

# The Effect of Price and Promotion on the Purchasing Decision of Timorese Tais East Timor

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## ABSTRACT

Many factors affect consumers' choices of selecting thick rice products in Timor-Leste, such as Product Quality, Cheap Price, Promotion, and Distribution Channels. There are four main factors that influence the selection of these products, namely the product's quality, the cheap price, promotion, and easy marketing channel. Therefore, these factors are crucial in attracting consumers to choose Timorese thick rice products. The above phenomenon mentioned indicates that undoubtedly it is beneficial for original Timorese thick rice manufacturers as they offer a competitive advantage compared to other types of thick rice. Consequently, the paper focuses on the influence of product distribution and customer service on marketing mix for Timorese thick rice in the Colmera market in Timor-Leste.

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**KEYWORDS:** Price and Promotion on the Purchasing Decision

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## 1. INTRODUCTION

### 1.1. Background of the problem

Antecedent Problems The cost is a unit of this flexible type of promotion that can be changed effectively. Cost is value from compensation (money or goods, if possible) necessary to obtain a combination of the value of goods or services. Nowadays, the majority of the public or population determines the value of goods or services, such as the determining factor in the decision to purchase an item or hire a service. This is a crucial decision for the company's management. The cost must be reduced or covered, which is necessary to result in a lower profit percentage than desired in manufacturing. If the cost is too high, generally the profits will decrease due to the lack of buyers or low volumes. As a result, all costs incurred are not covered, and the company will suffer or even lose money in the end. The principle behind setting the price is that the emphasis on the buyer's attitude that determines the cost. It is sufficient to have a cost that covers all expenses that are incurred and, along with the desired profit percentage.

The cost is a monetary or other criterion that includes goods and services, which are exchanged to obtain the right to use them. The cost is an essential part of determining a company's market and profits. It is also part of a mixed promotion that can be flexible and changeable. Promotion aims to influence consumers to purchase goods produced or provide information about products by communicating with listeners or audiences Persuasive. In practice, even though this promotion is generally carried out by sellers/producers, potential buyers or customers, from time to time, consciously or unconsciously, carry out promotions themselves, for example, if they share information about the cost or price, quality, and other things from the perspective of the consumer or seller. After product classification, the number of similar or equivalent products will be known. This facilitates the marketing process especially in carrying out promotions. Classification is done to understand the number of products that affect the choice of the target market or language of promotion. Product promotion can be done in various ways depending on the type of product.

Promotional methods can be done offline (flyers, billboards, expos, brochures, posters) or online (social media, Google, Ad Words, Facebook, advertisements, websites, TV, radio). Some things need to be emphasized in promotional or marketing activities, the need to adjust to the target market. If the target market does not correspond, many professionals will spend funds to do the promotional activities.

The decision to buy is a personal decision for an action from among two or more alternatives. Everyone always faces a dilemma before deciding to buy and ultimately considers relevant information such as cost to obtain the desired item. With this, people will only like certain physical types and forget the value of the item. Before buying, many consumers learn or study from printed or electronic media to receive information, and if they choose to buy or not, consumers make decisions based on their understanding of the type of product. Sometimes consumers also obtain information and much criticism about issues related to purchasing decisions and the products that need to be purchased. In addition, there is intense competition or rivalry, where consumers feel overwhelmed by a fast-growing modern market, such as mini-markets, supermarkets or others Hypermarkets and supermarkets, online, are equivalent to traditional market separations, stores, kiosks, or market banks as well as Timor tais specialty stores."

Advanced technology nowadays does provide assistance, but not really facilitate the approach for producers and consumers through electronic commerce applications, FB, WhatsApp or other advertisements. Electronic commerce uses the internet, internet networks and other technologies and information to support electronic commerce, cooperation with companies, communication with processes, whether through the web or through other means. Business including electronic commerce involves marketing and promotion services, products, information, modern markets and businesses that continuously develop. Modern markets offer good services and conveniences, such as self-service, which can satisfy consumers by providing a variety of products. Electronic commerce or E-business uses technological satisfaction, but traditional markets rely on clients and consumers to purchase their products, and this is a serious problem, thus it requires further investigation for business relations.

Traditional markets have the ability to strengthen the main pillars of marketing, according to Kotler's concept of the four pillars, which states that marketing must offer products that traditional markets can provide, with guaranteed quality and always

available. Pricing and cost must be appropriate, competitive, and affordable and reasonable. Traditional market promotions are usually conducted directly with each buyer, however, not everyone can continuously trust their products and services. In terms of the fourth pillar, attention should be given to Timorese traditional market promotions, which cannot be developed unless an appropriate way is found and their services can compete in the world of commerce.

But the thick fibrous part of Timor's tais (traditional woven cloths) faces obstacles or difficulties, not familiar due to the lack of determination in pricing, marketing or promotion which is not done regularly and spread across the three border areas such as ; the Airport, *Pontekais*, and Border / *Batugade*. This is because certain things are necessary for development, commercialization, and promotion for tourists in a broader way, and there is a need to also do exhibitions of Timor's tais to foreign nations.

There are many factors that influence consumers to choose Timor's tais products successfully, including the quality of the products, inexpensive pricing, promotion, and distribution channels. These four high factors influence consumers to choose Timor's tais products that are of good quality and relatively inexpensive pricing, high promotion, and easy marketing channels. Therefore, these important factors play a significant role in consumers' decision-making when choosing Timor's tais products. This phenomenon can be seen from the benefit of the original Timor Leste tais factory that offers a competitive advantage compared to other types of tais and whose title is "The Influence of Money and Promotion on Decision Making to Purchase Timor's Tais in Colmera Dili, Timor Leste".

### 1.2. Problem Formulation

Based on the historical starting point of the problem, the main problems that will be analyzed and discussed in this proposal are:

1. How does the influence of pricing affect the decision to purchase Timor's tais in Colmera Dili, Timor Leste ?
2. How does the influence of promotion affect the decision to purchase Timor's tais in Colmera Dili, Timor Leste ?

### 1.3. Research Objectives

The objective stated in this study is to determine and understand the level of influence of Folin (Cost) and Promosaun (Promotion) on the decision to buy Tais (traditional woven cloth) in Timor as follows:

1. To look for knowledge on the influence of Folin (cost) and the decision to buy Tais in Colmera Dili East Timor ?

2. To look for knowledge on the influence of Promotion on the decision to buy Tais in Colmera Dili, East Timor?

#### **1.4. Research Benefits From the problem statement established above, the benefits declared in this study are:**

1. **Theoretical Benefits** The author hopes to increase knowledge about the Tais industry in Timor and provide experience for large-scale companies, as well as participate in the learning process, especially in compiling scientific work to conclude studies in tertiary or university institutions.
2. **Practical Benefits** For companies, it can be considered to make decisions related to factors that can influence consumers' decision to buy Tais products in Timor.
3. **For Writers** To become a reference for writers to combine theory with reality in future academic times.

## **2. Literature Review**

### **2.1. Theoretical Basis**

#### **2.1.1. Definition of Price**

Kotler and Armstrong (2008:345) define price as the total of all the values that clients give up to obtain the benefits from using or consuming a product or service (goods and services). Mundar (1996:55) "defines price as a significant measure, which is relevant to the goods in the activity of exchanging or transaction of buying and selling between producers and consumers in a market, and describes that the market price is determined by the magnetic force between supply and demand." Gitosodarso (2008:228) "defines price as the total amount of money needed to obtain a combination of goods and services, or a combination of two parts to obtain a product."

#### **2.1.1.1. Determining Price or Cost Method The company chooses a method to determine the price that falls into one or two or more categories.**

According to Kotler and Keller (2009: 83), there are 5 methods of determining price that are as follows:

1. **Determine the market-up price.** This method is based on adding markup, until today determining markup price is still often used because the seller can determine the cost or easier price by estimating requests.
2. **Determine the target level price.** The company determines the price from the determined target level of investment.
3. **Determine the estimated price of certain elements** such as product quality, capacity, quality, and

customer support and dominant attributes such as reputation, trust, and dignity.

4. **Determine the value and profit method** that creates cheap prices for consumers to attract their attention while maintaining the quality of the company's products.
5. **Determine the going-rate** to get the profit or benefit of the company, based on prices of competition, using similar, more expensive, or cheaper prices compared to the competition.

