



PRICE PERCEPTION AND PROMOTION ANALYSIS OF PURCHASING DECISIONS ON ONLINE TRAVEL APPS

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Abstract

This study aims to determine and analyze price perceptions and promotions of simultaneous purchasing decisions for online travel application customers. The type of research used is explanatory research. The research will explain the relationship between research variables by testing hypotheses that researchers have developed to explain the relationship between price perception variables and promotion variables to purchasing decisions in online travel applications. To present research results of a numerical nature, including numbers to describe and explain phenomena that reflect research results. The study showed a relationship between the promotion and purchase decision variables. Suppose the quantity r or Pearson correlation in this analysis is positive. In that case, the relationship between the two variables is positive, or in other words, increased price awareness and promotion will also improve purchasing decisions. Price perception and promotion research on purchasing decisions can use as a reference source for management to maintain quality service. The prices and promotions offered and attractive features can continue to develop to support application users so that consumer satisfaction achieve in purchasing decisions.

Keywords: Price, Promotions, Purchasing Decisions

INTRODUCTION

Business competition in the era of globalization is increasingly dynamic, complex and uncertain, providing opportunities but challenges. Every company in this industry seeks to attract the attention of (prospective) consumers by providing information about products. Promotion is one of the effective media as a source of information consumers need to discover a product's advantages and disadvantages. Through promotional media, companies can create profitable long-term and short-term interaction relationships between companies and consumers in introducing and marketing products and their results. The company's goal is generally to obtain the desired profit to maintain the profit earned and to strive to increase the profit earned in the long term. This goal can achieve if the sale can complete as planned, and one of the general goals in sales is to raise sales results to a certain level that the company has targeted. Marketing is the main activity carried out by organizations to develop a business and make a profit.

As one of the marketing techniques, promotion is an essential element that can influence consumers to re-create demand for existing products or introduce new products so that the public or potential consumers can accept them. The increase in the marketing area targeted by the company is quite significant, and practical promotional activities must support it. Promotional activities divide into three categories known as promotion mix. The promotional mix includes advertising, personal sales, and sales promotion. Sales promotion is a promotional activity that uses as a short-term driving tool, designed in such a way as to intensify marketing more intensely

and quickly. Sales promotion can increase purchasing decisions. In this product, sales promotion provides examples of goods, gifts, discounts or discounts to potential buyers.

In this modern era of globalization, the high level of business competition makes companies compete to maintain, win the market competition and expand their existence. Similar industries will always try to compete for the same market. The impact of competition is undoubtedly undeniable, along with the increasing importance of consumers in choosing the best. Hence, marketers need to know and research the needs and desires of consumers' personalities that consumers have.

The needs and desires of consumers constantly change along with technological, economic, social and cultural developments, thus affecting the Indonesian people's consumption patterns and lifestyles. In terms of infrastructure and internet network that is improving, it makes it easier for people to access everything using the internet, such as email, websites, and social media. It feels by the community and becomes a critical need. This level of interest is one of the reasons that drive the growth of internet users. Ease of access to various information and media provided by using a smartphone to meet daily needs or to conduct e-commerce business transactions is considered more effective.

One of the services widely offered on online sites is all travel needs for tourists, for example, booking tourist, planes, trains, buses, hotels, etc. The official website of online hotels and ticket booking makes it easy for helicopter users.

Train and hotel search transportation to make ticket purchase and hotel booking transactions to access and monitor ticket and hotel prices anywhere and anytime without having to go directly to the ticketing point or hotel. Online travel agencies have ample room to grow. The changing times make people want to organize their trips faster and easier. If, in the past, people always depended on travel agents and ticket agents at airports or malls, people are now starting to use online travel agents (OTAs). Online travel agents (OTAs) have a business scope like conventional travel agents that have existed so far. It's just that OTA is expanding its digital services where information search, ordering and payment transactions all take place in cyberspace. The OTA industry considers having very promising potential in the country.

Moreover, it is supported by an increase in internet users yearly, mainly due to the proliferation of cheap smartphones. Some of the online OTAs in Indonesia are Traveloka, Tiket.com, Agoda and Pegi-Pegi. Using a good OTA service is simple and fast. You don't need to go to a particular place to access it as long as you have a computer, laptop, or smartphone connected to the internet to be able to

LITERATURE REVIEW

Price Perception Analysis

The analysis is an objective analysis or observation of something. According to Schiffman and Kanuk (2007), perception is the process by which an individual selects, organizes and translates the stimuli of information into a complete picture. Perception has a strong influence on consumers. One of the factors affecting consumers is the perception of prices. Price is a monetary value determined by the company in exchange for goods or services traded and otherwise held by the company to satisfy customers' wishes. The price is the total (plus several products, if possible). Even sellers want to make a profit from this price.

