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## THE EFFECT OF PROMOTION AND PRODUCT DESIGN ON CONSUMER PURCHASE DECISIONS

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### ABSTRACT

Consumer purchase decision are encouraged by purchaser involvement and agree with. The better the customer is concerned inside the look for product facts, the greater the patron's urge to make a buy. Purchasers are greater selective in deciding on products. This is due to the speedy development of the flow of information and know-how approximately the lifestyles of a product Promotion and Product Design are the independent variables in this study, while the dependent variable is consumer purchasing decisions. The population and sample in this study were consumers of Honda PCX 150 CBS motorcycles in South Lampung Regency, Indonesia. With a non-probability sampling technique, using a Likert scale the result of the t-table test of the X1 variable gave t-count 1,840 at the significance level of 0.070. The result of the t-test in the X2 variable table (product design) gave the value t-count 6,680 at the significance level of 0.000. This means Hypothesis 1 & 2 is accepted also hypothesis 3 (H3) is accepted. The examiner demonstrates that promotions undoubtedly and significantly influences buying decisions. The second one test's effects product design and purchase decisions. Testers show that product design has a superb effect on buy decisions. The effects of third hypothesis have proven that there is an effect between promoting and product design together on purchase decision.

**KEYWORDS:** Promotion, Product Design, Purchase Decision

### 1. INTRODUCTION

Globalization causes the emergence of free trade that makes the world seem borderless. Likewise, with the competition in the automotive world today, manufacturers compete to attract consumer interest. Companies that can sell their products at favorable prices at the expected quality level will overcome competitors' challenges (Björkdahl, 2020; Harrison & Hair, 2017, Sengaji, Z., & Radiansyah, 2022). To draw purchasers to make purchases, the organisation have to be capable of put in force the appropriate marketing strategy following the market situations confronted. One manner that is normally used to draw customers to buy the goods presented is with centered promotions. Promotion is one of the most important areas of the marketing mix in promoting the products and products manufactured by the company and as a means of communicating information about the products and products manufactured by the company to the general public. Promotions are

communications when a company develops a new product, modifies an old product, or attempts to increase sales of an existing product or service. The company needs to convey a sales message to potential customers. Marketers communicate information about the company and its products through advertising programs (Alam et al., 2021; Aureliano-Silva et al., 2021; Chambel et al., 2021).

The promotions offered will affect consumer interest in trying to use the product. Thus, producers will continue to be motivated to make attractive promotions to influence consumers to buy their products. Attractive promotions make consumers automatically compare the prices offered by the company to those offered by competitors: the more competitors, the more choices for customers to choose products that match their expectations. So the consequence of this change is that customers will become more intelligent and careful in dealing with every product launched. In handing over merchandise to clients and achieving enterprise goals inside the form of finest product income, advertising activities are used as benchmarks by way of each organization. Before launching a consequence, the company must be able to see or know what consumers need. Suppose a marketer as well as identifies consumer needs well and promotes products effectively and designs products with the latest technological designs in accordance with product benchmarks on the market. In that case, their products will be in demand in the market (Florido-Benítez, 2022; Pan et al., 2022; Quach et al., 2022).

Further to selling the layout of a product, it's also an essential element that customers keep in mind whilst choosing a product. Desirable layout contributes to no longer handiest the arrival of the product but also its benefits. Because of this, companies also are increasingly more aware of the importance of the advertising value of product layout, in particular its look design (Hakim, 2021). (Zhang et al. (2020) states that technological developments have contributed to the development of product designs, where companies can involve consumers in designing a product so that companies can design products according to the appearance and use a value that consumers specifically want (custom designs). This will help the company outperform its competitors by creating a distinctive design. According to (Kotler, P. and Keller (2006) Product layout is the totality of features that have an effect on the appearance, flavor, and function of the product based totally on purchaser wishes. Design turns into very important, specifically inside the manufacture of durable items.

The difference among the most charge purchasers is inclined to pay for a unit of a great or carrier and the rate that purchasers pay. This difference is called consumer surplus. It reflects the amount the consumer earns above and beyond what he would receive if the goods or services were unavailable. The greater the consumer surplus, the more satisfied the consumer is with purchasing. The concept of consumer surplus can be used to analyze market behavior and develop marketing strategies to increase sales. For example, manufacturers expect to create a more significant consumer surplus when they offer discounts on their products (Vasileiou & Rowley, 2011).

Consumer buying selections are encouraged by purchaser involvement and agree with. The better the customer is concerned inside the look for product facts, the greater the patron's urge to make a buy. On the other hand, purchasers are greater selective in deciding on products. This is due to the speedy development of the flow of information and know-how approximately the lifestyles of a product. Elements that affect a client's buy decision include psychological elements (which includes attitudes, perceptions, and ideals), non-public elements (which includes age, profession, training, income, and lifestyle), and social elements (inclusive of reference companies, circle of relatives, and tradition) (Dinh & Lee, 2021; Huang et al., 2022).

