The Effect of Promotional Mixture on Consumer Decisions Subscribed to Indihome in PT Telkom Witel Medan Indonesia

Adika Fajar Putra[1], Darwin Sitompul[2], Nazaruddin[3]

[1]*(Universitas Sumatera Utara, Indonesia)*
[2]*(Universitas Sumatera Utara, Indonesia)*
[3]*(Universitas Sumatera Utara, Indonesia)*

Abstract: *Promotion is an important variable in marketing. The purpose of this study was to determine the effect of the promotion mix both simultaneously and partially on consumer decisions to subscribe to Indihome PT Telkom Witel I Medan. This type of research is correlation research with the type of data divided into two parts, namely primary data and secondary data. The sample in this study were 320 Indihome customers and data collection was done through a questionnaire. The data analysis method used is multiple linear analysis. The decision to subscribe to Indihome by consumers is influenced by advertising, personal sales and sales promotion is only 44.7% and the rest is influenced by other variables, both partially and simultaneously.*
***Keywords:*** *Promotion Mix, Advertising, Sales Promotion, Personal Sales*

I. Introduction

Unlimited information dissemination and increasingly easy access in this digital age, followed by the development of Information Technology (IT) makes you want to know that every individual is answered and communication is going well. Conventional communication through face to face, is now turning into digital communication using the internet. Based on data, the growth of internet users in Indonesia continues to increase from year to year. Figure 1.1 shows the growth of internet users in Indonesia.

Figure 1.1 Growth of Internet Users
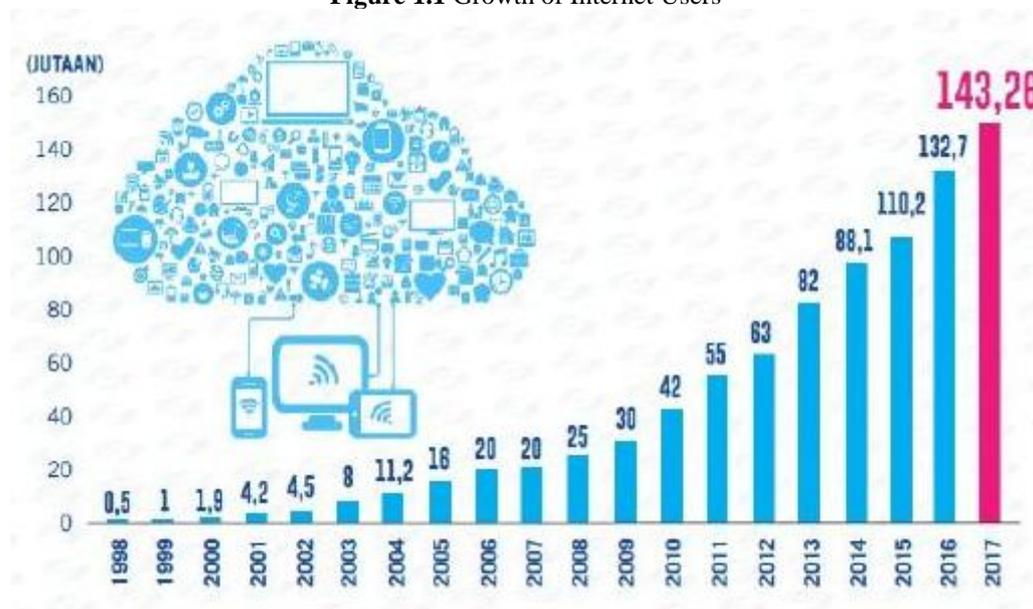
Source: Survey of the Indonesian Internet Service Providers Association (APJII), 2017

Figure 1.1 shows that internet users in Indonesia experience a significant increase from year to year, this makes the service provider of information and telecommunications service providers compete to provide information and telecommunications services with various best facilities to attract consumers' attention.

