The Effects of Price, Product and Promotion of Astinet Services on Purchasing Decisions at North Jakarta Branch

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Abstract:- This study aims to examine and analyze the effect of prices, products and promotions as well as their implications for Astinet purchase decisions in the North Jakarta Branch. The research method used was a survey with a quantitative approach. The research sample of 96 respondents. Primary data collection using a questionnaire. Quantitative data analysis uses multiple linear regression method. The data is processed through the SPSS 24 application. Results of the study found that simultaneously the price, the product, promotion of Astinet services have significant effect on purchasing decisions in the North Jakarta branch. The product provides the most powerful and significant influence on the decision due to Astinet products is indeed suitable for the company's need to get internet access at high speed and good performance quality so that the company uses it . Conclusions Research shows that partially, the price, product, promotion of Astinet services have significant effect on purchasing decisions in the North Jakarta branch. This penalty provides ads apply recommended by PT Telekomunikasi is not too high in setting the price of Astinet products in order to compete competitively with its competitors and product quality performance needs to be improved again to grow the purchase decision.

Keywords:- Price, Product, Promotion and Purchase Decisions.

I. INTRODUCTION

Throughout the history of the development of telecommunications industry in Indonesia, there has been a shift in telecommunication needs in the Indonesian community. The existence of a simple telecommunication tool begins to be replaced by wireless technology. The shift occurs because of these latest technology is considered more flexible and beneficial to people with high mobility. Textic customer service behavior begins to shift, from the use of call service and short message (SMS) then switch using apps from OTT services (over the top).

With the diviling the development of ICT in the world will encourage the rapid growth of technology in Indonesia, it will have an impact on the existing telecommunication industry because of the development of telcommunication to join in economic growth in Indonesia. For the development of the telecommunications industry in

Indonesia, technology has a very vital role. This is because the development of telecommunication is always following the technology that is available and supported by the Internet. The use of the Internet in Indonesia itself annually increased as shown in figure 1 below.

Fig 1: - Growth in Internet Usage
Source: kominfo.go.id (2018)

Figure 1 above says that internet usage in Indonesia in 2018 will reach 123 million. To support the use of the internet in Indonesia, which has increased from year to year, companies engaged in the telecommunications industry are competing in providing supporting products, one of which is PT Telekomunikasi. PT Telekomunikasi's sales focus to support the use of the internet in Indonesia, especially in DKI Jakarta is Astinet. Astinet is a type of dedicated internet and multimedia services from Telekomunikasi, which compares the speed of sending and receiving data speeds of 1: 1 guaranteeing a 99% SLA connection via fiber optic media. Astinet became the focus of sales in DKI Jakarta because it saw the number of companies that exist as shown in table 1 below.

Regional	Number of Companies (2018)
Central Jakarta	175
East Jakarta	656
South Jakarta	213
North Jakarta	14.943
West Jakarta	796
Total	**16.783**

Table 1:- Number of Companies in DKI Jakarta
Source: dataperusahaan.com (2018)

Table 1 shows that the growth of companies in North Jakarta dominates compared to other regions, this should make PT Telekomunikasi North Jakarta Branch able to contribute more revenue to the sales of Astinet products for Regional 2 (DKI Jakarta). But the data that the researchers got in the field in 2018 Astinet product sales at PT Telekomunikasi North Jakarta Branch experienced a decline, as evidenced by a decrease in total revenue to IDR 8,812,896,000 as shown in table 2 below.

Years	Number of Consumers	Revenue (IDR)
2018	92	8,812,896,000
2017	102	9,912,699,985
2016	145	12,963,587,482

Table 2:- Revenue of PT Telekomunikasi North Jakarta Branch
Source: Primary Data (2018)

In table 3 it can be seen that there is a decrease in subscribers and revenue from year to year, in 2018 with the data of the decline in sales, PT Telekomunikasi North Jakarta Branch must focus more on increasing sales in Astinet services. From this data, the researchers then conducted a pre-survey of customers regarding variables thought to influence Astinet's purchasing decisions in the North Jakarta Region. From the pre-survey results it was found that the price, product and promotion variables influence Astinet's buying decisions in the North Jakarta Region. On this basis the researchers conducted a study entitled *"The Effects of Price, Product and Astinet Services Promotion on Purchasing Decisions at PT Telekomunikasi North Jakarta Branch"*.

