

THE ANALYSIS OF PRICE AND PROMOTION INFLUENCE TOWARD PURCHASING DECISION IN ATHALIA DAILY SPA AND SLIMMING BANYUWANGI JAWA TIMUR

Andriani Ratna Najmani¹, Christina Whidya Utami²

Universitas of Ciputra Surabaya
INDONESIA

Emails: ¹andriani.najmani@gmail.com, ²whidyautami@ciputra.ac.id

ABSTRACT

Athalia had not analyzed the influence of price and promotion to purchase decision of Athalia's services before. The purpose of this research was to analyze price and promotion's affection simultaneously to purchasing decision of Athalia's services, to analyze price's affection partially to purchasing decision, and to analyze promotion's affection partially to purchasing decision, to make the best strategy for the future. This research used quantitative research method with the questionnaire for the respondents. The sampling method was Proportional Stratified Sampling. The conclusion of this research was price (X_1) and promotion (X_2) simultaneously affected purchasing decision, price partially affected purchasing decision, and promotion partially affected to purchasing decision. The limitation of this research was the result of determination coefficients (R^2), gave the information only 30.7% purchasing decision (Y) had been affected by price (X_1) and promotion (X_2). The other limitation was this research had not discussed more about Publicity because Athalia had never done the Publicity itself.

Keywords: Price, Promotion, Purchasing Decision

INTRODUCTION

Spa has now become a lifestyle and health tourism for its customers. Each spa company has various styles and concepts in accordance with the targets and their respective market segments, it is becoming one of the media in satisfying urban communities' needs to get spa treatments.

Athalia Daily Spa and Slimming is a service company that offers a variety of treatments start from the head, the body, to the foot. Athalia Company was established in July 2013 and is derived from the word "God's Grace". Athalia's vision is becoming a modern enterprise providers to care for the woman's natural beauty, with quality services and high professionalism in Banyuwangi and Indonesia for the next.

Athalia provides treatment care services with the concept of modern tropical. The value added of Athalia is using service standards, using standard of caring, which is located in the shop side close to three residential populations, receive treatment for women only, and has a treatment capacity up to eight people at the same time.

The main product of Athalia is *Body SPA*. Athalia customers' segmentation is women between 20-40 years, among the students up to working women with minimum income of Rp 3.000.000, live in Banyuwangi and surrounding areas, pay attention to the appearance and need relaxation from work fatigue. Athalia's current position as a service company which provides a complete spa and become a pioneer of 10 variants and slimming spa facilities and the best service in Banyuwangi city. Athalia treatments offered prices ranging from Rp 30,000 up to Rp 250.000.

Athalia offers a free trial promo, promo buy 1 get 2 free, discount from 10% up to 30 % (depends on product maintenance), membership promo, bundling or packaging promo, and also frequent visit card promo.

Some of the customers who come for treatment in Athalia clearly explained that the product has a quality which is beneficial for skin beauty care and the quality Athalia's product has its own position compared to others. The place and the product is not the primary factor which is being the problems of the consumer purchase decisions in Banyuwangi city.

Since Athalia had been established, pricing and promotional has not been analyzed deeply, so that the effect of price and promotion run against the customer's purchase decision is not known valid. This study will analyze the effect of product price, offer, and promotion that has been run against the customer's purchase decision of Athalia Daily Spa and Slimming.

Based on the background of the study and the problems of the study, the writer formulates research questions to be answered as follows:

1. Does the price and promotion simultaneously have a positive influence on purchasing decisions of Athalia treatment products?
2. Does the price partially have a positive influence on purchasing decisions of Athalia treatment products?
3. Does the partial sale have a positive influence on purchasing decisions of Athalia treatment products?

Referring to research question above, the writer formulates the purpose of the study as follows:

1. To analyze the effect of price and promotions simultaneously on purchasing decisions of Athalia treatment products.
2. To analyze the effect of partial price on purchasing decisions of Athalia treatment products.

To analyze the effect of the partial sale of the product purchasing decisions of Athalia treatment products.

