

THE INFLUENCE OF PRICE PERCEPTION AND PROMOTION ON ANDROID SMARTPHONE PURCHASE DECISIONS

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Abstract

This research is to determine and analyze the influence of price and promotion on Android smartphone purchasing decisions among Malikussaleh University Management Students. The sample technique used in sampling is a non-probability sampling method with a purposive sampling technique, namely sampling based on certain criteria. The data collection method in this research uses a questionnaire, namely to obtain data that is relevant, reliable, objective and can be used as a basis for the analysis process. The population in this study is all management students who use Android smartphones, because the number of management students who use Android is not known for certain, the population used is not known for certain. The data analysis method used is multiple linear regression. The results of this research show that the t test on the Price variable (X1) has a value greater than , namely $(3.122 > 1.660)$, so it can be concluded that partially the Price variable (X1) influences the Purchase Decision (Y) of Android Smartphones (Case Study Malikussaleh University Management Student), the Promotion variable (X2) has a value greater than , namely $(3,285 > 1,660)$, so it can be concluded that partially the Promotion variable (X2) influences the Purchase Decision (Y) of Android Smartphones (Case Study of Management Students Malikussaleh University), and the results of the F test show that the significance value is $0.000 < 0.05$ and the value of Fcount is $17.257 > Ftable 2.46$ so it can be concluded that Price (X1) and Promotion (X2) have a significant simultaneous effect on Purchasing Decisions (Y).

Keywords : Price, Promotion, and Purchasing Decisions

INTRODUCTION

The increasingly dynamic development of technology has made humans inseparable from technology, especially in terms of communication. Often humans feel dependent on the existence of communication devices, especially mobile phones or what we usually call cellphones. Mobile phones are not only owned by adults, but also from children to the elderly. The existence of mobile phones today is not only to make it easier for us to communicate via telephone and exchange messages via SMS but also has other functions such as multimedia functions, internet functions, office functions and so on. Mobile phones that are increasingly sophisticated and have increasingly complete capabilities are commonly known as smart phones or smartphones. A smartphone is a mobile phone that is equipped with an operating system or software and advanced features available in the smartphone. All people can use smartphones for various purposes, whether for family, business, or other purposes. Smartphone companies compete to create products to meet the increasingly diverse needs and desires of consumers. This situation causes competition between companies to become increasingly tight to produce various smartphone products offered with various brands.

There are several brands Smartphones competing in Indonesia include Samsung, Apple, Xiaomi, Oppo, Huawei, Asus and others. The variety of smartphone brand options adds references for customers in using smartphones.(Cahyani & Aksari, 2022).Indonesia is the fourth country with the most smartphone users in the world, after China, India and the United States. It was recorded that there were 192.15 million smartphone users in the country throughout 2022. However, based on data from Liputan6.com, it states that [Android users](#) believed to have changed devices to the iPhone Operating System (IOS). The reason is, Apple attracts mobile phone users to switch to the iPhone. In the last 4 years, Android's market share has fallen from 77.32 percent to 69.74 percent, (liputan6.com, 2023). The difference between Android and iPhone is the system user interface (UI). Android devices have a more customizable user interface (UI). While the iPhone has a more uniform user interface and more limited room for customization. Android allows users to customize the home screen by adding widgets and changing the layout of applications. This is useful for users who want quick access to

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certain functions or information. Currently, competition between smartphones using the Android system is increasing. The competition from several Android smartphones during the period 2018 to 2022 is as follows:

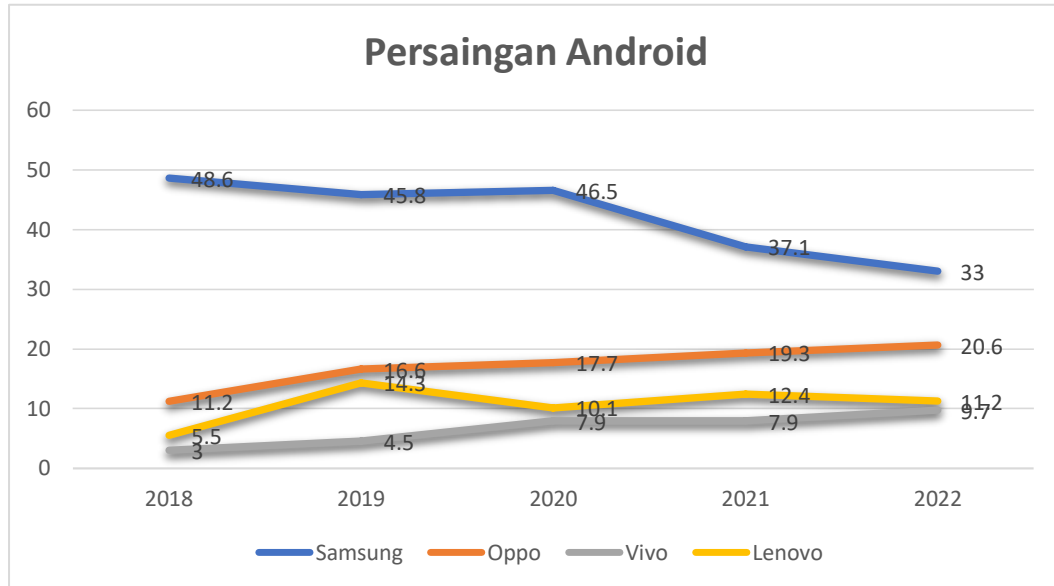


Figure 1 Android Smartphone Competition

Source: Top Brand Award (2023)

Based on the image above, it shows that the competition that occurs among Android smartphone users is very high. However, an interesting phenomenon is seen that Samsung was able to dominate the market for five periods, but the trend of users is decreasing while OPPO is seen to experience an increase in users every year for five periods. The existence of competition requires companies to strive for consumers to continue to buy their products. Various strategies are carried out by the Company to increase consumer purchasing decision interest. Purchasing decisions show the act of choosing one of several alternative choices available with the recognition or resolution of problems collected by a consumer and realizing it with real action. After this process, consumers can evaluate their choices and determine the attitude they will take next to use the product or service.(Asman & Apriliani, 2020). Simply put, consumers will look for information about the products they need, then they will evaluate the products that are considered most suitable and can meet consumer needs. The next step is that consumers will decide to buy or not. One of the factors that is thought to influence purchasing decisions is Price.

Price is one aspect that is an important consideration for consumers in making a decision to buy or not a particular product, because consumers certainly expect the money they spend to match what they get.(Dea Lewiska et al., 2023). Price affects consumer perception of a product, and also affects consumer views of the product itself.The influence of price on purchasing decisions is very important because the price level set by the company can be a benchmark for the demand for a product. Consumers will consider whether the price is in accordance with the quality or benefits obtained from the product. Price indicators include performance, durability, conformity, features and reliability. Competitive pricing also plays a key role in increasing consumer purchasing interest. Smartphone offerings that present high-quality products at affordable prices can attract a wider market segment and increase their competitiveness. Competitive pricing can create added value for consumers and motivate consumers in choosing smartphones.Price can determine whether or not a product is accepted by consumers. Research results (Cahyani & Aksari, 2022; Ghoini et al., 2015; Harahap et al., 2022)conclude that price has a positive effect on purchasing decisions. This shows that

the higher the price offered, the higher the consumer's purchasing decision will be. Next, the factor that influences purchasing decisions is promotion. Promotion is one of the variables used by companies to communicate with their consumers, with the aim of informing them that a product exists and introducing the product and providing confidence in the product to buyers or potential buyers.(Dea Lewiska et al., 2023).Promotion is also a very important element in order to increase the number of sales. Promotion(promotion) according toSwastha & Handoko, (2011), is all kinds of activities aimed at stimulating demand. Promotion is a flow of information created to direct a person or group to a purchasing action. The main purpose of promotion is to inform the product and persuade consumers to buy the product.

Effective promotional efforts are essential to increase brand awareness and motivate consumers of a product. Strong marketing strategies, including television advertising, online, and in-store promotions, can help create a positive brand image and increase consumer interest. Promotions of discounts, bundles, or other special offers can also be a motivating factor for purchases, especially for price-sensitive consumers. The results of a study conducted by(Budiarti & Sari, 2023; Cahyani & Aksari, 2022; Dea Lewiska et al., 2023; Ghoini et al., 2015; Harahap et al., 2022; Suti, 2010)concluded that promotion has a positive and significant influence on consumer purchasing decisions.

