



## How to Win the Haircare Competition in Bekasi Area

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**Abstract** Bekasi city is a promising market and is a satellite city with the largest population in Indonesia. One of the famous hair care brands in Indonesia is Ellips. Ellips is ranked first in the top of brands as proven in the last 5 consecutive years of top of mind. Ellipse products themselves are easy to find in supermarkets or shops throughout Indonesia. Apart from that, this product can also be found online, one of which is through the Shopee application. The purpose of this research is to determine the influence of price perceptions and sales promotions on purchasing decisions to purchase Ellips 5 in 1 hair vitamin products through the Shopee application. The method used in this research is a quantitative method with an online questionnaire survey via Google Form. The number of respondents was 150 people and the data processing tool used SmartPLS 4 software. The results of the study showed that price perception had a significant influence on purchasing decisions for Ellips 5 in 1 hair vitamin products through the Shopee application and sales promotions had a significant influence on purchasing decisions for Ellips 5 in 1 products. hair vitamins via the Shopee application. Thus, this research raises an interesting topic that explains the factors that influence purchasing decisions with a significant impact.

**Keywords:** Price Perception, Sales Promotion, Purchase Decision

## 1. INTRODUCTION

Bekasi city is a promising market and is a satellite city with the largest population in Indonesia. One of the famous hair care brands in Indonesia is Ellips. This product was first launched in 1999. Based on (top brand award, 2024) Ellips is ranked first in the top of brands as proven in the last 5 years in a row top of mind and trying to enter that market. Ellips as a top brand is able to enter the market in the city of Bekasi. Ellipse products themselves are easy to find in supermarkets or shops throughout Indonesia. Apart from that, this product can also be found online, one of which is through the Shopee application. Competition in the business world is increasing from time to time. Utilizing and applying internet technology can provide significant benefits for the competitive business world. One form of technology application that aims to increase business productivity and product sales is the use of digital technology to market various products or services through electronic commerce (e-commerce). One of the e-commerce platforms in Indonesia is Shopee. Shopee is a company operating in the e-commerce sector in Indonesia, a well-known online company owned by PT Shopee International

Indonesia. According to (databoks.katadata.co.id, 2024) this application has been widely used by people in Indonesia and has become one of the online shopping sites with the most visitors in Indonesia in 2023, Shopee is ranked highest with the most visitors compared to other e-commerce. Ellips sells various kinds of hair care products on the Shopee application, the most sold product is Ellips hair vitamin (jar) and the least sold product is Ellips 5 in 1 hair vitamin. Based on researchers' observations, when the 5 in 1 hair vitamin product was launched in 2022 the company experienced losses. In contrast to 2021, where the company still posted a profit. The company's performance until the third quarter of 2022 was influenced by the increase in raw material prices. On the other hand, companies cannot pass on the entire cost of increasing raw materials to consumers, so they must continue to bear most of the burden. Of course, this will influence the decision to purchase the Ellips 5 in 1 hair vitamin product. Based on this phenomenon, the researchers asked the question, namely whether this product can be purchased by many consumers. Apart from that, what factors make Ellips 5 in 1 hair vitamin products sell the least compared to other products. Based on the pre-survey that was conducted, two factors were identified that influenced the decision to purchase Ellips 5 in 1 hair vitamin products. These variables, namely price perception and sales promotion, were chosen because almost all respondents stated that these two factors would influence their interest in buying more so that it would have an impact on purchasing decisions. Based on the pre-survey results, price perception has a very important role in purchasing decisions. Apart from that, sales promotions also have an influence on purchasing decisions. This finding comes from a pre-survey that most consumers want products at affordable prices and disseminate information on product production to attract consumer interest and increase sales.

Several studies conducted by (Zakhra et al., 2023) indicates that price perceptions have a significant positive effect on purchasing decisions. Other results by (Feby Mulandari et al., 2023) show that the price perception variable has a positive and significant effect on purchasing decisions. However, there are other studies, namely (Fauziah et al., 2023) shows that the price perception variable has a negative and insignificant effect on purchasing decisions. research results by (Renwarin, 2019) states that sales promotions have a significant effect on purchasing decision variables. Other research by (Dian et al., 2021) suggests that sales promotions have a positive and significant effect on purchasing decisions. However, there are other studies, namely (Dianamurti & Damayanti, 2023) shows that sales promotions do not have a positive and significant influence on purchasing decisions.