According to Kotler and Armstrong (2001:439), consumers always use the same price value indicator, in relation to the benefit they feel for one product or service. The total price value for a product or service is the total amount exchanged by consumers for the advantage or use of said product or service.

The price is used in different strategies to determine promotional program position. The benefits that can be obtained from the price strategy are as follows:

- A. **Signal to the buyer.** The price is used as communication material to signal to the buyers or purchasers. Prices are also used to give priority to a brand such as a quality product, over others, to compete with other brands.
- B. **Competitive instrument.** The price can be an effective tool to compete with other companies, and to give priority to a particular company in direct competition.
- C. **Emphasize financial quality.** The value and financial strategy determine the quality. The value is based on the impact that seems to affect financial balance. The company aims to improve its financial quality. The value and cost determine the quality, both in short-term and long-term culture.
- D. **Determine the marketing mix.** The role of value depends on other variables used in the marketing mix promotion, for example, the value can be used as an incentive for channel members and stock sales.

#### **2.1.1.2. Determine the Objectives of Value.**

Saladin (2006:142 and 143) has five objectives that a company can achieve by determining the value, which are as follows:

1. **Survival** In certain conditions, such as unemployment, high competition, or changes in customer preferences, or difficult financial conditions, companies determine the value of survival.
2. **Maximum current profit** The company trusts that the volume of sales will impact the cost per unit,



and the profit will increase, as the market is sensitive.

3. **Maximum current revenue** To maximize current returns, the company needs to understand its function. Many companies believe that maximizing current returns will bring long-term profits and develop the market.
4. **Maximum Market Skimming** Many companies determine the price at the market. With this, they aim to attract new segments, beginning by introducing new products at a higher cost than similar products.
5. **Determinant Demand** The determination of the price causes barriers to the demand count. In the inelastic demand curve, which is less sensitive, the response is compared to a more elastic demand curve, which is more sensitive.

### 2.1.1.3. Price or Cost Indicator .

According to Fure (2013:276), the indicators used to measure price or cost are as follows:

1. Price or Cost based on advantages.
2. Perception of price or cost and advantages.
3. Price or Cost can be attained.
4. Price or Cost competition.
5. Relevant price or cost with quality. Kotler and Armstrong (2008:278) have four indicators which characterise the price: 1. Achieving the price. 2. Relevant price with product quality. 3. Price competition force. 4. Relevant price with advantages.

## 2.2. Promotion Theory

### 2.2.1. Promotion Definition.

Promotion is a type of communication or marketing activity. Ratih Hurriyati (2008:58) states that "Promotion is the effort to disseminate information, influence or approach, and raise the target market for the development of products in order to make them want to accept, buy and be loyal to the products that companies or industries offer that are relevant to what is solicited." Fajar Laksana (2008:133) describes promotion as "communication from a seller to a buyer that comes from effective information to change behavior and attitude in buying or comparing things, which previously were not known, so they become known and remain loyal to the referred product." Lupiyoadi (2009:120) states that "promotion is one part of the marketing mix variable, which is more importantly carried out by companies in promoting products and services." Based on the opinions above, it can be concluded that promotion is an effort carried out by companies to influence consumers to buy produced products or to provide information about products through communication with persuasive

listeners. In practice, even if promotions are generally carried out by sellers/producers, potential buyers or shoppers consciously or unconsciously make promotions in certain moments, such as providing information about prices, quality, and others from the seller or vendor.

Product promotion can be done in various ways, depending on the type of product. Some promotional methods can be done offline (flyers, billboards, expos, leaflets, posters) and online (social media, Google, AdWords, FB, ads, websites, TV, Radio). Some aspects are worth highlighting when it comes to promotional activities Marketing is about adjusting to the market target. If the market target does not correspond, many professionals raise funds to carry out promotional activities.

### 2.2.1.1. Promotional Mix

Although promotional forms generally have a function, they can have different forms depending on specific functions. The special functions are grouped into one big group or called the promotional mix by J. Paul Peter and James H. Donnelly (2007:111), which are:

1. **Personal selling** Personal selling or direct communication (face-to-face) between salespeople or sellers to provide information about a product to potential buyers, develop customer understanding of the product, so they can test, taste or try the goods in question.
2. **Advertising** Advertising is a form of promotion of ideas, goods or non-personal services from a specific sponsor or sponsor that needs to pay for it.
3. **Sales promotion** Sales promotion is a form of direct persuasion by using one or several incentives that can be organized to stimulate the purchase of one product.
4. **Public relations** Public relations are the efforts of communication with the public from one company to influence the perceptions, opinions, beliefs or attitudes of groups towards the company.
5. **Direct promotion (Direct Marketing)** is a promotional system that has interactive characteristics and has one or two advantages over other promotional media to elicit a response or interaction at a specific location.

### 2.2.1.2. Promotional Materials.

Kotler & Keller (2009: 222) explain that main materials used for marketing or promotional purposes are as follows:

1. Sample: Offer a series of products or services, free of charge, delivered or taken from one person to another, or displayed in other products.
2. Coupon: A certificate that entitles the holder to an economic right, a savings written in a specific product.
3. Cash discount (Rabat): Providing a reduction in price or cost after a customer buys from a retail store.
4. Premium: Products or goods that are offered at a relatively low price or free of charge to provide an incentive to purchase other products.
5. Frequency Program: A program that offers appreciation related to the frequency and intensity of consumers' product or service purchases.
6. Prizes (Contests, Sweepstakes, Games): Offering the opportunity to win cash prizes, a trip, or goods as a result of purchasing something.
7. Free Test: Inviting candidates to try a specific product for free, with the hope that they will buy the product.
8. Product Guarantee: A promise made explicitly or implicitly by the seller or company that the product will be serviced based on certain conditions. For your specification, if the product fails, we will either repair it or provide a refund. We will compensate you or return the money to customers during a certain period.
9. Deduction of price: Direct discount from the legal price for each purchase made during the determined period.
10. Crusade promotion: Use a unique brand to promote it without competing with other brands.

#### 2.2.1.3. Characteristics of Sales Promotion:

Although sales promotion has various tools, according to Kotler and Keller (2007:266), there are three fundamental factors:

1. Communication: Sales promotion can attract attention and provide information to customers about the product.
2. Incentive: Provide resources and encouragement to customers.
3. Invitation: Invite the audience to make an immediate purchase.

#### 2.2.1.4. Promotion Indicators:

According to Kotler and Keller (2007:272), the promotion indicators are:

1. Frequency of promotion: The value of sales promotion and its execution in a particular period or through a particular sales promotion media.

2. Quality of promotion: The effectiveness and quality of the sales promotion activities.
3. Quantity of promotion: The amount or total value of sales promotion activities given to consumers.
4. Time of promotion: The duration of sales promotion, which is one of the company's factors.
5. Promotional objectives require precise or adequate factors to achieve the target or objectives desired by the company. For example, presenting a particular food item that can attract attention and incentivize consumers to make quick purchases is important, as it creates a limited time opportunity to gain interest and avoid missed chances.

The method of distribution should meet the needs of consumers and attract them to purchase the products offered. For instance, for daily necessities, the distribution must be done closely or directly to the consumers on a regular basis. Another way to promote products is by presenting them to consumers through various methods, such as advertising or sales promotions. Sales promotions are essential as they provide satisfaction to consumers, and they can also become memories or reminders of the products. To increase retailing, one should also consider the marketing mix strategy, which involves the products, services, and intangible benefits that meet consumers' physical and emotional needs.

A product that cannot be seen or touched always has a name called services, which can be attended to or provided either privately, locally, in activities, organizations or ideas. The product strategy adopted by a company or enterprise in developing a product is as follows:

- A. Determination of logo type and motto The logo type is a registered mark for the product, while the motto is a series of words that contain the company's mission and vision to serve the community. The logo and motto must be designed well and correctly. Considerations in creating logos and mottos are as follows:
  1. The logo and motto must have a positive meaning.
  2. The logo and motto must attract attention.
  3. The logo and motto must be memorable.
- B. Brand creation A brand is important for consumers to recognize the products or services offered. A brand is often interpreted as a name, term, symbol, design, or combination of all the products. To make a brand easily recognizable by the public or society, the creation of a brand must consider factors including:

### C. Creating packaging

Packaging is like a wrap for a product, not the cost of the product itself. Creating packaging must meet certain requirements, such as packaging quality (product quality), shape, color, and other requirements.

