THE EFFECT OF PRODUCT, PRICE, DISTRIBUTION, AND PROMOTION ON THE PURCHASE DECISION OF RICE SEED PRODUCT IN JEMBER

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Abstract-The background of this research is the increase of return on sales of rice seeds product and the failure to achieve the sales target in 2021 which occurred at CV Bunga Tani Sejahtera, a producer of rice and corn seeds. Based on complaint data throughout 2021 indicate that there are problems with product, price, distribution and promotions, so evaluation and improvement are necessary. The purpose of this study was to determine the effect of product, price, distribution, and promotion on purchase decision of rice seed product in Jember. This study used 210 respondents that collected from four sub-districts in Jember, namely Balung, Gumukmas, Tanggul and Mayang. This research is quantitative research with multiple linear regression analysis method. The result showed that there is effect of product, price, and promotion on purchase decision of rice seed products in Jember. Meanwhile, distribution has no influence on purchase decision. Simultaneously, product, price, distribution, and promotion have an influence on the purchase decision of rice seed products in Jembe. The dominant influence on the purchase decision is product. The company is expected to improve product, evaluate price, and expand the promotion of rice seed products so the sales return can be reduced in the following years and market can develop.

Keywords: product, price, distribution, promotion, purchasing decision, marketing mix.

1. Introduction

The agricultural industry is an essential sector of the Indonesian economy. CV Bunga Tani Sejahtera is one of the companies engaged in agriculture, especially rice seed production since 2006. CV Bunga Tani Sejahtera has a factory located in Gugut Village, Rambipuji District, Jember Regency. Based on the results of the analysis of the company's performance in 2021, CV Bunga Tani Sejahtera experienced an increase in sales returns for free-market rice seeds sold to agricultural stores and distributors. In 2020, free-market rice seed sales returns managed to decrease by 12% compared to 2019. However, in 2021 sales returns increased by 60% compared to 2020. This is of course a problem for CV Bunga Tani Sejahtera because the company has to handle the returned seeds and there is a chance that the quality of the seeds has far decreased. In addition, the rice seed sales target will not be achieved in 2021. Jember Regency has the highest number of returns among other regions, especially Balung, Gumukmas, Tanggul, and Mayang Districts. The reason for the sales returns from 2021 to May 2022 at CV Bunga Tani Sejahtera according to 54 complaints made by agricultural shops and distributors is about distribution, products, prices, and promotions. One of the activities that companies can try to do to re-attract market interest in their products is to evaluate the marketing mix. Based on the problem of CV Bunga Tani Sejahtera rice seed products, the research focuses on the influence of products, prices, distribution, and promotion on the purchasing decisions of farmers in Jember Regency.

2. Literature Review

2.1 Previous Research

Research by Salam, N (2019) shows that products have a positive and significant effect on purchasing decisions, while price, distribution, and promotion only have a positive influence on purchasing decisions. Good price, distribution, and promotion variables if not supported by a good product will only have a positive but not significant effect. Promotion was the dominant variable in this study. Research by Pratiwi, N & Azka, B.P. (2020) shows that products and promotions influence purchasing decisions. Price and location do not influence purchasing decisions. However, product, price, location, and promotion simultaneously influence purchasing decisions. Research by Kumgosod, et al (2021) shows that marketing mix factors have a positive relationship to purchasing decisions. Price has the highest correlation to purchasing decisions, followed by promotions, products, and places.

2.2 Theoretical Foundation

2.2.1 Marketing Mix

In its development, many experts contributed ideas to the theory of marketing mix. One of them is Kotler (2016) who defines marketing mix as a group of variables that can be controlled and can be used to influence buyer response. Meanwhile, according to Kotler and Armstrong (2018: 79), the marketing mix or marketing mix is a series of tactical marketing tools that can be controlled (product, price, location, and promotion) that are combined by companies to produce the responses that companies want in the target market.

