



The Influence of Prices and Advertising on Decisions Purchase Oppo Smartphones at Imelda Teluk Phones in South Nias

Berkati Halawa¹

Institut Pendidikan Tapanuli Selatan, Padang Sidempuan, Indonesia

Email: berkatihalawa86@gmail.com

ABSTRACT

Android-based smartphones are a very effective and efficient digital technology communication tool that is really needed by the public in carrying out their mobility and activities in the digital economy. The Oppo smartphone is already widely known among the public. This research aims to analyze the influence of price and advertising on purchasing decisions for Oppo smartphone products at Imelda Mobile Telukdalam South Nias. This research is quantitative descriptive research using manual data obtained incidentally (accidental slice) and analyzed using validity test methods, reliability tests, classical assumption tests, multiple linear regression analysis, and hypothesis analysis. The results of the research show that price has no effect on purchasing decisions with a value of $t_{count} < t_{table}$ or $0.978 < 1.980$, while advertising has a positive and significant effect on purchasing decisions as indicated by a value of $t_{count} > t_{table}$ or $2.173 > 1.980$. Simultaneously price and advertising have a significant positive influence on purchasing decisions. with a value of $F_{count} > F_{table}$ or $4.506 > 3.07$. Thus, many people make purchases of Oppo smartphone products.

Keywords : Price, Advertising, Purchase Decision, OPPO Smartphone

Introduction

Smart phones (smartphones) are widely used by the public, and smart phones (smartphones) have become an effective and efficient means of communication to meet people's needs. To win the hearts of consumers who buy these products, various types of Android-based smartphone (smartphone) brands are available with various features such as smartphone quality features and product characteristics, competitive prices, etc. It has been developed and produced by telephone providers. One of the Android products that has attracted a lot of public attention is the OPPO branded smartphone. Corporation (IDC), Oppo smartphones sold 254,407 units of its products in the fourth quarter of 2013. ((IDC), 2013). smartphones sold 30 million units in Indonesia in 2014, and sales increased to 50 million units in 2015. Even though its sales target has been achieved, Oppo still has to struggle to compete with the dominance of other Chinese vendors such as Huawei and Xiaomi (Bohan, 2016). Based on International Data Corporation (IDC) data, OPPO smartphones have succeeded in capturing the market. The share lag rate was 16.7 percent in the third quarter of 2016 and 25.5 percent in the third quarter of 2017 (Yusuf, 2017). Currently OPPO smartphones are known as OPPO camera phones. The prices of OPPO smartphone products vary greatly depending on the type and are very competitive compared to other smartphone products. Based on the facts above, there are several statements that must be proven as follows : (a) Price is believed to influence purchasing decisions (b) SM Advertising is thought to influence purchasing decisions (c) Price and advertising are believed to simultaneously influence purchasing decisions.

Price

Price is the amount charged for a good or service or the amount that consumers exchange for the purpose of owning or using that good or service. (Mustofa, 2016) Price is a unit of currency or other measure (including other goods and services) that is exchanged to obtain the right to own or use a good or service. (Kodu, 2013) Furthermore, price is the amount of money needed to obtain a combination of goods and services (and possibly more than one product). (Nafanu, 2020) Price is a very important factor in selling a product. When consumers buy a product, they pay attention to the price of the product. Consumers usually choose products with the same quality at a cheaper price. (Istiyanto & Nugroho, 2017) Price is one element of the marketing mix that benefits a company, but pricing strategies must pay attention to competitors' prices and the purchasing power of the public or consumers. (Anisa, 2019) Price is an external factor that can influence consumers in making purchasing decisions. Consumers must spend a certain amount of money to obtain goods and services, satisfy their needs, and satisfy their desires. (Dharmmesta & Handoko, 2014) Pricing strategies can influence the image and quality of the product, thereby influencing consumers when deciding to buy the product. Therefore, if you want your product to sell well in your community, you need to pay attention to your pricing strategy. (Kaeng et al.2014).

Advertisement

Advertising is one element of the promotional mix in paid form used by companies to offer and sell their products to consumers by providing information about these products in attractive packaging (Setiawan & Rabuani, 2019). Advertising is one type of commercial communication that uses a medium for broadcasting product information to consumers (Keller & Kotler, 2012). Advertising functions to attract the attention of consumers so that they are interested in trying to buy the products offered, so that consumers make purchasing decisions and if consumers are satisfied, then these consumers become consumers who are loyal to the company's products, this is because advertising can influence consumer behavior in making purchasing decisions. a product (Tambunan, 2019). Advertisements must have high appeal, this is very important because advertisements are able to communicate, persuade, arouse and maintain consumers' memories of the products offered. For this reason, companies must pay attention to the attractiveness of an advertisement that will be used as a promotional medium for their product, because advertising will influence consumers in making purchasing decisions (Jacob et al., 2018). Advertising media is a means of communication used by companies to deliver and disseminate messages to the intended target market. Media planning must recognize the ability of the main types of media to generate reach, frequency and impact. Each medium has advantages and limitations. Therefore, companies must use appropriate advertising media in marketing their products to consumers (Nafanu, 2020). In order for advertising to stimulate consumers to make purchasing decisions, it is necessary to use credible *endorsers* (celebrities) as transmitters of advertising messages so that advertising can function effectively. To determine the success of an advertisement, there must be an evaluation of the advertisement (Lukitaningsih, 2013).

