The influence of product differentiation, price, and positioning on purchasing decisions at Niceso stores in South Tangerang

Monika Claudia Sarita, Mohamad Trio Febriyantoro, Zulkifli, Dede Suleman, Fendi Saputra, Yohanes Totok Suyoto

1. Student of Management at Pembangunan Jaya University, Indonesia
2,3,4,5,6Department of Management & Jaya Launch Pad, Jaya Universitas Pembangunan Jaya, Indonesia
*Corresponding Author: Monika.claudiasarita@student.upj.ac.id, trio.febriyantoro@upj.ac.id, zul.kifli@upj.ac.id, dede.suleman@upj.ac.id, fendi.saputra@upj.ac.id, totok.suyoto@upj.ac.id.

Received: 10 October 2022 Accepted: 1 December 2022 DOI: https://doi.org/10.55942/pssj.v2i4.177

ABSTRACT

This study aims to analyze the effect of product differentiation, price and positioning on purchasing decisions. This type of research uses quantitative, the population used is Nice so product customers with a sample taken of 122 respondents. The method used is multiple linear regression analysis with processing using SPSS 26 software. The sampling technique in this study used a purposive sampling technique. The results of the study show that product differentiation, price and positioning have a positive and significant effect on purchasing decisions.

Keywords: Product differentiation, Price, Positioning, Purchasing decision.

1. INTRODUCTION

Facing competition in today's market, companies need the right strategy in order to grab the attention of consumers. Companies must anticipate increasingly competitive developments by carrying out good strategies for companies to develop in the fierce competition in the market (Taringan et al., 2022). The success of a company's marketing is not only judged by the number of customers but also the strategy of how to retain customers, the company will survive in the market if it succeeds in also maintaining the level of purchases from consumers (Wibowo et al., 2015). Niceso is a retail company with a modern place concept that provides various types of products ranging from stationery, toys, bags, household appliances, beauty, beauty equipment accessories, children's toys and others. As a Niceso retail store, it has competitors with many products from the Niceso store, it must choose and place a good strategy (Wibowo et al., 2015). Niceso must look at it in terms of product differentiation, price and product positioning in order to influence customer decisions to prefer Niceso products. Because market power is in the hands of consumers, so Nice so stores must think about creating a product that consumers need and want (Rauf, 2019).

The importance of taking the right strategy is carried out to be able to to improve consumer purchasing decisions, because purchasing decision factors depend on the accuracy of the strategy implemented by the company (Rahim, 2018). The purchase decision is the stage in the buyer's decision-making process where the consumer actually buys (Kotler & Armstrong, 2018). Decision making by consumers to decide to buy an item will see the product, the Niceso company must build customer perceptions of the product. Customer perception is very important for companies to be able to create an advantage over their products, making products from the company exist in the minds of customers (FN Simamora & Situmeang, 2018). To create customer perceptions, companies need to build a good strategy that can be started from within the company (Mauliansyah, 2018). Companies can differentiate by looking for existing sources of competitive advantage, the differences that the company has, and thinking about an effective position in the market. One that can be done is the differentiation strategy. Differentiation is defined as the process of designing a series of differences in meaning to differentiate a company's offering from competitors' offerings (Yuvira et al., 2021).

Price is a marketing variable that is important for companies to pay attention to because price greatly influences the level of consumer decisions in buying these goods and the profit that will be achieved by the company. The company expects a price that can be affordable by consumers, but with the suitability of product quality and the price of competitors' products in the market, the price consideration is not too low. Price is the amount...
of money that must be paid by the customer for a product that the customer will buy (Kotler & Armstrong, 2018). To create product memory in consumers, companies need to implement a good image in the minds of consumers. Positioning is a company strategy for designing a product and marketing mix so that the company's products can be remembered by consumers, so that consumer perceptions understand the actions taken by the company to compete with its competitors (Purnasari, 2018). If the brand image of Nice so products is well remembered by consumers, it means that the use of positioning is appropriate, and with product differentiation it makes choices for consumers in purchasing decisions.

