



The Influence Of Price, Promotion And Marketing Event On Customers' Repurchasing Decision Of Flashy Products

Ramayani Yusuf (1)(3), Heny Hendrayati (3), Mira Veranita(1)(4), Granit Agustina(2)(3), Nuniek Dewi Pramanik (1)

(1) Administrasi Keuangan ,Ekonomi Bisnis , Politeknik Piksi Ganesha , Bandung , Indonesia

(2)Managemen, Universitas Winaya Mukti, Bandung, Indonesia .

(3) Univeristas Pendidikan Indonesia, Bandung

(4) Universitas Pasundan, Bandung

yusuframayani@gmail.com

This research aims to investigate the influence of prices, promotions and marketing events on the customers' repurchasing decision of Flashy products. The survey was conducted to 221 customers of Flashy Women's Clothing Bandung which is a brand of women's clothing from the age of 15-45 years. The data used for this research was collected through questionnaires distributed to the students of Polytechnic Piksi Ganesha who have had shopping experience in Flashy. This study used a structural equation model (SEM) to evaluate the suitability of the theoretical model being analyzed related to empirical data, and to test the significance of the hypothesis. The results showed that the estimated coefficient of standardized regression in which price, promotion and event marketing have a significant influence on customer's repurchase decisions.

Keywords: marketing event, price, promotion, repurchase

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**Correspondence:*

Ramayani Yusuf

yusuframayani@gmail.com

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INTRODUCTION

Repurchase is considered an important concept in the marketing literature because they have positive contribution in the field of practitioners as well as academic research ((Iglesias et al., 2011). Researchers are currently focusing their goal in understanding customers' behavior on spending more money and purchasing more frequently. Increasing repurchase behaviour is a major concern for companies in order to gain a competitive advantage as well as leading to higher profit for companies (Pappas et al., 2014)

The important attitude of consumer behavior is merely buying products/services repeatedly without involving the aspect of customers' preferences so that it creates customer loyalty which also mean a commitment to a particular brand or product (Shin et al., 2013). In order to be able to stimulate customers' repurchasing behavior, it requires a marketing strategy that involves customer's buying interest which positively affects customers' repurchasing decision.

For producers, costumers' indirect repurchasing activities can provide an advantage that affects the sustainability of the company. A customer will repurchase products or services when the brand has embedded in the customers' mind. Various factors can influence customers' decision to repurchase a product or service.

Loyal customers are assets in a company. Customers' repurchase decisions are influenced by certain considerations offered by a company through promotions, prices and marketing events.

Indonesia's fashion industry is growing very rapidly and able to employ numerous workforces in West Java. According to The Head of Economic Department of Bandung city, Ema Sumarna (Inge, 2014), there are three out of 14 creative industry items that are the flagships of Bandung, namely clothing, culinary and craft. The industries are able to employ 650,000 workers (Sindo, 23 April 2008). Meanwhile, 400 clothings (distribution stores - Fashion) in Bandung are employing approximately 300,000 workers (Fikri C. Satari, Chairman of KICK, Sinar Harapan, August 9, 2008).

Bandung is one of the cities in Indonesia that has great potential for fashion industry entrepreneurs. The people of Bandung are considered consumptive and runs their own businesses. The growth of clothings, clothing and accessories providers, is growing rapidly and the industry itself is no longer be taken into granted in the city of Bandung. Some favourite clothing brands are 347, Ouval Research, Smith, 3second, Screamous, Flashy, etc. (Eka, 2016). Flashy is one of the clothings which specifically target women who want to look different and attractive. Flashy has been founded in 1998 by Windy Wulandri who is one of the pioneers of clothing specifically designed for women. With interesting innovations and designs, Flashy is able to have a competitive advantage in the market and still exist amidst the growing competition of the women fashion industry.

Flashy, which is located in Jl. Dipatiukur no. 1 and Jl. Sulanjana, has generated loyal customers for the brand. Therefore, Flashy is able to survive for 22 years. As the time goes by and the shifting customer segment of Flashy, Flashy has to develops attractive product innovations accompanied by

promotions, competitive prices and interesting marketing events to be able to stimulates customers' purchasing decisions.

Flashy is one of the highest selling clothings in West Java (Eka, 2016). The fact is clearly displayed through the following chart:

[Figure 1 about here.]

In order to survive and grow, a company needs to understand their customer behavior. By doing so, the company is able to maintain and improve their customers' experiences to keep them purchasing the products or services offered by the company (Kusdyah, 2012). It is the challenge for the company to sustain their business. Because without customers who keep spending their money to purchase the company's products or services, a company will not be able to maintain its sustainability. In addition, it will take a greater cost to acquire new customers, therefore it will be more effective and easier if the company invest their effort to retain their existing customers. This is supported by Andrew Griffiths's statement (2012) that the company could spend far less money on advertising and marketing if the company is able to build long-term relationships with customers, so that customers keep using the products or services that the company has to offer and can voluntarily spread positive products or services recommendation to others. Hence, the company should not put their attention merely on advertising and consumers acquisition. Based on the phenomenon, the authors are interested in conducting a research related to consumers repurchase interests. For this reason, the title of this research is THE INFLUENCE OF PROMOTION, PRICE AND MARKETING EVENTS ON THE CUSTOMERS REPURCHASING DECISION OF FLASHY PRODUCTS.

