



The Influence of Price Perceptions and Promotion on Purchase Decisions of Gacoan Noodles in Surabaya City (Study on Shopee Food Application)

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ABSTRACT

The purpose of this research is to determine the influence of price perception and promotions on the purchasing decisions of Mie Gacoan (a brand of instant noodles) in Surabaya City (a study conducted on the Shopee Food application). This research method is quantitative and involves a sample size of 96 respondents, determined based on the sampling technique according to Ghozali's guidelines. The population of this study consists of Mie Gacoan consumers in Surabaya City who have made purchases through the Shopee Food application. The sample for this research was obtained using purposive sampling, which means selecting samples based on specific criteria. The sample consists of respondents who have purchased Mie Gacoan in Surabaya City through the Shopee Food application. The data used in this research are primary and secondary data. The analysis technique used in this study is Partial Least Squares (PLS) with validity testing, reliability testing, and hypothesis testing. The results of this research prove that: (1) Price perception has a positive and significant influence on purchasing decisions. (2) Promotions have a positive and significant influence on purchasing decisions.

INTRODUCTION

In today's digital era, ordering food through applications has become a habit for many people. Ordering food through the application makes the process of ordering food easier and more efficient. One of the most popular food ordering platforms is Shopee Food. Shopee Food is a new feature of the online shopping platform, Shopee, which allows users to order food from the nearest restaurant or cafe through the application.

The researcher chose the case study on "Mie Gacoan" because "Mie Gacoan" is the best-selling restaurant in the Shopee food application compared to other restaurants that sell the same type of food, in this case, spicy noodles, with approximately 130,000 five-star reviews have been obtained by Mie Gacoan. , this proves that Mie Gacoan deserves to be the best-selling restaurant according to Shopee Food and is ranked first.

Even though Mie Gacoan has received more than 130,000 five stars, there are also quite a few bad reviews given by consumers of "Mie Gacoan". between those who complain about poor service both in terms of the quality of the food provided and the errors in the food they ordered and also the relatively rising prices but not by the service and quality they get, this is a question why mie gacoan remains a restaurant that sells spicy noodles best seller according to Shopee Food.

The average five stars received by "Mie Gacoan" is 89% of the total reviews received from customers, this explains that only about 11% do not give five stars. But this cannot describe that "Mie Gacoan" has no problems with its consumers, not a few who give five-star reviews and bad reviews with the aim that later it can be corrected in the future, these reviews cover various aspects that lead to buying decisions a consumer, both in terms of product quality, service, and prices that continue to increase compared to competitors in the same industry.

Based on the analysis and descriptions described above, researchers will conduct research with the title "The Influence of Price Perceptions and Promotions on Purchase Decisions for Gacoan Noodles in Surabaya City (Study on the Shopee Shopee Food Application)".

Research purposes

The purpose of this study was to investigate the effect of price perceptions and promotions on purchasing decisions for Gacoan noodles through the Shopee Food application. The specific objectives of this study are as follows: (1) To find out whether price perceptions influence the buying decision of Gacoan Noodles in the city of Surabaya. (2) To find out whether promotions affect purchasing decisions for Gacoan Noodles in the city of Surabaya.

THEORETICAL REVIEW

Buying Decision

According to Alma (2013: 96) in Nabilah (2020: 22) purchasing decision is a consumer decision that is influenced by financial economics, technology, politics, culture, product, price, location, promotion, physical evidence, people and process. To form an attitude towards consumers to manage all information and draw conclusions in the form of responses that appear what

products will be purchased. According to Kotler and Armstrong (2011: 226), purchasing decisions are the stage of the decision process where consumers buy products. Of the several factors that influence consumer decisions to buy a product or service, consumers usually always consider other things, such as price, quality and familiar products. According to Schiffman and Kanuk (2014: 437), purchasing decisions are "the selection of an option from two or choices". Purchasing decision indicators According to Kotler and Armstrong (2011: 280) in Nabilah (2020: 23) there are four indicators of purchasing decisions, namely: 1) Stability in a product. 2) Habits in buying products. 3) Providing recommendations to others. 4) Make repeat purchases.

