



SI THESIS

**“THE INFLUENCE OF PROMOTION AND PRICE TOWARDS BUYING DECISIONS
CELLULAR SERVICES PREPAID MENTARI
IN PADANG CITY”**

*Proposed for partial requirement to obtain Bachelor Degree
Management Department*

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The Influence of Promotion and Price Towards Buying Decisions Cellular Services Prepaid Mentari in Padang City

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ABSTRACT

The objective of this research is to examine empirically the influence between promotion and price towards buying decisions. Organizations realized that they could more successful and achieve important work outcomes well-established by knowing consumer behaviour in make decision buying. This research uses 120 samples of small business firms are located in Padang city on order to test the research hypothesis. The research uses primary data and secondary data. Primary data is collected from questionnaires and secondary data gathered from literature review. *Dependent variable* of this research is buying decisions, where promotion and price are *independent variables*. Data analysis uses SPSS program application. The result of this research explains promotion and price are correlated with buying decisions, specifically, the research found some supported and unsupported of proposed hypothesis. First, *promotion* has no significant correlation to buying decision. Second, *price* has significant correlation to buying decisions.

Key words: promotion, price and buying decisions

Tesis ini telah dipertahankan di depan sidang penguji dan dinyatakan lulus pada tanggal: 15 Juli 2009.

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CHAPTER I INTRODUCTION

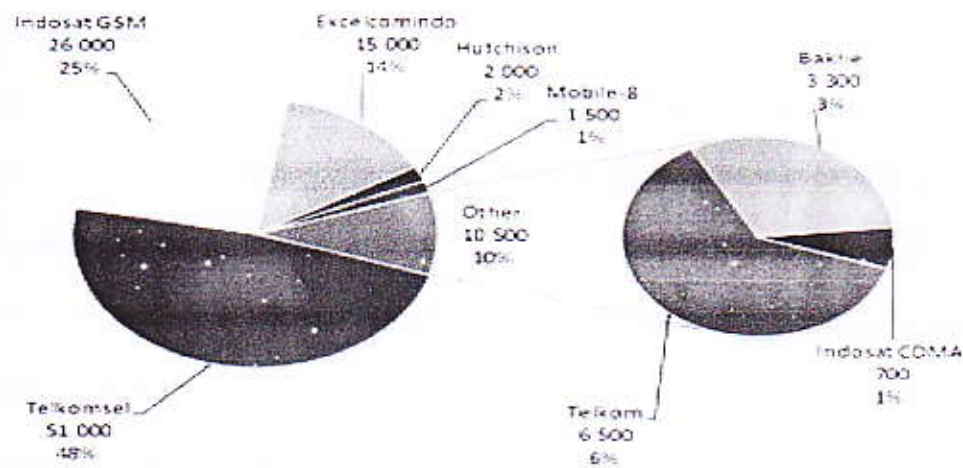
1.1 Background

Business competition is just keeping on rising in each and every industry in Indonesia. It is not only among the same industries but among also different industries which are struggling defending and protecting their position from either direct competitors or indirect competitors.

The atmosphere is even more intense with the dynamic change of environment surrounding the competing firm. With the increasing number of industry which purpose of fulfilling the needs of every customer, in the shape of means or service. The Government has the effective role in running the development of economic, which having the intention force and stepping forward the industrialization. They are sure of increasing the level of life for the citizen.

Advance technology in all aspect of human live make life become easier, faster, and complicated. In the same direction, human needs also unlimited make life become complicated, so scientists try to fulfill all of it by using technology. One of the industrial sub-sector which is experiencing of extremely high development is the cellular services. The development of cellular services shows a very fast growth, even in product amount produced and also the amount of the producer. This thing can be known by the emerging various cellular services producers, such as PT. Indosat tbk with IM3, Mentari, Metrix and PT. Telkomsel with product Simpati, Halo and As or PT. Excelcomindo with XL and Xplor, and Hutchison CP Telecommunication Indonesia (HCPT) with product "3" Three and others.

Figure 1.1 Market Share Cellular Industry In Indonesia



Source: <http://3.bp.blogspot.com/>

From the figure 1.1 above shows that the leader of Market Share Cellular Industry in Indonesia are Telkomsel with market share 48%, and runner up Indosat with market share 25%, Excelcomindo 14%, Hutchison 2%, Mobile-8 1% and other 10%.

As market leader Telkomsel not overactive in emulation at competition, *they just wait and see*. In other side as runner up Indosat is a challenger of Market Share Cellular Industries in Indonesia, and of course had strategy to get more market share and win the competition. To implementation that strategy Indosat adopts marketing strategy that suitable with market conditions.

One way to implementation that strategy by adopt service marketing mix. The services marketing mix is an extension of the 4-Ps framework. The essential elements of product, promotion, price and place remain but three additional variables – people, physical evidence and process – are included to 7-Ps mix. The need for the extension is due to the high degree of direct contact between the providers and the customers.

CHAPTER VI

CONCLUSION & SUGGESTION

This chapter will explain about conclusion of research, and suggestion for future condition.

a.1. Conclusion

Based on discussion from the previous chapters, it is taken the conclusion as followed:

1. Promotion factors result concludes that *p-value* of promotions factor at (*Sig. column*) tables is equal to 0.673 this number it means there are no influence between promotions factor with purchasing, also said that there are other factors that influence the buying intention beside promotions factor, because 0.673 is bigger than 0.05.
2. This research result concludes that price factors have influence on buying intention of consume and used Cellular Services Prepaid Mentari . it is found the *p-value* of price factor at (*Sig. column*) is equal to 0.04 which express there is significant influence between price with buying intention because 0.04 is smaller than 0.05
3. From existed factors that are promotion factors and price factors. The biggest influence on consume and used Cellular Services Prepaid Mentari is price factors
4. The value from the two independent variables at tables of ANOVA is equal to 0.010, this indicate that there is a significant influence between two independent variable (promotion and price) concurrently to dependent variable (buying

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