

Price Strategies And Promotions Which E-Commerce Does In Sales

Sutikno¹⁾

sutikno@unsera.ac.id

Suhartini²⁾

suhartini@unsera.ac.id

^{1) 2)}**Universitas Serang Raya, Banten, Indonesia**

ABSTRACT

The purpose of this study was to determine whether promotions and prices have an effect on sales made by e-commerce. This research was conducted by involving 100 respondents in the city of Tangerang who had shopped at an online store. To determine the relationship between variables with a test research instrument in the form of a scale to measure the variable Promotion (X1) and Price (X2) to Sales. (Y). with the method 1. Validity and Reliability Test; 2. Classical Assumption Test; 3. Multiple Regression Analysis; 4. Hypothesis test, and produce the value of X1 (0.287), X2 (0.148) and the value of R² (0.144) so that it affects both partially and simultaneously.

Keywords: Price, Promotion, Sales

PRELIMINARY

The growth of the e-commerce industry (online shops) in Indonesia continues to grow rapidly. along with the economic growth of the Indonesian people which continues to advance rapidly as well. It is recorded that online store transactions throughout 2018 reached Rp. 77.766 trillion or around 151% compared to 2017 which amounted to Rp. 30.942 trillion. as reported by the media page <http://cnbcindonesia.com> which was taken on March 11, 2019

Given the rapidly growing number of internet users, the internet can be a potential market for businessmen to enter. This makes online sales practices that have many advantages for both companies and consumers that online selling is more than just buying and selling products online. Online selling includes the entire process from marketing, sales, delivery, service, and consumer payments. In addition to reasons for business development, the use of internet resources is due to the potential number of 2 internet users around the world who from year to year has increased. Online shop competition in Indonesia is seen from the number of transactions consisting of eight main players including: tokopedia, buk Bukalapak, shopee, lazada, blibli, JD id, I lotte and elevania.

This research was conducted with the intention of providing an answer to the problems faced by the company. Where the researcher wants to prove the correlation between the increase in sales turnover with variables such as price and promotion

Formulation of the problem

Do prices and promotions affect sales made by e Commerce partially or simultaneously?

This research refers to previous research conducted by Setyarko, Yugi. 2016. "Analysis of Price Perceptions, Promotion, Service Quality, and Ease of Use of Online Product Purchase Decisions". Where prices and promotions are very influential in online purchasing decisions.

For this reason, researchers want to find out more about the novelty between price and promotion of sales, whether it is still relevant to be used in future researchers related to sales in e commerce.

THEORETICAL BASIC

Online promotion is an effort made by a company so that products can be recognized by the public and can influence consumers to buy products produced by the company (Yugi et al., 2016). Based on the description above, promotion can be said to be the process of communicating all things in creating or increase product or brand awareness, increase brand preference in target markets, increase sales and market share, encourage re-purchase of the same brand, introduce new products, and attract new customers. implementation practices and management of key business processes such as product design, management of raw material supply, manufacturing, sales, order fulfillment, and service provision through the use of computerized communication technology, computers, and data. all that must be done using information and communication technology (ICT) to carry out business activities between organizations and from organizations to consumers.

According to Kotler and Keller (2013), price is an element in the marketing mix that not only determines profitability but also serves as a signal to communicate the proportion of a product's value. Product marketing needs to understand the psychological aspects of price information which include reference prices, price quality inferences and price clues. For each product or service offered, the marketing department has the right to determine the cost.

Selling is an effort or concrete steps taken to move a product, whether in the form of goods or services, from producers to consumers as the target. The main purpose of sales is to bring profit or profit from the product or goods produced by the producer with good management. In its implementation, sales alone cannot be carried out without the presence of actors working in it such as agents, merchants and marketing personnel (Basu, Swastha: 2011).

