



Promotional Pricing Strategy, Brand Image, and Brand Ambassadorship of a Company on Customer intention to Transaction for Courier Services

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Abstract. The intense competition in courier services today requires courier companies to continuously innovate to maintain their position in the hearts of their loyal customers amidst the onslaught of new players in the courier industry. One of the ways to stay relevant is by implementing various marketing strategies, such as offering promotional pricing, strengthening the company's brand image, and engaging brand ambassadors to attract customer transactions for courier services. These marketing efforts are intriguing to study because they can help identify which promotional media can significantly impact attracting the transactional interest of potential customers. This research aims to determine the extent of the influence of promotional pricing strategies, brand image, and brand ambassadors on customer transaction interest in courier services. The data were collected through the distribution of questionnaires to 273 respondents located throughout Indonesia. Statistical data processing was conducted using SPSS for Windows version 27.0 with multiple linear regression. The research results show that promotional pricing, brand image, and brand ambassadors positively and simultaneously influence 68.4% of customer transaction interest in courier services. In comparison, 31.6% are influenced by other factors outside the research variables.

Keywords: brand ambassador, brand image, intention for a transaction, and promotional price.

1. Introduction

The purchasing decision is a process of combining knowledge to evaluate multiple options and select one product¹. Individuals are motivated to purchase due to internal drives influenced by external factors such as promotional pricing (discounts). Special discounts in promotional pricing strongly influence perceived price attractiveness and subsequently affect the purchase intention of potential customers². Promotional pricing is the retail industry's most commonly used marketing tool to attract new customers for long-term service providers³.

Several factors attract potential customers to make a purchase. Price is one of the factors that can influence customer purchase intentions⁴. Price also affects consumer decision-making⁵, and it is an important element used in marketing activities⁶. Promotional discounts are believed to make buyers pay significantly lower prices than the original price.⁷

Price discounts, internal reference prices, and brand image significantly influence perceived value. Perceived value and store image positively influence purchase intention⁷. Consumers usually gather product information based on personal experiences or their environment. After collecting information, consumers will start evaluating and deciding whether to purchase the product⁸.

In addition to the magnitude of discounts, the brand image influences an individual's intention to purchase. Brand image is one of the factors that affect purchase decisions.

During the purchase process, consumers compare multiple brands and choose the one they believe to be the best ⁹.

Brand ambassadors can be seen as a creative strategy companies use to boost product sales. Brand ambassadors are expected to serve as both advertisers and spokespersons who help reflect a brand in the minds of consumers, thus generating interest and leading to purchase behaviour ¹. Brand ambassadors are usually well-known individuals such as singers, actors, actresses, and athletes. The selection of celebrities as brand ambassadors aims to create easy recognition in the minds of consumers, thereby generating interest in purchasing the advertised products ¹⁰.

Based on previous research, there is a research gap where special discounts in promotional pricing significantly influence perceived price attractiveness and purchase intention ². Product knowledge, brand image, and brand ambassadors influence purchase decisions ¹¹, while perceptions of store image and price significantly affect purchase intention ⁴.

However, another study found that discounts do not significantly affect consumer purchase intention ¹², and brand image and brand ambassadors do not significantly impact purchase decisions ¹³. The differences in these research findings have piqued the author's interest in further research.

The courier company being studied by the author is a state-owned enterprise that has been operating for 277 years as of 2023. It is well-known among the Indonesian and international communities, and its brand image is already strong among the public. In recent years, the company has tried introducing innovations by employing well-known brand ambassadors to encourage the public to use its delivery services.

Although promotional pricing has been provided, the brand image is already solid, and brand ambassadors have been introduced, these factors have not been able to increase courier service revenue significantly. In fact, based on the annual Financial Reports of PT Pos Indonesia (Persero) from 2019 to 2021, the revenue target for those three years has not been achieved, as shown in Table. 1 below.

Table 1
Revenue Target and Realization of PT Pos Indonesia (Persero) in Billion
Period Year 2019-2021

Years	Revenue Target	Revenue Realization	% of Target Achievement	Gap target
2019	6,271.65	4,971.46	79.27 %	1,300.19
2020	6,095.93	5,455.83	89.50 %	640.10
2021	6,844.60	4,418.94	64.56 %	2,425.66

The failure to achieve the revenue target indicates that the core business courier service has not been developing well despite several marketing innovations, such as offering promotional prices, introducing a brand ambassador, and strengthening the brand image. This is a highly interesting subject for analysis, especially concerning the impact of promotional pricing, brand image, and brand ambassador on customer intention to transact.

This research aims to examine and analyze the influence of promotional pricing strategies, brand image, and brand ambassadors on customer transaction interest in courier services.

2. Methods

This research was conducted with a conceptual framework, as presented in Figure 1 below.

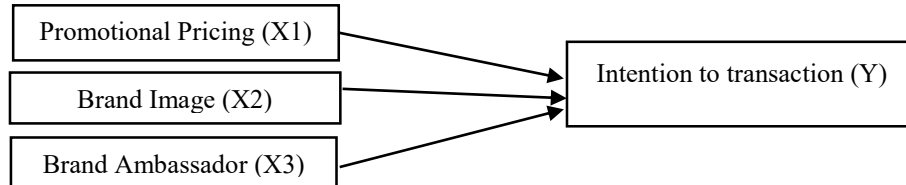


Figure 1. Conceptual Framework

Based on the above conceptual framework, several hypotheses are formulated as follows: H1: Promotional Pricing (X1) has a positive influence on transaction interest (Y); H2: Brand Image (X2) has a positive influence on transaction interest (Y), and H3: Brand Ambassador (X3) has a positive influence on transaction interest (Y).

