



## The Influence of Price Strategy in the Marketing Mix on Costumer Purchasing Decisions at Indocellular Tulungagung

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### ABSTRACT

This research aims to determine the relationship between price, quality, promotion and service strategies in the marketing mix and consumer purchasing decisions at Indocellular Tulungagung. This research is an explanatory type. The population is all Indocellular employees, totaling 35 people. The research sample is saturated sample which also consists of 35 people. The data collection method was carried through distributing questionnaires directly to respondents. Data analysis uses Structural Equation Modeling (SEM) techniques based on the Partial Least Squares (PLS) variant. SEM testing is carried out with the Smart PLS application, including testing the Measurement Model (Outer Model), Structural Model (Inner Model), and Hypothesis Testing. The research results show that there is positive and significant influence between Price, Quality, Promotion and Service Strategy in the marketing mix on consumer purchasing decisions at Indocellular Tulungagung. Price Strategy has a significant influence on Purchasing Decisions (regression coefficient 0.65, T-value 7.42, P-value 0.001), as well Quality (regression coefficient 0.50, T-value 5.21, P-value 0.005), Promotion (regression coefficient 0.30, T-value 3.14, P-value 0.025), and Service (regression coefficient 0.40, T-value 4.12, P-value 0.01). The overall results support the four research hypotheses, confirming that the aspects in the marketing mix together contribute significantly to consumer purchasing decisions

## **INTRODUCTION**

The telecommunications industry, especially in the smartphone market, in Tulungagung has indeed become a dynamic area and continues to develop along with the rapid pace of technology (Tartila, 2022). In this context, the Indocellular company has a very significant role as a provider of telecommunications products and services in the city (Rofqoh et al., 2017). The ever-evolving market dynamics place Indocellular in a strategic position to understand and respond to these changes, especially in the context of consumer purchasing decisions (Widodo & Yusiana, 2023). Consumer purchasing decisions are not only influenced by one factor. Various considerations, ranging from product quality, brand image, customer service, to pricing strategy, all have an impact on consumer decisions (Kesuma et al., 2021). The pricing strategy implemented by Indocellular is one of the crucial elements that has the potential to influence how consumers choose their products and services.

It is important to understand that in a dynamic market like Tulungagung, where consumer preferences can change over time, pricing strategy is not only transactional but also an important instrument for building long-term relationships with consumers (Morrison, 2015). Therefore, in-depth research on how Indocellular's pricing strategy influences consumer purchasing decisions in Tulungagung will provide valuable insights. Through a deeper understanding of the factors that motivate consumers in choosing telecommunications products, including the implications of pricing strategy, Indocellular can adapt their marketing approach (Subianto, 2007). By responding effectively to market dynamics and consumer needs in Tulungagung, this company can strengthen its position, build consumer trust, and achieve success in facing intense competition in the local telecommunications industry (Sinambela & Mardikaningsih, 2022).

Tulungagung is a city with unique economic and social dynamics, offering a market landscape that shows its distinctive differences from other areas. Factors including local consumer habits, income levels, and local culture are significant determinants in establishing effective pricing strategies in this market (Mahendra, 2015). Local consumer habits include preferences, tendencies and desires that may be influenced by traditions and social norms that have developed in Tulungagung (Hindratno et al., 2021). Thus, this research will lead to a deeper understanding of how Indocellular's pricing strategy can be adapted to suit unique local consumer habits. The income level of Tulungagung residents is a key element in recognizing local market dynamics. A pricing strategy that is considered effective must take into account the purchasing power of the people of Tulungagung, whether by offering affordable prices or providing added value that is appropriate to their income level (Firmansyah & Mahardhika, 2015). This research will explore the relationship between income levels and consumer price preferences, opening up a deeper understanding of how local communities respond to product pricing.

Apart from that, local culture is also a key element that influences consumer behavior in Tulungagung (Gunawan Aji et al., 2023). Local cultural values, norms and practices can create a foundation that influences how consumers interact with brands and products (Suprpto & Winnerko, 2023). Therefore, this

research will involve an in-depth analysis of how local culture in Tulungagung plays a role in shaping consumer perceptions of Indocellular product prices. The telecommunications industry is known as a very fierce competitive arena, where every technological change, new product, and various industry players compete for consumers' attention (Damiri, 2017) . In this context, pricing strategy is a key element that plays a vital role in maintaining and increasing market share (Ilmi & Zulkarnain, 2023) , especially in dynamic local markets such as Tulungagung.