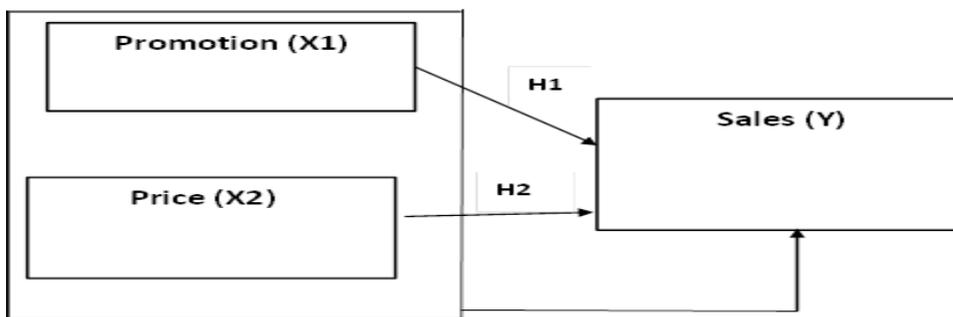
Previous Research

In previous studies, there were several research results related to the relationship between independent variables such as promotion (X1) and price (X2) with the

dependent variable, namely sales (Y). This research is in accordance with the discussion of research conducted by Imbar, William. (2014)., Diamond. (2015), Algrina. (2013) Yugi (2016).

In this preliminary research, the researcher will describe the findings of the effect of promotion (X1) with sales (Y), price (X2) and sales (Y), as well as the positive and significant influence between promotion (X1) and price (X2) with the dependent variable, namely sales (Y) partially or simultaneously.

Figure 1: Framework



Hypothesis

From the picture of the framework above, the writer can hypothesize the following:

H1: Promotion affects sales partially

H2: Price affects sales partially

H3: Promotion and Price Simultaneously affect sales.

Population and Sample Research

The population taken in the study is the population of E-commerce consumers who have shopped at least once in February 2020-May 2020. With the classification of consumers in the categories of workers and employees, male and female, minimum high school education is between 20 s / d 55 years, which are scattered in the marketing area of Tangerang. For the number of the research population limits as many as 140 respondents. In this study, the sampling used by researchers was a non-probability sampling technique, namely a sampling technique that did not provide equal

opportunities to members of the population that the researcher made into the sample. Non-probability sampling technique, specifically the researcher uses non-probability purposive sampling technique where this technique in taking samples is influenced by certain goals and considerations by the researcher.

RESULTS AND DISCUSSION

This instrument test is conducted to determine whether the instrument used as a measuring instrument meets the requirements of a good measuring instrument or is in accordance with the standard research method. In testing this instrument, the validity and reliability test was carried out as a measure of the questionnaire used by researchers to obtain data from respondents.

The validity test is useful for determining the validity or suitability of the questionnaire that researchers use as data collectors from respondents. While the reliability test aims to determine the consistency level of the questionnaire used by the researcher so that the questionnaire can be relied on even though the questionnaire is used repeatedly. In this study, the validity test uses the Pearson product moment where this system correlates or relates each statement score to the total score obtained in the study. While the reliability test refers to the resulting Cronbach alpha value.

The criteria for drawing conclusions from the validity test are guided by the basis of the decision maker as follows:

- 1) If the calculated r value $>$ r table then the questionnaire item is declared valid
- 2) If the value of r count $<$ r table, the questionnaire item is declared invalid.

Whereas for the basis of the decision maker reliability test, if the Cronbach alpha value $>$ r table then the questionnaire items used are declared reliable or consistent, conversely if the alpha value is smaller than the r table then the questionnaire items used are declared unreliable or inconsistent.

Table 1. Test Results of Validity and Reliability of Promotion Variables

| Dimensions | Indikator | r count | r table | criteria | information | Cronbach Alpha | criteria | information |
|---------------------|-----------|---------|---------|-----------|-------------|----------------|----------------|-------------|
| Clear Information | X1.1 | .461** | 0.194 | r h > r t | Valid | 0,841 | $\alpha > 0.6$ | Reliabel |
| Promotion Discon | X1.2 | .741** | 0.194 | r h > r t | Valid | | | |
| Featured frequently | X1.3 | .845** | 0.194 | r h > r t | Valid | | | |
| Medsos | X1.4 | .807** | 0.194 | r h > r t | Valid | | | |
| Product Introducing | X1.5 | .845** | 0.194 | r h > r t | Valid | | | |
| Attract Customers | X1.6 | .755** | 0.194 | r h > r t | Valid | | | |

