

Face to Face Sales and Sales Promotions have a Positive Effect on Gold Jewelry Purchasing Decisions

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ABSTRACT

Purchasing decisions are influenced by various factors, both internal and external factors. Face-to-face selling and sales promotion are two factors that can influence purchasing decisions. This study aims to analyze the influence of face-to-face sales and sales promotions on purchasing decisions for gold jewelry. This research is a quantitative approach research. The population used in this study amounted to 1,193 consumers. The sampling method used was accidental sampling, in order to obtain a sample of 92 people. The data were collected using interview techniques and questionnaires. The collected data were analyzed using multiple linear regression analysis techniques using SPSS version 22 statistical tools. The results showed that face-to-face sales and sales promotion variables together had a positive effect on purchasing decisions.

This can be proven from the results of F-count (195.569) higher than F-table (3.10) with a significance level of 0.000 less than 0.05, then H_a is accepted and H_0 is rejected. It can be concluded that in simultaneously, there is a significant and positive influence between face-to-face sales and sales promotion on gold jewelry purchasing decisions.

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1. Introduction

PT. Pegadaian (Persero) is one of the State-Owned Non-Bank Financial Institutions in Indonesia which officially has a license to carry out financial institution activities in accordance with applicable laws (Yuristyana & Karsinah, 2017). PT. Pegadaian (Persero) Branch Merauke performs several product or service services. These activities are in the form of financing, gold, and various services. One of the products from PT. Pegadaian (Persero) that is interesting here is the sale of gold, this gold sales activity is an activity where the company provides sales services for gold products in the form of jewelry (Sa'adah, 2016).

Jewelry is an object that is used to make up or beautify oneself. Jewelry is usually made of gold or silver and consists of various forms ranging from rings, necklaces, bracelets, pendants and others. Usually jewelry is given for gifts. Jewelry has various shapes ranging from round, heart, box, and others. Jewelry usually comes from mining materials. Gold is one of the natural resources that cannot be renewed, the volume of gold in the world is limited and the price of gold tends to be stable and tends to increase from year to year (Sriyanto et al., 2012; Wulandari et al., 2018).

In marketing gold jewelry products, PT. Pegadaian (Persero) Merauke Branch, which is located at Jalan Brawijaya Merauke, carries out various promotional activities, such as conducting product literacy activities, in-store promotions, distributing brochures, gold bazaars, direct interaction with buyers, and most significantly for selling gold jewelry at PT. Pegadaian (Persero) Branch Merauke is a Gold Seminar. This promotional activity, of course, is carried out by the company in an effort to increase sales of gold jewelry products.

Even though a product is useful but not known to consumers, the benefits of the product will not be known and may not be purchased by consumers, therefore the company must try to introduce products

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and influence consumers to decide which products to offer, and this effort can be done through promotional activities which are one of the references of the marketing mix (Anderson et al., 2000). Marketing is a social and managerial process in which individuals or organizations get what they need and want through the creation and exchange of value with others. A company has a variety of activities in its company, not only making a product or service but also marketing it by telling about the benefits, advantages of the product, and the advantages of the product. In the activity of marketing a product, there are several promotions (Petricia & Syahputra, 2015; Rustam, 2019; Santosa, 2019).

Promotion is the priority of marketing activities that inform customers that the company is launching a new product that attracts customers to make purchases (Hermawan, 2013; Sumiati & Mujanah, 2018). Sales promotion is an activity carried out by companies in an effort to communicate a product to consumers so that it can influence consumer buying interest in the company's products (Abdurrahman, 2015; Kotler & Keller, 2012). Sales promotion is also defined as a form of direct persuasion through the use of various incentives that can be arranged to stimulate immediate product purchases or increase the number of items purchased by customers (Carlos Alberto et al., 2020; Tjiptono, 2008). So, promotion is an activity which influences the attractiveness of consumers to use or buy the product. Companies that want to use promotional activities, companies can implement a mix of promotional activities consisting of, advertising, sales promotion, public relations and publicity, personal selling (face to face sales), and direct marketing (Sumiati & Mujanah, 2018; Yuvita, 2019). One of the objectives of this promotional activity is to do in an effort to increase product sales, which in this promotional activity can attract consumer behavior to buy a product.