LITERATURE REVIEW

The Influence of Price on Purchasing Decisions

In buying a product, consumers not only consider its quality, but also think about its price. Price is one of the determinants of product selection which will later affect purchasing interest. Price is often associated with quality, consumers tend to use price as an indicator of quality or potential satisfaction from a product. If a product requires consumers to spend more than the benefits received, then what happens is that the product has a negative value. Conversely, if consumers consider that the benefits they receive are greater, then what will happen is that the product has a positive value. A fair price means the value perceived is appropriate at the time the transaction is made.

Price is a variable that can determine whether or not a product is accepted by consumers. Price will influence purchasing decisions if the price of a product is in accordance with the quality, affordable and according to its benefits. Research results(Cahyani & Aksari, 2022; Ghoini et al., 2015; Harahap et al., 2022)conclude that price has a positive effect on purchasing decisions. This shows that the higher the price offered, the higher the consumer's purchasing decision will be.

The Effect of Promotion on Purchasing Decisions

The influence of promotion on purchasing decisions plays a significant role in the world of marketing. Promotion is a series of marketing strategies and activities designed to increase consumer awareness, interest, and positive attitudes towards a product or service. How this promotion influences purchasing decisions can be explained through several aspects. Promotion can create awareness of a product or service among consumers. Through advertising, sales promotions, or other marketing activities, consumers can learn about the existence and benefits offered by a product. This awareness is the first step in influencing purchasing decisions because consumers will generally consider products or services that they are already familiar with.

Promotions can generate consumer interest. Information conveyed through promotions often includes product benefits, special offers, or unique features that can attract consumers' attention. With this interest, consumers are more likely to investigate further about the product and consider purchasing it. Promotions can also influence consumer attitudes toward a brand or product. Through the messages conveyed in promotions, companies can form positive perceptions regarding the quality, reliability, or added value of their products. These positive attitudes can then influence purchasing decisions because consumers tend to choose products that are perceived to have more value or meet their needs. Sales promotions that include discounts, prizes, or loyalty programs can also provide direct incentives for consumers to make purchases. These financial benefits or added value can often be a strong driver in purchasing decisions. This study is confirmed by previous research which concluded that promotions have a significant effect on purchasing decisions(Budiarti & Sari, 2023; Cahyani & Aksari, 2022; Dea Lewiska et al., 2023; Ghoini et al., 2015; Harahap et al., 2022; Suti,

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2010). The conceptual framework that the researcher developed in this study is as seen in the image below.

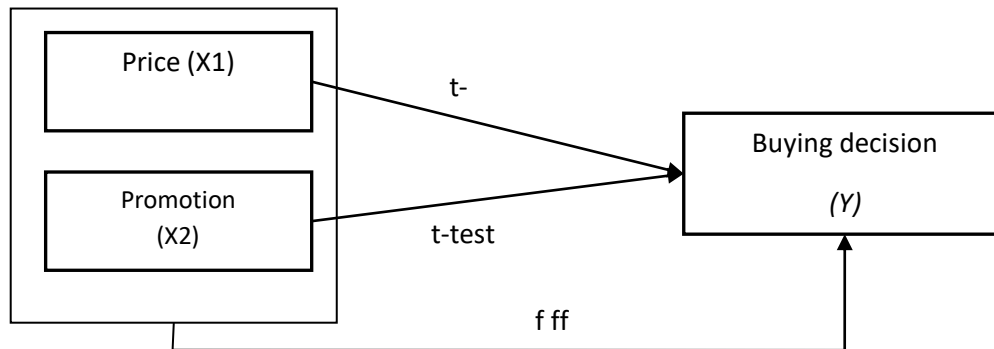


Figure 2 Conceptual Framework

Based on Figure 2 above, it shows a partial relationship between the price variables (X1), promotion (X2) as independent variables on purchasing decisions (Y) as dependent variables. The relationship is symbolized by an arrow connecting the two types of variables where partial testing is done with the t-test and F-test.

