

Analyzing the Impact of Pricing, Promotions, and Customer Experience on Purchase Decisions: A Case Study of Birth Control Pill Sales by a Pharmaceutical Company in Palembang

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ABSTRACT

The business sector is undergoing significant expansion, compelling enterprises to compete fiercely. Presently, purchase decisions are impacted not only by the quality of the product or service but also by Price, advertising, and experience. This study seeks to assess the impact of pricing, promotion, and experience on Andalan KB PIL's purchasing decisions at a Palembang pharmaceutical company. This research employs a quantitative methodology. The sample population comprises multiple pharmacies distributing Andalan KB PIL at a pharmaceutical company in Palembang.

Consequently, 30 samples were acquired that satisfied the criterion. Data analysis employing statistical tools, specifically the SPSS Version 26 application. The study's results indicated that Price did not exert a positive and significant partial effect on purchase decisions, with a significance value of 0.001 (<0.005) and a computed t value of 0.741 (<1.699). Promotion does not exert a positive and significant partial effect on purchasing decisions, evidenced by a significance value of 0.000 (<0.005) and a t -count value of 0.906 (<1.699). The Experience variable does not significantly influence purchase decisions, evidenced by a significance value of 0.000 (less than 0.005) and a t -count value of 0.726 (less than the t -table value of 1.699). The significance at 5% with $df_1 = 3$ and $df_2 = 26$ yielded an F -table value of 3.315. Since the F -count exceeds the F -table and the significance value is 0.000, which is less than 0.005, it can be stated that the variables of Price, promotion, and experience collectively exert a substantial influence on purchasing decisions.

Keywords: Price, Promotion, Experience, Purchasing Decisions.

INTRODUCTION

The business sector is currently undergoing fast expansion, compelling enterprises to engage in intense competition. Alterations in consumer behavior are becoming increasingly evident, along with the rise in purchasing power. Consequently, customer requirements are increasingly varied. At present, purchase decisions are impacted not just by the quality of the product or service but also by various considerations, including personal preferences and the pursuit of fulfillment. (Rivaldo, Kamanda & Yusman, 2022; Yusuf & Matiin, 2022) Policies and rules governing the company's marketing initiatives are periodically implemented at various levels, particularly in response to the dynamic environment and competitive situations. *Price* is narrowly defined as the monetary amount people pay to acquire a product or service. Price plays a crucial part in marketing as it is a constant factor in all purchasing scenarios and is a primary indicator for consumers. (Rajasa, Manap, Ardana, Yusuf & Harizahayu, 2023; Cahaya, Siswanti, Putra & Pattiwael, 2023) Price is a primary aspect in the consumer perception process, where the established price can sway the evaluation of a product or service. Price positively influences purchase decisions.

Table 1. Data on Selling Prices of Birth Control Pills at Pharmaceutical Companies in Palembang

Year	Price
2020	182,160
2021	182,160
2022	203,500
2023	212,573
2024	212,573

Table 2. Selling Price Data for Each Birth Control Pill Brand

Birth Control Pill Product Brands	Price
Pastinor	27,750
Trinordiol	20,979
Microginon	208,497
Yasmin	215,539

Table 2 illustrates a year-on-year increase in the selling price of birth control tablets at pharmaceutical companies in Palembang and presents a comparative analysis of pricing for each brand of birth control tablets. Besides price, promotion is also a determinant that affects purchasing decisions.

Promotion is a crucial element of marketing operations that informs consumers about the arrival of a new product, enticing them to make purchases. Discounts are price reductions offered by sellers to buyers as a reward for specific actions that are advantageous to the seller. *Promotion* is a significant determinant that affects

purchasing decisions. (Ridwan, 2022; Patil & Rane, 2023; Aripin, Susanto & Sikki, 2023) Promotion exerts a favorable and substantial influence on purchasing decisions. Promotions do not influence purchasing decisions. Besides price and advertising, experience is another aspect that affects purchasing decisions. (Nasution, Harahap & Ritonga, 2022; Ilham, Widjaja, Sutaguna, Rukmana & Yusuf, 2023; Kasmad, 2022)

