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## **The Effect of Promotion, Price, and Location on The Purchase Decision of Dry Cakes**

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**Abstract:** This article aims to determine the effect of promotion, price, and location on purchasing decisions for pastries in Setia Rasa Kec.Pace, Nganjuk Regency. The variables of this study are Promotion (X1), Price (X2), Location (X3), and Purchase Decision (Y). The research location is in the Setia Rasa home industry, Pace District, Nganjuk Regency. They used data collection techniques through interviews, observation, and questionnaires. Based on the tests carried out with multiple linear regression analysis, the t-test shows that Promotion (X1), Price (X2), and Location (X3) have a significant influence on Purchasing Decisions (Y). It is shown from the significant value for the X1  $0.000 < 0.05$ , the X2  $0.17 < 0.05$ , and the X3  $0.49 < 0.05$ . The F test shows that the variable of Promotion (X1), Price (X2), and Location (X3) simultaneously on Purchasing Decisions at Setia Rasa Home Industry, Pace District, Nganjuk Regency. The correlation test shows that the R-value is 0.869, meaning that the variable of Promotion (X1), Price (X2), Location (X3), and Purchase Decision (Y) have a strong relationship. The variable that has the most dominant influence on purchasing decisions is the promotion variable.

**Keywords:** Promotion, Price, Location, Purchase Decision

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### **1. Introduction**

Today's rapid economic development has created intense competition in the business world. Every company, especially similar companies, both large-scale and home industries, has very competitive competition regarding products and attractive promotions offered to consumers (Widajanti 2007). One of the areas visited by many tourists, both local and foreign tourists, is the Nganjuk district. Pastries from Nganjuk that are popular are types of food made from brown sugar and peanuts. One of them is Nganjuk enting-enting get.

Producers must be maximal because consumers who have a positive attitude towards a product will have the desire to choose and buy the product. Realizing the many challenges and competition in their business, Setia Rasa Home Industry entrepreneurs must think about the right marketing strategy so that their products can be accepted by consumers and can influence consumers to make purchases.

The snacks offered in Nganjuk Regency are the same as pastries from other regions. This snack, named Setia Rasa, is one of the pioneers of snacks that many people enjoy doing.

In all business fields, good promotion factors are the main key to the success of a business. Promotion can be defined as a form of marketing communication (Njoto 2018). With promotions, we can communicate or introduce the type of business and what products we will sell to potential customers. Currently, there are many types of promotion carried out by an entrepreneur. It could be with social media or other media such as brochures or banners. Still, not all types of promotions that are carried out can match the products we offer because every product that is sold has different characteristics, even with the same type of product but has a different promotion. In this Setia Rasa company, promotions are carried out through social media or word of mouth to attract consumers to find out what products are sold.

The factor that can influence someone to make a buying decision is the price (Kambali and Syarifah 2020). In determining the price of each entrepreneur, of course, it is different according to what product is sold. In this pastry food business, the price of each product is different and set relatively low prices, which are very affordable for everyone. However, it has a relatively low price, and the Setia Rasa company still maintains the quality of its products, even guaranteeing that if there is a product that is not good, it will be replaced with a new one free of charge.

Besides promotion and price, location is another factor influencing a person's buying decision (Management et al. 2020). Location is one of the considerations that Setia Rasa entrepreneurs must make in terms of determining the location an entrepreneur can carry out specific research because the location is an essential factor. Location is also related to determining the selling price of the product. It is related to the purchasing power of the people in the area. It can be seen from the employment factors of residents or the ability of a person to buy a product, so location is crucial in determining the price. In addition, the location must also be strategic, for example, on main roads or alternative roads where many vehicles pass. Besides that, the location of the business place must also be visible to road users. You can use banners or banners to clarify the type of shop. The location of the Setia Rasa company is on a road that connects several villages, so many vehicles pass it, but to be able to make someone stop and shop at a store cannot be ascertained. Still, several factors can be identified to make someone stop and shop at a store.

Purchasing decision behaviour refers to the final purchase behaviour of consumers, both individuals and households, who buy goods for personal consumption. With this, the role of the small food industry is expected to understand consumer desires (Pasar and Samarinda n.d.).

