

THE INFLUENCE OF PROMOTION AND PRICE TOWARD PURCHASE DECISION OF USED CARS IN THE SHOWROOM MURDIK MOTOR PURWAKARTA REGENCY

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Abstract

Used cars have become an option for people in Purwakarta Regency, Indonesia. One of the showrooms that offer used cars is Murdik Motor. Data showed that sales of used cars in this showroom decreased in 2020 and 2021. Sales from 2015 to 2019 increased, while in the years 2020 and 2021, sales decreased. It is supposed to relate to promotion and price. The purposes of this study are to know and analyze promotion, price, and purchase decision of used cars in the Murdik Motor showroom and the influence of promotion toward purchase decision and the influence of price toward purchase decision. Descriptive and verificative methods are used to answer the research question. Data were collected from 36 customers. The questionnaire was used to collect data besides observation, interview and literature study. The results showed that promotion is good, price is very good, and the purchase decision is reasonable. Based on the test results of multiple linear regression analysis, it was found that the promotion influences decision to purchase a used car in the Showroom Murdik Motor Purwakarta Regency. Prices also influence purchase decision. The influence of price toward purchase decision of used cars in Murdik Showroom is higher than promotion.

Keywords: Promotion, Price and Purchase Decision

Introduction

Used car in purwakarta has a very high demand that can be seen from the enthusiasm of potential customers who come to showrooms in Purwakarta Regency, West Java, Indonesia. People are interested in buying used cars for their daily life compared to new vehicles. Pricing is one of their considerations while getting cars for their need. Besides, payment scheme is also becomes their interest.

This condition drives people to set up showrooms to sell used cars to the people of Purwakarta Regency. Many cars can be obtained from Jakarta city of Bandung city, and this opportunity encourages the development of used cars showroom in this area. Bank and leasing companies also support making it people are easy to buy used cars. One of the showrooms is Murdik that was established in 2014.

This showroom offers SUV and MPV, and Hatchback because the potential consumers in purwakarta are more interested in the 3 types of car. The management of Murdik has differentiated by focusing on affordable prices and standard quality of used vehicles based on consumer's demand. Management of Murdik showroom recorded a decline of sales in 20120 to 2021 meanwhile, their wan an increasing number of sales in 2015 to 2019. Sales Data in 2019 were 18 units, 2020 sales were 10 units, and in 2021, sales were only 8 units. This condition indicates consumers buy used cars in this showroom decreased.

This phenomenon is related to the promotion and price of used cars in the Murdik Showroom. Promotion activity of Murdik used car Showroom focuses on offline media and word of Mouth. Kotler and Keller (2016), promotion is a way of communication made by the company to the consumer or target market. In addition to the promotion of a company is also required to consider the price of used cars because the price is an element of the marketing mix that produces revenue.

Unfortunately, buyers want cheaper prices, while the seller wants a higher price to make a profit. Kotler and Keller (2016:312) state that "the price as the amount of money charged for a product or service, or the number of values that customers exchange for the benefits of having or using the product services.

Research objectives are to know and analyze promotion, prices and purchase decision, influence of promotion toward decision of purchasing a used car in the Showroom Murdik Motor Purwakarta, the influence the price toward decision of purchasing a used car in the Showroom Murdik Motor Purwakarta.

Research question are how response of respondents on promotion, price, and purchase decision of used car in the Showroom Murdik Motor, how is the influence of promotion toward decision of purchasing a used car in the Showroom Murdik Motor Purwakarta, how is the influence the price toward decision of purchasing a used car in the Showroom Murdik Motor Purwakarta.

Literature Review

To Answer the research question, promotion, price, and purchase decision are reviewed. Kotler and Armstrong (2018, p. 79) stated that promotion means activities that communicate the product's advantages and persuade targeted customers to buy them. Promotion is an effort to inform or offer products or services to attract potential consumers to purchase them. The promotion of the manufacturer or distributor expects sales numbers. It can be concluded that the promotion is a kind of communication that explains to convince potential customers about the product and services.

