

The Effect Of Product, Price, Promotion, Place On Purchase Decisions In Micro, Small And Medium Enterprises (MSMEs) Taman Kelun Madiun

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Key words:	Abstract
Product, Price, Promotion, Place, Purchase Decision .	<i>A golden Indonesia in 2045, becoming an independent, advanced, developing country in all economic, political and social terms, can be realized if the MSME industry can be strong and the wheels of the economy turn. The aim of this research is to provide empirical evidence regarding the influence of Product, Price, Promotion and Place on product purchasing decisions at Taman Kelun Madiun MSMEs. The data source used is primary data, data obtained from data collection using a questionnaire with a sample of 404 respondents. The results of this research: Product has a positive and significant effect on purchasing decisions at Taman Kelun MSMEs, Price has a positive and significant effect on purchasing decisions at Taman Kelun MSMEs, Promotion has no positive and significant effect on purchasing decisions at Taman Kelun MSMEs and Place has a positive and significant effect on purchasing decisions at Taman Kelun MSMEs.</i>
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1 INTRODUCTION

The ambitious goal of Indonesia Emas 2045 to become an independent, advanced, developing country in all economic, political and social aspects can be realized if the MSME industry can be strong and its economic wheels turn. Indonesia Emas 2045 is an ambitious goal that describes Indonesia to become a developing country as a provider of employment for its people and as a driver of independent and sustainable economic growth. The role of MSMEs is very important as a sector that supports economic growth in Indonesia.

Kotler (2018) purchasing decisions are caused by several factors such as information input for consumers from sales activities, namely quality, right location, price given, and promotions that have been implemented. Kotler and Keller (2016) Product is something that can be sold to the market as a fulfillment of market satisfaction. Product is an important element in sales strategy to influence other activities. Tjiptono (2016) price is a 4P element that provides value to the company. High prices will increase company revenue but will reduce consumer interest, and conversely low market prices will increase small company revenue. Kotler and Keller (2016) Promotion is an activity that discusses advantages to invite consumers to make transactions. Promotion must be done repeatedly so that consumers can remember it. According to The Last Supper (2016) Place is a marketing activity to facilitate the delivery of goods or services to be distributed to consumers. A strategic and easily accessible business location has an effect on increasing consumer purchasing decisions.

2. THEORETICAL STUDY AND HYPOTHESIS DEVELOPMENT

2.1 *Theory of Planned Behavior*

Predicting behavior in a person who has no control over Ajzen (1988), behavior in individuals is based on behavioral desires which consist of three components, namely: subjective norm attitudes and perceived behavioral control.

2.2 *Buying decision*

Kotler (2018) purchasing decisions are influenced by several factors such as information input for consumers from marketing activities carried out by the company such as product quality, strategic location, prices offered, and promotions that have been carried out by the company. According to Ernawati (2021) purchasing decisions are influenced by consumers who evaluate several of the best product choices. Firmansyah (2018) defines purchasing decisions as individual activities in solving problems in choosing the right decisions according to each individual. Thus, it can be concluded from expert opinion, purchasing decisions are a series of decision-making processes from consumers in choosing the right product starting from recognizing the problem to evaluating the product to meet needs. According to Kotler and Armstrong (2018) the following are purchasing decision indicators:

1. Recognizing the need to meet needs.
2. Searching for information to find products that suit your needs.

3. Consumer evaluation of alternatives in deciding which product to choose based on previously obtained information.
4. Consumer purchasing decisions
5. Consumer behavior after purchase based on their satisfaction with the product.

2.3 Products

According to Kotler and Keller (2016) Product is something that can be sold to someone to satisfy consumers. Product is the most crucial component in marketing that can influence other marketing strategies. Saladin (2016) describes Product as anything that can be offered to the target market to be purchased, consumed or used to meet consumer needs. Candra et al., (2019) Product is a subjective understanding of the seller to meet market needs. Thus the conclusion of Product is anything goods/services that can be offered, consumed and used in the market to meet consumer needs and satisfaction. According to Kotler and Armstrong (2008) indicators that accompany and complement the product are brand, packaging and product quality.

2.4 Price

Tjiptono (2016) only price is a marketing activity that generates income. According to Kotler and Keller (2014) price is one component in marketing that generates income where other components generate culture. Candra et al., (2019) the amount that must be paid is appropriate and appropriate to get the product. Thus, the conclusion of price can be said to be a nominal amount that must be paid to have a product that is considered appropriate where the amount is determined by the seller. Kotler and Keller (2016) Indicators of a price are affordable price, price competitiveness and price suitability to product quality.