Based on the data shows that based on the results of a survey conducted by the Indonesian Internet Service Providers Association (APJII) in 2017 that 262 million Indonesians 143.26 million were internet users

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with a percentage of 54.68% (55% if rounded). Therefore, the opportunity for internet service provider companies should be large enough to gain profits. One of them is PT Telkom Witel Medan, North Sumatra, which is engaged in telecommunications. To meet the needs of consumers in communication, the management of PT Telkom offers Indihome products, as one alternative for meeting consumer needs in obtaining information through internet media. There are many types of Indihome products offered by the company with a variety of internet package options Indihome, so this condition can provide choices for consumers to determine the type of internet package according to the needs and interests of customers.

From a product standpoint, Indihome has almost no problems, because products have provided several advantages. Based on the results of the interview, summarized several product advantages based on consumer perceptions namely: super fast internet, stable internet and reliable internet. This of course answers the wishes and needs of consumers towards the internet through Indihome products. Consumer needs can be met through super fast internet especially for the use of social media and others. Then the product is not used as a problem in this study.

From the point of view of the area of marketing, sales and installation of Indome is quite affordable and easy to access from anywhere. From the point of view of prices for fast and reliable internet, with the broad network coverage of Indihome products, it can be said to offer low prices, because the access offered answers the desires of consumers if they have to use a card with an internet package. it can be said that there is no problem with the price of Indihome products. The results of the presurvey conducted by the author of 30 Indihome PT Telkom customers, Witel North Sumatra, are as follows.

Research focuses on three main variables namely advertising, promotion of sales and personal sales. This is caused by the three variables which are important instruments in the sale of Indihome products and the costs incurred by the company related to the three variables are quite large. Advertisements are very important promotional instruments, especially companies that produce goods or services aimed at the wider community. The offer offered should be interesting and not boring. Besides that IndihomePT Telkom North Sumatra Witel tends to use advertising as the most dominant promotion.

Personal sales are the activities of sellers directly to consumers. In the personal sales activities of Indihome PT Telkom Sumatra Witel there is a direct interaction in which sellers meet and respond from feedback in response to the wishes and preferences of consumers. This should increase PT Telkom Witel Sumatera's purchasing decisions. In addition, one way to promote is considered very effective and efficient for information dissemination and product marketing is promotion from mouth to mouth (Kotler, 2009). Sales promotion is a direct form of marketing Indihome PT TelkomWitel North Sumatra through the use of various regulated incentives to stimulate the number of customers immediately, such as giving gifts, giving bison, discounts to customers.

II. Theoretical Review

2.1 Definition of Marketing
Kotler (2009) argues that marketing is a social process in which individuals and groups get what they need and want by creating, offering, freely exchanging valuable products with other products. In marketing, it is known as the marketing mix term.

2.2 Marketing Mix
According to Kotler (2009) the main components of the marketing mix consist of 4 (four) variables known as 4P, namely:
a. Products are everything offered in the market and generate attention, ownership, consumption to satisfy consumers.
b. Price is the only marketing mix variable that generates income. Because consumers are required to pay a certain amount of money to get the item. Determination of price prices by manufacturers is done in 2 ways, namely: retail prices and wholesale prices, besides that they are still given in the form of price discounts, concessions in payments with credit requirements and so on.
c. Place is a set of institutions that carry out all marketing activities (functions) that are used to distribute product goods or services and ownership status from consumer producers.
d. Promotion is a variety of activities carried out by companies to communicate the benefits of products and to convince target consumers to buy them. Promotional elements consist of advertising, personal selling, sales promotion and direct selling.

2.3 Promotion Mix
Kotler (2009) defines promotion mix as a marketing communication mix (promotion mix) is a specific blend of advertising, sales promotion, public relations, personal sales, and direct marketing that is used by

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companies to communicate customer value persuasively and build customer relationships. There are several promotional methods, namely:

a. Advertising is all forms of impersonal presentation and promotion of ideas, goods or services that are paid for that are not private but are sponsored to be known. Tjiptono (2011) says that advertising is a form of indirect communication, which is based on information about profit, or superiority of a product, which is structured in such a way as to cause fun and joy that will change one's mind to make a purchase.

