SICO 3(1) by Jahroni, Arif

Submission date: 24-Jun-2023 03:42PM (UTC+0500)

Submission ID: 2121816150

File name: 2022_APRIL_Jurnal_SICO_3_1_JAHRONI,_ARIF.pdf (200.89K)

Word count: 3614 Character count: 19777

THE ROLE OF PRODUCT QUALITY, PRICE AND PROMOTION TOWARDS TELKOMSEL PREPAID CARD PURCHASE DECISIONS

Jahroni, Arif Rachman Putra

University of Sunan Giri, Surabaya

Correspondence: jahroni.unsuri@gmail.com

ABSTRACT

Communication media has grown rapidly, marked by internet technology and gadgets. Mobile is one of the products that are in demand by the world community in this modern era. This study observes the role of product quality, price and promotion to determine the purchase decision of Telkomsel's prepaid card brand. The Telkomsel company is a company that often makes continuous innovations in terms of products, prices, and promotions as well as the network that supports it. In addition, Telkomsel has many customers. Based on the observed phenomena, a research was conducted on the role of product quality, price and promotion on the decision to buy a Telkomsel prepaid card. This associative study used accidental sampling technique and determined 100 respondents. Regression analysis tool. Research findings state that product quality is proven to play a role in causing prepaid card purcases. Price has also been shown to play a role in purchasing decisions. Promotion is proven to have a significant effect on purchasing decisions.

Keywords: product quality, price, promotion, Purchase decision, consumer behavior.

INTRODUCTION

Humans as social beings require interaction in the environment directly or indirectly. Currently, interaction has become a practical form because it uses mobile media. This product has become a major need for some people. Mobile phone products are increasingly religious and their use is increasingly widespread. This product range develops into product expansion.

Business competition in terms of communication has also become very tight. Every company tries to come up with an idea to gain market share and get new customers and to maintain demand from consumers for the products it produces. Keepi21 all existing customers is generally more profitable than switching customers because the cost of attracting a new customer can be five times the cost of retaining an existing customer. (Padma et al., 2018).

In line with the rapid community needs for mobile communication tools, the supply of cellphone cards which are usually referred to as cellular phone operators is also experiencing development and also very tight competition (Gunawan et al., 2012). The operators are aggressive in fighting for market share. In Indonesia, there are currently 3 major providers that use GSM-based technology, namely PT. Telekomunikasi Indonesia Seluler Tbk. (Telkomsel), PT. Indonesia Satellite Corporation Tbk. (Indosat) and PT. Excelcomindo Pratama Tbk (XL Axiata). This certainly triggers competition between providers or prepaid cards.

Telkomsel prepaid cards have the largest market share in Indonesia because they are based on state-owned enterprises. This product is very well known by the people of Indonesia. This prepaid card has many customers and is highly considered by its competitors. The existence of a customer begins with a purchase decision. Purchasing decisions are things that all producers aim for so that the products produced can be accepted by the market (Mardikaningsih & Putra, 2021).

Telkomsel, with a large number of subscribers, is still trying to increase the number of its customers in order to remain competitive in the telecommunications industry. One way to do 16s is to improve product quality to consumers. Product quality is a potential strategic weapon to beat competitors. The ability of a quality product to perform a variety of functions including durability, reliability and ease of use. Efforts are being made to increase the number of customers, Telkomsel does several ways, namely improving product quality, increasing price competitiveness and increasing promotions.

Product quality is the main element in product offerings (Mardikaningsih, 2019). Improving product quality with various offers of data packages, SMS packages, and telephone packages as well as efforts are also made to increase network coverage to cities in Indonesia, including expansion of 4G and 5G network coverage. The ability of the product through its product quality to provide fulfillment of needs to users. Product quality is everything that can be offered in the market to get attention, demand, use or consumption that can meet the desires or needs of consumers (Sinambela & Mardikaningsih, 2022). The quality of the products offered by Telkomsel is quite numerous and varied, including providing features and services available on the card, ranging from sms, internet, credit transfer, calls, banking and so on. The improved product quality is deemed capable of maintaining and even adding Telkomsel's customers.