Among the promotional activities mentioned above, to further convince customers in making purchasing decisions. Selling is one of the most effective promotional techniques. Face-to-face sales activities (personal selling) are personal presentations by the company's sales force to make sales and build relationships with customers. Face-to-face selling is a direct interaction between one or more potential buyers in order to make presentations, answer questions and take orders. Face-to-face selling consists of personal interactions with customers and prospects to make sales and maintain relationships with customers (Kotler & Armstrong, 2015; Kotler & Keller, 2012).

Face-to-face sales and promotion activities influence a purchasing decision as a product. If the promotion is convincing, then consumers without thinking will choose the product being sold (Sumiati & Mujanah, 2018). The purchase decision is a consumer behavior to determine a decision development process in buying a product (Kotler & Keller, 2012). Purchasing decision is a process of appraising and selecting from various alternatives according to certain interests by determining an option that is considered the most profitable (Machfoedz, 2013; Margaretha, 2012; Srisusilawati, 2017). This study aims to analyze the extent to which the effect of face-to-face sales and sales promotion factors on consumer purchasing decisions of PT. Pegadaian (Persero) Merauke Branch.

2. Methods

This research is a research using a quantitative approach. This research was conducted at PT. Pegadaian (Persero) Merauke Branch which is located at Jalan Brawijaya Merauke. The variables in this study include face-to-face sales, sales promotions, and purchase decisions. The research framework that contains the relationship between variables in this study is presented in Figure 1.

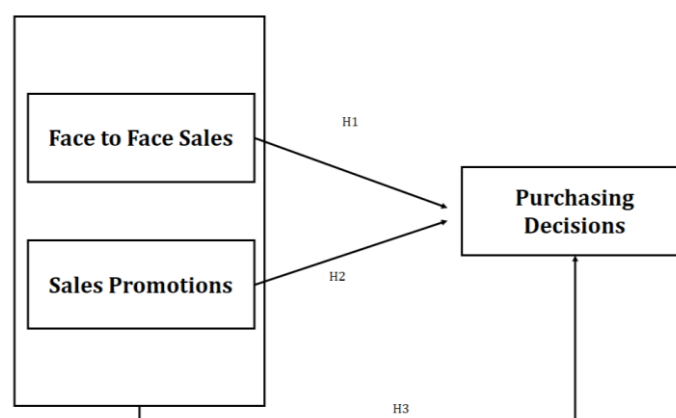


Figure 1. Research design

The population in this study was consumers of PT. Pegadaian (Persero) Branch Merauke, totaling 1.193 customers. Determination of the sample using incidental sampling technique with the calculation of the Slovin formula, with an error rate of 10%. Based on the sampling technique, the sample members were 92 people.

Collecting data in this study using interviews and questionnaires. The questionnaire was distributed to all samples. The questionnaire contained questions about perceptions of face-to-face sales, sales promotions, and purchasing decisions.

The data analysis in partially testing the significance (face-to-face sales or sales promotions on purchasing decisions) used the T-test. While the analysis in testing the significance simultaneously (face-to-face sales and sales promotions on purchasing decisions) used the F-test.

3. Results and Discussions

Result

Multiple Linear Regression Test Results

Multiple linear regression functions to test the effect of 2 or more independent variables with 1 dependent variable. The results of multiple linear regression tests can be seen in Table 1.

Table 1. Multiple Linear Regression Test Results

| Variable | Unstandardized Coefficients | |
|--------------------|-----------------------------|------------|
| | B | Std. Error |
| Constant | 4,586 | 1,445 |
| Face to Face Sales | ,108 | ,059 |
| Sales Promotions | 1,283 | ,069 |

Based on Table 1, the unstandardized coefficients obtained multiple linear regression equations as follows.

$$Y = 4,586 + 0,108X_1 + 1,283 X_2 + e$$

Information:

- Y : Purchase Decision
 X₁ : Face to Face Sales
 X₂ : Sales Promotions
 e : *Term of error* or error clearance rate

Based on the results of the multiple linear regression equation above, it can be interpreted that: The constant value of 4.586 means that if it is influenced by the variable face-to-face sales and sales promotions, the purchasing decision at the PT. Pegadaian (Persero) Branch Merauke will not change (constant).

