# THE EFFECT OF PROMOTION AND PLACE ON CONSUMER BUYING INTEREST (CASE STUDY OF MATAHARI DEPARTMENT STORE THAMRIN PLAZA MEDAN)

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#### Abstract

The business world in Indonesia has grown rapidly, especially in the sale of increasingly fierce fashion goods, which makes every business or company need to increase the marketing power of goods by raising the differences or uniqueness of the company's products compared to competitors to be able to attract consumer buying interest. One way that can be used to increase sales is by promoting. Promotion is an important part for buyers and sellers. Exchange of goods and services will only occur if the seller and buyer have agreed on a promotion. Promotion decisions will determine success or failure for the company. Promotion is also considered very important in regulating the economy. Promotional interests have increased. Promotion is the basis for the formation of profits so that all companies try to maximize it with market development. From the results of this study obtained the value of the significance of the promotion of buying interest based on t test obtained by t count> t table (6,014 > 1.66) (Sig 0.000  $< \alpha 0.05$ ). Thus Ho was rejected, the conclusion: there was a significant influence of Promotion on Consumer Buying Interest at PT Matahari Department Store Thamrin Plaza Medan. And the significance value of the location based on the t test is obtained for t count> t table (5,138 > 1.66) (Sig 0.000 < $\alpha$ 0.05). thus H1 is accepted. In conclusion: there is a significant influence of Place on Consumer Buying Interest at PT Matahari Department Store Thamrin Plaza Medan. And based on the F test results above obtained the value of Fcount> Ftable is (19,749> 3.09) (Sig. 0.000 < $\alpha$ 0.05), thus H0 is rejected. In conclusion: there is a significant influence of Promotion and Place influence on Consumer Buying Interest at PT Matahari Department Store Thamrin Plaza Medan.

Keywords: Promotion, Place, and Consumer Buying Interest

## **INTRODUCTION**

The business world in Indonesia is growing very rapidly, especially in the sale of fashion goods, which are increasingly stringent, making every business need to increase the strengths that exist within its company by bringing out the differences or uniqueness that the company has compared to competitors in order to attract consumer buying interest. Therefore, every company must first understand consumers to find out what they need, what their tastes are, and see how consumers buy a location.

Consumer buying interest is very important for companies that maintain their business continuity and the continuity of their business activities. Loyal customers are those who are very satisfied with a particular location and service, so they have the enthusiasm to introduce it to anyone they know. Then in the next stage, these loyal customers will expand their "loyalty" to other locations made by the same manufacturer. In the end they are consumers who are loyal to a particular manufacturer or company forever. High buying interest is customers who make purchases with an increasing percentage of certain companies than other companies.

Loyal consumers have characteristics, including making repeated purchases at the same business entity, buying location lines and services offered by the same business entity, telling others about the satisfactions obtained from the business entity by showing immunity to offers from competing business entities. Purchase intention is a condition in which the customer has a positive attitude towards a location, has a commitment to that location, and intends to continue his purchase in the future.

The main purpose of the consumer buying interest program is to build relationships with customers so that they become loyal customers for the company in the long term. Therefore, the consumer buying interest program is currently a strategy used by companies that are offered to consumers or potential customers. This consumer buying interest program in addition to providing benefits for the company, this program also provides several benefits for consumers whose benefits have been considered by the company to be given to consumers.

Promotion is an important part for buyers and sellers. The exchange of goods and services will only occur if the seller and the buyer have agreed on a promotion. Promotion decisions will determine the success or failure of the company. Promotion is also considered very important in regulating the economy. The interest in promotion has increased. Promotion is the basis for the formation of profits so that all companies try to maximize it with market development. Market demand is largely influenced by promotions. Promotion will provide a competitive position in the market. Thus the policy on promotion is an undoubted thing as a special weapon in the country's economic system such as perfecting resources according to previously planned priorities.