II. LITERATURE REVIEWS

A. Price

According to Keller (2013:345), Price is the amount of money charged for a product or service, or the amount of value exchanged by consumers for the benefits of owning or using the product or service. Meanwhile, according to Sumarni and Soeprihanto (2010:281) the price is the amount of money (plus some products if possible) needed to get a combination of goods and services. Based on some price definitions above, it can be concluded that the price is the amount of money that must be spent by consumers to get the product or service that was purchased to meet their needs and desires.

B. Product

According to Kotler and Keller (2012:432), a product is the ability of a product to display its functions, including the usefulness of the product's reliability, ease of use and improvement, and other values. Meanwhile, according to Tjiptono (2010:95), a product is anything that can be offered to a market to be considered, owned, used, and consumed so that it can satisfy wants and needs.

C. Promotion

According to Kotler and Keller (2012:11), Promusi is a variable that is defined by the communication mix of a company with its stakeholders, which consists of five means, namely advertising, sales promotion, public relations, sales personal (personal selling), and direct marketing. While Cannon Perreault and Jerome (2009:285) argue that promotion is a factor that determines success in marketing a product.

D. Purchasing Decisions

According to Salem (2018:15) purchasing decisions as a thought process that directs consumers to identify needs, produce options, and choose certain products / brands. Whereas Anissa, et.al. (2018:5) explains that a purchasing decision is behavior exhibited by decision-making units in the purchase, use of goods and services.

E. Conceptual Framework

Based on the background of the problems and theories above, the conceptual framework in this study is as follows:
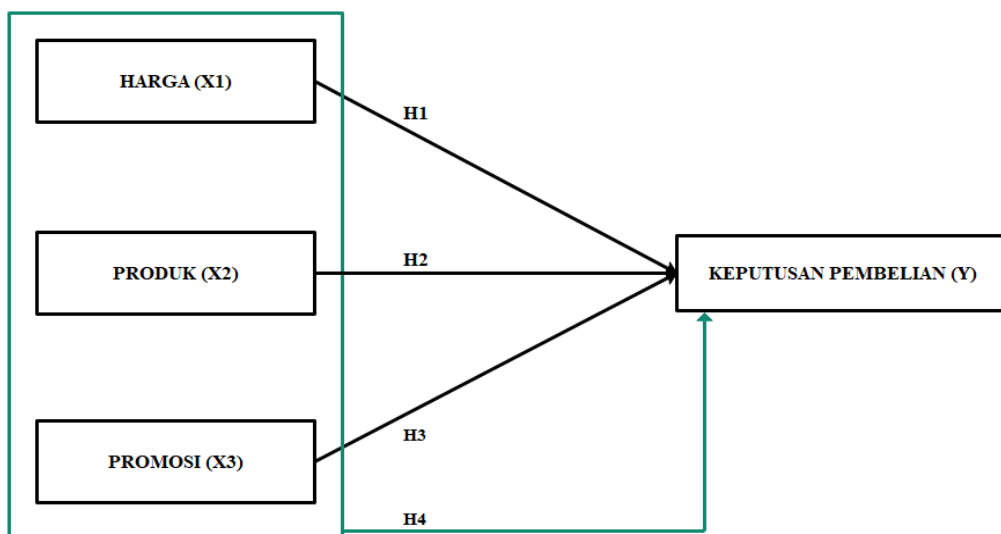

Fig 2:- Conceptual Framework
Source: Theoretical Review

F. Hypothesis

Based on the conceptual framework above, the hypothesis in this study is as follows:

> H1: Price partially has a positive and significant influence on the purchasing decisions of Astinet customers of PT Telekomunikasi North Jakarta Branch.
> H2: The product partially has a positive and significant influence on the purchasing decisions of Astinet customers of PT Telekomunikasi North Jakarta Branch.
> H3: Promotion partially has a positive and significant influence on the purchasing decisions of Astinet customers of PT Telekomunikasi North Jakarta Branch.
> H4: Simultaneously the price, product and promotion have a positive and significant effect on the purchasing decisions of Astinet customers of PT Telekomunikasi North Jakarta Branch.

