THE IMPACT OF ADVERTISING ON SMARTPHONE PRODUCT PURCHASE DECISIONS IN THE PS STORE MEDAN

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Abstract

The purpose of this study is to examine how advertising influences smartphone product purchasing decisions at PS Store Medan. In this study quantitative is used as reseach method. The sample was determined by 50 respondents, while the data collection used was a survey with a questionnaire as a research instrument. The results in this study show that there is a relationship between the advertising variable (X) and the purchasing decision variable (Y) included in the fairly good group from the coefficient table and the influence of advertising on smartphone product purchasing decisions at the PS Store. As a result, the simple linear regression model reveals that advertising has a 54.3% influence, while other factors outside the regression model, such as price, product quality, service quality, and so on, have a 45.7% influence. In addition, the direction of the influence of the advertising variable on the purchasing decision variable is positive when the regression coefficient value is positive from simple linear regression analysis.

Keywords: Advertising's Impact; Purchase Decision; Smartphones

I. INTRODUCTION

The rapid development of technology brings changes and convenience for the public in carrying out activities. Various technological sophistications are presented, one of which is a smartphone that is equipped with various features with a more flexible nature. Globally, the growth of smartphone users in the world as reported by Stock Apps reached 5.3 billion in July 2021. This number represents more than half of the total population earth about 7.9 billion with a percentage of 67 percent.

The Ministry of Communication and Information stated that the use of smart phones or smartphones reached 167 million people or with a percentage of 89 percent of the total population of Indonesia. This is driven by the tariff to use the internet which is cheap. Meanwhile, in early 2022, based on a report from research company Data Reportal, the number of connected mobile devices in Indonesia reached 370.1 million. This number increased by 13 million or 3.6 percent from the same period in the previous year.

According to the Newzoo report, with 170.4 million smartphone users, Indonesia is fourth. There are 61.7 % of the population in the country now owns a smartphone. This can be seen from the number of internet users in Indonesia, from 204.7 internet users in Indonesia at the beginning of 2022.
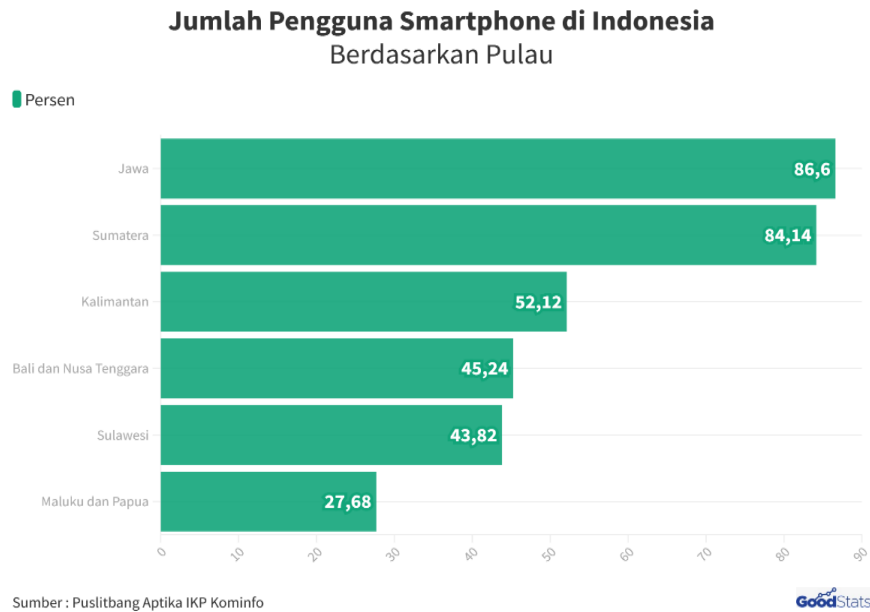
Figure 1: Number of Smartphone Users in Indonesia by Island

From the data above, it can be seen that by island, the proportion of smartphone ownership is the most in Indonesia, Sumatra is in the second rank of smartphone use at 84.14 percent. This is because urban communities are more dominant in owning smartphones than rural communities. Urban people use smartphones by 83.04 percent.

The increasing number of smartphone users certainly makes the demand for smartphones in the market increase. This is clearly seen by the large number of figures who provide smartphone products in Sumatra, especially in the city of Medan. The large number of figures who provide smartphone products certainly raises competition. Thus, various strategies are certainly carried out to attract customers' interest, such as making attractive advertisements or giving discounts and others.