Price Perception

Kotler & Armstrong (2008) in Boggy (2023) also explain that the perception of price is an advantage and an assessment of a price related to the ownership or use of a product or service. According to Schiffman and Kanuk (2011: 137), perception is the process of an individual in selecting, organizing, and translating incoming information stimuli into an overall picture, Price perception is how consumers see prices as high, low and fair prices. Chang and Wildt in Kaura (2012) define price perception as a representation of consumer perception or subjective perception of the product's objective price. In today's increasingly competitive competition, price differences are felt to be an important factor in purchasing decisions where generally consumers will choose the cheapest price for a product or service offered. According to Amryyanti. (2013) defines the perception of fairness of price as an assessment of a result and how a process will later obtain an acceptable and certain result in fairness in another sense makes sense. The price perception indicators put forward by Kotler & Armstrong (2018) in Bob Saban's translation cited by Boggy (2023), namely: 1) Price affordability. 2) Appropriateness of price and product quality. 3) Price competitiveness. 4) Price suitability with benefits

Promotion

Promotion is one of the variables in the marketing mix that is very important for companies to implement in marketing their products or services. According to Kotler and Armstrong (2012), Promotion means activities that communicate the merits of the product and persuade target customers to buy it, meaning that promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product. According to Rangkuti (2010), promotion is a sales and marketing activity to inform and encourage demand for products, services and ideas from companies by influencing consumers to want to buy products and services produced by companies. According to Ari (2015: 223) in Longgang, (2019:24) promotion in any form is an attempt to influence other parties. More specifically, promotion is one of the elements of the marketing mix in a company. Kinnear and Kenneth in Ari define promotion as a marketing communication mechanism, exchanging information between buyers and sellers. Promotion plays the role of informing (to inform), persuading (to persuade), and reminding (to remind)

consumers so that the company gets feedback about the products or services offered. Fandy Tjiptono (1993: 229) states that promotion is a form of direct persuasion through the use of various incentives that are regulated to be able to stimulate the purchase of a product immediately to increase the number of items purchased by customers. According to Rambat Lupiyoadi (2006: 120), promotion is one of the variables in the marketing mix which is very important for companies to do in marketing a service product. Promotional activities not only function as a communication tool between companies and customers, but also as a tool used to influence customers in purchasing or using services according to the wishes and needs of customers. Thus the function of promotion is to prospect someone to become a consumer for the product created to encourage product recognition through the selected distribution channel by creating products with a brand that is easily recognized by dealers and consumers in various places along the distribution channel and the purchasing chain. According to Kotler and Keller, promotion indicators are as follows: 1) Promotion frequency is the number of sales promotions carried out at a time through sales promotion media. 2) Promotional quality is an assessment given by consumers from promotions that have been carried out. 3) Promotional quantity is the value or amount of sales given by consumers. 4) Time of promotion is the length of promotion carried out by the company.

The Effect of Perceived Price on Purchasing Decisions

Kotler & Armstrong (2008) in Boggy (2023) also explain that the perception of price is an advantage and an assessment of a price related to the ownership or use of a product or service. In research conducted by Willy Wibowo (2021), based on the results of hypothesis testing, it is used to determine whether there is an effect of perceived price on purchasing decisions. The test results state that the price perception variable has a significant influence on purchasing decisions. After consumers know the price of a product, consumers begin to be interested in making a purchase transaction, price becomes an attraction that influences purchasing decisions. Prices make consumers confident about the purchasing decisions they will make.

H1 : It is suspected that price perception has a positive effect on purchasing decisions for Gacoan Noodles at Shopee Food.

Effect of Promotion on purchasing decisions

Promotion is one of the variables in the marketing mix that is very important for companies to implement in marketing their products or services. According to Kotler and Armstrong (2012), promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product. According to Rangkuti (2010), promotion is a sales and marketing activity in order to inform and encourage demand for products, services and ideas from companies by influencing consumers to want to buy products and services produced by companies. In research conducted by Akmal Hidayat (2022) promotions have a positive and significant effect on online purchasing decisions, this is evidenced by the large calculated t value of 7.61. So it can be concluded that free shipping promotions have a simultaneous

effect on online purchasing decisions. Meanwhile, in Lenggang Kurnia's research (2019). Stating that Based on the results of the analysis, it is known that the promotion variable has a significance value that is smaller than the error rate with a t-count value of 7.926, it can be said that the promotion variable influences the purchasing decision variable. The results of the analysis above can be interpreted that if the promotion is increasing or intense, then consumer purchasing decisions on the Shopee marketplace will be even higher. Based on the results of research that has been done, consumers like to shop at the Shopee marketplace because of the many promotional activities carried out. Based on the description above, promotions have special attention in the eyes of consumers with good and correct promotions carried out by companies, consumers will be interested in seeing the value of a product. So that consumers will make purchasing decisions.

