decisions, sales promotion has a significant and positive effect on consumer purchasing decisions, publicity has not a significant and positive effect on consumer purchasing decisions, and direct sales are the most influential variable in determining customer purchasing decisions.

In addition, this research is still not comprehensive because it only examines the influence of several components in the promotional mix. Therefore, further research is needed on the effect of all promotional mix components on other things whose purpose is to increase the effectiveness of strategies in marketing in the future.

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