

# **The Effect of Promotion, Price, and Product Quality on Purchase Decisions of Biznet Home Internet Wi-Fi with Purchase Intention as an Intervening Variable at PT Supra Primatama Nusantara (Biznet) Lumajang Branch**

Talitha Rahma<sup>1</sup>, Raden Andi Sularso<sup>2</sup>, Bambang Irawan<sup>3</sup>  
*Master of Management, Economic and Business Faculty, Universitas Jember  
Kalimantan 37, Jember 68121*

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**Abstract:** *At this time, information and communication technology is growing rapidly, so it encourages companies to display better advantages and capabilities to be able to compete in similar industries. The purchase decision is the most important component for the company's sales, so the sales strategy must be implemented appropriately through the components of Promotion, Price, and Product Quality that mediated by purchase interest in the products of PT Supra Primatama Nusantara (Biznet) Lumajang Branch. However, several things do not show the success and strength of PT Supra Primatama Nusantara (Biznet) Lumajang Branch in trying to measure purchase interest as an intervention. Determining this strategy can improve consumer purchasing decisions for PT Supra Primatama Nusantara (Biznet) Lumajang Branch products which will be higher than other products on the market. The power of purchasing decisions is currently expected to be used by PT Supra Primatama Nusantara (Biznet) Lumajang Branch as a tool to win the internet market competition in Indonesia.*

**Keywords:** *Promotion, Price, Product Quality, Purchase Interest, Purchase Decision*

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## **I. Introduction**

At this time information and communication technology is growing rapidly. There are many companies of information and communication technology in Indonesia that offer a variety of services to the public. One of the services offered is internet with the presence of wi-fi facilities. Wi-Fi is an abbreviation of Wireless Fidelity, which is a wireless data communication medium that can be used for communication or transferring programs and data fast. Covid-19 pandemic that has occurred since at the beginning of 2020, it has caused many changes where currently many activities are carried out online. Wi-fi can not only be used to access the internet but wi-fi can also be used to create a wireless network at home, office, lectures, or business centers.

The presence of the internet in Indonesia is provided by several internet service providers, one of them is PT Supra Primatama Nusantara (Biznet). Biznet was established on October 1, 2000 that operates the most advanced Fiber Optic network and the largest Data Center in Indonesia. Biznet has several products, one of them is Biznet Home Internet, which is a wi-fi internet service that is used for residential and apartment users. Biznet Home Internet service is available on the Java, Bali, Batam, Sumatra, Kalimantan, Sulawesi, and East Nusa Tenggara. The internet network provider company in Indonesia is not only Biznet but also has competitors such as Indihome, First Media, and many others.

The empirical phenomenon in this study is Sales of Biznet Home Internet Wi-fi services in 2020 did not increase every month. It can also be seen that for November 2020 there was no sales or income at Biznet Lumajang branch. It needs to be evaluated that sales in the previous month had increased and the decreased sales could also be due to various factors that need to be followed up, such as purchasing decisions factors.

## **II. Literature Review**

According to Tjiptono (2015: 387) promotion is an element of the mixed marketing that focuses on efforts to inform, persuade, and remind consumers of the company's brands and products. Meanwhile, according to Buchory and Saladin in Aris Jatmika Diyatma (2017) promotion is one element in the company's mixed marketing that is used to inform, persuade, and remind about the company's products.

According to Fandy Tjiptono (2015: 151) suggested that price is the only element of the mixed marketing that generates revenue, while other elements cause or constitute costs. At a market the firm charges a high price for a new product in order to pump out maximum incremental revenue from a segment that is willing to pay the high price. At market share prices, companies charge low prices for new products to attract a large number of buyers and a large market share.

According to Assauri (2015: 90) said that product quality is the factors that contained in an item or result that causes the goods or results to be in accordance with the purpose for which the goods or results are intended. Product quality is an important thing that every company must strive for if they want their products to compete in the market. It is because the economic capacity and education level of the community tends to increase, so some people are more critical in consuming a product. Consumers always want to get quality products according to the price paid. Although there are some people who think that an expensive product is a quality product.