### D. Label decision (Label Decision)

A label is something that is included in the product offered and is part of the package. Labels or tags should explain or describe whether it is bought or made, where it is made, how it is made, and information regarding validity, expiry and other information.

Price or Cost Price is an important aspect in marketing activities. Determining the price is important in observing the price and considering it as a cause for the products or services that are offered or not. The determination of the price comes from a company's goals that must be achieved. Price determination can have a fatal impact on the products offered and can result in low sales volume in the marketplace. Companies or businesses plan to achieve their goals through the price they offer. In general, the objectives of determining the price specification are as follows:

- A. To survive and remain competitive. At this moment, determining a cheap price is essential so that the products or services offered can be priced in the market, under favorable conditions.
- B. To maximize profit. The objective of the price is to increase profit. Determining the price is always determined by a cheap or expensive price, with the expectation of increasing profit. 1) Easy to remember. 2) Sensible, modern and impressive. 3) Has a positive meaning. 4) Attracts attention.
- C. To increase market participation. Determining prices can either be high or low, so there is hope that the number of customers will increase due to the expectation that competitors will notice or switch to the products we offer.
- D. Product quality. The objective is to give the impression that our production or service (service) is of better or superior quality compared to our competitors. Normally, the price is determined with or without the possibility. This is because there is a supposition that the price of our product is higher or superior to the price of our competitors' products.
- E. Because of competitors. At this point, determining the price, keeping an eye on or observing competitors' prices. The objective is to offer a price that does not exceed or surpass our competitors' prices.

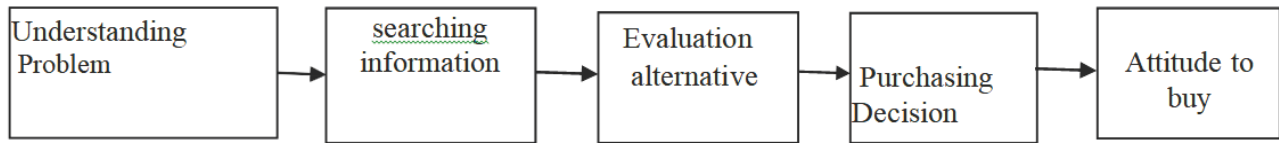
### Distribution channels

An important distribution strategy to determine how to reach or achieve the market target and how to execute different distribution functions, factors that influence the distribution strategy are: a. Considerations when buying or market factors. Customer characteristics influence the decision about what type of direct approach to take. The company should consider the number and frequency of purchases as well as the target customers, consumer market or industrial market. Geographical location and the market are also important to consider. b. Product characteristics. Complex products made with specialization or personalization and that are expensive are better distributed through cheap or short distribution channels directly. Conversely, products in the initial stages of production can be distributed using multiple channels. Buying directly, but in its development can use intermediary services. Factors such as production or supervision and financial considerations are taken into account.

Producers who have financial resources, managerial skills, and good marketing use direct channels. On the contrary, small or weak companies or businesses that fail or are good should use intermediary services. Promotion is the final activity of the marketing mix. In this activity, each company or business tries to promote all its products and services, directly or indirectly. Without promotion, you cannot expect customers to know about the products or services offered. Therefore, promotion is the most effective means to attract potential customers. The objective of the company's promotion is to inform about the types of products offered, try to attract new and potential customers. Buying decision theory is a process to make a decision whether to buy or not based on previous activities, analysis of needs, searching for information, evaluating sources, selecting alternatives, making decisions, and behavior or conduct after buying.

Based on the definition presented above by the experts, it is concluded that the decision to buy is a process of taking a decision that culminates in determining whether to buy or not, obtained from previous activities - activities that have become effective in making the decision, from the initial stage to the process of decision-making. According to Setiadi's (2003:16) decision-making process, "The buying process specifically consists of a sequence of events such as introducing the problem of needs, searching for information, evaluating alternatives, making buying decisions, and then taking behavior, which can be fully seen in Fig 2.1, the buying decision process."





Source: Setiadi (2003)

Explanation of the stages of the purchasing decision can be described as follows:

1. **Problem recognition** The process of buying begins when the buyer feels that there is a problem with their needs. The buyer understands that there is a difference between the real conditions and the desired conditions. Needs can be caused by internal or external stimuli. In the first case, a person's general needs can be reached at a certain point and becomes motivation or impulse. In the second case, needs arise from external stimuli.
2. **Search for information** Connected consumers can search for or obtain a lot of information, but not always. If there is a strong motivation or impulse for a satisfying product, consumers will buy it. Otherwise, consumers may hesitate to purchase it.

Store needs in memory or search for/procur information related to those needs. Consumers can obtain information from sources or resources according to the needs.

- A. Personal sources: family, colleagues or friends, neighbors, acquaintances.
- B. Commercial sources: advertising, salespeople, distributors, packaging and displays.
- C. General sources: use of mass media, consumer organizations.
- D. Sources or Origin of a product.

3. The stage in which consumers process information related to the selection of a brand in order to make a final decision. But there are assumptions that can be explained in marketing: firstly, it is assumed that all consumers look at the product's attributes. Secondly, the level of importance of different attributes is in accordance with the needs and desires of the consumer. Thirdly, consumers develop various levels of trust and beliefs regarding the location of each attribute. Fourthly, the level of customer satisfaction with the product varies depending on the different attributes. Finally, consumers develop different attitudes towards different brands through various evaluation processes. Consumers use one evaluation process more than others, depending on their own decisions to buy or purchase.

4. In the decision-making phase, consumers classify and form brands and purchasing intentions. When

making a purchase decision, consumers choose a brand that they truly like, but there are two factors that can arise or emerge between the intended purchase intentions. The first factor is the attitude of other individuals, what other people think or the prices of competitors. The second factor is the unexpected situations, the expected costs and the expected benefits (Suspected) Product. When consumers want to take action or make a purchase, unforeseeable situational factors may occur and alter the objective or goal of the purchase.

5. **Post-purchase behavior** After purchasing a product, consumers will experience either satisfaction or dissatisfaction. The responsibility of professional marketing does not end when the product is sold, but continues during the post-purchase period. Marketing professionals should monitor post-purchase satisfaction, post-purchase actions, and use of post-purchase products.

### 2.3.2. Factors Influencing Consumer Choice .

Proctor (1996: 66), citing Purnama Sari's research (2011), suggests that the main factors influencing consumer behavior in choosing or selecting the Marketing Mix consist of Product, Price, Place, and Promotion. This is relevant to the subject of this article and the problem cannot be solved by limiting the marketing mix variables that influence the decision to choose Timor Tais. For example, in this article, the author refers or emphasizes more on the interrelated variables of the marketing mix that support product understanding. The current popular concept of the marketing mix is usually more suitable for real product marketing (goods). 1. Product Products are a group of tangible and intangible qualities and attitudes. Tangible goods are things that can be seen in physical appearance, held or touched, and preserved or maintained, while intangible things are services.

Umar (2005:31) states that "a product that is cheap, offered to the market to get attention, bought, used or consumed which can provide contentment or satisfaction to needs." 2. Price Price is the value of a product with its measured standard in money. So every person who wants to obtain a product must spend or use money, just like when exchanging goods or services. Impressions of prices on consumers, whether expensive or cheap, standard or fancy, will affect subsequent buying activities and the

contentment or satisfaction of consumers afterward. These impressions create perceived value or perception for consumers towards that product or item. When consumers are dissatisfied or disappointed after purchasing a product or item, they will show more emphasis on the price.

They may also look for other opportunities or the next chance to buy and may even be able to get it cheaper. The impressions of the price provided by consumers and influence of other prices of goods or services will be used as a reference price. Umar (2005:32) defined that "price is the amount of value exchanged by the consumer with the benefit of using or consuming a product or service which is determined by the buyer and the seller from their negotiation or agreement, or determined by either the buyer or the seller as the unit price that is applicable to all consumers." Philip Kotler (2000: 109) suggests that "companies must consider several factors in defining pricing policies," such as: a. setting price objectives or goals, b. determining demand, c. estimating costs, analyzing costs, prices and competitive offers, d. choosing pricing methods, e. setting final pricing.

