

The Influence of Price, Promotion and *Store Atmosphere* on Consumer Purchase Decisions of Mie Gacoan in Semarang City

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Abstract

This study aims to analyze the effect of price, promotion and store atmosphere on consumer purchasing decisions of Mie Gacoan in Semarang City . The population used in this study were all customers who had visited and bought Gacoan Noodles in the city of Semarang . This study used confirmatory factor analysis in SEM from the AMOS 24.0 statistical package . The sampling technique in this study used a *purposive sampling technique* with a sample size of 100 respondents. The data collection method used is the questionnaire method, the data that has been collected is then analyzed using instrument testing, model testing, and hypothesis testing. There are three hypotheses tested in this study, the results of the study indicate that price, promotion and *store atmosphere* have a positive and significant effect on purchasing decisions.

Keywords : Price, Promotion, *Store Atmosphere* , Purchase Decision.

INTRODUCTION

In the current era of globalization, especially in Indonesia, business people are trying to spread their wings to build and develop their businesses. One of the companies currently developing in Indonesia is the noodle business . The noodle business is currently growing very rapidly, because many manage it innovatively and creatively, and many support infrastructure, so that various noodle restaurants are increasingly in demand by the public. Business growth in Central Java, especially in Semarang, has increased every year. This shows that the growth of cafes and restaurants is in demand by residents of Central Java, especially in the city of Semarang (Jackson, 2013).

The city of Semarang has several advantages in the culinary field from various points of view. One of them is price, campaign and store atmosphere. Of course, many noodle businesses compete for offers on various social media sites to keep consumers interested in visiting. Attractive offers will arouse the interest of potential customers and will satisfy their curiosity about the goods offered (Nurhayati, 2017) .

Mie Gacoan is a retail company in the form of outlets that sell products in the form of processed noodles, dimsum and various kinds of drinks. There are 3 noodle variants served by

gacoan noodle outlets, namely angel noodles, devil noodles, and devil noodles. The dim sum preparations themselves include claws, dumplings, cheese shrimp, rambutan prawns, prawn spring rolls, and for the drink variant that is very popular with buyers, namely ice. genderuwo, es pocong, es tuyul and es sundel perforated, mie gacoan takes the concept of the characteristics of the Indonesian version of ghosts which are adapted to their menus. Reviews about Mie Gacoan is a trademark of the number 1 spicy noodle restaurant chain in Indonesia , which is a subsidiary of PT Pesta Pora Abadi. Established since early 2016, currently the Mie Gacoan brand has grown to become a market leader, especially in the provinces of East Java, Central Java, West Java, the Bali Islands, and is on a strong path to expand to become the number 1 biggest brand nationally. Carrying the concept of modern dining at affordable prices , the presence of "Mie Gacoan" has received extraordinary appreciation in every market where "Mie Gacoan" is present to serve tens of thousands of customers every month, the right strategy for modern retail outlets is through understanding marketing market-oriented which requires a good understanding of consumer behavior. The presence of Mie Gacoan, which was welcomed positively by the people of Indonesia, gave rise to many new competitors offering similar products and also revived the sensation of eating cheap noodles in a cozy place which was popular several years ago. The price offered is not too expensive so it is suitable for students and those who are already working. Store atmosphere is also one of the things offered by Gacoan noodle outlets in Semarang City in the purchasing decision process. To attract customers, Mie Gacoan Semarang applies a unique and attractive shop atmosphere that makes this restaurant stand out from other restaurants (Setyawan, 2021).

LITERATURE REVIEW

Price

(Aditia, et.al, 2021) Price is the value that is included in relation to the benefits and ownership or use of a product or service. So, it cannot be denied that price is an important factor for both companies to influence consumers and remain competitive. If the consumer accepts the set price, the product is sold. In this study the indicators of price are as follows (Jackson, 2013) : number of ownership, price comparison with competitors, and suitability of price with product quality.

Pricing policy is also very important when marketing a product because price is the only element of the marketing mix that gives the opinion of an organization or company. Based on

this definition, it is known that price influences purchasing decisions (Nurhayati, 2017). Based on these assumptions, the first hypothesis is as follows:

H₁ : Price has a positive effect on purchasing decisions

Promotion

Promotion is a special blend of personal advertising, sales promotion and public relations that is used to achieve its advertising and marketing objectives (Jackson, 2013) . Promotional activities greatly determine the image of products and companies in the eyes of the public, especially consumers, which in turn greatly influences consumer demand for the products offered by the company. The activity of promoting marketable content, including the selection of advertising media according to the marketing division, is a very important activity for an entrepreneur. In this study, the indicators for promotion are as follows (Haryani, 2019): promotional media, promotional creativity, promotional differentiation, promotional reach, and quality of message storage in advertisements.