The results of previous studies indicate that the product differentiation variable has a positive and significant effect on purchasing decisions (ayodya, 2016). Product differentiation has a significant positive effect on consumer purchasing decisions according to research (Gunawan & Maftuchach, 2022). But according to research result Dances et al. (2022) that product differentiation is partially insignificant to purchasing decisions. The relationship between price and purchasing decisions is that prices affect consumer purchasing decisions, the higher the product price, the lower the decision to buy the product and vice versa (Kotler & Armstrong, 2018). According to research results (Sudjatmika (2017) that partially the price variable has no significant or negative effect on purchasing decisions. Based on the results of the study that price has a significant positive influence on consumer purchasing decision variables (IK Simamora & W, 2013). Positioning cannot have a significant effect on purchasing decisions according to research (Rauf, 2019). But according to research results Simamora & W (2013) revealed that based on the research table it can be seen that positioning has a significant positive effect on the purchasing decision variable. Based on the results of various previous studies, there are still contradictions or gaps between the existing variables. Between variables there is a positive effect and there is no effect. This prompted this research to deepen the relationship between variables how much influence product differentiation, price, and positioning have on purchasing decisions. Because of the importance of establishing product differentiation, price and positioning in determining strategies to influence purchasing decisions.

2. LITERATURE REVIEW

Product Differentiation
Product differentiation is the result of a company's different origins to differentiate the product from competing company products that make customers want their products more (M. Simamora, 2004). Meanwhile, another understanding, namely product differentiation, has the meaning "actually differentiating the market offering to create superior customer value" which means a design making a difference in showing the market so that it has high value in the minds of customers (Kotler & Armstrong, 2018). The activity of designing a series of product disparities which means differentiating what the company produces from its competitors based on some of the definitions above it can be concluded that the notion of product differentiation means a company tactic to compete with its competitors by differentiating its products so that customers are more attracted to their products differences make customers interested and produce these products have useful value and differentiate the company's products from its competitors. Product differentiation indicators by Kotler (2005) there are several indicators in product differentiation, among others; feature, form, performance quality, durability, conformance quality, reliability, repairability, style, design.

Price
Price is a convention of a value that becomes an exchange requirement in a purchase transaction. In another sense, price is what must be spent to get a product (Haryanto, 2010). Another opinion says that the price is a product that is made and marketed properly and can be sold at a high price and can make a big profit (Kotler & Keller, 2016). Price is the amount of money that has been determined by a product or the amount of value that is exchanged using the benefits of owning the product that has been exchanged (Kotler, 2005). Prices have indicators as follows according to Kotler & Armstrong (2018) namely the price is affordable by the purchasing power of consumers, the suitability between price and quality, the price has competitiveness with other similar products, the suitability of price with benefits.

Positioning
Positioning is a combination of product differentiation and market segmentation, positioning focus is the views and preferences of buyers regarding a product in the market. Market segmentation helps companies determine the characteristics of the target market. Companies doing positioning will produce product positions, namely product descriptions, not aligned and relatively superior compared to competitors. So positioning is a management tactic that collects research and segmentation to shape the impression of the product in accordance with the expectations of the target market (IK Simamora & W, 2013). In another sense, positioning is a way for a product to place and build a value in consumer memory. and there are basic indicators of positioning, namely attributes, benefits, quality, price, usability, users, competitors, and world consumer culture according to (Kotler & Armstrong, 2018).

Purchase Decision
In marketing activities can influence consumers to decide to buy or use the product or service. according to Kotler (2005), evaluation of solutions and purchasing decisions at the beginning there is an intention to buy, which measures the direction of consumers to take certain actions on a product with a comprehensive scope. several alternative choices of purchasing decisions that consumers have alternative choices so they can choose one of them (leslie L. & Schiffman, 2008). According to Kotler & Armstrong (2018) purchasing decision indicators lead to the final purchasing behavior of consumers, from individuals, as well as households who buy goods and services for personal use, with purchasing decision indicators, namely: need recognition, information search, evaluation of alternatives, buying decisions, behavior after purchase. Kotler (2017) namely the purchase decision is a problem-solving process which consists of the introduction of needs and desires so that buying behavior. With indicators of purchasing decisions, namely decisions about product types, decisions about brands, seller decisions and decisions about the number of
products. Seen in the decision making according to opinion Subianto (2007) a process that starts from thinking about a problem, can be an alternative solution to a decision to make a choice on one particular alternative to achieve a purchasing goal. The purchase decision process occurs gradually and lengthwise before making a purchase choice, marketers must also carefully target consumers with problems or consumer desires that lead to a particular object.