**Promotion** Promotion is an important aspect in the commercialization of a product, which is also a continuous process, because with promotional activities it is possible to create a series of activities that will follow from the company. Promotion is not only done by the company's own employees or sellers, but also by customers themselves. For example, customers can advertise products, goods or services that they need, and other parties can also use intermediaries such as advertising agencies to carry out all promotional activities. Philip Kotler (2002:100) "Promotion is a tool or a marketing mix that includes all activities carried out by the company or business to communicate and promote products to the target market." The company carries out activities to communicate products to known customers through promotional activities. 4. Location (Distribution Channel) Another important tool in the marketing mix is location (distribution). Philip Kotler (2002:82): "The location or distribution includes various activities carried out by the company so that products can be obtained and made available to customers. Most producers do not directly provide products to end users. There are marketing channels between producers and users. Intermediary marketing groups play various roles in various names.

### **2.3.1.1. Factors That Influence Purchasing Decisions Kotler and Armstrong (2014:159-174)**

Purchasing decisions made by consumers are influenced by four (4) significant factors, such as:

1. Cultural Factors Culture, subculture, and social class are very important in determining the basic desires and behaviors of consumers. Children Recently, there has been an appreciation, perception, preference, and attitude from important families and institutions. Each subculture comes from a subculture that shows identity and special socialization towards its members, such as nationalism, religion, groups, race, and local geography.
2. Social Factor In addition to culture, the buying attitudes of consumers are also influenced by social factors such as:
  - A. Reference Group. Reference groups are groups that can directly or indirectly influence an individual's attitudes and behavior towards buying. These groups are often named after their members who provide direct influence to a person.
  - B. Family. The family is divided into two parts in terms of buying behavior: the primary family, which consists of parents who are familiar with the family's values and orientation, and the secondary family, which consists of siblings, cousins who have an impact in terms of religion, politics, economics, private ambition, dignity, and power. Also, the number of children may affect their behavior as well, with a family with one child being called a "procreative family."
  - C. Personal Factors. Personal characteristics like age, educational level, work, economic situation, lifestyle, personality, and attitudes can also influence buying decisions.

### **2.3.2. Buying Decision Process Indicators According to Adriansyah (2012:36),**

- A. Buying one product's objectives b. the information processing to make brand choices are indicators of the buying decision process. c. Stability for one product. d. Provide a recommendation for someone else. e. Conduct a money purchase.
- 2.3.2.1. Understanding Consumer Behavior Engel (2000:3) argues that "Consumer behavior is an action that directly involves the consumption of goods and services, including the decision-making process that precedes and follows that action."

Sumarwan (2003:32) states that "Consumer behavior and all of its activities involve psychological processes that stimulate actions before buying, while buying, using, spending on products and services, and then evaluating activities." Based on the two meanings above, it can be concluded that consumer behavior: 1. Is dynamic and emphasizes that



individual consumers, consumer groups, and communities always experience changes over time. In the context of developing marketing strategies, the dynamic nature of consumer behavior implies that strategies that may yield immediate results today may not necessarily work in the short term or in the same market and industrial sector. 2. Involves interactions, prioritizes, emphasizes, and understands consumers' thoughts and behaviors in developing appropriate marketing strategies. Additionally, it is also important to understand and comprehend the events and incidents that may affect and influence consumers' thoughts, feelings, and actions. 3. Involves exchange, emphasizes (focuses) on permanent and consistent consumers with the marketing definition until now in relation to exchange. There are three (3) different perspectives.

Different approaches or approaches to consumer behavior are like scientific disciplines. Prasetijo and Halauw (2005: 12) say: a. Biological views The starting point for this view is that biological facts are considered important in determining who the individual is and what they do. Everything that is thought of, felt, or sensed is controlled by certain behaviors and is controlled by electrical and chemical activities that exist in the brain and other parts of the human body. Therefore, "the body controls human thoughts and feelings," not the other way around. b. Intra-psyche views According to this view, biological factors cannot fully explain someone's snake-like or erratic behavior that is controlled by the psyche. Supporters of this view try to explain and understand what happens "inside the individual's mind" and how their brain can function. Thus, they are more interested in mental processes than biological processes, so they can say that "the mind dominates most bodily activities" or that thoughts dominate what we do well with our human body. c. Socio comport amental view The essential aspect of this view is that actions or emotions can be better understood or understood through knowledge of what we learn in the social environment.

Therefore, the use of these three approaches would be appropriate to facilitate or provide understanding and behavior to consumers with all their problems. However, there may be elements of falsehood or truth in these three visions. Therefore, an appropriate approach or holistic approach must be used that means that the perceptions of people must use these three visions simultaneously. There are three variables and consumer behavior studies that Engel (2000) says, "Consumer behavior has many special interests and various reasons, and interests influence or change this behavior, including those with primary

interests such as marketing, consumer education and protection, and public policies." 1. Marketing Marketing is a planning and implementation process of concepts, price, promotion, and distribution of ideas, goods, and services to create exchanges that meet individual and organizational goals. Each part values the other with the objective of meeting their respective needs. In the context of normal buying, money exchanged with goods or services that interest them. 2. Public policies Only education will not guarantee a good life or consumer welfare.

A free enterprise economy reveals that consumers' rights to choose or choose to obtain information and unlimited alternative contracts: any consumers' rights are reduced or not used improperly. And, because of dishonest business practices that affect the community's unity, the consensus confirms that the government has the right to influence consumers' choices through restrictions or limitations on monopolies and combating dishonest or fraudulent commercial practices. Winardi (2001:200), says that "Consumer purchasing decisions are the culmination point of search and evaluation processes".

Peter and Olson (2006:7). Provide the definition "Decision-making that consumers are an integrated process that combines two or more evaluations, behaviors, alternatives and the choice of one side." From the above definition, it may be concluded that decision-making is the culmination of the integration process that combines various alternative behaviors or choices between them. The decision-making process is not only known by various factors that may affect or influence the buyer but is also based on the buying role and the buying decision. Engel et al. (2000: 45) show several roles in decision-making: the initiator is a person who first suggests a specific product or service to buy; influencers consider and select choices, decision-makers who have authority or financial power make purchasing decisions, buyers are the ones who buy, and users are the ones who consume or use products.

### 2.3.2.2. Consumer Decision-making Process to Choose

The decision-making process is not only influenced by various factors that affect the choice but is also based on the role of decision-making. The parties involved or playing a role in the decision-making process are as follows:

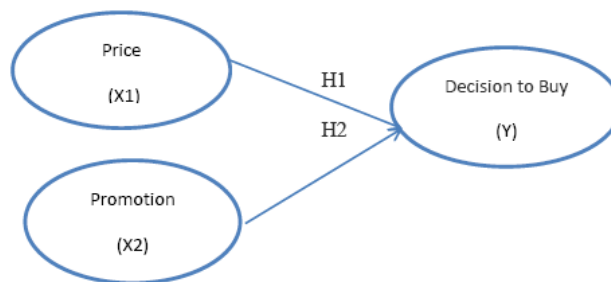
1. Take Initiative: A person who first suggests or expresses his or her ideas to choose certain goods or service
2. Researching information The second stage seeks information when consumers begin to lose interest or become unaware of certain needs and

desires. In the search for information, it can be divided into two parts: a. Consumers in the attention stage only seek information in terms of volume. b. Consumers in the active stage try to search or find information by testing or experiencing, trying to find material to read or searching for information about a product by asking colleagues or friends.

3. **Alternative Evaluations** In this phase, There is no simple and unique evaluation process that can be used for all consumers. The recent model for alternative evaluation processes provides cognitive guidance, where consumers make considerations about products based mainly on conscious and rational reasons
4. **Decision-making Process** In this phase, consumers can intensify their intention to choose a product they like. However, there are two other factors that can interfere with the intention to choose, namely the positive or negative attitude of others towards the product and unexpected situational factors such as loss of job or appearance of other needs that are important to fulfill.
5. **Post-Decision Behaviour** In this phase, consumers will experience either satisfaction or dissatisfaction with the chosen product. They will also behave accordingly. Will perform various levels of product selection that are attractive to professional marketing. However, the process is not always carried out from consumer selection. The realization involves several stages in the process that are not always easy or possible for consumers to make decisions based on the nature and emotions, and then consumers will easily make choices of repetition or continuous nature of the product that is the same (including the same cost or price and quality). If there are changes in influencing factors, then the decision will be reconsidered, including brand problems.