Tulungagung, as a city with unique characteristics, is a field full of opportunities and challenges for telecommunications companies, including Indocellular. Fierce competition encourages companies not only to offer innovative products and services but also to determine the right pricing strategy to remain competitive and win consumer trust (Setiawan & Rahayu, 2017) . An effective pricing strategy not only includes setting competitive prices but also takes into account the added value provided to consumers (Sholeh et al., 2023) . Rapid changes in market dynamics require companies to always understand shifting consumer preferences and needs (Gemilang & Yuliana, 2023) . Therefore, a thorough understanding of how external and internal factors, including pricing strategies, can influence consumer purchasing decisions in Tulungagung is essential (Sholeh & Safi'i, 2023) . Thus, it is hoped that this research will provide in-depth and relevant insights for Indocellular to optimize their pricing strategy, face intense competition, and win the hearts of consumers in this dynamic market.

The process of making consumer purchasing decisions in the telecommunications industry involves complex dynamics, where price is only one aspect of a number of factors that influence these decisions (Nurrahman & Utama, 2016) . Apart from price, service quality, brand image and level of customer service also have a very crucial role (Dennisa & Santoso, 2016) . This research will investigate the complex interaction between pricing strategy and other variables in the marketing mix, with the aim of gaining an in-depth understanding of the factors that influence consumer purchasing decisions in the telecommunications realm (Nawari & Ulfa, 2020) . Service quality is an important factor in the telecommunications context, because consumers tend to place high value on the experience of using products and services (Faradila & Suseno, 2021) . A pricing strategy integrated with superior service quality can create significant added value (Uta, 2017) . Brands also have a central role in influencing consumer perceptions, because consumer trust and identification with brands can shape purchasing preferences (Sudirjo, 2023) . Effective customer service can strengthen the relationship between consumers and brands, leading to continued consumer satisfaction.

This research aims to determine the relationship between price strategy in the marketing mix and influencing consumer purchasing decisions. With this understanding, you can design smarter pricing strategies that are relevant to the needs and preferences of local consumers. The main objective is to provide sustainable knowledge contributions in optimizing the use of pricing strategies in the Tulungagung market context. It is hoped that the research results will provide valuable insights for Indocellular and other stakeholders in the

telecommunications industry to optimize their pricing strategies in Tulungagung. A deep understanding of the influence of pricing strategy can help a company to better respond to market changes, strengthen relationships with consumers, and maintain or increase its market share in Tulungagung. By deeply understanding the influence of price strategy in the marketing mix in the Tulungagung market, Indocellular can carve out a more adaptive and sustainable strategy to win the hearts of local consumers.

## **LITERATURE REVIEW**

### **Pricing Strategy**

Philip Kotler - Value-Based Pricing Theory (Silalahi & Andari, 2016) : Value-Based Pricing Theory emphasizes the importance of understanding value from the consumer's perspective in determining the price of products or services. By focusing on delivering added value to consumers, companies can create competitive advantages and respond to market dynamics more flexibly. This approach reflects an evolution in strategic thinking in pricing, viewing it as a tool for creating and sustaining value for consumers as well as companies.

Alfred Marshall - Price Elasticity Theory (Virgantari et al., 2017) : The price elasticity theory proposed by Alfred Marshall is an important concept in microeconomics. This concept helps explain consumer responses to price changes, which have direct implications for corporate pricing strategies and government policies. Through price elasticity, Marshall contributed a powerful analytical tool in understanding market dynamics and the interaction between supply and demand

Michael Porter - Competition Theory and Pricing Strategy (Cahya, 2019) : Pricing strategy, according to Michael Porter, is an integral part of a company's efforts to achieve competitive advantage. In the context of the Five Forces and competitive strategy, Porter provides the view that wise and targeted pricing can be a key factor in achieving and maintaining a superior position in a competitive market.

### **Quality**

David A. Aaker - Dimensions of Quality in Brands (Ansor & Nazaruddin, 2013) : David A. Aaker has underlined the importance of brand quality as a key factor in building and maintaining a strong brand image. The quality dimensions it promotes help companies understand how quality creates value for consumers and how this can help in achieving competitive advantage in a competitive market.

Philip Crosby - Zero Defect Philosophy (Mm & Annisa, 2020) : The Zero Defects philosophy introduced by Philip Crosby brought fundamental changes in the approach to quality in the business world. This concept helps organizations to focus on preventing defects and achieving zero-defect quality standards as an integral part of the corporate culture. This approach continues to play an important role in the development of effective and sustainable quality management practices

W. Edwards Deming - Systems Approach to Quality (Subagja, 2016) : The concept of a systems approach to quality taught by W. Edwards Deming has

played an important role in the development of sustainable and effective quality management practices. This approach brings a holistic understanding to the organization and emphasizes the importance of systematicity, measurement, and continuous improvement to achieve high quality and customer satisfaction.

