

Promotion and Product Quality in Determining Purchase Decision Smartphone Xiaomi

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Abstract: *This study revealed a gap between the lack of promotion and poor quality of Xiaomi smartphone products, but Xiaomi smartphone sales increased significantly from 3 percent to 25 percent in the Indonesian market. This study aims to determine whether promotion and product quality affect purchasing decisions of Xiaomi smartphones. The factors tested in this study were promotion and product quality as an independent variable, while purchasing decisions as the dependent variable. The research method used is descriptive method, with data collection techniques through observation and questionnaire distribution. The population of this research is Widyatama students who use Xiaomi smartphones, the research sample is 150 respondents. Data analysis uses multiple linear regression analysis at a significant level of 5 percent. The program used SPSS 25 and Lisrel 8.80. The results showed two independent variables namely promotion and product quality did not significantly influence the purchasing decisions of Widyatama students who used Xiaomi smartphones.*

Keywords: *Promotion, Product Quality, Purchase Decision.*

I. INTRODUCTION

Indonesia is one of the biggest market candidate countries for smartphone sales, because demand for the smartphone category is very high. There are several smartphone brands that compete in this business in Indonesia, including: Samsung, Apple, Huawei, Xiaomi, Lenovo and many more. This situation has caused intense competition among competitors in the telecommunications business.

Xiaomi is a mobile internet company focused on creating interesting experiences for users from all aspects. Xiaomi company quickly became one of the leading technology companies in China and even in the world when the company was founded in 2010. The company is now worth more than 10 billion USD and has more than 3000 employees [1]. In 2014, Xiaomi first expanded to Indonesia by selling through fast sales in lazada.

The Xiaomi Smartphone Company does not carry out promotional activities as stated by the Xiaomi CEO but Xiaomi smartphone sales have increased significantly. If there is no promotion and poor product quality, there will be a decrease in sales of Xiaomi smartphones. In a previous study conducted by Mulyana [2] that promotion and product quality had a positive influence on purchasing decisions. However, in fact Xiaomi smartphone sales are very high even though without promotion and product quality is not good.

II. LITERATURE REVIEW

Promotion

Malau [3] defines the notion of promotion as follows, promotion is one form of marketing communication. marketing communication referred to is a marketing activity that seeks to disseminate information, influence, persuade and remind target markets for companies and their products to always be willing to accept, buy, and be loyal to the products offered by

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a company.

Alma [4] defines the definition of promotion as follows, promotion is a type of communication that gives a convincing explanation to prospective consumers about the goods and services offered by the company.

Tjiptono [5] defines the notion of promotion as follows, promotion is an element of marketing mix that focuses on efforts to inform, persuade, and recall consumers of the company's brands and products.

What is meant by promotion used in this research is promotion which is a determining factor in the success of a marketing program that is not carried out by a Xiaomi smartphone.

according to Malau [3] sales promotion is a sales tool used to support company advertising. The types of sales promotions are alternative sales promotion tools that are oriented towards consumers; coupon, offer, bonus, sample, loyalty program.

According to Alma [4] there are 4 elements of promotion, namely:

1. advertising,
2. personal selling
3. public relations
4. sales promotion.

According to Tjiptono [5] in general the allocation of promotions will differ between the final consumer market and the business market. The priority order of allocation of promotion mix elements for the final consumer market is: 1. sales promotion, 2. advertising, 3. personal selling, and 4. public relations.

The dimensions of promotion used in this study are advertising and sales promotion.

Product Quality

Quality products are products that will be sought by consumers, because consumers want satisfaction when using these products, even consumers do not hesitate to spend more in order to meet their authority. Quality is an achievement that must be obtained by the company, because if the quality of a product will make consumers move to other producers in Malau [3].

According to According to Kotler and Keller [6], product quality an ability of goods to give results or performance that is appropriate and even exceeds what the customer wants.

