INDOSAT PERDANA CARD PURCHASE DECISION PROCESS ON PRICE, PRODUCT QUALITY, AND PROMOTION IN MALANG CITY

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ABSTRACT
This study aims to determine the effect of partial and simultaneous prices, product quality and promotion on the Indosat's initial card purchase decision process in Malang City and find out the most influential variables on purchase decision process. This study uses a type of quantitative research with a population and sample of 100 Indosat consumer respondents in Malang City using multiple linear data analysis with the help of SPSS software. The results of the study show that prices, product, and promotion have simultaneously effect to Indosat's initial card purchase decision process in Malang city. And prices, product, and promotion have partial effect to Indosat's initial purchase decision process in Malang city. Dominant variable in influencing Indosat's initial card purchase decision process in Malang City is a promotion variable, with the influence value 38.4%.

Keywords: Price, Product Quality, Promotion, Purchase Decision.

INTRODUCTION
The population growth is quite high and the rapid development of science and technology which is then followed by other fields such as politics, economics, social and culture, will directly and indirectly affect the pattern of life in society. The result of this condition is a sharp increase in the need for facilities and infrastructure for the income community. The internet is one of the sources of information that is currently needed by academics in finding sources of information. The need for internet service selection
has many options to offer. Therefore, academics need to be smart and selective in making decisions to purchase internet services from telecommunications providers.

As technology advances, many people depend on internet technology to find information. For example, students need the internet to find lecture material or references as a means of supporting learning. In addition to these things, students prefer to use the internet because it is more effective and efficient than buying books which are quite expensive.

In Indonesia, telecommunications internet service providers are controlled by three providers, namely PT Telkomsel, PT Indosat Ooredoo, and PT XL Axiata. Telkomsel has the most users of cellular operators with 157.4 million subscribers, while Indosat is in second place with 85 million subscribers. While 3 (Tri) and XL are in the third and fourth positions with 56.5 million and 44 million subscribers, respectively. (source: http://databoks.katadata.co.id/datapublish/2017/05/03 who-operator - seluler-yang-mempunyai-customers-most).

Data and lifestyle are two things that can be considered side by side in their needs. Everyone wants to be seen as having extensive knowledge, therefore many consumers use data packages that enable them to access the internet anywhere. As an effect of technological advances, it encourages someone to buy products that facilitate the use of technology both online and offline. This is inseparable from the role of the prepaid card industry which indirectly provides products with various variations, lots of quotas and other promos in terms of internet access data. In addition, the speed of the product and price are also important factors that are considered by potential buyers.

Based on his description above, the author is interested in conducting a study on the level of consumer interest in Indosat Ooredoo with the title "The Influence of Price, Product Quality and Promotion on the Decision Process of Purchasing Indosat Prime Cards in Malang City". Price is comparison with other products, Product Quality is as internet speed and signal availability, Promotion is company program to attract customer's attention. PT.Indosat Oredoo, Tbk is one of the prepaid card manufacturers which is quite well known and has many enthusiasts in Indonesia. The products - manufactured products consist of IM3, Mentari, Matrix, other services provided is a communication channel via a voice for fixed telephone (fixed) including international direct dialing IDD (International Direct Dialing), as well as wireless services under the trademark StarOne. Indosat also provides multimedia, internet, and MIDI (Multimedia, Internet & Data Communication Services) data communication services. In its marketing, Indosat uses IMC (Integrated Marketing Communication) or also known as Integrated Marketing Communication. IMC consists of 5 main components, namely Public Relations, Advertising, Direct Marketing, Sales Promotion, and Personal Selling. Part of this component
has one goal, namely marketing Indosat products to the public and increasing sales, the difference is the market place of each division.

**FORMULATING OF THE PROBLEM**

1. What is the effect of price, product quality, and promotion simultaneously on the decision process to purchase Indosat Prime Cards in Malang City?
2. What is the effect of price, product quality, and promotion partially on the decision process to purchase Indosat Prime Cards in Malang City?
3. Which one is more dominant between the influence of price, product quality, and promotion on the decision process of purchasing Indosat Prime Cards in Malang City?

**THEORETICAL REVIEW**

According to Malayu SP Hasibuan (2016: 9) suggests that "management is the science and art of regulating the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal". Effective means that the goals can be achieved according to the plan. While efficient means that the existing tasks are carried out properly, organized and according to schedule.