The determination of the cost of goods sold is also a critical point in the service marketing mix because the price determines the income of a business or business (Putra et al., 2022). According to Darmawan (2010), the price of a product can show and influence how loyal consumers are, if a product is offered at normal prices and is able to influence consumers to make purchases consistently, it can be said that consumers are satisfied with the product. The price offered by Telkomsel is also quite competitive among its competitors. Starting from the tariffs for sms, telephone, and data quotas, which are currently in great demand among the people of Indonesia.

Another element that is often used in the face of competition in the telecommunications business today is promotion. Promotion is one element of the marketing mix that functions in informing a product (Mardikaningsih & Sinambela. 2016) and influencing the decision to buy a prepaid card. Telkomsel also uses promotions to attract consumers to buy their products. Promotion consists of advertising, direct selling and sales promotion that are directly related to the public (Khayru et al., 2021; Sutrisno, 2022).

This study intends to observe the role of product quality, price and promotion to determine purchasing decisions for Telkomsel prepaid cards. The Telkomsel company is a company that often makes continuous innovations in terms of products, prices, and promotions as well as the network that supports it. In addition, Telkomsel has many customers. Based on the observed phenomena, a research was conducted on the role of product quality, price and promotion on the decision to buy a Telkomsel prepaid card.

RESEARCH METHODS

This associative study uses primary data obtained directly from research subjects, namely from Telkomsel card customers. Methods of collecting data with a questionnaire. The population of this research is population of the districts in Surabaya who have become Telkomsel prepaid card customers. The sampling technique used in this study is using the accidental sampling method, which is a technique of collecting samples based on chance, that is, anyone who coincidentally meets the researcher can be used as a sample, if it is seen that the person met by chance is suitable as a data source. This population is scattered and the total population is difficult to know with certainty, so the number of samples, using a 95% confidence coefficient, is set to 100 respondents.

The form of the questionnaire is a list of closed questions given to respondents with the aim of finding complete information with the questionnaire that has been provided by giving a cross (X) or a checklist (V), based on a tiered Likert scale, with a weighted value of 1 to 8, namely from strongly disagree to strongly agree.

The variables involved consist of two forms of variables, namely independent and dependent variables. The dependent variable is the purchase decision (Y). A purchase decision is a person's behavior to buy or use a Telkomsel product that is believed to satisfy him/herself and is willing to bear the risks that may arise. The indicators used in buying decisions are: stability in choosing a product, confidence in choosing a product, interest and need for a product (Darmawan, 2011).

The first independent variable is product quality (X.1). This variable is the ability of the prepaid card to perform its function, it includes overall durability, reliability, network, ease of operation and product repair (Kotler & Keller, 2012). Product quality indicators are durability, reliability, network, ease of operation and repair.

The second independent variable is price (X.2). This is the amount of money paid to get a komsel card. According to Kotler and Keller (2012), the indicators that characterize price are price affordability, price suitability with product quality, price competitiveness, and price suitability with benefits.

The third independent variable is promotion (X.3). This is a series of activities to communicate, provide knowledge and convince people about the Telkomsel card so that consumers are interested in using the product, as well as bind thoughts and feelings in a form of loyalty. The promotion indicators are promotional media, celebrity endorsers, quality of message delivery, gift giving and promotional reach.

The analysis tool is multiple linear regression by including normality, validity and reliability tests. The process is assisted by the SPSS program.

RESULTS AND DISCUSSION

The instrument test was carried out using three analyzes, namely validity, reliability and normality. The output of SPSS shows that all question items are valid because rount is greater than rtable.

The reliability results show the product quality variable (X.1) with Cronbach's alpha value of 0.745; price variable (X.2) with a value of 0.673; promotion variable (X.3) is 0.859; and the purchasing decision variable (Y) is 0.706. From the results of the reliability test, it is known that the Cronbach coefficient > 0.6, then the items of the questionnaire are reliable.

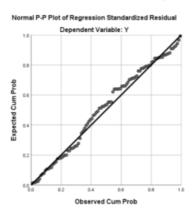


Figure 1. Normality Test

26

Based on the results of the normality test above, it can be concluded that the regression mo 24 is in accordance with the assumption of normality because the points that spread around the diagonal line or histogram graph show a normal distribution, then the regression model meets the assumption of normality.