The purposes of this research are: (1) To investigate the influence of promotion, price and marketing event, partially or jointly influence, on the customers repurchase decision of Flashy products and (2) To obtain firm findings in relation to the influence of promotions, prices and marketing events on customers' repurchasing decisions.

METHOD (FOR RESEARCH ARTICLE)

This research was conducted to analyse the relationship between price, promotions and marketing events and repurchasing decisions of Flashy customers. Independent variables or exogenous variables in this study is price (x1) with the following indicators: affordability, value for money, price competitiveness and cost benefits. Variable (x2) is a promotion with the following indicators: frequency, quality, quantity, time and consistency. Variable (x3) is marketing events with the indicators of enterprise, entertainment and excitement. While the dependent variable or endogenous variable in this study is customer repurchasing decision with the indicators of repurchasing decision, referral activity, brand loyalty.

Object / unit analysis in this research is Flashy consumers who have made a purchase at least once. This research was

conducted in less than a year, so the data collection technique used in this research is cross-sectional method.

The sampling technique used in this research is propability technique that is simple random with the total sample of 221 respondents. The research utilized some data collection techniques which are library research, field studies through questionnaires, and literature studies. Furthermore, the study used several data analysis techniques which are descriptive and verificative analysis. Verificative data analysis process was using SEM with the help of AMOS 22.0 software for windows.

DISCUSSION

Descriptive Discussion

Price

Based on the empirical research result on price variables, it shows that the price affordability indicator generated the highest contribution, through the expected product prices.

Promotion

Based on the results of empirical research on promotion variable, it shows that the indicator of promotional quantity has a significant contribution through the customers' desire to attend events that are organized by Flashy.

Event Marketing

Based on the results of the empirical research on marketing event variable, it shows that entertainment indicator generates significant contribution, through events that are organized by Flashy to provide entertainment for their customers.

Repurchasing Decision

Testing the validity of the measurement model to determine the suitability of the model or commonly known as goodness of fit (GOF) has the purpose to identify how much the manifest variable (indicator) provides support to the latent variable (construct), in other words, how fit the model is with the data obtained from the study. Conformity and statistical tests were utilised using fit index to measure the suitability of the proposed model. Based on the data processing using AMOS 22.0 for windows, the results which are obtained for model testing are presented in the table below:

[Table 1 about here.]

Although not all measure of Goodness-of-Fit is in line with the cut-off value recommendations, it can still be concluded that the overall model is fit because, according to Malhotra (2010:733), a model can be categorised as fit if the model uses at least one measure that has a characteristic as absolute good (for example: GFI, AGFI), one measure that is absolute bad (eg: Chi-Squares, RMSR, SRMR, RMSEA) and one measure that has comparative characteristic (eg: NFI, NNFI, CFI, TLI, RNI).

Furthermore, the model specifications, part of the SEM model, describes the relationship between latent variables

and their indicators. Things that must be done in this stage is defining the latent variables in the research, namely price variables, promotions, marketing events and repurchasing decisions.

The relationship between variables is shown in the following table:

[Table 2 about here.]

In the price variable, cost benefit indicator has an estimate value of ≥ 1 while the affordability indicator has an estimated value of ≤ 1 . This suggests that Flashy customers put higher preferences on cost benefits compared to affordability.

The measurements on promotion variables indicated that the timing of promotions that are set by Flashy has a valid value compared to the quality of the promotions. It is intended that Flashy should set their promotions in a timely manner in accordance with the latest themes or issues that occur.

Measurement in marketing events, the most valid value is excitement (satisfaction) after attending a marketing event conducted by Flashy, while the enterprise indicator has a less valid value.

[Table 3 about here.]

From the table above, the data shows that the promotions and marketing events have the highest covariance value (0.137) and affect each other, while the covariance value between the price and promotion (0.098) do not have stronger influence compared to the influence of promotion on the marketing event.

Result of Structure Mode

There is an influence between price, promotions, marketing event and repurchases decisions variables, parameters on each path are shown in the following figure:

[Figure 2 about here.]

Based on the results, there are two indicators that are not significant, namely x_{10} and y_2 , therefore retest procedure was carried out by eliminating the two insignificant indicators from the equation to make the estimated parameters in the track diagram is significant.

Through AMOS statistics program, the study was able to analyse and calculate the result of regression weight between latent variables also known as estimated loading factors or lamda value. Degree of freedom (df), C.R. or t-calculated value can also be found. Based on the significance of the t-count with the probability value (p) = 0.05, the results of

regression weight causality test are as follows:

[Table 4 about here.]