**Dependent Variable Relationship with Independent**

The relationship between product differentiation and purchasing decisions

Companies must be able to create a product that is different and has a special image in the eyes of consumers in competition between similar products. Nice so's similar products vary in many places making it a challenge for Nice so to increase sales and dominate the market. Consumers will search for information, evaluate, introduce new products and make purchasing decisions. consumers will seek information about product differentiation to attract consumer purchase interest, thereby increasing purchases of product purchases(FN Simamora & Situmeang, 2018).

Thus, the hypothesis can be formulated as follows:H1: Product differentiation influences purchasing decisions.

**The relationship between price and purchase decision**

Consumers will see the price for the product which will relate to the purchase decision. when consumers have reviewed and compared these products unlimitedly but by comparing product price standards as a comparison to make product purchase transactions(Hoffmann et al., 2013). This price can affect consumer decisions in making purchases, if the price is high, the purchase decision will be lower, but if it has a low price, the purchase decision will be higher(Kotler & Armstrong, 2018).

Thus, the hypothesis can be formulated as follows: H2: Price influences purchasing decisions

**Relationship positioning with purchasing decisions**

The company uses a positioning strategy that can create a good product image in the minds of consumers that is able to encourage product purchase rates. several product placements can be carried out in marketing activities on target markets in the form of attributes, applications, benefits and uses, competitors, categories, prices, users.(Pfoertsch & Philip, 2007). Thus, the hypothesis can be formulated as follows: H3: Positioning influences purchasing decisions.

**Research Hypothesis**

hypothesis is a temporary result of the formulation of the problem in research(Sugiyono, 2010). the hypothesis in the study as follows:

H1: It is suspected that the product differentiation attribute (X1) has an effect on purchasing decisions (Y) 
H2: It is suspected that the price attribute (X2) has an effect on purchasing decisions (Y) 
H3: It is suspected that the positioning attribute (X3) has an effect on purchasing decisions (Y) 
H4: Product differentiation (X1), price (X2), and positioning (X3) are thought to influence purchasing decisions (Y).

3. METHOD

Judging from the type of data, the approach used in this research is a quantitative approach. Quantitative data is a research method based on concrete data, research data in the form of numbers with statistical data measurements as a calculating tool, with the relationship being studied to reach conclusions (Sugiyono, 2010). The population in this study are buyers of Niceso products in South Tangerang. The research data uses primary data with the data collection method taken, namely the online questionnaire. The sampling technique in this study used a purposive sampling technique. The purposive sampling technique is a technique for determining a sample with consideration of certain aspects, with the reason for using this technique because it is suitable for use in quantitative research or research that does not generalize (sugiyono, 2016). The sample used in the study amounted to 122 respondents. In this study, data were analyzed through descriptive statistical analysis. The analysis technique used in this data is SPSS software. things to be tested in SPSS are validity test, reliability test, classical assumption test, multiple linear regression analysis, F test, and t test.

4. RESULTS AND DISCUSSION

**Respondent Profile**

In November 2022 an online questionnaire was distributed and received 146 respondents. With a final sample of 122 valid respondent responses and will be analyzed. The characteristics of the respondents are presented in table 1.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Total Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man</td>
<td>45.9%</td>
</tr>
<tr>
<td>Woman</td>
<td>54.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Total Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 - 21 Years</td>
<td>79.5%</td>
</tr>
<tr>
<td>22 - 26 Years</td>
<td>13.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation/Status</th>
<th>Total Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student / Student</td>
<td>80.1%</td>
</tr>
<tr>
<td>Employee</td>
<td>14.4%</td>
</tr>
<tr>
<td>And others</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Source: Data Processing, 2022

**Validity test**

Test the extent to which it is able to measure something that must be measured. According to Sugiyono (2017) that the degree of accuracy between the actual power that occurs on the object with the data that has been collected by previous researchers.
It can be seen from the table above that the Pearson Correlation results for X1, X2, X3 are below the R table at 5% significance, it is found that the R table is 0.1484. All Pearson correlation variables > 0.1484, it can be concluded that all variables are declared valid. Based on the data output above, all Sig. (2-tailed) of 0.000 <0.05, it can be concluded that all variables X1, X2, and X3 are declared valid and can be used as accurate data collection tools.

