



The Influence of Price, Product Quality and Sales Promotion on Consumer Buying Interest on Schneider Electric Products at PT. Kawi Agung Kencana

Ricko A.N¹, Johan C², Juwanto³, Michel W⁴

^{1,2,3,4}Universitas Prima Indonesia

Jl. Sekip, Petisah Tengah, Kec. Medan Petisah, Kota Medan, Sumatera Utara 20113.

E-mail : Rickoanderson534@gmail.com

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ABSTRACT

The price of a product that is set must be in accordance with the consumer's economy, so that consumers can buy these goods. In order to meet consumer desires, companies must pay attention to the quality of their products, in order to compete with other similar company products so that consumers are interested in repeat purchases. The sales or marketing department of a company will develop promotions to inform their products so that they can influence consumers to buy them. The purpose of this study was to determine the effect of price, product quality and sales promotion on consumer buying interest in electric Schneider products at PT. Kawi Agung Kencana. The research method used is a survey approach analysis method, the type of research is quantitative descriptive, the research method is carried out by questionnaires, interviews, and documentation studies. The analytical method used is multiple linear regression. The population is customers of PT. Kawi Agung Kencana totaling 158 people. The sample in the study to be tested was taken from the population with the slovin formula, which amounted to 113 people. The data analysis technique used is the reliability validity test, the classical assumption test, the coefficient of determination (R²) test, multiple regression analysis, and hypothesis testing. The results of this study indicate that price, product quality and sales promotion have a simultaneous effect on buying interest. Partially, price has a significant negative effect on buying interest and product quality and sales promotions have a significant positive effect on buying interest. price, product quality and sales promotion explain their influence on buying interest at PT. Kawi Agung Kencana by 30.7%. while the remaining 69.3% is the influence of other variables not explained in this study.

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1. Introduction

PT. Kawi Agung Kencana is a distributor of electrical equipment, has been established since 1979, is engaged in Electrical (needs for industrial and residential electrical components and equipment), PT. Kawi Agung Kencana is trusted by PT. Schneider Indonesia as a generalist distributor for North Sumatra. This company is also trusted by PT. Schneider Indonesia as an Authorized Service Center (Service Services) to consumers, supported by sales engineers who have received certification from Schneider Electric.

Purchase intention is a mental statement from consumers that reflects the plan to purchase a number of products with a certain brand. Sales turnover at PT Kawi Agung Kencana from January 2019 to December 2019 did not reach the target set by the company, this indicates that there is still a lack of interest in buying Schneider electric products marketed by PT Kawi Agung Kencana.

Price is an important factor in sales. Many companies went bankrupt because they set prices that did not match the market. The price set must be in accordance with the consumer's economy, so that consumers can buy



these goods. The price of Schneider Electric marketed by the company is considered quite high and unable to compete with other similar brand competitors.

Buying interest is also determined by the quality factor of the goods or services desired by the customer, so that quality assurance is a top priority for every company, which is currently used as a benchmark for the company's competitive advantage. . The quality of the product is still problematic, as evidenced by the existence of customer complaints about the quality of electrical equipment products sold by PT. KawiAgungKencanaFor companies, promotion is an important decision-making factor.

Sales promotion is a communication activity between companies and consumers in an effort to influence consumers in purchasing activities according to their wishes and needs. The sales or marketing department of a company will develop promotions to inform their products so that they can influence consumers to buy them. Sales promotions carried out by the company are considered minimal and are not accompanied by creativity and effectiveness

Based on the above background, researchers are interested in conducting research with the title "The Influence of Price, Product Quality and Sales Promotion on Consumer Buying Interest on Schneider Electric Products at PT. KawiAgungKencana"

2. Literature Review

2.1 Theory of the Effect of Price on Buying Interest

According to Hasan (2016: 298) prices are all forms of monetary costs sacrificed by consumers to obtain, possess, utilize a number of combinations of goods and services from a product.

If the price is higher, people tend to think that the quality is also better and buy it. (Swastha (2009:149)

2.2 Theory of the Effect of Product Quality on Buying Interest

According to Abdullah and Tantri (2015: 159), product quality means the product's ability to carry out its functions including durability, reliability, accuracy, ease of use and repair and other valuable attributes.