Advertising is a marketing activity that aims to disseminate information, influence, persuade and improve the target market of a company and its products so that they are ready to accept, buy and be loyal to the products offered by the company (Nurhayati, 2017). Based on these assumptions, the first hypothesis is as follows: H₂ : Promotion has a positive effect on purchasing decisions

Store Atmosphere

design of the environment using visual communication, lighting , colors, music and smells to shape customers' emotional and opinion responses and influence product purchases . Store atmosphere is defined as all aspects of the interior (space in the store) that affect sales. In this study the indicators of store atmosphere are as follows (Donovan , 1982): Exterior, general, store layout, and interior display. Store atmosphere is defined as all aspects of the interior (space in the store) that affect sales. Store atmosphere can be a reason for more consumers to be interested and choose where consumers will visit and buy. Based on these assumptions, the first hypothesis is as follows:

H₃ : *Store Atmosphere* has a positive effect on Purchasing Decisions

Buying decision

Consumer purchasing decisions are consumers who make purchases based on purchasing the most popular brands, but there are two factors that influence consumers to buy products or

services based on purchase intentions and purchase decisions (Aditia, et.al, 2021). Purchasing decision is a process of selecting one or of several alternative choices to solve a problem with real follow-up. In this study the indicators of purchasing decisions are as follows: quick in deciding to buy, firmly deciding to buy, and confident in deciding to buy.

RESEARCH METHODS

(Ghozali, 2017) This study uses a quantitative method which aims to determine the influence between the variables contained in this study. Types of data based on the source using primary data obtained directly from the respondent's source. The measurement scale used in this study uses an ordinal scale with the Likert technique which contains five reference level answers, namely Strongly Disagree (STS), Disagree (TS), Neutral (N), Agree (S) and Strongly Agree (SS). To find out the answers given by respondents, namely by distributing questionnaires. The population in this study were all consumers who had visited and bought at Mie Gacoan Semarang. The sampling method used is *non-probability sampling* with a *purposive sampling technique*, where the determination of the sample is based on criteria that are in accordance with the research objectives. Respondent criteria include: (1) Consumers who have visited and made purchases at Mie Gacoan Semarang, (2) Consumers who are at least 17 years old. In this study, the sample used was 100 respondents. Data collection techniques in this study require primary and secondary data. Primary data is obtained by distributing questionnaires directly to consumers of Mie Gacoan Semarang who have met the specified requirements. The secondary data used is in the form of supporting data and an overview of the company obtained through web sources. Analysis of the data in this study by applying the method of linear regression analysis. The data analysis technique used in this study is the confirmatory factor analysis technique and *maximum likelihood estimation* in SEM and the classical assumption test (Normality test, *Measurement Model* test, *Goodness of Fit* test, and hypothesis) from the AMOS 24.0 statistical package (*Analysis of Moment Structure*) (Setyawan, 2021).

RESULTS AND DISCUSSION

Characteristics of Respondents

The characteristics of the respondents as subjects in this study can be seen in Table 1.

Table 1 Characteristics of Respondents

No	Characteristics	Results	Percentage
1.	Gender	Woman	75 %

		Man	25 %
2.	Age	≥ 25 years	65 %
		≤ 26 years	35 %
3.	Work	Student / Student	74 %
		Worker	26 %
4.	Visit Intensity	≥ 5 times/month	72 %
		≤ 6 times/month	28 %
5.	Purchase Method	Come right away	73 %
		Order online	27 %

Source: Processed primary data (2021).

In this study there were 100 respondents as a sample from the Mie Gacoan visitor population consisting of students and workers as presented in table 1 explaining that the average person in the city of Semarang who visits Mie Gacoan outlets can be said to often buy at these outlets even though there are now many scattered with similar food outlets, this indicates that Mie Gacoan consumer loyalty is quite high in the city of Semarang (Setyawan, et. al, 2021) .

Normality test

The conclusions of the Normality Test in this study are presented in Table 2.