In increasing sales in an advertising company, it is chosen as a marketing medium, this is because advertising can influence the mindset of consumers to buy products offered by the company as well as in anticipating competition from other similar businesses. Of course, every company has a different strategy in advertising their products in order to obtain a high number of sales. The existence of advertising is done, then the public will quickly know the advantages offered by a product.

One of the smartphone figures that is quite popular in Medan is the PS Store. PS Store is popular among the public because it often advertises its products through social media. In addition, this store often advertises and sells Smartphone products, especially iPhones at a lower price than the market price. In promoting its selling products, the PS Store often endorses a number of well-known Indonesian artists and influencers. Thanks to artist endorsements and cheap prices, not a few people are tempted to buy cellphones at the PS Store. In addition, the

PS Store also often gives iPhone giveaways to the public. No wonder thousands of people always watch the live IG PS Store.

The background presented above indicates that the subject of the study is of interest to the researcher "The Influence of Advertising on Smartphone Product Purchase Decisions at PS Store Medan"

II. REVIEW OF LITERATURE

2.1 Definition of Advertising

According to (Bovee, 1992) Advertising is impersonal communication regarding information about products, services, and ideas conveyed through various media, and usually has the function of influencing and being paid for by certain parties. Advertising can help a company build a sustainable image for a product, which in turn will generate revenue for the company (Kotler, 2010). This makes the main goal for companies and advertisers to motivate consumers to buy and also increase consumer knowledge of the products or services offered (Arens, 1996). As a result, it's critical to pay attention to the factors that affect how consumers respond to the advertisement's message. (ciaaadvertising.com, 2007).

2.2 Advertising Function

Tjiptono's opinion, which is mentioned in Malau (2017), there are four main functions of advertising:

1. Educating the audience about the product's specifics (informative)influencing (persuading) audiences to buy

2. Information that has been received by the public that is up to date (reminding).

3. Fostering a welcoming environment for audiences as they receive and process information (entertainment).

2.3. Purchasing Decision

Individual consumers as well as corporate buyers make purchasing decisions based almost entirely on the same mental process when choosing brands and products. Kotler in the journal Elisa, Firdaus (2015) furthermore, the process by which a consumer decides to make a purchase is known as the "purchase decision." (Schiffman and Kanuk in the journal Asri Fajar 2015).

III. RESEARCH METHODS

Quantitative research was used as the research method, which can also be interpreted as an approach that aims to test theories, build facts, and test predetermined hypotheses (Sugiyono, 2008). The research population is buyers/consumers of smartphone products at PS Store Medan, the sample is determined by 50 respondents. While the data collection used was a survey with a questionnaire as a research instrument used as a data collection technique. There are 2 variables in this study, namely the X independent variable (the effect of advertising) and the Y dependent variable (purchasing decision). For question items, there are 20 question items

with a calculation of 10 items for each variable using the rules of favoreable and unfavoreable items so that they have a level of feasibility in the research instrument.

3.1 Research Data Analysis

Analysis of research data conducted by researchers is a simple linear regression analysis technique determine the impact of the independent variable X (the influence of advertising) on the dependent Y variable (purchase decisions). Before carrying out the analysis technique, the researcher conducted several tests from the results of the research instrument data obtained as follows:

A. Validity Test

The results of this test are used to determine whether the research instruments used have a high or low level of validity. In testing the validity of this study using the SPSS application program version 25 with the Bivariate Pearson correlation formula.

Table 1: Result of Validity Test of Variable X and Variable Y

Variable	Item Number	Results	Number of Items
Advertising Impact (X)	1-10	**Valid**	10
Purchase Decision (Y)	11-20	**Valid**	10

Source: Researcher Data Processed Results, 2022.

Based on the results of testing the research data in table 1, the results of testing the data on the validity test with the SPSS version 25 program all r Count > r Table 0.1966 (50-2 = 48), 5% significance and all significance values for all question items < 0.05 (Raharjo, 2017). Therefore, it can be concluded that all of the questions on the variables of social media use and purchasing decisions are declared valid.

B. Reliability Test

To ensure that the measuring instrument can be trusted, this test aims to determine the consistency of the questionnaire or questionnaires used to collect research data. The following is the result of calculating the reliability test with the Cronbach's Alpha formula. On the question of social media variables and purchasing decisions:

Table 2: Reliability Test Results

No	Reliability	Cronbach's Alpha	N Items
1.	Advertising Impact (X)	**.610**	10
2.	Purchase Decision (Y)	**.614**	10

Source: Researcher Data Processed Results, 2022.

