
The Influence of Price and Promotion on Purchasing Decisions for Diamond Jewelry at Zamrud Gallery Martapura, Banjar Regency

¹Abdul Kadir, ²Noor Ritawaty, ³Melania, ⁴M. Zaid Abdurrahman, ⁵Naimah

^{1,2,3,4}Pancasetia College of Economics Banjarmasin

⁵Faculty of Islamic Economics and Business UIN Antasari Banjarmasin

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Abstract

This study aims to analyze the influence of price and promotion on diamond jewelry purchasing decisions at Zamrud Geleri Store Martapura, Banjar Regency. The research uses a survey method with data collection through questionnaires distributed to 68 respondents. Data analysis was conducted using multiple linear regression with the help of SPSS version 24.0. The results show that price and promotion significantly influence purchasing decisions both simultaneously and partially. Promotion was found to be the most dominant variable affecting purchasing decisions compared to price. This emphasizes the importance of the right promotional strategies to increase consumer appeal for purchasing diamond jewelry at Zamrud Geleri Store. The findings of this study provide practical implications for Zamrud Geleri in designing effective marketing strategies, particularly in pricing and promotion implementation to boost sales and competitiveness. This research also contributes to the development of marketing management knowledge regarding factors influencing consumer purchasing decisions.

Keywords: price, promotion, purchasing decision, diamond jewelry

1. Introduction

The jewelry business, especially the diamond trade, is experiencing rapid growth and intense competition. Zamrud Geleri Store in Martapura, Banjar Regency, is one of the businesses facing this challenge. Diamond jewelry is popular with consumers as a fashion accessory as well as an investment because its value continues to increase over time. To succeed in this competitive market, Zamrud Geleri Store needs to implement effective strategies, especially in pricing and promotion. Their pricing strategy is designed to remain competitive by offering flexible payment options, including credit and debit cards with low cash requirements. This makes purchasing easier for consumers on the go and ensures stable resale value with consistent discounts.

In terms of promotion, Toko Zamrud Geleri utilizes various media channels such as radio, newspapers, Instagram, Facebook, and WhatsApp to market their products. In addition, the store

also employs skilled sales staff who consistently offer the latest jewelry designs to potential consumers. The store also provides attractive gifts such as bags, wallets, and beautiful calendars with every purchase of diamond jewelry to encourage sales. Despite facing competition from other jewelry stores in the Martapura area, Banjar Regency, and slightly higher prices, Toko Zamrud Geleri distinguishes itself with high-quality products and attractive designs, making it the primary choice for consumers shopping for jewelry in the area.

Based on the background, this study aims to answer several questions. First, do price and promotion have a significant simultaneous effect on the decision to purchase diamond jewelry at the Zamrud Geleri Martapura Store, Banjar Regency? Second, do price and promotion have a significant partial effect on the decision to purchase diamond jewelry? Third, which variable is the most dominant in influencing the purchase decision at the store? This study aims to analyze the influence of price and promotion simultaneously and partially on the decision to purchase diamond jewelry at the Zamrud Geleri Store and identify the most influential variables. The results of this study are expected to provide insight for the Zamrud Geleri Store in designing effective marketing strategies to increase sales and competitiveness in the market.

Based on the existing phenomenon and issues, the research question related to The Influence of Price and Promotion on Purchasing Decisions for Diamond Jewelry at Zamrud Gallery Martapura, Banjar Regency, is:

1. Do Price and Promotion have a significant simultaneous effect on the purchasing decisions for diamond jewelry at Zamrud Gallery Martapura, Banjar Regency?
2. Do Price and Promotion have a significant partial effect on the purchasing decisions for diamond jewelry at Zamrud Gallery Martapura, Banjar Regency?
3. Which variable has a dominant influence on the purchasing decisions for diamond jewelry at Zamrud Gallery Martapura, Banjar Regency?