Experience is crucial in determining purchasing decisions, influencing consumers' likelihood of repeat purchases. Experience constitutes an interaction between the supplier of goods or services and the consumers. Experience is crucial in procurement decisions. Experience influences purchasing decisions. Experience does not influence purchasing decisions. (Dewi & Sulivyo, 2022; Alatas, Karyatun & Digdowiseiso, 2023) The company must consider the aspects above to influence consumer purchasing decisions. The cost of the primary birth control pill from a pharmaceutical business in Palembang remains elevated compared to other distributors. The promotion solely depends on manufacturers, as the pharmaceutical company in Palembang offers minimal promotional efforts, resulting in limited customer outreach. (Syahmidar, Suherman & Siregar, 2022; Dakhi, 2023; Sinaga, 2023) Based on the preceding background explanation, the author presents the title The Influence of Price, Promotion, and Experience on Purchasing

Decisions of Mainstay Birth Control Pills by Retailers at Pharmaceutical Companies in Palembang.

METHOD

This study employs quantitative methodology, concentrating on numerical data collection and statistical analysis. The quantitative method was selected to acquire objective and measurable outcomes concerning the impact of price, advertising, and customer experience on purchasing decisions for Andalan birth control pills marketed by a pharmaceutical firm in Palembang.

Primary data was collected by administering questionnaires to employees of a pharmaceutical company in Palembang. The primary data collection tool was the questionnaire, comprising questions or statements intended to investigate specific information pertinent to the research variables. Participants were requested to furnish responses representing their experiences or perspectives on the research subject. Secondary data, conversely, was acquired from pre-existing records, reports, or other pertinent sources relevant to this study.

The subjects of this study were clients of the Andalan birth control pill distributed across numerous pharmacies in Palembang affiliated with the pharmaceutical company. This study utilized a sample of 30 respondents to guarantee

adequate representation of the overall population.

This figure was established based on the premise that respondents could furnish pertinent and reliable data by the analytical requirements.

The results obtained from the questionnaire were evaluated with statistical methods to examine the link and impact among the variables: pricing, promotion, customer experience, and purchase decisions. This analysis was performed to ascertain how each variable influences client purchasing decisions. This study aims to elucidate the elements that affect customer purchasing decisions in the pharmaceutical business, particularly with Andalan birth control pills. Consequently, the findings of this study inform the development of more effective marketing tactics in the future.

RESULTS and DISCUSSION

A *validity test* is an evaluative instrument utilized in a questionnaire. The validity test assesses the legitimacy of the question items included in the investigation. A validity test assesses the validity of a questionnaire or survey. Reliability assesses the stability and consistency of respondents' answers about question constructs and dimensions of a variable presented in a questionnaire format. Reliability is assessed using the Cronbach's alpha coefficient, with a variable deemed dependable if the Cronbach's alpha value exceeds 0.60.

Table 3. Assessment of Validity and Reliability

No	Pricing	Promotions	Customer Experience	Purchase Decisions
1	0,752	0,894	0,863	0,887
2	0,613	0,790	0,423	0,737
3	0,544	0,399	0,810	0,762
4	0,626	0,571	0,738	0,788
5	0,456	0,832	0,582	0,361
Cronbach's Alpha	0,752	0,938	0,820	0,704

Table 3 illustrates that all significant values below 0.05 demonstrate that the validity test findings for each item are statistically significant, confirming that the items accurately measure the desired constructs. All statement items have a *r* count exceeding the *r* table value of 0.361, with a significant value below 0.05. It can be determined that all statement items are deemed valid. All variables exhibit a Cronbach's alpha value exceeding 0.6, indicating that the items within each variable consistently measure the same construct. A Cronbach's alpha score exceeding 0.7 signifies that the measurement equipment employed in this study is reliable and yields consistent results upon repeated use. Consequently, the reliability test findings

demonstrate that the measurement equipment utilized in this study is dependable, as all variables exhibit a Cronbach's alpha value that satisfies the established minimum standards.

The Kolmogorov-Smirnov (K-S) normalcy test yielded a p-value of 0.255. The p-value above the significance level of 0.05 indicates that the residuals of this research model are normally distributed. The results demonstrate that the assumption of normality, a prerequisite for regression analysis, has been satisfied, hence rendering the regression analysis results reliable and statistically interpretable. This result substantiates the validity of the research findings regarding the impact of pricing, marketing, and customer experience on contraceptive pill purchasing decisions in Palembang.

The influence of pricing (X1) on purchase decisions (Y): The significance value of 0.001, which is less than 0.005, and the t-count value being less than the t-table value ($0.1741 < 1.699$) show that the price variable does not exert a significant partial effect on purchase decisions. This result indicates that each price increase does not influence purchase choices.