Kotler and Armstrong [7], stated that product quality is a product's ability to demonstrate function, which is included in product quality is the overall endurance of products, discussing products, improving products, facilitating operations, and improving products, as well as several other product attributes.

The definition of product quality used in this study is product quality is the ability of a Xiaomi smartphone product that is classified as poor on offer to customers.

According to Malau [3] A product can be identified based on its benefits and functions. The level of importance of each of the benefits and functions of these products will vary in different market segments. The benefits and functions of this product differ in the following scope:

- a. Services provided
- b. Prices offered
- c. The design
- d. The packaging
- e. Guarantee or physical guarantee

According to Alma [4] the quality of this product can be stated in various ways, namely:

- a. The characteristics of goods
- b. Mention the type

- c. Mention information
- d. State his name

According to Tjiptono [5] consumers in general do not immediately know the quality of the product they bought.

Product quality can be determined by:

- a. the performance
- b. the features
- c. reliability
- d. suitability
- e. Durability

From the dimensions stated above from the experts regarding the dimensions of product quality, the researcher draws from the aforementioned design and durability.

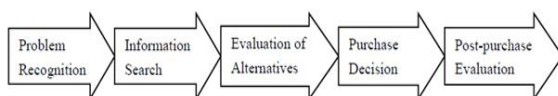
Purchase Decision

According to Kotler in Suhastono [8] consumer purchasing decisions are the final purchasing decisions of individuals and households that purchase goods and services for their own consumption.

Fahmi [9] customer decisions are consumer actions in deciding on a product that is considered to be a solution of the needs and desires of these consumers. Meanwhile, according to Setiadi in Fahmi [9], the definition of a purchasing decision is an integration process combining knowledge aimed at evaluating two or more alternative behaviors, and choosing one of them.

Understanding the purchase decision used in this study is the process or action of consumers in deciding to buy products offered by Xiaomi smartphones.

Figure 1. Purchase Decision



The decision to buy a product, both goods and services, arises because of emotional impulses from within and from outside influences. The purchasing decision process is a basic psychological process that plays a very important role in understanding how consumers actually make a form of their purchasing decisions. The five-stage model purchase decision process according to Kotler and Armstrong in Suhastono [8] is as follows:

1. Need Recognition
2. Information Search
3. Evaluation of Alternatives
4. Purchase Decision
5. Postpurchase Behavior

According to Dharmmesta and Handoko [10] each buying decision has a structure of seven components, namely:

1. Decisions about the type of product
2. Decisions about the form of product
3. Decisions about brands
4. Decisions about the seller
5. Decisions about the number of products
6. Decisions about the time of purchase
7. Decisions about how to pay

Whereas according to Simon in Fahmi [9] said, decision making takes place through four stages, namely:

- 1.Intelligence
- 2.Design
- 3.Choice
- 4.Implementation

The dimensions used in purchasing decisions to measure purchasing decisions of Xiaomi smartphones are the uses expressed by Kotler and Armstrong in Suhastono [8] regarding problem recognition, information search, alternative evaluation, and purchasing decisions.

The Relationship Between Price And Product Quality On Buying Interest

Akram at all [11] the first is product quality has a positive effect on OIBB and promotion has a significant effect on OIBB.

Limpo at all [12] The results in this study partially indicate the quality of products that have a significant and positive impact on purchasing results. This promotion has a significant and positive influence on purchasing decisions.

Brata, at all [13] The results showed that product quality, price, promotion, and location influence purchasing decisions, both partially and simultaneously at PT Jaya Swarasa Agung in Central Jakarta.