The purpose of promotion is to gain attention, educate, remind and persuade prospective customers. A company's total promotion mix—also called its marketing communications mix—consists of the specific blend of advertising, public relations, personal selling, sales promotion, and direct marketing tools that the company uses to engage consumers, persuasively communicate with customers, Value, and build customer relationships." (Kotler and Armstrong, 2018, 424-425).

Kotler and Keller, (2016), which is an indicator of promos is easy to find, easy to understand, complete information, the image in the promotion represents products, easily recognizable, easy to remember, cause the perception customers against a requirement, introduce and give a view about the product to consumers, encourage the selection of a product, to persuade the customer to buy a product, offset the disadvantages associated with the element of the goods other marketing, instill the image of the product and the company.

Tjiptono (2017:370), the price is the amount of money (monetary units) and aspects of other (non-monetary) that contain the utility or usefulness of a particular need to get a product. According to (Kotler and Armstrong were quoted in the R Gain, 2018), the price variables are the elements of the main activities, the price of which includes the list price, discounts, payment period, and discounts. The economic theory mentioned that the price of a goods or services market is competitive, then the high and low prices are determined by market supply and demand. Therefore, in this research, the market price NJKB will be reviewed from the supply side and the market's direction Demand is always associated with the buyer, while the offer is related to the seller.

If sellers and buyers interact, then it comes to pass the buying and selling activities. In buying and selling training in the market, the seller and the buyer will bargain to reach an agreed price. Buyers always want cheap prices, so with the money, he had able to obtain many goods. On the contrary, the seller wants a high price, hoping that he can gain a lot. It's the differences that may pose a bargain price. The price that both sides have agreed to is called the market price. At that price, the amount of the goods offered together with the number of items requested. Thus the market price is also called the price of balance (*equilibrium*).

According to Kotler, in Amilia and Romance (2017:663) indicator-the indicator price is as follows:

1. Price affordability, affordable prices are the expectations of consumers before they make a purchase. Consumers will be looking for products that cost what they can afford.
2. Suitability price with quality products, for a particular product, consumers usually don't mind if you have to buy with the price is relatively expensive as long as the quality of its products is better. But more consumers want a product with low price and good quality.
3. Price competitiveness: The company sets the selling price of a product by considering the cost of the product sold by its competitors so that their products can compete in the market.
4. Suitability price with the benefits, consumers sometimes ignore the price of a product but are more concerned with the help of the product.

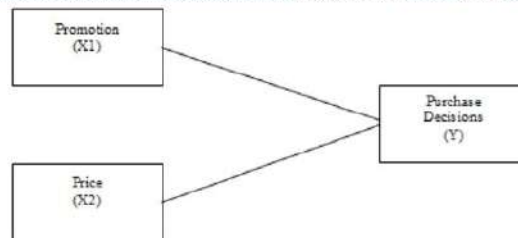
On each of the products or services offered, the marketing department reserves the right to determine the price anyway. The wisdom of the price also involves the determination of pieces, mark-ups, markdowns, and so on. The price policy adopted reflects the ability of the purchasing power of the market is being targeted, the characteristics of the market, and the number of products to be purchased market. Significant impact on the purchase decision, the price does not significantly influence the purchase decision.

Given the existing market shares, the company should increase the purchasing decision with the attention and interest of consumers in the purchase of products through the application of attractive prices. Sudaryono (2016: 99) purchase decision as a holding action of two or more alternative options. In other words, the person who decides to have a choice of several available alternatives. When a person is faced with two choices, namely buying and not buying, and then she chooses to buy, he is in a position to decide. Buying decisions are one of the main components of consumer behavior. The consumer purchase decision is the stage by which consumers use when purchasing goods and services (Anggriawan and Brahmayanti 2016) stated that the consumer purchase decision is a problem-solving process. Most consumers, either an individual consumer or buyer of the organization, through the mental processes which are almost the same in the product and what brand will be purchased.

It can be concluded that the Consumer's decision is the Consumer's action in making the decision to purchase the goods that they most prefer. So decision making is the action taken to overcome the problems that occur and must be faced to reach your goals as quickly as possible and at a cost that efficiently possible.