## 2.4. Theory of Thought Structure

This study was conducted in Timor-Leste, where factors consist of product quality, price, promotion and distribution (communication). Product quality is related to advantages and strong points in Timor Leste, with a low price so that it can be achieved or attained by consumer requests. Promotion is sufficient to attract enough influence on the cost and promotion of buying Tais Timor. In relation to the description above, the structure of this study will be presented as follows:



**Figure 2.4. Thought Structure Model.**

### Description:

1. H1: The cost (X1) has a partial influence on the decision to buy Timor Tais (Y).
  2. H2: Promotion (X2) has a partial influence on the decision to buy Timor Tais (Y).
- 2.5. **Hypotheses** Based on the main problem discussed, the hypothesis that can be used to solve the problem is as follows: "The factors of cost and the factors of promotion support (product quality, cost, promotion channels and distribution) influence the decisions of buying Timor Tais."

## 3. RESEARCH METHODS.

### 3.1. Type of Research

The type of research used by researchers in collecting data is: Observation, because researchers conduct research on both large and small populations, but the data studied is from a sample taken from the population. Arikunto (2006:110) "Provides a definition that with the Cross-Sectional technique, we can describe the events related to the situation (of the research) and the relationship with the breadth (width) of the subject that affects one event."

### 3.2. Population and Sample

#### 3.2.1. Population

Sugiyono (1999:72) defines the population as "a generalization of the territory that comes from the entire volume of objects that have certain characteristics determined by research to study and provide conclusions. In this study, the population is all 50 consumers or buyers of Tais Sosa Tais in the Colmera market."

#### 3.2.2. Sample

The sample used for this research is a subset of the population with a total of 50 consumers, using the Probability sampling technique with a census. Ferdinand (2006) said that "it is not necessary to conduct research on the entire population." It is enough to analyze parts of the population in the subset or a portion of the population required for analysis, and this can represent the attitude of the population referred to. In the Supramono & Utami Intya book (2004), it is stated as follows:

### 3.2.3. Operational Definition of Variables

Margono (2010;25-2) defines operational definition as information that can assist in other research that uses variables. Based on the referred information, we know how to measure that variable, either by conducting the same procedure or by developing a new procedure. The operational definition of variables presents a proposed discussion that can describe indicators that can be measured as variables mentioned above, such as:

**Table 3.1. Definition of Operational Variables**

Nu	Variable	Concept Theory	Indicators	Scale	Grading
	Price (X1)	The cost is valued based on the worth that is given by customers to the action of using one product or service. Kotler and Armstrong (2008:345).	1.The cost is based on the benefits. 2.Understanding of the cost and benefits. 3.The cost of things can be evaluated. 4. Competition of prices. 5.The relation of price with quality.	Likert	1 – 5
	Promotion (X2)	Advertisementthatinclu desonepartofamixofvari ablesinmarketingthatisi mportanttoimplementb ycompaniestopromotet heirproductsandservice s. Lupiyoadi (2009:120).	1. Frequency promotion 2. Quality promotion 3. Quantity promotion 4. Time promotion 5. Effectiveness and relevant goals.		
Decisi on Buy Tais (Y)	The decision to buy, as a process, finalizes a problem that comes from analysis, knowledge, and needs, and the desire for information, appreciation of sources, selection of alternatives, buying decision, and then buying action. - Kotler (2007:251)	1. Objective is to buy products. 2. Process information to identify the brand choice 3. Establishing a product. 4. Provide recommendations to others. 5. Done by spending money.	Likert	1- 5	

### 3.4. Types and Sources of Data

According to Supranoto (2001:21), "Data is anything that we know or feel and we always give a description about a situation or a problem." The types and sources of data used in this thesis are as follows:

#### 3.4.1. Types of Data

1. Quantitative data: numerical data that provides information in the form of numbers obtained from reports related to research. 2. Qualitative data: data that does not use numerical values, but instead uses words in a descriptive manner to complement quantitative data or interviews with parties related to the research or from the interpretation of secondary data results.

#### 3.4.2. Data Sources

Data sources are used from: a. "Primary data from sources that are original and collected specifically to answer research questions (Coopper and Emory, 199: 256)." Primary data applications that divide questionnaires and interviews for selected consumers who buy tais in the Colmera market. b. Secondary data. Secondary data is based on documents that already exist, and related to research data on the structure of organizations, the history of research objects, and the functions and responsibilities that professionals have in one organization.



### 3.5. Data Collection

Methods In order to collect data and information, preparation is needed during the proposal. Several relevant data collection methods are used to solve and analyze problems that have been previously declared. The following methods are used: 1. Field research or observation (Field Research) is a method used to conduct direct observations in the field or in companies to collect data and information. This research is conducted as follows 2. Interview method is used with an interview system for parties interested in the company or enterprise to collect data related to the title. 3. Research through the Library (Library Research) is an effort to obtain information based on what is written or read and studied in books/literature that can be used as a reference for analyzing the problem at hand. 4. Arikunto (1998: 129) states, "Questionnaires are a method of research conducted through the distribution of a list of questions to consumers who buy tais Timor, in order to determine decisions on selection or choice." At this time, the Likert scale approach is used with 5 categories, as follows:

**Table 3. Likert Scale Model.**

Scale Likert	Not Surpassed	Do not Agree	Debout ful	Agree	Agree to Agree
Value Score	1	2	3	4	5

Fontes: Freddy Ranguti, 2005:66

### 3.6. Data Quality Testing

Data quality testing is done through two types of tests, namely validity and reliability tests:

**Validity Test** The validity test is used to measure whether the questionnaire is valid or invalid. If the validity of a questionnaire is stated, the questions have the ability to create what will be measured using the questionnaire. According to Gozali (2001: 142), validity in this research uses product moment correlation with performing correlations between question item scores and total scores of items in variable concepts, valid questions will be obtained from positive correlations which exceed  $r$  (table) product moment with  $df = n - k$ ;  $\alpha = 0.30\%$ .

**3.6.2. Reliability Test** If a questionnaire is said to be reliable or consistent, the answers of each individual to the questions are consistent or stable over time (Gozali:2001:140). Reliability test uses the coefficient of Conbracnh Alpha ( $\alpha$ ). If the value of  $\alpha$  is greater than 0.60, one estimate from the relative measured results of consistency will be obtained through repeated measurement twice or more using other words or other languages, this instrument can be strengthened by Numally, 1996; Gozali 2001:140.

#### 3.6.1. Classic Assumption Testing

The objective of classic assumption testing is to determine the condition of the data used in the questionnaire. This test is carried out to obtain a model analysis that is correct.

#### 3.6.2. Multicollinearity Test

The objective of this test is to test the existence of correlation between independent variables. If the correlation coefficient is higher than 0.09, it indicates the existence of multicollinearity, regression. Community capital does not experience multicollinearity. In the good regression model, there is no correlation between independent variables in the regression model that has multicollinearity, with the

rules used to make a decision such as tolerance values or VIF which are close to the number 1 or 0.10, then there is no problem of multicollinearity.

#### 3.6.3. Heteroscedasticity Test

The objective of this test is to test the existence of unequal variation in observed residuals in regression capital Exist different unequal residue observations for others. Gozali (2006) "Detecting the presence of heteroscedasticity is carried out by testing glaciers / glaciers that consist of examining absolute residual values of independent variables." Bujarati (1995). Gojali (2001:81) refers to a regression that does not have a significant independent variable to be sent absolutely to UT, therefore it can be concluded that heteroskisy does not occur.

#### 3.6.4. Normality test

The purpose of the normality test is to verify whether the regression capital, residual variable or normal distribution assumption, As we know that the test assumes that the residual value follows a normal distribution. There are two ways to detect whether the residual is normally distributed or not by analyzing graphic p-plot tests and Ghozali (2006:267) statistical tests

#### 3.6.5. Autocorrelation Test

This test is carried out to show the presence or absence of serial correlation symptoms, or that is, the conditions that have residual dependence or independence with each other. In a simple context, the symptoms of the presence or absence of autocorrelation can be seen in the Durbin-Watson statistical test. Autocorrelation tests arise from observations over time, the relationship between one and the others, and the problem also arises from the non-free rest of one observation to another. Another problem is encountered even though we use data for an individual or a group that is similar to the last period of the data (cross-section), relative

autocorrelation problems that do not occur with interference in observations that come from individuals or groups that are different.