2. Literature Review

2.1 Definition of Marketing Management

Marketing is an important activity for companies and represents the overall system of business activities. Marketing is not only focused on selling products but has a broader goal of planning products, setting prices, promoting, and distributing goods or services. Marketing is the spearhead of a company's success in generating profits through the sale of goods or services produced by the company. Fandy Tjiptono (2002:7) defines marketing as: "A social and managerial process by which individuals or groups obtain what they need and want through the creation, offering, and exchange of anything of value with others." Philip Kotler (2018:5) states that marketing is: "Identifying and meeting human and social needs. Meeting needs profitably." Djaslim Saladin (2017:1) expresses that "Marketing is a total system of business activities designed to plan, set prices, promote, and distribute goods that can satisfy desires and achieve market and company objectives."

2.2 Price

Price is directly related to income and profit. Price is the only element of the marketing mix that generates revenue for the company. Price represents the value of a product, "a statement of value." Value is the ratio or comparison between the perception of benefits and the costs incurred to obtain the product (such as reliability, durability, performance, and resale value). Tjiptono (2019, p. 133) According to Kotler and Keller (2016:115), price is an element in the marketing mix that not only determines profitability but also serves as a signal to communicate the value proposition of a product.

Based on the opinions of the experts above, it can be concluded that price is the amount of money required to exchange for products or services that can meet consumer needs and is also one of the important elements in the marketing mix.

2.3 Promotion

Philip Kotler (in Junaedi, 2010:5) defines promotion as various activities carried out by companies to communicate the benefits of their products and persuade target customers and consumers to purchase those products. Promotion is one of the important variables in the marketing mix that companies must implement to market their products. Sales promotion includes coupons, premiums, contests, and purchase guarantees designed to stimulate the consumer market, retailers, and salespeople (Al Mubarak, 2015:27). Promotion is a type of marketing activity aimed at encouraging demand (Sari, 2015). The more aggressive the promotional activities carried out by the company, the more interested and influenced consumers will be, ultimately leading them to purchase the products produced and offered by the company. According to Kotler and Keller (2019), promotion encompasses various ways to inform, persuade, and remind consumers directly or indirectly about a product or brand being sold.

2.4 Purchasing Decision

The main theory used in purchasing decision-making refers to the opinion of Kotler (2015). Consumer purchasing decisions can be influenced by psychological factors such as motivation, perception, learning, beliefs, and attitudes. In making a purchasing decision, an individual will go through stages that begin with recognizing the need for a product.

According to Olson in Sangadjudan Sopiah (2018), a purchasing decision is a problem-solving process that includes all the steps consumers go through to recognize a problem, seek solutions, evaluate alternatives, and choose among the options. A decision is a problem exploration that starts from the background of the problem, identification of the problem, and culminates in the formation of conclusions or recommendations.

These recommendations are then used as a guiding basis for decision-making. Therefore, the impact can be significant if the recommendations produced contain errors or hidden mistakes due to a lack of caution in problem assessment (Fahmi, 2016) in (Khusyairi et al., 2018). Based on this definition, it can be concluded that a purchasing decision is an action taken by customers

to determine a choice from various alternatives available and decide to make a purchase (Carissa and Monika, 2016). A purchasing decision is an activity or behavior that arises as a response to an object, according to Thomson (2018).

