

The Influence of Discount on Repurchase Intention

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ABSTRACT

Repurchase intention in a company shows that the company has credibility and existence in providing services and providing good experiences to consumers. CV. Risman Wijaya Keramik is a company engaged in the field of pottery. Over the last three years, sales have decreased. Therefore CV. Risman Wijaya Ceramics implemented a promotional strategy by providing discounts. This study aims to see how the effect of offering discounts on repurchase intentions of local customers CV. Risman Wijaya Ceramics. The research method used was a survey technique with a sample size of 57 customers, the research instrument used was a questionnaire in the form of a Likert scale with a value category of 1-7. The results showed that based on the data, in three dimensions of discount, including the size of the discount, the time of the discount, and the type of product that got the discount, it was accessible, so based on the results of this study it can be ignored that there is a positive and significant influence between the second variable between discounts against repurchase intentions.

Keywords: *promotional strategies, discount, repurchase intention.*

1. INTRODUCTION

1.1. Background

The Indonesian people must prepare themselves for the influence of communication technology on all aspects of their cultural life because today's development is so extraordinary, primarily related to telecommunications and information. Existing technology was created to help and provide convenience in various aspects of human life, both when humans work, activities, and even communicate. The positive thing about communication technology, for example, indicates that technology in Indonesia is starting to develop and increase productivity. However, that does not mean communication technology does not cause problems. Technology can shape individuals how to think, behave in society, and the technology ultimately directs humans to move [1].

Advances in technology can affect consumers' lifestyles. Consumers must follow the times that impact when needed. The diverse needs of life make consumers more selective in choosing something to meet special needs. Changes in consumer behavior make the company must increase what is needed and desired by consumers.

Consumer interest to buy and buy products is influenced by stimulation both from inside or outside consumers. Consumers who like it must have an interest in buying a product. Interest in buying about various consumer interests towards the brand or product and some people are expected to buy the product. This is closely related to attitudes and preferences towards them or certain products [2]. Interest in buying when someone buys will buy the product [3]. Interest in buying or repurchasing is related to the motives requested by consumers themselves to buy and own particular items. The intention to repurchase the company shows that the company has credibility and existence in providing

services and providing an excellent experience to consumers.

The company attracts customers and companies that make customers buy and buy loyalty to the company. Repurchase intention is an important aspect that can determine a company's success and a tool for the company to increase its market success [4]. Repurchase intention is crucial for the company because consumers buy goods back in the company, which is an important asset, so it is required for companies to ensure consumers will buy back products or services in the future [5].

Repurchase intention a product or service that is considered essential for the survival of a company [6]. Repurchase intention made by consumers is about trust and opinions about contextual by consumers. If the trust level exceeds the limits that are considered, consumers must repurchase [7].

Intense competition in the business world makes a company carry out marketing strategies precisely and quickly to balance consumers' needs and win the competition with other companies [8]. To determine the promotion strategy to be carried out, companies must know the market and consumers. One strategy that companies can do is promotion. Promotion is the coordination of marketing communication to influence attitudes or behavior [9]. There is a promotional mix of advertising, sales promotion, direct sales, and public relations [10]. Different promotion strategies have different influences on consumer purchases [11].

Companies can carry out sales promotion strategies to introduce and market their products. Sales promotion is a short-term incentive to build purchases or sales of products or services [12]. Marketers target sales promotions for major consumers or retailers who sell their products. Consumer prices are based on sales promotions, including coupons, price quotes, refunds, and discounts [9].

Most companies adjust their base price to reward customers for specific responses such as paying bills early, number of purchases, and seasonal purchases. This price adjustment is called discounts and benefits. Discounts are price reductions on purchases over a predetermined period or large purchases [10]. Many companies have used discounts for sales promotion strategies for their products and services. The discount given by the company will attract consumers to buy and own the product.

This study aims to determine how the effect of giving discounts on repurchase interest in local customers CV. Risman Wijaya Keramik. So it can be seen whether the discount is the right sales promotion carried out by the company.

1.2. Promotion

Promotions tend to increase consumer perceptions about the value of transactions and increase consumer sensitivity to prices. Promotional activities also tend to increase the perceived value of a brand or package size and focus consumer attention on the economic benefits of the purchase itself [13].

The promotion aims to make consumers interested in trying new products, encouraging consumers to leave other products, or maintaining and rewarding loyal customers [14].

1.3. Sales promotion

Sales promotion is a short-term incentive to encourage product trials or services, including consumer promotions such as (samples, coupons, premiums), trade promotions (advertising and benefits), business and sales force promotions (contests for sales reps) [15].

Sales promotion is a program designed to build interest or encourage product purchases within a certain period. Marketers target sales promotions for major consumers or for retailers who sell their products. Consumer prices based on sales promotions include coupons, price quotes, refunds, and discounts [9].

1.4. Discount

Promotion strategies have been classified into several types, including giving gifts, discounts, coupons, or coupon redemption [12]. Discounts are price reductions on purchases over a predetermined period or large purchases [10].