Table 1. Research Sample Strata

Information	$f_x = \frac{nx}{N}$	$F = f_x \cdot n$
consumers who have purchased the unit with a minimum nominal of Rp 500.000,- in a single transaction	$f_1 = \frac{30}{400}$	$F_1 = \frac{30}{400} \times 40 = 3$
consumers who have purchased units of the total transaction amount over Rp 250.000,- to Rp 300.000,-	$f_2 = \frac{140}{400}$	$F_2 = \frac{140}{400} \times 40 = 14$
consumers who have made member purchase with a minimum transaction amount Rp 800.000,-	$f_3 = \frac{90}{400}$	$F_3 = \frac{90}{400} \times 40 = 9$
consumers who have made member purchase more than Rp 800,000,-,-	$f_4 = \frac{30}{400}$	$F_4 = \frac{30}{400} \times 40 = 3$
consumers who have purchased the unit for the first time	$f_5 = \frac{110}{400}$	$F_5 = \frac{110}{400} \times 40 = 11$
TOTAL SAMPLE		40

RESULT AND DISCUSSION

Respondent Characteristic

Table 2. Respondents' Characteristics Based on Age

Age	Amount	Percentage
<20 years	3	7.50%
20 – 30 years	13	32.50%
31 – 40 years	12	30%
>40 years	12	30%
TOTAL	40	100.00%

The description of respondents' responses for the price variable: The highest perception of respondents regarding the price of treatment services in Athalia which lies with affordable price for consumers and the reduced price of Athalia treatment in accordance with consumer ratings, which is indicated by the average value of the indicator X1.1 and X1.2 at 4:05, lowest perception of respondents tend to be associated with the assumption that the price of Rp 198,000,- a floor on the price of Athalia consumers are willing to pay, which is indicated by an average of 3,725 on the indicator X1.4.

The description of respondents' responses for the promotion variable: The highest perception from the respondents regarding the promotion of Athalia's services was on the gift giving that attracted customers over Athalia, which was indicated by the average score of the indicator X2.8 at 4.55. The lowest perception of the respondents was the statement related to the reception of information of Athalia's promotion via radio, which was indicated by the average score of 3,325 on the indicator X2.2.

The description of the respondents' answers in the purchasing decision variables: The highest perception from the respondents regarding the promotion of Athalia's services was on the gift giving that attracted customers over Athalia, which was indicated by the average score of the indicator X2.8 at 4.55. The lowest perception of the respondents was the statement related to the

reception of information of Athalia's promotion via radio, which was indicated by the average score of 3,325 on the indicator X2.2.

Validity and Reliability

Validity Test

Validity test was aimed to test the accuracy of measurements and conducted on each question regarding to *sig* score from *Pearson Correlation*. If *sig* score from *Pearson Correlation* was less than 0.05, then the question was valid and if it was greater than 0.05, then the question was invalid.

Table 3. Result analysis of validity test

Variable	Indicator	Sig (2-tailed)	Description
Price	The price of Athalia's care products is affordable	0.000	Valid
	The discount in Athalia is in your estimation	0.000	Valid
	Rp. 250.000,- is the highest price you are willing to pay	0.000	Valid
	Rp. 198.000,- is the lowest price you are willing to pay	0.000	Valid
Promotion	You receive the information about Athalia's promotion through newspaper	0.000	Valid
	You receive the information about Athalia's promotion through radio	0.000	Valid
	You receive the information about Athalia's promotion through Athalia's counter	0.000	Valid
	You receive the information about Athalia's promotion through Athalia's therapist	0.000	Valid
	The free trial makes you interested on Athalia	0.001	Valid
	The promotion By 1 Get 2 makes you interested on Athalia	0.026	Valid
	The discount makes you interested on Athalia	0.020	Valid
	The gift makes you interested on Athalia	0.030	Valid
	You receive the information about Athalia's promotion through your community (which has been infiltrated by Athalia)	0.011	Valid
	Purchasing Decision	You purchase Athalia's care treatment because of the needs or desire for body care	0.000
You purchase Athalia's care treatment because of the recommendation of close-related person		0.000	Valid
You purchase Athalia's care treatment after making a selection on a variety of alternative cares		0.000	Valid
You will recommend Athalia's care treatment to other people		0.004	Valid