## **2. Methodology**

The method used in this research is quantitative. Activities in data analysis are grouping data based on variables from all respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, perform calculations to test the hypotheses that have been proposed (Qomari n.d.). The research was conducted at the Setia Rasa Home Industry company, Pace district, Nganjuk regency, to obtain data. The data collection techniques used several methods. Namely, interviews were used to collect primary data and observation of activities in the home industry of Setia Rasa, Kec. Pace, Nganjuk Regency, observing consumers who come to the place to be sampled and distributing questionnaires to the Setia Rasa industry consumers.

### 3. Research Results

The results of the study use multiple linear regression to determine the effect between the independent variables consisting of the variables' Effect of Promotion, Price, and Location on the dependent variable Purchase Decision (Y) (Dahlia 2019) and to see the results of testing the proposed hypothesis can be seen in the following table:

Table 3.1  
Data recapitulation  
Multiple Linear Regression Test Results

Variable	B	$t_{hit}$	$t_{table}$	Sig. t	Information
Promotion (X1)	0,528	6,172	1,985	0,000	H1 received
Price (X2)	0,229	2,426	1,985	0,17	H2 received
Location (X3)	0,176	1,994	1,985	0,49	H3 received
Taraf sig.					0,05
Constant a					1,017
R					0,869
R Square					0,755
$F_{hitung}$					98,634
Sig. F					0,000
$F_{tabel}$					2,70

Source: Primary data processed, 2021

Based on table 3.1 the regression equation can be written as follows:

$$Y = 1,017 + 0,528X_1 + 0,229X_2 + 0,176X_3$$

The regression equation above shows that:

a. A constant value of 1.017 means that if the Promotion (X1), Price (X2), and Location (X3) are fixed or have no effect, then the Purchase Decision (Y) has a value of 1.017.

b. The promotion regression coefficient (X1) of 0.528 is positive. It means that if the Promotion variable (X1) influences the Purchase Decision (Y), the value will increase by 0.528, assuming that the other independent variables are constant.

c. The price regression coefficient (X2) of 0.229 is positive. It means that if the price variable (X2) influences the purchase decision (Y), the value will increase by 0.229, assuming that the other independent variables are constant.

d. Location regression coefficient (X3) of 0.176 is positive. It means that if the location variable (X3) affects the Purchase Decision (Y), the value will increase by 0.176, assuming that the other independent variables are constant.

The table above shows that the Promotion, Price, and Location variables simultaneously or together affect the Purchasing Decision variable. It can be proven by the Fcount value of 98.634 > Ftable 2.70 with a significant value of 0.000 < 0.05.

#### 4. Discussion

Based on the discussion of the research results, it can be seen that promotion, price, and location all have a partial and simultaneous effect on purchasing decisions, which are significant in Setia Rasa Home Industry.

The sample used in this study was 100 consumers found by researchers while observing and distributing questionnaires. The researcher's questionnaire also included gender, age, and education.

The respondents' results were grouped previously: the male respondents were 30 or 30%, and the female respondents were 70 or 70%. It can be concluded that most consumers who buy products at Setia Rasa are women.

The results based on the age of the respondents stated that respondents aged <20 years totalled five respondents, aged 21-30 years totalled 20 respondents, aged 31-40 totalled 45 respondents, and ages 41-50 years amounted to 30 respondents. It can be concluded that respondents based on age who buy products at Setia Rasa are mostly 31-40 years old.

The respondents' education stated that there were five respondents with elementary education, 15 in junior high school, 70 in high school, and ten undergraduate students. It can be concluded that the average number of respondents who buy products at Setia Rasa, namely high school graduates, is 70 respondents.

Based on the results of the F test, it can be interpreted that promotion, price, and location have a simultaneous and significant effect on purchasing decisions, with an F-count of 98.634 and a significant level of  $0.000 < 0.005$ . With partial t-test, it can be interpreted that promotion (X1) t-count of 6.172 with a significant level of  $0.000 < 0.005$ , price (X2) t-count of 2.426 with a significant level of  $0.000 < 0.005$ , location (X3) t-count of 1.994 with a significant level of  $0.000 < 0.005$ . The results of the analysis above show that the promotion, price, and location variables partially influence and are significant in purchasing decisions at Setia Rasa Home Industries. Based on the researcher's interpretation, the variable influences the purchase decision (Bairizki 2017).

#### 5. Acknowledgement

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