Research Hypothesis

According to Erlina and Mulyani (2017) a hypothesis is a proportion formulated with the intention of being tested empirically. Based on the formulation of the problem and conceptual framework, the hypothesis in this study is:

- H1 : Alleged pricehas a positive and significant influence on the Android Smartphone Purchasing Decision of Management Students at Malikussaleh University
- H2 : Allegedly a promotionhas a positive and significant influence on the Android Smartphone Purchasing Decision of Management students at Malikussaleh University.
- H3 : Alleged priceand Promotion has a positive and significant influence on the Purchase Decision of Android Smartphones among Management students at Malikussaleh University

IMPLEMENTATION METHOD

Subjects and Location of Research

According to Sugiyono (2019), the research subjects arean attribute or trait or value of a person, object or activity that has certain variables that are set to be studied and conclusions drawn. This research was conducted at the Faculty of Economics and Business, Malikussaleh University. The subjects in this study were Management Students who used OPPO Smartphones. According to Sugiyono (2019) the research location is a place where the social situation will be studied. For example in schools, companies, government institutions, roads, houses, markets and others. The research location is a place or social location of research characterized by the presence of elements of actors and others. The location of this research was conducted at the Faculty of Economics and Business, Malikussaleh University.

Population and Sample

The population in this study were all management students who use Android smartphones, because the number of management students who use Android is not known for certain, the population used is not known for certain. The sampling technique used in sampling is the non-probability sampling method with a purposive sampling technique, namely sampling based on certain

criteria. The criteria used can be based on certain considerations (Judgment) or distance (Quota) (Jogiyanto, 2017). Furthermore, according to (Hair et al., 2018) If the sample is too large, it will be difficult to get a suitable model, so it is recommended that the appropriate sample size is between 100 and 200 respondents. The formula (Hair et al., 2018) to calculate the number of samples in the study is as follows:

$$(\text{Number of Indicators} + \text{Number of variables}) \times (5 \text{ to } 10)$$

Based on the Hair formula guidelines, the calculation of the number of samples used in this study is 105 respondents. Based on the calculation of the number of indicators plus the number of variables, namely $(12+3) \times 7 = 105$ Respondents.

Data collection technique

According to (Sugiyono, 2019) Data collection techniques are the most strategic step in research, because the main purpose of research is to obtain data. The data collection method in this study uses a questionnaire, namely to obtain relevant, reliable, objective data that can be used as a basis for the analysis process. Data collection procedures through the questionnaire method are used to obtain information.

RESULT AND DISCUSSION

RESULT

Table 1
Validity Test

Purchase Decision Variable (Y)			
Statement	r_{hitung}	r_{tabel}	Validity
1	0.579	0.194	Valid
2	0.568	0.194	Valid
3	0.597	0.194	Valid
4	0.620	0.194	Valid
5	0.554	0.194	Valid
Price Variable (X1)			
Statement	r_{hitung}	r_{tabel}	Validity
1	0.588	0.194	Valid
2	0.640	0.194	Valid
3	0.501	0.194	Valid
4	0.575	0.194	Valid
5	0.526	0.194	Valid
Promotion Variable (X2)			
Statement	r_{hitung}	r_{tabel}	Validity
1	0.616	0.194	Valid
2	0.437	0.194	Valid
3	0.478	0.194	Valid
4	0.539	0.194	Valid
5	0.528	0.194	Valid

Source: Processed by the Author (2024)

From the results of the validity test shown in table 4.9, it can be seen that all statements on the independent variables and dependent variables are declared valid. This is declared valid because it produces a value $r_{hitung} > r_{tabel}$. So it can be concluded that all statements from each variable are declared valid or accurate.

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Table 2
Reliability Test

Variables	<i>Chronbach Alpha</i>	Constants	Reliability
Purchase Decision (Y)	0.696	0.6	Reliable
Price (X1)	0.687	0.6	Reliable
Promotion (X2)	0.754	0.6	Reliable

Source: Processed by the Author (2024)

Based on the reliability test using *Cronbach Alpha*, all variables, both independent and dependent, in the study are reliable because the Cronbach Alpha value is greater than 0.6, so the results of this study indicate that the measurement tool in this study has met the reliability test (consistent and measurable).

Normality Test

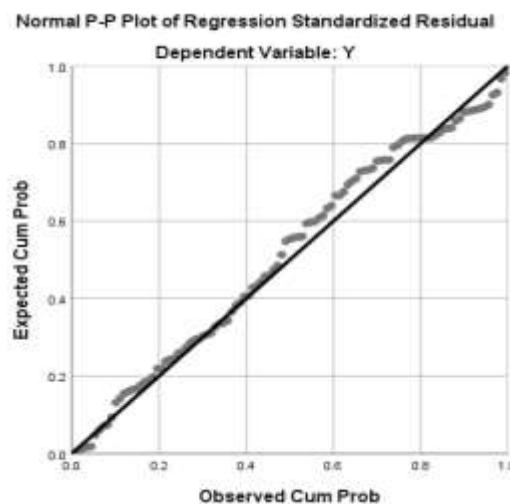


Figure 3 Probability-Plot Test

After seeing the image results2 Normal P-Plot, it can be concluded that the regression model meets the normality assumption because in the normal P-Plot graph, the points are seen approaching the line and spreading around the diagonal line and showing very significant results.