The effect of promotional strategies on consumer buying behavior is that there is a widespread belief that discounting is more effective in encouraging consumer buying behavior [11]. Discount indicators are the size of the discounted price, the discounted period, and the type of product that gets the discounted price [16].

1.5. Repurchase intention

According to some researchers [17], repurchase intention is the intention, intention, desire of consumers to make second or more purchases in the same company. Based on this explanation, it can be concluded that repurchase intention is the desire or intention of the customer to return to buy products or services from the same company in the future. To ensure sustainable profits, online sellers must get new customers, turn them into repeat customers, and buy back [18]. There are several repurchase interest dimensions, namely transactional interest, referential interest, preferential interest, and explorative interest [19].

1.6. Hypothesis

Based on the discount dimensions, the amount of the discount, the period of discount, and the type of product that gets the discount, Discounts can be measured by comparing customer expectations with what is received by the customer. Thus, the writer makes the following hypothesis:

There is a match between expectations customers who get increased interest in repurchasing customers CV. Risman Wijaya Keramik is based on transactional interest, referential interest, preferential interest, and explorative interest.

2. METHODS

2.1. Population and sample research

The population in this study were local customers of CV. Ceramics Risman Wijaya that has made purchases for three years (2017-2019) as many as 57 people. The sample used in this study was a population of 57 people. To obtain research samples, sam-pling was carried out at one of the local customers, CV. Risman Wijaya Keramik as many as 57 re-spondents from the total population through the accidental sampling technique. This study uses a simple linear regression method which is expressed in the form of the following equation:

$$Y = a + bX \tag{1}$$

$$Y = 4,394 + 0,794X$$

3. RESULTS AND DISCUSSION

3.1 Normality test

A normality test is conducted to find out whether the data used is normally distributed or not. The normality test in this study uses the Kolmogorov-Smirnov formula with the help of SPSS 24.00 for windows software with the following results. Table 1. Show the result of the test.

Table 1. Normality test result

One-sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		57
Normal Parameters ^{a,b}	Mean	0,0000000
	Std. Deviation	2,05880515
Most Extream Differences	Absolute	0,089
	Positive	0,078
	Negative	-0,089
Test Statistic		0,089
Asymp. Sig (2-tailed)		,200c,d

Table 1 shows that from the normality test results with the Kolmogorov-Smirnov test, the significance value is 0.200, while the data criteria are said to be

normal if the significance value is more than 0.05. Then it can be concluded that the data is normally distributed.

3.2. Liniarity test

The next step in this research is the need to know whether the two discount variables on repurchase interest really have a linear relationship or not. For this reason, it is necessary to do a linearity regression test for these variables. This linearity test aims to determine the linear relationship between discount variables on repurchase intention. Table 2. Show the result of the test

Table 2. Linearity test result

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Repurchase Intention * Discount	Between Groups	(Combin ed)	1419,996	14	101,428	26,642	0,000
		Linearity	1342,529	1	1342,529	352,637	0,000
		Deviati on from Linearity	77,467	13	5,959	1,565	0,135
	Within Groups		159,899	42	3,807		
Total		1579,895	56				

Based on the test results using the F^{table} test, obtained F^{count} of 1.565 with F^{table} of 4.016, it can be seen that F^{count} ≤ F^{table} means that the discount variable of the overall model is appropriate and under the relationship between variable discount and repurchase intention. Based on the results of linearity testing, it can be agreed that the resulting data meets the assumption of linearity.

3.3. Correlation test

Based on the processing results carried out with SPSS 24.00 for windows software, the calculation results of the correlation coefficient are as follow Table 3. Show the result of the test.

Table 3. Correlation test result

Correlation			
		Discount	Repurchase Intention
Discount	Pearson Correlation	1	,922**
	Sig. (2-tailed)		,000
	N	57	57
Repurchase Intention	Pearson Correlation	,922**	1
	Sig. (2-tailed)	,000	
	N	57	57

In Table 3, SPSS Correlation Test Results in 24.00 for windows, it can be seen that the correlation or relationship between discount and repurchase intention obtained a result of 0.922 (positive). The correlation between discount and repurchase intention is included in the perfect category, which is in interpreting the correlation coefficient (0.81 - 1.00).

3.4. The simple linear regression equation

Table 4. Show the result of the test.

Table 4. Simple regression model

model	Coefficient			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1	4,394	2,117		2,075	0,043
	0,794	0,045	0,922	17,637	0,000

Dependent Variable: MinatPembelianUlang

A constant value of 4.394 states that if there is no discount, then the repurchase intention is 17,637. The regression coefficient on the discount variable is 0, 794, which means that every time there are additions to the discount value, there will be an increase in repurchase intention of 0, 794.

3.5. Hypothesis testing

In Table 4, it can be seen that the tcount is 17.637 with ttable 1.673, so tcount> ttable (17.637> 1.655), the decision that can be taken is H0 is rejected, and Ha is accepted. This means that the discount affects repurchase intention.

4. CONCLUSION

Based on data obtained from the research results on three dimensions of discount that includes the discounted price, the discounted period, and the type of product that gets the discounted value, then the decision that can be taken is Ho is rejected, and Ha is accepted. This means that discount affects repurchase intention.

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