## THE IMPACT OF PRICE DISCOUNT, PROMOTION THROUGH SOCIAL MEDIA AND SERVICE QUALITY IN REPURCHASING DECISION

(An Empirical Study for Burger King Surakarta)



Submitted as a Partial Fulfilment of the Requirement for Obtaining a Bachelor Degree of Management at the Faculty of Economics and Business

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ECONOMICS AND BUSINESS FACULTY
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2021

#### APPROVAL

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#### THE IMPACT OF PRICE DISCOUNT, PROMOTION THROUGH SOCIAL MEDIA AND SERVICE QUALITY IN REPURCHASING DECISION

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Surakarta, August 10, 2021

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### THE IMPACT OF PRICE DISCOUNT, PROMOTION THROUGH SOCIAL MEDIA AND SERVICE QUALITY IN REPURCHASING

**DECISION** ( An Empirical Study for Burger King of Surakarta)

#### **Abstrak**

Tujuan penelitian ini adalah: 1) Menganalisis pengaruh positif potongan harga terhadap kepuasan pelanggan Burger King Surakarta. 2) Menganalisis pengaruh positif promosi melalui media sosial terhadap kepuasan pelanggan Burger King Surakarta. 3) Menganalisis pengaruh positif kualitas pelayanan terhadap kepuasan pelanggan Burger King Surakarta. 4) Menganalisis pengaruh positif kepuasan pelanggan sebagai variabel mediasi terhadap keputusan pembelian ulang di Burger King Surakarta. Populasi dalam penelitian ini adalah konsumen yang pernah membeli produk Burger King di Surakarta. Teknik pengambilan sampel dalam penelitian ini adalah Convenience Sampling atau pengambilan sampel berdasarkan pertimbangan dan kriteria, sampel yang diperoleh sebanyak 154 responden. Metode analisis data yang digunakan adalah Outer model menggunakan Convergent Validity, Discriminant Validity, Composite Reliability Tests dan Multicolinierity dan Inner model menggunakan Path Coefficient Test dan Hypothesis Test dimana variabel interveningnya yaitu kepuasan pelanggan. Variabel lainnya adalah potongan harga, promosi melalui media sosial, kualitas layanan dan keputusan pembelian ulang. Hasil penelitian ini menunjukkan bahwa variabel harga diskon, promosi melalui social media dan service quality berpengaruh positif signifikan terhadap kepuasan pelanggan, variabel promosi melalui media sosial dan kualitas pelayanan berpengaruh positif signifikan terhadap keputusan pembelian melalui kepuasan pelanggan sebagai variabel intervening, kecuali varabel harga diskon.

**Kata Kunci:** potongan harga, promosi melalui media sosial, kualitas pelayanan, kepuasan, keputusan pembelian.

#### Abstract

The aims of this study are: 1) To analyze the positive effect of price discounts on customer satisfaction at Burger King Surakarta. 2) Analyzing the positive effect of promotion through social media on customer satisfaction of Burger King Surakarta. 3) Analyze the positive influence of service quality on customer satisfaction Burger King Surakarta. 4) Analyzing the positive effect of customer satisfaction as a mediating variable on repurchase decisions at Burger King Surakarta. The population in this study were consumers who had bought Burger King products in Surakarta. The sampling technique in this study was Convenience Sampling or sampling based on considerations and criteria, the sample obtained was 154 respondents. The data analysis method used is the Outer model using Convergent Validity, Discriminant Validity, Composite Reliability Tests and Multicollinearity and the Inner model using the Path Coefficient Test and Hypothesis Test where the intervening variable is customer satisfaction. Other

variables are price discounts, promotions through social media, service quality and repurchase decisions. The results of this study indicate that the variable price discount, promotion through social media and service quality have a significant positive effect on customer satisfaction, the variable promotion through social media and service quality has a significant positive effect on purchasing decisions through customer satisfaction as an intervening variable, except for the discount price variable.