III. RESEARCH METHOD

The research design used by the author in this study is conclusive research, a type of causal research. In addition, this research method is a quantitative method using a survey method for Astinet customers at PT Telekomunikasi North Jakarta Branch. Conclusive research aims to test something and help researchers choose the next specific action (Kuncoro, 2009:10). While causal research is used to prove the causal relationship (Malhotra, 2009:100).

According to Sugiyono (2014:117) Sample is part of the number and characteristics possessed by the population samples taken from these populations must be truly representative (representative). The sampling technique in the study used a saturated sample technique using the entire population of 96 respondents. Data collection methods in this study used a questionnaire distributed to all respondents. The collected data is then processed through SPSS version 24 to test the hypothesis.

IV. RESULT

A. Validity and Reliability

From the results of the validity test in this study it was found that all values of $r_{count} > r_{table}$ (0.361) at a significant level of 5% ($\alpha = 0.05$) as shown in table 3 below.

Num.	r_{count} X_1	r_{table}	Info	r_{count} X_2	r_{table}	Info	r_{count} X_3	r_{table}	Info	r_{count} Y	r_{table}	Info
1	0.869	0.361	Valid	0.826	0.361	Valid	0.668	0.361	Valid	0.882	0.361	Valid
2	0.762	0.361	Valid	0.788	0.361	Valid	0.787	0.361	Valid	0.750	0.361	Valid
3	0.739	0.361	Valid	0.746	0.361	Valid	0.728	0.361	Valid	0.623	0.361	Valid
4	0.716	0.361	Valid	0.641	0.361	Valid	0.659	0.361	Valid	0.667	0.361	Valid
5	0.698	0.361	Valid	0.664	0.361	Valid	0.619	0.361	Valid	0.783	0.361	Valid
6	0.745	0.361	Valid	0.674	0.361	Valid	0.587	0.361	Valid	0.809	0.361	Valid
7	0.682	0.361	Valid	0.824	0.361	Valid	0.622	0.361	Valid	0.792	0.361	Valid
8	0.556	0.361	Valid	0.785	0.361	Valid	0.606	0.361	Valid	0.839	0.361	Valid
9	0.734	0.361	Valid	0.675	0.361	Valid	0.711	0.361	Valid	0.636	0.361	Valid
10	0.703	0.361	Valid	0.661	0.361	Valid	0.738	0.361	Valid	0.613	0.361	Valid
11	0.719	0.361	Valid	0.712	0.361	Valid	0.809	0.361	Valid	0.667	0.361	Valid
12	0.809	0.361	Valid	0.773	0.361	Valid	0.711	0.361	Valid	0.709	0.361	Valid

Table 3:- Result of Validity Test
Source: Analysis Result with SPSS version 24

The reliability test results in this study were obtained that all cronbach's alpha values of price variables, product variables, promotion variables and purchase decision variables value> 0.7, it can be concluded that this study can be relied upon. The reliability test results can be seen in table 4 below.

Variables	Cronbach's Alpha	Recommendation	Result	Item of Statements
Price	0.919	> 0.7	Reliable	12
Product	0.920	> 0.7	Reliable	12
Promotion	0.899	> 0.7	Reliable	12
Purchasing Decisions	0.921	> 0.7	Reliable	12

Table 4:- Result of Reliability Test
Source: Analysis Result with SPSS version 24

B. Classic Assumption Test

Based on the results of the normality test of research data using the Kolmogorov-Smirnov formula each research variable (price, product, promotion, and purchase decision) produces Sig. > Sig. 0.05 so it can be said that the research data is normally distributed. The results of the normality test can be seen in table 5 below.

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
Variabel	**Statistic**	**Df**	**Sig.**	**Statistic**	**df**	**Sig.**
Price	.074	96	.200[*]	.971	96	.032
Product	.080	96	.154	.970	96	.029
Promotion	.079	96	.167	.963	96	.008
Purchasing Decisions	.081	96	.128	.962	96	.007

Table 5:- Kolmogorov-Smirnov Test
Source: Analysis Result with SPSS version 24

Based on Multicollinearity test results, Tolerance results obtained on the price variable (X_1), product (X_2) and promotion (X_3) of Tolerance > 0.1 which means that there is no multicollinearity or serious problems occur. The results of multicollinearity test can be seen in table 6 below.