According to Liang Lee (2014: 16) management is "the art and science, in management there is a strategy of utilizing the energy and thoughts of others to carry out an activity that is directed at achieving predetermined goals.

**Marketing**

According to Kotler and Armstrong (2014:7) is the process by which companies create value from customers in return. This definition means that Marketing is the process by which companies create value for customers and build strong customer relationships, with the aim of capturing value from customers in return.

According to Hasan (2013: 4), "Marketing is the process of identifying, creating and communicating value, and maintaining satisfying customer relationships to maximize company profits.

According to Jhon W. Mullins & Orville C. Walker, Jr (2014:5), marketing is a social process involving the activities necessary to enable individuals and organizations to obtain what they need and want through exchange with others and to develop ongoing exchange relationships. This definition means that marketing is a social process that involves activities that are necessary to enable individuals and organizations to get what they need and want through exchanging with others and developing sustainable exchange relationships.
Marketing Management

According to Kotler and Keller (2016: 27) marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging, offerings that value for customers, clients, partners, and society at large. The definition defines that, Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large.

According to the American Marketing Society in the book Kotler and Keller (2016: 27) states that Marketing management as the art and science of choosing target market and getting, keeping, and growing customers through creating delivering, and communicating superior customer value. The definition states that Marketing management is the art and science of selecting target markets in obtaining, keeping, and growing customers through creating, delivering, and communicating superior customer value. The definition above shows that marketing management is everything that needs to be planned in advance so that everything is as desired by consumers which will then lead to a marketing.

Price

Price is a product value, because it will affect producer profits. Price is also a consideration for consumers to buy, so special considerations are needed to determine prices. This is stated by Kotler and Armstrong (2014: 254), namely: "product quality means the ability of the product to perform its function"

According to Kotler and Armstrong (2014: 279), "From a marketing point of view, quality should be measured in terms of buyer's perception ". This means that from a marketing point of view, quality is measured by the buyer's perception. A product is said to be of high quality if it meets the needs and desires of the buyer.

According to Kotler and Armstrong (2013: 151), the amount of money charged for an item or service or the amount of the value of money exchanged by consumers for the benefits of having or using the product or service.

Product

Product is defined by Kotler and Armstrong (2014: 248) as follows: A product as anything that can be offered to the market for attention, acquisition, use, or consumption that might satisfy a want or need. The meaning of this definition is anything that can be offered to the market to attract attention, acquisition, use, or consumption that can satisfy a want or need.
Promotion

One of the ways to assist companies in communicating with consumers is in promotions, information can be conveyed in the form of knowledge about the products on offer. The following is the definition of promotion according to experts: Kotler and Armstrong (2014: 76) define the meaning of promotion as follows, Promotion refers to activities that communicate to merits of the product and persuade target customers to buy it. The definition states that Promotion: refers to activities to communicate the advantages of the product and persuade customers to buy.

Rambat Lupiyoadi (2013: 92) defines the notion of promotion as follows, Promotion is an activity carried out by a company to communicate the benefits of a product and as a tool to influence consumers in purchasing activities or using services according to their needs.

Buying Decision

Assauri (2013:141) states that the purchase decision is a process of making a purchase decision which includes determining what to buy or not to buy and the decision is obtained from previous activities.

According to Peter and Oslon in Sangadji and Sopiah (2013: 332) Consumer decision making is a problem solving process that is directed at the target. The essence of consumer decision making is an integration process that combines knowledge to evaluate two or more alternative behaviors and choose one of them.

The purchase decision is defined by Kotler and Keller (2016: 198). In the evaluation stage, the consumer forms preferences among the brands in the choice and may also form an intention to buy the most preferred brand.

Conceptual Framework

![Figure 1. Conceptual Framework](image)
RESEARCH METHODS

Types of Research

This researcher uses quantitative analysis method.

Population and Sample

The population used in this study is Indosat consumer respondents in the city of Malang in February 2019.

The sample is part of the number and characteristics possessed by the population. According to Roscoe by Sugiyono (2016:131-132) if the research will conduct multivariate analysis (correlation or multiple regression for example), then the number of sample members is at least 10 times the number of variables studied, this study took a sample of 100 respondents who were consumers Indosat in the city of Malang, because in this study there are 4 variables, the minimum number of samples taken is 10 x 4 = 40 samples, but the researchers took 100 samples of respondents. The researcher took a sample of 100 respondents because to avoid not returning the entire questionnaire that was distributed so to anticipate it the researcher gave a sample of 100 respondents.