Kotler states, "Price is the amount consumers exchange for the benefit of owning or using products and services. Price is the primary determinant of the buyer's choice. Price is a factor. Only the marketing mix generates revenue, and the remaining elements create costs. Price perception

analysis analyzes the process of a person in selecting, organizing and transferring stimuli, information that goes into a complete picture of the price of a product or service.

Purchasing decisions

Purchasing decisions are consumer purchasing processes that combine the knowledge to select two or more available replacement products that influence by several factors, including quality, price, location, etc promotion, convenience, service and others. The consumer's decision to buy a product or service begins with an awareness of a need or desire and the following issues. Then the consumer goes through a number of steps that finally arrive at the evaluation step after purchase. (1) Consumers may purchase a product or use the money for other purposes. In this case, the company should focus on those interested in purchasing a product and the alternatives they are considering. (2) The buyer must decide which brand to buy. Each brand has its differences. In this case, the company must know how the consumer chooses the brand—for example, brand trust and popularity. (3) The buyer must decide which agent to visit. Each buyer has different considerations in determining the reseller, possibly due to proximity factors, low prices, adequate inventory, and others—for example, ease of product access and availability. (4) Consumer decisions about when to buy may vary. For example, some buy once a month, every three months, every six months, or once a year. (5) The consumer may decide how many products to buy. Purchases made can have more than one. In this case, the company must prepare the number of product wishes of different buyers—for example, the demand for a product. (6) Consumers who purchase the product must pay. At the time of payment, consumers usually pay in cash or by credit card. It depends on the customer's ability to pay.

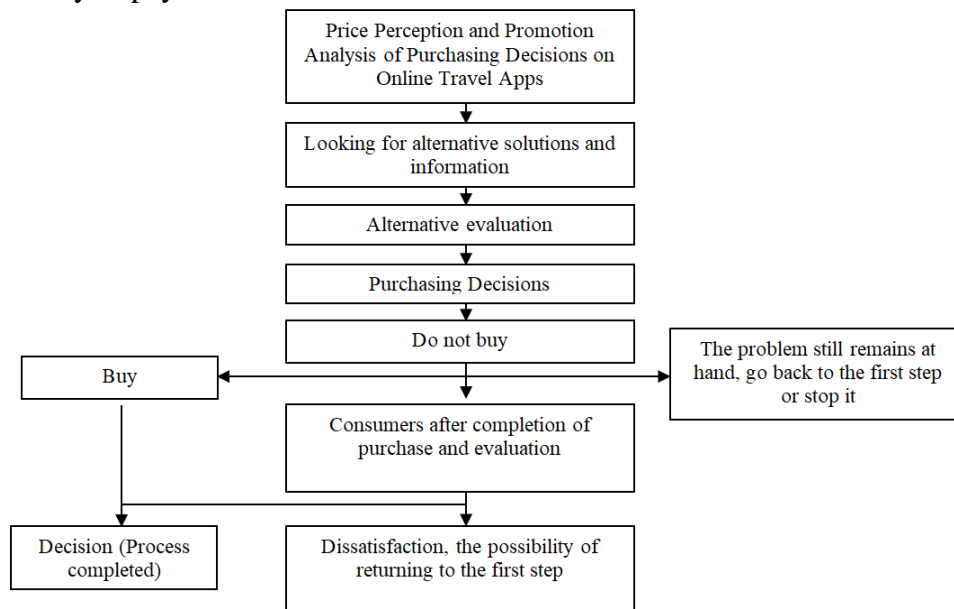


Figure 1 The process of stages of purchasing decisions made by consumers

METHOD

This research is explanatory research, namely research that explains the relationship related to research variables and hypothesis testing formulated by researchers. Researchers want to explain the relationship between Price Perception and Promotion variables and purchasing decisions in online travel applications.

The approach used in this study is a quantitative approach, which is a method that describes the variables studied using data as it is. In the quantitative approach, a numerical presentation of research results consists of numbers to describe and explain phenomena that reflect research results.

