

The Effect of Addressing Attraction And Price Reduction on Consumer Purchase Interest In Alfalah Car Service Medan

Putri Syahrída Pratiwi¹, Tukimin Lubis²

^{1,2} Fakultas Ekonomi Jurusan Manajemen Universitas Muslim Nusantara Al-Washliyah Medan
syahrída94@gmail.com¹, tukiminlbs22@gmail.com²

Abstract

This study aims to determine whether the attractiveness of advertising and price discounts have a positive and significant effect either partially or simultaneously on consumer buying interest at Alfalah mobil *service* Medan. This study uses a quantitative descriptive method with data analysis techniques used, namely multiple linear regression and hypothesis testing (t-test, F-test and coefficient of determination test). With a total population of 452 respondents with a tolerance limit of 10% which is calculated by the Slovin formula, the number of samples obtained is 82 respondents by determining the sample using *random sampling technique*. Meanwhile, the simultaneous test results show that the attractiveness of advertising (X1) and discounted prices (X2) has a positive effect on consumer buying interest at Alfalah Mobil Service Medan, it can be seen from the calculated F value (50.955) > F table (3.11) and a significant value of 0.000 < 0.05. The value of the coefficient of determination reaches 0.563, which means that the attractiveness of advertising and price discounts affects consumer buying interest at Alfalah Mobil Service Medan by 56.3%. While the remaining 43.7% is influenced by other factors outside of this study.

Keywords: Advertising Attractiveness, Discounts, and Consumer Buying Interest

Introduction

Alfalah Mobil *Service* Medan is one of the workshops that provides several service services such as car maintenance, *tune up*, *body repair*, *spooring balancing*, *overhaul*, *spare parts*, *painting*, oil changes, car AC, accessories and variations, which are located at Jalan Pelangi No. 28 cities of Medan with a strategic location making it easier for customers to carry out car maintenance.

Competition in this business is getting tougher as evidenced by the increasing number of privately owned workshops and official workshops belonging to vehicle sales/dealer companies. With this phenomenon, it shows that the car maintenance service business faces complex problems, this can be seen from the ups and downs of the number of consumers who perform services at Alfalah Mobil *Service* Medan.

Table 1 Number of Visitors to Alfalah Car Service Medan

| No | Month year | Visitors | Percentage |
|---------------|---------------|------------|------------|
| 1 | December 2021 | 145 | - |
| 2 | January 2022 | 120 | 17% |
| 3 | February 2022 | 100 | 20% |
| 4 | March 2022 | 87 | 13% |
| Amount | | 452 | |

Source: Alfalah car *service* Medan, 2022

Based on the table above, it can be seen that the number of visitors who perform service at Alfalah Mobil *Service* Medan has decreased. In December 2021 the number of visitors *servicing* as many as 145 visitors, but that number decreased in January 2022 by 17% or as many as 25 visitors to 120, in February 2022 again decreased from the previous month by 20% or as many as 20 visitors to 100 visitors, then in March 2022 the number of return visitors decreased by 13% from the previous month

or as many as 13 visitors to 87 visitors. This problem is quite interesting to study. There is a decrease in the number of visitors to Alfalah Mobil *Service* Medan, indicating that the increase and decrease are due to consumer interest in the services provided by Alfalah Mobil *Service* Medan.

At the service company Alfalah mobil *service* Medan, it was found that in terms of promotional strategies, it was still not optimal and needed to be improved, especially in terms of advertising. Based on the initial review that the author got from Alfalah Mobil *Service* Medan, it has weaknesses and does not yet have the right promotion strategy, resulting in less than optimal promotions and has not reached the sales target owned by Alfalah Mobil *Service* Medan. So far, the company has never advertised through any media, be it radio or newspapers. The promotional strategy implemented by Alfalah Mobil *Service* Medan currently only uses brochures that are only placed on the checkout counter and are rarely distributed to consumers so that they have no appeal in terms of advertising and only rely on word of mouth promotion which causes a lack of marketing activities in terms of promotion. resulting in a decrease in the level of sales in the company.

While the promotion strategy of the price discount dimension, the discount policy set by Alfalah Mobil *Service* Medan is still less effective at attracting consumer interest, this is because Alfalah Mobil *Service* Medan only provides a 5% discount , provided that repairs are at a cost of over Rp. 5,000,000 or for certain repair services and *spare parts* .