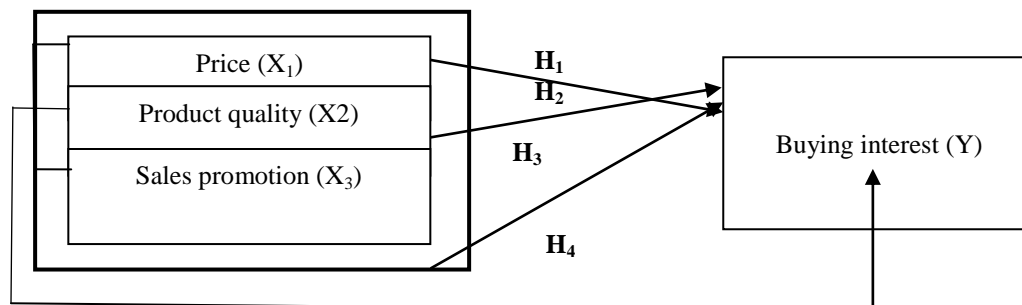
According to Kotler and Keller (2009:144), product and service quality, customer satisfaction and profitability are three things that are closely related. The higher the quality, the higher the resulting level of customer satisfaction which supports higher prices and lower costs.

2.3 Theory of the Effect of Sales Promotion on Buying Interest

According to Hasan (2016: 367), sales promotion is a marketing function that focuses on communicating marketing programs persuasively to the target audience to encourage the creation of exchanges between the company and the audience.

According to Tjiptono (2008:229), sales promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate product purchases immediately or increase the number of items purchased by customers.

2.4 Hypothesis



3. Research Methodology

The research approach used in this study is a quantitative approach. The type of research used in this research is descriptive quantitative. The nature of this research is descriptive explanatory. With a population of 158 customers and an error rate (e) of 5%, the sample (n) of this study is: $n = \frac{158}{1 + 158 (0,05)^2} = 113,26$ or 113

4. Research Results and Discussion

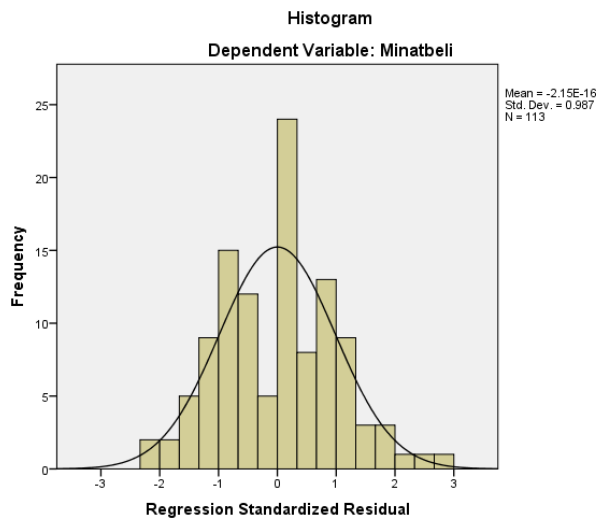


Fig 1. Histogram

The image is in the form of a bell-shaped line, not deviating to the left or right. This shows that the data are normally distributed and meet the assumption of normality.

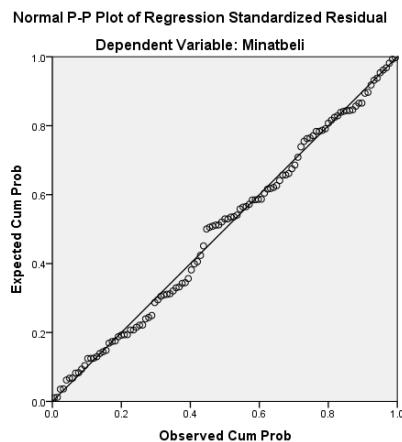


Fig 2. Normal P-Plot

The data (dots) spread around the diagonal line and follow the diagonal line. So, from the picture it can be concluded that the residuals in the regression model are normally distributed.

Table 1.
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		113
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.09493665
	Most Extreme Differences	
	Absolute	.058
	Positive	.047
	Negative	-.058
Test Statistic		.058
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Asymp Value. Sig. (2-tailed) is greater than 0.05, so the data is declared normally distributed.

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Harga	.898	1.114
	Product quality	.993	1.007
	Sales Promotion	.892	1.121

a. Dependent Variable: Minatbeli

Tolerance value > 0.10 and VIF value < 10 for independent variables. Thus, it can be concluded that the regression equation is free from the assumption of Multicollinearity.

