The Effect of Price and Promotion on Purchasing Decisions for Alexandre Christie Watches in Palembang City

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KEYWORDS	ABSTRACT
Price; Promotion; Buyer's Decision;	In today's digital era, effective Marketing Public Relations (MPR) strategies are crucial for businesses to remain competitive and increase consumer engagement. This research aims to analyse the influence of price and promotion on purchasing decisions for Alexandre Christie watches in Palembang City. The sample includes 100 respondents selected using purposive sampling, and data was collected through questionnaires with a Likert scale. The research employed multiple linear regression analysis using SPSS version 25. The findings reveal that both price and promotion variables significantly and positively impact purchasing decisions, partially and simultaneously. This study contributes to the growing body of literature by highlighting the importance of targeted pricing strategies and digital promotions in influencing consumer behaviour, particularly in the fashion accessory market. The results suggest that businesses should maintain competitive prices and leverage promotions to align with market demands and consumer preferences.

Introduction

Today's millennial generation is no stranger to technological advances that are increasingly up-to-date in accessing information, including information about the world of Fashion (Faerm, 2021; Purwanto et al., 2022; Safira, 2023). Trend fashion in Indonesia is influenced by an outside culture that sees various changes that have occurred during the development of these trends (Tarigan et al., 2023). Trend fashion can be related to the style of clothing, jewellery, and accessories that became popular over time. Moreover, tren fashion also represents social and economic status, which defines popularity. In its initial development, fashion trends in Indonesia tended to imitate Western styles both in the materials used and in the design (Mega, 2017).

Fashion accessories such as jewellery and watches are in high demand, and most people like to wear watches because they remind people of the time. Initially, watches only had a modest shape, and few large companies sold branded watches. The current trend is that more and more watches with new brands are acceptable to the market, so the competition between the watch industry regarding product quality and watch models will increase. Watches themselves are one of the

important components in the world of fashion, which often attract the attention of fansFashion. Every year, you can witness a change in trends in the world of watches (Rahmat, 2023).

The increase in the number of diverse foreign Watch products in Indonesia today shows that the market share of Watches in Indonesia is still very large and wide. Brands such as Alexandre Christie, Guees, Police, Nautica, Seiko, Casio, and others have pioneered the development of the Watch Industry in Indonesia. A brand's diversity of Watch models results from fierce competition to become well-known (Vedhitya, 2023).

For this generation, fashion symbolises confidence in purchasing decisions, including the items they buy. This condition causes fierce competition for Alexandre Christie Watches in the market, impacting prices, promotions, products and venues and deciding to buy watches in Palembang. This threat can disrupt the existence of Alexandre Christie watches among the public, especially in Palembang.

Promotion is a way for companies to convey information about a product to consumers so they are interested in buying it. Promotion also means persuading consumers to know more about the product and recognise it so that they can consider buying it (MediaIndonesia, 2022).

Price can be the amount paid for a service or the value consumers pay for its product or service. Therefore, price is essentially the value that the buyer gives to the seller or service provider to meet the needs and desires of the buyer related to a good or service (Meriana & Rosa, 2018).

Danyndra et al. (2021) conducted research entitled The Influence of Products, Prices, Places and Promotions on Purchase Decisions at Classic Watches.id Stores. The study results obtained that the two independent variables (Price and Promotion) from the results of the T Test and the F Test stated that the simultaneous influence of all variables on consumer satisfaction showed significant results.

Samuel Christian and Abdullah (2015) researched "The Influence of Price, Product, Promotion and Place on the Purchase Decision of Matoa Brand Watches." The results obtained from the T-test and F-test stated that the variables simultaneously affected consumer satisfaction and showed significant results.

The competition among these brands has driven a focus on Marketing Public Relations (MPR) strategies, where companies use digital platforms to build brand awareness and influence purchasing decisions. However, while previous studies such as those by Danyndra et al. (2021) and Samuel Christian and Abdullah (2015) have analysed the impact of traditional marketing variables like price and promotion on consumer behaviour, these studies have not thoroughly explored how MPR strategies, particularly in the digital context, can be used to enhance brand visibility and customer loyalty. Furthermore, the specific case of Alexandre Christie watches in the Palembang market, a highly competitive space, has yet to be fully examined.

This study aims to fill this gap by analysing the combined impact of price and promotion in the context of digital marketing strategies on purchasing decisions for Alexandre Christie watches. Unlike previous research focusing on broader fashion markets or product categories, this research narrows its focus to the specific influence of digital promotions and pricing strategies in the luxury watch industry. By examining how these factors interact within a highly competitive local market like Palembang, this study offers a more nuanced understanding of consumer behaviour in this

segment, providing a fresh perspective on how companies can tailor their MPR strategies to optimise customer engagement and sales.

This research aims to determine how price and promotion influence purchasing decisions for Alexandre Christie watches. More specifically, it seeks to understand how competitive pricing and targeted promotional activities can be leveraged to improve brand presence and drive sales. This study provides significant practical implications for the watch industry, especially for luxury and mid-range brands. For industry players, the findings offer insights into how businesses can adopt effective digital marketing strategies to remain competitive. For marketers and brand managers, the results emphasise the importance of aligning promotional efforts with consumer expectations in local markets like Palembang. This research could also guide future product development and pricing strategies that reflect the unique preferences of Indonesian consumers, enhancing market penetration and customer loyalty.