2.5 Conceptual Framework and Research Hypothesis

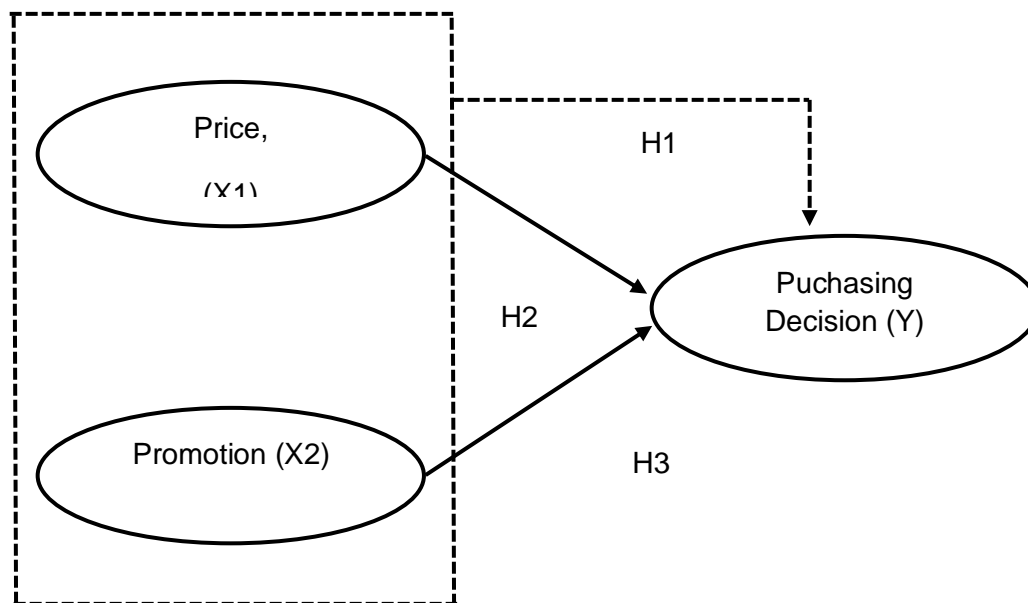


Figure 1. Conceptual Framework

H₁: Price and Promotion have a significant simultaneous effect on the purchasing decisions for diamond jewelry at Zamrud Gallery Martapura, Banjar Regency.

H₂: Price and Promotion have a significant partial effect on the purchasing decisions for diamond jewelry at Zamrud Gallery Martapura, Banjar Regency.

H₃: Promotion is the dominant variable influencing the purchasing decisions for diamond jewelry at Zamrud Gallery Martapura, Banjar Regency.

3. Research methods

This study uses a quantitative approach with a survey method to examine the effect of price and promotion on purchasing decisions at Zamrud Geleri Martapura Store, Banjar Regency. The object of this study is the customers of Zamrud Geleri Store located at Jl. Ahmad Yani Km 39.5 No.125, Jawa Village, Martapura District, Banjar Regency, South Kalimantan. The main instrument used in this study is a questionnaire designed to measure the variables Price (X₁), Promotion (X₂), and Purchase Decision (Y). Data obtained from the questionnaire were processed using SPSS software version 24.0.

The data collection technique was carried out by distributing questionnaires to customers of Zamrud Geleri Store using the purposive sampling method. The operational definition of the variables in this study includes: Price (X1) which refers to the store's pricing strategy, Promotion (X2) which refers to promotional activities carried out by the store, and Purchase Decision (Y) which refers to the customer's decision to buy jewelry from the store.

Data analysis was carried out through several stages, namely validity and reliability tests to test the feasibility of research instruments, classical assumption tests including multicollinearity tests, heteroscedasticity tests, and normality tests. Furthermore, descriptive analysis was carried out to describe the characteristics of respondents and research variables. Multiple linear regression analysis was used to analyze the effect of independent variables on dependent variables, and hypothesis testing was carried out through the F test (simultaneous), t test (partial), and dominant variable test to determine the most influential variables.

4. Research Result

Based on the results of the validity and reliability testing of the instruments, it is known that the questionnaire items are valid and reliable. The testing of classical assumptions, including normality, heteroscedasticity, and multicollinearity, has met the criteria, allowing the hypothesis testing to proceed using Multiple Linear Regression analysis. The results of the analysis are as follows:

Table 1. Multiple Linear Regression Test Results

| Variables | Regression Coefficient (bi) | T count | T table | Beta | Sig |
|-------------------|-----------------------------|---------------|---------|------|------|
| Price (X1) | .272 | 2.306 | 1,997 | .270 | .024 |
| Promotion (X2) | .302 | 3,089 | 1,997 | .361 | .003 |
| Constant=6.512 | | Fcount=13.377 | | | |
| MultipleR=0.540 | | Ftable=3.14 | | | |
| Rsquare(R2)=0.292 | | SigF=0.000 | | | |

Based on table 1, the following regression equation is obtained:

$$Y=6,540+0,272X1+0,302X2+e$$

1. The constant of 6.540 states that if the Price (X1) and Promotion (X2) variables are constant or fixed, then the purchasing decision value is 6.540.
2. The Price regression coefficient of 0.272 states that every one percent increase in price will increase the change in purchasing decisions by 0.272.
3. The Promotion regression coefficient of 0.302 states that every one percent change in promotion will increase the change in purchasing decisions by 0.302.