The instruments in this study, the stages and the research activities describe the analytical framework in detail. The scale used in the study is the Likert scale to measure perceptions, attitudes and opinions in social phenomena. The authors used this Likert scale to measure variables with several indicators used as instruments in the study. Price Perception Variable (X_1); Promotion Variable (X_2); Purchasing Decision Variable (Y)

Data Collection Techniques

The procedures used in this study are: (a). Literature studies, namely research based on secondary data in a theoretical way sourced from books, journals, articles downloaded from the internet, theses, dissertations and previous scientific publications that have to do with the research object. (b). The questionnaire is a data collection technique that gives respondents closed questions to answer (Sugiyono, 2010). This questionnaire creates using closed questions through google forms.

Table 1. Number of Respondents by Application Type

Application	Number of Respondents
Traveloka	78
Tiket.com	25
Agoda	2
Pegi-Pegi	1
QQ	1
Ticket Seller	1
Total	108

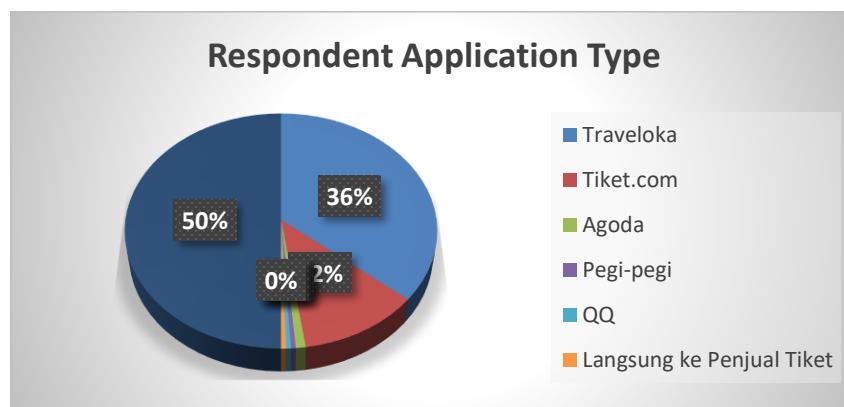


Figure 2. Number of Respondents by App

Data Analysis Methods

Validity Test

The Validity Formula used to test the validity of each item, or question item is a product-moment correlation, with the following test criteria:

1. If the value of $r_{\text{count}} > r$ of the table and the significance value < 0.05 , it can say that the indicator is valid.
2. If the value of $r_{\text{count}} < r$ of the table and the significance value > 0.05 , then it can say that the indicator is invalid.

Reliability Test

Reliability testing carries out using the Cronbach Alpha Test with the following test result criteria:

1. If the value of Alpha Cronbach results from the calculation > 0.6 , then the research variable is reliable.
2. If the value of Alpha Cronbach results from the calculation < 0.6 , then the research variable is unreliable.

Test Classical Assumptions

The classical assumption test uses to get the best results before performing multiple linear tests. This classical assumption intends that the free variable is not biased as an estimator of bound variables. Before testing various linear regression analyses on a research hypothesis, it is necessary first to test the classical hypothesis on the data treated as follows:

a. Normality Test

The normality test determines whether the disruptor or residual variable usually distribute. As is known, the t and F tests assume that the rest follow a normal distribution. If this assumption is adhered to, the statistical test will become valid for a small sample size. To detect whether distributed residues are normal with graphical analysis and statistical testing and whether the data usually distribute or not, the Kolmogorov-Smirnov Test statistical test carries out. Residuals generally distribute if they have a significance value of > 0.05 (Imam Ghazali, 2016).

b. Multicollinearity Test

According to Imam Ghazali (2016), the multicollinearity test aims to test whether the regression model found a correlation between free (independent) variables. To test multicollinearity by looking at the VIF value of each independent variable, if the VIF value < 10 , it can conclude that the data is free from the symptoms of multicollinearity.

c. Heteroskedasticity Test

The heteroscedasticity test aims to test whether, in the regression model, there is a variance dissimilarity from the residual of one observation to another. Some ways can do to perform heteroskedasticity tests, namely the plot graph test, park test, glejser test, and white test.