In addition, this study's findings have broader implications for the luxury accessory sector, offering a roadmap for how brands can effectively use price adjustments and digital promotions to compete in emerging markets. This research contributes to a better understanding of how MPR strategies in the digital age can be applied in specific industries to boost consumer engagement and loyalty.

Materials and Methods

This study employs a descriptive quantitative approach to analyse the effect of price and promotion on the purchasing decisions of Alexandre Christie watches in Palembang City. Data was collected through a questionnaire distributed to 100 respondents selected via purposive sampling. Measurements were conducted using a Likert scale, and the data was analysed using multiple linear regression with SPSS version 25 (Ghozali, 2018; Sugiyono, 2019).

Several regression assumption tests were performed to ensure the validity and reliability of the regression model. Normality testing was conducted to ensure that the data follows a normal distribution using the Kolmogorov-Smirnov test. Multicollinearity testing was performed to ensure no strong linear relationship between the independent variables, assessed through the Variance Inflation Factor (VIF) and Tolerance values. Multicollinearity is considered absent if the VIF is below ten and the Tolerance value is greater than 0.1.

Additionally, heteroscedasticity testing was conducted to check whether the variance of the residuals was constant. This was tested using the Glejser test or by examining the scatterplot of residuals against predicted values. If no clear pattern is found, heteroscedasticity is not present. Finally, autocorrelation testing was done using the Durbin-Watson test to ensure that the residuals between observations were not correlated. A Durbin-Watson value close to 2 indicates no autocorrelation.

By performing these regression assumption tests, the validity of the regression analysis results is ensured, making the conclusions derived from this study reliable.

Results and Discussions

The results of the data management carried out can be seen in the following table (Laksana, 2019)

Table 1. R Square
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,815a	,664	,657	1,000

a. Predictors: (Constant), Promotions, Prices
b. Dependent Variable: Purchase Decision

Source: Processed data, 2024

The R-value in Table 1 is obtained as 0.657, which means that the influence of the independent variable on the dependent variable is as large as. This shows that the variation of the three independent variables of price and promotion can explain 65.7% of the variation of the dependent variable of the purchase decision. Other variables not included in this study affected the remaining 34.3% outside the study.

Table 2. Test T
Coefficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	t	Mr.
		B	Std. Error	Beta		
1	(Constant)	1,855	,822		2,256	,026
	Price	,545	,075	,570	7,226	,000
	Promotion	,193	,048	,315	3,996	,000

a. Dependent Variable: Purchase Decision

Source: Processed data, 2024

a. The price has a significant value of 0.000 < 0.05 and 7.226 > 1.985, so the price variable has a positive and significant influence. t_{hitung} t_{tabel}
b. Promotion has a significant value of 0.000 < 0.05 and 3.996 > 1.985, so the price variable has a positive and significant influence. t_{hitung} t_{tabel}

Table 3. Test F
ANOVA

Model		Sum of Squares	df	Mean Square	F	Mr.
1	Regression	191,619	2	95,810	95,868	,000b
	Residual	96,941	97	,999		
	Total	288,560	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant), Promotion, Price

Source: Processed data, 2024

The F test in Table 3 has a significant value of 95.868, which means that price and promotion variables influence consumer satisfaction.

The Effect of Price on Partial Consumer Satisfaction

This study produced significant values of 0.000 < 0.05 and 7.226 > 1.985, so the price variable has a positive and significant influence by research conducted by Dio Diva, Tinneke and Olivia, which states that price significantly influences purchasing decisions.

The Effect of Promotion on Partial Consumer Satisfaction

This study produced a significant value of 0. .000 < 0.05 and 3.996 > 1.985, then the price variable has a positive and significant influence. This is in accordance with research conducted by Samuel Christian and Abdullah, which states that promotion influences consumer satisfaction.

The Influence of Price and Promotion on Simultaneous Purchase Decisions

The results of the F test that have been carried out obtained that the significant value is 0.000 < 0.05, which means that it has a simultaneous positive influence on the price and promotion of the purchase decision of Alexandre Christie watches in Palembang. Value Adjusted R Square 0.657 or 65.7% shows that price and promotion variables affect purchase decisions, and the remaining 34.3% was obtained from variables outside this study. Price variables have a positive and significant influence on the decision to buy Alexandre Christie watches in the city of Palembang in accordance with the wishes and satisfaction of consumers. The promotional variable has a positive and significant influence on the promotion that Alexandre Christie Watches has carried out in the city of Palembang to meet the will and desires of consumers. The promotion also reached its target and attracted watch enthusiasts (Sedky et al., 2022).

Conclusion

Based on the research that has been conducted, it is concluded that the price variable has a positive and significant effect on the purchase decision variable, with a significant value of 0.000 and a value of 7.226 > 1,985. The promotion variable has a value of 0.000 and a value of 3.996 > 1.985, so the price variable has a positive and significant influence. Simultaneously, the price and promotion variables have a value of 95.868, a significant value of 0.000. Based on the results of this study can be used as a suggestion to Watch stores that sell the Alexandre Christie brand in Palembang City can use this research as a reference and input in implementing influential variables in Palembang City by maintaining competitive prices and building and promotions through their target market, For research, It is hoped that this research can increase the researcher's insight and knowledge to readers and researchers. For future researchers, hopefully, this research can develop by adding new variables that are relevant to the decision to buy watches in the city of Palembang.

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