Once the importance of determining the promotion of consumer buying interest where the promotion should not be lower than the average cost per location if the company wants to make a profit. Furthermore, the approach from the consumer where in this approach the promotion will have an economic and psychological impact. The economic impact is related to purchasing power, because promotion is a cost for buyers. The higher the promotion, the fewer locations they can buy. Conversely, the lower the promotion, the more locations they can buy. While the psychological impact in some conditions of low promotion describes low quality, while high promotion describes high quality.

Promotional strategies are often used as a way to increase demand or sales of goods and services offered, so as to increase profits. In addition, promotional activities also provide convenience in planning further marketing strategies, because promotional activities are usually used as a way of communicating directly with potential consumers. Attracting consumers can also be done by providing a convenient location so that it can stimulate consumer buying interest to spend time and make purchases, and good service quality can influence consumers and attract consumers to make purchases.

In facilitating the flow of location distribution from producers and consumers is to choose the right distribution channel (Channel of distribution) used in the distribution of locations so that what has been planned and has been determined. Errors in choosing distribution channels can slow down and even congestion can occur in the distribution of goods and services from producers to consumers.

Several factors that influence consumer buying interest is one of them is the marketing mix, where the marketing mix can be measured by promotion and location. Consumers who get satisfaction with the location they buy tend to repurchase the same location.

The location factor also affects the buying interest of consumers to buy a location. Location is the place where the company must carry out a business activity. In the development of a

business, it is the location of the location in urban areas, the method of achievement and the travel time of the destination location. A good location factor is relative for each different business (Lupiyoadi, 2009). A location that is easily accessible by buyers and close to the center of the crowd is the right location for a business. The strategic location makes it easier for consumers to reach. Therefore, entrepreneurs must be observant in seeing what factors must be considered to attract consumer buying interest.

PT. Matahari Department Store Thamrin Plaza Medan as a company engaged in the clothing industry cannot be separated from the many challenges of competition from similar businesses. For this reason, Matahari Department Store has launched locations that can advance the Matahari Department Store. Matahari Department Store Thamrin Plaza Medan is the right place to shop for consumers because Matahari is a retail store that provides many products and accessories. Matahari Department Store provides many products with all products, especially in the fashion world, which guarantees product quality with all brands and consumer needs. At Matahari Department Store, there are 2 types of categories of goods, namely direct purchase goods and consignment goods. Goods that are included in direct purchases are goods belonging to Matahari and consigned goods are goods belonging to suppliers in collaboration with Matahari Department Stores. Direct purchase (DP) goods include Nevada, Derails, Little M, Super T, American Jeans, Cole, and Harddy Armies brands. Meanwhile, consignment items include Popeye, Manly, Sharks, Jane Lorissa, Fila, Langue and many other brands that have joined the Matahari Department Store.

## **Reserch Purpose**

To determine the effect of promotion on consumer buying interest at PT Matahari Department Store Thamrin Plaza Medan.

- a. To determine the effect of place on consumer buying interest given to PT Matahari Department Store Thamrin Plaza Medan.
- b. To determine the effect of promotion and place simultaneously on consumer buying interest at PT Matahari Department Store Thamrin Plaza Medan.

### **RESEARCH METHOD**

In this study, an associative research approach and a quantitative research approach are used, (Sugiyono, 2013:11) stating that "Associative research is research that aims to determine the relationship between two or more variables". With this research, a theory can be built that can function to explain, predict, control a symptom. This research was carried out at PT Matahari Department Store Thamrin Plaza Medan on Jl. MH. Thamrin Plaza Pandau Hulu I Medan Area North Sumatra 202211 from November 2017 to September 2018.

#### **RESULT**

In distributing the questionnaire that the author did to 90 respondents, of course, there are differences in characteristics both in terms of age, occupation, and level of education. The number of purchases of Matahari Department Store locations, therefore there is a need for grouping for each respondent's personal identity.

The distributed questionnaire data obtained several characteristics of the respondents, namely the type of age, education and occupation. The tables below will explain the characteristics of research respondents.