Reliability Test
Reliability test to measure consistency indicator of a variable. A test to obtain information on the level of reliability, the efficacy of a questionnaire in retrieving data indicated by the alpha coefficient value it has (Rauf, 2019). A questionnaire is declared reliable if the respondents’ results on statements are consistent from time to time (Ghozali, 2009).

From the data results it can be seen that the Cronbach's Alpha measurement is 0.934 which is higher than >0.60. It can be concluded that the variables tested in this study are declared reliable. In the output table above in Cronbach’s Alpha If Item Deleted all variables are > 0.60, it can be concluded that all variables are reliable.

R-Square test
The R-square has a good value between 0-1 with a number close to one, meaning the data is getting better. The following is the R-Square test table.

It can be seen that in the R square table the value is 0.736 derived from the squaring of the R coefficient value. This means that the variables X1, X2 and X3 affect the Y variable by 73.6%, while 26.4% are influenced by other variables not examined in this study.

F test (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>109.901</td>
<td>.000b</td>
</tr>
</tbody>
</table>

It can be seen in the F test data table above that the F count is obtained at 109.901 with a probability level of 0.000. in the table with a probability of 0.000 <0.05, it can be concluded that the regression model can be used to predict the level of purchasing decisions.

T test
Testing T count in regression is if T count > T table then the hypothesis is accepted, otherwise if T count < T table then the hypothesis is rejected.

Based on the output table above, it is known that the value of Sig. variable X1 is 0.005, then the value of sig. 0.005 <probability of 0.05, so it can be concluded that hypothesis X1 can be accepted. Sig. Value for X2 0.000 <0.05 it can be concluded that the hypothesis X2 is accepted. Sig. Value X3 0.000 <0.05 which means the hypothesis is accepted. So when the variables X1, X2, and X3 affect variable Y.

Classic assumption test
Normality test to test a regression model the residual value is normally distributed or not (Ghozali, 2017). If the graph obtained with the dots approaches the diagonal line, it can be concluded that the regression model is normally distributed.

<table>
<thead>
<tr>
<th>Model</th>
<th>t</th>
<th>Sig.</th>
<th>description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.824</td>
<td>0.006</td>
<td>received</td>
</tr>
<tr>
<td>X1</td>
<td>2.885</td>
<td>0.000</td>
<td>received</td>
</tr>
<tr>
<td>X2</td>
<td>4.905</td>
<td>0.000</td>
<td>received</td>
</tr>
<tr>
<td>X3</td>
<td>3.655</td>
<td>0.000</td>
<td>received</td>
</tr>
</tbody>
</table>

Based on the output table above, it is known that the value of Sig. variable X1 is 0.005, then the value of sig. 0.005 <probability of 0.05, so it can be concluded that hypothesis X1 can be accepted. Sig. Value for X2 0.000 <0.05 it can be concluded that the hypothesis X2 is accepted. Sig. Value X3 0.000 <0.05 which means the hypothesis is accepted. So when the variables X1, X2, and X3 affect variable Y.
In the Asymp table, Sig obtained a significance value of the Unstandardized Residual variable of 0.081 with Sig (2-tailed) of 0.49 > 0.05, which means that the One-Sample Kolmogorov-Smirnov table has residual data values that are normally distributed.

Multicollinearity Test
Multicollinearity is a linear relationship between independent variables(Ghozali, 2017). The test aims to test the regression model whether there is a high or perfect correlation between the independent variables. This test can be seen from the Variance Inflation Factor (VIF) table value with the tolerance value through the SPSS program with the following test results.