2.5 Promotion

Kotler and Keller (2016) *promotion* is a way of discussing the goodness of goods/services to invite consumers to make transactions. According to Mamonto et al., (2021) promotion is influencing target customers to invite buyers to make transactions with the company. Candra et al., (2019) promotion is providing information, influencing, persuading and reminding the target market about the company's brand and marketing mix. The definition that can be concluded, promotion is a product marketing activity in disseminating information about the superior value of the product, influencing the target market towards the company's brand, and it is hoped that consumers will buy and be loyal to the products offered. According to Kotler and Armstrong (2008) in promotion there are several indicators, namely advertising, sales promotion, public relations, personal selling and direct marketing.:

2.6 Place

According to The Last Supper (2016) *place* is a marketing activity to facilitate the delivery of goods or services to be distributed to consumers. Kotler and Armstrong (2008) describe place as a place for

shipping routes to make a product to meet consumer needs. Candra et al., (2019) place is an activity to accelerate and facilitate efforts to market a product. The definition that can be concluded, place is a marketing activity to facilitate and smooth the distribution channel of goods/services. According to Kotler (2015) place indicators, namely strategic location, road conditions, comfortable waiting room, shop composition, easy vehicle access and adequate parking space

2.7 Research Objectives

The expected research objective is to provide empirical evidence of the influence of Product, Price, Promotion, and Place on purchasing decisions for Taman Kelun Madiun MSME products.

2.8 Benefits of research

1. Practical Uses

It is expected to provide input to UMKM Taman Kelun Madiun to optimize products, price promotions and places so that they can increase sales at Taman Kelun Madiun.

2. Theoretical Uses

- a. It is expected to increase insight and theories that support marketing strategies, especially on product, price promotion and place towards purchasing decisions at Taman Kelun Madiun UMKM.
- b. Providing research results for future research comparisons related to MSME purchasing decisions.

3. METHOD

This research was conducted at UMKM Taman Kelun Madiun, Madiun City, which is known as a place for recreation and hanging out with a cool and comfortable atmosphere. The research lasted for four months, from February to May 2024. This research used a survey method with a quantitative approach. Data were collected by distributing questionnaires to consumers of UMKM Taman Kelun Madiun. This quantitative approach is used to analyze the effect of independent variables (Product, Price, Promotion, Place) on the dependent variable (Purchase Decision). The population in this study were consumers of UMKM Taman Kelun Madiun, whose number is unknown. The sample was determined using the Rao Purba formula,

$$n = \frac{z^2}{4 \cdot (Moe)^2}$$
$$n = \frac{196^2}{4 \cdot (0,5)^2}$$
$$n = 38,416$$

for a minimum total sample of 384 respondents.

Purposive sampling technique was used to select respondents who met certain criteria, such as age 17-45 years and domiciled in Madiun City. Data were collected through questionnaires distributed online. Data analysis was carried out using the Partial Least Square (PLS) method with the SmartPLS version 4.0 application.

4 RESULTS AND DISCUSSION

This study uses primary data taken from questionnaires with respondents of Taman Kelun UMKM. Taman Kelun UMKM is located in Kelun Village, Kartoharjo District, Madiun City. The following are the results of the tests conducted:

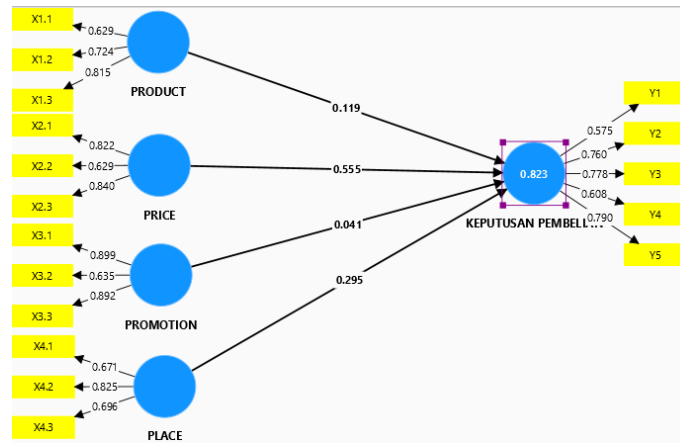


Figure1 OuterModel

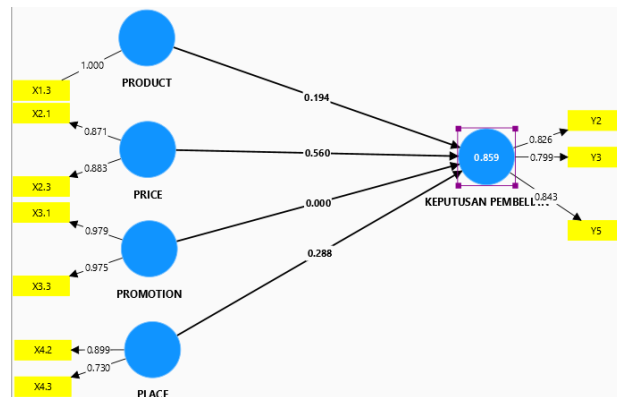


Figure 2 InnerModel

ResultsThe tests that have been eliminated by the researcher reached a loading factor value of >0.50 and outer loading >0.70 so that they can be said to be valid.

