



The Influence of Price, Brand Equity and E-Commerce on Purchasing Decisions of Shure Brand Microphones at PT. Sierra Mandiri Distribusindo

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ABSTRACT

This study was conducted to analyze and examine the effect of price, brand equity and e-commerce on purchasing decisions for Shure brand microphones at PT. Sierra Mandiri Distribusindo. This research uses quantitative methods, descriptive and causal relationships. Total population of customers of PT. Sierra Mandiri Distribusindo totaled 178 customers, using the Slovin formula obtained a sample of 124 customers. The data analysis method used is the classical assumption, multiple linear regression and hypothesis testing. The results of the study are partially price has a significant negative effect on purchase_ decision, equity. brand. and e-commerce has a significant positive effect on purchase_ decision. Simultaneously, price, brand equity and e-commerce have a significant effect on purchasing decisions for Shure brand microphones at PT. Sierra Mandiri Distribusindo. The amount of variation in purchasing decisions that can be explained by the variable price, brand equity and e-commerce is 38.5%, the remaining 61.5% is influenced by other variables.

Keywords:

Pricing, Brand Equity, e-Commerce and Purchase Decisions.

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1. Introduction

The growing development of the music industry in Indonesia can be seen from the increase in music enthusiasts due to the large number of talent search venues in the singing sector which has led to more shops selling musical instruments and music courses. Music can also be used as an attraction for business actors, for example in cafes, offices, relaxation places, malls and other public places in attracting visitors. Current developments in the music industry have had a positive impact on musical instrument providers in Indonesia. In Medan there are also many distributors of musical instruments that have their own characteristics, for example in terms of quality, price and various brands, to how to market their products. In this case, the distributor of musical instruments must be able to take the right strategy in facing competition in a business environment that moves very dynamically and is full of uncertainty. Therefore, every music company is required to compete competitively in terms of creating purchasing decisions on the products it sells.

PT. Sierra Mandiri Distribusindo Medan is a company that distributes / sells musical instruments and spare parts such as sound systems, microphones, speakers and others from various brands such as Yamaha, samson, jbl, dbx, alessis, xelulont, Shure and others. This research focuses on the Shure brand microphone product because this product is only marketed in Medan where of course there are other competitors with different brands. In marketing the Shure microphone product, there are problems in sales where sales are not maximized, for more details, see the data below:

Table 1.
Sales of Shure Microphones in 2019

| Month | Target | Realization |
|----------|-------------|-------------|
| January | 200,000,000 | 92,475,000 |
| February | 200,000,000 | 144,251,500 |
| March | 200,000,000 | 85,147.00 |
| April | 200,000,000 | 82,345,000 |
| May | 200,000,000 | 81,450,000 |



| | | |
|-----------|-------------|-------------|
| June | 200,000,000 | 155,476,000 |
| July | 200,000,000 | 150,399,000 |
| August | 200,000,000 | 75,251,000 |
| September | 200,000,000 | 81,251,000 |
| October | 200,000,000 | 85,632,000 |
| November | 200,000,000 | 87,250,000 |
| December | 200,000,000 | 157,450,000 |

Source: PT. Sierra Mandiri Distribusindo Medan

From table 1. above, it can be seen that sales of Shure microphones are unstable because usually the demand for Shure microphones increases in February, June, July and December because there are many holidays in those months so that the need for customers in karaoke places and cafes that serve live music is increasing. In addition, many other high-quality and cheaper microphones appeared which was one of the causes for the decline in sales. The availability of complete microphones also makes sales difficult to increase because the microphones are not ready in the warehouse so customers who already need microphones cannot wait and will eventually look for alternative brands in other companies so that product sales in 2019 will not reach the set target of 200 million.