b. Personal selling according to Shimp (2010) personal selling is a form of communication of individuals where a salesperson relates to prospective buyers and tries to influence them to buy their products or services. The form of promotion is done by using individuals as salespeople, not by mail or the other is personal selling. The purpose of all marketing entrepreneurs in general is to increase sales which can generate profits by offering satisfying needs to the market in the long run. Private sales is one method of promotion to achieve these goals, and this business requires salespeople or better known as salesmen. One of the functions of a salesperson is to sell face to face, where a seller from a company directly meets the consumer to offer the product.

c. Sales promotion is an activity planned to add and coordinate personal sales and advertising activities. Sales promotions include the making of exhibitions in stores, holding trade shows, giving examples, premiums or coupons. Although using the term promotion, but the definition of sales promotion is different from the promotion itself. Promotion is a term that describes a broad field, while sales promotion is only part of that promotion.

2.4 Definition of Consumer Behavior

According to Schiffman and Kanuk (2008) consumer behavior illustrates the way individuals make decisions to utilize their available resources (time, money, effort) to buy goods related to consumption. Based on some of the opinions above obtained two important things from consumer behavior, namely, consumer behavior is a process of decision making and physical activities in an effort to assess, obtain and use goods or services.

2.5 Purchasing Behavior Model

In the early stages, marketers can get a clear attention about consumers, through everyday experience when selling something to consumers. But not only that marketers are also required to study consumer behavior. Who are the buyers, how they buy, when they buy and why they buy. The point of the problem is the following question: How do consumers provide answers to marketing incentives that can be arranged by the company.

2.6 Decision Making

Various kinds of decisions must be made every day by each consumer, but sometimes the consumer does not realize that he has made a decision. Consumer decision making varies, depending on purchasing decisions. Decision making can include how to choose, buy, use and evaluate goods or services. In this study decision making is focused on purchasing and using goods or products. According to Sumarwan (2003) there are various types of decision making that are tailored to the buying situation. The types are as follows:

a. Expanded problem solving. In this type, consumers need a lot of information to set criteria for choosing the brand of product to be purchased (consider).

b. Limited problem solving. In this type consumers have basic criteria for evaluating product categories and various brands, consumers only need information to distinguish between various brands. The level of consumer involvement in the decision process is quite high and purchases quickly, especially for products that are considered to have appropriate prices.

c. Routine troubleshooting. In this type the consumer has experience with the product he is going to buy. Consumers only keep in mind what they know here consumers have a very low level of involvement because consumers' decision-making on brands is more habitual rather than brand loyalty.

III. Materials and Method

3.1 Types and Data Sources

The type of research in this study is correlation research. Then the type of data is divided into two parts, namely primary data and secondary data. Primary data obtained include Indihome consumer perceptions of the promotion mix and Indihome subscription decisions. To find out the perception, a questionnaire was distributed as a research instrument. Secondary data obtained includes data and company information obtained from documents owned by the company.

3.2 Population and Samples

a. Population

In an activity both scientific and social in nature, it is necessary to limit the population and how to take samples. Samples taken must be representative meaning they can represent the whole of the population. Population is the

whole object of research consisting of humans and objects as data sources representing certain characteristics in the study (Sugiyono, 2014). Population is also said to be the whole area of individuals, objects, symptoms or events for a generalization or a conclusion that is imposed. In this study the population is all consumers who purchase Indihome products during the period in June 2018 (the latest data obtained from the company). So, the number of consumers who make Indihome purchases up to June 2018 is as many as 1464 people. So, the total population in this study was 1464 people.

b. Sample

Samples are part of the population studied, Arikunto (Sugiyono, 2014). Samples used in this study are consumers who purchase Indihome products before and during the study. The sampling technique in this study uses the Simple Random Sampling technique, which is sampling in a simple random way through a random number list. The sample is a portion of the population. The sample consists of a number of members selected from the population. As a researcher with a large population, the precision set in this study is large. Samples to be taken from the population using convenience sampling, which is a general term that includes variations in the breadth of procedures for selecting respondents. Concentration is the collection of information from members of the population who are happy to give it. Roscoe (1975) in Sugiyono (2014) provides a general reference for determining sample size:

1. A sample size of more than 30 and less than 500 is appropriate for most studies.
2. If the sample is broken down into subsamples (male / female, junior / senior, and so on), a minimum sample size of 30 for each category is appropriate.
3. In mutivariate research (including multiple regression analysis), the size of the sample should be 10x greater than the number of variables in the study. In this study there were 4 variables. So that the minimum number of samples is: 4 x 10 = 40 Respondents.
4. For simple experimental research with rigorous experimental control, successful research is possible with small sample sizes between 10 and 20.