Source: Results of Data Processing (2020)

Has 6 statement items with a value of "r count" all items > R Table on DF N - 2 then all items are valid N = 100 then DF = 100 - 2 = 88. R The probability table of 0.05 or 5% on DF 88 is 0.194. Because all values "r count" > 0.194, all items are valid. Cronbach's alpha value is 0.841 > 0.7, then the question is reliable, Cronbach's Alpha value is all > 0.6 so the item is reliable

Table 2: Test Results of the Validity and Reliability of Price Variables

| Dimensions | Indikator | r count | r table | criteria | information | Cronbach Alpha | criteria | information |
|-------------------|-----------|---------|---------|-----------|-------------|----------------|----------------|-------------|
| Affordable prices | X2.1 | .774** | 0.194 | r h > r t | Valid | 0,699 | $\alpha > 0.6$ | Reliabel |
| Quality Price | X2.2 | .666** | 0.194 | r h > r t | Valid | | | |
| price list | X2.3 | .822** | 0.194 | r h > r t | Valid | | | |

Source: Results of Data Processing (2020)

Has 3 statement items with the value of "r count" all items > R Table on DF N - 2 then all items are valid N = 100 then DF = 100 - 2 = 88. R The probability table of 0.05 or 5% on DF 88 is 0.194. Because all values "r count" > 0.194, all items are valid. Cronbach's alpha value is 0.699 > 0.6, then the question is reliable, Cronbach's Alpha value is all > 0.6 so the item is reliable.

Table 3. Test Results of Validity and Reliability of Sales Variables

| Dimensions | Indikator | r acount | r table | criteria | information | Cronbach Alpha | criteria | information |
|------------------|-----------|-------------|------------|-----------|-------------|-------------------|----------|-------------|
| Sales Goals | Y1 | .620** | 0.194 | r h > r t | Valid | 0,704 | α > 0.6 | Reliabel |
| Sales Increase | Y2 | .537** | 0.194 | r h > r t | Valid | | | |
| Purchasing power | Y3 | .632** | 0.194 | r h > r t | Valid | | | |
| Number of agents | Y4 | .780** | 0.194 | r h > r t | Valid | | | |
| Agent speed | Y5 | .613** | 0.194 | r h > r t | Valid | | | |
| Sales force | Y6 | .626** | 0.194 | r h > r t | Valid | | | |

Source: Results of Data Processing (2020)

Has 6 statement items with a value of "r count" all items > R Table on DF N - 2 then all items are valid N = 100 then DF = 100 - 2 = 88. R The probability table of 0.05 or 5% on DF 88 is 0.194. Because all values "r count" > 0.194, all items are valid.

Cronbach's alpha value is 0.704 > 0.7, then the questions are reliable, Cronbach's Alpha values are all > 0.6, then the item is reliable

Table. 4. Multicollinearity Test Results

| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. | Collinearity Statistics |
|-------|-----------------------------|---------------------------|---|------|-------------------------|
| | | | | | |

| | B | Std. Error | Beta | | | Tolerance | VIF |
|----------------|--------|------------|------|-------|------|-----------|-------|
| 1 (Constant) | 15.462 | 2.281 | | 6.780 | .000 | | |
| PROMOTION (X1) | .287 | .077 | .355 | 3.739 | .000 | .981 | 1.019 |
| PRICE (X2) | .148 | .146 | .096 | 1.017 | .312 | .981 | 1.019 |

a. Dependent Variable: SALES (Y)

Source: Results of Data Processing (2020)

Based on the multicollinearity test results in table 4.3.2, it is known for the VIF and Tolerance values in collinearity statistics. It is said that the model is clear of multicollinearity symptoms if the mean value of VIF is <10. Your data shows no multicollinearity symptoms because VIF <10 and tolerance > 0.1.

