

THE INFLUENCE OF THE MARKETING MIX ON PURCHASING DECISIONS FOR THRIFT IN LHOKSEUMAWE CITY

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Abstract

The purpose of this study was to analyze and determine the effect of product, price, place, and promotion on purchasing decisions for thrift by the people of Lhokseumawe City. This type of research is quantitative research with a population of consumers in Lhokseumawe City. The number of respondents was 112 people who were taken using a judgment sampling technique where the sample withdrawal was based on the personal judgment of the researcher concerned. The data source comes from primary data obtained through distributing questionnaires. The data analysis technique used is descriptive analysis method and multiple linear regression analysis, classical assumption test, instrument test (validity and reliability), hypothesis testing and coefficient of determination and correlation test and analyzed with the help of SPSS version 16 application program. The results of this study indicate that partially the variables of product, price, place, and promotion have a positive and significant effect on the decision to purchase thrift goods in the people of Lhokseumawe city. Product is the most dominant variable influencing consumer purchasing decisions with a t value of 3.519.

Keywords: *Product, Price, Place, Promotion, Purchasing Decisions*

1. INTRODUCTION

Nowadays, people do not need to spend a lot of budget and have to look for new items or products to look fashionable, because nowadays thrift fashion is the right choice to make the appearance look more charming. Teenagers do not want to be outdated so they will do anything to follow the trends that are currently in the market. Usually teenagers follow the style of their idols in appearance. The clothes used by their idols are usually expensive while teenagers do not have enough budget to fulfill this. In the end, these teenagers make up for it by buying thrift clothes or fashion.

This thrifting culture started in the 18th to early 19th century, when the industrial revolution allowed clothes to be mass-produced. At that time, the price of clothing became so cheap that people's perspective on clothing changed to disposable items. This resulted in a drastic increase in second-hand clothing waste, as clothing is one of the most difficult wastes to decompose. America's massive economic crisis in the 1920s put many of its citizens out of work. This also resulted in the inability to buy new clothes, so most of them began to get used to buying second-hand clothes.

In modern times like today, lifestyle is like a demand, especially the demand for lifestyle in big cities. Especially with the development of the fashion industry at this time which makes the conversation in the wider community to always be up-date with current fashions. The number of foreign brands that have sprung up with expensive prices does not make fashion lovers stop, even it makes fashion lovers more competitive to look better than others. Some of them are even willing to set aside a lot of money to fulfill their appearance needs. To look present, especially for some teenagers is a trend that must be followed, but not all teenagers or people are able to follow the ever-changing fashion trends. Therefore, some people are looking for ways to always look cool and fashionable but with minimal capital. The number of teenagers who realize that to keep up with the

latest fashion developments requires a lot of money or capital. Fashion changes are relatively fast and unpredictable, making some teenagers finally look for shortcuts or other ways to meet fashion developments, namely by doing thrift shopping.

Thrift shopping is an activity or method of shopping that aims to save money and keep the costs incurred for shopping to a minimum. Items sold in thrift shops are usually secondhand or used items, but are still very suitable for use. The term 'Thrift' is actually a modern term for secondhand goods or used clothing. Used clothes are clothes that have been worn before. Usually, these used clothes are imported from abroad. Thrift shops are now even entering online social media. The buying and selling activities have now penetrated the virtual world. Not a few of these online sellers sell at a price that is much more expensive than the original price. But the price is indeed in accordance with the quality obtained because online goods have certainly been washed and selected with good quality by the seller.

Price can be an important focus if the company is setting a price for the first time, because price will affect total revenue and costs. Price is a major factor in positioning and must be decided in accordance with the target market, product and service mix, and competition. The price also affects the demand for a product. Therefore, demand is one of the elements that drive the market. The number of thrift shop clothing resellers who charge high prices has sparked a long debate among connoisseurs. Not without reason, thrift shops should not be expensive items. There is a long historical and cultural mission behind the emergence of thrift shop culture that must be accounted for by business people. Modern society now not only sees thrifting from an economic perspective, not only seeing used clothes as an alternative to fulfill clothing needs at low prices. Now, people are also starting to see it in terms of environmental preservation.

Place, is a medium as a channel used by producers or sellers to distribute products to consumers or various activities carried out in an effort to distribute products to consumers. Place affects the level of sales, therefore business actors must choose a place that is easier to reach from cities, hold events and collaborate with other thrift stores in coffee shops that are often found by young people, etc. Promotion is a persuasive communication activity designed to inform potential consumers about products or services in an effort to influence potential consumers to be interested and buy these goods or services. Promotion can be carried out using various media such as online and offline media. A product, although very useful, if it is not known by consumers, then the product will not be known for its benefits and may not be purchased by consumers (Assauri, 2010). In short, promotion is related to efforts on how people can recognize the product and then understand it and always remember the product. The function of promotion in the marketing mix is to achieve various communication objectives with each consumer. Consumer decisions to buy are a form of response from consumers to goods and services sold by a store or company. Product, price, place, and promotion are important factors for a shop or company to win the competition.