If based on the statement of Sugiyono (2014) the minimum number of samples is 40. Because in mutivariate research (including multiple regression analysis), the sample size should be 10x greater than the number of variables in the study. In this study there are 4 variables. So the minimum number of samples is: 4 x 10 = 40 respondents. Based on factor analysis requirements, the minimum number of samples in SEM is five times the variable variable (manifest variable) to be analyzed so based on this the minimum sample size in this study is 65 (13 x 5), because the number of manifest variables in this study is 13. The sample of the study is 320 respondents who can be said to be adequate from 1464 populations. Because it's already above the minimum research sample.

3.3 Data Analysis Method

This study uses descriptive qualitative analysis method to determine the existence of relationships between dependent variables and independent using inductive statistics correlation with multiple regression analysis. The qualitative descriptive objective in this study is to provide a systematic, factual and accurate description of certain facts.

a. Descriptive Analysis

Mudrajad (2003) explains that qualitative research methods are research methods used to examine natural objects, where researchers are key instruments, while data collection techniques are conducted by interview methods, data analysis is inductive, and the results of qualitative research emphasize meaning rather than generalization.

b. Multiple Linear Regression Analysis

Path analysis is an extension of multiple linear regression analysis, or path analysis is the use of regression analysis to estimate causal relationships between variables (causal models) that have been predetermined based on theory (Ghozali, 2013:249).

The path analysis model is used to analyze the pattern of relationships between variables with the aim of knowing the direct or indirect effects of a set of independent variables (exogenous) on the dependent variable (endogenous). The path analysis model used is a pattern of causal relationships. Therefore the research formulation in the path analysis framework only revolves around the independent variable (X_1, X_2, ..., X_k) influencing the dependent variable Y, or how much direct, indirect, and total influence or simultaneous set of independent variables (X_1, X_2, ..., X_k) to the dependent variable Y. Hypothesis testing using t test, F test, r squared test.

IV. Results and Discussion

4.1 Descriptive Analysis

The results of the study showed that of the 320 respondents, the majority (most) respondents (Indihome PT Telkom Witel 43 Medan consumers) were women with a percentage of 68%, and the remaining 32% were men. The difference in the number of men and women for consumers of Indihome PT Telkom Witel Medan is not too significant.

The 320 respondents, the majority (most) respondents in PT Telkom Witel Medan are BUMN employees / I with a percentage of 41%, then civil servants with a percentage of 24%, 24% self-employed and the rest are students / i.

The 320 respondents, the majority (most) age of respondents in PT Telkom Medan Witel is above 30 years to 40 years with a percentage of 37%, then over 40 years to 50 years with a percentage of 29%, ages above 50 years to 60 years with a percentage of 14% , ages 20 years to 30 years with a percentage of 14% and the smallest percentage is consumers aged over 60 years.

The majority of respondents (most) in PT Telkom Witel Medan have revenues of more than Rp. 10,000,000 to Rp. 20,000,000 with a percentage of 43%, consumers with income above Rp. 5,000,000 to Rp. 10,000,000 with a percentage of 33%, consumers with income above Rp. 20,000,000 with a percentage of 16% and consumers who have an income of Rp. 3,000,000 to Rp. 5,000,000 with a percentage of 8%.

