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Conference Paper

The Effect of Selling Price and Sales Promotion on Decision to Purchase of Sony Brand Home Theater Products

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Abstract

The purpose of this study was to examine and analyze the effect of selling prices and sales promotions on the decision to purchase SONY brand home theater products. This study uses data collection methods by publishing questionnaires with samples taken from 75 respondents. The data of this study are Home Theater consumers at Hypermart Karawaci stores on electronic counters for 3 months from October to December 2016. The sampling used was purposive sampling technique which was taken from the population for a sample of 150 people. The data analysis technique uses multiple regression analysis techniques. The results showed that partially the selling price had a positive and significant effect on the decision to purchase SONY brand home theater products. Sales promotion partially has a positive and significant effect on the decision to purchase SONY brand home theater products. Selling Prices and Sales Promotions simultaneous have a significant effect on the decision to purchase SONY brand Home theater products with a coefficient of determination (R^2) of 0.258. Research contributions show that Selling Prices and Sales Promotions can confirm marketing theories, selling prices and sales promotions.

Keywords: selling price, sales promotion, decision to purchase

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1. Introduction

Current technological developments have been able to create new breakthroughs in the electronic field from the start of communication tools to audio visual, one of which is a product that we know as a video or audio player, a device that can bring video or audio stored into a small device such as a Ribbon or CD that is connected and displayed to a TV or monitor screen. These products are usually used by companies or agencies to support work functions or as entertainment such as cinemas. However, during the time these products have undergone changes and developments, from those that have only limited specifications with low quality audio video to metamorphosis supported by sophisticated devices to produce high-quality video audio called high definition and resolution in a product called Home theater, a video and audio player that is produced

by a hardware device such as a CD, DVD or softcopy data such as USB or external hard drive and produces high quality video audio quality, usually this device is used to play movies or just listen to songs.

Increasing consumer demand spurred electronics manufacturers to compete in innovating and producing Home Theater such as Samsung, LG, Pioneer or SONY. SONY is one of the Japanese manufacturer companies which were established on May 7, 1946, this electronics giant is one of the most experienced companies in the field of Audio Video selling Home Theater in Indonesia. Sony is working with several parties to conduct buying and selling activities. One of them is PT. SONY Indonesia, a supplier company that has a store called SONY CENTER. But the sales data for the last 4 years of 2012 to 2015 Home theaters at SONY CENTER has decreased significantly from previous years. This is due to many factors, especially the price tag that exceeds the price of competitors even though in terms of specifications or features SONY is superior.

In addition, sales promotion is also an obstacle faced by SONY in selling or marketing its Home Theater, promotion is one of the needs to diversify the strategy of selling products, the strategy of sales promotion that is owned by SONY is not as much as competitors do in this case the competitors mean more to make a diversity starting from monthly or weekly sales promotions like those taken from one of the national retail company promotion catalogs. The lack of information in the form of advertisement promotion is one of the obstacles faced by SONY in selling its products because advertising is a very important medium in providing information to the public about its products without advertising consumers will not know or be aware of the products sold, with advertisements a product will be known by the community, of course, advertising is in accordance with the objectives of the product to be targeted.

Based on the background of the problem that has been stated, several things can be identified as follows:

1. The selling price of SONY Home Theater products does not meet the full needs of consumers.

2. The marketing strategy of SONY Home theater products in communicating the quality of product features and specifications to consumers is not maximal

3. Lack of creativity SONY's marketing strategy to deal with competitors in terms of price

4. Lack of mediation or exposure in informing ongoing sales promotions

5. Operations that are not maximal in product distribution thus eliminating the opportunity to sell these products

To simplify this research effort, the formulation of the problem to be examined is as follows:

1. Does the selling price partially affect the decision to purchase a SONY brand Home theater product?

2. Does the sales promotion partially affect the decision to purchase of Sony Brand home theater products?

3. Are selling prices and sales promotions simultaneously influencing the purchase decisions of the SONY brand Home Theater products?