**Keywords:** price discount, promotion through social media, service quality, satisfaction, purchasing decision.

#### 1. INTRODUCTION

The development of knowledge and technology at this time brings changes to the consumer's lifestyle. Lifestyle can be described by the activities, interests and opinions of a person (Kotler, 2009). A person's lifestyle is usually not permanent and changes rapidly because it adabts to changes in his life and meeting his needs (Sumarwan, 2011). The development of knowledge and technology, every consumer must be able to compensate for developments that have an impact on their needs. Diverse life needs make consumers more meticulous in the process of meeting the needs of life. Meeting the needs of each consumer is different. But what is certain is that consumers need food and clothing whether they are the same when it comes to food. But it returns to its consumers because the lives of each consumer as explained earlier are different from each other. Then their behavior is also different. There are various things that cause different consumer behaviour. Changes in lifestyle and consumer behavior impact on companies that produce goods or services. The company chooses and implements various marketing strategies to balance changes in consumer behavior and aims to win the competition. Gitosudarmo (2012) states that the five strategies that can be carried out by companies include generic strategies, reactive strategies, proactive strategies, defense strategies, and attack strategies. Various types of strategies can be applied by companies to win the competition. In this case the company must pay more attention to what consumers want and must understand consumer needs. Especially with the times with advanced technology, competition between companies is very tight. Lots of new businesses have sprung up especially food

businesses. Therefor Day after day, it is also increasingly evolving to follow the times and the needs of consumers because of the lifestyle and styles of consumers that change along with technological developments. Lifestyle changes during globalization can not be avoided, where one of the lifestyle changes that occur is a tendency to consume fast food. Fast food restaurants are a new business trend that is welcomed by all circles, because fast food restaurants promise a practicality in the midst of today's busy life.

Burger King (BK) is a fast food restaurant that has been spread in various countries in the world. Reporting from Burgerking.com, every day, more than 11 million guests visit Burger King restaurants around the world. Burger King is the second largest fast food hamburger chain in the world. In addition to Burger King, there are also many fast food restaurants that are competing with this product, such as Mc. Donald's, KFC, A&W, Texas Fried Chicken, Wendy's, and others who are competitors from Burger King.

The company must be able to determine the right marketing strategy so that its business can survive and win the competition, so that the goals of the company can be achieved. Basically, the more competitors there are the more choices for customers to be able to choose products that match their expectations. In marketing products, companies need something that can attract the attention of consumers to buy their products. Discount is part of a promotional strategy to attract consumers to buy products. Price discount is a price-based sales promotion strategy where customers are offered the same product at a reduced price (Mishra & Mishra, 2011). At this time many discounts are found in every product or service that is traded. The discount given by each company in marketing its products raises the interest of consumers to own and buy the product. Burger King is a fast food restaurant that often offers discounts to consumers with the aim of attracting consumers to buy Burger King products because most of the consumers are more interested in buying Burger King products when the discount is therefore cheaper. Maybe for some people the price set by Burger King is quite expensive and maybe for some people it's standard. In addition to Burger King discounts, it is also common to provide coupons to consumers as a strategy to attract consumers to buy Burger King products.

In addition to promotions using price discounts, so that the products offered by companies are known to the public, companies can use the internet as a strategy to introduce and market their products. Especially social media.

Another aspect that is no less important than discounting is the quality of service. According to Gronroos (2010) service quality is defined as the result of an evaluation process in which consumers compare their expectations of certain services they receive. good quality service can provide satisfaction to customers because something is given in accordance with the needs and expectations of these customers.

Based on the description above, the writer is interested in examining the impact of price discount, promotion through social media and service quality in the repurchasing decisions of Burger King consumers in Surakarta.

#### 2. METHOD

This study uses a quantitative approach that aims to provide an explanation of the causality relationship between variables. The research is uses to explain the effect of price discount, promotion through social media and the service quality of repeat consumer purchasing decision services. The subjects in this study are all consumers who have ever bought Burger King products in Surakarta and who only know about Burger King products in Surakarta. Data collection techniques in this study uses a questionnaires and in this research used 154 respondents because this number is in accordance with the standard amount for research. Therefore in this study, the sampling technique used was a non-probability sampling technique by means of convenience sampling. Data measurements taken in this study are 1-5 Likert scale to represent the opinions of the respondents.

#### 3. RESULTS AND DISCUSSION

## 3.1 The impact of the price discount toward customer satisfaction in Burger King Surakarta

The results of the analysis show that the price discount variable has a significant positive effect on customer satisfaction. In accordance with the results of the hypothesis test which shows the t statistical value of 2.132 or> 1.97, the effect is significant and the P value is 0.034 or <0.05, which means that the price discount has a significant positive effect on customer satisfaction. This is supported by previous research (Indah, 2015) which states that there is a positive and significant effect of price on customer satisfaction. So, this shows that the strength of a price discount is positive and attracts consumers. Besides, customer satisfaction is the difference between expectations and performance or perceived results. Achieving the highest level of customer satisfaction is the main goal of marketing. When consumers feel satisfied with the service or product obtained, it will create good customer satisfaction with the product.