Price is a determinant in customer purchase transactions where the price offered by a product is adjusted to the benefits the customer will enjoy. In fact, the price of the microphone is felt by the customer to be too expensive considering that the product has just been marketed so that many customers are not yet aware of it. In the following you can see a comparison of the price of Shure microphones with two other brands at different prices:

Table 2
Comparison of Microphone Product Prices

| Types of products | Shure | Krezt | Sennheiser |
|------------------------------|-----------|-----------|------------|
| Mic Cable Beta 58 use on off | 175,000 | 157,000 | 105,000 |
| Wireless Mic | 2,000,000 | 1,525,000 | 950,000 |

Source: PT. Sierra Mandiri Distribusindo Medan

From the microphone price comparison data, it can be seen that the price offered by the microphone is higher than other brands. Other brands provide a variety of attractive discounts that make customers interested in discounted prices.

Shure microphone products have a variety of quality from low to good with prices varying according to quality. This brand is relatively new where other similar microphone brands with almost the same quality have already been marketed by other distributors, so in practice the company's marketing has difficulty persuading customers to buy Shure brand microphones.

The existence of e-commerce, the influence of current globalization, has positive and negative influences. From a positive point of view, the existence of e-commerce provides benefits to companies in saving the burden of marketing these products, but the negative aspect that arises is that there are many other companies that also sell these brand products that offer different prices. This causes competition between products of the same brand. Companies take advantage of e-commerce such as Lazada, Tokopedia, Blibli.Com and other e-commerce to market their products. The company does not have its own website, so consumers cannot find complete information about the Shure brand microphone, for example, where it is produced, what are the advantages and whether there is a warranty and service center address for Shure products.

2. Literature Review

2.1. Effect of Price on Purchasing Decisions

According to Abdullah and Tantri (2014: 174), however, if prices are too high, the level of demand will decrease.

According to Siahaan (2012: 39), an increase in the price of an item will cause a decrease in demand for that product so that buyers will look for other products that can be used as a substitute for the desired item.

According to Hasan (2014: 521), price affects financial performance and has an important influence on buyer-perception and brand placement.

2.2. Effect of Brand Equity to the Purchase Decision

According to Sumarsono (2019: 56) brand equity can affect consumer confidence in purchasing decisions based on past experiences in use or proximity, association with various brand characteristics.

According to Tjiptono (2011: 42), a brand can be said to be successful (successful brand) if the buyer or user perceives that there is a relevant, unique and sustainable added value that meets their needs most satisfactorily.

According to Hasan (2014: 215-216), a strong brand will make it easier for consumers to evaluate, weigh and make buying decisions from all the details of values related to product performance, price, delivery, warranty, and others. Brands with a strong image are a synthesis for buyers of everything that suppliers have to offer, reducing the risk of complex purchasing decisions especially for technology-based products.

2.3. The Effect of E-Commerce on Purchasing Decisions

According to Hasan (2014: 779), e-marketing allows the entire sales cycle to be carried out immediately, starting from making consumers aware of products and providing additional information for final purchases. The Internet provides easy access to products and a boost to the ability to shop. Shoppers are able to find friends who can provide reliable insights or recommendations in cyberspace. Within seconds it can make consumers aware of products, including being able to buy online. With the available advertising techniques, consumers can identify price-quality products that are specifically served to more likely lead to a purchase.

According to Susilowati (2019: 121-122) online marketing is the most effective medium in increasing company sales. Because it only requires an internet network and can use several social media applications that are already widely used by many people. Apart from being easy to do, online marketing is also considered to have many benefits for business people.

According to Nurjanah, et al (2019: 157) The need for easy access and information that makes e-commerce affect purchasing decisions made by consumers.

