
EFFECT OF PRICE AND PROMOTION ON CAR PURCHASE DECISIONS

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Abstract: *The purpose of this research is to analyze effect of price and promotion on car purchase decisions. The type of research used is a type of quantitative research. In this study, the population used was all consumers who purchased Toyota cars in Medan, but the exact sample size was unknown. So the minimum number of samples taken in this study is 18 times 5 to 90 respondents. In this study using data collection methods with field research and library research. Data analysis in this study uses multiple linear regression analysis. The results of the study show that price has a positive and significant effect on car purchase decisions. Promotion has a positive and significant effect on car purchase decisions.*

INTRODUCTION

In today's modern era, the need for transportation is very important for every consumer. Today's consumers are spoiled with so many choices of products to decide which one to buy. Meanwhile, the company is currently faced with a difficult problem, namely the problem of competition. The company's choice to continue to exist, namely only by improving the quality of products or services. Today's society is very critical in choosing transportation products, the decision to buy a product is strongly influenced by an assessment of the shape of the product. To attract consumer interest, efforts have been made to improve the marketing mix system to make it more effective. Effective marketing in its application is not only how to increase sales volume, but also how to observe how consumers behave and meet consumer needs through efforts to observe the types and types of products consumers want.

The marketing concept assesses the success of a company if the company can meet consumer needs well, this indicates that the company has entered an era of competition.

Apart from this, the main marketing factors that can create purchasing decisions involve four aspects, namely product, price, place or distribution and promotion. According to Kotler (2012), what defines the marketing mix is a set of marketing tools used by companies to achieve marketing objectives in the target market. Marketing mix are controllable variables that companies can use to influence consumers from certain market segments that companies target, besides that, Kotler, (2012) popularized a four-element classification of marketing mix tools known as 4P, namely product, price, place, and promotions.

Purchase decisions by consumers are decisions that involve perceptions of the marketing mix. Product mix is the main element of the company's marketing strategy. Toyota is known for product quality. Determination of products from the company is an included part of the company's marketing strategy. The company's marketing department mainly concentrates on market segmentation, according to the departed needs of customers in order to meet the needs of strange market segments in an efficacious way. In marketing strategy, the company also considers product brand image as an important aspect. With innovative branded products, the company wants to carry out its strategy of understanding the entire car market. Price is the most important element of Toyota Motors' marketing strategy. This company has a very reputable pricing policy in contrast to other car companies. Pricing of Toyota products is only affordable by customers. The company's pricing policy ensures associating with different geographical segments according to the customer's financial condition.

Therefore, the marketing mix is a central part of Toyota Motors' marketing strategy. By implementing various elements of the marketing mix, companies have created very effective marketing strategies and tactics. With a marketing strategy, structured on the basis of marketing mix elements, the company is derived a very good corporate image and profitability among the entire current car market. It is also expected that if the company changes its marketing strategy and tactics according to the requirements of the customers related to the four elements of the marketing mix, then it will be able to assert the same level of profitability in the future.

One of the industries that has grown rapidly to date is the automotive industry. Its development is supported by the increasing breadth of road facilities. The automotive industry is very competitive in terms of shape, color, technological sophistication and brands. The car brands in the automotive market in Indonesia are currently made in Asia, such as Mitsubishi, KIA, Honda, Daihatsu, Suzuki, Ford, Proton, Nissan, and Toyota, which are in great demand by the Indonesian people. Each brand, product offers separate services for its customers, in the form of after-sales service, service, spare parts, and up to pricing that is quite competitive with its type and market segment.

The purpose of this research is to analyze effect of price and promotion on car purchase decisions.

RESEARCH METHODS

The type of research used is a type of quantitative research, which aims to obtain data in the form of information, both orally and in writing (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015; Sudirman et al., 2023).

The population is a generalization area consisting of objects and subjects that have certain qualities and characteristics determined by the researcher to be studied and then drawn conclusions (Otiva et al., 2018; Pandiangan, 2018; Pandiangan, 2022). In this study, the population used was all consumers who purchased Toyota cars in Medan, but the exact sample size was unknown. The population in this study could not be defined properly, and demographic information about the population could not be obtained accurately, so that a random sample could not be taken. For this reason, the sampling method used in this study was a purposive sampling technique. Meanwhile, due to the consideration of the number of population that is not known with certainty, the number of samples must be drawn at least 4 or 5 times the number of variables (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). In this study there are 18 variable indicators. So the minimum number of samples taken in this study is 18 times 5 to 90 respondents.

The data collection method is the most strategic step in research, because the main objective of this research is to obtain data (Otiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). In this study using data collection methods with field research and library research.

1. Field Research

Questionnaires are data collection that is done by giving statements or questions to respondents.

2. Library Research

The research was conducted to obtain data from various literatures, such as from various media outlets, and theoretical books that can be used as theoretical foundations and references in preparing this proposal.

Data analysis in this study uses multiple linear regression analysis. Multiple linear regression analysis is used to determine how much influence the independent variables have on the dependent variable (Pandiangan et al., 2022; Tobing et al., 2018, Sutaguna et al., 2022).

RESULT

General Description

The first car produced in Indonesia was not a car from Japan, but from the United States. The first manufacturer to make cars in Indonesia was General Motors, which established a factory in Tanjung Priok in 1920.

According to Indonesian automotive journalist James Luhulima in "The History of Cars and the Story of Car Presence in this Country", the factory at that time was still limited to assembling several components into a complete car. In 1938, the factory was expanded and became the main supplier of American cars before sending them to big cities such as Surabaya, Yogyakarta and others.

Unfortunately, World War I and II had an impact on the cessation of factory activity in the north of Jakarta. The uncertain situation at the beginning of Indonesia's independence period also hampered factory activities. Moreover, the desire of the Dutch to regain control of Indonesia made the situation even more complicated.

Finally after the Round Table Conference was signed in 1949, the Netherlands handed over sovereignty to Indonesia unconditionally. The economic situation is gradually

improving, but the development of the automotive industry is still disrupted. Especially after the nationalization of Dutch companies, including General Motors.

The factory was then acquired by the government and revived around the 1970s when it was taken over by Astra to assemble Chevrolet trucks. Not long ago, the government issued a regulation requiring companies to establish sole agents for brand owners before marketing cars in Indonesia.

Astra immediately welcomed the regulation by establishing PT Toyota Astra Motor (TAM) as Toyota's ATPM in Indonesia. The factory later changed its name to Motorstyle, and has since started producing the factory's 'T' logo.

Even so, Toyota's presence in Indonesia actually began before the 1970s. In 1961, James Luhulima noted, as many as 100 units of Toyota jeeps with canvas roofs alias Land Cruiser FJ Series were purchased by the Ministry of Transmigration, Cooperatives and Rural Community Development to be distributed to regions.

The presence of the Land Cruiser as the first generation of Toyota in Indonesia was not alone, at that time several Toyota Tiara units were also imported by the late AH Budi, founder of the Nasmoco Group. The cars that were present were perhaps the first wave of Japanese cars to enter Indonesia, which were later followed by other brands.

Multiple Linear Regression Analysis

Table 1. Multiple Linear Regression Analysis Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.593	1.080		-.549	.584
	Price	.208	.034	.438	6.145	.000
	Promotion	.434	.068	.472	6.420	.000

a. Dependent Variable: Car Purchase Decisions

The results of the study show that price has a positive and significant effect on car purchase decisions. Promotion has a positive and significant effect on car purchase decisions.

CONCLUSION

The results of the study show that price has a positive and significant effect on car purchase decisions. Promotion has a positive and significant effect on car purchase decisions.

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