Multiple Linear Regression Analysis:

$$Y = 15.461 + 0.287 X1 + 0.148X2$$

Table .5 Model Summary

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .380 ^a | .144 | .127 | 2.490 | 1.592 |

a. Predictors: (Constant), PRICE (X2), PROMOTION (X1)

b. Dependent Variable: SALES (Y)

Source: Results of Data Processing (2020)

The value of R Square in the table.5 above is 0.144, while the value of all variables that affect the regression model outside the model that is in the variables outside the observation (variable €) and entered into the model is 0.856 (1 - R²).

The value of the coefficient of determination (KD) can be obtained by multiplying the value of R Square by the number 100% so that 0.144 X 100% is equal to 14.4%. So about 14.4% of the variation in the Sales model (Y) can be explained by the Promotion (X1) and Price (X2) variables, the remaining 85.6% can be explained by other factors that are not observed by the researcher (variable €).

So that this model can be interpreted that the influence of the variable Promotion (X1), and Price (X2), has a significant effect on the dependent variable Sales by 14.4%. While the remaining 85.6% is influenced by variable factors that the researcher does not observe

Table.6. The Value Of T Count And The Value Of Significance

| Model | t | Sig. |
|----------------|-------|------|
| 1 (Constant) | 6.780 | .000 |
| PROMOTION (X1) | 3.739 | .000 |
| PRICE (X2) | 1.017 | .312 |

Source: Results of Data Processing (2020)

The value of R Square in table 6 above is 0.144, while the value of all variables that affect the regression model outside the model that is in the variables outside the observation (variable ϵ) and entered into the model is 0.856 ($1 - R^2$).

The coefficient of determination (KD) can be obtained by multiplying the value of R Square by the number 100% so that $0.144 \times 100\%$ is equal to 14.4%. So about 14.4% of the variation in the Sales model (Y) can be explained by the Promotion (X1) and Price (X2) variables, the remaining 85.6% can be explained by other factors that are not observed by the researcher (variable ϵ).

So that this model can be interpreted that the influence of the variable Promotion (X1), and Price (X2), has a significant effect on the dependent variable Sales by 14.4%. While the remaining 85.6% is influenced by variable factors that the researcher does not observe

Table 7. The Value Of T Count And The Value Of Significance

| Model | t | Sig. |
|--------------|-------|------|
| 1 (Constant) | 6.780 | .000 |
| PROMOSI (X1) | 3.739 | .000 |
| HARGA (X2) | 1.017 | .312 |

Source: Results of Data Processing (2020)

Based on the results in table 7 above the coefficient value shows a positive number (+), namely 0.287, it can be said that Promotion has a positive effect on the Sales variable. The t value of 3.739 is greater than the t table value of 1.983 and the significance value for the Promotion variable is 0.000 which is smaller than the value of α 0.05. Therefore, the value of t count > t table and the value of Sig < 0.05, it can be concluded that the hypothesis "H1 is accepted and Ho is rejected".

Thus it can be interpreted that there is a significant and positive influence of the Promotion variable (X1) on the Sales variable (Y). So because there is a significant and positive influence on the Sales variable (X1) on Sales (Y), the research problem formulation can be confirmed, namely "Promotion (X1) has a positive and significant effect on Sales (Y)".

From the table. 7 above the value of the price coefficient (X2) is positive (+) of 0.148 means that the price variable (X2) has a positive effect on the dependent variable on purchasing decisions (Y). While the t value of significance for the independent variable Price (X2) of 1.017 is greater than the value of t table of 1.983, and the value of significance of the variable Price of 0.312 is smaller than the value of α 0.05. Therefore, the value of t count < t table and the value of Sig > 0.05, it can be concluded that the hypothesis "H2 is accepted and Ho is rejected". Thus it can be interpreted that there is a positive and significant effect on the variable Price (X2) on the Sales variable (Y).