Variables	Tolerance	VIF
Price (X_1)	0.266	3.766
Product (X_2)	0.304	3.295
Promotion (X_3)	0.281	3.563

Table 6:- Result of Multicolinearity Test
Source: Analysis Result with SPSS version 24

Based on the distribution of research data drawn in scatterplot diagrams, shows that the distribution of research data does not indicate heteroscedasticity due to the distribution of data drawn in the form of points evenly above and below on the X axis and Y axis. Next, to detect the occurrence of outliers or can't be known from the distribution of research data points which turned out to be the results of the distribution of data does not exceed the number (-3.3) means that there is no outlier research data. Heteroscedasticity test results can be seen in figure 3 below.
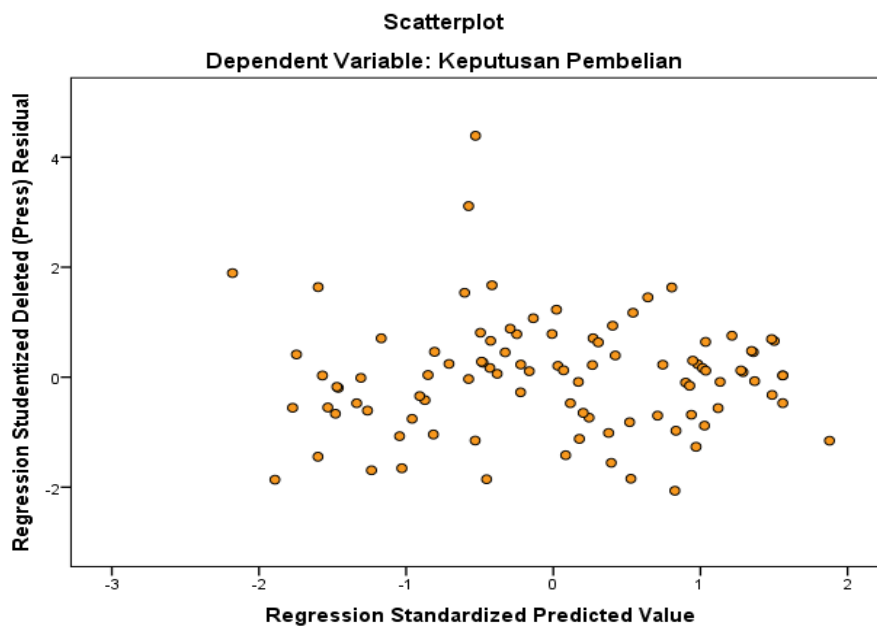

Fig 3:- Heteroscedasticity Test by Scatterplot
Source: Analysis Result with SPSS version 24

C. Hypothesis Test

In the analysis test results show the influence of the independent variable price (X_1), product (X_2) and Promotion (X_3) on the purchase decision (Y) partially and simultaneously, then the t test and the f test are done, by looking at the resulting significance. If the sig value < 0.05 then the independent variable significantly influences the dependent variable. Hypothesis test results can be seen in table 7 below.

Coefficients^a					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	1.297	2.596		.499	.619
Price	.313	.095	.286	3.284	.001
Product	.440	.086	.416	5.106	.000
Promotion	.240	.077	.264	3.117	.002
F				134.446	.000
R^2			0,814		

Table 7:- Result of Hypothesis Test
Source: Analysis Result with SPSS version 24

From table 7 above it can be seen that the t_{count} value of the price variable is 3.284, the t_{count} of the product is 5.106 and the t_{count} of promotion is 3.117, because all the values of $t_{count} > t_{table}$ (1.98498) it can be concluded that both the price variable, product variable, promotion variable have an effect on purchasing decisions and the value of Sig. of the independent variable < 0.05 which means significant, meaning H1, H2, and H3 are accepted. The regression equation is as follows:

Y = 1,297 + 0.313 (X₁)+ 0.440 (X₂) + 0.240 (X₃)

The results of the F test and R2 test showed that the value of F_{count} 134,446 > F_{table} (2.70) and Sig. 0.000. because the results of the Sig. 0.000 < Sig. 0.05 then the hypothesis (H4) is accepted stating the price, product, promotion together (simultaneous) significantly influence the purchase decision of 81.4% while the remaining 18.6% is influenced by other factors outside this study.