2.4. Conceptual Framework

The conceptual framework for this study is described as follows:

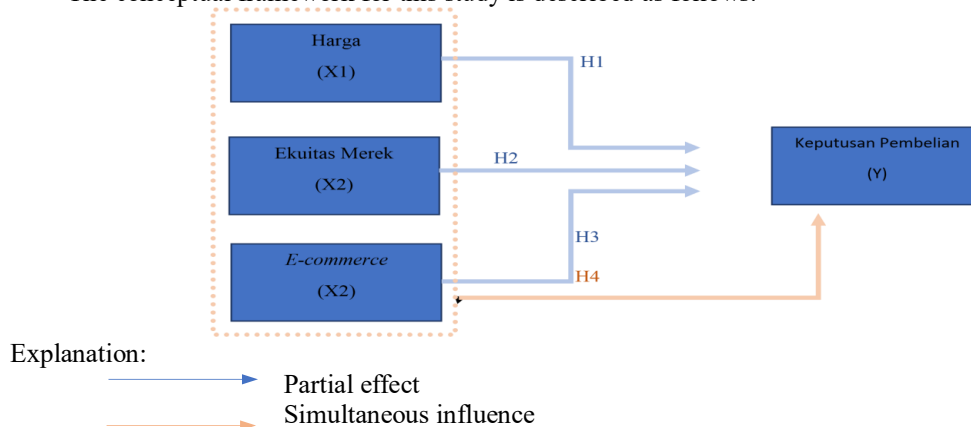


Fig 1. Conceptual Framework

2.5. Hypothesis

Based on the descriptions that have been described, the hypothesis of this research study is formulated, namely:

- H1: Price affects partially the purchase decision for Shure microphone products at PT. Sierra Mandiri Distribusindo.
- H2: Their equity has a partial effect on purchasing decisions for Shure microphone products at PT. Sierra Mandiri Distribusindo.
- H3: E-commerce influence partially on purchasing decisions for Shure microphone products at PT. Sierra Mandiri Distribusindo.
- H4: Price, Brand Image, E-commerce simultaneously influence the purchasing decision for Shure microphone products at PT. Sierra Mandiri Distribusindo.

3. Research methods

Location of research studies at PT. Sierra Mandiri Distribusindo which is located at Jalan Garuda Number 15 A / B / C Medan City 11221. This research is a type of quantitative research with a descriptive



approach and uses the nature of causal relationship research. The population of this study was 178 customers, which was calculated using the Slovin formula, so that the number of samples in this study was 124 customers.

Table 3
Operationalization of variables

| Variable a | Definition | Indicator | Scale |
|---------------------|---|---|--------|
| Price (X1) | Price is all forms of monetary costs sacrificed by consumers to own, utilize, obtain a number of combinations of products and services Source: Hasan (2014: 521) | 1. Basic price and discounts, 2. Payment terms, 3. Credit terms | |
| Brand Equity (X2) | Brand equity is a set of brand assets and liabilities associated with a symbol, name, brand that can reduce or add to the value provided by a product / service to the company and customers. Source: Sumarsono (2019: 56) | 1. Leadership, 2. Stability, 3. Market, 4. Internationality, 5. Trend, 6. Support, 7. Protection | Likert |
| e-Commerce (X3) | e-Commerce is a buying & selling transaction mechanism using internet facilities as a medium of communication Source: Sakti (2014: 12) | 1. Individual information, 2. Level of personalization, 3. Community information, 4. Information transmission, 5. Information processing Source: Firmansyah (2019: 29) | Likert |
| Buying decision (Y) | Purchasing decisions are behaviors based on the desires generated by consumers who consciously choose one of the available alternative actions Source: Sangadji and Sopiah (2013: 121) | 1. Decision on the type of product, 2. Form of product, 3. Brand, 4. Seller, 5. Number of products, 6. Time of purchase and 7. Method of payment Source: Sudaryono (2016: 119-120) | Likert |

R the equation for multiple linear regression analysis is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information :

- Y = Purchase decision
- X1 = Price
- X2 = Brand Equity
- X3 = e-commerce
- a = Constant
- b = Coefficient for independent variable
- e = Percentage error (5%)

4. Results and Discussion

4.1. Research result

This test uses multiple linear regression analysis. Regression model used is as follows :