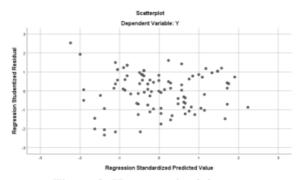


Figure 2. Heteroscedasticity test

26

Based 3) the results of the heteroscedasticity test above, it can be concluded that the points spread randomly above and below the number 0 on the Y axis. So it can be concluded that there is no heteroscedasticity in the regression model.

Autocorrelation test obtained Durbin-Watson value of 1.068 from these results it can be concluded that the resulting regression model does not have autocorrelation problems, so the autocorrelation assumption is fulfilled.

Based on the results of the multicollinearity test in table 1, it can be seen that each variable has a VIF value below 10 and a tolerance of 0.1 so that it can be concluded that there is no multicollinearity.

Table 1. Multiple Linear Regression

•		Unstandardized		Standardized			Collinearity	
23		Coeffi	icients	Coefficients			Statist	tics
Model		В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	30.142	2.452		12.294	.000		
	X.1	1.187	.360	.227	3.297	.001	.764	1.309
	X.2	2.552	.341	.486	7.474	.000	.857	1.166
	X.3	1.626	.338	.339	4.810	.000	.731	1.369

Source: SPSS output

The multiple linear regression equation obtained is Y = 30.142 + 1.187X.1 + 2.552X.2 + 1.626X.3. The regression equation can be explained as follows:

- a. The constant is 30,142 if the product quality, price and promotion are equal to 0, then the purchase decision is positive, which means that consumers still decide to buy.
- b. The regression coefficient of product quality is 1.187, which means that product quality has a positive effect on purchasing decisions, if product quality is improved, purchasing decisions will increase with the assumption that prices and promotions are constant. The significance value of 12 he influence of product quality on purchasing decisions is 0.001 <0.05, which means that product quality has a significant effect on purchasing decisions.
- c. The price regression coefficient is 2.552, which means that the price has a positive effect on purchasing decisions, if the price is increased, the purchasing decisions will increase with the assumption that product quality and promotion are constant. The significance value of the effect of price on purchasing decisions is 0.000 > 0.05, which means that the price has a significant effect on purchasing decisions.
- d. Promotion regression coefficient is 1.626, which means that promotion has a positive effect on purchasing decisions, if the price is increased, purchasing decisions will increase with the assumption that product quality and prices are constant. The significance value of the promotion effect on purchasing decisions is 0.000 < 0.05, which means that promotions have a significant effect on purchasing decisions.
- e. The price variable becomes a variable that plays a dominant role among other independent variables.

Table 2. Summary Results for F Test

Model	•	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2374.080	3	791.360	60.080	.000b
	Residual	1264.480	96	13.172		
	Total	3638.560	99			

Source: SPSS output

The value of Fcount [18]0,080 with a significance value of 0.000 <0.05, so it can be concluded that simultaneously product quality and promotion have a significant effect on Telkomsel prepaid card purchasing decisions.

25

Table 3. Coefficient of Determination

			Adjusted R	Std. Error of the	
Model	R	R Square	Square	Estimate	Durbin-Watson
1	.808a	.652	.642	3.629	1.068

Source: SPSS output

stated on the results of the determinant coefficient (adjusted R Square) of 0.642, which means that the value of product quality, price and promotion are able to influence buying decisions by 64.2%, while the remaining 25.8% is influenced by other variables outside of this study. For example brand equity, satisfaction, location and service.

The study 36 und that product quality has a role in causing purchase decisions. The results of this study support previous research conducted by Darmawan (2011) which states that product quality has a positive and significant role in decisions. Product quality shown by Telkomsel to provide identity or characteristics on prepaid cards so that 30 nsumers can recognize these products and differentiate them from competitors. Anything that can be offered to the market for attention, purchase, use, or consumption that can satisfy a want or need (Masitoh et al., 2017; Djaelani & Darmawan, 2021). Uniqueness can even be a certain attraction in a product (Zanot et al., 1983). The durability of the Telkomsel card chip is good even though it is moved to another cellphone card slot, it doesn't break quickly so consumers are interested in buying a Telkomsel card and the Telkomsel network is wide and covers rural areas so that consumers are interested in buying a Telkomsel card.