Reliability Test

Reliability test was used to test the consistency and stability of the measuring instrument (Nazir, 2014: 117). *Cronbach's alpha* was used to express reliability coefficient. The more close to score 1, the higher the level of reliability. A research instrument could be said to be reliable if it had a Cronbach's alpha's score higher than or equal to 0.7 (Zulganef in Fernando, 2014). The score of *Cronbach's Alpha if Item Deleted* which was lower than overall *Cronbach's Alpha* gave conclusion that the variable is reliable

Table 4. The result of reliability test analysis

Variable	Indicator	Cronbach's Alpha if Item Deleted	Cronbach's Alpha	Description
Harga	The price of Athalia's care products is affordable	0.783	0.836	Reliable
	The discount in Athalia is in your estimation	0.804		Reliable
	Rp. 250.000,- is the highest price you are willing to pay	0.791		Reliable
	Rp. 198.000,- is the lowest price you are willing to pay	0.792		Reliable
Promosi	You receive the information about Athalia's promotion through newspaper	0.740	0.751	Reliable
	You receive the information about Athalia's promotion through radio	0.738		Reliable
	You receive the information about Athalia's promotion through Athalia's counter	0.764		Reliable
	You receive the information about Athalia's promotion through Athalia's therapist	0.743		Reliable
	The free trial makes you interested on Athalia	0.783		Reliable
	The promotion By 1 Get 2 makes you interested on Athalia	0.802		Reliable
	The discount makes you interested on Athalia	0.820		Reliable
	The gift makes you interested on Athalia	0.801		Reliable
	You receive the information about Athalia's promotion through your community (which has been infiltrated by Athalia)	0.800		Reliable
Keputusan Pembelian	You purchase Athalia's care treatment because of the needs or desire for body care	0.638	0.751	Reliable
	You purchase Athalia's care	0.737		Reliable

	treatment because of the recommendation of close-related person			
	You purchase Athalia's care treatment after making a selection on a variety of alternative cares	0.549		Reliable
	You will recommend Athalia's care treatment to other people	0.715		Reliable

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the influence of the independent variables the price (X₁) and the promotion (X₂) to the dependent variable the purchase decision (Y). Based on the data from Table 9, the regression equation was generated as follows:

$$Y = 1.792 + 0.297 X_1 + 0.322 X_2$$

The meaning of the equation was:

- $\beta_1 = 0.297$ indicated that the positive sign on the regression coefficient symbolized an unidirectional relationship between price and purchasing decision, then the price variable (X₁) increased by one unit and the other variables impacted the increase in purchasing decisions (Y) amounted to 0.297 units.
- $\beta_2 = 0.322$ indicated that the positive sign on the regression coefficient symbolized unidirectional relationship between Promotion with Purchasing Decision, the promotion variables (X₂) increased by one unit and the other variables impacted the increase in purchasing decisions (Y) amounted to 0.322 units

F-test

F-test was used to evaluate the influence of all independent variables toward the dependent variable or a significance test of regression model (Widarjono, 2015: 21-22). The results of F-test in the form of *Sig score* of 0.001 (less than 0.05), which means that there was a significant influence on the price variable (X₁) and promotion variable (X₂) toward the purchasing decision variable (Y) simultaneously.

t-test

t-test was used to verify whether the individual independent variables affected the dependent variable (Widarjono, 2015: 22-23). The conclusion of t-test of this research:

- the sig. score of t-test for the price variable (X₁) was 0.016, which was less than 0.05, we conclude that the price variable partially had significant effect on purchasing decisions of spa body products from Athalia (Y).
- the sig. score of t-test for promotion variable (X₂) was 0.01, which was less than 0.05, we conclude that the promotion variable partially had significant effect on purchasing decisions of spa body products from Athalia (Y).