Table 8
Equation regression
Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|-----------------------------|------------|---------------------------|-------|--------|------|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 20,904 | 3,673 | | 5,691 | ,000 |
| | Harga | -,495 | ,194 | -,213 | -2,551 | ,012 |
| | EkuitasMerek | ,190 | ,062 | ,232 | 3,058 | ,003 |
| | ECommerce | ,796 | ,115 | ,601 | 6,923 | ,000 |

a. Dependent Variable: Keputusan Pembelian

$$\text{Decision Purchases} = 20,904 - 0.495 \text{ Price} + 0.190 \text{ Brand Equity} + 0.796 \text{ E-commerce}$$

From the multiple linear regression equation above, it can be explained as follows:

- a) The constant of 20.904 states that if price, brand equity and e-commerce are worth it constant or 0 then the decision purchases of 20,904 units.
- b) The coefficient of the price variable is 0.495 and is negative (-), this means that every 1 unit price increase will result decreasing decision purchase of 0.495 units.
- c) The coefficient of brand equity variable is 0.190 and is positive (+), this means that every increase in brand equity of 1 unit will result in decision increase purchase of 0.190 units.
- d) The e-commerce variable coefficient is 0.796 and is positive (+), this means that every increase in e-commerce of 1 unit will result in decision increase purchase of 0.796 units.



A. Coefficient Determination (R2)

The coefficient of determination to see how far / percent is the influence of the independent variable on the independent variable. If it approaches 1/100%, it means that the influence of variable X on variable Y is very strong.

Table 9
Coefficient determination

Model Summary^a

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .633 ^a | .400 | .385 | 5,342 |

a. Predictors: (Constant), ECommerce, EkuitasMerek, Harga
b. Dependent Variable: KeputusanPembelian

Table 9 shows the results of the coefficient test Determination obtained Adjusted R2 value of 0.385, this means 38.5% of the variation in the dependent variable decision purchase can be explained by the independent variables price, brand equity and e-commerce meanwhile the remaining 61.5% (100% - 38.5%) is explained by other variables not used in this study.

B. Hypothesis test Simultaneously

The F test is used to show whether all the variables are independent / X i.e. price, brand equity and e-commerce that is entered in the regression model has a simultaneous influence on the dependent variable / Y decision purchase. The simultaneous test results are:

Table 10
Test f
ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 2286,783 | 3 | 762,261 | 26,716 | ,000 ^a |
| | Residual | 3423,895 | 120 | 28,532 | | |
| | Total | 5710,677 | 123 | | | |

a. Dependent Variable: KeputusanPembelian
b. Predictors: (Constant), ECommerce, EkuitasMerek, Harga

At $df_1 = 3$ and $df_2 = 120$, the magnitude of the F-table value at the 0.05 significance level is 2.68.

From the results of the SPSS calculation, the value of $F\text{-count} = 26.716 > F\text{-table} = 2.68$ with the level significance of 0.000 because $F\text{-count} = 26.716 > F\text{-table} = 2.68$ and the probability of significance is $0.000 < 0.05$, then H_a is accepted which means that price, brand equity and e-commerce are simultaneous positive / significant effect on decision purchase microphone Shure brand at PT. Siera Mandiri Distribusindo.

C. Testing Hypothesis Partially

T-test test to show whether there is a significant effect of one independent variable / X on the dependent variable / Y

Table 11
T test
Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 20,904 | 3,673 | | 5,691 | ,000 |
| | Harga | -,495 | ,194 | -,213 | -2,551 | ,012 |
| | EkuitasMerek | ,190 | ,062 | ,232 | 3,058 | ,003 |
| | ECommerce | ,796 | ,115 | ,601 | 6,923 | ,000 |

a. Dependent Variable: KeputusanPembelian

The value of t table for the probability of 0.05 at degrees of freedom $nk = 120$ is 1.97993. Thus the results of the t test can be explained as follows:

- a) In the variable X1, the value of -t is obtained $< -t \text{ table}$ or $-2.551 < -1.97993$ and significant $0.012 < 0.05$ then H_a accepted the meaning price is partially influential negative and significant to decision purchase microphone Shure brand at PT. Siera Mandiri Distribusindo.
- b) In the variable X2 brand equity, the value of $t\text{-count} > t\text{-table}$ or $3.058 > 1.97993$ and significant $0.003 < 0.05$ then H_a accepted the meaning brand equity is partially influential positive and significant to buying decision microphone Shure brand at PT. Siera Mandiri Distribusindo.