The reliability test data were tested using the SPSS version 25 program, and the results are based on the data in table 2 show that the social media variable Cronbach's Alpha value are

0.610 > 0.60. While the Cronbach's Alpha value of the purchasing decision variable is 0.614 > 0.60 and it can be said that it meets the criteria, namely > 0.60 (Raharjo, 2017). So it can be concluded that all question items from the two variables are said to be reliable and feasible to be used in research instruments.

IV. RESULTS AND DISCUSSION

4.1 Result

In this study, the results obtained were 50 respondents who were all consumers who had given smartphone products at the PS Store Medan, while the respondents had met the criteria of the research sample based on purposive sampling technique. The time of data collection was carried out for 10 days with an interval of November 1, 2022 to November 10, 2022. The following is a description of the research results obtained:

A. Variable Description

Based on the descriptions of variables X and variables Y outcomes, the researcher refers to the Durianto formula (Sudjanarti, 2020) with a scale range of 0.8 with intervals between 1-5. The researcher also uses the mean formula, which later results from the average calculation adjusted to the criteria on the interval scale. Following are the results of data processing for each variable:

Table 3: Descriptive Variable X

No	Dimension	*Means*	Criteria
1.	*Smartphone Ad Frequency*	3.61	**Well**
2.	*Smartphone Advertising Appeal*	3.56	**Well**
3.	*Completeness and Clarity of Smartphone advertisements*	3.72	**Well**
4.	*Ad feedback using famous artists*	3.90	**Well**

Source: Processed Results of Researcher Data, 2022.

From the processed research description data in table 3, the mean value on the 4 dimensions of the indicator variable X has good criteria. Where the frequency of smartphone advertisements is good in various ways such as the introduction of good product branding, the attractiveness of ads that are already very good with the concept of interactive content, and the clarity in writing ad descriptions are also included in the good category. However, of the 4 indicators, the one that has a high influence is feedback on advertisements using well-known artists.

Table 4: Descriptive Variable Y

No	Dimension	*Means*	Criteria
1.	*Product Requirement Introduction*	3.76	**Well**
2.	*Product Information Search*	3,15	**Currently**
3.	*Product Alternative Selection*	3,23	**Currently**
4.	*Product Purchase Decision*	3.84	**Well**
5.	*Behavior After Product Purchase*	3.12	**Currently**

Source: Processed Results of Researcher Data, 2022.

From the processed research description data in table 4, the mean value of the 2 dimensions of the Y variable indicator has good criteria. Where that the indicators for recognizing needs and purchasing decisions are quite good and relate to the current situation where consumers feel that smartphones are necessities, then all the needs that are needed can be met properly with smartphone advertisements carried out by the PS Store. However, for the 3 dimensions, namely information seeking, alternative selection and behavior after product purchases made by consumers, it is still not good. Where consumers are still considering several things before deciding to buy products at the PS Store, besides that, there are also many smartphone figures who also provide quite interesting advertisements.

B. Results Of A Simple Linear Regression Test

The simple linear regression test, which is based on the results, aims to determine how the independent variable X (the influence of advertising) affects the dependent variable Y (purchase decisions). The results of a straightforward linear regression test using the SPSS version 25 application program (Determinant Test and Correlation Test) can be found below.

Table 5: Determinant Test Results or Model Summary

Model	R	R Square	Adjus. R Square	Error of the Estimate
1	.349a	**.543**	.248	2.054
a. Predictors: (Constant), Ad Effect				
b. Dependent Variable: Purchase_Decision				

Source: Results of Processed Research Data, 2022.

Table 5 show that the summary model or the determinant table above, the coefficient of determination is obtained at the value of R = 0.349, which means that the correlation value of R Square = 0.543 or it can be interpreted that the variable influence of advertising is 54.3% on the purchasing decision variable.

Table 6: Regression Feasibility Test Results

Model	Sum of Squares	MeanSquare	F	Sig.
Regression	300,387	300,224	**23,292**	**.000b**
Residual	1708367	16,414		
Total	1408.364			

Source: Researcher Data Processed Results, 2022.

Based on the data processing results presented in Table 6, the regression feasibility test with the SPSS version 25 program. It is evident that the Sig. (significance) value is 0.00, which is less than the 0.05 significance level, which means that the regression test is declared feasible and there is an influence between 2 variables (Raharjo, 2017).