See how influential attractiveness of advertising and price discounts for consumer buying interest in achieving organizational goals , so in this study the authors are interested in raise a research title " The Effect of Advertising Attractiveness and Discounts on Consumer Purchase Interest at Alfalah Mobil *Service* Medan " .

The formulation of the problem proposed is:

1. Does advertising appeal have a positive and significant effect on consumer buying interest at Alfalah Mobil *Service* Medan ?
2. Do price discounts have a positive and significant effect on consumer buying interest at Alfalah car *service* Medan ?
3. What is the appeal of advertising and price discounts have a positive and significant effect simultaneously on consumer buying interest in Alfalah car *service* Medan ?

The objectives of this research are:

1. To find out whether the attractiveness of advertising has a positive and significant effect on consumer buying interest at Alfalah Mobil *Service* Medan.
2. To find out whether price discounts have a positive and significant effect on consumer buying interest at Alfalah car *service* Medan.
3. To find out whether the attractiveness of advertising and price discounts have a positive and significant simultaneous effect on consumer buying interest at Alfalah Mobil *Service* Medan.

According to Main (2020), ad attractiveness is the ability of an advertisement to attract consumer interest or target market n. Kotler and Keller (2016:84) *price discount* , is the savings offered to consumers from the normal price of a product, which is stated on the label or packaging of the product. Buying interest can be interpreted as a happy attitude towards an object that makes individuals try to get the object by paying with money or sacrifice (Schiffman and Kanuk, 2015: 37).

Methodology

research method used is the quantitative approach method . The population in this study is all consumers who visit to make purchases and *services* car at Alfalah car *service* Medan namely for 4 months starting from December 2021 to March 2022 totaling 452 consumers , using the slovin

formula, the number of samples obtained was 82 people. The data analysis technique used is the classical assumption test, multiple linear regression test and hypothesis testing.

Research Result and Discussion

Data analysis is defined as an effort to process data into information, so that the characteristics or properties of the data can be easily understood and used to answer the problem formulation (Kurniawan and Puspitaningtyas, 2016:102). The instrument in this study has been tested on 30 customers at *Alfalah Mobil Service Medan* using *correlation analysis* in the *Total Pearson Correlation column* then compared with the consulted r table with a significance value of 0.05 and to determine the value of the r table (sig.0.05) . With the help of SPSS version 24.0 for Window , the results of the validity test can be seen below:

Table 2 Validity test results

| Variable | Items | r count (N=30) | r table | Information |
|-------------------------------------|--------------|----------------|---------|-------------|
| Ad Attractiveness (X ₁) | Statement 1 | 0.736 | 0.3610 | Valid |
| | Statement 2 | 0.844 | 0.3610 | Valid |
| | Statement 3 | 0.778 | 0.3610 | Valid |
| | Statement 4 | 0.689 | 0.3610 | Valid |
| | Statement 5 | 0.724 | 0.3610 | Valid |
| | Statement 6 | 0.802 | 0.3610 | Valid |
| Discounts (X ₂) | Statement 1 | 0.851 | 0.3610 | Valid |
| | Statement 2 | 0.412 | 0.3610 | Valid |
| | Statement 3 | 0.484 | 0.3610 | Valid |
| | Statement 4 | 0.699 | 0.3610 | Valid |
| | Statement 5 | 0.653 | 0.3610 | Valid |
| | Statement 6 | 0.870 | 0.3610 | Valid |
| | Statement 7 | 0.729 | 0.3610 | Valid |
| | Statement 8 | 0.647 | 0.3610 | Valid |
| | Statement 9 | 0.917 | 0.3610 | Valid |
| | Statement 10 | 0.836 | 0.3610 | Valid |
| Consumer Buying Interest (Y) | Statement 1 | 0.787 | 0.3610 | Valid |
| | Statement 2 | 0.587 | 0.3610 | Valid |
| | Statement 3 | 0.634 | 0.3610 | Valid |
| | Statement 4 | 0.633 | 0.3610 | Valid |
| | Statement 5 | 0.451 | 0.3610 | Valid |
| | Statement 6 | 0.720 | 0.3610 | Valid |
| | Statement 7 | 0.497 | 0.3610 | Valid |
| | Statement 8 | 0.766 | 0.3610 | Valid |
| | Statement 9 | 0.591 | 0.3610 | Valid |
| | Statement 10 | 0.481 | 0.3610 | Valid |