Operational Definition and Variable Identification

In preparing this proposal, there are two kinds of research variables that will be used, namely as follows:

1. Independent/Independent Variable (X)
   a. Price
   b. Product quality
   c. Promotion
2. Bound/Dependent Variable (Y)
   a. Purchase Decision

Data Collection Technique

The data collection techniques used are:

1. Observation Method
2. Interview Method (Interview)
3. Documentation Method
4. Research Instruments
ANALYSIS OF RESEARCH RESULTS AND DISCUSSION

Multiple Linear Regression Analysis

Multiple linear regression calculation using computer assistance with SPSS 23.0 program application (Statistical program for social science) under Windows operation. The results of multiple linear regression testing using SPSS 23.0 (Statistical program for social science) can be seen in the following table:

Table 1. Multiple Linear Regression Result

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.403</td>
<td>2.096</td>
<td>1.624</td>
<td>.108</td>
</tr>
<tr>
<td>Price</td>
<td>.278</td>
<td>.098</td>
<td>.249</td>
<td>2.843</td>
</tr>
<tr>
<td>Product</td>
<td>.302</td>
<td>.111</td>
<td>.226</td>
<td>2.725</td>
</tr>
<tr>
<td>Promotion</td>
<td>.409</td>
<td>.097</td>
<td>.384</td>
<td>4.191</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Decision

Multiple Linear Regression Coefficient

The table above shows the regression equation that can explain whether or not there is a relationship between the independent variable and the dependent variable and can inform the magnitude of the influence of the independent variable on the dependent variable. Based on this research, the multiple linear regression equation can be stated as follows:

\[ Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 \]

\[ Y = 3.403 + 0.278X_1 + 0.302X_2 + 0.409X_3 \]

Based on the regression equation above, the following values are obtained:

1. Constanta amounted to 3.403. The constant value of 3.403 means that if the value of Price, Product Quality and Promotion is 0 then the value of the Purchase Decision is 3.403.
2. Price Coefficient (X1). Variable Price (X1) has a regression coefficient of 0.278, this indicates that each increase of one unit price (X1) would cause a rise in Purchasing Decisions amounting to
And vice versa if the price (X1) down one unit then the purchase decision will fall by 0.278, assuming that variable Quality Products (X2), and Promotion (X3) is constant or fixed.

3. Product Quality Coefficient (X2). Product Quality Variable (X2) has a regression coefficient value of 0.302. This indicates that each increase of one unit of Product Quality (X2) will cause an increase in Purchase Decision of 0.302. And vice versa, if Quality Products (X2) down one unit then the purchase decision will drop by 0.302, assuming that the variable price (X1) and Promotion (X3) is constant or fixed.

4. Promotion Coefficient (X3). Promotion variable (X3) has a regression coefficient value of 0.409. This shows that every increase in one Promotion unit (X3) will cause an increase in purchasing decisions of 0.409. On the other hand, if Promotion (X3) decreases by one unit, the purchasing decision will increase by 0.409, assuming that the variable Price (X1) and Product Quality (X2) are constant or fixed.

Hypothesis Testing Analysis

t test

Regression analysis was used to test the hypothesis about the effect of the independent variable on the dependent variable. Based on the regression with the SPSS program, the results are as shown in the table below.

**Table 2. Table of Coefficients of X against Y**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.403</td>
<td>2.096</td>
<td></td>
<td>1.624</td>
</tr>
<tr>
<td>Price</td>
<td>.278</td>
<td>.098</td>
<td>.249</td>
<td>2.843</td>
</tr>
<tr>
<td>Product quality</td>
<td>.302</td>
<td>.111</td>
<td>.226</td>
<td>2.725</td>
</tr>
<tr>
<td>Promotion</td>
<td>.409</td>
<td>.097</td>
<td>.384</td>
<td>4.191</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Decision