Another finding states that price plays a role in purchasing decisions. The results of this study support the findings of Darmawan (2004); Djaelani (2015); Sinambela (2017); Al Hakim & Arifin (2017); Sinambela et al., (2020); Jahroni et al. (2021). If price affordability, price competitiveness, price conformity with quality are improved, purchasing decisions will increase. This shows that the variable price remains the main consideration in purchasing decisions (Zhamie & Morales, 2019).

Promotion has a role in causing the purchase of Telkomsel prepaid cards. This supports the findings of Trirahayu et al. (2014); and Ernawati & Darmawar 12017). Promotion is one of the most important marketing mix implemented by Telkomsel. Promotional activities not only function as a communication tool between Telkomsel and consumers, but also as a tool to influence consumers in purchasing or using Telkomsel prepaid cards according to their wishes and needs.

CONCLUSION

Product quality is proven to play a role in causing prepaid card pur asses. Price has also been shown to play a role in purchasing decisions. Promotion is proven to have a significant effect on purchasing decisions.

Activities related to marketing communications must continue to be improved through sales promotions such as providing additional bonuses for every credit or quota with a certain nominal value. Advertising can be involved by increasing the duration and frequency of broadcasts on various social media.

Product quality is improved by providing excellent service when users experience problems. Service outlets are distributed evenly in various coverage areas. In addition, it increases the active period of prepaid cards. For example, the addition of the active period in accordance with the top-up, the higher the charging, the longer the active period will be.

The pricing policy was developed by maintaining prepaid card credit rates and maintaining the affordability of prepaid card prices and maintaining prices in accordance with the features and facilities provided.

REFERENCES

- Al Hakim, Y. R. & S. Arifin. 2017. Pengaruh Citra Merek dan Harga terhadap Keputusan Pembelian Produk Rokok, Jurnal Agrimas, 1(1), 29-38
- Darmawan, D. 2004. Pengaruh Variabel Psikologis, Harga dan Kelompok Acuan terhadap Keputusan Konsumen Membeli Produk Minuman Suplemen, Jurnal Media Komunikasi Ekonomi dan Manajemen, 3(1), 14-23.
- Darmawan, D. 2010. Majajemen Pemasaran, IntiPresindo Pustaka, Bandung.
- Darmawan, D. 2011. Pengaruh Citra Merek dan Kualitas Produk terhadap Keputusan Pembelian, Metromedia, Surabaya.
- Djaelani, M. 2015. Peran Harga Produk dan Citra Merek untuk Menentukan Keputusan Pembelian Produk Semen Gresik, Jurnal Ekonorgadan Bisnis, 5(2), 1-7.
- Djaelani, M., & D. Darmawan. 2021. Dulux Wall Paint Purchase Decision: The Role of Brand Image, Price, and Product Quality on Consumate Behavior of Paint Products. Jurnal Simki Economic, 4(2), 150-160.
- Djati, S. Pantja & D. Darmawan. 2005. Pengaruh Kinerja Karyawan terhadap Kepuasan, Kepercayaan, dan Kesetiaan Pelanggan, Jurnal Manajemen dan Kewirausahaan, 7(1), 48-59.
- Ernawati & D. Darmawan. 2017. Korelasi Lokasi Dan Promosi Dengan Keputusan Pembelian Rumah Subsidi, Jurnal Ekonomi dan Bisnis, 7(2), 1-7.
- Ferrinadewi, E. & D. Darmawan. 2004. Perilaku Konsumen: Analisis Model Keputusan, Universitas Atma Jaya, Yogyakarta.
- Gunawan, A., Y. Yuliana, D. Darmawan, & S. Arum. 2012. Manajemen Terapan dan Bisnis, Spektrum Nusa Press, Jakarta.
- Halizah, S. N., E. Retnowati, D. Darmawan, R. K. Khayru, & F. Issalillah. 2022. Determinants of Customer Trust: A Study on Safety, Ease-of-use, and Perceived usefulness of Herbal Products of Kuku Bima Ener-G, Journal of Trends Economics and Accounting Research, 2(4), 86-92.
- Hidayat, T., D. Darmawan, O. R. Isma, M. Hariani & A. R. Putra. 2015. Hubungan Inovasi Produk, Harga Premi dan Perilaku Konsumen. Jurnal Ekonomi, Bisnis dan Manajemen, 5(2), 119-130.
- Issalillah, F., R. K. Khayru, D. Darmawan, M. W. Amri & S. Purwanti. 2021. Analisis Perilaku Konsumen Rokok Mild Berdasarkan Persepsi dan Sikap, Journal of Trends Economics and Accounting Research, 2(2), 49-53.
- Jahroni, J., E. A. Sinambela., R. Mardikaningsih., & D. Darmawan. 2021. Pengaruh Citra Toko, Suasana Toko dan Harga terhadap Keputusan Pembelian. Jurnal Pendidikan Tambusai, 5(3), 10234-10241.
- Jamaluddin, A., et al. 2013. Human Resource Management Implications of Technology-based Organizational Forms. Academy of Management Journal, 23(2), 83-94.
- Khayru, R. K., D. Darmawan., & M. Munir. 2021. Analysis of Product Preference of Chitato and Lays Potato Chips. Marginal: Journal of Management, Accounting, General Finance and International Economic Issues, 1(1), 10-15.
- Khairi, M. & D. Darmawan. 2021. The Relationship Between Destination Attractiveness, Location, Tourism Facilities, And Revisit Intentions, Journal of Marketing and Business Research, 1(1), 39-50.