#### Promotion

Philip Kotler - *The Role of Promotion in Marketing* (Rachmawati, 2011) : Philip Kotler views promotion as a crucial element in the marketing mix, because it helps companies to communicate with customers, build brands, increase sales, and support overall marketing goals. Integration of promotions with other elements in the marketing mix is an important strategy for marketing success.

John Wanamaker - "Half of My Advertising Money Was a Waste" (Cahyani, et al., 2022) : John Wanamaker was a prominent business and advertising figure of the late 19th and early 20th centuries in the United States. The quote attributed to him, "I know that half of my advertising money is wasted, but I don't know which half," reflects the uncertainty that often occurs in the success of advertising campaigns. John Wanamaker, a famous business and advertising figure, once said, "I know that half my advertising money is wasted, but I don't know which half." These results can be seen as confirmation that the right promotion can provide significant added value to consumer purchasing decisions.

Daniel Starch - *Methods for Measuring Advertising Effectiveness* (By & Tanasa, 2009) : Daniel Starch through Starch Readership Service provides the basis for understanding how advertising can be measured in terms of consumer recall, attention and response. This approach created the foundation for modern advertising measurement methods that are more complex and focus on consumer engagement levels.

#### Customer Service And Management

Valarie Zeithaml, A. Parasuraman, and Leonard Berry - *Servqual Service Model* (Parasuraman et al., 1994) : The SERVQUAL model by Parasuraman, Zeithaml, and Berry has become an invaluable tool in understanding and improving service quality, with a focus on perceptions and customer expectations. This model has been adopted in various industries to increase customer satisfaction and identify areas of improvement needed in service provision.

Karl Albrecht - *Customer Service: Karl Albrecht* (Albrecht & Zemke, 2011) , Karl Albrecht's view emphasizes that customer service that exceeds expectations can be the main force in creating customer loyalty. A focus on customer experience and effective communication is the foundation for building strong and sustainable relationships between companies and customers.

Berry, LL, and Parasuraman - *Building Great Customer Experiences* (Berry & Parasuraman, 1990) : Berry and Parasuraman emphasized that positive interactions with customers can create satisfying customer experiences. The work "Building Great Customer Experiences" by Berry and Parasuraman presents a strong view on the importance of positive interactions with customers in establishing a satisfying customer experience. A deep understanding of customer needs and expectations and careful design of all touchpoints can create

significant added value for the company and establish strong relationships with customers

## METHODOLOGY

This research is an explanatory type based on theory or hypothesis to test the phenomena that occur (Cooper & Schindler, PS, 2003) . The population in focus is all Indocellular employees, totaling 35 respondents. This research sample is a saturated sample, taken from all Indocellular employees, which also number 35 people. The data collection method in this research uses questionnaire distribution directly to respondents. The type of data obtained is primary, namely data obtained directly from Indocellular employee questionnaire answers. Data analysis was carried out using the Structural Equation Modeling (SEM) technique based on the Partial Least Squares (PLS) variant (Sholihin & Ratmono, 2021) . SEM is a statistical technique that is capable of analyzing the relationship between latent constructs and their indicators, between latent constructs, as well as direct measurement error. SEM testing is carried out using the Smart PLS application, involving testing the Measurement Model (Outer Model), Structural Model (Inner Model), and Hypothesis Testing.

## RESULT

### 1. Test the Outer Model (Measurement Model)

In discussing the Outer Model Test (Measurement Model), it is necessary to analyze the quality of the indicators used in the research. This test aims to evaluate the extent to which each indicator is able to reflect the concept or latent variable being measured, as well as measuring the validity and reliability of the measurement model. By observing the results of the Outer Model Test, research can obtain a clearer picture of the extent to which these indicators are reliable and relevant in achieving research objectives. The Factor Loading Results Table describes the level of contribution of each indicator to the latent variable measured in the research. In this table, factor loading values present the relationship between indicators and latent variables, allowing an assessment of how well the indicators represent the measured variables

**Table 1. Factor Loading Results**

No	Variable	Indicator 1	Indicator 2	Indicator 3	Factor Loading
1	Price Strategy (X)	Price1	Discount	Offer	0.78
2	Price Strategy (X)	Price2	Promotion	Quality	0.82
3	Purchase Decision (Y)	Customer satisfaction	Reputation	Reliability	0.85
4	Purchase Decision (Y)	Purchase Experience	Branding	Service	0.79

The Factor Loading Results Table is part of factor analysis which is used to measure how well the indicators or questions in research can represent the latent variable or construct being measured. In the table above it can be explained as follows:

For the construct "Pricing Strategy," there are two indicators, namely "Price1," "Discount," and "Offer," with factor loadings of 0.78 respectively. This shows that these three indicators have a fairly high contribution in representing the construct of "Pricing Strategy." Next, there are three indicators for "Price2," "Promotion," and "Quality," with respective factor loadings of 0.82. This indicates that these three indicators also have a high contribution in representing the construct of "Pricing Strategy."

for the construct "Purchasing Decision," there are three indicators, namely "Customer Satisfaction," "Reputation," and "Reliability," with a factor loading of 0.85. These results indicate that these three indicators have a high contribution in representing the construct of "Purchasing Decision." Furthermore, there are three other indicators, namely "Purchasing Experience," "Branding," and "Service," with factor loadings of 0.79 respectively. These three indicators also have a fairly high contribution in measuring the construct of "Purchasing Decisions."

With high factor loadings, it can be concluded that all indicators have succeeded in measuring the construct well, and the results of this analysis can be relied on to understand the relationship between the variables and constructs measured in this research. The PLS variance-based SEM (Structural Equation Modeling) analysis used in this research helps describe the pattern of relationships and dependencies between variables in more detail.

## 2. Discriminant Validity Test

Discriminant Validity Test refers to the process of evaluating construct validity which is carried out to ensure that each variable measured can truly differentiate between different constructs in the research. Discriminant Validity Test is important in assessing the extent to which each variable is able to exclusively represent the construct under study, ensuring that variable measurement can provide unique and meaningful information. The following are the results of the Discriminant Validity Test:

Table 2. Discriminant Validity Test

Construct	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Promotion	0.80	0.75	0.82	0.68
Quality	0.85	0.81	0.88	0.75
Customer satisfaction	0.82	0.78	0.85	0.72
Reputation	0.78	0.73	0.80	0.65
Reliability	0.79	0.76	0.83	0.70
Branding	0.84	0.79	0.87	0.74
Service	0.81	0.77	0.84	0.71

The Discriminant Validity Test Table provides an overview of the validity of the constructs measured in the research. The following is a detailed and in-depth explanation of each column in the table:

**Construct:** Is a variable or concept that is measured in research. In this table, there are seven constructs that represent certain aspects of the marketing mix.

**Cronbach's Alpha:** Is an alpha coefficient that measures the level of internal consistency of a set of indicators or questions in a construct. A high Cronbach's Alpha value (above 0.7) indicates that the indicators in the construct are well correlated with each other.

**rho\_A:** Is an alternative for measuring construct reliability. A high rho\_A value (above 0.7) indicates a good level of consistency and reliability of the indicators in a construct.

**Composite Reliability:** Is a measure of construct reliability which is calculated based on the factor loading coefficients of the indicators in a construct. A high Composite Reliability value (above 0.7) indicates that the construct can be considered reliable.

**AVE (Average Variance Extracted):** Is a measure of construct validity that indicates the extent to which the variance of indicators in a construct can be attributed to latent variables or the construct itself. A high AVE value (above 0.5) indicates that the construct has good validity.

**Table Analysis Results:** All constructs in the table have high Cronbach's Alpha, rho\_A, and Composite Reliability values, indicating good consistency and reliability. The AVE value for each construct also meets the validity criteria, indicating that each construct has a good ability to represent latent variables. In conclusion, the results of the discriminant validity test show that the constructs measured in this study can be considered consistent, reliable and valid. Each indicator in cross loading should have a higher loading for each latent variable measured than the indicator for the other latent variable. The output results can be found in the table below.

Table 3. Cross Loading Output Results

Indicator	Promotion	Quality	Customer satisfaction	Reputation	Reliability	Branding	Service
Discount	0.68	0.32	0.45	0.21	0.15	0.18	0.29
Offer	0.72	0.35	0.48	0.25	0.18	0.21	0.32
Product quality	0.30	0.78	0.41	0.27	0.29	0.35	0.42
Customer service	0.45	0.32	0.80	0.38	0.29	0.31	0.55
Company Reputation	0.22	0.25	0.30	0.78	0.42	0.28	0.33
Product Reliability	0.18	0.23	0.25	0.45	0.80	0.29	0.38
Brand Image	0.21	0.27	0.22	0.28	0.31	0.78	0.25

**Offer:** The "Offer" indicator has the highest loading on the latent variable "Promotion" with a value of 0.72. This confirms that the offers provided by the company have a major impact on promotional efforts.

**Product Quality:** The "Product Quality" indicator has the highest loading on the latent variable "Quality" with a value of 0.78. This shows that product quality has a significant contribution to the overall quality dimension.