It can be known that the purchase Decision is an act of two or more alternative options. In other words, the person who took the decision to have a choice from several alternatives available, the approach to problem resolution on the human activity to purchase any goods or services to meet the wants and needs that consist of the introduction of needs and wants, information search, evaluation on alternative, purchase Decision purchase and mannerisms after purchase. The dimensions and indicators of the purchase decision, according to Kotler and Keller in Tjiptono (2016:184), explain that the decision of the Consumer to make a purchase of a product includes five sub-decrees as follows:

1. Product options Consumers can take the decision to buy a product or use the money for other purposes. In this case, the company should focus its attention on people who are interested in buying a product as well as the alternatives they consider—for example, the need for a product, the diversity of product variants, and product quality.
2. Choice of the brand Buyers to take a decision about which brand is to be purchased. Each brand has its own differences.
3. The choice of the feeder Buyers should take the decision of the lender which will be visited. Every buyer has different considerations in terms of determining the feeder car due to factors of the location, and the price is cheap, the inventory of the goods that are complete, and others.
4. The time of purchase. The decision of the Consumer in the selection of the time of purchase may vary.
5. The amount of the purchase the Consumer can take the decision about how much of the product will be bought at a time. Purchases made may be more than one. In this case, the company should prepare a number of products in accordance with the wishes that are different from the buyer's.



Research Methodology

The approach in this research is Descriptive and verification. The Independent variable is a purchase decision, while the dependent variables are promotion and price. The Unit of analysis is the consumer who had bought used cars in Murdik Showroom. The population is 36 consumers who are already purchasing cars in our showroom. This research adopts the descriptive the cross-sectional in which consumers respond to a structured questionnaire in a period—a study conducted by the census. The design analysis used is multiple regression analysis.

Discussion

Questions were responded to by consumers, and their response to promotion can be seen in the table below.

Table 1: Promotion

No	Indicator	Mean
a	Easy to find	4.42
b	Easy to understand	4.58
c	Complete information	4.47
d	Easy to recognize	4.33
e	Easy to remember	4
Average		4.36

Respondents see the promotion of Murdik Showroom as very easy to be understood. Based on the dimension table and indicators on promotion variables, the communication system has responses from respondents as many

as 4.36, the communication system has competence that is easy to understand, complete, and easy to find information is higher than easy to recognize and easy to remember as the lowest.

Table 2: Price

No	Indicators	Mean
1	Price Affordability	4.53
a	Price of the product is affordable to buy	4.53
2	Price Conformity with Product Quality	4.64
a	Price is in accordance with product quality/Price compatibility	4.64
3	Price Competitiveness/Competitive price	4.42
a	with competitor products	4.42
4	with Benefits	4.47
a	Price is in accordance with the benefits received	4.47

Based on the dimension table and indicators on the price variable, the respondents most respond to price suitability with product quality, price affordability, price competitiveness, and price suitability with benefits. Price compatibility with product quality has price competence according to the product quality of 4.64. Price affordability with affordable product prices to buy has a mean of 4.53. In contrast, price suitability with benefits that have price competence following the benefits received has a value of 4.47, and price competitiveness with competitive prices with competitor products has a value of 4.47.

Table 3: Buyer's Decision

No	Dimensions and indicators	Mean
1	Consumer Product Choice	4.42
a	choice of products to be purchased by consumers	4.42
2	Consumer Brand Choices	4.39
a	choice of brands to be purchased by consumers	4.39
3	Total Consumer Purchases	4.06
c	Total consumer purchases of car units	4.06

Based on a table of dimensions and indicators on the buyer's decision variables, which respondents most respond to are consumer brand choices, followed by consumer product choices and the number of consumer purchases. The selection of consumer brands has the competence of brand choice to be purchased by consumers with a value of 4.39, for the selection of consumer products has the competence of product choice to be bought by consumers with a value of 4.42 and for the number of purchases of consumers who have the competence of the number of consumer purchases of car units has a value of 4.06.