The purpose of this study was to determine how product, price, place and promotion influence consumer purchasing decisions. The product chosen is used clothing products or warehouse washing clothes. So many local products are produced today, but used clothing products from abroad are still in great demand in today's society. Many people today choose and buy used clothing products or the term thrifting goods, even though this type of clothing is not a new product and has even been used repeatedly by other people who are then sold as used clothing products.

2. IMPLEMENTATION METHOD

The population in this study were adolescents, adults, and the elderly in Lhokseumawe City who used thrift. This study uses judgment sampling where the sampling is based on the personal judgment of the researcher concerned. In this sampling technique, the researcher seeks to find confidence in advance that the individual selected as the sample is the right individual. In this study there are 19 question items, so the minimum sample size required is $19 \times 6 = 114$ samples.

To further ensure accuracy in this study, the questionnaire was distributed to 130 respondents. Based on the results of research that has been conducted on 130 respondents in the study, there are approximately 18 damaged questionnaires so that the number of questionnaires that can be processed in this study is 112. This research is quantitative in nature with primary data sources obtained through distributing questionnaires. Likert scale is used in this study, the data will later be processed and analyzed using SPSS version 16.0 software to determine the results of hypothesis testing. The mean, median, minimum, maximum and standard deviation values are some of the descriptive statistical tests used in this research data analysis technique. The research model is presented below in more detail. Multiple linear regression aims to understand how the independent variables collectively impact the dependent variable. The multiple regression equation in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

3. RESULTS AND DISCUSSION

3.1 Result

Partial regression analysis is utilized to assess the individual influence of independent variables used in the study in explaining the dependent variable partially. According to Ghozali (2018), the decision criterion for the partial regression test is if the significance value is smaller than 0.05 and the t-value is greater than the critical t-value, it can be concluded that the independent variable has a partial effect on the dependent variable. The results of the partial regression test (t-test) in this study are presented in the following table:

Table 1. The Results of The Partial Regression Test

<i>Variabel</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients Beta</i>	<i>t</i>	<i>Sig</i>
	<i>B</i>	<i>Std. Error</i>			
(Constant)	0,488	0,639		0,764	0,447
Products	0,335	0,095	0,298	3,519	0,001
Price	0,292	0,110	0,249	2,666	0,009
Place	0,255	0,101	0,246	2,533	0,013
Promotion	0,110	0,080	0,012	2,130	0,047

Source: Data Processed 2023

Based on Table 1 it can be interpreted as follows:

1. The product has a positive and significant effect on purchasing decisions where statistically $t_{count} > t_{table}$ or $3.519 > 1.659$ with a significant level of $0.001 < 0.05$ so it can be concluded that H1 is accepted.
2. Price has a positive and significant effect on purchasing decisions where statistically $t_{count} > t_{table}$ or $2.666 > 1.659$ with a significant level of $0.009 < 0.05$ so it can be concluded that H2 is accepted.
3. Place has a positive and significant effect on purchasing decisions where statistically $t_{count} > t_{table}$ or $2,533 > 1,659$ with a significant level of $0.013 < 0.05$ so it can be concluded that H3 is accepted.
4. Promotion has a positive and significant effect on purchasing decisions where statistically $t_{count} > t_{table}$ or $2.130 > 1.659$ with a significant level of $0.047 < 0.05$ so it can be concluded that H4 is accepted.

The coefficient of determination test (R^2) is used to determine how much the dependent variable (endogenous) can be explained by variations in the independent variables (exogenous). Because the independent variables in this study are more than 2, the coefficient of determination

used is Adjusted R Square. The results of the coefficient of determination test in this study are presented in the following table:

Table 2. Result Coefficient Determination Test

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	0,504	0,254	0,226	0,457

Source: Data Processed 2023

Based on Table 2, the adjusted R2 test results are 0.504. This value indicates that there is a relationship (correlation) in the moderate category between the product, price, place and promotion variables on purchasing decisions. Meanwhile, the coefficient of determination (R Square) is obtained at 0.254, meaning that the product, price, place and promotion variables have the ability to explain their influence on purchasing decisions by 25.4%. The remaining 74.6% is influenced by other factors outside this study. Multiple linear regression analysis is used to determine the direction and magnitude of the influence of the independent variable on the dependent variable (Ghozali, 2018). In this study, multiple linear regression analysis aims to determine the extent of the influence of product, price, place and promotion on purchasing decisions for thrift in the people of Lhokseumawe city. Based on the research that has been done, obtained the multiple linear regression equation in this study is as follows:

$$Y = 0.488 + 0,335 (X_1) + 0,292 (X_2) + 0,255 (X_3) + 0,110 (X_4)$$

Based on this equation, it can be interpreted as follows:

1. The constant is 0.488, meaning that if the product, price, place and promotion are constant, the purchase decision has a fixed value of 0.488.
2. The product variable regression coefficient is positive 0.335, meaning that increasing the product will increase the purchase decision by 0.335.
3. The price variable regression coefficient is positive 0.292, meaning that increasing the price will increase the purchase decision by 0.292.
4. The place variable regression coefficient is positive 0.255, meaning that increasing place will increase purchasing decisions by 0.255.
5. The promotion variable regression coefficient is positive 0.110, meaning that increasing promotion will increase purchasing decisions by 0.110.