Table 2 Assessment of normality

Variables	min	max	skew	cr	kurtosis	cr
KP1	2,000	5,000	,140	,572	-,721	-1.472
P1	1,000	5,000	-,072	-,293	-,346	-,706
SA1	1,000	5,000	-,016	-,063	-,279	-,569
SA2	2,000	5,000	,266	1,086	-,531	-1.083
P4	1,000	5,000	-,118	-,482	-,483	-,986
P3	2,000	5,000	,236	,962	-,573	-1.170
P2	1,000	5,000	.038	,155	-,358	-,732
KP2	1,000	5,000	.031	,126	-,352	-,719
KP3	1,000	5,000	-,129	-,525	-,550	-1.122
KP4	1,000	5,000	-,056	-,229	-,309	-,630
SA4	1,000	5,000	.049	,201	-,558	-1.138
SA3	1,000	5,000	.028	,114	-,081	-,165
H4	1,000	5,000	-,053	-,215	-,427	-,871
H3	1,000	5,000	,174	,710	-,441	-,900
H2	2,000	5,000	,268	1.095	-,577	-1.178
H1	1,000	5,000	-,018	-,075	-,458	-,935
Multivariate					11,579	2,412

Source: Processed primary data (2021).

Based on the results of the normality test presented above in Table 2, it shows that the data were normally distributed univariately *and* multivariately *with no critical ratio* value of kurtosis at ± 2.58 and a *multivariate value* of 2.016. Processed data can be said to be normal if it has a critical value (cr) which is at ± 2.58 and the results of the *univariate* and *multivariate data normality tests* show that the value is still in the vulnerable value of ± 2.58 (Gh ozali, 2017).

Univariate & Multivariate Outlier Evaluation

Mahalanobis Distance is used to measure the presence or absence of outlier data by looking at the observation score which is very different from the centroid score for 100 cases. In table 3 it can be seen that the minimum distance for the mahalanobis listed is 7,580 and the maximum distance is 31,749 . The outlier data is perceived from the *mahalanobis value* which exceeds *the chi-square value*. In this study *the chi-square* of degrees of freedom 16 (number of variable indicators) at a significance level of 0.01, namely 32,408 , it is stated that there are no Ghozali (2017) outliers as presented in table 3.

Table 3 (Mahalanobis distance)

observation number	Mahalanobis d-squared	p1	p2
81	31,749	,011	,662
34	31,740	,011	,294
95	31,434	,012	, 116
11	30,753	,014	.058
5	28,768	.026	, 114
.....
31	8,572	,930	, 163
76	8,272	,940	,146
9	8,111	,945	.085
47	7,728	,957	.065
8	7,580	,960	,018

Source: Processed primary data (2021).

Research Model Test

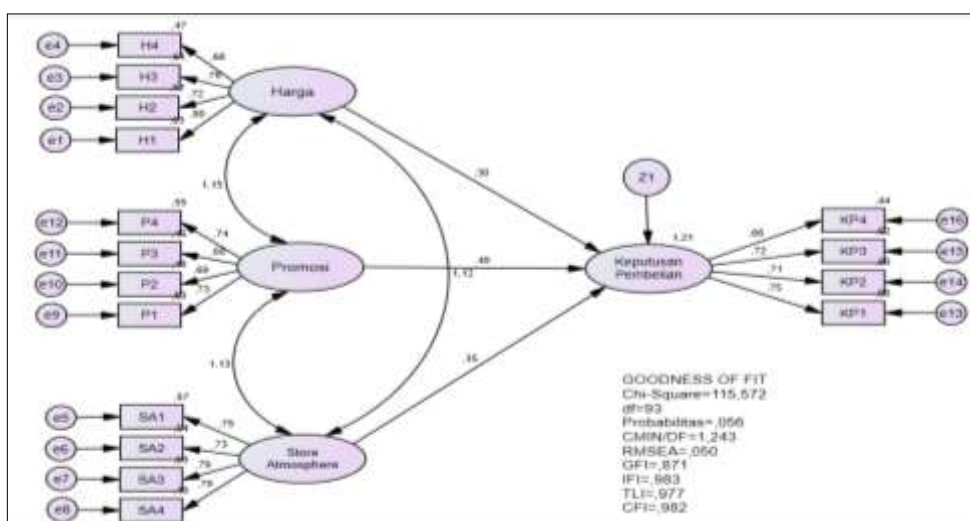
the chi-square value (X^2) and *the degree of freedom* (df) value . Based on the results of the writing model test, it can be seen that *the chi-square* (X^2) has a value of 90,000 and *the degree of freedom* (df) has a value of 93 as presented in Table 4 and Figure 1.

Table 4 Criteria for Cut Value Evaluation Results

Goodness-of-fit index	Cut of Value	Analysis Results	Model Evaluation
Chi-Square	(Small) ≤ 116.412	115.572	Good
probability	≥ 0.05	0.056 _	Good
GFI	≥ 0.90	0.871 _	marginal
IFI	≥ 0.90	0.983 _	Good
TLI	≥ 0.90	0.977	Good
CFI	≥ 0.90	0.982	Good
DF /CMIN	≤ 2.00	1,243	Good
RMSEA	≤ 0.08	0.050	Good

Source : Processed primary data (2021).