Based on table 1, the t-test results can be explained as follows:

1. The Influence of Price on the Purchase Decision of Diamond Jewelry at Zamrud Shop, Martapura, Banjar Regency, the calculated t value of 2.306 > t table 1.997 shows a positive

direction and has a significance value of $0.024 < 0.05$ so it can be concluded that Price has a significant effect on the purchase decision of Diamond Jewelry at Zamrud Shop, Martapura, Banjar Regency.

2. The Influence of Promotion on the Decision to Purchase Diamond Jewelry at Zamrud Shop, Martapura, Banjar Regency, the calculated t value of $3.089 > t$ table 1.997 shows a positive direction and has a significance value of $0.003 > 0.05$ so it can be concluded that Promotion has a significant effect on the decision to purchase Diamond Jewelry at Zamrud Shop, Martapura, Banjar Regency.

3. So it can be concluded that partially the variables Price (X1) and Promotion (X2) have a significant partial influence on the decision to purchase Diamond jewelry at the Zamrud Shop, Martapura, Banjar Regency, thus the hypothesis (H1) namely Price and Promotion have a significant partial influence on the decision to purchase Diamond jewelry at the Zamrud Shop, Martapura, Banjar Regency, is accepted.

Table 2. Determination Test Results

Model Summary^b

| Model | R | R Square | Adjusted Square | R Std. Error of the Estimate |
|-------|-------|----------|-----------------|------------------------------|
| 1 | .540a | .292 | .270 | 2.07358 |

a. Predictors: (Constant), PromotionX2, PriceX1
 b. Dependent Variable: purchasing decisions Y

In table 2, it can be seen that R Square is 0.292, which means that the amount of variation in the contribution of all independent variables to the dependent variable is 29.2% while the remaining 71.8% is explained by other causes outside of this study, based on the results of R obtained in this study of 0.540, it means that the relationship between independent variables and dependent variables is quite strong. If the R2 obtained approaches 1 (one), it can be said that the stronger the model explains the relationship between independent variables and dependent variables. Conversely, if R is getting closer to 0 (zero), the weaker the influence of independent variables on the dependent variable.

Table 3. F Test Results (Simultaneous)

| ANOVA | | | | | | |
|--------------|------------|----------------|----|-------------|--------|-------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 115,033 | 2 | 57,517 | 13,377 | .000b |
| | Residual | 279,481 | 65 | 4,300 | | |
| | Total | 394,515 | 67 | | | |

a. Dependent Variable: purchasing decisions Y
 b. Predictors: (Constant), PromotionX2, PriceX1

Based on Table 3, the calculated F value of $13.377 > F$ table 3.14 shows a positive direction and has a significance value of $0.000 < 0.05$ so it can be concluded that simultaneously the variables Price (X1) and Promotion (X2) have a significant effect on the decision to purchase Diamond jewelry at the Zamrud Geleri Martapura Store, Banjar Regency, thus the hypothesis (H2) namely Price and promotion have a significant effect simultaneously on the decision to purchase Diamond jewelry at the Zamrud Geleri Martapura Store, Banjar Regency, is accepted.

Table 4. Dominance Test Results (Beta Coefficient Test)

| Model | | Unstandardized Coefficients | | Standardized Coefficients |
|-------|--------------|-----------------------------|------------|---------------------------|
| | | B | Std. Error | Beta |
| 1 | (Constant) | 6,512 | 2.104 | |
| | Price_X1 | .272 | .118 | .270 |
| | Promotion_X2 | .302 | .098 | .361 |

Based on Table 4, the Beta value of the Price Variable is 0.270 and Promotion is 0.361, so it can be concluded that the promotion variable has a dominant influence on the decision to purchase diamond jewelry at the Zamrud Shop, Martapura, Banjar Regency. Thus, the hypothesis (H3) namely that Promotion is a variable that has a dominant influence on the decision to purchase diamond jewelry at the Zamrud Shop, Martapura, Banjar Regency, is accepted.

5. Discussion

Price and promotion have a significant simultaneous influence on the decision to purchase diamond jewelry at Zamrud Geleri Martapura, Banjar Regency.