Consumer purchase interest is a consumer behavior where someone has a desire to buy or choose a product, based on experience in choosing, using and consuming or even willing a product. According to Ferdinand (2014: 189) the interest that arises in making a purchase creates a motivation that continues to be recorded in his mind and becomes a very strong activity and in the end when a consumer has to fulfill his needs, the consumer will actualize what is in his mind.

According to Buchari Alma (2013: 96) suggested that the purchase decision is a consumer decision that is influenced by the financial economy, technology, politics, culture, product, price, location, promotion, physical evidence, people and processes, so it form an attitude on consumers to process all information and draw conclusions in the form of responses that appear what products are purchased. In addition, Machfoedz (2013: 44) argued that purchasing decisions are a process of evaluating and selecting from various alternatives in accordance with certain interests by determining the most profitable option.

### III. Conceptual Model

The conceptual framework of this study aims to determine the relationship between the independent variables Promotion, Price, and Product Quality, the intervening variable, namely Purchase Interest, and the dependent variable of Purchase Decision. So, based on the description of the background above which explains the effect of Promotion, Price, and Product Quality on Purchase Decisions through Purchase Interest, the conceptual framework of this research can be described as the following figure:

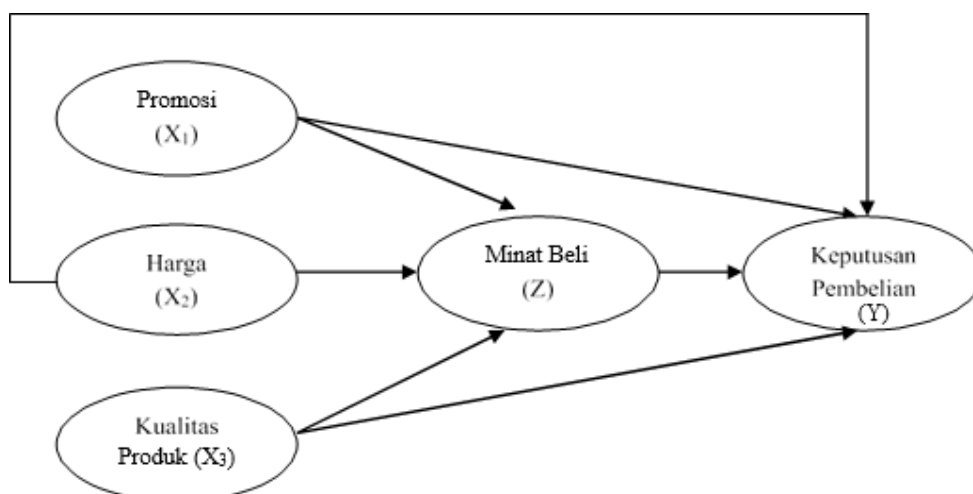


Figure 1. Conceptual Framework

#### HYPOTHESIS

The effect of promotion on purchasing decisions.

According to Kotler and Keller (2016: 47) promotion is an activity that communicates the advantages of a product and persuades target customers to buy it. This explanation is supported by research, namely according to Ayumi and Budiarmo (2021) promotion has a positive and significant effect on purchasing decisions and proves that the better the promotion, the higher the consumer's purchase decision.

H1: Promotion has a direct effect on Purchase Decisions.

The effect of promotion on purchase interest.

Kotler and Keller (2016:518), suggested that sales promotion is a short-term incentive to encourage product or service sales. In other words, promotion is a means to encourage consumers to make purchases of a product or service. Research conducted by Ayumi and Budiatmo (2021) stated that promotion has a positive and significant effect on buying interest. This means that the better the promotion, the higher the purchase interest of consumers.

H2: Promotion has a direct effect on purchase Interest.