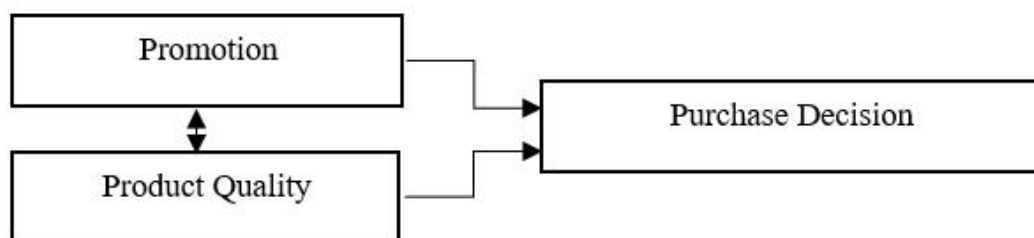


Figure 2. Research Paradigm

III. HYPOTHESIS

“Promotion and Quality have a positive effect on Xiaomi smartphone purchasing decisions on Widyatama University students.”

IV. METHODOLOGY

This research was conducted at Widyatama University in Bandung City, respondents in this study were students of Xiaomi smartphone users. Students who use Xiaomi smartphones at Widyatama University are not recognized by researchers. Therefore, the population using Xiaomi smartphones is unknown by researchers. By using the Maholtra method in Zulganef, this study used 120 respondents. In the research, 150 data were collected. For the first test carried out only for 30 respondents the results must be in accordance with the questionnaire determined by Alpha Cronbach more than 0.6 [14]. With this question can be asked and submitted to the right respondent. In data collection, sampling is done randomly. In this study, this is an opportunity for students to become respondents.

V. DISCUSSION

2.1 Profile Of Xiaomi Smartphone User Respondents

Of the 150 data that have been collected, 74.67% are male and 25.33% are female. Respondents are students who use Xiaomi smartphones. Classification based on age, 59.33% 17-25, 40.67%. Classification based on work, 77.33% did not work, 22.67 worked.

2.2 Promotion of Smart phone Xiaomi

Promotions conducted by Xiaomi smartphones are included in the rare category, where respondents in this study are consumers of Xiaomi smartphone users who have given negative answers in questions about Xiaomi smartphone promotions. The majority of consumers of Xiaomi smartphone users don't often see promotions by Xiaomi smartphones.

Table 1. Promotion of Smartphone Xiaomi

	INDICATORS	SCORE	CATEGORY
1	Student knowledge of knowing banners / billboards on the way of Xiaomi smartphones	328	Not often
2	Student knowledge of Xiaomi smartphone social media ads	298	Not often
3	Knowledge Widyatama University students know the ad impressions on Xiaomi smartphone television	152	Very Not Often
4	The importance of price discounts in determining the purchase of Xiaomi smartphones	299	Not important
5	The importance of the size of the discounted price in determining the purchase of Xiaomi smartphones	317	Not important
6	Winning Xiaomi smartphone discounted prices	312	Not attractive
Promotion Smartphone Xiaomi		1706	Not often

From the recapitulation table, the promotion variable explains that billboards or banners are supporting factors for consumers. This data shows that billboards or banners are still important for consumers. From the recapitulation table, the promotion variable explains that advertising on television is a limiting factor for consumers. This data shows that advertising on television is the lowest score data.

2.3 Product Quality Smartphone Xiaomi

Xiaomi smartphone users know about the quality of Xiaomi smartphone products. However, this knowledge can change the behavior of these consumers to buy Xiaomi smartphones. The results of distributing questionnaires regarding product quality can lead to the majority of consumers of Xiaomi smartphone users.

Table 2 Product Quality of Smartphone Xiaomi

	INDICATORS	SCORE	CATEGORY
.	The victory of the products given by Xiaomi smartphones	535	Interesting
.	The luxury of products given by Xiaomi smartphones	560	Luxury
.	The uniqueness of the product given by Xiaomi smartphone	415	Unique
.	The importance of the strength of Xiaomi smartphone products	581	Important
.	The importance of the age of the	531	Important

	product given from Xiaomi smartphones		
.	The importance of product age given from Xiaomi smartphones	576	Important
	Product Quality of Smartphone Xiaomi	3.198	Important

The table above shows, product quality variables explain that the strength of Xiaomi smartphones is a supporting factor for consumers. This data shows that the strength of Xiaomi smartphones is still important for consumers. Then from the recapitulation table of product quality variables explain that the uniqueness of inhibiting factors for consumers. This data shows that the uniqueness of Xiaomi smartphones is still the lowest score on product quality variables.