2.2.2 Product

Product refers to goods or services offered by sellers to consumers. Products according to Prafithriasari, M. & Fathiyakan, G. (2017) are a set of attributes that can be distinguished by characteristics, functions, and benefits. According to Kotler Keller (2016) in Kurnia, D.S (2021: 220), a product is something that can be offered to the market with the aim of meeting wants or needs, including goods, services, experiences, events, people, places, property, organizations, information, and ideas.

2.2.3 Price

Price is the only element of the marketing mix that brings revenue to the company. A price is a monetary unit or other measure (goods and services) exchanged to obtain property rights or use rights of a good or service (Tjiptono, 2019: 290). According to Kotler Keller (2016) in Kurnia, D.S (2021: 280), consumers may have a lower price limit where a price lower than that limit indicates poor quality, and an upper limit of price where higher prices are considered too excessive and not worth the money spent.

2.2.4 Place (Location or Distribution)

The place can be interpreted as a place or distribution (Isoraity, M, 2016). According to Tjiptono (2019: 343) defines broadly that distribution refers to various marketing activities that seek to facilitate and facilitate the delivery or distribution of goods and services from producers to consumers so that users are as needed (type, quantity, price, place, and when needed.

2.2.5 Promotion

The essence of promotion is a marketing activity that focuses on disseminating information, influencing or persuading, and reminding the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned (Tjiptono, 2019: 343). Promotion is an activity related to communication with consumers. Communication is representative of the company's voice and its brand, where companies can dialogue and build relationships with consumers (Kurnia, D.S, 2021: 352).

2.2.6 Purchasing Decision

Consumer behavior is the study of how individuals, groups, or organizations choose, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs or desires (Kotler Keller, 2016). Purchasing decision is a process where consumers assess various choices and determine one or more choices that are most needed based on certain criteria (Pratiwi, N &; Azka, B.P, 2020).

