

Effect of Product Quality, Promotion, and Price on Purchase Decisions at Billionaire Fragrance in Denpasar

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ABSTRACT: The purpose of this study was to analyze the influence of product quality, promotion, and price on consumer purchasing decisions at Billionaire Fragrance Denpasar. A quantitative approach with a survey method through a questionnaire was applied in this study. All consumers who visited Billionaire Fragrance whose number was not known for certain were the population. The sample consisted of 75 respondents determined by the purposive sampling method. The data analysis technique applied was multiple linear regression with the help of SPSS v29.0 software. The results of the analysis stated that product quality, promotion, and price simultaneously and partially had a positive and significant effect on purchasing decisions

KEYWORDS: product quality, promotion, price, purchasing decisions

I. INTRODUCTION

The perfume industry is a highly competitive market, where consumers tend to consider quality, price, and promotion in making purchasing decisions. Billionaire Fragrance, as one of the business players in Denpasar, faces challenges in maintaining sales volume amid increasingly fierce competition. Based on initial observations, there are indications of a decrease in product quality as well as limitations in promotional strategies and less competitive pricing. The research was conducted with the aim of identifying the effects of three main marketing factors, namely product quality, promotion, and price, on consumer purchasing decisions. According to Assauri (2018), a purchase decision is a process that involves determining whether to buy a product or not, and this decision results from a series of previous activities. Kotler & Armstrong (2019) state that purchasing decisions refer to consumer actions in making choices about a product for consumption through a series of stages. Tjiptono (2018) defines conventionally, quality can be described as product performance, such as dependability, ease of use, and aesthetic value. However, in the central context, quality is any form of entity that is able to meet consumer needs in accordance with the customer's wishes, while Kotler & Armstrong (2018) argue that the quality of a product refers to the attributes inherent in goods or services, which affect the level of their ability to implicitly satisfy consumer wants and needs. Marketers rely heavily on product quality. According to Saragih (2018), promotion includes a series of activities carried out by the company in communicating the benefits of its products and convincing target buyers to make transactions. Permana (2017) conducted a study that found that promotion has a positive and significant effect on purchasing decisions. In addition, the results of research from Santi (2022) determine that partial promotion has a negative effect on purchasing decisions. Based on the description of previous studies, a research gap can be identified, which is indicated by differences in findings from previous studies despite using similar variables, namely the effect of promotion. In Permana's research (2017), it is said that promotion has a positive and significant effect on purchasing decisions, while in the research conducted by Santi (2022), it is said that promotion partially has a negative effect on purchasing decisions.

II. LITERATURE REVIEW

Consumer Behaviour Theory

According to Sunyoto, (2014) individuals who without intermediaries play a role in achieving and applying a product including services, are a step in determining the determination and planning and also determining an activity, called consumer behaviour. Consumer behaviour consists of two important components: a series of decisions and physical activities. This whole process includes individual participation in evaluating, obtaining, and utilising goods and services. According to Solomon, (2017) says that consumer behaviour, also referred to as consumer behaviour, includes all stages and processes related to an individual or

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group of people, starting from selecting, paying for, using, and stopping using goods and services. It also includes all processes and stages related to the use of goods or services, as well as the fourteen experiences required, in an effort to meet the demands and needs of an individual or group of people.

Theory Planned Behaviour (TPB)

According to Sandra, (2019) Theory of Planned Behavior (TPB) is a theory explaining why someone has the desire or intention to behave in a certain way. The three main components, according to TPB, that influence this behavioural intention are the individual's disposition towards a behaviour, the subjective norms that influence it, and the perception of self-control in performing the behaviour. The TPB is widely used in various fields of science that investigate human behaviour, including those related to the environment. The TPB is known as an effective and concise theoretical framework in explaining and predicting behavioural tendencies. TPB describes motives, i.e. the extent to which a person puts in effort and how much effort is put into reaching a target. Therefore, the main idea of the TPB focuses on estimating the intensity that, if there are no significant barriers, can be realised in reality.