2.4 Purchase Decision of Smartphone Xiaomi

Consumers of Xiaomi smartphone users have confidence in the decision to buy products offered by Xiaomi smartphones, as evidenced by the results of the questionnaire showing the results of the total purchase decision variables including the sure category.

Table 3. Purchase Decision of Smartphone Xiaomi

	INDICATORS	SCORE	CATEGORY
.	The importance of product introduction to purchases from Xiaomi smartphones	579	Important
.	The influence of internal factors (yourself) for purchasing products from Xiaomi smartphones	587	Take effect
.	The influence of external factors (environment) for purchasing products from Xiaomi smartphones	495	Take effect
.	The importance of searching for product information from Xiaomi smartphones	632	Very important
.	Find out about product information searches from Xiaomi smartphones	583	Knowing
.	The effect of searching for product information from a Xiaomi smartphone	466	Take effect
.	Student confidence in the benefits of	579	Sure

	products from Xiaomi smartphones		
	Student confidence in product expectations from Xiaomi smartphones	587	Sure
	Student confidence in the product capabilities of Xiaomi smartphones	491	Sure
0	Student confidence in purchasing products from Xiaomi smartphones	632	Sure
1	Student pride in purchasing products from Xiaomi smartphones	583	Proud
2	The possibility of students to buy back products from Xiaomi smartphones	466	Maybe
	Purchase Decision of Smartphone Xiaomi	6.684	Sure

The purchase decision variable, it can be seen that consumers are sure to buy Xiaomi smartphones. Evidenced by the high score of confidence to buy a Xiaomi smartphone. Furthermore, in the recapitulation table, the purchase decision variable which is an inhibiting factor is the possibility of returning to buy because it has the lowest score in the purchase decision variable.

2.5 Hypothesis Testing

Table 4. Hypothesis Testing

1. Simultaneous Test				
Hypothesis	F _{count}	F _{table}	Result	Statistical Conclusion
H ₀ Promotion and Product Quality have no Effect on Purchase Decision	2,04	06	F _{count} > F _{table} Not Significant	H ₀ accepted. Promotion and Product Quality have no Effect on Purchase Decision
2. Partial Test				
Hypothesis	F _{count}	F _{table}	Result	Statistical Conclusion
H ₀ Promotion Has No	1,56	65	F _{count}	H ₀ accepted Promotion Has No Effect On Consumer

Effect on Consumer Purchase Decision			> Ftable Not Significant	Purchase Decision
H ₀ Product Quality Have No Effect On Purchase Decision	- 1,32	65	Fcount > Ftable Not Significant	H ₀ accepted Product Quality Have No Effect On Purchase Decision

From the above hypothesis, researchers prove that the promotion and quality of the product variables have no significant effect on purchasing decisions because consumers already know that Xiaomi smartphones have indeed become the top choice for lower middle class consumers and become the second smartphone for the upper middle class, so the advantages of product quality do not affect the purchase decision of Xiaomi smartphones.

VI. CONCLUSION

Promotions conducted by Xiaomi smartphones fall into the category of infrequency, where respondents in this study are consumers of Xiaomi smartphone users who have given negative answers in questions about Xiaomi smartphone promotions. The majority of consumers of Xiaomi smartphone users don't often see promotions that Xiaomi smartphones have done. The quality of products that have been given by Xiaomi smartphones to consumers explains that consumers of Xiaomi smartphone users know about the quality of Xiaomi smartphone products. However, this knowledge can change the behavior of these consumers to buy Xiaomi smartphones. Consumers of Xiaomi smartphone users have confidence in the decision to buy products offered by Xiaomi smartphones, as evidenced by the results of the questionnaire showing the results of the total purchase decision variables including the sure.

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