Source: Processed primary data, 2022

From the calculation results, all of them have r arithmetic that is greater or higher than r table, for 30 respondents it shows the value of r count for all questions is greater than r table of 0.3610. As shown by the table, it can be seen that the attractiveness of advertising (X₁), discounted prices (X₂) and consumer buying interest (Y) are declared valid because r count is greater than r table, with the

lowest r arithmetic value $0.412 > 0,3610$ for 26 statements and an instrument is declared reliable if *Cronbach's Alpha* has a coefficient of 0.60 or more. The results of reliability testing can be shown in the following table:

Table 3 Reliability Test Results

| Variable | Alpha Cronbach (N = 30) | Coefficient Value | Information |
|-------------------------------------|-------------------------|-------------------|-------------|
| Ad Attractiveness (X ₁) | 0.853 | 0.6 | Reliable |
| Discounted Price (X ₂) | 0.895 | 0.6 | Reliable |
| Buying Interest (Y) | 0.817 | 0.6 | Reliable |

Source: Processed primary data, 2022

From the results of the reliability test as summarized in the table above, it is known that the reliability coefficient for all variables has a *Cronbach Alpha coefficient value* greater than 0.60, which means that each statement item in this research variable is reliable. So it can be concluded that the data obtained based on the answers to the questionnaire obtained can be analyzed further.

The classical assumption test is carried out so that the model obtained is truly has met the assumptions of the regression model equation. In this normality test, which is how to test whether the observations are normally distributed or not, this test uses a graphical test, namely through histograms and *probability plots*, as well as Kolmogorov-Smirnov statistical testing.

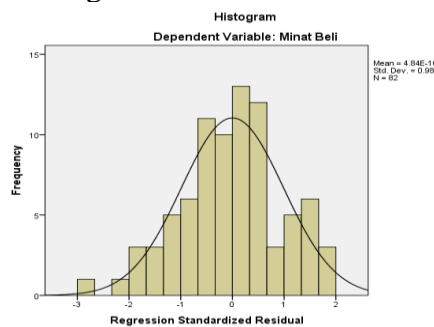


Figure 1 Histogram

Source: Processed primary data, 2022

Looking at the histogram above, it can be concluded that the pattern presented depicts data that is normally distributed following the existing histogram plot with an image shaped like a bell. However, this method is still relatively simple, therefore a second step is needed which is considered more accurate, namely by looking at the normal *probability plot*. In this normal p plot, the dots spread around the diagonal line. If the distribution points follow and approach the diagonal line, it can be said that the data has been normally distributed, as shown below:

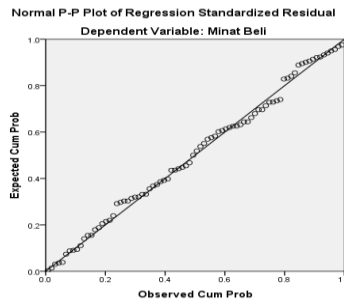


Figure 2 Probability Plot

Source: Processed primary data, 2022

Looking at the histogram graph and normal p-plot above, it shows that the distribution or distribution of the data looks normal. Thus, the data collected shows a normal distribution. Therefore, this regression model is feasible to be used in research because it fulfills the assumption of normality. In addition to normality testing using graphs, in this study the researchers also tested statistical normality using the Kolmogorov-Smirnov test, here are the results of the Kolmogorv-Smirnov test which can be seen in table 4 below:

Table 4
Normality Test Results
One-Sample Kolmogorov-Smirnov Test

| | | Unstandardized Residual |
|----------------------------------|--------------------------|-------------------------|
| N | | 82 |
| Normal Parameters ^{a,b} | mean | .0000000 |
| | Std. Deviation | 2.79065581 |
| | Most Extreme Differences | |
| | Absolute | .058 |
| | Positive | .050 |
| | negative | -.058 |
| Test Statistics | | .058 |
| asyp. Sig. (2-tailed) | | .200 ^{c,d} |

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Processed primary data, 2022

Based on table 4, the normality test using the Kolmogorov-Smirnov method is significant at $0.200 > 0.05$, it can be concluded that the regression method in this study has met the assumption of normality. Furthermore, after testing for normality, the next test is to test or detect the presence or absence of multicollinearity symptoms between independent variables. The equation model used is the *variance inflation factor* (VIF) and the *tolerance value*. The results of data processing using SPSS version 24.0, the output can be presented as follows:

Table 5 Multicollinearity test results Coefficients ^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | Collinearity Statistics | |
|-------|-------------------|-----------------------------|------------|---------------------------|-------------------------|-------|
| | | B | Std. Error | Beta | Tolerance | VIF |
| 1 | (Constant) | 6.081 | 2,953 | | | |
| | Ad Attractiveness | .728 | .113 | .487 | .960 | 1.042 |
| | Discounts | .409 | .064 | .482 | .960 | 1.042 |

a. Dependent Variable: Buying Interest
 Source: Processed primary data, 2022

The results of the calculation of VIF and *tolerance* of the independent variables in table 4.34 above show that the independent variables consisting of advertising attractiveness (X_1) and price discounts (X_2) do not experience multicollinearity. This is because the VIF value is < 10.00 and the *tolerance value* is > 0.10 . Because the value of the *variance inflation factor* (VIF) is less than 10.00 and the *tolerance value* is more than 0.10, it can be concluded that there is no influence between the two variables above and therefore these variables can be used to predict buying interest. consumer.

Heteroscedasticity testing is carried out using the *scatterplot graph method* by looking at the points formed must spread randomly above or below the number 0 on the Y axis. The following are the results of the test using the *scatterplot graph* :

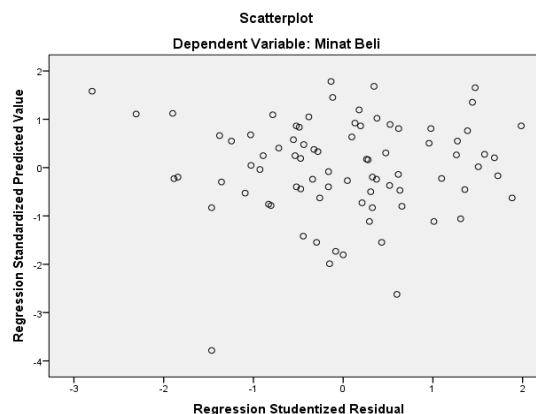


Figure 4.4 Scatter Plot

Source: Processed primary data, 2022

From the results of the test using the graphical method in Figure 4.4, it can be seen that the *scatterplot output* above shows that the points are spread out and do not form a certain clear pattern. So, it can be concluded that there is no heteroscedasticity problem.

Statistical calculations in multiple linear regression analysis used in this research is to use the computer program SPSS *for Windows* version 24.0. The results of data processing are summarized as follows:

Table 6 Results of Multiple Linear Regression Coefficients ^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6.081 | 2,953 | | 2,059 | .043 |
| | Ad Attractiveness | .728 | .113 | .487 | 6.417 | .000 |
| | Discounts | .409 | .064 | .482 | 6347 | .000 |

a. Dependent Variable: Buying Interest
 Source: Processed primary data, 2022

The regression equation model that can be written from these results is in the form of a regression equation as follows:

$$Y = +_1 X_1 + +_2 X_2 + e$$

$$Y = 6.081 + 0.728 X_1 + 0.409 X_2$$

Based on the above equation, researchers can interpret it as follows:

1. If the consumer's buying interest is not affected by the attractiveness of advertising and price discounts, or in other words the independent variable in this study is constant or = 0, then the consumer's buying interest will still be worth 6.081%.
2. If the attractiveness of advertising has an influence on consumer buying interest or in other words if the attractiveness of advertising has increased by 1 unit, then consumer buying interest will also increase by 0.728%. With the provision that consumers' buying interest is not affected by price discounts.
3. If the price discount has an effect on consumer buying interest or in other words if the price discount is implemented properly by 1 unit, then consumer buying interest will also increase by 0.409%. Provided that the attractiveness of advertising does not affect consumer buying interest.

Partial testing was carried out to find out that the independent variable advertising attractiveness and partial rebates have a significant effect significant on the dependent variable of consumer buying interest.