## 3.2 The impact of promotion through social media toward customer satisfaction in Burger King Surakarta

The results of the analysis show that the variable promotion through social media has a significant positive effect on customer satisfaction. In accordance with the results of the hypothesis test which shows the t statistical value of 4.552 or> 1.97, the effect is significant and the P value is 0.000 or <0.05, which means that promotion through social media has a significant positive effect on customer satisfaction. This is supported by previous research (Ronal, 2016) which states that there is a positive and significant effect of promotion on consumer satisfaction.

## 3.3 The impact of service quality toward customer satisfaction in Burger King Surakarta

The results of the analysis show that the service quality variable has a significant positive effect on customer satisfaction. In accordance with the results of the hypothesis test, which shows the t statistical value of 3.514 or> 1.97, the effect is significant and the P value is 0.000 or <0.05, which means that service quality has

a significant positive effect on customer satisfaction. This is supported by previous research (Indah, 2015) which states that there is a positive and significant influence between service quality on customer satisfaction. So the better the quality of service will make consumers more satisfied.

## 3.4 The impact of customer satisfaction as mediating variable toward repurchasing decision

Based on the results of the hypothesis test, the price discount in this study gives positive and insignificant results on purchasing decisions with customer satisfaction as a mediating variable, meaning that if the price discount is higher, it will not affect the purchase decision. This is supported by a statistical t value of 1.822 or < 1.97 and a P value of 0.069 or >0.05. In this case, even though the price discount does not affect the decision to purchase Burger King products, innovative price discounts are expected to attract consumers to purchase this product. Based on the results of the hypothesis test, it shows that promotion through social media has a positive effect on purchasing decisions through customer satisfaction as an intervening variable with a statistical t value of 4,274 or> 1.97 and a P value of 0,000 or <0.05, which means that there is a positive influence. and significant promotion through social media on purchasing decisions through customer satisfaction as an intervening variable. Based on the results of the hypothesis test, it shows that service quality has a positive effect on purchasing decisions through customer satisfaction as an intervening variable with a statistical t value of 3.295 or> 1.97 and a P value of 0.001 or <0.05, which means that there is a positive and significant effect, service quality on purchasing decisions through customer satisfaction as an intervening variable. From the 3 variables, it shows that there is one variable that is not significant to the repurchase decision with customer satisfaction as an intervening variable, namely the price discount variable.

#### 4. CLOSING

#### 4.1. Conclusion

Based on the research results, the analysis of the effect of price discount, promotion through social media, and service quality on repurchase decisions with customer satisfaction as an intervening variable case study on Burger King consumers in the city of Surakarta, it can be concluded: The price discount variable, promotion through social media and service quality have a significant positive effect on customer satisfaction at Burger King. So that means all variables have impact in customer satisfactions and in addition Variables promotion through social media and service quality have a significant positive effect on repurchase decisions with customer satisfaction as an intervening variable but variable price discount have positive not significant effect on repurchase decision with customer satisfaction as an intervening variable.

#### **4.2.Research Limitations**

Although this research has been attempted optimally, there are still limitations to this research. The limitation in this study is only to take a sample of Burger King consumers in the city of Surakarta, it would be better if the sample taken includes all Burger King consumers who are more widespread, so that the research results can be generalized in a wider scope. The method of collecting data is only through a questionnaire or questionnaire so that the data obtained is more subjective.

#### 4.3.Suggestions

1) For The Company. For companies themselves, the power of price discounts is very important in the business world, so that it needs to be considered and increased in order to compete with other companies. Because the price discount attracts consumers to buy a product, it triggers customer satisfaction to repurchase the product. Same is the case with promotion through social media. companies are advised to be communicative and always interact with consumers. Because the promotion strategy through social media is one of the tools to interact without having to come face to face with consumers. In addition, companies also need to further improve service quality so that the

- level of consumer confidence increases and consumers feel satisfied when buying these products.
- 2) For further researchers. In further development research, an expansion of the target respondents can be carried out, so that the data obtained can be more representative of the research being carried out. For further researchers who want to research or continue this research, it is advisable to continue or develop this research by looking for other factors that can influence purchasing decisions. In addition, further research should not only use the data collection method using questionnaires but also in-depth interviews with respondents so that the information obtained can be more complete and varied compared to questionnaires whose answers are already available.

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