The results of the study indicate that the price and promotion variables have a significant simultaneous effect on the decision to purchase diamond jewelry at Zamrud Geleri Martapura, Banjar Regency. This is evidenced by the F-count value of 13.377 which is greater than the F-table value of 3.14, indicating a positive direction with a significance value of $0.000 < 0.05$. This means that if the promotion and price variables are increased, the purchasing decision will also increase. Easy-to-understand and attractive promotions, along with affordable prices that suit consumers, are driving factors for consumers to visit Zamrud Geleri Martapura, Banjar Regency. If the promotion is more attractive with modern product models and designs, and the prices at Zamrud Geleri are cheaper than other stores, buyers will be interested in the promotions and prices set, which then encourage them to make purchases at Zamrud Geleri Martapura, Banjar Regency.

Price and promotion have a significant partial influence on the decision to purchase diamond jewelry at Zamrud Geleri Martapura, Banjar Regency.

1. The Influence of Price on Purchasing Decisions

The results of this study indicate that price has a partial effect on the decision to purchase diamond jewelry at Zamrud Geleri Martapura, Banjar Regency. This means that the price

variable has a positive and significant effect on purchasing decisions, which indicates that if the price variable is increased by one unit, the purchasing decision will also increase. Competitive and affordable prices according to consumer purchasing power are a driving factor for consumers to visit Zamrud Geleri Martapura, Banjar Regency. If the price at Zamrud Geleri is lower than other stores, buyers will consider the price set by Zamrud Geleri and then decide to buy products from Zamrud Geleri rather than from other stores. The results of this study are in line with the theory put forward by Zimmerer and Scarborough (2019:68), which states that price is an important factor in building long-term relationships with customers, and inappropriate pricing techniques can cause customers to switch to other stores.

2. The Effect of Promotions on Purchasing Decisions

The results of this study indicate that promotion has a partial effect on the decision to purchase diamond jewelry at Zamrud Geleri Martapura, Banjar Regency. This shows that the promotion variable is very important in influencing purchasing decisions. The more frequent and intensive promotions are carried out on the products sold, the more interested consumers are in buying, thereby increasing purchasing decisions. Promotion is very important in efforts to capture market share in an increasingly competitive environment. By promoting through attractive print/electronic media, consumer purchasing decisions will be positively influenced. The clarity of the promotional media and the diversity of the media used, especially print media, in carrying out promotions are key factors for consumers in making purchasing decisions. In addition, if the promotion carried out by the company is very attractive, such as offering discounts, this will further increase purchasing decisions. Promotional activities carried out by the company have an important role in increasing sales volume, because no matter how good a product is, the product will not find its market without first being promoted to potential buyers. Therefore, promotions must be carried out more intensively to influence consumers to make purchases in the future.

3. Promotion Has a Dominant Influence on Purchasing Decisions

Based on the results of the dominance test, the promotion variable has a dominant influence on purchasing decisions at Zamrud Geleri Martapura, Banjar Regency. Promotion is a form of marketing communication, which refers to marketing activities aimed at disseminating information, influencing or persuading, and/or increasing awareness of the target market towards the company and its products so that they are willing to accept, buy, and remain loyal to the products offered by the company. Promotion is an activity that accompanies sales operations to increase the likelihood of sales. By conducting promotions, demand is encouraged to increase further. Zamrud Geleri Martapura, Banjar Regency, has carried out various promotional activities through various media, both print and electronic. These efforts have paid off, as evidenced by their influence on purchasing decisions. Increasing promotion will make Zamrud Geleri Martapura, Banjar Regency, even better known and increase purchasing decisions.

6. Conclusion

Based on the results of the analysis and discussion that have been described, the conclusions of this study are:

1. Price and promotion have a significant simultaneous influence on the decision to purchase diamond jewelry at the Zamrud Geleri Martapura Shop, Banjar Regency.
2. Price and promotion have a significant partial influence on the decision to purchase diamond jewelry at the Zamrud Geleri Martapura Shop, Banjar Regency.
3. Promotion has a dominant influence on the decision to purchase diamond jewelry at the Zamrud Shop, Martapura Gallery, Banjar Regency.

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