Table 7 Partial Testing Results (t-test) Coefficients ^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6.081 | 2,953 | | 2,059 | .043 |
| | Ad Attractiveness | .728 | .113 | .487 | 6.417 | .000 |
| | Discounts | .409 | .064 | .482 | 6347 | .000 |

a. Dependent Variable: Buying Interest
 Source: Processed primary data, 2022

To see the effect, you can compare t table with t count. T table seen in the statistical table. Where $df = \text{number of samples (N)} - \text{number of independent variables (K)} = 82 - 2 = 80$. Using the t distribution table and a significance level of 0.05, the t table value is 1.66412. If the significance > 0.05 then H_0 is accepted, and if the significance is < 0.05 then H_0 is rejected.

Based on the results of table 4.36 the attractiveness of advertising has a t count of 6.417, while the t table of 1.66412 so that $t \text{ count} > t \text{ table}$ and a significance value of $0.000 < 0.05$, thus H_1 is accepted and H_0 is rejected. So it can be concluded that the attractiveness of advertising has a positive and significant effect on consumer buying interest at Alfalah Mobil Service Medan.

The results of the partial test for discounted prices have a t count of 6.347 while a t table of 1.66412 then $t \text{ count} > t \text{ table}$ and a significance value of $0.000 < 0.05$, meaning that H_2 is accepted and H_0 is rejected. So it can be concluded that price cuts have a positive and significant effect on consumer buying interest at Alfalah Mobil Service Medan.

As explained earlier that the F test is used to see the effect simultaneously, then based on the *output* of the SPSS calculation, it is clear that the effect of the two independent variables together in this study in the form of advertising attractiveness and price discounts on consumer buying interest. The results of the F test calculations are presented in the following table:

Table 8 Simultaneous Testing Results (F-Test)

| | | ANOVA ^a | | | | |
|-------|------------|--------------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 813,740 | 2 | 406,870 | 50,955 | .000 ^b |
| | Residual | 630,809 | 79 | 7,985 | | |
| | Total | 1444,549 | 81 | | | |

a. Dependent Variable: Buying Interest

b. Predictors: (Constant), Discounts, Ad Attractiveness

Source: Processed primary data, 2022

From the results of these calculations obtained F count of 50.955 with a probability value (sig) = 0.000. Where $df = \text{number of samples (N)} - \text{number of independent variables (K)} - 1 = 82 - 2 - 1 = 79$. Using the distribution table F and the number of independent variables 2, the F table value is 3.11. If the significance > 0.05 then H_0 is accepted, and if the significance is < 0.05 then H_0 is rejected.

The calculated F value is $50.955 > F \text{ table}$ is 3.11 and a significant value is $0.000 < 0.05$, then it means that H_3 is accepted and H_0 is rejected, so it can be concluded that the independent variables are advertising attractiveness and price discounts together or simultaneously has a positive and significant effect on consumer buying interest at Alfalah Mobil Service Medan.

The Coefficient of Determination Test (R^2) aims to measure how big the role or ability of the independent variable (advertising attractiveness and price discounts) is on the dependent variable (buying interest). Based on the results of data processing with the help of *Statistical Product and Service Solution version 24.0* (SPSS), the following results are obtained:

**Table 9 Test Results for the Coefficient of Determination (R²)
Model Summary ^b**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .751 ^a | .563 | .552 | 2.82576 |

a. Predictors: (Constant), Discounts, Ad Attractiveness

b. Dependent Variable: Buying Interest

Source: Processed primary data, 2022

Based on table 9 shows that the value of *R square* (R^2) is 0.563. So this shows that the percentage of the influence of the independent variable (advertising attractiveness and price discounts) on the dependent variable (buying interest) is 56.3%, the remaining 43.7% is influenced by other factors not included in this study.

Conclusion

- 1) The attractiveness of advertising has a positive and significant influence on consumer buying interest at Alfalah Mobil *Service* Medan , it can be seen from the value of t count (6.417) > t table (1.66412) and sig (0.000) < 0.05, which means that accept H₁ and reject H₀.
- 2) Discounts have a positive and significant effect on consumer buying interest at Alfalah Mobil *Service* Medan , it can be seen from the value of t count (6.347) > t table (1.66412) and sig (0.000) < 0.05, which means that accept H₂ and reject H₀.
- 3) The attractiveness of advertising and price discounts simultaneously has a positive and significant effect on consumer buying interest at Alfalah Mobil *Service* Medan , it can be seen from the calculated F value (50.955) > F table (3.11) with sig level (0.000) < 0 0.05 (5%), which means that accept H₃ and reject H₀.

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