The purpose of this study is to compare the theories obtained from the phenomena that occur and seek and collect so that they can answer the problems that faced by the company. The objectives of this study are as follows:

1. To test and analyze the effect of selling price on the decision to purchase SONY brand home theater products

2. To test and analyze the effect of sales promotion on the decision to purchase of Sony Brand Home Theater products

3. To test and analyze the effect of selling price and sales promotion simultaneously on the decision to purchase a SONY Theater brand Home products.

Marketing is a social process in which individuals and groups get what they need and want by creating, offering, and freely exchanging valuable products with other parties (Kotler, 2000: 9). Marketing is an effort or desire to distribute goods and services from producers to consumers (Stanton, 2002:2). A total system of business activities designed to plan, determine prices, promote and distribute goods that can satisfy desires and achieve market goals and objectives of the company (Saladin, 2003:1). Marketing mix is a combination of four variables or activities that are the core of the company's marketing system, namely products, price structures, promotional activities and distribution systems (Swastha, 2000:42). The definition above can be interpreted that in the marketing mix companies can use a combination of elements in the marketing mix so that success can be achieved. According to Ahna in (2000; 162-169) there are four elements which are the marketing mix which are products, prices, places and promotions.

According to Philip Kotler and Gary Armstrong (2008: 345) said price as a sum of money that is billed for a product or service, or the amount of value that is exchanged by customers to benefit from owning or using a product or service. Price as a sum of money (plus several items if possible) needed to get a number of combinations of goods and services (Swastha, 2002: 185). The company takes an approach to pricing based on the objectives it aims to achieve. The purpose of pricing according to Philip Kolter and Gary Armstrong (2008: 355) is to include survival, maximizing current profits, market share leadership, or retaining customers who build relationships.

Promotional mix is a combination of promotional tools, namely advertising, face-to-face sales, sales promotions and publicity designed to sell goods and services (Swastha, 2002: 28). The forms of promotion according to the task in particular are Mass selling, Personal selling, Sales Promotion, Public relations and Direct marketing (Tjiptono, 2009: 222). Promotion is an effort or activity of the company in influencing "actual consumers" and "potential consumers" so that they want to make purchases on the products offered, now or in the future (Sistaningrum, 2002: 98).

The integration process will impact to combines the attitude of knowledge to evaluate two or more alternative behaviors, and choose one of them (Nugroho, 2003:38). The consumer decision process is not ended with the purchase, but continues until the purchase becomes an experience for consumers in using the purchased product. That experience will be taken into consideration for making purchasing decisions in the future (Ma'ruf, 2005: 14). Very strong driving factors in consumer purchasing decision makers influenced by a number of people have involvement in purchasing decisions (Ali Hasan, 2008: 138).

The selling price of the product can influence purchasing decisions because price is one of the benchmarks also in the segmentation of consumers who will buy the product. With the selling price, we can estimate the group of consumers who will buy and consider the marketing strategy for the company in competition with competitors.

Through this marketing mix strategy, the company can increase purchasing decisions because the right sales promotion strategy will attract consumers to buy the product, usually this strategy is done if the product is not yet known or just wants to increase sales because the sales conditions are down. There are many ways in this strategy, for example with promotion discounts, purchase bonuses or cash back.

The right selling price with the intended target customers is also competing with competitors and sales promotions to support product sales can influence consumers to consider buying a product.

Based on the theory stated above, the development of the framework can be seen as below:
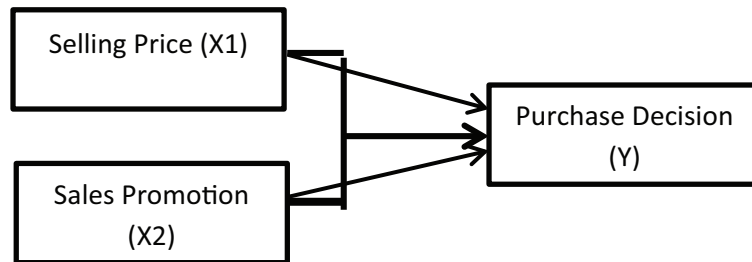

Figure 1: Research Framework.