From the results shown in the coefficient table above, it can be seen that the beta value of the results for the Price variable on the Purchase Decision is 0.249 and the t count is 2.843 with a sig of 0.005, because sig < 0.050, it can be concluded that the price variable has a significant effect on Purchase
Decisions with the magnitude of the influence is 0.249 or 24.9%. For the Product Quality variable on Purchase Decisions, the resulting value of beta is 0.226 and the amount of tcount is 2.725 with a sig of 0.008, because sig < 0.050, it can be concluded that the Product Quality variable has a significant effect on Purchase Decisions with a magnitude of influence of 0.226 or 22.6%. For the Promotion variable on the Purchase Decision, the resultant value of beta is 0.384 and the tcount is 4.191 with a sig of 0.000, because sig <0.050, it can be concluded that the Promotion variable has a significant effect on Purchase Decisions with a magnitude of effect of 0.384 or 38.4%.

**F Uji test**

Simultaneous test with F test aims to determine how significant the effect of the independent variables together on the dependent variable. The results of the F test are as follows:

**Table 3. Table of Anova X against Y**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>243.213</td>
<td>3</td>
<td>81.071</td>
<td>21.517</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>361.697</td>
<td>96</td>
<td>3.768</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>604.910</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Promotion, Product Quality, Price

b. Dependent Variable: Purchase Decision

To see the magnitude of the effect simultaneously, it can be seen from the calculation of the model summary table and ANOVA on the SPSS calculation results.

Significance testing criteria are as follows:

1. $H_0$ is accepted and $H_a$ is rejected if sig F > 0.05, meaning that the independent variable simultaneously has no significant effect on the dependent variable.
2. $H_0$ is rejected and $H_a$ is accepted if sig F < 0.05, meaning that the independent variable simultaneously has a significant effect on the dependent variable.
From the ANOVA table above, the F value is 21,517 with a probability value (sig) of 0.000, because the sig value is < 0.05, there is a jointly significant influence between Price, Product Quality and Promotion on Indosat Prime Purchase Decisions in the city of Malang.

**Coefficient of Determination**

Analysis of the coefficient of determination ($R^2$) is used to determine the contribution of the independent variable on the dependent variable. The value of $R^2$ of between 0 and 1. The higher the value of $R^2$, it shows the greater influence of the independent variable on the dependent variable changes or improvements. If the value of $R^2$ is equal to 1, then the independent variable perfect effect on the dependent variable.

The results of the coefficient of determination in this study are as follows:

**Table 4. Coefficient of Determination**

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R$ Square</th>
<th>Adjusted $R$ Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.634</td>
<td>.402</td>
<td>.383</td>
<td>1,941</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Promotion, Product Quality, Price

From the table above is known R square ($R^2$) of 0402, or 40.2%, which indicates a donation or contribution of independent variables Price, Quality Products and Promotions jointly against Purchase Decision Prime Indosat in Kota Malang relatively small, while the remaining 59.8% dikontribusi by other factors.

**Multiple Correlation Coefficient (R)**

Used to calculate the degree of closeness of the relationship between the independent variable and the dependent variable. The range of $R$ values is between 0 and 1. The closer to 1, the stronger the relationship between the independent variables and the dependent variable. The closer to 0 means the relationship between the independent variables together and the dependent variable is getting weaker or even non-existent. If the value of $R$ (correlation) is positive, then this indicates that if there is an increase in the value of the independent variable, it will cause an increase in the value of the dependent variable, meaning that there is a unidirectional relationship between the independent variables together with the
dependent variable. But if the value of R (correlation) is negative, then the relationship that occurs is a reverse relationship.

The results of the Multiple Correlation coefficient in this study are as follows:

**Table 5. Multiple Correlation Coefficient**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.634</td>
<td>.402</td>
<td>.383</td>
<td>1,941</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Promotion, Product Quality, Price

Multiple correlation coefficient was used to measure the relationship between Price, Quality Products and Promotions jointly against Purchase Decision Prime Indosat in Malang. Multiple correlation coefficient is indicated by (R) of 0.634 or 63.4%. These results indicate that the correlation or relationship between the independent variables together on purchasing decisions has a close relationship.

**Discussion**

*The effect of price, product quality, and promotion on the decision process to purchase Indosat SIM cards simultaneously in Malang City.*

Based on simultaneous testing (F test) using SPSS software. 23 that has been done on the obtained indigo F-count of 21 517 with a probability value (sig) 0000, because sig < 0.05 then Price, Quality Products and Promotions together -Same impact significantly on Purchasing Decisions Prime Indosat in Malang .