The regression coefficient value of face-to-face sales variable is 0.108, which is positive, meaning that if face-to-face sales are getting better, the decision to buy gold jewellery at PT. Pegadaian (Persero) Branch Merauke is increasing. The regression coefficient value of the sales promotion variable of 1.283 is positive, meaning that if the perception of the sales promotion is getting better, the decision to buy gold jewellery at PT. Pegadaian (Persero) Branch Merauke is increasing.

Hypothesis Test Results

The t-test functions to show how much influence one variable has individually or independently in explaining the variation in the dependent variable. The t-test results can be seen in Table 2.

Table 2. t-test results

| Variable | Unstandardized Coefficients | | Standardized Coefficients | | |
|--------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | B | t | Sig |
| Constant | 4,586 | 1,445 | | 3,173 | ,002 |
| Face to Face Sales | ,108 | ,059 | ,087 | 1,841 | ,069 |
| Sales Promotions | 1,283 | ,069 | ,878 | 18,658 | ,000 |

| Variable | Unstandardized Coefficients | | Standardized Coefficients | | |
|----------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | B | t | Sig. |
| | t-table | | | 1.986 | |

The Effect of Face-to-Face Sales on Purchasing Decisions

Based on the results of the analysis in Table 2, it can be seen that the face-to-face sales variable does not have a significant effect on purchasing decisions, this can be seen from the t value of 1.841 <t table 1.986 with a significant level of 0.069> 0.025. Therefore, H₀ accepted by H_a is rejected. So, partially face-to-face sales have no significant effect on purchasing decisions.

The Effect of Sales Promotion on Purchasing Decisions

Based on the results of the analysis in Table 2, it can be seen that the face-to-face sales variable does not have a significant effect on purchasing decisions, this can be seen from the t value of 18.658 <t table 1.986 with a significant level of 0.000> 0.005. Therefore, H₀ accepted by H_a is rejected. So, partially face-to-face sales have no significant effect on purchasing decisions.

Furthermore, the f-test is useful for knowing simultaneously the independent variable has a significant or no effect on the dependent variable. The f-test results are presented in Table 3.

Table 3. Test Results-f

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|------------|----------------|----|-------------|---------|------|
| Regression | 2039,424 | 2 | 1019,712 | 195,569 | ,000 |
| Residual | 464,054 | 89 | 5,214 | | |
| Total | 2503,478 | 91 | | | |

Based on Table 3, the test results obtained the F-count value of 195.569 with a significance level of 0.000. While the F-table with a confidence level of 95% ($\alpha = 0.05$) is 3.10. Therefore, F-count > F-table or 195.569 > 3.10 with a significant 0.000 <0.05 then H_a is accepted and H₀ is rejected. This proves that simultaneously, there is a positive and significant influence between face-to-face sales and sales promotions on purchasing decisions.

Result of Determination Coefficient Test (R²)

The coefficient of determination aims to see how much influence the variables, namely face-to-face sales (X₁) and sales promotions (X₂) are seen from how big R² (R², because the variable is more than 1). Based on the data analysis, it is known that the value of the coefficient of determination through the Adjusted R Square table is: 0.810, the amount of this value can be explained that the dependent variable or purchase decision (Y) can be explained by the independent variables, namely face-to-face sales (X₁) and sales promotions (X₂) with a value of 0.810 or 81.0% and the remaining 19% is explained by other variables not examined in this study.

Discussion

The Effect of Face-to-Face Sales on Purchasing Decisions

The results showed that the face-to-face sales variable had a positive but not significant effect on purchasing decisions at PT. Pegadaian (Persero) Merauke Branch. This can be seen from the regression coefficient value whose positive value is 1.841 and the t value is greater than the t table value (1.841 <1.986) at a significant level of 0.025. In addition, the significance value of face-to-face sales on purchasing decisions is greater than 0.025 (0.069 > 0.025). The regression coefficient value of 0.108 shows that if there is an increase in the face-to-face sales variable, the purchase decision will increase by 0.108.

Face-to-face sales activities (personal selling) are personal presentations by the company's sales force to make sales and build relationships with customers. Face-to-face selling is a direct interaction between one or more potential buyers in order to make presentations, answer questions and take orders. Face-to-face selling consists of personal interactions with customers and prospects to make sales and maintain relationships with customers (Kotler et al., 2014; Kotler & Keller, 2012).