### 3.7. Data Analysis Technique

The data analysis technique used here is Linear Regression Analysis Doubled, which is a technique that can explain variables beyond one. Data analysis is a process searching and gathering data systematically that researchers get from questionnaires, observations, field materials, and other sources to be easily understood.

3.7.1. Double Linear Regression (multiple linear regression) The formula for double linear regression is:  $Y = a + b_1x_1 + b_2x_2 + e$ .

**Description:** Y = Dependent Variable

a = Constant  $b_1$ ,  $b_2$  = Regression Coefficients  $x_1$ ,

$x_2$  = Independent Variables e = Disturbance Term

3.7.2. Hypothesis Testing with Partiality (T Test) To determine how to accept or reject using the same t-formula as follows: The significant influence of the price on the decision to buy tais in the tais market in Kolmera. Hypothesis: a. If  $t_{\text{tura}} < t_{\text{tabel}}$ , then we accept that there is no influence on the price and decision to purchase tais in Timor. b. If  $t_{\text{tura}} = t_{\text{tabel}}$ , then we reject the hypothesis that there is no positive influence on the price and decision to promote and buy tais in Timor. 3.7.3. Hypothesis Testing with Partial (T Test) Hypothesis: 1. If  $t_{\text{tura}} < t_{\text{tabel}}$ , then we accept that there is no influence of the price on the promotion and decision to buy tais in Timor.

## 4. RESEARCH RESULTS AND DISCUSSION

### 4.1. Research Results

#### 4.1.1. Description of Research Object

##### 4.1.1.1. Research Object

The tais market exceeded the government's V program, related to the first coordination, by the MCIA government team through the UAPIT unit to support tais industry production. Coordination is carried out to collect data on business beneficiaries in the tais market in order to register them in the industry and trade and environment registry, proud and ready to work together with the relevant ministry because during this time the local product (tais) has not received maximum attention from our government. Therefore, we are still facing many difficulties in capacity building and promoting Timor's tais culture in the national and international markets. We hope that there will be an opportunity for the government to pay great attention to traditional markets and attract foreign tourists to visit our local products. This can also provide income for Timor-Leste and communities can benefit from it.

#### 4.1.1.2. History of Tais Market Establishment

In 1911, the Portuguese colonial government dedicated Timor to the people, stating that people aged 17 must have an obligation to pay taxes. However, those who were poor and had no other way to pay taxes chose to make and sell tais in order to pay taxes or fees. In 1935, a man named Sigamau from the Atsabe subdistrict paid taxes and continued to make and sell tais despite being paralyzed in one leg, while in another district many young people stopped this tradition. In 1989, during the Indonesian occupation, the tais tradition was still maintained The new generation is also involved in weaving tais to be able to respond to the needs of families and children studying in Indonesia. At that time, the Indonesian government provided opportunities for people from the tais market to attend exhibitions and receive weaving training in Jakarta. During the governorship of President Soeharto in 1993, the Indonesian government handed over a place to the Timorese, along with Indonesians, to weave tais. This place was named DILI Bertais (meaning "clean, beautiful, and neat") to continue to weave tais and promote Timorese cultural products to Indonesians and foreigners who visited Timor during the Indonesian occupation. Local products continued to be woven until they were burned and destroyed by pro-integration forces in 1999. In 2000, tais weaving resumed in Dili, but only within the city as construction had not yet begun. In 2001, the government sent an administrator to collect data and find a location to continue weaving tais. This location was named tais market. In 2007, an international agency (USAID) accepted a proposal and provided assistance of \$20,660.50 to rehabilitate the tais market and provide training to beneficiaries on how to manage a business, gain profit and receive certificates. The market was inaugurated by the Dili District Administrator and has been operating since. The beneficiaries of the tais market are not only the weavers but also those who use the opportunity to start small and big businesses or to fund their studies in national and private universities, where 75% of secondary school students study until graduation,

A. Benefits of Tais Market Beneficiaries. Tais market beneficiaries feel proud because for 14 years, many nations from UN missions have visited and bought local products at the tais market. b. Disadvantages of Tais Market Beneficiaries. Traditional tais market businesses feel stressed, especially with government oversight from the combatant ministry that handles market issues, while attention is focused on the rehabilitation of markets that have received assistance from the international agency USAID.

2. General Objective. The tais market aims to promote and showcase Timorese cultural products to generate income for Timor Leste, especially from tourists who come from foreign countries and appreciate the creativity of the people's products. a. Short-term. From the previous government to the current constitutional government, the parliament has approved a large state budget to develop various activities, such as construction, among others. However, these actions have resulted in an influx of imported products because there are no local factories yet, and we are buying products from other countries. The business sector suggests that the relevant government should allocate funds from the plan or small industry activities to support the traditional tais market community. b. Long-term. The traditional tais market is currently under

intense pressure due to government plans to compete with local products in the international market. Therefore, there is an increasing need to focus on local product quality for the future competition. The international market also asks the government, NGOs, and authorities to pay attention to the small creative industry and capacity to become quality in Timor-Leste nation.

#### 4.1.1.3. VISION AND MISSION OF TAIS MARKET

1. Vision: For the future, our own identity should be the same as Tais, that our ancestors have left for us. We should not lose our identity with the influx of foreign products into Timor. 2. Mission: Our government must develop our own identity as Tais in Timor-Leste so that we can contribute to the nation's formation in a way that is essential to the Tais industry in Timor.

#### 4.1.1.4. Structure Tais Market

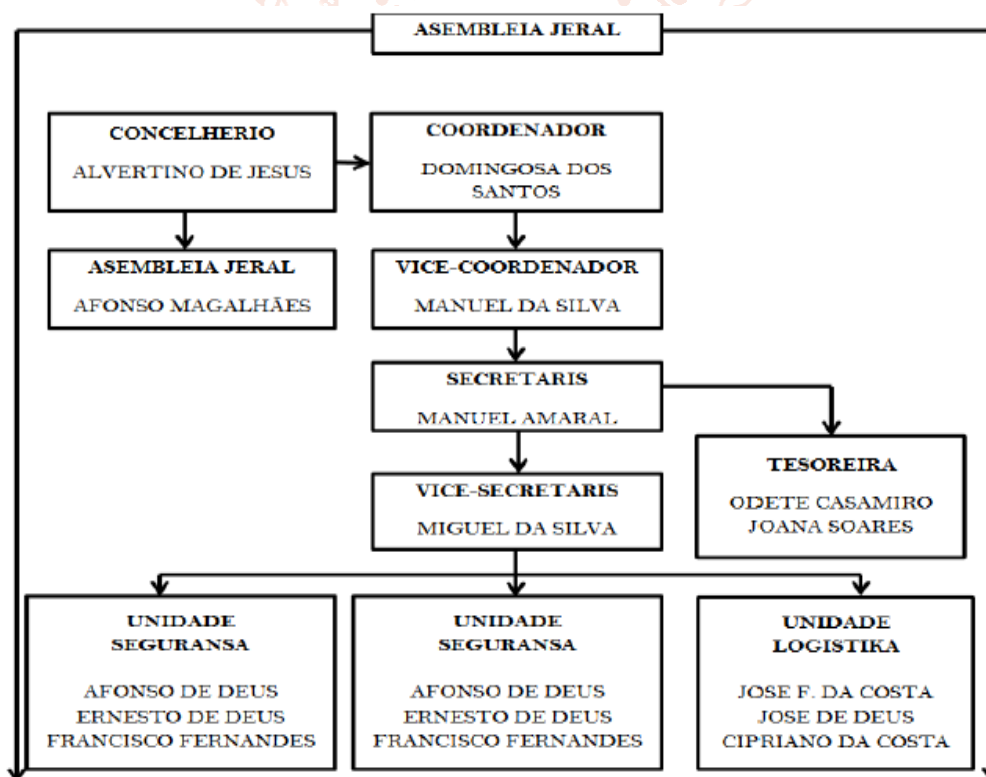
##### VISION AND MISSION OF TAIS MARKET

1. Vision: For the future, we want our own identity as tais, to let go of imported products and not lose to foreign nations' productions that come to Timor. 2. Mission: Our mission is for the government to promote tais as Timor's own identity so that it can contribute to the country's training and development, according to the needs of Timor's Tais