Buying decision

Purchasing decisions are the process of consumers making a decision to buy a product after choosing one of several alternative product options (Achidah et al., 2016). The purchasing decision is a consumer decision by choosing one of several alternative options to purchase a product, where consumer behavior in making purchasing decisions is influenced by internal and external factors (Maharani, 2015). Purchasing decisions are actions taken by consumers to purchase a product or service through a process of stages, such as: Recognition of Needs, Search for Information, Evaluation of Alternatives, Purchase Decision, Post-Purchase (Saidani & Dwi Raga Ramadhan, 2013). Apart from that, purchasing decisions become a learning experience for consumers to choose and use a product that they have purchased. Purchasing decisions include how and why a person behaves in consumer behavior (Wibowo, Setyo Ferry; Samista, Indra; Murti, 2013). Consumer behavior is a process carried out by consumers to search for information about a product when making a purchase, utilize, and evaluate these products to provide satisfaction to consumers (Ardiansyah, 2015). Consumers in making decisions to buy a product are influenced by several factors, such as: price, personal, product quality and social factors (Fira Dinan, M. Naely Azhad, 2016).

Research Methodology

This research is a quantitative descriptive research using primary data obtained *using incidental sampling techniques* from 119 respondents who use various brands of *smartphones*. Research data was analyzed using validity tests, reliability tests, descriptive analysis of research variables, classical assumption tests, multiple linear regression analysis and hypothesis analysis using t tests and F tests.

Results and Discussion

From the research data, a calculated value of >0.1801 was obtained and *the Cronbach's Alpha value* was greater than 0.600. This states that the research data is valid and reliable. In the descriptive analysis of research

variables, an average value was obtained for the Price variable of 3.71, the Advertising variable of 3.93, and the Purchase Decision variable of 3.76. The results of the descriptive analysis of this variable show that the majority of respondents stated Price, Advertising and Purchasing Decisions on OPPO smartphones are at a good level. The classical assumption test shows that the research data is normal, because the research data is spread around the diagonal line and the distribution follows the direction of the diagonal line, so the Regression model is suitable for use because of the normality assumption. Then we get a VIF value smaller than 10 and a Tolerance value greater than 0.10, so that there are no symptoms of Multicollinearity. Apart from that, heteroscedasticity does not occur in the regression model because the data is spread randomly and is distributed both above and below the number 0 on the Y axis. Obtained multiple linear regression equation $Y = 17.103 + 0.096X_1 + 0.214X_2$. This equation shows that changes that occur in purchasing decisions on OPPO smartphones are caused by changes in price and advertising simultaneously. Hypothesis analysis shows t calculated at Price $< t$ table or $0.978 < 1.980$ with a sig value of 0.330, then H_0 is accepted and H_1 is rejected, which means that partially Price has no influence on Purchasing Decisions. Because price has no influence on purchasing decisions, price cannot be used as a benchmark or benchmark for consumers making purchasing decisions on OPPO Smartphone products. However, the calculated value in the Ad $> t$ table or $2.173 > 1.980$ with a sig value of 0.32, then H_0 is rejected and H_2 is accepted. This shows that advertising partially has an influence on purchasing decisions. Thus, advertising is a very effective and efficient promotional tool for marketing OPPO Smartphone products to consumers, so that consumers will make decisions to purchase these products. Besides The calculated F value $> F$ table or $4.506 > 3.07$ is obtained with a significance level of 0.013, so that H_0 is rejected and H_3 is accepted, which means that price (X_1) and advertising (X_2) simultaneously influence purchasing decisions. Therefore, with competitive prices and good, effective and efficient advertising, many consumers will make purchasing decisions for OPPO smartphone products.

Conclusion

Partially, price does not have a significant influence on purchasing decisions, while advertising has a significant influence on purchasing decisions for OPPO smartphone products. Simultaneously, price and advertising have a significant influence on OPPO smartphone purchasing decisions.

