Research.

EFFECT OF DIGITAL PAYMENTS AND SALES PROMOTION ON BEVERAGE FRANCHISE PRODUCT PURCHASE DECISIONS (Case Study of Haus Consumers in Binus Branch)

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Abstract: *In the era of globalization, the progress of science and technology is growing very rapidly. In the field of marketing, one of them is by increasingly advanced payment methods and sales promotions. Promotions and digital payments are also strategies to attract consumers to make purchasing decisions. This study aims to determine the partial and simultaneous effect of digital payments and sales promotions on purchasing decisions for thirsty drinks. The population of this research is the consumers of the Haus drinks, Binus branch in West Jakarta, and have made a purchase of Haus. The sampling technique used was non-probability sampling, namely the purposive sampling technique with 80 respondents. The data analysis technique used is the Structural Equation model with SmartPLS. The results of this study indicate that digital payments and sales promotions have a simultaneous effect on purchasing decisions. Partially digital payments and sales promotions have a significant effect on purchasing decisions at the Binus branch of Haus drinks.*

Keywords: *Purchasing Decision, Digital Payment, Sales Promotion.*

INTRODUCTION

Background

In the era of globalization, advances in science about technology and information are currently developing very rapidly in the field of marketing. Currently, in the marketing sector, money is still used in physical form, which makes it difficult to return more money, and the long queue of consumers so that a practical and fast payment method is needed to shorten transactions.

Technological advances that continue to develop at this time have an influence on human life, one of which is the payment system, among the many payment systems, one of which is digital payments. According to Puspita (2019:121) digital payments are technology that provides new ideas for citizens about non-cash payments that are much more instant and convenient in transactions. Some people understand digital payments as digital wallets or mobile money which can be used to pay for various transactions. One of them that provides digital payment application services in Indonesia is ShopeePay, OVO, and Go-pay.

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Digital payments themselves have a prepaid system where users have to top up a balance of a certain amount of money which will later be recorded digitally. Then users can make payments anytime, anywhere with ease. The convenience provided by digital payments seems to be able to win the hearts of people in the era of globalization, especially in Indonesia, for millennials who usually like simple things. In addition to the payment system, marketing is also not spared from incessant promotions.

Promotion is the most important activity, which functions actively in presenting, informing and reaffirming the benefits of a product in order to urge consumers to buy the product being promoted. To conduct promotions, each industry must be able to determine exactly which promotional equipment is used in order to achieve success in sales. According to Nickels in Swastha and Irawan (2008:349), promotion is a flow of data or persuasion, a one-way street made to focus a person or industry on actions that generate exchanges in marketing. According to Kotler and Armstrong (2019:62) the promotional mix includes advertising, personal selling, sales promotion, public relations. According to Kotler and Armstrong (2019:204) explain the notion of sales promotion,

Sales promotion describes a persuasive activity that directly markets an item or product. In essence, the implementation of a promotion aims to persuade consumers to be able to buy a product offered. In addition, sales promotions can also make potential buyers to purchase products.

Research conducted by Kurnianingsih and Sugiyanto (2019) proves where sales promotion has an influence in making purchasing decisions on a product by consumers. Another study conducted by Natalia and Mulyana (2014) suggests that sales promotions make a significant increase in sales both in terms of discounts or contests to attract purchasing decisions.

Sales promotions are one of the franchise drink sales strategies to attract purchase decisions by offering several promos in the form of cashback and discounts through digital payments ShopeePay, OVO, GO-Pay and as a digital payment tool. This can attract potential buyers to buy franchise drinks.

One of the beverage franchises that use digital payments for payment systems and sales promotions is Haus. Haus is a beverage franchise in Indonesia that already has 119 branches in Indonesia that market beverage products with a wide selection of beverage flavors at affordable prices.