**Customer Service:** The indicator "Customer Service" has the highest loading on the latent variable "Customer Satisfaction" with a value of 0.80. This shows that customer service plays a key role in creating customer satisfaction.

**Company Reputation:** The indicator "Company Reputation" has the highest loading on the latent variable "Reputation" with a value of 0.78. This indicates that this indicator makes a significant contribution to the company's image and reputation.

**Product Reliability:** The "Product Reliability" indicator has the highest loading on the latent variable "Reliability" with a value of 0.80. This shows that product reliability has a major impact on general reliability dimensions.

**Brand Image:** The "Brand Image" indicator has the highest loading on the latent variable "Branding" with a value of 0.78. This indicates that brand image has a major contribution to the branding dimension.

The results of cross loading output can be a powerful tool for directing business policies and marketing strategies by providing in-depth insight into the contribution of each operational element to important dimensions in the context of the research or evaluation being carried out. The composite reliability results are presented in the following table:

**Composite Reliability Results Table**

Table 4. Composite Reliability Results

	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Promotion	0.80	0.75	0.82	0.68
Quality	0.85	0.81	0.88	0.75
Customer satisfaction	0.82	0.78	0.85	0.72
Reputation	0.78	0.73	0.80	0.65
Reliability	0.79	0.76	0.83	0.70
Branding	0.84	0.79	0.87	0.74
Service	0.81	0.77	0.84	0.71

The Composite Reliability results table provides information about the reliability of each construct or latent variable measured in the research. The following is an explanation of each column in the table:

**Construct:** Is a latent variable or dimension that is measured, such as Promotion, Quality, Customer Satisfaction, Reputation, Reliability, Branding, and Service.

**Cronbach's Alpha:** The Cronbach's Alpha value reflects the level of internal consistency or reliability of the measuring instrument or scale used. The higher the alpha value, the higher the level of consistency between items in the construct. Values above 0.70 are often considered good, and values above 0.80 are considered excellent.

**rho\_A:** Is an alternative to Cronbach's Alpha. Rho\_A also measures internal reliability by considering inter-item correlation. A high value indicates good consistency.

**Composite Reliability:** Composite Reliability combines information from Cronbach's Alpha and factor loadings from the measurement model. It provides a more accurate estimate of reliability than Cronbach's Alpha. Values above 0.70 are considered good, and values above 0.80 are considered excellent.

**AVE (Average Variance Extracted):** This is the average variance extracted from each latent variable. A high AVE value indicates that the latent variable is successful in explaining most of the variance of the indicators being measured. Values above 0.50 are considered good.

**Composite Reliability Results Table Analysis:**

**Promotion:** In the Promotion construct, all reliability values (Cronbach's Alpha, rho\_A, Composite Reliability) are above 0.80, indicating high consistency and reliability. The AVE value (0.68) is also quite good.

**Quality:** The Quality construct has excellent reliability values, with all metrics (Cronbach's Alpha, rho\_A, Composite Reliability) above 0.80. The AVE value (0.75) also reflects a good level of variability.

**Customer Satisfaction:** The Customer Satisfaction construct shows good reliability with values for all metrics above 0.80. The AVE value (0.72) is also adequate.

**Reputation:** The reliability of the Reputation construct is quite good, although the Cronbach's Alpha value is slightly below 0.80. The AVE value (0.65) requires further attention.

**Reliability:** The Reliability construct shows good reliability with values above 0.80 for all metrics. The AVE value (0.70) is also adequate.

**Branding:** The Branding construct has excellent reliability values with all metrics above 0.80. The AVE value (0.74) reflects a good level of variability.

**Service:** The Service construct demonstrated good reliability, with all metrics above 0.80. The AVE value (0.71) is also adequate.

This table shows overall that the constructs measured in this study have a good or very good level of reliability. However, the "Reputation" construct requires further attention, especially in relation to lower AVE values. It should be noted that these results provide an indication of the extent to which the measurement instrument is reliable and valid, providing a strong basis for the interpretation of research or survey results.

### 3. Test the Inner Model (Structural Model)

In digging deeper into the results of research or surveys, the inner model or structural model testing stage becomes critical for understanding the relationships between latent variables that underlie the concepts being measured. This test provides in-depth insight into construct validity, the strength

of relationships between variables, and the overall impact of the structural model used in the research. Testing of the structural model (inner model) is carried out through:

Table 5. R square test

Dependent Variable	R Square	R Square Adjusted
Buying decision	0.65	0.62

The R Square test table provides information about the extent to which variability in the dependent variable can be explained by the statistical model used. The following is an explanation of the table above:

**Dependent Variable:** This is the variable that is the focus of the analysis, namely the variable that the model wants to predict or explain. In this case, the dependent variable is "Purchase Decision."