Table 1 Outer Loadings

Variables	Item	Outer Loading	Information
Products	Product quality	1,000	Valid
Price	Affordability	0.871	Valid
	Price conformity	0.883	Valid
Promotion	Advertisement	0.979	Valid
	Direct marketing	0.975	Valid
Place	Road conditions	0.899	Valid

	Ease of access	0.730	Valid
Buying decision	Information search	0.826	Valid
	Alternative evaluation	0.799	Valid
	Post-purchasebehavior	0.843	Valid

Source: PLS Output

Table 2 Average Variance Extracted Value

	<i>Average Variance Extracted</i>
Products	0.674
Price	0.769
Promotion	0.954
Place	0.671
Buying decision	0.677

Source: PLS Output

Table 3 Discriminant Validity Value

	Products	Price	Promotion	Place	Buying decision
X1.3	1,000	0.595	0.255	0.832	0.766
X2.1	0.497	0.871	0.387	0.547	0.735
X2.3	0.545	0.883	0.316	0.557	0.767
X3.1	0.272	0.417	0.979	0.632	0.460
X3.3	0.225	0.362	0.975	0.584	0.424
X4.2	0.931	0.569	0.298	0.899	0.777
X4.3	0.322	0.454	0.866	0.730	0.497
Y2	0.899	0.532	0.322	0.839	0.826
Y3	0.471	0.822	0.454	0.563	0.799
Y5	0.517	0.760	0.340	0.573	0.843

Source: PLS Output

Table 4Reliability Test

	Combrach Alpha	Composite Reality
Products	0.553	0.717
Price	0.700	0.701
Promotion	0.952	0.957
Place	0.527	0.595
Buying decision	0.761	0.761

Source: PLS Output

Table 5 Rsquare Test

	<i>R-Square</i>	<i>R-Square adjusted</i>
Buying decision	0.859	0.857

Source: OutputPLS

Table 6 Q-square

	<i>Q-Square</i>
Defense Decision	0.846

Source: OutputPLS

Table 7Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Product → Purchase Decision	0.194	0.200	0.080	2,423	0.015
Price → PurchaseDecision	0.560	0.565	0.041	13,697	0,000
Promotion → Purchase Decision	0,000	0.001	0.067	0.002	0.998
Place → Purchase Decision	0.288	0.280	0.116	2,478	0.013

Source: OutputPLS

The results of hypothesis testing in this study are:

1. *Products*(X1) has a positive and significant influence on purchasing decisions (Y). This is because the product has a t-statistic value of $2.423 \geq 1.96$, p values $0.015 < 0.05$.
2. *Price*(X2) has a positive and significant influence on (Y) purchasing decisions. This is because price $13.697 \geq 1.96$, p value of $0.000 < 0.05$.
3. *Promotion*(X3) does not have a positive and significant effect on (Y) purchasing decisions, this is due to promotion $0.002 \geq 1.96$, p values $0.998 < 0.05$.
4. *Place*(X4) does not have a positive and significant effect on (Y). This is because place $2.478 \geq 1.96$, p values $0.013 < 0.05$.

5 CONCLUSION

Products on MSMEs have a positive and significant influence on consumer purchasing decisions of Taman Kelun Madiun MSMEs. It is expected that Taman Kelun MSMEs can maintain the current product quality to retain loyal consumers. The price given by MSMEs has a positive and significant influence on purchasing decisions of Taman Kelun Madiun MSMEs. The price given by Taman Kelun MSMEs is in accordance with the good quality, delicious taste and large portions that attract consumers' interest so that Taman Kelun MSMEs are expected to be able to maintain this quality for the long term. Meanwhile,

the Promotion carried out by MSMEs does not have a positive and significant influence on consumer purchasing decisions of Taman Kelun Madiun MSMEs. Taman Kelun MSMEs have not been optimal in carrying out promotions, in modern times in the development of the era, Taman Kelun MSMEs can carry out promotions using digital media or advertisements on social media to introduce products more widely, and, for that, Taman Kelun MSMEs are expected to be more innovative by providing attractive promotions such as giving attractive prizes, buy 1 get free, free trial, and so on. Place UMKM has a positive and significant influence on the purchasing decision of UMKM Taman Kelun Madiun. UMKM Taman Kelun has easy access to vehicles which makes it easier for consumers to visit and buy, for that it is expected that UMKM Taman Kelun can maintain order and comfort of the place to increase sales.

6 SUGGESTION

It is hoped that further researchers will conduct research that can provide different results using different theories and methods so as to obtain new things to increase knowledge.

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