## **2. THEORETICAL BACKGROUND**

Marketing is a human activity that takes place with the market. Marketing means working to realize potential exchanges to market human needs and wants. In addition, it can be said that marketing is the spearhead of the company's activities through social processes. The company seeks to meet consumer needs by creating, offering, and exchanging value products according to consumer desires (Akgün & Polat, 2022; Bai et al., 2021; Hoque et al., 2020).

### **2.1 Promotion**

(Kotler, P. and Keller, 2006), promotion is a program that informs consumers about the benefits of a product. Directly or indirectly informing, persuading, and reminding consumers of the products or brands sold. Therefore, promotional organizations try to move and communicate to reach a particular audience. Promotion are an important aspect of marketing management, as it is desirable to have a series of ongoing sales activities to ensure the company's survival. For businesses, advertising aims to attract the community and as many consumers as possible. The purpose of advertising is to the consumer community through the promotion of ideas, services, or products presented to the consumer community so that they can accept the ideas of the services offered (Vasileiou & Rowley, 2011).

### **2.2 Product**

The product is the most critical element because a company tries to fulfill and satisfy the needs of consumers with the products it produces. The monetary fulfillment of a manufacturing organisation relies upon on its ability to discover consumer desires after which precisely create merchandise that can meet the ones desires at a low fee. This isn't always the duty of the advertising and marketing department or the layout department however a responsibility that involves many features inside a organization (Akdim, 2021).

### **2.3 Purchase Decision**

Purchaser conduct is a dynamic interplay between performance and cognition, behavior, and the surroundings in which humans trade sports in their lives. So, in everyday life, purchasing decisions made by consumers are based on different considerations from one another. The purchase decision is a function of how close the buyer's expectations of the product are to the perceived usefulness of the product. If the usability is underneath consumer expectations, its manner the client is dissatisfied,

and if it meets expectations, the consumer could be glad. Consumers who feel they are not following every decision will try to reduce the discrepancy. Satisfied consumers will say good things about a product, while dissatisfied consumers will try to minimize differences (Cheung & Thadani, 2012; Tata et al., 2021).

### **3. THINKING FRAMEWORK**

In the face of opposition inside the two-wheeled car commercial enterprise, the company have to sell the goods produced to draw clients to make purchases so that the corporation can obtain the maximum profit possible. Income promotion is one of the variables in the advertising blend that is very essential to be achieved by organizations in advertising their services or products. (Kotler, P. and Keller, 2006) when competition is getting stronger, the design offers a capacity way to differentiate and position the organization's products and services. Layout is a element that regularly offers corporations a aggressive benefit. Design is the totality of features that affect a product's look, experience, and feature based totally on client desires. In the end, the acquisition choice is the level inside the purchaser's decision-making procedure wherein the consumer buys. Selection-making is an man or woman interest at once concerned in acquiring and the use of the goods offered.

Therefore, the hypotheses in this study are:

H1: Promotion affects purchasing decisions

H2: Product design affects purchasing decisions

H3: Promotion and product design together influence purchasing decisions

### **4. RESEARCH METHODOLOGY**

Promotion and Product Design are the independent variables in this study, while the dependent variable is consumer purchasing decisions. The population and sample in this study were consumers of Honda PCX 150 CBS motorcycles in South Lampung Regency, Indonesia. With a non-probability sampling technique, using a Likert scale; strongly agree (5), agree (4), neutral (3), disagreed (2), and the strongly disagree (1). The analytical technique uses multiple regression using SPSS applications and the distribution of questionnaires using social media such as Whatsapp, Instagram, and Telegram.

### **5. RESULT AND ANALYSIS**

**Table 1 Validity Test**

No	Variable and Indicator	r-count	Description
<b>1</b>	<b>Promotion (X1)</b>		
	X1.1	0,724	Valid
	X1.2	0,893	Valid
	X1.3	0,505	Valid
	X1.4	0,490	Valid
	X1.5	0,893	Valid
<b>2</b>	<b>Product Design (X2)</b>		Valid
	X2.1	0,641	Valid
	X2.2	0,621	Valid
	X2.3	0,682	Valid
<b>3</b>	<b>Purchase Decision (Y)</b>		Valid
	Y1.1	0,438	Valid
	Y1.2	0,688	Valid
	Y1.3	0,700	Valid
	Y1.4	0,688	Valid
	Y1.5	0,700	Valid

Table 1 shows that all indicators used to measure the variables used in this study have a correlation coefficient greater than r-table. From these results, it can be said that all of these indicators are valid.