The results of the model test depicted in Figure 1 show the *goodness of fit criteria* in the AMOS 24 program, indicating that the *structural equation modeling analysis* in this study can be accepted according to the fit model. Based on this fit model, it can be concluded that the model meets *the goodness of fit criteria*. Therefore the structural equation model in this study is suitable and feasible to use so that it can be interpreted for further discussion (Gh ozali, 2017) .



Source: Processed primary data (2021) .

Figure 1 Research Structural Model

Test hypothesis

At the stage of testing the hypothesis of a causal relationship that is not significant, the value of *the critical ratio (cr)* has a critical T value of ≥ 1.966 . in facilitating decision making, the authors can see from the *probability figure (P)* where $(P) \leq 0.05$. If the value is $P \leq 0.05$ then H_0 is accepted, and if vice versa if the value is $P \geq 0.05$ then H_0 is rejected, in the

Amos package the results of the hypothesis testing can be seen through *the output regression weights*. (Gh Ozali, 2017) which is presented in table 5.

Table 5 Hypothesis Test Results
(Regression Weights)

			Estimates	SE	CR	P
Buying decision	<---	Promotion	,405	.095	4,258	***
Buying decision	<---	Price	,267	,067	3,982	***
Buying decision	<---	Store_Atmosphere	,344	,101	3,397	***
H1	<---	Price	1,000			
H2	<---	Price	,818	,093	8,773	***
H3	<---	Price	,937	.096	9,745	***
H4	<---	Price	,781	,097	8,084	***
KP4	<---	Buying decision	,879	,118	7,434	***
P2	<---	Promotion	,898	,118	7,630	***
SA1	<---	Store_Atmosphere	1,000			
KP2	<---	Buying decision	,929	,113	8,245	***
KP3	<---	Buying decision	1.022	,124	8,248	***
P3	<---	Promotion	,873	,118	7,403	***
P4	<---	Promotion	1.024	,123	8,300	***
P1	<---	Promotion	1,000			
KP1	<---	Buying decision	1,000			
SA4	<---	Store_Atmosphere	,871	,112	7,797	***
SA3	<---	Store_Atmosphere	1.022	,114	9,000	***
SA2	<---	Store_Atmosphere	,911	,111	8,243	***

Source: Processed primary data (2021) .

Output results on Regression Weights explains that each indicator or *manifest variable* that reflects the *latent variable* has a *critical ratio* (CR) value greater (>) than 1.96, the same as the t value in the regression (>) 1.96 and P (significant probability) with *** means *by default* is significant at 0.001, it can be concluded that the three hypotheses are accepted. The results of the research on the variables Price, Promotion and *Store Atmosphere* on Purchase Decisions at Mie Gacoan outlet visitors in Semarang City with 100 respondents as a sample from the entire population, it is known that Price has a significant influence on Purchase Decisions with a *critical ratio (cr) value* of 3.982. This value is greater than the critical value threshold, which is equal to 1.96 . Based on the results of hypothesis testing , it can be concluded that the promotion variable has a significant positive effect on purchasing decisions of visitors to Mie Gacoan outlets Semarang city with a *critical ratio (cr) value* of 4.258, then *Store Atmosphere* shows the influence on the Purchase Decision with a *critical ratio (cr)* of 3.397. This study explains that *Price, Promotion* and *Store Atmosphere* really

helps explain the increase in Purchasing Decisions from Mie Gacoan itself, most of which are the millennial generation and generation Z as well as some of the Alpha generation.

CONCLUSION / CONCLUSION

The results of this study reveal that price has a positive and significant influence on purchasing decisions. This means that the better the price offered to consumers, it will encourage new consumers to make purchasing decisions at Mie Gacoan. Promotion has a positive and significant influence on purchasing decisions. This means that a good promotion will encourage new consumers to make purchasing decisions at Mie Gacoan. *Store Atmosphere* has a positive and significant influence on purchasing decisions. This means that a good store atmosphere will encourage new consumers to make purchasing decisions at Mie Gacoan. The *Aggressive Promotion* indicator is the strongest indicator in this study to increase the quantity of Gacoan Noodle consumers, so that Gacoan Noodles can get new customers, but also retain old customers. This research can also be applied to companies that focus on quality, such as cafes, restaurants, hotels, and the like.

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