The hypotheses of the problems studied are:

1. Selling price partially has a positive and significant effect on Sony home theater purchasing decisions.

2. Sales promotion partially has a positive and significant effect on Sony home theater purchasing decisions.

3. Selling prices and sales promotions simultaneously has a significant effect on Sony home theater purchasing decisions.

2. Research Methodology

The place of this research is at PT Sony Indonesia at the Lotte Mart Bintaro outlet in South Tangerang. When the research is scheduled until completion the results of this study are estimated to be approximately three months starting from October 2016 to December 2016. This research is a survey. This is done so that the data obtained is accurate data, besides that by conducting a survey directly the author can find out the reality that is in the field. This research is quantitative descriptive. The populations in this study were consumers of the Home Theater at the Hypermart karawaci store on an electronic counter. Sample in this study amounted to 150 customers. The sampling used is purposive sampling technique.

To test the validity of the method used depending on the scale of measurement, for this study used Pearson product moment correlation formula (PPM). While for the reliability test this study uses measurements with the KR 20 method. The formula used uses Alpha Cronbach which is if the alpha value is> 0.07, the question in the questionnaire can be declared reliable (Sugiono, 2018: 209).

The analytical method used is to use multiple linear regression analysis that is calculated manually and with the help of IBM Statistics 20.0 SPSS Software application.

The multiple regression equation can be set as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5$$

Notes:

Y = purchase decision

b1 - b5 = regression coefficient that is to be interpreted

X 1 = Selling Price

X 2 = sales promotion

a = constant

3. Data Analysis and Results

3.1. Test Validity

Significance test is done by comparing the value of r count (Pearson Correlation value at Corrected-Total Correlation output) with r table value for degree of freedom (df) = n - 2 (n is the number of samples). With the number of samples (n) are 75 with a significance level of 5%. Then the r table in the study is (n-2) = (75-2) = 73, then r table = 0, 1914. Correlation values range from 0.213 to 0.862 greater than the r table value of 0.1914, if r count greater than r table and positively correlated, then the item or statement is valid. Or in other words, items or statements have a positive correlation, so that all statements can be said to be valid and data can be used in this study.

3.2. Reliability Test

Table 2 above shows Cronbach's Alpha each valued at 0.827; 0.644; 0.902. This shows that the value of Cronbach's Alpha is greater than 0.6, which means that all statements relating to selling price, sales promotion, and purchasing decisions are declared good and reliable.

3.3. Normality Test

Based on table 3 above shows that a significant value of 0.590 is greater than 0.05. So that it can be concluded, that the data in this study have a regression model that is normally distributed.

TABLE 1: Instrument Validity Test Results.

Statement No.	r Count			r Table	Remarks
	X1	X2	Y		
1	0,602	0,635	0,862	0,1914	VALID
2	0,424	0,213	0,717	0,1914	VALID
3	0,580	0,495	0,827	0,1914	VALID
4	0,356	0,597	0,723	0,1914	VALID
5	0,427	0,412	0,740	0,1914	VALID
6	-	0,518	0,775	0,1914	VALID
7	-	0,448	0,717	0,1914	VALID
8	-	0,577	0,691	0,1914	VALID
9	-	0,482	0,713	0,1914	VALID
10	-	0,466	0,508	0,1914	VALID
Source: Primary data processed					

TABLE 2: Instrument Reliability Test Results.

Variabel	Cronbach's Alpha	Batasan	Remarks
X1	0,827	0,600	Reliabel
X2	0,644	0,600	Reliabel
Y	0,902	0,600	Reliabel
Source: Primary data processed			

3.4. Heterocadicity Test

Based on Figure 2 above it can be seen that the points contained in the graph spread randomly, and did not form a specific pattern clearly and spread both above and below the number 0 on the Y axis. This shows that, the variables contained in the study this does not have the problem of heteroscedasticity.

3.5. Autocorrelation Test

3.6. Multicollinearity Test

Based on table 5 above, it shows that the VIF (Variance Inflation Factor) value of 1.001 is less than 10 and the tolerance value of 0.999 is above 0.1 in all variables used in the study. This shows that there is no perfect or near-perfect linear relationship

Table 3: Normality Test Results.