3. Research Framework
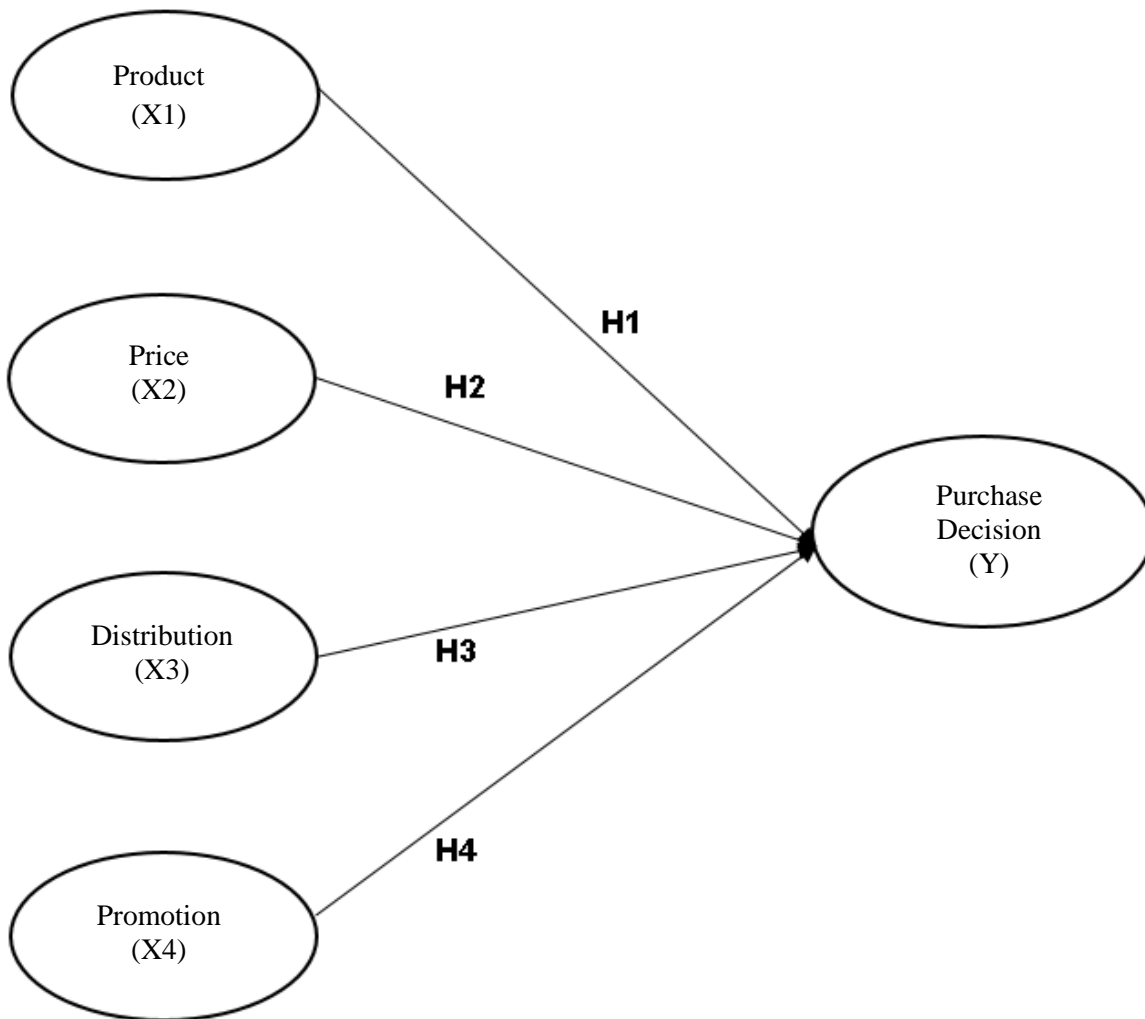
3.1 Analysis Model

Figure 3.1 Analysis Model

Processed by Researchers (2023)

3.2 Hypothesis

H1 = Product affects the decision to purchase rice seed products in the Jember Regency.

H2 = Price affects the decision to purchase rice seed products in the Jember Regency.

H3 = Distribution affects the decision to purchase rice seed products in the Jember Regency.

H4 = Promotion affects the decision to purchase rice seed products in the Jember Regency.

H5 = Product, price, distribution, and promotion simultaneously affect the purchase decision of rice seed products in the Jember Regency.

4. Research Methods

4.1 Research Approach

The approach used in this study is quantitative. This research was conducted in four sub-districts in the Jember Regency, namely Balung, Gumukmas, Tanggul, and Mayang Districts. The sample to be used in this study is 210 respondents. The questionnaire which became the primary data source in this study contained questions measured by the Likert Scale 1-4.

4.2 Variables and Operational Definitions of Variables

Table 4.1 Operational Definitions and Variable Indicators

Variable	Operational Definition	Indicators
X1	Product according to Kottler Keller (2016) is anything that can be offered to the market to satisfy a desire or need, including physical goods, services, experiences, events, people, places, property, organizations, information, and ideas.	Product indicators according to research Prafithriasari, M. & Fathiyakan, G. (2017) are: 1. Productivity 2. Varieties 3. Growth power 4. Expiration date 5. Seed labels 6. Packaging quality
X2	Price according to Tjiptono (2019) is a monetary unit or other measure (including goods or services) exchanged to obtain ownership rights or use of a good or service.	Price indicators according to research Susdiarto, B, et al (2013), namely: 1. Affordable price 2. Competitive price 3. Price according to benefits
X3	Distribution according to Tjiptono (2019) is a marketing activity that aims to facilitate the delivery of goods and services from producers to consumers so that users are by what is needed (type, quantity, price, place, and when needed.	Distribution indicators according to research Prafithriasari, M. & Fathiyakan, G. (2017) and Safitri, et al (2017) are: 1. Ease of seed access 2. Seed stock or seed availability. 3. Punctuality
X4	Promotion according to Tjiptono (2019) is a marketing activity that focuses on informing, persuading, and reminding consumers of the company's brand and products.	Promotion indicators according to research Prafithriasari, M. & Fathiyakan, G. (2017) and Safitri, S.A, et al (2017) are: 1. Promotion through brochures 2. Demoplot 3. Sales Force 4. Purchase bonus
Y	Purchasing decision according to Pratiwi, N & Azka, B.P. (2020) is a process carried out by consumers to assess various choices and choose one or more options needed based on certain considerations.	Purchasing decision indicators according to Amelia, et al (2015) are: 1. Product selection 2. Brand selection 3. Seller selection 4. Time of purchase 5. Purchase amount.