References

- (IDC), IDC (2013). *Smartphone Sales in Indonesia in the 4th Quarter of 2013*. <https://www.slideshare.net/Penjualan-Smartphone-Pad-Kuartal-4-Tahun-2013>. <https://www.slideshare.net/yogismobiletech/sales-smartphone-pad-kuartal-4-tahun-2013>
- Achidah, N., Warso, MM, & Hasiholan, LB (2016). The Influence of Promotion, Price, and Design on the Decision to Purchase a Mio GT Motorbike (Empirical Study on Yamaha Mio GT Products in Weleri-Kendal). *Journal Of Management*, 2 (2).
- Anisa, Auz & Sr (2019). Analysis Of Pricing Strategies On Consumer Decisions To Use Services Ojek Online Pt. Go-Jekindonesia. *Journal of Applied Business and Economics (JABE)*, 6 (2), 137–156.
- Ardiansyah, T. (2015). The Influence Of The Marketing Mix On Consumer Decisions In Buying Modem Products Cdmaevdo smarttelecom. *Journal Applied Business and Economics (JABE)*, 1 (3), 228–240.
- Bohang, F.K. (2016). Oppo Sells 50 Million "Smartphones" Throughout 2015. <https://Tekno.Kompas.Com/Read/2016/01/26/16223597/Oppo.Jual.50.Juta>. Smartphone. Along. 2015. <https://tekno.kompas.com/read/2016/01/26/16223597/Oppo.Jual.50.Juta.Smartphone.Sepanjang.2015>
- Dharmesta, BS, & Handoko, TH (2014). Marketing management. Bpfe: Yogyakarta.
- Fira Dinan, M. Naely Azhad, FF (2016). *Analysis of Factors that Influence Decisions to Purchase Oriflame Cosmetic Products among Female Students at Muhammadiyah University Jember*. 2 (1), 16–30.
- Istiyanto, B., & Nugroho, L. (2017). Analysis of the influence of Brand Image, Price and Product Quality on car purchasing decisions (case study of LCGC cars in Surakarta). *Exist: Journal of Economic and Business Research*, 12 (1).
- Jacob, AA, Lopian, SLHVJ, & Mandagie, Y. (2018). The Influence of Advertising Attraction and Product Image on the Purchasing Decision of Chitato Chips Products in Students Feb Unsrat. *The Influence of Ad Attraction and Product Image To the Purchasing Decision of Chitato Chips Product in the Student Feb Unsrat. Emba*, 6 (2), 988–997.
- Kaeng, AM, Mananeke, L., & Lumanauw, B. (2014). Promotional Mix Influence on the Decision to Purchase Yamaha Motorbikes at PT. Eternal Desire. *EMBA Journal: Journal of Research in Economics, Management, Business and Accounting*, 2 (3).
- Keller, K., & Kotler, P. (2012). Marketing Management Edition 12. Jakarta: Erlangga.
- Kodu, S. (2013). Price, product quality and service quality influence the decision to purchase a Toyota Avanza car. *EMBA Journal: Journal of Research in Economics, Management, Business and Accounting*, 1 (3).
- Lukitaningsih, A. (2013). Effective Advertising as a Marketing Communication Strategy. *Journal of Economics and*

- Entrepreneurship* , 13 (2), 116–129. <http://ejurnal.unisri.ac.id/index.php/Ekonomi/article/view/670/576>
- Maharani, N. (2015). Consumer Purchase Decision Making Process for iPhone Products in Bandung. *Journal of Management and Business (Performance)* , 12 (1), 59–75. <https://elearning2.unisba.ac.id/index.php/performa/article/view/3043>
- Mustofa, MF (2016). The Influence of Product Design and Price on the Decision to Purchase a Suzuki Satria FU 150cc (Study of Suzuki Satria FU 150cc Motorcycle Users in Surabaya). *Journal of Management Science (JIM)* , 4 (4).
- Nafanu, S. (2020). The Influence of Advertising Media, Advertising Messages and Advertising Creativity on Advertising Effectiveness in Growing Brand Awareness of Lee Minerale Products in the Community of Kefamenanu City, TTU Regency. *AEKO PEM : Journal of Development Economics* , 5 (3), 31–45.
- Saidani, B., & Dwi Raga Ramadhan. (2013). The Influence of Advertising and Product Attributes on Purchasing Decisions on Samsung Galaxy Series Smartphones (Survey on ItcRoxyMas Customers). *Indonesian Science Management Research* , 4 (1), 53– 73.
- Setiawan, B., & Rabuani, CC (2019). The Influence of Advertising and Endorsers on Brand Awareness and Their Impact on Purchasing Decisions. *Research* , 1 (1), 001–015. <https://doi.org/10.35212/277621>
- Tambunan, LT (2019). *Dominant Factors Influence the Promotion Mix on Consumer Behavior in Decisions to Purchase a Product* . 16 (1), 35– 45.
- Wibowo, Setyo Ferry; Samista, Indra; murti, great krishna. (2013). The Influence of Product Quality and Price on Used Car Purchasing Decisions (Survey of Melaju Raya Rizky Motor Consumers in the East Bekasi Region). *Indonesian Science Management Research Journal (JRMSI)* , Vol. 4 , No. (8), 184–200.
- Yusuf, O. (2017). *List of the Top 5 Smartphone Brands in Indonesia* <https://Tekno.Kompas.Com/Read/2017/11/23/08410067/Daftar-5-Besar-Smartphone> Brands-In-Indonesia. <https://tekno.kompas.com/read/2017/11/23/08410067/register-5-besar-brand-smartphone-di-indonesia>