This study aligns with the research conducted by Reni Ernawati, Anastasia Bernadin Dwi, and Jenji Gunaedi Argo, titled "Analysis of the Effect of Promotion, Price, and Brand Image on Purchasing Decisions on the Zalora E-Commerce Site in Jakarta." The analysis indicates that price does not significantly influence shopping

decisions on the Zalora E-Commerce platform in Jakarta, as seen by a path coefficient of 0.689. This result suggests that consumers prioritize brand image when making their purchasing choices.

The Impact of Promotion (X2) on Purchasing Decisions (Y): The significance value of $0.000 < 0.005$ and the t-count value $< t\text{-table}$ ($0.906 < 1.699$) show that the promotion variable does not exert a meaningful partial effect on Purchasing Decisions. This result indicates that any enhancement in promotion does not influence purchasing decisions. This study is corroborated by research, indicating that promotion does not significantly influence purchasing decisions. This result contrasts with the research conducted by, which indicates that product quality positively and significantly influences purchase decisions.

The impact of Experience (X3) on purchase decisions (Y): The significance value of 0.000, which is less than 0.005, and the tcount value of 0.726, which is less than the ttable value of 1.699, demonstrating that the experience variable does not exert a substantial partial influence on purchasing decisions. This result indicates that each enhancement in experience does not influence purchasing decisions. This research aligns with Yusnia and Burhanuddin's work titled "Customer Experience, Product Differentiation, and Product Quality on Consumer Purchasing Decisions at the Solo Wholesale Center." The table value $< t\text{count}$ ($1.985 > 1.178$) indicates a

significant value of $0.085 > 0.05$. Hence, H_0 is accepted, and H_1 is denied.

The three independent variables—price, promotion, and customer experience—exerted no substantial partial influence on purchasing decisions. This result indicates that alternative factors, such as fundamental necessities, brand perception, or product quality, may sway the consumers in this study. This discovery presents avenues for further investigation into other aspects affecting purchasing decisions, particularly regarding essential products like contraceptives.

The test revealed a F_{count} of 5.671 with a significance level of 5%, where $df_1 = 3$ and $df_2 = 26$. The F_{table} was 3.315. Since F_{count} exceeds F_{table} , along with a significant value of 0.000, which is less than 0.005, it can be concluded that the variables of price, promotion, and experience collectively exert a significant influence on purchasing decisions.

This result indicates that while individual independent variables are not partially significant, their combination significantly influences purchasing decisions. This amalgamation of variables can signify the interplay of several elements that affect customer behavior. Competitive pricing, appealing promotions, and favorable experiences may all influence purchasing decisions. (Byhaqi, Karyatun & Digdowiseiso, 2023; Helmi, Ariana & Supardin,

2022; Maemunah, Karyatun & Digdowiseiso, 2023)

This discovery pertains to marketing theory, which posits that purchasing decisions are frequently affected by multiple factors concurrently rather than a singular element alone. In contraceptive pills, consumers may evaluate several factors, including perceived product value (price), marketing allure (promotion), and prior encounters or experiences.

Consequently, organizations must formulate a comprehensive strategy by incorporating competitive pricing, pertinent promotional initiatives, and augmenting customer experience to influence purchasing decisions effectively.

CONCLUSION

The influence of pricing, advertising, and experience on pharmaceutical companies in Palembang is substantial. Numerous factors must be considered to ensure the company's continued growth, mainly Dynamic Price Customization: Establish a dynamic pricing strategy that modifies product prices in real time according to market demand, temporal factors, or competitive information. This result can be accomplished with big data technology and artificial intelligence algorithms to ascertain the ideal price for consumers. Subsequently, Loyalty and gamification initiatives: Establish loyalty programs, including gamification components,

such as reward points, challenges, and rankings, to enhance consumer involvement. Incentivize clients who regularly purchase or engage in promotional activities.

Furthermore, Marketing Based on Influencers and Micro-Influencers: Engage with influencers and micro-influencers possessing audiences pertinent to the product to generate genuine and captivating content. Concentrate on influencers possessing significant sway within the target community. Subsequently, there is an emphasis on sustainable initiatives and corporate social responsibility (CSR), which includes the utilization of eco-friendly materials, assistance to local communities, and engagement in social programs pertinent to the product. By adopting these unique recommendations, pharmaceutical companies in Palembang can enhance their market position, refine purchase decisions, and cultivate a more helpful experience for consumers.

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