Table 4
Results Of The Double Linear Regression Test Analysis
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.534	1.403		.581	.706
	Promotion	.196	.067	.351	2.931	.006
	Price	.500	.101	.595	4.968	.000

a. Dependent Variable: Decision Of The Buyer

Source: Results Output SPSS Statistics Version 23.0

Based on the table above, then the obtained equations regression linear regression as follows:

$$Y = 0,534 + 0,196X1 + 0,500X2$$

The equation of the regression above can be interpreted as the following, value of the constant of the regression equation by 0.534, meaning that if the variable of promotions and the price is constant or $X = 0$, then the value of the buyer's decision is by 0.534. Promotion variables show the value of the coefficient of 0.196. This means that if there is an increase of one unit of the variable promotion, then the value of the buyer's decision will increase by 0.196. Price variable (X_2) shows the value of the coefficient of 0.500. This means that if there is an increase of one unit of price variable, then the value of the buyer's decision will be increased from 0.500.

3

1. The Influence Of Promotion On Purchasing Decisions

Based on the results of testing, it shows that promotion has a significant effect on purchasing decisions. The higher the promotion, which is attractive, effective, and efficient, it will impact consumer purchasing decisions.

Data indicates communication system received a response from the respondents as much as 4.36. The advertising concept is easy to understand will make consumers interested always to see the promotional activities carried out by the Murdik Motor Showroom. Consumers get information about the Murdik Motor Showroom through advertisements, publicity, sales promotions, and personal selling. The higher the intensity of the promotion and balanced with advertising that is easy to understand, the more favorable it will be on consumer purchasing decisions at the Murdik Motor Showroom.

This study results follow research conducted by Desi Derina Yusda (2019) with the title *The Effect of Promotion and Price on Purchase Decisions at the House of Shopaholics in Bandar Lampung*. The results show that promotion significantly affects purchasing decisions for the House of Shopaholics in Bandar Lampung.

2. The Effect Of Price On Purchase Decisions

Based on the results of testing, it shows that the price has a significant effect on purchasing decisions. The price will affect the purchase decision if the product's price is affordable, the quality is appropriate and competitive.

Data indicates price with product quality has a price competence according to the product quality of 4.64. Price affordability with affordable product prices to buy has an average of 4.53. On the other hand, price suitability with benefits that have price competence following the benefits received is worth 4.47, and price competitiveness with competitive prices with competing products is worth 4.47. Low prices and following the ability of consumers to be a motivating factor for consumers to visit the Murdik Motor Showroom. If the Murdik Motor Showroom price is lower than other stores, then buyers will pay attention to the prices at House of Shopaholic compared to other stores. With this assessment, consumers will still want to make purchases at the Murdik Motor Showroom by paying attention to the price.

The results of this study are like the research of Syarifri Wandu and Heryanto Abharis (2020) entitled *The Effect of Product Quality, Promotion and Price on Decisions to Purchase Avanza Brand Used Cars in Padang City*. The results show that price significantly affects purchasing decisions for Avanza brand cars in Padang City.

Conclusion And Suggestions

Promotion influence the purchase decision. This can be interpreted that the indicator in the form of promotional advertising, sales promotion, publicity, and personal selling during this time in the eyes of the consumer better and has managed to make a promotion that attractive in the eyes of consumers, the advertising message is easily understood, the advertising presented to consumers is clear, sales promotions exciting and diverse, the sales have a friendly attitude and polite to the consumer, sales-oriented and able to sell the product. The higher the promotion of attractive, effective, and efficient, it will impact consumer purchase decisions.

Price influence the purchase decision This can be interpreted that the price indicator in the form of price comparisons with the purchasing power of consumers, a comparison of prices offered following the quality used cars in the showroom murdik motor, a comparison between the prices with similar products. This means that the showroom murdik motor has managed to set a more affordable price. The price is offered according to the quality obtained.

Based on the conclusions obtained in this study, suggestions are management of Murdik showroom increase frequency of promotions that often, exciting promotions, given the current competition car used the family car segment is getting tougher.

The price that the showroom murdik motor has set is already cheap, but in this case, the showroom murdik motor should keep the price affordable to consumers and communicates to customers.

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