D. Correlation among Dimensions
The correlation among dimensions test can be seen in table 8 below.

	Dimensions	Identified Needs	Information Search	Alternative Evaluation	Buying Decisions
$X_{1.1}$	Price Affordability	.448**	.524**	.460**	.511**
$X_{1.2}$	Price Suitability with the Benefits	.422**	.495**	.438**	.438**
$X_{1.3}$	Price Competitiveness	.560**	**.657****	.512**	.559**
$X_{1.4}$	Price Suitability with the Quality	.383**	.631**	.336**	.344**
$X_{2.1}$	Quality Performance	.568**	**.596****	.524**	.560**
$X_{2.2}$	Product Features	.300**	.479**	.365**	.340**
$X_{2.3}$	Perceived Quality	.546**	.543**	.539**	.520**
$X_{2.4}$	Improved Ability	.551**	.493**	.522**	.424**
$X_{3.1}$	Advertising	.531**	.663**	.598**	.503**
$X_{3.2}$	Personal Selling	.346**	.446**	.393**	.260*
$X_{3.3}$	Sales Promotion	.247*	.441**	.262**	.281**
$X_{3.4}$	Direct Marketing	.550**	**.789****	.498**	.609**

Table 8:- Correlation Among Dimensions
Source: Analysis Result with SPSS version 24

Based on the results of the calculation of the correlation among dimensions of the independent variables with the dimensions of the dependent variable, it can be described as follows:

➢ The price competitiveness factor gives a very strong correlation to information search because consumers want to get prices that are truly in accordance with the

quality of the product they are going to use. Therefore, before consumers decide to buy Astinet products, consumers try to find information related to prices, such as wanting to get an economical price with good and high quality internet products, prices that are truly comparable to the quality of the product so that consumers do not feel the disappointment of consuming Astinet products.

- The performance of Astinet internet network products is indeed felt to be of good quality because it is easy to use and the performance of the internet network speed is as expected, the performance of the internet network functions well so that it suits the job needs of consumer companies whose intensity of internet network usage is quite high. Therefore, before consumers decide to purchase internet networks from Astinet products, consumers search for information and try to compare with competitors' products to get high quality products.

- Promotion factors influence purchasing decisions, in this case the most direct direct marketing factors influence consumers to make purchases. Telekomunikasi employees do marketing Astinet products directly to consumers in the company, such as providing catalogs, making telephone calls directly to the company, and offering them directly by sending product emails to the company so that direct offers can be more effective in influencing targets.

V. CONSLUTIONS AND SUGGESTIONS

A. Conclusions

Based on the results of testing the hypothesis and the description of the research discussion, it can be concluded the results of the study are as follows:

- The research findings show that price partially has a positive and significant effect on the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. This means that prices that are in line with benefits and quality will improve consumer purchasing decisions on the Astinet network of PT Telekomunikasi North Jakarta Branch.

- Promotion is partially positive and significant influence on the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. This means that promotion that is intense and massive enough will encourage consumers to immediately make a purchasing decision.

- The product partially has a positive and significant effect on the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. This means that products that fit consumers' needs will encourage consumers to make purchasing decisions.

- Price, product, promotion simultaneously have a significant effect on the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. This means that prices, products, and promotions are very important variables for consumers to decide on the purchase of Astinet PT Telekomunikasi's North Jakarta internet network products.

B. Suggestions

Based on the results of the research conclusions, the writer can suggest the following:

- Price variable (X_1) significantly influences the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. However, it is still necessary to improve the dimensions of the price variable to improve purchasing decisions, such as the following:

- Affordability of prices must be maintained because this is highly correlated with information retrieval ($X_{1.1} \rightarrow Y_{1.2}$), such as PT Telekomunikasi is not too high in setting prices compared to its competitors' products so consumers do not switch to competitor products that are more affordable.

- The appropriateness of prices with benefits must be considered by PT Telekomunikasi because this is highly correlated with information retrieval ($X_{1.2} \rightarrow Y_{1.2}$). If the high price is not in accordance with the benefits obtained by consumers, then there is the possibility of consumers looking for other information to the competitor's product to get a decent price with the benefits they get.

- Price competitiveness must be the focus of PT Telekomunikasi's attention because this is highly correlated with information retrieval ($X_{1.3} \rightarrow Y_{1.2}$), as PT Telekomunikasi continues to monitor price developments occurring in the marketplace so that the price of PT Telekomunikasi's products remains a consumer's top choice to buy.