The formulation of the problem in this research is: 1) How much does price perception influence the decision to purchase Ellips 5 in 1 hair vitamin via the Shopee application and 2)

How much does sales promotion influence the decision to purchase Ellips 5 in 1 hair vitamin via the Shopee application. The objectives of this research are as follows: 1) To determine and analyze the influence of price perceptions on purchasing decisions for Ellips 5 in 1 hair vitamin products via the Shopee application and 2) To determine and analyze the influence of sales promotions on purchasing decisions for Ellips 5 in 1 hair vitamin products via the Shopee application. This research can also provide theoretical and practical benefits. Theoretically, provide an illustration or prove that price perceptions and sales promotions influence purchasing decisions for Ellips 5 in 1 hair vitamins through the Shopee application. In practical terms, namely: 1) For companies, this research can be useful for identifying variables that influence purchasing decisions for a particular product; 2) For researchers, as a result of knowledge obtained from college, especially in the field of marketing; 3) For future researchers, as a guide for further research because the findings in this research are not yet completely concrete, further research will complete research related to the influence of price perceptions and sales promotions on purchasing decisions through the Shopee application.

## **2. HYPOTHESIS DEVELOPMENT**

Purchasing decisions are a process carried out by consumers to use a good or service which involves a consideration process such as what product or service to buy and its quality, how much, how to buy the good or service.(Maryati & Khoiri, 2022). The decision-making process leads to the point where consumers actually make a purchase, because the focus of the marketing activities carried out becomes the basis for purchasing decisions(Mulandari et al., 2023). Purchasing decisions refer to the actions or behavior of consumers so whether or not they make a purchase or transaction, the number of consumers in making decisions is one of the determinants of whether or not the company's goals are achieved.(Poespa et al., 2020).

Price perception is considered to be the main factor influencing consumers' decisions to buy a product(Mulandari et al., 2023). someone is willing to pay a higher price for a product that exceeds their expectations. On the other hand, people who rate a product as less than satisfied are less likely to pay a certain price or even buy it(Khairunnisa & Nurafiah, 2016). Price perception is considered to be an important factor when consumers decide to buy a product. Price is also a benchmark for the product. High prices are considered to reflect the quality and value of the product. On the other hand, if the price of a product is low, consumers often think that the quality of the product offered is lacking. although not always cheap products have low quality and expensive products have good quality(Pradana, 2022). Based on this explanation, the hypothesis in this research is:

**H1: Price perceptions influence the decision to purchase Ellips 5 in 1 hair vitamin products through the Shopee application.**

Sales promotion refers to direct strategies that offer incentives or added value to consumers. This means that it includes various promotional tools aimed at eliciting a stronger response from the market (Angelina & Sanjaya, 2019). Attractive and clear sales promotions will increase consumer confidence and frequent promotions will make it easier for consumers to learn about the product and encourage consumers to buy. This means that if the promotion is attractive, consumers will be interested in buying the product (Eliana, 2024). Every business needs the right marketing strategy to stay competitive in an ever-evolving competitive industry. Sales promotion is an effective strategy to increase the number of sales and market products better (Safitri & Patrikha, 2020). Based on this explanation, the hypothesis in this research is:

**H2: Sales promotions influence the decision to purchase Ellips 5 in 1 hair vitamin products through the Shopee application.**

### **3. RESEARCH METHODS**

This research uses a quantitative approach with the method used is a survey with an online questionnaire via Google Form as a data collection tool. The number of respondents was 150 people. The sample was determined using a purposive sampling technique. The data processing tool uses SmartPLS 4 software.

### **4. RESULTS AND DISCUSSION**

Based on the calculation results, it was found that sales promotions had a significant and influential effect on purchasing decisions for Ellips 5 in 1 hair vitamin products through the Shopee application. This shows that discount sales promotions and free shipping promotions influence purchasing decisions in terms of need recognition and post purchase behavior. In the discount dimension, the indicator that has the greatest value is the size of the discount given. This means that consumers see products that are given a large discount as a more attractive offer and encourage consumers to make purchasing decisions more quickly. Then, in the free shipping promo dimension, the indicator that has the greatest value is the conditions for using the promo. It can be interpreted that conditions that are easy to understand will encourage consumers to take advantage of the promo, whereas complicated conditions can reduce consumers' interest in using the promo.

These results are in line with previous research conducted by (Eliana, 2024) which states that sales promotions have an influence on purchasing decisions. Attractive and clear sales

promotions will increase consumer confidence and frequent promotions will make it easier for consumers to learn about the product and encourage consumers to buy. Another result of previous research by (Safitri & Patrikha, 2020) was that sales promotions had a positive and significant effect on purchasing decisions. Every business needs the right marketing strategy to survive in the ever-growing competitive industry.