No	Gender	Frequency	Percentage %
1	Female	30	62 %
2	Male	19	38 %
	Total	50	100 %

#### 4.1.1.5. Structure Tais Market

Grafic 4.1. Structure of Tais Market



Source: Primary Data, 2023



Profile of the General Respondent The classification of respondents identified in the referenced research comprises sex, age, education, and position. A detailed explanation can be seen in the table below: 1. Respondent based on Gender

Based on the table above, the classification of respondents based on gender identifies that there were 31 female respondents, accounting for 62%, and 19 male respondents, accounting for 38%. From this explanation, it can be inferred that the number of female respondents was significantly more than that of male respondents with a total of 31 or 62%. 2. Respondent Based on Age Table 4.2. Respondent Based on Age;

**Table 4.1. Respondent Based on Gender**

No	Age	Frequency	Percentage %
1	20-29	20	40 %
2	30-39	7	14 %
3	40-49	12	24 %
4	50-59	11	22 %
	Total	50	100 %

**Source Primary Data, 2023**

From the table above, respondents aged 20-29 make up 20 or 40% of the people surveyed, respondents aged 30-39 make up 7 or 14%, respondents aged 40-49 make up 12 or 24%, and respondents aged 50-59 make up 11 or 22%. This explanation informs that the respondents who identified themselves in this survey are mostly aged between 20-29. 3. Respondents' Educational Background

**Table 4.3. Educational background.**

No	Education	Frequency	Percentage %
1	Secondary	20	40
2	Pre Secondary	5	10
3	Bachelors	5	10
4	Degree Program	10	20
5	Others	10	20
	Total	50	100 %

**Fontes: Dadus Prima, 2023**

Table based on respondent's education level as indicated above, to inform that respondents with Secondary education level represent 20 or 40 respondents, respondents with Pre-Secondary education level represent 5 or 10% of the people, respondents with Bachelor's degree education level represent 5 or 10% of the people, and respondents with other education levels represent 10 to 20% of the people.

#### 4.1.2. Respondent Based on Position

**Table 4.4. Position**

Number	Years	Frequency	Percentage %
1	Students	20	40%
2	Civil Servant	7	14%
3	Employment	6	12%
4	Business	17	34%
	Total	50	100%

Sources: Data from Prima, 2020.

From table 4.4 based on respondent positions, 20 or 40% were identified as student respondents, 7 or 14% were identified as public servant respondents, 6 or 12% were identified as private servant respondents, and 17 or 34% were identified as business owner respondents.

#### 4.1.3. Data Processing Research

##### 4.1.3.1. Result of Data Quality Test

1. Result of Validity Test According to Gozali (2001:142), validity in this research is measured by using the product moment correlation with the correlation between the scores of the questions and the total score of the variables concept item. Valid questions will receive a positive correlation value greater than  $r$  (table) in the product moment with  $df = n - k$ ;  $50 - 2 = 0.284$ .

**Table 4.4. Test Validity Results**

Num	Variables and Indicators	Corrected total item correlation	R table 5 %	Justification
<b>1</b>	<b>Pric (X1)</b>			
X1.1	Price based on benefits	0.522	0.284	Valid
X1.2	Perception of price and benefit	426	0.284	Valid
X1.3	Easy access to affordable prices	344	0.284	Valid
X1.4	Price competition	358	0.284	Valid
X1.5	Relative price and quality	642	0.284	Valid
<b>2</b>	<b>Promotion (X2)</b>			
X2.1.	Frequency Promotion	857	0.284	Valid
X2.2.	Promotion quality	685	0.284	Valid
X2.3	Promotion quantity	342	0.284	Valid
X2.4	Promotion time	857	0.284	Valid
X2.5	Effectiveness and relevant goals Promotion.	637	0.284	Valid
<b>3</b>	<b>Sales Decision (Y)</b>			
Y1	Objective of buying products	496	0.284	Valid
Y2	Information processing	465	0.284	Valid
Y3	Product establishment	454	0.284	Valid
Y4	Giving recommendations to others	857	0.284	Valid
Y5	Doing it with buying money	637	0.284	Valid

Sources: Analysis of IBM SPSS version 21 output, 2020

Based on the SPSS output results that identified and established the table displaying the Pearson correlation value for each indicator, there is a high Pearson correlation value of 0.284 for the product moment value. Therefore, the results have been explained to clarify, That each instrument used in the referenced research should have consistency or validity.

Results of Reliability Test One questionnaire states that if it is reliable or consistent, one person's answers to questions will remain stable over time (Gozali: 2001:140). The Reliability Test uses the Cronbach Alpha coefficient ( $\alpha$ ). If the  $\alpha$  value is greater than 0.60, it can estimate the relative consistency of the measured results, which can be repeated twice or more with other words or fruits language. The referenced instrument can strengthen Numally's work (1996); Gozali 2001:140. Table 4.5. Results of Reliability Test.

Variable	Choronbach's Alpha	Standart Realibilible	Justification
Price (X1)	0.731	0.60	Realibility
Promotion (X2)	0.821	0.60	
Decision for Purhacing (Y)	0.738	0.60	

Source: Analisis IBM SPSS version 21, 2020

The unhusked rice from the output results of the SPSS is shown in table 4.5. The reliability results identified that the variable of cost had a Chronbach's alpha value of 0.731, the variable of promotion had a Chronbach's alpha value of 0.821, and the variable of purchasing decisions had a Chronbach's Alpha value of 0.738. The results indicate that the Chronbach's alpha value for the variable with a higher value than 0.60 needs to be explained. This means that the distribution of data refers to reliability or consistency.

#### 4.1.3.2. Results of Classic Assumption Test

**4.1.3.2.1. Multicollinearity Results** The objective of the test is to determine the correlation between independent variables. If the independent variables are correlated at a level higher than 0.09, it indicates the multicollinearity issue in the regression. The community capital does not experience multicollinearity. In a good regression model, there is no correlation between independent variables and the regression model with multicollinearity, which is following the rules used to make decisions such as tolerance values and VIF which are nearly 1 or 0.10, then there is no multicollinearity issue.

**Table 4.6. Multicollinearity Test Results**

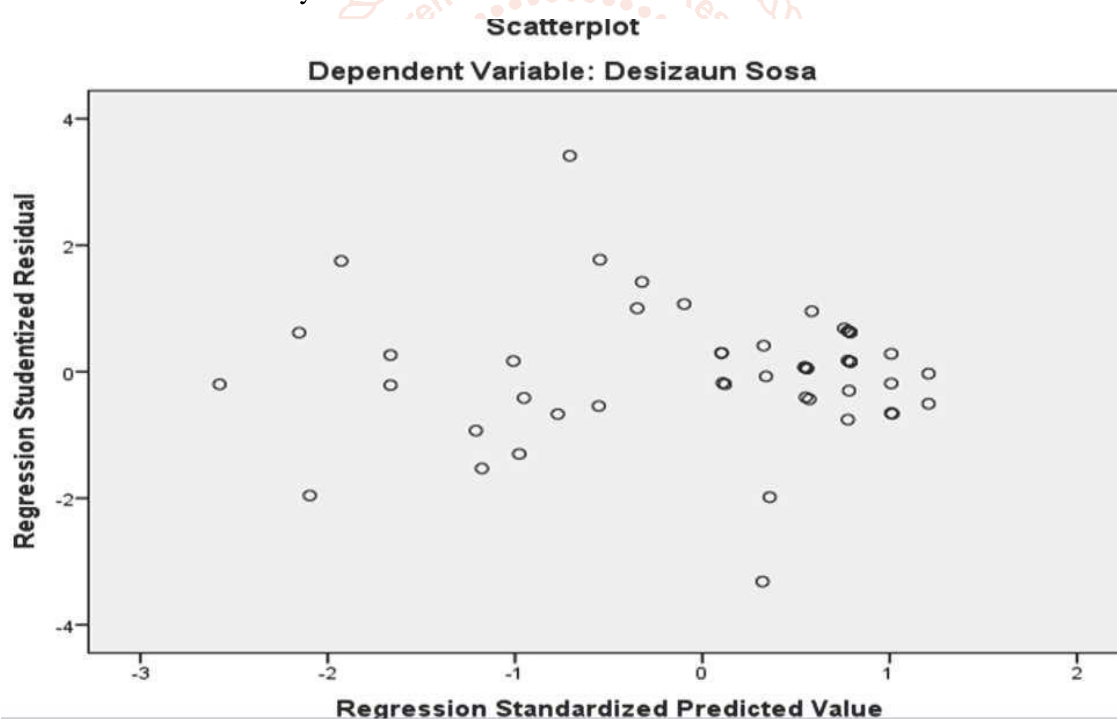
Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Price	.748	1.337
	Promotion	.748	1.337
a. Dependent Variable: Decison to buy			

Source : *Analisis IBM SPSS Version 21, 2020*

Based on the output results of SPSS and the coefficient table model, the collinearity statistics identified the values and tolerance of the variables "presu" (X1) and "promosaun" (X2) with a total value of 0.748 and a VIF (variance inflation of factor) value of 1.337. According to the analysis results, it can be inferred that the data used in the research do not have multicollinearity.