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>0.331</td>
</tr>
<tr>
<td>total X1</td>
<td>0.396</td>
</tr>
<tr>
<td>total X2</td>
<td>0.273</td>
</tr>
</tbody>
</table>

Source: Data Processing, 2022

It can be seen from the data above that the tolerance value of each independent variable is >0.1 and the VIF value is <10, so it can be concluded that the regression model does not contain multicollinearity.

Heteroscedasticity Test
The heteroscedasticity test aims to test whether there are differences in the variance of the residuals between observations. The high regression model does not contain heteroscedasticity(Ghozali, 2009).

The way to find out whether there are symptoms of heteroscedasticity in the regression model is to do the Glejser test, by regressing the independent variable to the residual absolute value. The heteroscedasticity test with the Gejser test simply looks at the output coefficients table with the Abs_RES variable as the dependent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sig.</th>
<th>heteroscedasticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.000</td>
<td>Heteroscedasticity does not occur</td>
</tr>
<tr>
<td>X1</td>
<td>1.000</td>
<td>Heteroscedasticity does not occur</td>
</tr>
<tr>
<td>X2</td>
<td>1.000</td>
<td>Heteroscedasticity does not occur</td>
</tr>
<tr>
<td>X3</td>
<td>1.000</td>
<td>Heteroscedasticity does not occur</td>
</tr>
</tbody>
</table>

Source: Data Processing, 2022

From the table above it can be seen that the significance value is the Sig value. for each variable X1, X2, and X3 with the same amount of 1,000. Because the significance value of the three variables is greater than 0.05, it can be concluded that there are no symptoms of heteroscedasticity in the regression model.

Discussion
The results of the study show that Niceso's product differentiation variables influence purchasing decisions. Product differentiation variable (X1), shows t arithmetic equal to 2.885 > t table 1.98137 with a significant level of 0.005 <0.05. So it can be concluded that the product differentiation variable has a significant positive effect on purchasing decisions at Niceso stores. This shows that product differentiation is one of the factors supporting purchasing decisions. These results also support previous research by Yuvira et al. (2021)that product differentiation has a significant positive effect on purchasing decisions. And research according come on (2016) proves that product differentiation affects purchasing decisions. The results showed that the price variable has an effect on purchasing decisions. The price variable (X2) shows t arithmetic of 4.905 > t table 1.98137 with a significant level of 0.000 <0.05. So it can be concluded that the price variable has a significant positive effect on purchasing decisions. This result is also supported by previous research by Yuvira et al. (2021)that price has a significant positive effect on purchasing decisions. Can prove that price is one of the factors that influence purchasing decisions. Other research from Dances et al. (2022)states that price has a significant positive effect on purchasing decisions. The results of the research show that the positioning variable has an effect on purchasing decisions. Variable (X3) shows t count 3.655 > t table 1.98137 with a significant level of 0.000 <0.05. So it can be concluded that the positioning variable has a significant positive effect on purchasing decisions. These results indicate that the variable is one of the factors that influence purchasing decisions. This is supported by previous research by Purnamasari (2018)revealed that positioning has a significant effect on purchasing decisions, as well as research from Mauliansyah (2018)shows that positioning has a significant effect on purchasing decisions.

5. CONCLUSION

Based on the results of research on "The Influence of Product Differentiation, Price and Positioning on Purchasing Decisions at Niceso Stores in South Tangerang". So, it can be concluded from this research, namely the results of the analysis that has been done that product differentiation, price, and positioning have a significant positive effect on purchasing decisions. In the product differentiation variable, it has been known from the research results that it has a significant positive effect on purchasing decisions. It is also known that the price variable has a significant positive effect on purchasing decisions, as well as the positioning variable, the results prove that it has a significant positive effect on purchasing decisions. Based on the results of research that has been carried out regarding product differentiation, price, and positioning towards purchasing decisions, it can be used as a benchmark as study material to add references for the development of Niceso stores in South Tangerang. By paying attention to product differentiation, the price of Niceso goods and the positioning of Niceso stores, can influence the level of customer decisions so as to increase the reputation of Niceso stores, especially in the South Tangerang area.
REFERENCES


Pfoertsch, waldemar, & philip, kotler. (2007). Being known or being one of many: the need for brand management for business-to-business (B2B) companies (Journal of).