Purchase decision

Buying decision or purchase decision is defined as a step that involves determining whether to buy a product or not, and this decision results from a series of previous activities Assauri, (2018). According to Kotler and Armstrong (2018/19), purchasing decisions are a process in which consumers choose, evaluate, and finally make choices in consuming products according to their information.

Product quality

Product quality reflects the strength that the product has in meeting the needs of buyers both functionally and aesthetically (Tjiptono, 2018). Garvin & Davis, (2018) the quality of a product is the result of continuous interaction between the product itself, labour, production processes, tasks performed, and the environment, which is directed at achieving optimal customer satisfaction.

Promotion

Promotion is a company's effort to describe the value of a product to consumers and encourage purchases (Kotler & Armstrong, 2018). Saragih, (2018) states that promotion functions as a company communication channel that is responsible for providing information and persuading consumers to buy.

Price

Price is the monetary value that the buyer must pay in order to get the product (Malau, 2017). Thus, it can be conveyed that what is meant by price is a value that the product has, expressed in the form of money Alma, (2018). Putra et al., (2024) Price is a set of money that consumers want to exchange for the purpose of obtaining or obtaining a product that has benefits in its use.

Conceptual Framework

The conceptual framework is prepared to provide clear direction so that the research implementation remains within the limits of the predetermined scope. This study consists of 3 actors as research variables, namely product quality, promotion, price, and purchase decision.

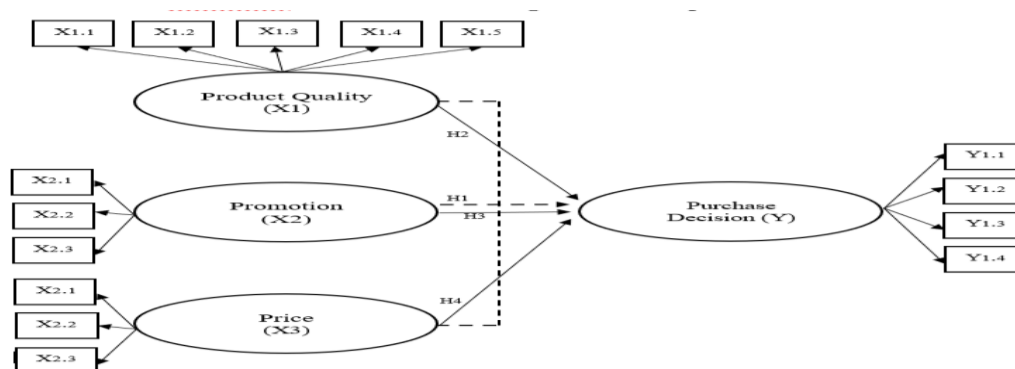


Figure 2.1 Conceptual Framework

III. RESEARCH METHODOLOGY

This research applies a quantitative approach, namely a descriptive-verification design. All Billionaire Fragrance consumers in Denpasar are the population, with a sample of 75 respondents, determined by purposive sampling. To obtain data, a questionnaire was distributed and the data collection was done by distributing questionnaires online using Google Forms. This

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research is based on a Likert scale. Data analysis utilised multiple linear regression and classical assumption testing, consisting of normality, multicollinearity, and heteroscedasticity tests.

Regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Y: Purchase Decision

α = Constant

β = Variable regression coefficient

X_1 : Product Quality

X_2 : Promotion

X_3 : Price

ε = Error

IV. RESULT AND DISCUSSION

Regression analysis results in a statement that all independent variables together (simultaneously) have a significant influence on purchasing decisions. While partially, product quality ($\beta = 0.312$), promotion ($\beta = 0.265$), and price ($\beta = 0.298$) all have a positive and significant effect on purchasing decisions ($p < 0.05$), which is in line with the results of research by Putra et al., (2024) that product quality and price have a positive and significant effect on purchasing decisions. The findings in this study indicate that product quality is the most influential variable on consumer purchasing decisions, while in the research of Putra et al. (2024), the price variable has the most influence on purchasing decisions.

V. CONCLUSIONS

Product quality, promotion, and price are proven to jointly and partially have a positive and significant effect on consumer purchasing decisions for Billionaire Fragrance. Billionaire Fragrance is advised to improve product quality, expand promotional media, and adjust prices to be more competitive.

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