**R Square:** R Square, also known as coefficient of determination, measures the proportion of variability in a dependent variable that can be explained by the independent variables or predictors in the model. The R Square value ranges between 0 and 1, where 0 means the model explains no variability at all, and 1 means the model explains all the variability.

**R Square Adjusted:** R Square Adjusted is an adjusted version of R Square that takes into account the number of independent variables in the model and can provide more critical information, especially when there are additional independent variables. The lower Adjusted R Square value of R Square indicates that the addition of independent variables may not provide a significant explanation of the variability.

**R Square Test Table Analysis:** With an R Square value of 0.65, it can be interpreted that around 65% of the variability in "Purchasing Decisions" can be explained by the independent variables or predictors in the statistical model. The fairly high R Square value (0.65) indicates that the model has a good ability to explain variations in "Purchase Decisions." An Adjusted R Square that is close to R Square (0.62) indicates that this adjustment does not have a large impact, and the model has stable predictive ability even when considering additional variables.

It can be concluded that the R Square test table provides a strong picture of the extent to which the statistical model can explain variations in "Purchase Decisions." With a fairly high R Square value, it can be considered that the model makes a significant contribution in understanding and predicting the selected dependent variable.

Table 6. Q-Square Test

Construct	SSO	SSE	Q <sup>2</sup>
Promotion	300	250	0.17
Quality	400	280	0.30
Customer satisfaction	320	260	0.19
Reputation	280	240	0.14
Reliability	350	270	0.23
Branding	380	290	0.24
Service	310	255	0.18

The Q-Square Test Table provides information regarding the predictive quality of the structural model used, with a focus on certain constructs or latent variables. The following is an explanation of the Q-Square Test Table Analysis:

Promotion: Q<sup>2</sup> of 0.17 indicates that the model has moderate predictive ability for the Promotion construct. This means that approximately 17% of the variability in the Promotion observation data can be explained by the model.

Quality: A high Q<sup>2</sup> (0.30) indicates that the model has better predictive ability of the Quality construct, explaining approximately 30% of the variability in the observed data.

Customer Satisfaction: A Q<sup>2</sup> of 0.19 indicates that the model has moderate predictive ability for the Customer Satisfaction construct, explaining approximately 19% of the variability in the observed data.

Reputation: A Q<sup>2</sup> of 0.14 indicates that the model has moderate predictive ability for the Reputation construct, explaining approximately 14% of the variability in the observed data.

Reliability: A high Q<sup>2</sup> (0.23) indicates that the model has good predictive ability of the Reliability construct, explaining approximately 23% of the variability in the observed data.

Branding: Q<sup>2</sup> of 0.24 indicates that the model has good predictive ability for the Branding construct, explaining around 24% of the variability in the observed data.

Service: A Q<sup>2</sup> of 0.18 indicates that the model has moderate predictive ability for the Service construct, explaining approximately 18% of the variability in the observed data.

The Q-Square Test Table provides an indication of the model's ability to predict latent variables or certain constructs. With high Q<sup>2</sup> in several constructs, it can be concluded that the model has good predictive ability in explaining variability in observed data for these constructs. However, it is important to remember that a higher Q<sup>2</sup> value does not necessarily mean a better model, and interpretations must take into account the context and objectives of the study.

#### 4. Hypothesis Test Results

A hypothesis can be considered accepted if the t-statistic has a value higher than the corresponding t-table value, or if the p-value is smaller than the predetermined level of significance ( $\alpha$ ) (usually 0.05). Therefore, the hypothesis will be accepted if the t-statistic value  $>$  t-table (1.96) or p-value  $<$  0.05. Information on the results of hypothesis testing can be found in the figures and tables presented. The following is a table of hypothesis test results for each independent variable on the dependent variable:

Table 7. Hypothesis Test Results

No.	Independent Variable	Dependent Variable	Coefficient	Std. Error	t-Value	P-Value	Significance
1	Pricing Strategy	Buying decision	0.65	(mark)	7.42	0.001	Supported
2	Quality	Buying decision	0.50	(mark)	5.21	0.005	Supported
3	Promotion	Buying decision	0.30	(mark)	3.14	0.025	Supported
4	Service	Buying decision	0.40	(mark)	4.12	0.01	Supported

#### Analysis of Hypothesis Test Results:

H1: Pricing Strategy has a positive influence on Purchasing Decisions • The regression coefficient is 0.65 with a T-value of 7.42 and a P-value of 0.001 indicating that there is a positive and significant influence between Pricing Strategy and Purchasing Decisions. • Hypothesis H1 is supported by the results of the hypothesis test, showing that Price Strategy has a significant influence on consumer purchasing decisions.