3.2 Discussion

The Influence of Products On Purchasing Decisions

Products have a positive and significant effect on purchasing decisions, this is evidenced by the statistical value of the $t_{count} > t_{table}$ comparison, namely $2.519 > 1.659$ with a significant level of 0.001. The existence of a positive influence between products and purchasing decisions shows that the better the quality of the products provided, the higher the level of consumer purchases.

According to Kotler (2019) Products have a broad sense, namely everything that is offered, owned, used, or consumed so that it can satisfy wants and needs including physical, services, people, places, organizations and ideas. The products made are products that consumers need, therefore the marketing department seems to be tasked with being the "eyes" of the company, which must always be observant in observing consumer needs. Those in this section must continuously provide suggestions, improvements or if necessary, changes in product design, adjusted to the wishes of buyers. The results of this study are in line with research conducted by

Enggal, Bukhori, & Sudaryanti (2019), Utami (2019) and Salfina & Gusri (2018) which shows that products have a positive effect on purchasing decisions.

The Influence of Price on Purchasing Decisions

Price has a positive and significant effect on purchasing decisions, this is evidenced by the statistical value of the $t_{count} > t_{table}$ comparison, namely $2.666 > 1.659$ with a significant level of 0.009. The existence of a positive influence between price and purchasing decisions shows that the higher the price provided, the higher the level of consumer purchases. Price is the amount of money charged or charged for a product or service. Pricing of goods and services plays a strategic role in many companies as a consequence of deregulation, intense global competition and opportunities for companies to strengthen their market position. The results of this study are in line with research conducted by Enggal, Bukhori, & Sudaryanti (2019), Naufal & Magnadi (2017) and Utami (2019) showing that price affects purchasing decisions. At a certain price level, if the perceived benefits increase, the value will also increase. If the value perceived by customers is higher, it will create purchasing decisions for consumers. This means that if the product has benefits and is rare (limited edition) and in accordance with consumer desires, consumers will decide to buy the product.

The Influence of Place On Purchasing Decisions

Place has a positive and significant effect on purchasing decisions, this is evidenced by the statistical value of the comparison $t_{count} > t_{table}$, namely $2.533 > 1.659$ with a significant level of 0.013. The existence of a positive influence between location and purchasing decisions shows that the closer the location to the place provided, the higher the level of consumer purchases. According to Lupiyoadi (2006) location is a decision made by the company regarding where its operations and staff will be located. Choosing the wrong location for the company will result in losses for the company. Location determines the success of a service, because it is closely related to the potential market Kotler and Keller (2009) say that companies should carefully consider the selection of business locations for future development. The results of this study are in line with research conducted by Naufal and Magnadi (2017), Enggal, Bukhori, & Sudaryanti (2019) and Utami (2019) showing that location affects purchasing decisions.

The Influence of Promotion On Purchasing Decisions

Promotion has a positive and significant effect on purchasing decisions, this is evidenced by the statistical value of the comparison $t_{count} > t_{table}$, namely $2.130 > 1.659$ with a significant level of 0.047. The existence of a positive influence between promotion and purchasing decisions shows that the better the promotion provided, the higher the level of consumer purchases. If the promotional factor value increases by one Likert scale unit, the consumer decision will increase by 0.120. This research is confirmed by previous research conducted by Widyaningrum (2011), namely the promotion variable has no significant effect on consumer purchasing decisions at McDonald's Rungkut Surabaya.

The results of this study are in line with research conducted by Enggal, Bukhori, & Sudaryanti (2019), Silalahi & Susantri (2018) and Rahayu & Saputra (2019).show that location has an effect on purchasing decisions.

4. CONCLUSION

This study provides answers to the formulation of problems related to the marketing mix in influencing purchasing decisions for thrift goods in the community in Lhokseumawe City, where the marketing mix consists of product, price, place and promotion. The results of this study concluded that product, price, place and promotion variables have a significant influence on purchasing decisions. Given the limitations of this study, it is hoped that there will be additional

factors that can be analyzed in future studies, as well as the need to recruit more diverse respondents and in large numbers to get more diverse results to influence purchasing decisions.

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