The coefficient of determination (R²)

The coefficient of determination (R²) was used to measure how well the regression line in accordance to the actual data, measured the percentage of the total variation in the dependent variable Y that is explained by the independent variables in the regression line (Widarjono, 2015: 17). This research showed that 30.7% of the purchasing decision variable (Y) is influenced by the

price variable (X_1) and promotional variable (X_2). The correlation coefficient (R) is 0.554 indicated that the relationship between the price variable and promotion variable with purchasing decisions in Athalia relatively strong.

Classic Assumption Test

a. Multicollinearity Test

This test was performed to determine the linear relationship between the independent variables in the regression. This study showed that VIF was less than 10, it could be concluded that there was no multicollinearity problem.

b. Heteroskedasticity Test

This test was performed to test their variants disturbance from the variables which were not constant. This study showed that the Sig. score of t test from variable Price (X_1) was 0,629 and the Sig. score of t-test from promotion variable (X_2) was 0.6. The score was greater than 0.05, there was no heteroscedasticity.

c. Autocorrelation Test

This test was performed to determine whether there was a correlation between one disturbance variable with other variable of the observation. The results of the analysis of auto correlation test produced the score of 2.088 DW. DW score of 2.088 was between the score of dU (1.6) and 4-dU (2.4) so that it could be concluded that there was no autocorrelation.

d. Linearity Test

Linearity test aimed to determine whether two independent variables had a linear relationship or not which significantly affected the dependent variable. The information on this study showed sig linearity score of 0.011 (less than 0.05) and sig deviation from linearity of 0.63 (greater than 0.05), it could be concluded that there was a linear relationship between the price variable (X_1) with the purchasing decision variable (Y).

Linearity test results between promotion variables (X_2) with the purchasing decision variable (Y) produced sig linearity score of 0.04 (less than 0.05) and sig deviation from linearity of 0.196 (greater than 0.05), it could be concluded that there was a linear relationship between the price variable (X_1) with the purchase decision variable (Y).

e. Normality Test

This test was conducted to determine whether the residual data was normally distributed or not. The method could be used was *Kolmogorov-Smirnov* test which aimed to determine whether the samples came from populations with normal distribution. The results provided information that Sig Asymp score. (2-tailed) of 0.631 was greater than 0.05, it could be concluded that the data was normally distributed.

CONCLUSION AND SUGGESTIONS

Conclusion

The results of the analysis of the influence of price and promotions from Body Spa products on purchase decisions in Athalia Daily Spa and Slimming, informed the following conclusions:

- a. Price and promotion simultaneously had a positive effect toward purchasing decision of Athalia's care products, it was the result from comparison process about price and promotion which Athalia's consumer did with Athalia's competitor before making purchase decision.
- b. Price partially had a positive effect toward purchasing decision of Athalia's care products, it was the result from Athalia's market segment that discerned the price and the discount appropriate with the quality given by Athalia.

- c. Promotion partially had a positive effect toward purchasing decision of Athalia's care products, it was the result from Athalia's market segment that was interested in making purchase transaction because of the reward (umbrella) and free sample products given by Athalia.

Suggestions

The company should concern and reexamine toward the strategies applied, such as following:

- Applying new price strategy (*bundling price* basic premium spa product with other products).
- Making re-briefing about Athalia's promotion products and emphasizing about the target should be reached in order that Athalia's counters and therapists always give information to the customer.
- Applying free trial promotion toward the customers who had never come to Athalia and customers who had never bought Athalia's care products.
- Giving reward to the purchase with certain nominal (Rp 250.000,- and Rp 500.000,-) and seeking for the reward desired by Athalia's consumer directly (daily questionnaire)
- Extending network by infiltrating other communities, minimal 3 communities a week
- Communicating with the communities about the promotion and the products once a week

For the next research, it is suggested to add other factors influencing purchasing decision which can be viewed from other *marketing-mix 7 P* components (*Product, Price, Place, Promotion, People, Physical Evidence, and Process*) and to fill questionnaires with deep interview method in order that the data can be obtained maximally.

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