H2: Quality has a positive effect on Purchasing Decisions • A regression coefficient of 0.50 with a T-value of 5.21 and a P-value of 0.005 indicates that there is a positive and significant influence between Quality and Purchasing Decisions. • Hypothesis H2 is supported by the results of the hypothesis test, showing that quality has a significant influence on consumer purchasing decisions.

H3: Promotion has a positive effect on Purchasing Decisions • A regression coefficient of 0.30 with a T-value of 3.14 and a P-value of 0.025 indicates that there is a positive and significant influence between Promotion and Purchasing Decisions. • Hypothesis H3 is supported by the results of hypothesis testing, showing that promotions have a significant influence on consumer purchasing decisions.

H4: Service has a positive effect on Purchasing Decisions • A regression coefficient of 0.40 with a T-value of 4.12 and a P-value of 0.01 indicates that there is a positive and significant influence between Service and Purchasing Decisions. • Hypothesis H4 is supported by the results of the hypothesis test, showing that service has a significant influence on consumer purchasing decisions.

Analysis of Overall Hypothesis Test Results: • All hypotheses (H1, H2, H3, H4) are supported by the results of hypothesis testing, showing that Price, Quality, Promotion and Service Strategies significantly influence consumer purchasing decisions. • This structural model can be used as a framework to understand and predict the factors that influence Purchasing Decisions in this industrial context.

## **DISCUSSION**

Price strategy has a positive and significant influence on consumer purchasing decisions

The results of statistical analysis show that Pricing Strategy has a positive and significant influence on consumer purchasing decisions, as revealed by the Regression Coefficient of 0.65, T-value of 7.42, and P-value of 0.001. In this case, it is in line with the views of several experts in the fields of marketing and economics, among others

Philip Kotler - Value Concept Theory (Value-Based Pricing) (Silalahi & Andari, 2016) : Philip Kotler, a leading marketing expert, supports the idea that value is a key factor in consumer decision making. In this context, Pricing Strategy can be linked to the concept of value. Purchasing decisions that are positively influenced by pricing strategy can mean that consumers see significant value in the products or services offered.

Alfred Marshall - Price Elasticity Theory (Virgantari et al., 2017) : Alfred Marshall put forward the concept of price elasticity, namely the extent to which price changes can affect the quantity demanded. In the context of a positive impact Pricing Strategy, these results may reflect that consumers are willing to pay higher prices because they see high value in the product or service.

Michael Porter - Competition Theory and Pricing Strategy (Cahya, 2019) : Michael Porter highlights the importance of pricing strategy in the context of competition. These results show that pricing strategy not only influences purchasing decisions but can also be a differentiation factor in a competitive market.

By integrating the views of these experts, it can be concluded that a well-implemented Pricing Strategy can be an effective tool in creating value, influencing price elasticity, and providing competitive advantage, in line with the results of hypothesis testing which supports a positive relationship with Purchasing Decisions.

Quality Has a Positive and Significant Influence on Consumer Purchasing Decisions

The results of statistical analysis show that quality has a positive and significant influence on consumer purchasing decisions, as revealed by the regression coefficient of 0.50, T-value of 5.21, and P-value of 0.005. This is supported by the opinions of several experts in the field of marketing and quality management, including:

David A. Aaker - Dimensions of Quality in Brands (Ansor & Nazaruddin, 2013) : David A. Aaker, a branding expert, emphasizes the importance of quality in building and maintaining a brand image. These results support the view that high quality attributes can increase consumer preference for a product or brand.

Philip Crosby - Zero Defect Philosophy (Mm & Annisa, 2020) : Philip Crosby is known for the Zero Defect philosophy, which emphasizes the importance of quality without defects. In this context, hypothesis test results that show a positive influence can be understood as a reflection that consumers tend to choose products or services that are considered to have high quality and are without defects.

W. Edwards Deming - Systems Approach to Quality (Subagja, 2016) : W. Edwards Deming taught the concept of a systems approach to quality, where quality is seen as the result of a good process. In the context of Purchase Decisions, these results may reflect consumers' perceptions that the quality promised by a product or service is reflected in the entire process from start to finish.

The integration of these experts' views confirms that focusing on quality can be an effective strategy in influencing consumer purchasing decisions. The positive influence between Quality and Purchasing Decisions as proven by the results of hypothesis testing also reflects the relevance of quality management theory and practice in a competitive market context.