Processed by Researchers (2023)

4.3 Data Analysis Methods

The data analysis method in this study used multiple linear regression with SPSS software. Multiple linear regression analysis is used in this study because it can determine the influence of an independent variable on the dependent variable (Ghozali, 2018: 96).

5. Result and Discussion

5.1 Characteristics of Research Respondents

The highest number of respondents were in the age group of 41 to 50 years with 138 respondents (65.7%). The number of male respondents was 185 people or 88.1%. The highest number of respondents were in the group of farmers who owned their land with 173 respondents or 82.4%. The highest number of respondents were in the group of farmers who owned or rented land with an area of less than 1 hectare, namely 140 people or 66.7%. The highest number of respondents was in the group of farmers who planted rice twice a year with 131 respondents or 62.4%.

5.2 Description of Research Variables

The highest perception of respondents about products is found in the Productivity indicator (X1.1) which has a mean value of 3,705. The highest perception of respondents regarding prices is found in the Price According to Benefits indicator (X2.3) which has a mean value of 3,291. The highest perception of respondents regarding distribution is in the Ease of Access to Seeds indicator (X3.1) which has a mean value of 3,095. The highest perception of respondents regarding promotion is found in the Demo plot indicator (X4.1) which has a mean value of 3,324. The highest perception of respondents regarding purchasing decisions lies in the Product Selection indicator (Y1) which has a mean value of 3,648.

5.3 Hypothesis Testing

5.3.1 Multiple Linear Regression Analysis

The multiple linear regression equation obtained is:

$$Y = 0.949 + 0.491X1 + 0.313X2 + 0.118X3 + 0.217 X4$$

Constant = 0.949, Regression coefficient for X1 = 0.491, Regression coefficient for X2 = 0.313, Regression coefficient for X3 = 0.118, Regression coefficient for X4 = 0.217.

Statistical Test F (Simultaneous Parameter Significance Test)

The F value is calculated at 63,016 with a p-value of 0.000. The results show that the variables Product (X1), Price (X2), Distribution (X3), and Promotion (X4) have a significance value of < 0.05. This can mean that the variables Product (X1), Price (X2), Distribution (X3), and Promotion (X4) simultaneously affect the variables Purchase Decision (Y).

Statistical Test t (Individual Parameter Significance Test)

1. Testing the hypothesis of the effect of the variable Product (X1) yielded a calculated t value of 6.148 with Sig. 0.000. The test results show that the value of Sig. (0.000) < 0.05, so it can be interpreted that the Product variable (X1) has a partial effect on the Purchase Decision variable (Y).

2. Testing the hypothesis of the effect of the variable Price (X1) yields a calculated t value of 5.260 with Sig. 0.000. The test results show Sig. (0.000) < 0.05, so it can be interpreted that the Price variable (X2) has a partial effect on the Purchase Decision variable (Y).

3. Testing the hypothesis of the effect of the variable Price (X1) resulted in a calculated t value of 1.966 with Sig. 0.051. The test results show Sig. (0.051) > 0.05, so it can be interpreted that the Distribution variable (X3) does not have a partial effect on the Purchase Decision variable (Y).

4. Testing the hypothesis of the effect of the variable Price (X1) resulted in a calculated t value of 4.291 with Sig. 0.000. The test results show Sig. (0.000) < 0.05, so it can be interpreted that the Promotion variable (X4) has a partial effect on the Purchase Decision variable (Y).