**Table 2 Reliability Test**

Variable	Alpha	Description
Promotion	0,778	Reliable
Product Design	0,734	Reliable
Purchase Decision	0,754	Reliable

The reliability takes a look at results indicate that each one variables have a vast enough alpha coefficient, that is above 0.600, so it may be said that all measuring ideas of every variable from the questionnaire are dependable, because of this that the questionnaire used on this observe is dependable.

**Table 3 Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.711	1.302		2.851	.006
Promotion (X1)	.170	.092	.188	1.840	.070
Product Design (X2)	1.101	.165	.684	6.680	.000

a. Dependent Variable: Purchase Decision (Y)

From these results, the following equation is obtained:

$$Y = 3,771 + 0,170 X_1 + 1,101 X_2 + e$$

From the equation, it can be seen that all independent variables (promotion and product design) positively affect the dependent variable (purchase decisions). Based on the equation, it can be seen that if the promotion increases by one unit, the purchasing decision increases by 0.170, while if the product design variable increases by one, the purchasing decision increases by 1.101.

**Table 4**

Correlations Test				
		X1	X2	Y
X1	Pearson Correlation	1	.801**	.736**
	Sig. (2-tailed)		.000	.000
	N	80	80	80
X2	Pearson Correlation	.801**	1	.835**
	Sig. (2-tailed)	.000		.000
	N	80	80	80
Y	Pearson Correlation	.736**	.835**	1
	Sig. (2-tailed)	.000	.000	
	N	80	80	80

\*\* . Correlation is significant at the 0.01 level (2-tailed).

From the above partial correlation table, the magnitude of the correlation coefficient between the independent variable and the dependent variable is as follows: The correlation coefficient (r) between promotions and purchasing decisions = 0.736 is positive (+); after consulting the interpretation table the value of r with an interval level of 0, 60 – 0.799 with a correlation level, Strong. The correlation coefficient (r) between product design and purchasing decisions = 0.835, which is positive (+) with an extreme correlation.

**Table 5 R<sup>2</sup> Test**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 <sup>a</sup>	.710	.703	1.22325

a. Predictors: (Constant), Promotion (X1), Product Design (X2),

The calculations using the SPSS Version 25 program show that the coefficient of determination (R<sup>2</sup>) obtained is 0.710, which means that promotion and product design variables can explain 71% % of purchasing decisions. The remaining 29% is influenced by other variables not investigated in this study.

**Table 6 T-Test**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.711	1.302		2.851	.006
Promotion X1	.170	.092	.188	1.840	.070
Product Design X2	1.101	.165	.684	6.680	.000

a. Dependent Variable: Purchase Decision (Y)

The result of the t-table test of the X1 variable gave t-count 1,840 at the significance level of 0.070. Using a significance limit of 0.05, the t-table is 1.668. This means that t-count > from t-table, Hypothesis 1 (H1) is accepted. A significant positive regression coefficient direction means that your ad has a positive impact on your purchasing decisions. In other words, we can conclude that promotion improves consumers' purchasing decisions. The result of the t-test in the X2 variable table (product design) gave the value t-count = 6,680 at the significance level of 0.000. Using a significance limit of 0.05, the t-table is 1.668. This means that t-count > from t-table, Hypothesis 2 (H2) is accepted. A significant positive regression coefficient direction means that product design has a positive impact on purchasing decisions. In other words, we can conclude that product design seen by consumers increases purchasing decisions. Therefore, Hypothesis 2 (H2) can be considered accepted.



**Table 7 Uji F**

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	282.331	2	141.166	94.340	.000 <sup>b</sup>
	Residual	115.219	77	1.496		
	Total	397.550	79			
a. Dependent Variable: Purchase Decision (Y)						
b. Predictors: (Constant), Promotion (X1), Product Design (X2),						

From the calculation, it is obtained that the f-count is 94,340 with a significance level of 0.05% and  $df_1 = 2$  and  $df_2 = 77$ , the f-table value is 3.12 because the f-count value is  $94.340 >$  the f-table value is 3.12, it can be concluded that the two independent variables are promotion and product design. Influence purchasing decisions: The regression model obtained is feasible to use to predict. So it can be concluded that hypothesis 3 (H3) is accepted.

## 6. CONCLUSIONS

The outcomes of the first hypothesis trying out have tested an influence among promotions and purchase decision. The examiner demonstrates that promotions undoubtedly and significantly influence buying decisions. The second one test's effects have demonstrated to steer product design and purchase decisions. Testers show that product design has a superb effect on buy decisions. The effects of third hypothesis have proven that there is an effect between promoting and product design together on purchase decision.

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