In the era of globalization, the increasing number of franchised beverage industries has resulted in Haus continuing to innovate so as not to be eroded by existing competition by collaborating with digital payments for a more effective and efficient payment system. In addition to improving the payment system, sales promotions also use shopeepay, OVO, GO-pay digital payments, namely by giving cashback to buyers.

Formulation of Problems

The formulation of problem in this study is as follows:

1. How does digital payment affect the decision to purchase Haus beverage franchise products in Binus branch?
2. How does sales promotion affect the decision to purchase Haus beverage franchise products in Binus branch?
3. How does digital payments and promotions affect the purchase decision of Haus beverage franchise products in Binus branch?

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REVIEW OF LITERATURE

Sales Promotion

According to Kotler and Armstrong (2019:204) explaining the meaning of sales promotion, sales promotion is a commission in a short time to spur sales or purchases on a service or product.

Sales Promotion Indicators

According to Kotler and Keller (2009):

1. Cashback,
2. Discount,
3. Free Gift,
4. Sample.

Digital Payment

According to Puspita (2019:121) digital payments are technologies that share new thinking for citizens about non-cash payments much more instantaneously and conveniently in transacting.

Digital Payment Indicators

According to Puspita (2019:127) there are three indicators of digital payments as follows:

1. Convenience
Convenience in the use of digital payments made.
2. Ease of access
Ease of access to digital payments that can be used anywhere and anytime.
3. Benefits
Benefits that can be felt by digital payment users.

Purchasing Decision

According to Kotler and Keller (2009:204) a purchasing decision is a process for making consumer decisions that include the determination of the purchase of goods or not where the decision is taken from previous experience.

Purchasing Decision Indicators

According to Kotler dan Keller (2009:188) there are five buying decisions, namely:

- a. Brand Selection
Buyers should be able to make a brand decision to buy. Each brand certainly has variations between brands. Companies must understand how consumers choose all brands.
- b. Time Selection
The decision to buy at that time selection is different, for example every year, every month, every day and so on.
- c. Distribution
Buyers are required to be able to make a decision on which dealer to visit. Each buyer has different considerations when it comes to ensuring the dealer can be due to aspects of close position, low prices, complete product inventory and others.

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- d. Quantity
Purchases can make decisions about what quantity of products to buy. In this regard, the industry must be able to prepare the number of goods that match different wills in the buyers.
- e. Payment Method
Consumers can make decisions that are about the payment procedures to try. At this time the decision on the purchase is not only influenced in terms of culture, area, and family. Purchasing decisions are also influenced by the technology used in purchase transactions.

RESEARCH METHODOLOGY

To complete this research, researchers used descriptive research with a quantitative approach with the object of the study, namely customers of beverage Haus Binus.branch. Variables in this study for endogenous variables there are digital payments and sales promotions as well as for exogenous variables there are purchasing decisions. Data collection techniques using questionnaires with linkert scale measurements. For the population used in this study is consumers of beverage Haus Binus branch. Samples were taken by 80 people whose data analysis techniques use SEM.

RESULTS AND DISCUSSIONS

Data Validity Test

Table 1 *Outer loading*

Indicator	Result	Critical Value >0.70	Model Evaluation
Digital Payment			
D.2	0.714		Valid
D.3	0.652		Invalid
D.4	0.621		Invalid
D.5	0.842		Valid
D.6	0.86		Valid
D.7	0.758		Valid
D.8	0.758		Valid
Sales Promotion			
P.3	0.786		Valid
P.4	0.816		Valid
P.8	0.812		Valid
P.9	0.58		Invalid
P.10	0.731		Valid
P.11	0.654		Invalid
Purchasing Decision			
K.1	0.667		Invalid
K.2	0.706		Valid
K.3	0.839		Valid
K.5	0.757		Valid

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Indicator	Result	Critical Value >0.70	Model Evaluation
K.6	0.835		Valid
K.7	0.684		Invalid
K.8	0.586		Invalid
K.9	0.673		Invalid

Source: Primary data 2021

Indicators can reflect the construct if it has a validity value or loading not less than 0.7, where the estimated result can be seen in table 1 above there are 30 indicators but because there is a defective data causes the corrector to delete it because making sempls calculation errors are not in accordance with the standard assessment so that the remaining 21 indicators as in table 1. There are 13 indicators that are valid and invalid ones have a value that is kuang of 0.7 there are 8 indicators.