The results of this study are in accordance with the hypothesis set by the researcher, so the hypothesis is accepted. The results of this study indicate that the prices set by the Indosat provider regarding the price of the starter pack, the quality of the promised products and the promotions that are often carried out at this time have had a good impact on consumers' decisions to continue using products from Indosat providers, especially those in Malang.

*Partial influence of price, product quality, and promotion on the decision process of purchasing Indosat prime cards partially in Malang City.*

Based on partial testing (t test) using SPSS software. 23 which has been done above, the results of the beta value for the Price variable on the Purchase Decision are 0.249 and the t count is 2.843 with a sig
of 0.005, because sig < 0.050, it can be concluded that the price variable has a significant effect on 
Purchase Decisions with a magnitude of effect of 24.9 %, with a positive direction of influence.

The results of this study are in accordance with the hypothesis set by the researcher, so the 
hypothesis is accepted. The results of this study indicate that the price currently set by the Indosat 
provider regarding the initial price policy that is in accordance with the consumer's ability has had a good 
impact on consumer purchasing decisions using the current Indosat provider, especially those in the 
Malang area.

Based on partial testing (t test) using SPSS software. 23 that has been done above, the results 
obtained from the beta for the Product Quality variable on the Purchase Decision are 0.226 and the tcount 
is 2.725 with a sig of 0.008, because sig < 0.050, it can be concluded that the Product Quality variable has 
a significant effect on Purchase Decisions with a magnitude of influence by 22.6%, with a positive 
direction of influence.

The results of this study are in accordance with the hypothesis set by the researcher, so the 
hypothesis is accepted. The results of this study indicate that the quality of products from Indosat 
providers has a good impact on the purchasing decisions of Indosat loyal consumers, the better the quality 
of products provided by Indosat providers, the better the purchasing decisions for Indosat products.

Based on partial testing (t test) using SPSS software. 23 the result value of beta for the Promotion 
variable on Purchase Decisions is 0.384 and the tcount is 4.191 with a sig of 0.000, because sig < 0.050, it 
can be concluded that the Promotion variable has a significant effect on Purchase Decisions with a 
magnitude of effect of 38.4%, with the direction of influence being positive.

The results of this study are in accordance with the hypothesis set by the researcher, so the 
hypothesis is accepted. The results of this study indicate that the promotion that is currently being carried 
out by the Indosat Provider on the sale of starter packs has had a good impact on consumer purchasing 
decisions for the Indosat starter pack in the Malang area, the more promotions held by the Indosat 
provider the more consumers who will make purchases of products from Indosat providers.

*The dominant variables are price, product quality, and promotion that influence the decision process to 
purchase Indosat prime cards in Malang City.*

Based on partial testing (t test) using SPSS software. 23 which has been done above, the beta 
values of each variable are Price 0.249 or 24.9 %, Product Quality 0.226 or 22.6 % and Promotion 
of 0.384 or 38.4 %. of the beta value can conclude that variable most dominant in influencing purchasing 
decisions prime Indosat in Malang is Variable Promotion to influence the value of 38.4 %.
The results of this study indicate that the promotions that have been carried out by Indosat Providers can have a very good impact on consumers' purchasing decisions to buy Indosat starter packs compared to the price and quality of products currently available.

CONCLUSION

Based on the results of research that has been carried out in the previous chapter, the conclusions from this study are as follows:

1. Price, Product Quality and Promotion together have a significant effect on the Indosat Prime Card Purchase Decision process in Malang.
2. Price, Product Quality and Promotion Partially have a significant effect on the Decision Process of Purchasing Indosat Prime Cards in Malang.
3. Variable most dominant in influencing the purchase decision process Indosat SIM cards in Malang adalan Variable Promotion to influence the value of 38.4%.

SUGGESTION

Based on the results of the conclusions above, then some suggestions that can be submitted by researchers are as follows:

1. It is recommended that the Indosat provider improve the quality of its network, especially in the city of Malang so that consumers who buy products from Indosat are not disappointed and so that consumers get the maximum benefit from the price that has been paid.
2. It is advisable for Indosat provider to increase cooperation with prime card selling counters so that sales of Indosat starter packs can be increased.
3. It is better if the Indosat provider increases the promotion for Indosat card prime buyers, especially for Internet prime. So that sales can be increased.

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