RESULTS AND DISCUSSION

The study's results on the r_{Table} obtained the value of the sample ($N = 108$) of 0.1891. Thus, referring to the results of the validity test produced that all instruments ranging from the price perception variable (XH) consisting of XH1, XH2, XH3, XH4, XH5, XH6, XH7, XH8, as well as the Promotion variable (XP) consisting of XP1, XP2, XP3, XP4 all produce a value ($r_{\text{Calculate}} > r_{\text{Table}}$) of 0.1891. In addition, all instruments start from the purchasing decision variable (Y) consisting of YP1, YP2, YP3, and YP4 all produce the value $r_{\text{Calculate}} > r_{\text{Table}}$ so it can conclude that all the instruments in this study can be said to be valid

Based on the significant value of Sig. (2-tailed): From the output table above, Sig's weight is known. (2-tailed) between Price perception (XH) and purchasing decision (YP) is $0.000 < 0.05$, which means that there is a significant relationship between the Price perception variable and the

purchase decision variable. Furthermore, the relationship between Promotion (XP) and Purchase Decision (YP) has a Sig. (2-tailed) value of $0.000 < 0.05$, meaning there is a significant relationship between the Promotion variable and the Purchase decision variable.

Based on the calculated r-value (Pearson Correlations): It is known that the calculated r. value for the relationship of price perception (XH) with purchasing decision (YP) is $0.698 > r_{table}$ 0.1891.

There is a relationship between price perception and purchase decision variables. Furthermore, it knows that the calculated r value for the relationship between Promotion (X2) and Purchase decision (Y) is $0.548 > r_{table}$ 0.1891, so it can conclude that there is a relationship between the Promotion variable and the purchase decision variable. Where r calculates or Pearson Correlations in this analysis is positive, meaning that the relationship between the two variables is positive or other words, the increasing price perception and promotion will also increase the purchase decision.

Based on the Pearson Correlation value, each linked variable has two asterisks (**), which means that there is a relationship between the correlated variables with a significance level of 1%. From the results of the Normality Test using the Kolmogorov-Smirnov method, a significant consequence of the Normality Test of 0.000 was obtained where the result was less than the significance of 0.05 so that it can conclude that the normality test in this study did not usually distribute.

Data are free from symptoms of multicollinearity if the tolerance value ranges from 0.1 to <1 in the data above the cholineratias tolerance of 0.484. From the calculation results in the multicollinearity test results table, the free variable shows the VIF value = 2,186, where the value is <10 or less than 10. So, it can infer to be free from multicollinearity.

Heteroscedasticity testing is considered free from multicollinearity when a significant value is >0.05 or 5%. From the results of the multicollinearity test using the glejser test, the significance results of the free variable or variable XPrice showed 0.746 and XPromotion 0.750 of 0.018 above the standard significance value 0.05. So, there is no problem with heteroscedasticity. Based on the results of the Autocorrelation Test table, it knows that the DW value = 2,104 is then compared to the value of the significance table of 0.05 with the number of samples as many as 108 and the number of independent variables 1 ($K = 1$) = 1.108 so that dU results from the table $r = 1,705$ obtain. The DW value is greater than the dU limit less than $(4-dU) = 4-1.108 = 2.892$. So, it can conclude that there is no autocorrelation.

Partial Analysis of Price Perception (Xprice) of Purchasing Decisions (Purchase)

The result of the calculation of SPSS Version 25 The regression equation is $Y = 3.476 + 0.341 + 0.075$. From the equation of the regression coefficient value of 0.341, it means that if the regression coefficient of the price perception variable is one per cent while other independent variables fix, it will cause an increase in purchasing decision (Y) by 34.1%.

After partial testing, performs and obtain $dk = n-3$ ($108-3 = 105$), the hypothesis is acceptable if $t_{counts} > t_{tables}$. Based on the ANOVA table above, obtained for Price perception is $t_{calculate} > t_{table} = (6.297 > 1.659)$, and the significance level of $0.00 < 0.05$; thus, it can conclude that Price perception has a significant effect on purchasing decisions.

Partial Analysis of Promotions (XPromotion) of Purchasing Decisions (Purchase)

The result of the calculation of SPSS Version 25 The regression equation is $Y = 3.476 + 0.341X_1 + 0.075X_2$. From the equation of the regression coefficient value of 0.075, it means that if the regression coefficient of the Promotion variable is one per cent while the other independent variable fix, it will cause an increase in the purchase decision (Y) by 7.5%.