Because there is a significant influence on the variable Price (X2) with the Sales variable (Y), the formulation of the research problem can be confirmed, namely "Price (X2) has a positive and significant effect on the Sales variable (Y)"

Table 8 Simultaneous Test Results (Test F)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|-------|-------------------|
| 1 Regression | 101.508 | 2 | 50.754 | 8.188 | .001 ^b |
| Residual | 601.242 | 97 | 6.198 | | |
| Total | 702.750 | 99 | | | |

a. Dependent Variable: SALES (Y)

b. Predictors: (Constant), PRICE (X2), PROMOTION (X1)

Source: Results of Data Processing (2020)

Based on the results in the table above, the calculated F value for the Promotion variable (X1) and Price (X2) is 8.188 greater than the F table, which is 3.09. While the Sig value of 0.001 is smaller than 0.05. Because the value of F count > F table and the value of Sig < 0.05, it can be concluded that the Promotion variable (X1) and Price (X2) simultaneously have a positive and significant effect on the Sales variable (Y). Therefore, it can be concluded that the hypothesis "H0 is rejected and H4 is accepted". Thus it can be interpreted that there is a simultaneous significant and positive influence of the Promotion (X1) and Price (X2) variables on the Sales variable (Y). , has a positive and significant effect simultaneously on Sales (Y) ”.

Discussion

The Effect of Promotion on Sales

Based on the results of the analysis, the coefficient value shows a positive number (+), which is 0.287. It can be said that Promotion has a positive effect on the Sales variable, so that the company must increase its promotion with its indicators in increasing sales

The Effect of Price on Sales

Based on the results of the analysis, the coefficient value shows a positive number (+), which is 0.148, it can be said that price has a positive effect on the Sales variable, so the company must increase its price with the indicator in increasing sales.

The Effect of Promotion and Price on Sales

From the results of the analysis of the value of determination (R²) shows a positive (+) and significant number, namely 0.144, it can be said that Promotion and Price have a positive and significant effect on the Sales variable. This is equal to 14.4% in increasing

sales so that the company must increase the number of Promotions and Prices with The indicator in increasing sales and looking for other unobserved factors is 85.6%.

CONCLUSIONS AND RECOMMENDATIONS

This study aims to determine the relationship between promotional variables and price variables on sales on e-commerce. From the above discussion, the researcher concludes that the promotion variable and price have a positive and significant effect both partially and simultaneously. Researchers suggest that e-commerce can find other factors that are not observed 85.6% in increasing sales.

REFERENCE

- Basu ,Swasta. 2011. *Manajemen Pemasaran Modern, Edisi 2*. Yogyakarta: Penerbit Liberty.
- Diamond .2015. Promotion Strategy Analysis And Its Influence Price On The Purchase Decision Of Suzuki Ertiga Cars At Pt. Sinar Galesong Pratama Manado. *Jurnal EMBA*. Universitas Sam Ratulangi. Manado. ISSN 2303-11. Vol.3 No.3. Hal.582-594
- Effendi, S danTukiran 2012. *Metode Penelitian Survey*. LP3ES, Jakarta.
- Hasan, Ali. 2013. *Marketing*. CAPS (Center for Academic Publishing Service), Yogyakarta.
- Imbar, William. 2014. Analysis of the Effect of Service Marketing Mix on Consumer Purchasing Decisions at PT. Hasjrat Abadi Manado. *Jurnal EMBA*. Universitas Sam Ratulangi. Manado. ISSN 2303-1174. Vol 2. No.3..
- Kotler, Philip dan Kevin Lane Keller. (2013). *“Manajemen Pemasaran. Edisi ke 13 Jilid satu”*. Penerbit Erlangga. ISBN 978-0-13-600998-6.Jakarta.
- Kristiani Nela dan Nanang Wahyudin. 2012. The Influence of Perceptions of Product Attributes on Consumer Purchase Intention of Isuzu Elf Cars. A Study at PT. Karya Zirang Utama Isuzu Semarang. *Jurnal ilmu manajemen dan akuntansi terapan*, Vol 3.
- Setyarko, Yugi.2016. Analysis of Price Perception, Promotion, Service Quality, and Ease of Use of Online Product Purchase Decisions. *Jurnal Ekonomika dan Manajemen*.Universitas Budi Luhur Jakarta. ISSN: 2252-6226. Vol. 5 No. 2
- Ulus, Algrina A. 2013. Marketing Mix Influences On Daihatsu Car Purchase Decisions At PT. Astra International Manado. *Jurnal EMBA*. Universitas Sam Ratulangi. Manado. ISSN 2303-1174. Vol 1. No.4.