Table 2. AVE Result

	Average Variance Extracted (AVE)
Digital Payment	0.56
Purchasing Decision	0.523
Sales Promotion	0.54

Source: Primary data 2021

Based on table 2, the AVE value shows a number greater than 0.5 so that it can be stated that each variable has a good discriminant validity.

Data Reliability Test

Table 3. Construct Validity & Reliability Results

	Cronbach's Alpha	Reliability Composite
Digital Payment	0.875	0.898
Purchasing Decision	0.867	0.896
Sales Promotion	0.829	0.874

Source: Primary data 2021

Based on table 3 above the Composite Reliability value shows a number greater than 0.7 and Cronbach's Alpha shows a number greater than 0.7 so it can be concluded that the whole variable has a high level of reliability. Further test the goodness of fit by measuring R-square. According to Hair, et al (2015) states the value of R-square 0.75 (strong), 0.50 (moderate), and 0.25 (weak). The R-square value of the goodness of fit test result is 0.275 (weak) can be seen in the construction model as follows:

Figure. Results of the Effect of Digital Payments and Sales Promotion on Purchasing Decisions

Source: primary data obtained 2021

Hypothesis Test

Table 4. Hypothesis Test

Latent Variable	p value	T-statistic
Digital payments -> Purchasing decision	0,001	3,22
Sales promotion-> Purchasing decision	0	5,081

Source: primary data obtained 2021

- Digital Payment**
From the data processing results showed that digital payment variables have a significant effect on the variable of purchasing decisions with T-statistic more than 1.96 with 3.22 and p value less than 0.05 with a value of 0.001.
- Sales Promotion**
From the results of data processing shows that the sales promotion variable has a significant effect on the variable of purchase decision with T-statistic greater than 1.96 ie with a value of 5.081 and p value less than 0.05 ie with a value of 0.00.
- Simultaneously**
The condition that a variable has simultaneous influence is that there must be at least 1 (one) exogenous variable tested that has an influence on endogenous variables. The conclusion of the data processing results shows there is an important influence simultaneously between digital payments and sales promotions on purchasing decisions.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- There is a significant influence of digital payments on the decision to purchase haus beverages binus branch Jakarta. This shows that the use of payment media using digital payment applications such as OVO, GO-pay, Shopeepay conducted by beverages Haus Binus branch Jakarta increases purchasing decisions.

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2. There is a significant influence on sales promotion of the decision to purchase beverages Haus Binus branch Jakarta. This shows that the higher the sales promotion made by beverages Haus Binus branch Jakarta will increase the purchase decision. Sales promotions conducted, namely, the granting of discounts, the granting of cash refund promos are routinely done by beverages Haus Binus branch Jakarta to attract consumers to make purchases.
3. The results of this test show the influence of simulated digital payments and sales promotions on purchasing decisions. so that it can be concluded, if the payment method is done effectively and efficiently and the selection of the right sales promotion will give a positive influence simultaneously. The results of this research also support the research of Nabila Layli and Raya Sulistyowati (2020) which states that digital payments and sales promotions affect purchasing decisions.

Suggestions

1. To Company
 - a. Beverage Haus beverages should continue to continue the payment system using digital payments and always update the developments about its Digital payment system so as not to be left behind by the times.
 - b. Beverage Haus should still pay attention to the sales promotion by adding a variety of promotions not only provide discounts and discounts on cash refunds but by adding other promotions so that customers are more enamored to buy Haus beverage products.
2. To the Next Researcher

The next researcher is expected to study and try aspects related to purchasing decisions not only of the variables that have been supervised in this research.

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