H2 : It is suspected that promotions have a positive effect on purchasing decisions for Mie Gacoan at Shopee Food.

METHODOLOGY

This study uses a quantitative approach with a population of consumers of Mie Gacoan who place orders through the Shopee Food application in the city of Surabaya. The sample from the research obtained was 96 respondents and then rounded up to 100 respondents. Data analysis technique using a purposive sampling method. Determining the sample size using the formula according to Ghozali because the number of population is not known with certainty. The research instrument uses a questionnaire using a Google form that has been designed so that it can measure each question's weight in all variables with partial least squares (PLS) analysis using a Likert scale to measure indicators at levels from 1 to 5.

RESULTS

In the PLS technique, there is a measurement model (outer model) and a structural model (inner model). The measurement model explains how much the proportion of variance is explained in the latent variable according to each manifest variable or indicator. Due to the nature of the measurement model, it is possible to determine which indicators play a greater role in the formation of latent variables. If the outer model has been described and described, then the next process is the inner model, where this process will examine the effect of each variable between exogenous variables on the endogenous variables to be investigated.

Characteristics of Respondents Based on Gender

Table 1 Characteristics of Respondents by Gender

No	Gender	Amount	Percentage
1	Man	36	38%
2	Woman	60	62%

Total	96	100%
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Source : Hasil Penyebaran Kuesioner (Diolah 2023)

In this study, the total number of respondents obtained was 96 respondents, of which 60 were women and 36 were men.

Convergent Validity

Table 2 Outer Loading (Mean, STDEV, T-Value)

	Factor Loading (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1.1 <- Price Perception (X1)	0.859	0.852	0.042	20.383	0.000
X1.2 <- Price Perception (X1)	0.843	0.832	0.058	14.433	0.000
X1.3 <- Price Perception (X1)	0.809	0.808	0.048	17.024	0.000
X1.4 <- Price Perception (X1)	0.798	0.780	0.075	10.640	0.000
X2.1 <- Promotion (X2)	0.831	0.823	0.044	18.816	0.000
X2.2 <- Promotion (X2)	0.802	0.794	0.049	16.374	0.000
X2.3 <- Promotion (X2)	0.811	0.809	0.033	24.806	0.000
X2.4 <- Promotion (X2)	0.759	0.754	0.058	13.025	0.000
Y1 <- Buying Decision (Y)	0.843	0.831	0.058	14.443	0.000
Y2 <- Buying Decision (Y)	0.872	0.867	0.035	24.954	0.000
Y3 <- Buying Decision (Y)	0.872	0.867	0.035	25.002	0.000
Y4 <- Buying Decision (Y)	0.893	0.890	0.025	36.086	0.000

Source : Data Processing 2023, Output SmartPLS

Validity indicators are measured from the Factor Loading Value of the variable to the indicator which is greater than 0.5 and or the T-Statistic value greater than 1.96 (Z value at $\alpha = 0.05$). Factor Loading is the correlation

between indicators and variables, if it is greater than 0.5 then the correlation is called valid and if the T-Statistic value is greater than 1.96 then the correlation is called significant. Based on Table 2 (outer loading), all indicators are reflective of each indicator. Perceived Price (X1), Promotion variable (X2), and Purchase decision variable (Y) show a factor loading value (original sample) greater than 0.50 and or significant (T-Statistic value is more than Z value $\alpha = 0.05$ (5%) = 1.96), thus the estimation results of all reflective indicators in this study are said to meet convergent validity or good validity.

Discriminant Validity

Table 3 Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Buying Decision (Y)	0.757
Price Perception (X1)	0.685
Promotion (X2)	0.642

Source : Olah data 2023, Output SmartPLS

The next measurement model is the Average Variance Extracted (AVE) value which can be seen in the table above, namely The value indicates the magnitude of the indicator variance contained by the latent variable. Convergent AVE values greater than 0.5 indicate good adequacy of validity for latent variables. Reflective indicator variables can be seen from the average variance extracted (AVE) values for each construct (variable). A good model is required if the AVE value of each construct is greater than 0.5. AVE test results for all dimensions and price perception variables (X1), promotion variables (X2), and purchase decision variables (Y) show an AVE value above 0.5 so that it can be said that the overall construct (indicator) and variables in this study have good validity.