4.2 Results and Discussion

The discussion in this study are as follows:

a. Advertising (X_1) has a significant effect on consumer decision variables subscribed to Indihome. Advertising is a form of indirect communication that is based on information about the advantages or benefits of a product, which is arranged in such a way that creates a pleasant feeling that will change one's mind to make a purchase (Tjiptono, 2011). Advertising has a nonpersonal nature and is a tool to promote Indonesian products to consumers without holding direct contact. Then consumers will know the use of the product in these advertisements and affects their purchasing decisions. In this case, advertisements made by companies to influence consumer subscription decisions have a positive and significant effect. Therefore, advertising can still be used to attract consumers to subscribe to indihome products.

b. Personal sales (X_2) have a significant effect on the decision variables of consumers subscribing to Indihome. Indihome salespeople are very helpful in influencing consumer decisions in subscribing to Indihome because they can provide information clearly and easily understood by consumers. The ability of salespeople to approach and provide product information, which consists of the types of products, product functions, product physicality, and even product advantages. And in product presentation, salespeople are in line with expectations of respondents such as using good and polite grammar, obviously, because the positive impression of the first salesperson is to facilitate the sales process.

c. Sales promotion (X_3) has a significant effect on the decision variables of consumers subscribing to Indihome. Sales promotion is a marketing communication function that encourages action by adding real value to brand offerings, in marketing Indihome products this strengthens and supports other promotional mixes, so the results will be getting closer to the destination. Sales promotion is an added value offer designed to encourage or accelerate the response.

4.3 Managerial Implications

a. Based on the results of the descriptive analysis to 320 respondents, the promotion mix carried out by Indihome Telkom Witel Medan is in the category of "Good" in consumer perceptions of advertising, sales promotion and personal sales. However, there are still some consumer perceptions that are still less well related to the variables contained in the promotion mix.

b. Ad Variables based on descriptive analysis are still relatively lacking in influencing subscription decisions. If the interview is more in their decision, the subscription is often influenced by the needs of the internet, in addition to the advertising variable.

c. In addition, advertising, sales promotions and personal sales only affect the purchase decision of 44.7% and the rest is influenced by other factors beyond this research can be products, places and prices. The proportion of advertising in influencing purchasing decisions is still less than 50%. Therefore the company can reduce advertising costs, personal sales, promotion sales. Because there are still other variables influences. So companies can do other things in their promotional mix besides charging too high promotional costs such as placing them

for product development costs, have a distribution place that is a strategy and chooses the right pricing strategy for the company.

d. The imposition of excessive advertising costs is ultimately considered to be not providing profits to the company, without the development of better products to continue to follow the growth of consumer desires and needs.

e. Establish a corporate marketing that will benefit the company and reduce freelance salespeople. If the company has its own marketing force that is trained and able to handle marketing activities, it will bring benefits to the company. Besides that, as a corporate marketing welfare worker also feels guaranteed. However, usually Indihome freelance products do not have guaranteed welfare so they do not feel loyal to the company.

V. Conclusion and Suggestion

Conclusion

Based on the research that has been done by the authors, it can be concluded several points regarding this research. These are:

1. The decision to subscribe to the Indihome by consumers is influenced by advertising, personal sales and sales promotion is only 44.7% and the students are influenced by other variables, both partially and simultaneously.

2. The influence of sales promotion / sales promotion is the biggest if compared with the other two variables.

Suggestion

Based on the results of research conducted by the author to Telkom Witel Medan, as for suggestions that can be given by the author are as follows:

1. Reducing the cost of advertising because the influence of advertising is the smallest and increasing the cost of sales promotion or sales promotion because the effect is the biggest and product development, because one that is less based on consumer perceptions is consumers choose Indonesia not because of advertising. Consumer needs for the internet make it use Indihome, so the quality of the product needs to be increased to attract more consumers.

2. It should be realized that promotion in one business entity is an important part and cannot be separated in the company. If it is done correctly and with the appropriate proportion of variables in the marketing mix and promotion mix, promotion helps the company to get more profits. However, promotion can be a non-investment cost when the way the company does is not right. One of the ads is still felt less useful in influencing the decision to subscribe to the indo so that the ad can be made interesting and creative, out of the box that creates the impression that it is not boring and ordinary. In addition, personal sales have the biggest role, so product knowledge training is needed so that salespeople can better understand the product when delivering it to consumers.

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