Multicollinearity Test

Table 3
Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 X1.Price	.836	1.156
X2.Promotion	.786	1,094

a. Dependent Variable: Y1.TOTAL

Source: Processed by the Author (2024)

From Table 3, it can be concluded that the tolerance value for the four variables is > 0.10 for variable X1 (Price) of 0.836 and the tolerance value for X2 (Promotion) of 0.786. While for the VIF value for the two variables, namely < 10 for variable X1 (Price) of 1.156 and the VIF value for X2 (Promotion) of 1.094, So it can be concluded that there is no multicollinearity between the variables studied.

Heteroscedasticity Test

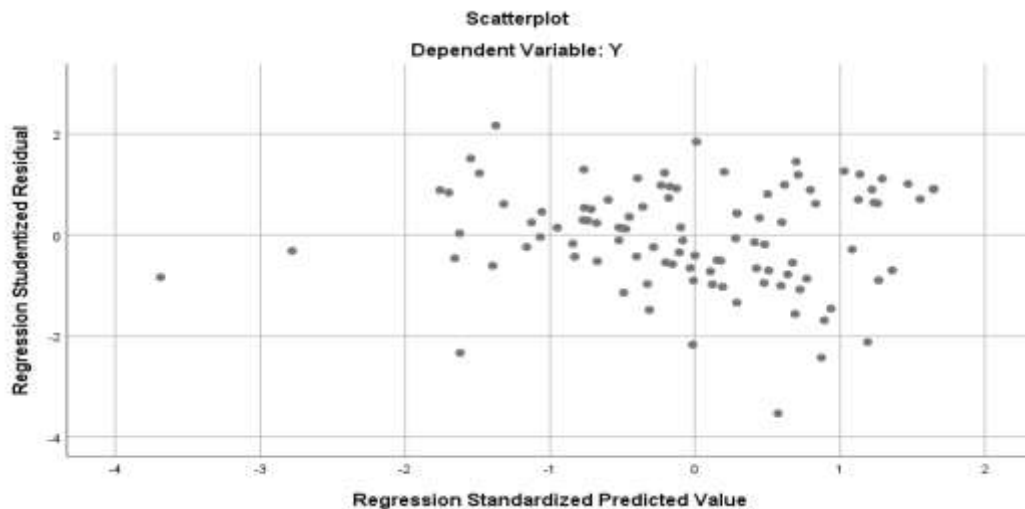


Figure 3 Heteroscedasticity Test (Scatterplot)

From the image above, it can be seen that the points are spread randomly. They do not form a particular pattern at one point, and are spread both above and below the number 0 (zero) on the Y axis, this means that there is no deviation from the classical assumption of heteroscedasticity in the regression model created. So it can be concluded that there is no symptom of heteroscedasticity in this study.

Multiple Linear Regression Results

Table 4
Multiple Linear Regression Analysis

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5,570	2,088		2,667	.009		
	Promotion	.333	.101	.308	3.285	.001	.836	1.156
	Price	.311	.100	.292	3.122	.002	.786	1,094

a. Dependent Variable: Y

Source: Processed by the Author (2024)

Based on table 4above, the multiple linear regression equation is obtained as follows:

$$Y = 5.570 + 0.333X_1 + 0.311X_2$$

The results of the multiple linear regression equation above obtained a constant value (a) of 5.570, which shows that when the variableindependentnamely Price and Promotion are worth 0 (zero), then the Purchase Decision increases by 5,570.