This research is supported by opinion theory (Kotler et al., 2014; Supariyani & Hesty, 2014), explained that face-to-face selling consists of personal interactions with customers and prospects to make sales and maintain relationships with customers. If face-to-face sales are felt to equal or exceed the expected face-to-face sales, then face-to-face sales are said to be of quality and satisfactory. And this research is supported by previous research, namely: (Supariyani & Hesty, 2014), The Influence of

Personal Selling and Sales Promotion on Purchasing Decisions at PT. Yakult Indonesia Persada, the results of the personal selling variable have a positive effect on purchasing decisions.

The Effect of Sales Promotion on Purchasing Decisions

The results showed that the sales promotion variable had a positive and significant effect on purchasing decisions at PT. Pegadaian (Persero) Merauke Branch. This can be seen from the value of the regression coefficient whose positive value is 18.658 and the t value is greater than the t table value ($18.658 > 1.986$) at a significant level of 0.025. In addition, the significance value of face-to-face sales on purchasing decisions is greater than 0.025 ($0.000 < 0.025$). The regression coefficient value of 0.108 shows that if there is an increase in the face-to-face sales variable, the purchase decision will increase by 1.283.

Promotion is the priority of marketing activities that inform customers that the company is launching a new product that attracts customers to make purchases (Hermawan, 2013). Sales promotion is an activity carried out by companies in an effort to communicate a product to consumers so that it can influence consumer buying interest in the company's products (Kotler & Keller, 2012). Sales promotion is also defined as a form of direct persuasion through the use of various incentives that can be arranged to stimulate immediate product purchases or increase the number of items purchased by customers (Tjiptono, 2008). So, promotion is an activity which influences the attractiveness of consumers to use or buy the product. Companies that want to use promotional activities, companies can implement a mix of promotional activities consisting of, advertising (advertising), sales promotion (sales promotion), public relations and publicity (human and publicity), personal selling (face to face sales), and direct marketing (direct selling) (Sumiati & Mujanah, 2018; Yuvita, 2019). One of the objectives of this promotional activity is to do in an effort to increase product sales, which in this promotional activity can attract consumer behaviour to buy a product.

This research is supported by opinion theory (Chang Li, 2013; Hermawan, 2013), explained that promotion is the priority of marketing activities that are notified to customers that the company is launching a new product that attracts customers to make purchases. And this research is also supported by previous research, namely: (Robot & Mariska, 2015), Analysing the Effect of Advertising, Personal Selling, Sales Promotion, Publicity and Word of Mouth on the Decision to Purchase Precious Metal Products PT. Pegadaian (Persero) Manado Selatan Branch, the result is that sales promotion has a significant effect on purchasing decisions.

The Effect of Face-to-Face Sales and Sales Promotion on Purchasing Decisions

The results of the hypothesis test which consists of the t-test, the F-test and the coefficient of determination, the results obtained are as follows: from the t-test results, the t value is greater than the t-table with a significant level of 5% or 0.05 for each variable, then It can be explained that face-to-face sales and sales promotion variables have a partial influence on purchasing decisions. While the F-test obtained in this study, namely F-count is greater than F-table with a significant rate used 5% (0.000). This can be explained that the variable face-to-face sales and sales promotion together have a positive effect on purchasing decisions.

Face-to-face sales and promotion activities influence a purchasing decision as a product. If the promotion is convincing, then consumers without thinking will choose the product being sold (Robot & Mariska, 2015; Sumiati & Mujanah, 2018). The purchase decision is a consumer behaviour to determine a decision development process in buying a product (Kotler & Keller, 2012). According to (Kukar-Kinney et al., 2012; Machfoedz, 2013), Purchasing decision is a process of appraising and selecting from various alternatives according to certain interests by determining an option that is considered the most profitable.

The results of the data processing of the coefficient of determination (R²) through the Adjusted R Square table, namely: 0.810, or 81.0%, indicate that the purchasing decision variable can be influenced by the independent variables, namely face-to-face sales and sales promotions by 81.0% and the remaining 19% is explained by other variables not examined by the researcher

4. Conclusion

Based on the results of research and discussion, it can be concluded that face-to-face selling partially has a positive but insignificant effect on purchasing decisions. Sales promotion partially has a positive and significant influence on purchasing decisions. Face to face sales and sales promotion simultaneously have a significant effect on purchasing decisions. Based on this, it is recommended that companies pay attention to face-to-face sales and sales promotion variables because these variables can influence purchasing decisions.

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