Table 1 Distribution of Respondents by Age

		, ,		
	Frequency Percent		Valid Percent	
21-25	15	17.0	26.0	
25-30	40	44.0	44.0	
>30	35	39.0	39.0	
Total	90	100.0	100.0	

The table above shows that the consumers who most often shop at Matahari Department Stores are aged 25-30 years. This is because at that age consumers are already able to generate income and are already married so that consumers fulfill their needs for shopping clothes at Matahari Department Stores.

**Table 2** Distribution of Respondents by education

	Frequency	Percent	Valid Percent	
Middle-High	10	11.0	11.0	
D1-D3	18	20.0	20.0	
S1-S2	62	69.0	69.0	
Total	90	100.0	100.0	

From the table above, it is known that most of the respondents' education is S1-S2 as many as 62 people (69%). This shows that consumers who shop for Matahari Department Store are more educated S1-S2.

**Table 3** Distribution of Respondents by gender

	Frequency	Percent	Valid Percent	
Laki-Laki	25	28.0	47.0	
Wanita	65	72.0	53.0	
Total	90	100.0	100.0	

From the table above, it is known that the respondents of this study consisted of 65 women (72.0%) and 25 men (47.0%). The percentage of consumers between male customers and female consumers has almost the same number. This means that the characteristics based on the sex of consumers at PT Matahari Department Store Thamrin Plaza Medan are dominated by the female gender, because there are more women than men who have a great desire to shop for fashion or other equipment.

**Table 4** Multiple Linear Regression Analysis Test

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	,11.680	3,169		,319	,000
	X1	,759	,085	,535	6,014	,000
	X2	,181,	,125	,190	5,138	,041

Based on the calculations performed using SPSS 24.0 above, the multiple regression equation of the regression model will be obtained as follows:

Y= 0.11.680 + 0.759X1 +0.181X2

Based on the regression equation, the influence of promotion and location on buying interest is analyzed, namely:

- 1. 0.11.680 shows that if the promotion and location variables are (0) then the value of buying interest is 0.11.680.
- 2. 0.759 indicates that if the promotion variable is increased by one unit point, the interest value will increase by 0.759.
- 3. 0.181 indicates that if the location variable is increased by one unit point, the location value will increase by 0.181.

From this equation, it can be explained that only the promotion variable has a positive coefficient that has a direct influence on the Y variable (purchase interest) and the location has a positive coefficient, meaning that it has a direct influence on the Y variable (purchase interest).

#### F Test

Table 5 F Test Result

Model		Sum of	df	Mean	F	Sig.
		Squares		Square		
1	Regressio	271,024	2	135,512	19,749	,000 <sup>b</sup>
	n					
	Residual	596,976	87	6,862		
	Total	868,000	89			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X1						

Based on the results of the F test above, the value of Fcount > Ftable is (19.749 > 3.09) (Sig. 0.000 < 0.05), thus H0 is rejected.

### **Determination Test**

**Table 6** Determination Test

			Adjusted R	Std. Error of
Model	R	R Square	Square	the Estimate
1	,759ª	,612	,596	2,61950

From the results of the Adjust R-Square value of 0.596 or 59.6%, it shows the contribution of promotion and location to purchase intention, the remaining 64.5% is influenced by other factors or other variables not examined.

T Test

Table 7 T test

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		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	11,680	3,169		3,686	,000
	X1	,759	,085	,535	6,014	,000
	X2	,181	,125	,190	5,138	,000

From the results of this study, the significance value of promotion on buying interest based on the t-test was obtained at tcount > ttable (6.979> 1.66) (Sig 0.000 < 0.05). thus Ho is rejected. the conclusion: there is a significant effect of promotion on buying interest in Matahari Department Store.

From the results of this study, the location significance value based on the t test was obtained at tcount > ttable (5.138 > 1.66) (Sig 0.041 < 0.05). Thus H1 was accepted, the conclusion: there is a significant influence of location on consumer loyalty location at Matahari Department Store.