After partial testing, perform and obtain $dk = n-3$ ($108-3 = 105$). The hypothesis is acceptable if $t_{count} > t_{table}$. Based on the ANOVA table above, obtained for promotion is $t_{count} > t_{table} = (0.955 > 1.659)$, and the significance level of $0.342 > 0.05$; thus, it can conclude that Price perception has no significant effect on the Purchase decision.

The summary model tests the coefficients of determination of R and R Square. All independent variables in this study were able to explain the relationship and influence by the remaining 48.2% influenced by factors from other variable models in the survey.

Data analysis initiate using classical assumption testing covering normality, multicollinearity and heteroskedasticity tests. Based on the Kolmogorov – Smirnov test, the output obtained is that the data usually distribute. The test results show that the data are free from symptoms of multicollinearity if the tolerance value ranges from 0.1 to <1 in the data above the choline-ratas tolerance of 0.484. From the calculation results in the multicollinearity test results table, the free variable shows that the VIF value = 2,186, where the value is <10 or less than 10. So, it can infer to be free from multicollinearity.

Heteroscedasticity testing is considered free from multicollinearity when a significant value is >0.05 or 5%. From the results of the multicollinearity test using the glejser test, the significance of the free variable or variable X_{price} showed 0.746 and $X_{Promotion}$.750 of 0.018 above the standard significance value 0.05. So, it can conclude that there is no problem in the regression model does not contain the presence of heteroscedasticity.

A regression equation is obtained based on the results of multiple linear regression analysis.

$Y = 3.476 + 0.341X_1 + 0.075X_2$, with the following meanings:

1. The value constant of 3.476 describes that if the value of the independent variable (price and promotion) is zero, then the purchase decision is 3.476.
2. A price coefficient of 0.341 and a positive value indicates that a rise will follow any price increase of 1 per cent in purchasing decisions of 0.341, assuming the other variables remain.
3. A promotion coefficient of 0.254 and a positive value indicates that a rise will follow any price increase of 1 per cent in purchasing decisions of 0.254 assuming other variables remain.

In his book, Ghozali (2016) "The coefficient of determination (R^2) measures how far the model's ability to explain the variation of dependent variables. The value of the coefficient of determination is between zero and one. A small R^2 value means that the power of independent variables to describe the variation of dependent variables is very limited. Suppose the coefficient of determination (R^2) is getting greater or closer to 1. In that case, it can say that the capability of independent variables (X_{price} and $X_{Promotion}$) is strong against the dependent variables (YP, purchasing decision).

Based on the testing results, the coefficient of determination of the Adjusted R Square value of 0.482. It means that the ability to vary in price variables (X_1) and promotion (X_2) can explain variations in purchasing decisions by 48.2%, and the remaining 51.8% explain by other independent variables and factors that did not study outside of this study.

CONCLUSION

Based on the data analysis of the research results, the following conclusions can draw: data analysis begins using classical assumption testing, including normality, multicollinearity and heteroskedasticity tests. Based on the Kolmogorov – Smirnov test, the output obtained is that the data usually distribute. The test results show that the data are free from symptoms of multicollinearity if the tolerance value ranges from 0.1 to <1 in the data above the choline-ratas tolerance of 0.484. From the calculation results in the multicollinearity test results table, the free variable shows the VIF value = 2,186, where the value is <10 or less than 10. So, it can infer to be free from multicollinearity.

Heteroscedasticity testing is considered free from multicollinearity when a significant value is >0.05 or 5%. From the results of the multicollinearity test using the glejser test, the significance results of the free variable or variable XPrice showed 0.746 and XPromotion 0.750 of 0.018 above the expected significance value 0.05. So, it can conclude that there is no problem in the regression model does not contain the presence of heteroscedasticity.

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3. A promotion coefficient of 0.254 and a positive value indicates that a rise will follow any price increase of 1 per cent in purchasing decisions of 0.254 assuming other variables remain.

The coefficient of determination (R^2) measures how far the model can explain the variation of dependent variables. The value of the coefficient of determination is between zero and one. A small R^2 value means that the ability of independent variables to describe the variation of dependent variables is minimal. Suppose the coefficient of determination (R^2) is getting greater or closer to 1. In that case, it can say that the capability of independent variables (X_{Price} and $X_{\text{Promotion}}$) is strong against the dependent variables (YP, purchasing decision).

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Price perceptions and promotions will be different and affect purchasing decisions in online travel applications, so with good advertisements, many consumers will be interested, but when there is no promotion, it will not increase the sales of these tickets. Reasonable prices will affect everyone buying the tickets.

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