Research Type

his study is quantitative research aimed at proving the relationship between independent variables, namely promotional pricing, brand image, and brand ambassador, and the dependent variable, intention for a transaction.

Population and Sample

The type of population used in this study is the Infinite Population, where it is not feasible for researchers to count the entire population. Such populations are referred to as infinite or limitless¹⁴. the population comprises the general public, the target market for courier services. This research uses the simple random sampling method, where the researcher randomly selects the sample from questionnaires distributed. The total number of respondents who filled out the questionnaires was 273, which became the sample in this study.

Data Collection Method

In this study, data collection is conducted through questionnaire distribution. A total of 273 respondents completed the questionnaire.

Data Analysis Method

The data analysis in this study uses descriptive statistical analysis, validity tests, reliability tests, classic assumption tests, and multiple linear regression analysis with t-tests and F-tests. The data analysis is conducted using SPSS for Windows version 27.0.

3. Result and Discussion

Result

This study was conducted at one of the state-owned enterprises (SOEs) engaged in courier services. This company is well-known and the oldest in Indonesia, with a vast network that reaches various corners of the country. As a well-established company, its

credibility and reliability are unquestionable. However, in recent years, this state-owned company has experienced a significant decline in market share. The management has made various efforts to increase its revenue, including offering promotional pricing (discounted shipping), improving service points and operations to enhance the company's brand image, and collaborating with famous artists as brand ambassadors to attract public interest in transacting with the company. The description of the respondents can be seen in Table 2 below:

Table 2
Descriptive statistics of respondents based on age, gender, and education.

Age	Fre q	%	Gen de r	Fre q	%	Educa tio n	Freq
< 20 years	13	5	Male	151	55	Senior School	102
20 – 30 years	117	43	Female	122	45	Associate Degree	7
31 – 40 years	126	46				Sarjana (S1)	147
41 – 50 years	10	4				Magister (S2)	17
> 51 years	7	3				Doktor (S3)	0
Total	273	100	Total	273	100	Total	273

Based on the above Table, it is known that most respondents are aged 31–40 years, with 126 (46.15%). The majority of respondents are male, with 151 (55%), and the highest level of education is a bachelor's degree, with 147 (54%).

Here are the results of the partial t-test (multiple linear regression), namely Table 3.

Table 3 t-test

Model	Unstan dardiz ed B	Coeffici ent Std. Error	Standar dized Coefficient Beta	T	Sig	Collinear ity Toleranc e	Statis tic VIF
(Constant)							
Promotional Pricing	.289	.034	.383	8.572	<.001	.588	1.702
Brand Image	.216	.022	.420	9.939	<.001	.656	1.524
Brand Ambassador	.062	.016	.180	3.912	<.001	.557	1.795

Source: SPSS output dependent variable: Intention to transaction

Based on Table 3 above, it can be observed that promotional pricing (X1) has a Sig. Value of $0.001 < 0.05$ which means that H_0 is rejected, and it is concluded that

promotional pricing has a significant effect on transaction interest. Based on this result, H1, which hypothesized that promotional pricing (X1) positively affects transaction interest, is accepted.

Brand Image (X2) has a Sig. value of $0.001 < 0.05$, which means that H0 is rejected, and it is concluded that brand image significantly affects transaction interest. Based on this result, H2, which hypothesized that brand image (X2) positively affects transaction interest, is accepted.

Brand ambassador (X3) has a Sig. value of $0.001 < 0.05$, which means that H0 is rejected, and it is concluded that brand ambassador significantly affects transaction interest. Based on this result, H3, which hypothesized that brand ambassador (X3) positively affects transaction interest, is accepted.

Based on the significance value of the simultaneous F-test (multiple linear regression), which is used to determine the simultaneous influence of independent variables on the dependent variable, with a Sig. value of $0.001 < 0.05$, it can be concluded that promotional price (X1), brand image (X2), and brand ambassador (X3) simultaneously influence transaction intention (Y).

Table 4
F Test Anova^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1756.620	3	585.540	194.203	<.001 ^b
Residual	811.058	269	3.015		
Total	2567.678	272			

Source: SPSS output

- a. Dependent variable: Intention to the transaction
- b. Predictors (constant), brand ambassador, Brand Image, Discount

By using the formulas for Effective Contribution (EC) and Relative Contribution (RC), it is known that partially promotional pricing (discount) (X1) has a 27% influence on transaction interest, brand image (X2) has a 29.9% influence on transaction interest, and brand ambassador (X3) has an 11.52% influence on transaction interest.

Discussion

Based on the calculation results obtained, it is known that partially, promotional pricing (X1) has an influence of 27% on transaction interest, brand image (X2) has an influence of 29.9% on transaction interest, and brand ambassador (X3) has an influence of 11.52% on customer intention transaction.

The results of this research have supported previous studies conducted by. These research findings support previous studies conducted by ² stating that promotional pricing significantly influences price attractiveness and purchase intention, thus not supporting the research results of ¹² that discounts do not affect consumer purchase intention.

Furthermore, these research findings support previous studies conducted by ¹¹ showing that product knowledge, brand image, and brand ambassadors influence purchase decision-making. However, they do not support the research by ¹³.

4. Conclusion

The research results can be summarized as follows: promotional pricing, brand image, and brand ambassador positively and simultaneously impact customer transaction interest in courier services. Partially, promotional pricing influences customer transaction interest in courier services, brand image influences customer transaction interest in courier services, and brand ambassador influences customer transaction interest in courier services. Brand image is the primary consideration for individuals, prompting potential customers to intend to engage in transactions with one of the courier companies. Promotional pricing comes as the second consideration, while brand ambassador does not significantly impact people's decision in choosing a courier company.

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