Based on the calculation results, it was found that price perception had a significant and influential effect on the decision to purchase Ellips 5 in 1 hair vitamin products via the Shopee application. This shows that price perceptions in terms of perceived quality and perceived costs sacrificed influence purchasing decisions in terms of need recognition and post purchase behavior. In the dimension of perceived quality, the indicator that has the greatest value is the brand indicating quality. This means that brands that have good quality in the market are often associated with good products. Consumers tend to trust brands that are well known and have a good track record. Then, in the cost perception dimension, the indicator that has the greatest value is price sensitivity. This means that consumers who are price sensitive are more likely to respond to discounts, promotional offers and sales. They may wait until the price drops before buying.

These results are in line with previous research conducted by (Feby Mulandari et al., 2023) which stated that price perceptions have a significant influence on purchasing decisions. Price perception is the way consumers consider product price information in relation to the suitability of the benefits or value achieved. This means that price perception is considered the most important factor in determining a consumer's decision to buy a product. Another result of previous research by (Pradana, 2022) is that price perceptions have a significant positive influence on purchasing decisions. Price perception is considered an important factor when consumers make purchasing decisions about a product. Where, price is also a benchmark for the product. A high price is considered to reflect the value, quality and commensurate value of the product. On the other hand, the low price of a product often means that consumers assume that the quality of the product offered is lacking. Although it is not a cheap product of poor quality and an expensive product of good quality.

Based on the research results, the researcher provides managerial advice on the purchasing decision variable that in the need recognition dimension, the indicator with the greatest influence is friends. The strategy that can be implemented by the company is to maintain and provide a referral program that provides incentives to customers who successfully invite friends to buy products. Then in the need recognition dimension, the indicator with the lowest influence

is the environment. A strategy that can be implemented by companies is to hold free workshops or seminars that provide added value to participants, such as tips and tricks related to products.

Based on the research results, the researcher provides managerial advice on the purchasing decision variable that in the post-purchase behavior dimension, the indicator with the greatest influence is post-purchase satisfaction. The strategy that can be carried out by the company is to maintain a loyalty program that provides special discount vouchers for your next purchase. Then in the post-purchase behavior dimension, the indicator with the lowest influence is post-purchase action. A strategy that companies can use is to ask about their experiences and ask for reviews in addition to offering additional support or free consultations to help customers get the most out of the product.

Based on the research results, the researcher provides managerial advice on the price perception variable that in the quality perception dimension, the indicator with the greatest influence is the brand indicating quality. The strategy that can be carried out by companies is to maintain consistency in terms of product quality. Consistently high quality products build consumer trust and strengthen brand reputation. Then in the quality perception dimension, the indicator with the lowest influence is a guarantee that is identical to a high quality product. A strategy that can be implemented by companies is to extend the duration of the guarantee to show confidence in the quality of the product and provide peace of mind for consumers.

Based on the research results, the researcher provides managerial advice on the price perception variable that in the cost perception dimension, the indicator with the greatest influence is price sensitivity. The strategy that can be carried out by companies is to maintain prices regularly and monitor competitors' price changes. Then, in the dimension of perceived cost sacrificed, the indicator with the lowest influence is perceived value. A strategy that can be carried out by companies is to create educational content that explains the benefits and advantages of products.

Based on the research results, the researcher provides managerial advice on the sales promotion variable that in the discount dimension, the indicator with the greatest influence is the size of the discount given. The strategy that can be carried out by the company is to maintain the discount program that has been implemented and provide other discounts, such as giving discounts to customers who are buying the product for the first time. Then in the discount dimension, the indicator with the lowest influence is paying attention. A strategy that companies can use is to create interesting content such as videos to attract attention and increase interaction.

Based on the research results, the researcher provides managerial advice on the sales promotion variable that in the free shipping promo dimension, the indicator with the greatest influence is the conditions for using the promo. The strategy that can be carried out by the company is to maintain the conditions that have been determined so that consumers continue to be interested in taking advantage of the promo. Then in the free shipping promo dimension, the indicator with the lowest influence is free shipping costs. A strategy that companies can use is to create a program with free shipping costs without a minimum spend.

Based on the results of this research, there are many new findings such as electronic word of mouth, social media marketing, and product quality. Therefore, for further research, it is recommended to carry out in-depth analysis regarding these items.

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