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		75
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	4.41183898
Most Extreme Differences	Absolute	.068
	Positive	.039
	Negative	-.068
Kolmogorov-Smirnov Z		.590
Asymp. Sig. (2-tailed)		.877
a. Test distribution is Normal.		
b. Calculated from data.		
Source: SPSS version 20 processed results		
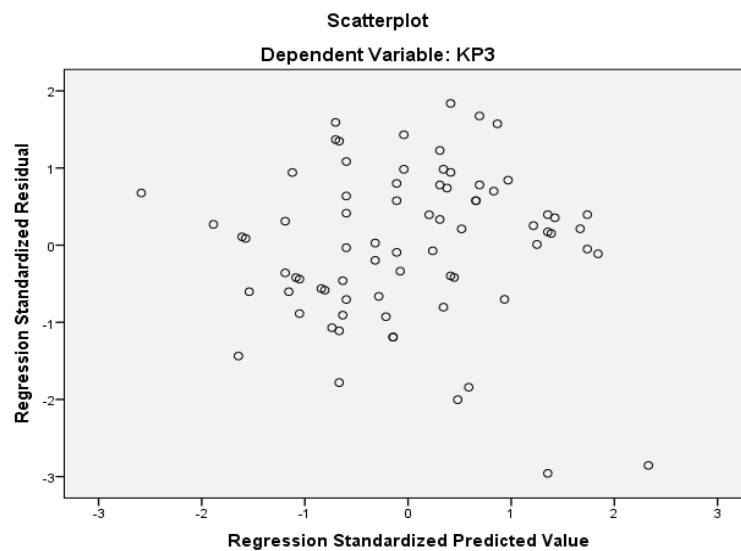
Figure 2: Scatterplot Dependent Variable.

Table 4: Autocorrelation Test Results.

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.508[a]	.258	.238	4.473	2.179
a. Predictors: (Constant), KP2, KP1					
b. Dependent Variable: KP3					

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TABLE 5: Multicollinearity Test Results.

Coefficients^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	HARGA	.999	1.001
	PROMOSI	.999	1.001
a. Dependent Variable: Decision to Purchase			
Source: SPSS version 20 processed results			

between independent variables. So the regression model in this study does not find multicollinearity problems and has met the prerequisites of a good regression model.

3.7. Multiple Linear Regression Analysis

TABLE 6: Results of Multiple Linear Regressions.

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.123	8.252		1.711	.091
	Selling Price	1.270	.255	.507	4.991	.000
	Sales Promotioni	.090	.184	.050	.491	.625
a. Dependent Variable: Decision to Purchase						
Source: SPSS version 20 processed results						

Based on table 6 the regression equation is obtained as follows:

$$Y = 14,123 + 1,270X1 + 0,090X2$$

This means that the constant value of 14,123 states that if there is no independent variable (selling price and sales promotion) then the value of Y (purchase decision) is 14,123. Of the two variables included in the regression model, the price variable of 1.270 is not significant because the value is above 0.05, while the promotion variable has a significant value of 0.090 because the value is below than 0.05.

The number of coefficient X1 1,270 shows that every increase that occurs in the price variable will increase sales volume, the number of coefficients X2 is 0.090, so each increase in the promotion variable will increase sales volume.

3.8. T test (partial)

TABLE 7: Partial Test Results.

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.123	8.252		1.711	.091
	Selling Price	1.270	.255	.507	4.991	.000
	Sales Promotion	.090	.184	.050	4.491	.025
a. Dependent Variable: Decision to Purchase						
Source: SPSS version 20 processed results						

Based on the results of the t-test above, it is known that the value of tcount is 4.991 where the t-count is greater than t table (df = 72, α = 0.05) of 2000 or 4.991> 2,000. In addition, the value of sig is known. Equal to 0 where the value is sig. smaller than 0.05 or 0> 0.05, meaning that prices are partially positive and significant effect on purchasing decisions.