Composite Reliability

Table 4 Composite Reliability

	Composite Reliability
Buying Decison (Y)	0.926
Price Perception (X1)	0.897
Promotion (X2)	0.877

Source : data Processing 2023, Output SmartPLS

Construct reliability is measured by the composite reliability value in the table, the construct is reliable if the composite reliability value is above 0.70 then the indicator is called consistent in measuring its latent variables. The results of composite reliability testing of all indicators and price perception variables (X1), promotion variables (X2), and purchase decision variables (Y) show a composite reliability value above 0.7, so it can be said that the overall construct (indicator) and variables in the study it's reliable.

PLS Model Analysis

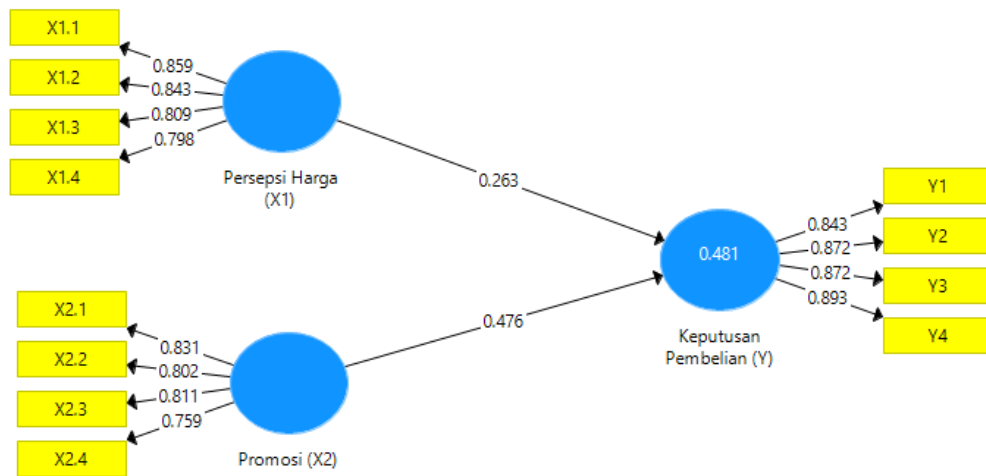


Figure 1 Outer PLS Output Model

Source : Olah Data PLS

From the PLS output image above, it can be seen that the magnitude of the factor loading value for each indicator is located above the arrows between the variables and indicators, you can also see the magnitude of the path coefficients (path coefficients) which are above the arrows between exogenous variables and endogenous variables. In addition, it can also be seen that the magnitude of the R-Square is right inside the circle of endogenous variables (Purchasing Decision Variables). Therefore, it can be seen from the biggest factor loading of the Price Perception indicator, namely Price Affordability (X1.1), which is the biggest indicator with a loading factor of 0.859. As for the factor loading for Promotion indicators, namely Promotion Frequency (X2.1), which is the largest indicator with a loading factor of 0.831

R-Square

Table 5 R-Square

	R Square
Buying Decison (Y)	0.481
Price Perception (X1)	
Promotion (X2)	

Source : Olah data 2023, output SmartPLS

R2 value = 0.4848. It can be interpreted that the model can explain the phenomenon of Purchase Decision which is influenced by independent variables including Perceived Price and Promotion with a variance of 48.1%, while the remaining 52.9% is explained by other variables outside this study (besides Perceived Price and Promotion).

Path Coefficients

Tabel 6 Path Coefficients (Mean, STDEV, T-VALUE)

	Path Coefficients (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Price Perception (X1) - > Buying Decision (Y)	0.263	0.262	0.120	2.189	0.029
Promotion (X2) -> Buying Decision (Y)	0.476	0.471	0.106	4.512	0.000

Source : Olah data 2023, Output SmartPLS

Hipotesis 1 : It is suspected that price perception has a positive effect on purchasing decisions for Gacoan noodles in the city of Surabaya (Study on the Shopee Food application) which is acceptable, with a path coefficient of 0.263, and a T-statistic value of 2.189 > 1.96 (from table value $Z\alpha = 0.05$) or P -Value 0.029 < 0.05, with significant (positive) results.