The effect of price on purchasing decisions.

According to Kotler & Armstrong (2016: 324) defined that price is the amount of money spent for a product or service, or a number of values exchanged by consumers to obtain benefits or ownership or use of a product or service. Previous research conducted by Tonce et al. (2020), Sakinah and Firmansyah (2021) and Prabowo et al. (2021) showed that price has a significant effect on purchasing decisions from the specified significant level. Prices can influence consumer decisions in making purchases, because the higher the price, the lower the purchase decision, on the contrary if the price is low, the purchasing decision changes to the higher.

H3 : Price has a direct effect on Purchase Decision.

The effect of price on purchase interest.

Price is a company management system that will determine the right base price for products or services and must determine strategies regarding price discounts, payment of transportation costs and various related variables (Kotler and Keller, 2016: 62). Previous research conducted by Tonce et.al (2020), Prasetiawan et al. (2021) and Prabowo et al. (2021) stated that the higher or better the price will affect the higher or better the purchase interest, the price has a positive and significant effect on purchase interest. This indicates a positive influence on purchase interest.

H4 : Price has a direct effect on purchase Interest.

The effect of product quality on purchasing decisions.

According to Kotler and Keller (2016:164), product quality is the ability of an item to provide results or performance that are in accordance with even more than what the customer wants. Previous research conducted by Tonce et.al (2020), Puspita and Budiatmo (2020) and Prasetiawan et al. (2021) stated that product quality has a significant influence on purchasing decisions, if the quality of the product is getting better, the purchasing decisions will also be better and shows that product quality is able to explain purchasing decisions.

H5: Product quality has a direct effect on purchasing decisions.

The effect of product quality on purchase interest.

According to Kotler (2016: 203), if the company wants to maintain its competitive advantage in the market, the company must understand what dimensions are used by consumers to differentiate the products that sold by the company from competing products. Previous research conducted by Tonce et.al (2020), Puspita and Budiatmo (2020) and Prabowo et al. (2021) stated that product quality has a significant influence on purchase interest. It showed that product quality is able to explain purchase interest, the meaning that if the quality of the product is getting better, the purchase interest will be better.

H6: Product quality has a direct effect on Purchase Interest.

The effect of purchase interest on purchasing decisions.

According to Kotler and Keller (2016: 181) purchase interest is how likely consumers are to buy a brand and service or how likely consumers are to switch from one brand to another. Previous research conducted by Tonce et al. (2020), Puspita and Budiatmo (2020), Sakinah and Firmansyah (2021) stated that purchase interest has a positive and significant effect on purchasing decisions. This means that the higher the purchase interest owned by consumers, the higher the purchasing decisions made by consumers.

H7: Purchase intention has a direct effect on purchasing decisions

#### **IV. Conclusion**

Intense competition in the internet industry has forced PT Supra Primatama Nusantara (Biznet) Lumajang Branch to be more competitive in presenting products that meet consumer expectations. One of the changes that occur in the era of increasingly fierce competition is a decrease in purchasing decisions. The advantages of promotion, price, and product quality have the impact of such a big change. The development of promotions, prices, and product quality also affect the purchasing decisions of PT Supra Primatama Nusantara (Biznet) Lumajang Branch, this shows that the concept of purchasing decisions has become a necessity to show the performance of the company or organization entity. Strategic planning and complex utilization within the

company are needed as a solution to face the uncertain changes that occur in the era of increasingly fierce competition.

In the fierce competition era, PT Supra Primatama Nusantara (Biznet) Lumajang Branch requires an effective and efficient product sales strategy concept. With the fierce competition, the concept of product sales strategy becomes the main subject in overcoming threats and opportunities. For this reason, it is necessary to conduct further research to determine the effect of Promotion, Price, and Product Quality in improving Purchase Decisions through Consumer Buying Interest of PT Supra Primatama Nusantara (Biznet) Lumajang Branch.

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