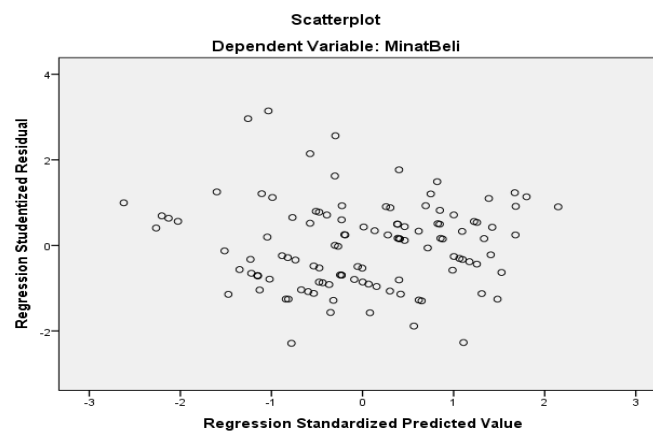


Fig 3. Scatterplot

The points spread randomly and are spread above and below the number 0 on the Y axis, so it can be concluded that there is no heteroscedasticity problem in the regression model so that the regression model is feasible to use.

Table 2.
spearman-rho Test

		Correlations				
		Harga	Kualitas produk	Promosi penjualan	Unstandardized Residual	
Spearman's rho	Harga	Correlation	1.000	.015	.311**	-.032
		Coefficient				
		Sig. (2-tailed)	.	.872	.001	.734
		N	113	113	113	113
	Product quality	Correlation	.015	1.000	.073	-.057
		Coefficient				
		Sig. (2-tailed)	.872	.	.442	.547
		N	113	113	113	113
	Sales Promotion	Correlation	.311**	.073	1.000	.029
		Coefficient				
		Sig. (2-tailed)	.001	.442	.	.761
		N	113	113	113	113
Unstandardized Residual	Correlation	-.032	-.057	.029	1.000	
	Coefficient					
	Sig. (2-tailed)	.734	.547	.761	.	
	N	113	113	113	113	

** . Correlation is significant at the 0.01 level (2-tailed).

The significant value of the variable where the three variables have a significant value greater than 0.05. Thus, from the results of the heteroscedasticity test with the Spearman rho test, it can be concluded that there is no heteroscedasticity problem.

$$Y = 6.261 - 0.157\text{Price} + 0.132\text{Product quality} + 0.582\text{Sales Promotion}$$

Table 3.
Coefficient Of Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.570 ^a	.325	.307	3.137

a. Predictors: (Constant), Promosipenjualan, Kualitasproduk, Harga
b. Dependent Variable: Minatbeli

Adjusted R Square value is 0.307, which means that 30.7% of buying interest variables can be explained by price, product quality and sales promotion variables and the remaining 69.3% is varied by other factors not examined.

Table 4.
F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	517.034	3	172.345	17.511	.000 ^b
	Residual	1072.807	109	9.842		
	Total	1589.841	112			

a. Dependent Variable: Minatbeli
b. Predictors: (Constant), Promosipenjualan, Kualitasproduk, Harga

The value of F_{count} (17.511) is greater than F_{table} (2.69) and $Sig.$ (0.000) is smaller than $\alpha = 5\%$ (0.05). Thus, price (X1), product quality (X2) and sales promotion (X3) simultaneously have a significant effect on buying interest (Y) at PT. KawiAgungKencana.

Table 5.
T Test

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	6.261	3.095		2.023	.046
	Harga	-.157	.054	-.240	-2.885	.005
	Product quality	.132	.062	.168	2.123	.036
	Sales Promotion	.582	.087	.557	6.680	.000

a. Dependent Variable: Minatbeli

Price partially has a significant negative effect on buying interest, while product quality and sales promotions have a significant positive effect on buying interest

5. Conclusions

- Partial testing shows that the price variable has a significant negative effect on buying interest at PT. Kawi Agung Kencana
- Partial testing shows that the product quality variable has a significant positive effect on buying interest at PT. Kawi Agung Kencana
- The partial test shows that the sales promotion variable has a significant positive effect on buying interest at PT. Kawi Agung Kencana
- Simultaneous testing shows that price (X1), product quality (X2) and sales promotion (X3) simultaneously have a significant effect on buying interest (Y) at PT. Kawi Agung Kencana with a coefficient of determination of 30.7%.

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