#### **DISCUSSION**

From the results of this study, the significance value of promotion on buying interest based on the t-test was obtained for tcount > ttable (6.014 > 1.66) (Sig 0.000 < 0.05). Thus Ho is rejected. In conclusion: there is a significant effect of promotion on interest in buying locations at Matahari Department Store.

If the company is able to describe these five dimensions in a service mechanism, then Consumer Buying Interest is easier to realize or in other words, customer expectations to be satisfied with the company's services will be closer to reality. The service is said to be of high quality if the customer is satisfied, both at the time of service contact in certain situations and at the time of post-purchase. The results of this study explain that as many as respondents feel quite interested in the promotions carried out at Matahari Department Store Thamrin Plaza Medan. Respondents who gave an assessment of the promotion variable in the low category were 23 (18.5%). The results of the study explained that as many as 23 respondents were not interested in the promotions carried out at Matahari Department Store Thamrin Plaza Medan. And the respondents who gave an assessment of the variables in the high category were 15 respondents (16.9%). The results of the study explained that as many as 15 respondents were interested in the promotion carried out by the Matahari Department of Srote Thamrin Plaza Medan.

From the results of this study, the location significance value based on the t test was obtained at tcount > ttable (5.138 > 1.66) (Sig 0.041 < 0.05). Thus H1 is accepted. In conclusion: there is a significant influence of location on consumer loyalty location at Matahari Department Store. Matahari Department Store customers are said to be satisfied if there is a match between the location and the customer's promotion after evaluating a location with the service it receives. Dissatisfaction will arise if the expectations and desires of the customer do not match the location qualifications that do not match the location he received. The results of the study explained that as many as 44 respondents felt that the location of the Matahari Department Store Thamrin Plaza Medan was quite strategic. Respondents who gave an assessment of the location variable in the low category were 24 respondents (13.1%). The results of the study explained that as many as 24 respondents felt that the location of the Matahari Department Store Thamrin Plaza Medan was not strategic. And the respondents who gave an assessment of the location variable in the high category were 22 respondents (11.5%). The results of the study explained that as many as 22 respondents felt that the location of the Matahari Department Store Thamrin Plaza was strategic.

### **CONCLUSION & SUGGESTION**

From the results of the analysis that has been discussed previously, it can be concluded as follows:

1. From the results of this study, the significance value of promotion on buying interest based on the t-test was obtained at tcount > ttable (6.014 > 1.66) (Sig 0.000 < 0.05).

- Thus Ho is rejected. In conclusion: there is a significant effect of promotion on buying interest in Matahari Department Store.
- 2. From the results of this study, the location significance value based on the t test was obtained at tcount> ttable(5,138>1.66) (Sig  $0.041 < \alpha 0.05$ ). Thus H1 is accepted. In conclusion: there is a significant influence of location on consumer loyalty location at Matahari Department Store.
- 3. Based on the results of the F test above, the value of Fcount > Ftable is (19.749 > 3.09) (Sig. 0.000 < 0.05), thus H0 is rejected. the conclusion: there is a significant effect of promotion and location on buying interest at Matahari Department Store.

Based on the conclusion that there is a significant influence between Promotion and Place on Consumer Buying Interest at PT Matahari Department Store, it is as follows:

- 1. It is hoped that PT Matahari Department Store Thamrin Plaza Medan will further increase promotions in serving consumers to increase buying interest, namely by increasing socialization to consumers about introducing and displaying the advantages of Matahari fashion products.
- 2. To be able to provide a relatively affordable location to increase the number of consumers in using the services of PT Matahari Department Store Thamrin Plaza Medan, you can do this by providing a relatively cheaper price but having a better location quality than other fashion products.
- 3. The company should pay more attention to the satisfaction of consumers in order to provide convenience and comfort in obtaining services so as to create buying interest, companies can do this by serving consumers in a friendly manner and always providing solutions if consumers experience problems with the location being sold.

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