C. HYPOTHESIS TEST RESULTS

In the later research, the hypothesis test will use the t-test which is carried out to determine the effect of the independent variable simultaneously with the dependent variable. Determination of the hypothesis as follows:

a) Ho: The use of advertising has no effect on purchasing decisions made by PS Store Medan consumers.

b) Ha : There is an influence from the use of advertising from purchasing decisions made by consumers of PS Store Medan.

Table 7: Hypothesis Test Results

Coefficient	B	std. Error	Beta	t	Sig.
(Constant)	20,672	3,256		6,076	.000
advertising influence	.422	094	.397	**5,438**	**.000**
a. Dependent Variable: Purchase_Decision					

Source: Researcher Data Processed Results, 2022.

As can be seen from the hypothesis test results in table 7, The calculated t value is 5.438, which is higher than the table t value of 1.880 by calculation (n-2 or 50-2).   So that can   be interpreter   there is influencer   between   the   independent   variable   (X: influence   of advertising) on the dependent variable (Y: purchase decision) (Raharjo, 2017) Meanwhile calculation on table coefficient obtained from a significance level of 0.05 and a significance value of 0.000, respectively. Consequently, there is a correlation between the variables of the influence of advertising on smartphone product purchase decisions at the PS Store Medan. Basis for decision making (Raharjo, 2017):

a) If the significance level is <0.05, then Ha is accepted and Ho is rejected.

b) However, Ho is accepted and Ha is rejected if the significance value > 0.05.

4.2 Discussion

In the results of the research test conducted, where looking for influence between the independent variable the influence of advertising with the dependent variable the decision to buy Smartphone at the PS Store Medan for smartphones. This is known by the results of the simple linear regression t test with the results of t count (5.438)> t table > (0, 1880) and a significance number of 0.000 <0.05. From these tests, it can be said that the effect is very significant and the results of testing the research hypothesis in this study Ho is rejected and Ha is accepted or it can be interpreted that there is an influence from the use of advertising on purchasing decisions for smartphone products at PS Store Medan.

Furthermore, from the analysis of the test results of the determinant coefficient between 2 variables, namely the influence of advertising and purchasing decisions, The R Square correlation value can be determined = 0.543 it means 0.543 x 100% = 54.3%. So that the simple linear regression model can be seen that the magnitude of the influence of advertising is 54.3% and other factors outside of the regression model have an impact on the remaining 45.7%.

These results demonstrate that consumers' purchasing decisions are significantly influenced by advertising.

From the variable indicator of the influence of advertising that is presented, that for the 4th dimension, the indicator variable X has good criteria. Where the frequency of smartphone advertisements is good in various ways such as the introduction of good product branding, the attractiveness of advertisements that are already very good with the concept of interactive content, and clarity in writing descriptions of advertisements are also included in the good category.

However, of the 4 indicators, the indicator that is quite influential is the advertisement feedback using well-known artists. This is because people feel more confident buying a product if the product is used by a famous artist.

Meanwhile, based on the results of the purchasing decision variable indicator described, where the 2 dimensions of the Y variable indicator have good criteria. Where for indicators of need recognition, purchasing decisions are good enough and relate to the current situation where consumers feel satisfied and all the needs that are needed can be fulfilled with the advertisements made by the PS Store.

However, for 3 dimensions, namely information search, alternative selection and behavior after product purchases by consumers, it is still not good. Where consumers are still considering several things before deciding to buy products at the PS Store, this is due to the many reviews by PS Store consumers regarding the problems that occur with smartphones after making purchases.

As a result, it can be seen from this research that the effect of advertising on smartphone products at the PS Store has a good effect on consumer purchasing decisions. It is also proven that with advertisements, the number of sales of smartphone products on the PS Store increases, especially if the advertisements are carried out by well-known artists who are better known for their endorsements. So that it can be stated that the use of advertising as a means of promoting PS Store items emphatically affects item buying decition by customers in Medan.

V. CONCLUSION

In view of the consequences of the examination got, it tends to be reasoned that there is a connection between the advertising variable (X) and the purchasing decision variable (Y) included in the fairly good group from the coefficient table and the influence of advertising on smartphone product purchasing decisions at the PS Store. So in the basic straight relapse model it very well may be seen that the greatness of the impact of promoting is 54.3% and the leftover 45.7% is affected by different elements outside such as price, product quality, service quality and others.

Additionally, the positive value of the regression coefficient from simple linear regression analysis indicates that the direction of the influence of the advertising variable on the purchasing decision variable is positive.

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