5.3.2 Coefficient of Determination (R2)

The resulting value of 0.551 means that the independent variables Product (X1), Price (X2), Distribution (X3), and Promotion (X4) can explain the dependent variable of Purchase Decision (Y) by 55.1% and the remaining 44.9% is described by other variables not discussed in this study.

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5.4 Discussion

5.4.1 Product Influence on Purchasing Decision (H1)

Products statistically influence the purchase decision of rice seed products in Jember Regency. The results of this study mean that if the indicators on a rice seed product have better conditions, the purchasing decision of farmers in choosing the product will increase. In addition, statistically, the influence of products on purchasing decisions shows significant results so it also means that a good product will significantly increase farmers' purchasing decisions on a rice seed product.

5.4.2 The Effect of Price on Purchasing Decisions (H2)

Prices statistically influence the purchase decision of rice seed products in the Jember Regency. The results of the study mean that the better the price offered by the company, the more consumer influence on the purchase decision of rice seed products. The result is proved on a t-test (partial) with a significance of 0.000 or less than 0.05, which means that the hypothesis in this study is accepted.

5.4.3 The Effect of Distribution on Purchasing Decisions (H3)

Distribution statistically does not influence purchasing decisions for rice seed products in the Jember Regency. The results of the study mean that there is no relationship between distribution aspects to the increase or decrease in purchasing decisions for rice seed products in Jember Regency. These results are proven on a t-test (partial) with a significance of 0.051 or greater than 0.05, which means that the hypothesis in this study is rejected.

5.4.4 The Effect of Promotions on Purchase Decisions (H4)

Promotion statistically influences the purchase decision of rice seed products in Jember Regency. The results of the study mean that the better the promotion carried out by the company, the more it will increase consumer influence on the purchase decision of rice seed products. The result is proven by a t-test (partial) significance of 0.000 or less than 0.05, which means that the hypothesis in this study is accepted.

5.4.5 The Effect of Product, Price, Distribution, and Promotion on Purchasing Decisions (H5)

Product, price, distribution, and promotion statistically have a simultaneous influence on purchasing decisions for rice seed products in the Jember Regency. The results of the study mean that the better the product, price, distribution, and promotion carried out simultaneously, the more consumer influence will increase the purchase decision of rice seed products. The results are proven by an F test (simultaneous) significance of 0.000 or less than 0.05, which means that the hypothesis in this study is accepted.

6. Conclusion and Suggestion

6.1 Conclusion

1. Product (X1) influences the purchase decision (Y) of rice seed products in the Jember Regency.

2. Price (X2) influences the purchase decision (Y) of rice seed products in the Jember Regency.

3. Distribution (X3) does not influence the purchase decision (Y) of rice seed products in the Jember Regency.

4. Promotion (X4) influences the purchase decision (Y) of rice seed products in the Jember Regency.

5. Product (X1), price (X2), distribution (X3), and promotion (X4) have a simultaneous influence on the purchase decision (Y) of rice seed products in the Jember Regency.

6.2 Advice for companies

Companies are advised to improve product quality, evaluate prices, and expand promotions to optimize marketing measures. Companies should pay more attention to the issue of growth power, one way is to improve the quality of human resources and improve SOPs, especially CV Bunga Tani Sejahtera already has independent certification so it is necessary to improve human resources in the laboratory on an ongoing basis. To reduce the number of returns that occur, companies need to check stock on the condition of products that have been distributed

regularly to stores and distributors both by telephone and direct visits so that damaged products can be immediately withdrawn long before the expiration date.

6.3 Suggestions for Further Research

Researchers hope that this research can be useful for future researchers who want to conduct research in similar industries and is not limited only to the scope of Jember Regency. In addition, indicators and other variables can be used that are adjusted to the conditions of the research object used so that the results of the study can be analyzed more deeply.

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