Hipotesis 2 : Allegedly Promotion has a positive effect on purchasing decisions for Gacoan Noodles in the city of Surabaya (Study on the Shopee Food application) is acceptable, with a path coefficient of 0.476, and a T-statistic value of 4.512 > 1.96 (from table value $Z\alpha = 0.05$) or P- Value 0.000 < 0.05, with results Significant (positive).

DISCUSSION

The Effect of Perceived Price on Purchasing Decisions

Based on the results of the research that has been done, it show that price perception can influence the purchasing decision of Gacoan Noodles in the city of Surabaya. By keeping the price of Gacoan noodles affordable without sacrificing the quality and benefits provided.

The results of the descriptive analysis of the price perception indicator that has the highest percentage, namely price affordability (X1.1) in this case, Mie Gacoan keeps the price offered affordable for consumers without sacrificing the quality and benefits provided. Mie Gacoan understands the importance of attracting consumers' attention at an affordable price. However, what sets Mie Gacoan apart is its determination not only to rely on low prices but also to present dishes that satisfy the palate and provide a memorable culinary experience without feeling burdened by high prices. So price affordability affects consumer behavior in making purchasing decisions.

The results of this study are supported by research conducted by Wibowo Willy., (2021), Hidayat et al., (2022), Dwijantoro Rizky et al., (2021), Boggy & Ugy Soebiantoro., (2023), explaining that price perceptions significant effect either partially or simultaneously on purchasing decisions.

The Effect of Promotion on Purchasing Decisions

Based on the results of the research that has been done, it show that promotions can influence purchasing decisions for Gacoan Noodles in the city of Surabaya. Because the number of promotions given by Mie Gacoan to consumers is large and many, consumers are interested in making purchases

The results of the descriptive analysis of the promotion indicator that has the highest percentage, namely Promotional Quantity (X2.3) in this case is the value and promotion given by Mie Gacoan to large consumers and many promos offered so that it influences consumer behavior in making purchasing decisions. The point is that many and large promotions can attract and contribute to Mie Gacoan consumers in making purchasing decisions

The results of this study are supported by research conducted by Anugrah Devi et al., (2020), Hidayat et al., (2022), Dwijantoro Rizky et al., (2021), Yoeliastuti et al., (2021), Longgang Kurnia. , (2019), explains that promotion has a significant effect both partially and simultaneously on purchasing decisions.

CONCLUSIONS AND RECOMMENDATIONS

Based on the test results using PLS analysis to test the Effect of Perceived Price and Promotion on Purchase Decisions for Gacoan Noodles in the City of Surabaya (Study on the Shopee Food application), it can be concluded as follows:

1. The results of this study indicate that price perceptions contribute to purchasing decisions for Gacoan Noodles in the city of Surabaya. Affordable prices have a strong influence on consumer purchasing decisions and their tendency to buy the product again in the future. Affordable prices make this product more attractive to consumers because according to their budget, purchasing decisions will also increase.
2. The large quantity of promotions offered has a significant influence on purchasing decisions for Gacoan Noodles in the city of Surabaya. The findings show that the greater the quantity of promotions given, the more likely consumers are to choose to buy this product. In this context, promotional offers act as a factor that encourages consumers to see this product as a lucrative opportunity that results in an increased purchase decision.

Based on the results of the research and conclusions, there are several suggestions given to be taken into consideration by the parties concerned in formulating decision making, including the following:

1. In fierce business competition, Mie Gacoan must be able to maintain the affordability of the prices provided, in several ways such as, consider offering various packaging options or sizes of Mie Gacoan products at various prices. This allows consumers with various budgets to still be able to purchase products according to their needs and preferences. Present bundling package options that combine multiple Gacoan Noodle products at a more affordable price than separate purchases. This can encourage consumers to buy more and experience greater value.

2. The number of promotions provided by Mie Gacoan has contributed to the increase in purchasing decisions for Mie Gacoan in Surabaya City, Mie Gacoan can improve it in terms of promotional variations such as Offer various types of promotions. These include percentage discounts, fixed price discounts, buy one get one (BOGO) offers, or product bonuses. This variety will

provide greater options to consumers, increasing the opportunity to attract different interests.

FURTHER STUDY

For future researchers, it would be nice to expand the observed variables. For example by adding trust variables, service quality, product quality and so on. The population and research sample were further expanded, both in terms of distribution and samples taken. With the hope that the results of further research can be better and more detailed.

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