- Kiley, A.M., et al. 2015. Strategic Flexibility and the Virtue of Innovation in Responding to the Dynamics of Change. The Journal of Management Studies, 31(3), 865-878.
- Kotler, P. & K. L. Keller. 2012. Marketing Management, 14th, Person Education.
- Mardikaningsih, R. & E. A. Sinambela. 2016. Peranan Komunikasi Pemasaran, Citra Merek dan Kepercayaan Merek terhadap Kesetiaan Merek, Jurnal Ilmu Manajemen, 2(1), 33-52.
- Mardikaningsih, R. 2019. Pengaruh Persepsi Kualitas dan Persepsi Resiko terhadap Keputusan Pembelian Susu Formula, Ekonomi, Keuangan, Investasi dan Syariah, 1(1), 1-8.
- Mardikaningsih, R. & A. R. Putra. 2021. Pengambilan Keputusan Pembelian Produk berdasarkan Ekuitas Merek. Bisman (Bisnis dan Manajemen): The purnal of Business and Management, 4(2), 85-98.
- Masitoh, D., D. Darmawan & E. A. Sinambela. 2017. The Effect of Service Quality and Trust on Customer Loyalty of Warung Apung Rahmawati of Mojokerto Branch, Jurnal Agrimas, 1(2), 107-114.
- Padma, A., N. Aisyah, D. Darmawan, I.A. Azmi & A. R. Putra. 2018. Contingency Approach to Strategies for Service Firms, Business Research, 7(2), 178-189.
- Putra, A.R., M. M. D. H. Rudiansyah, D. Darmawan, R. Mardikaningsih & E. A. Sinambela. 2022. Pengaruh Gaya Hidup, Lingkungan Fisik, dan Persepsi Harga terhadap Loyalitas Pelanggan Lottemart. Jurnal Ekonomi dan Magajemen, 2(1), 71-85
- Putra, A.R. et al. 2022. Relationship between Parenting Parenting and Smartphone Use for Elementary School Age Children During the Covid 19 Pandemic. Bulletin of Multi-Disciplinary Science and Applied Technology. 1(4), 138-141.
- Retnowati, E., D. Darmawan, R. Mardikaningsih, & E. A. Sinambela. 2021. Pengaruh Pencapaian Kepuasan Konsumen Rumah Makan Berdasarkan Kesan Kualitas Produk dan Harga. Jurnal Ekonomi dan Ekonomi Syariah (JESYA), 4(2), 1382-1389.
- Sinambela, E. A. 2017. Pengaruh Ekuitas Merek dan Harga terhadap Keputusan Pembelian Produk Kopi Bubuk Kemasan, Management 20 Accounting Research Journal, 1(2), 44-49.
- Sinambela, E. A., P. P. Sari., & S. Arifin. 2020. Pengaruh Variabel Harga dan Citra Perusahaan terhadap Keputusan Pembelian Produk Wingsfoot purnal Ilmiah Ilmu-ilmu Ekonomi (Akuntabilitas), 13(1), 55-70.
- Sinambela, E. A. & R. Mardikaningsih. 2022. Loyalitas Merek Milo Ditinjau dari Kualitas Produk dan Brand Image. Jurnal Simki Economic, 5(2), 155-164.
- Sutrisno, R.I. & D. Darmawan. 2022. Pengaruh Promosi Penjualan, Diversifikasi Produk dan Harga terhadap Kepuasan Pelanggan, Jurnal Manajemen, Bisnis, dan Kewirausahaan, 2(1), 1-12.
- Trirahayu, D., L. Putriana, D. Darmawan, E. A. Sinambela & R. Mardikaningsih. 2014. Peran Bauran Pemasaran Jasa terhadap Minat Beli dan Minat Mereferensikan. Jurnal Ekonomi, Bisnis dan Manajemen, 4(1), 51-62.
- Ujianto & D. Darmawan. 2003. Rasionalitas Mahasiswa dalam Memilih Partai Politik: Studi terhadap Faktor yang Dipertimbangkan Mahasiswa Kota Surabaya dalam Memilih Partai Politik, Jurnal Ilmu-Ilmu Sosial dan Humaniora, 7(1), 43-54.
- Zanot, E. J., J. D. Pinicus & E. J. Lamp. 1983. Public perceptions of subliminal advertising. Journal of Advertising. 12(1), 39-44.
- Zhamie, F. & J. Morales. 2019. The Value for the Consumer in Retail and Loyalty. Italian Business Review, 19(1), 189-198.