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Coefficient of Determination

Table 5
Coefficient of Determination
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.503a	.253	.238	4.00597

a. Predictors: (Constant), X.1, X.2

b. Dependent Variable: Y

Source: Processed by the Author (2024)

The coefficient of determination (R) is known.²⁾ obtained a value of 0.503 shows that the relationship between price and promotion on Consumer Satisfaction is 50%, the R² value obtained is 0.503, this shows that the price and promotion variables have the ability to explain their influence on Android smartphone decisions (Case Study of Management Students at Malikussaleh University) by 50.3%, the remaining 49.7% is explained by other variables.

t-Test Results

Table 6
t-test (Partial Test)

Variables	t_{hitung}	t_{tabel}	Information
Price (X1)	3.122	1,660	Influential
Promotion (X2)	3.285	1,660	Influential

Source: Processed by the Author (2024)

Based on the results of table 6, the t-test can be seen that:

1. The results of the t-test on the Price variable (X1) have a value t_{hitung} greater than , namely ($t_{tabel} 3.122 > 1,660$), so it can be concluded that partially the variables Price (X1) has an effect on Purchase Decision (Y) *Android Smartphones* (Case Study of Management Students of Malikussaleh University) and H1 is accepted which means Price (X1) has an effect on Purchase Decision (Y).
2. The results of the t-test on the Promotion variable (X2) have a value of t_{hitung} greater than , namely ($t_{tabel} 3.285 > 1.660$), so it can be concluded that the Promotion variable (X2) has a partial influence on Purchase Decision (Y) *Android Smartphones* (Case Study of Management Students of Malikussaleh University) and H2 is accepted which means Promotion (X2) has an effect on Purchase Decision (Y).

F Test Results

Table 7
F Test (Simultaneous Test)
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	553,887	2	276,943	17,257	.000b
	Residual	1636.875	102	16,048		
	Total	2190.762	104			

a. Dependent Variable: Y

b. Predictors: (Constant), X1, X.2

Based on table 7, it shows that the results of the F test show that the significance value is $0.000 < 0.05$ and the value of F count is $17.257 > F$ table 2.46 so it can be concluded that H5 is accepted, which means that Price and Promotion have a significant effect simultaneously on Purchasing Decisions.

DISCUSSION

The Influence of Price on Purchasing Decisions

The results explain that price partially influences purchasing decisions. This shows that setting the right price can influence consumer purchasing decisions and ultimately, the success of a product or service in the market. A deep understanding of consumer behavior related to price is key for companies in developing effective marketing strategies. These results can also be a guide for Android smartphone manufacturers. They can design a relative and affordable pricing strategy that adjusts product features to the value that consumers give to price. This is in line with research conducted by (Gunarsih, 2021) with research results showing that price has a significant effect on purchasing decisions, namely 9,623 or 96.2%.

The Effect of Promotion on Purchasing Decisions

The results explain that promotion partially influences purchasing decisions. This shows that promotion is an important factor that can influence consumer purchasing decisions. When used appropriately, promotion can trigger consumer interest, strengthen brand awareness, and generate the urge to make a purchase. These results can also be a guide for Android smartphone manufacturers to use promotion as a guide to increase sales and strengthen their brand position in the market. This is in line with research conducted by (Njoto, 2018) with research results showing that promotion, namely advertising, sales promotion, and personal selling have a significant effect on consumer purchasing decisions in Wenak Tok.

Conclusion

Based on the results and discussion, several conclusions can be drawn as follows:

1. Price influences purchasing decisions *Android Smartphones* (Case Study of Management Students at Malikussaleh University), This shows that setting a relative and affordable price can influence students to choose to buy an Android smartphone.
2. Promotions influence purchasing decisions *Android Smartphones* (Case Study of Management Students at Malikussaleh University), This shows that well-designed promotions can be a determining factor in influencing students' purchasing decisions.
3. Prices and Promotions influence purchasing decisions *Android Smartphones* (Case Study of Management Students of Malikussaleh University). This shows that apart from price and promotion factors, they play an important role in influencing purchasing decisions. *Android Smartphones* (Case Study of Management Students of Malikussaleh University).

Suggestion

Based on the research results, discussions and conclusions obtained, the following suggestions can be given:

1. Regarding the price, Android smartphone manufacturers can carefully evaluate the pricing of their products. They need to consider the value that consumers give to the product in setting a price that is appropriate for the market segment of Malikussaleh University Management students.
2. Regarding Promotion, it is recommended for Android smartphone manufacturers to design attractive and relevant promotions for Malikussaleh University Management students. Promotions such as special discounts for students, bundling package offers, or free gifts can be effective strategies to attract consumer interest.
3. When it comes to pricing and promotion, Android smartphone manufacturers need to consider the integration between these two factors. By aligning pricing and promotion strategies, they can create more attractive offers for consumers.

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