Based on the values presented in Table 4, the calculated values (S.E) are 0.047 (price), 0.049 (promotion) and 0.021 (marketing event) which are larger than t table. It means that there is a significant influence of the price on the repurchasing decision because the t-count (C.R) is greater than the probability value of <0.05 , on the contrary, the p-value must be less than 0.05. The amount of direct influence of each latent variable (standardize direct effect) or indirect influence (standardize indirect effect) and total effect (standardizes total effect) that variable factors:

Price has a direct influence on the purchasing decision of 0.047. the overall conceptual model of structural equations are designed based on goodness of fit or the research testing model meets the feasibility of the model (fit) which means it is well suited to the empirical conditions.

The Promotion has a direct influence on the repurchases decision with the value of 0.049

Marketing Event has a direct influence on the repurchases decision with the value of 0.021.

Based on regression weight analysis, it was found that based on the t-test of the variables, the zero hypothesis (H_0) is rejected and H_1 is accepted, because it corresponds to the acceptance criteria of the hypothesis namely critical ratio (C.R.) value ≥ 1.99773 or probability value (P) ≤ 0.05 . So, it can be said that there is a linear and significant relationship between price variables, promotions and marketing event in influencing customers' repurchasing decision.

CONCLUSION

Based on the research results in the discussion section, it can be concluded that the variables that have a significant influence are promotion and event marketing, but generally prices, promotions and marketing event variables have an influence on the repurchasing process of Flashy products. The model presented has been well tested and functional. Abstract, or simply explain the results of the research. Provide a clear explanation of possible applications and/or suggestions related to the research findings.

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Future research is expected to examine the effect of entrepreneurial orientation on the performance of MSMEs. In addition, it is necessary to add a variable financial literacy in supporting financial inclusion that is run by the government in collaboration with other sharia-based financial sectors such as Islamic rural banks, Islamic capital markets, and sharia insurance.

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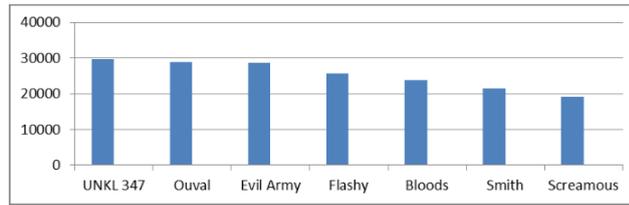
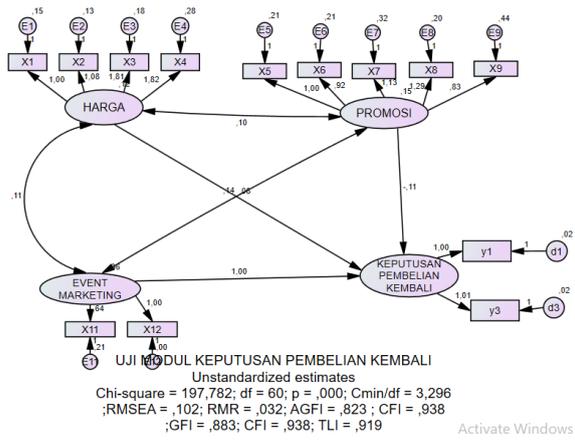


Figure 1 | Data Transaksi Distro di Kota Bandung Tahun 2017



Source: Prepared by the authors, 2020

Figure 2 | Parameter Assessment Diagram

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TABLE 1 / Model evaluation results with Goodness of Fit Measure

	Cut of Value	Hasil	Evaluasi Model
Chi Square	Sekecil mungkin	197,78	Tidak fit
P value	>0,05	000	Tidak fit
GFI	GFI ≥ 0.90 good fit, 0.80 ≤ GFI < 0.90 marginal fit	0,883	Marginal fit
RMSEA	≤0,08	0,102	Tidak fit
TLI	TLI ≥ 0.90 good fit, 0.80 ≤ LI 0.870 Marginal Fit < 0.90 marginal fit	0,919	Good fit
AGFI	≥ 0.90	0,823	Tidak fit
CFI	CFI ≥ 0.90 good fit, 0.80 ≤ CFI < 0.90 marginal fit 0.919	0,938	Good fit
Cmin/df	<2,00	3,206	Tidak fit

TABLE 2 / Weighted Coefficient Factor Validity Test

Validitas		Estimate
X1	← Price	1,000
X2	← Price	1,084
X3	← Price	1,810
X4	← Price	1,824
X5	← Promotion	1,000
X6	← Promotion	0,923
X7	← Promotion	1,131
X8	← Promotion	1,285
X9	← Marketing Event	0,333
X11	← Marketing Event	0,636
X12	← Repurchasing	1.014
Y1	← Decision	1,000
Y3		1,000

Source: Prepared by the authors, 2020

TABLE 3 / Covariant Test between Variables

		Validitas	Estimate
Price	↔	Promotion	0,098
Price	↔	Marketing Event	0,108
Promotion	↔	Marketing Event	0,137

Source: Prepared by the authors, 2020

TABLE 4 / Weighted Regression Causality Test Evaluation

			Estimate	SE	CR	P
Y	←	X1	-,111	,047	-2,371	,018
Y	←	X2	,083	,049	1,681	,093
Y	←	X3	1,001	,021	46,661	***

Source: Prepared by the authors, 2020