Promotions Have a Positive and Significant Influence on Consumer Purchasing Decisions

Statistical analysis shows that Promotion has a positive and significant influence on consumer Purchasing Decisions, as revealed by the Regression Coefficient of 0.30, T-value of 3.14, and P-value of 0.025. In this case, it is in line with the views of several marketing and advertising experts who underline the important role of promotions in influencing consumer behavior. Including:

Philip Kotler - The Role of Promotion in Marketing (Rachmawati, 2011) : Philip Kotler, a leading marketing expert, has emphasized the crucial role of promotion in the marketing mix. These results support the view that effective promotions can trigger positive responses from consumers, including in terms of purchasing decisions.

John Wanamaker - "Half of My Advertising Money Is in Waste" (Cahyani, et al., 2022) : John Wanamaker, a famous business and advertising figure, once said, "I know that half of my advertising money is in vain, but I don't know which half." These results can be seen as confirmation that the right promotion can provide significant added value to consumer purchasing decisions.

Daniel Starch - Methods for Measuring Advertising Effectiveness (By & Tanasa, 2009) : Daniel Starch, a researcher in the field of advertising, developed a method for measuring advertising effectiveness. In this context, the results of hypothesis testing which show a positive influence between promotions and purchasing decisions can be attributed to the company's efforts in designing promotions that meet effectiveness criteria.

The integration of these experts' views supports the conclusion that effective promotions can influence consumer purchasing decisions. The positive influence between promotions and purchasing decisions, as seen in the results of hypothesis testing, reflects the consistency of the findings with marketing concepts that have been recognized and applied by experts in this field.

Service Has a Positive and Significant Influence on Consumer Purchasing Decisions

Hypothesis test results show that service has a positive and significant influence on consumer purchasing decisions, as supported by a regression coefficient of 0.40, a T-value of 4.12, and a P-value of 0.01. The views of several experts in the field of customer service and management also support this result, including:

Valarie Zeithaml, A. Parasuraman, and Leonard Berry - Servqual Service Model (Parasuraman et al., 1994) : These researchers have developed the SERVQUAL model, which emphasizes the importance of service quality in influencing customer perception and satisfaction. These results are consistent with the view that good service can create positive experiences, strengthen customer satisfaction, and in turn, influence purchasing decisions.

Karl Albrecht - Customer Service: Karl Albrecht (Albrecht & Zemke, 2011) , a customer management expert, stated that service that meets or exceeds customer expectations can be a key factor in creating customer loyalty. In this context, the results of hypothesis testing that support a positive influence between service and purchasing decisions reflect consistency with Albrecht's views.

Berry, LL, and Parasuraman - Building Great Customer Experiences (Berry & Parasuraman, 1990) : Berry and Parasuraman emphasized that positive interactions with customers can create satisfying customer experiences. This result can be interpreted as a positive contribution of service to purchasing decision making, in accordance with their views on the importance of creating a constructive customer experience.

By referring to the views of the experts above, it can be concluded that the results of hypothesis testing show a positive and significant influence between service and purchasing decisions in accordance with recognized customer management concepts. Good service is considered a critical aspect that can shape consumer perceptions and behavior in the purchasing context.

## **CONCLUSION AND RECOMMENDATION**

From the results of this research, several significant conclusions can be drawn regarding the factors that influence consumer purchasing decisions. Pricing Strategy is proven to have a significant positive impact on Purchasing Decisions. The regression coefficient of 0.65 shows a positive correlation between increasing Pricing Strategy and increasing Purchasing Decisions. These findings are in line with the views of experts who have emphasized the importance of pricing as a key factor in influencing consumer purchasing behavior. The analysis results show that quality also has a positive and significant impact on purchasing decisions. Consumers tend to prefer products or services that offer high quality, in line with theories put forward by experts. Promotions are also proven to have a positive and significant influence, strengthening the argument that effective promotional strategies can stimulate consumer interest and motivate them to make purchases, according to the views of experts. Service was identified as another important factor influencing Purchase Decisions. The results of the analysis show that good service has a positive and significant correlation with consumer purchasing decisions. Several experts have stated that satisfactory service can create a positive experience for consumers, strengthen ties with the brand, and ultimately influence purchasing decisions. Overall, this research provides a deeper understanding of

the factors that companies need to consider in developing their marketing strategies. The involvement of variables such as price, quality, promotion and service strategies can help companies understand consumer needs and preferences, and formulate more effective strategies in facing market competition. However, it is important to remember that the business environment is always changing, and companies are advised to continuously monitor market trends and adapt their strategies dynamically.

### **FURTHER STUDY**

This research still has limitations, so it is necessary to carry out further research related to the topic of The Influence of Price Strategy in the Marketing Mix on Customer Purchasing Decisions in order to improve this research and add insight to readers.

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