Based on the results of the t test, it is known that the value of t count is 4.491 where the t-count is greater than t table (df = 61, α = 0.05) of 1.992 or 2.125> 2,000. In addition, the value of sig is known. Amounting to 0.025 where the sig value. Smaller than 0.05 or 0.025> 0.05 then Ho is rejected and Ha is accepted, meaning that the promotion has a significant effect on purchasing decisions.

3.9. F Test (Simultaneous)

TABLE 8: Simultaneous Test Results.

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	501.187	2	250.593	12.527	.000^b
	Residual	1440.360	72	20.005		
	Total	1941.547	74			
a. Dependent Variable: Decision to Purchase						
b. Predictors: (Constant), Selling Price, Sales Promotion Source: SPSS version 20 processed results						

Based on the results of the F Test, it is known that the calculated F value is 12.527 where the calculated F value is greater than F table (df1 = 2, df2 = 72, α = 0.05) of 3.12 or 12,527> 3.12. In addition, the value of sig is known. Amounting to 0.041 where the sig value. Smaller than 0.05 or 0 <0.05, then Ho is rejected and Ha is accepted, meaning that prices and promotions together have a significant effect on purchasing decisions.

3.10. R Square (R^2)

TABLE 9: Model Summary.

Model	R	R Square	Adjusted R Square
1	.508[a]	.258	.738
a. Predictors: (Constant), KP2, KP1			
b. Dependent Variable: KP3			

This coefficient of determination is used to find out how much the contribution or change given by the independent variable on the dependent variable is obtained by using the following formula:

Then KD = (0.508) 2 x 100%

KD = 0.258 x 100%

KD = 25.8%

Based on the table above, the adjusted coefficient of determination or adjusted R square = 0.258. Thus the magnitude of the contribution of the Effect of Agency Services and Service Quality on purchasing decisions at PT. SONY Indonesia is 25.8% while the remaining 74.20% is the influence of other factors not explained in this study.

4. Conclusion

Based on the results of the research and discussion in the previous chapter, conclusions can be drawn as follows:

1. Prices partially have a positive and significant effect on the decision to purchase SONY Brand home theater products at the Sony Center, Central Jakarta branch. This can be seen from the positive coefficient value of 4.991, and also the results of hypothesis testing which shows the value of t count = 4.991 greater than table = 2,000 and the value of sig. = 0 smaller than α = 0.05

2. Promotions partially have a positive and significant effect on the decision to purchase SONY Brand home theater products at the Sony Center, Central Jakarta branch. This can be seen from the positive coefficient value of 4.491, and also the results of hypothesis testing which shows the value of t count = 4.491 greater than table = 2,000 and the value of sig. = 0.025 smaller than α = 0.05

3. Selling price and sales promotions simultaneously have significant effect on the decision to purchase SONY Brand home theater products at the Sony Center in the central Jakarta branch. This can be seen from the positive coefficient value of 0.699, and also the results of the hypothesis test which shows the value of F count = 12.527 greater F able = 3.120 and the value of sig. = 0.041 smaller a = 0.05. So there is a strong influence on selling price and sales promotions on purchasing decisions.

5. Suggestion

Based on the conclusions of the discussion of the results of the research and the discovery of the problem at the time of conducting the research, the researchers tried to give suggestions for future improvements, namely as follows:

1. In consideration of pricing policies For PT SONY Indonesia as principal of SONY brand electronic goods, it is recommended that prices pegged according to the specifications and facilities obtained by consumers also weigh the prices of competitors so that prices are more competitive and can survive in the market. Also transporting the stability of prices on the market, by balancing prices in the market business people such as retailers or distributors for these products can get maximum profits so they can continue to help market the product.

2. As a consideration in the policy of choosing the right promotion according to segmentation. With the right promotion can increase consumer buying interest or purchasing decisions, companies can slaughter seeing and analyzing desires than consumers. So that the promotions sold are suitable for the target market or consumer desires.

3. As a consideration in determining the price policy and sales promotion that can increase sales because it is based on the interest of consumers who increase purchasing power because they feel the prices are suitable and attract consumers and keep consumers to always use the product through appropriate promotions.

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