ORI	\sim 1N	. 1 / 1 /	ITV	DE	$D \cap$	DT

19% SIMILARITY INDEX

13%
INTERNET SOURCES

6%
PUBLICATIONS

II %

STUDENT PAPERS

PRIMARY SOURCES

Submitted to Universitas Stikubank Student Paper

1 %

2 ijrrjournal.com
Internet Source

1 %

link.springer.com

1 %

Submitted to William Angliss Institute of TAFE

1%

Student Paper

Submitted to Curtin University of Technology

1 %

Student Paper

Rostinah Manurung. "The Effect of Infant Massage on The Quality of Sleep of Infants Aged 0–12 Months", Jurnal Aisyah: Jurnal Ilmu Kesehatan, 2020

1 %

Publication

repository.umpalopo.ac.id

1 %

repository.utp.ac.id

%

Internet Source

9	Submitted to Anglia Ruskin University Student Paper	1 %
10	knepublishing.com Internet Source	1 %
11	Submitted to AUT University Student Paper	1 %
12	Submitted to Universitas Bangka Belitung Student Paper	1 %
13	repository.wima.ac.id Internet Source	1 %
14	Submitted to Ciputra University Student Paper	1 %
15	Submitted to University College Birmingham Student Paper	1 %
16	Submitted to University of Northumbria at Newcastle Student Paper	1 %
17	www.springerprofessional.de Internet Source	1 %
18	www.ejournal.stiepena.ac.id Internet Source	1 %
19	Submitted to Pacific Adventist University Student Paper	<1%
20	Submitted to Universitas Jember Student Paper	<1%

21	Student Paper	<1 %
22	repository.upi.edu Internet Source	<1%
23	doc-pak.undip.ac.id Internet Source	<1%
24	repository.president.ac.id Internet Source	<1 %
25	www.econstor.eu Internet Source	<1 %
26	ojs3.unpatti.ac.id Internet Source	<1%
27	repository.uph.edu Internet Source	<1 %
28	Submitted to Aston University Student Paper	<1 %
29	www.internationaljournalcorner.com Internet Source	<1%
30	repository.ub.ac.id Internet Source	<1%
31	Dony Saputra, Indra Adiputra, Didiet Gharnaditya, Priscilla C. Budiman, Viby Diana. "Factors Influencing Behavioral Intention in Purchasing Groceries Through E-commerce XYZ's Virtual Store", 2020 International Conference on Information	<1%

Management and Technology (ICIMTech), 2020

Publication

Exclude bibliography Off

32	ejournal.uinsaizu.ac.id Internet Source			<1%
33	journal.untar.ac.id Internet Source			<1%
34	Zarah Puspitaningtyas. 'financial performance and dividend policy of the ballisted on the Indonesia Stanks and Bank System	nd the effect anking compa Stock Exchan	on anies	<1%
35	etd.repository.ugm.ac.ic	d		<1%
36	euacademic.org Internet Source			<1%
37	repository.widyatama.ac	c.id		<1%