- Price and Quality Conformity is still maintained by PT Telekomunikasi because this is highly correlated with information retrieval ($X_{1.4} \rightarrow Y_{1.2}$). Consumers will look for product information about the suitability between price and quality of product performance. Therefore, in setting prices, we must pay attention to the quality of the performance of the product to create customer satisfaction in using the product.

- Product variable (X_2) significantly influences the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. However, it is still necessary to improve the dimensions of the product variables to improve purchasing decisions, such as the following:

- Product performance continues to be improved / correlates very high with information retrieval ($X_{2.1} \rightarrow Y_{1.2}$). Consumers want to get information about the performance of products that can meet their needs such as stable signals when using the internet network, download and upload processes that are fast, and are not constrained by weather when using the internet.

- Product features continue to be upgraded according to customer needs because this is highly correlated with information retrieval ($X_{2.2} \rightarrow Y_{1.2}$). Consumers will look for information about internet networks that have product features that are always up-to-date so that the products used are in accordance with the desired needs.

- The quality of products felt by consumers must continue to be evaluated by PT Telekomunikasi because this is highly correlated with the introduction of needs ($X_{2.3} \rightarrow Y_{1.1}$). PT Telekomunikasi must periodically evaluate the quality of products that are tailored to customer needs so that customers are increasingly satisfied with the products used.

- PT Telekomunikasi's improved capabilities continue to be improved because this is highly correlated with the introduction of needs ($X_{2.4} \rightarrow Y_{1.1}$). PT Telekomunikasi must provide technicians who are competent in the field

of information technology so that when problems occur, the repair process is immediately resolved properly and customers can return to using the internet network perfectly, which in turn creates a sense of satisfaction in the use of the product.

➢ The promotion variable (X_3) has a significant effect on the purchase decision of Astinet PT Telekomunikasi North Jakarta Branch. However, it is still necessary to improve the dimensions of the promotion variable to improve purchasing decisions, such as the following:

- Advertising is used intensively and frequently by PT Telekomunikasi because this has a very high correlation with information retrieval $(X_{3.1} \rightarrow Y_{1.2})$, such as placing advertisements on social media Facebook, Instagram, Blackberry, Kaskus internet media so that consumers can easily find information about the Astinet internet so consumers are interested in using Astinet products.
- Personal selling is improved because this correlates very highly with information retrieval $(X_{3.2} \rightarrow Y_{1.2})$, such as increasing the number of HR in sales to influence as many targets as possible so that they are interested in using Astinet products from PT Telekomunikasi.
- PT Telekomunikasi needs to conduct sales promotion on a regular basis because this correlates very highly with information seeking $(X_{3.3} \rightarrow Y_{1.2})$, such as giving price discounts to consumers who want to use Astinet products, then consumers will get a refund (compensation) or discount price when there is an internet network failure that has been mutually agreed upon. PT Telekomunikasi provides a reasonable limit for internet down is 14 hours, if PT Telekomunikasi's technicians exceed the reasonable limit can provide compensation to Astinet users.
- Direct marketing is more intensively carried out by PT Telekomunikasi's marketing team. This correlates very highly with information retrieval $(X_{3.3} \rightarrow Y_{1.2})$, such as utilizing direct offers via email, as well as making telephone calls to companies by offering superior Astinet internet network products.

➢ In connection with consumer purchasing decisions on Astinet PT Telekomunikasi's North Jakarta internet network products, suggestions can be given:

- PT Telekomunikasi can identify consumer needs such as maintaining internet network stability so that work activities carried out by the company are not disrupted.
- PT Telekomunikasi monitors the development of internet network product prices with its competitors' products so that the Astinet product remains the consumer's first choice for its company to use.
- PT Telekomunikasi can receive input from other parties to evaluate the superiority of Astinet products so that this internet network product is superior compared to competitors' products.
- PT Telekomunikasi can provide quality assurance to its customers that this Astinet product is indeed of high quality for use in the company.

- Based on Table R square this study only measures the price, product and promotion variables on purchasing decisions by 81.4% while 18.6% is influenced by other variables, so it is expected in subsequent studies to add variables that can affect Astinet's purchasing decisions.

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