- c) In the e-commerce variable X3, the t-count > t-table or 6.923 is obtained 1.97993 and significant 0.000 < 0.05 then H_a accepted the meaning partially e-commerce take effect positive and significant to buying decision microphone Shure brand at PT. Sierra Mandiri Distribusindo.

4.2. Discussion of Results Research

A. Influence Price Against Decision Purchase

The results of the analysis / test show that there is a negative and significant effect on price buying decision microphone Shure brand at PT. Sierra Mandiri Distribusindo with n-t count < -t table or -2,551 < -1,97993 and a significant value of 0.012 < 0.05.

The results of this study are the same as those of Mahanani (2018), namely that price has a negative and significant effect against purchasing decisions Mataharimall.com products.

According to theory Siahaan (2012: 39), if the price of an item rises, then the demand for that product will decrease and buyers will look for other alternative goods that can be used as a substitute for these goods.

B. The Effect of Brand Equity on Decisions Purchase

The analysis / test results show that there is a positive influence on brand equity and significant against decision purchase microphone Shure brand at PT. Sierra Mandiri Distribusindo with value t-count > t-table or 3.058 > 1,97993 and a significant value of 0.003 < 0.05.

The results of this study are the same as those of Kevinli and Gultom (2020), namely brand equity has a positive effect and significant against consumer purchasing decisions on Quality Fried Chicken Jalan Ismaliyah Medan.

According to Sumarsono (2019: 56) can brand equity affect consumer confidence in decision making purchase on a deep past experiences use or closeness, association with various brand characteristics.

C. The Effect of E-commerce on Decisions Purchase

The results of the analysis / test show that there is a positive effect of e-commerce significant against decision purchase microphone Shure brand at PT. Sierra Mandiri Distribusindo with value t-count > t-table or 6,923 > 1,97993 and value significant at 0.000 < 0.05.

The results of this study are the same as those of Ramdhan's research (2019), namely e-commerce has a positive effect and significant to the decision purchase of a House of Smith distro.

The results of this study also agree with Hasan (2014: 779) with e-marketing allows the whole cycle sales are instantaneous, starting from make consumers are aware of products and deliver additional information for the final purchase.

5. Conclusion

Conclusion of this research are:

- Individually, the price has a negative and significant effect to buying decision microphone Shure brand at PT. Sierra Mandiri Distribusindo with n-t value count (-2,551) > -t table (-1.97993) and a significant value of 0.012 < 0.05.
- Individually, brand equity has a positive and significant effect to decision purchase microphone Shure brand at PT. Sierra Mandiri Distribusindo with value t count (3,058) > t table (1.97993) and a significant value of 0.003 < 0.05.
- Individually, e-commerce has a positive and significant effect to decision purchase microphone Shure brand at PT. Sierra Mandiri Distribusindo with value t count (6,923) > t table (1.97993) and a significant value of 0.000 < 0.05.
- Simultaneously, price, brand equity and e-commerce have a significant effect to decision purchase microphone Shure brand at PT. Sierra Mandiri Distribusindo F count = 26.716 > F table = 2.68 with a significance level of 0.000 < 0.05 and the test results of the coefficient of determination show 38.5% of the variation in the dependent variable which can be explained by the independent variable / X: price, brand equity and e-commerce whereas the remaining 61.5% is explained by other unused variables in this research.

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