#### 4.1.3.2.2. Heteroscedasticity Test

This test aims to test whether there is unequal variation of observed residuals for others in the capital regression. According to Gozali (2006), "Detecting the presence of heteroscedasticity is carried out by the Glejser test, which involves examining the absolute residual values of the independent variable" (Bujarati, 1995). If the regression does not have a significant independent variable to be sent absolutely to the UT, it can be concluded that there is no heteroscedasticity.



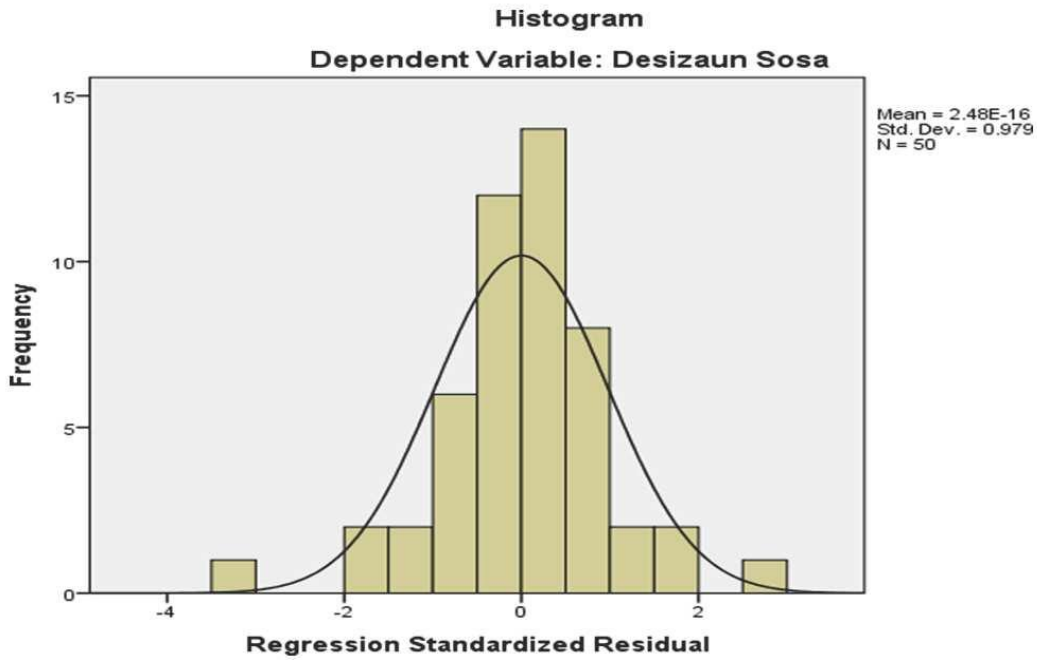
Source: Analysis from IBM SPSS version 21, 2020.

Looking at the Scatterplot graphic shown above, one can imagine that the data is in the form of scattered points or certain shapes with scattered values 0 (zero) above, scratched and messy, to formulate that the data of the research reference experiences heterocedasticity.

**4.1.3.2.3. Normality Test** The normality test aims to verify whether the regression capital, residual variable, or normal distribution exists, as we know that the test assumes that the residual value follows a normal distribution. There are two ways to detect whether the residual value can be normally distributed or not, either through graphic analysis or Ghozali's static P-plot test (2006: 267).



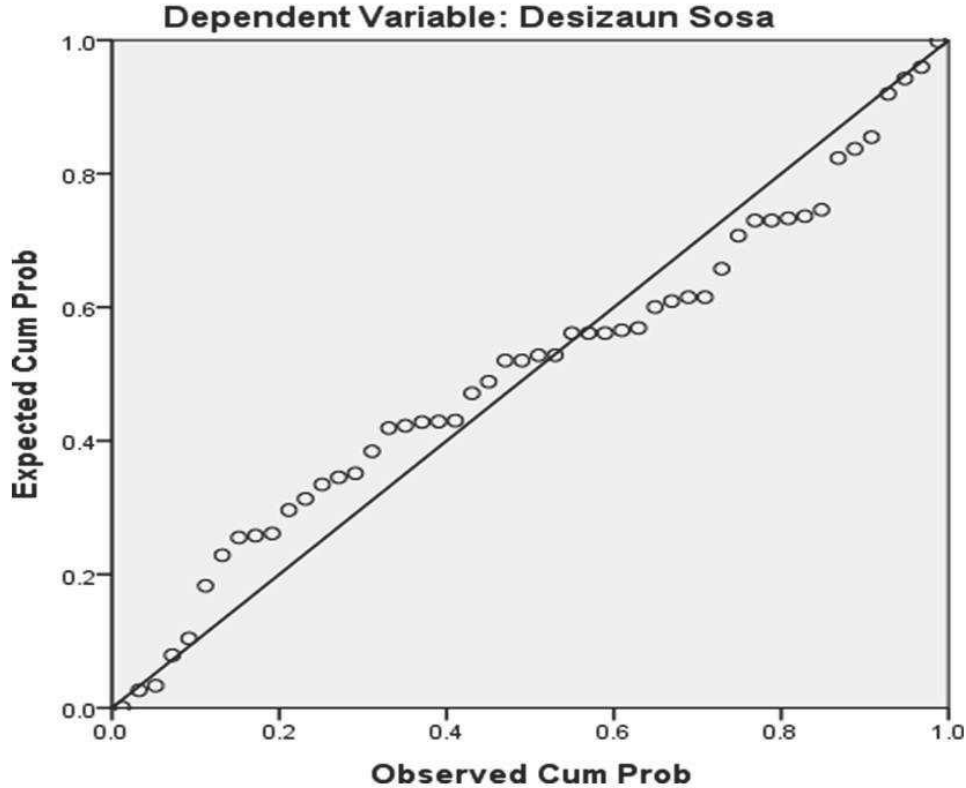
**Grafiku 4.2. Histograma Grafic**



Sources: Analysis IBM SPSS version 21, 2020

The rice plant from the output result showed a histogram figure above to conclude that the referred graph with the distribution of data along the diagonal line is in a normal distribution category. This means that the data used in the research assumes normality.

**Graph 4.3. P-P Plot Normality.**



From the output results of the SPSS with the graphic Normal P-P Plot Regression Standardized Residual shown on top, it can be indicated that the P-P plot graphic above reflects points that nearly follow the diagonal line, meaning that the research data in the regression model refers to the assumption of normality. Table 4.7 shows the results of the Kolmogorov-Smirnov Test for normality.

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		50
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.13623867
Most Extreme Differences	Absolute	.111
	Positive	.110
	Negative	-.111
Kolmogorov-Smirnov Z		.783
Asymp. Sig. (2-tailed)		.572
a. Test distribution is Normal.		
b. Calculated from data.		

*Sources: Analysis IBM SPSS version 21, 2020*

Based on the SPSS output table above, identify the significance value Asymp. Sig (2-tailed) = 0.553, which is much higher than the probability of 0.05. This is based on the normality test of the Kolmogorov-Smirnov test and assumes that the data is normally distributed. Therefore, the assumption or criteria of normality in the regression model is met. In section

#### 4.1.3.2.4. The Autocorrelation

Test is conducted to show the presence or absence of serial correlation symptoms or the condition of having one residual independence or another. In simple terms, the symptoms of the presence or absence of autocorrelation are visible in the Durbin-Watson Ghozali statistical test (2006:95). The Autocorrelation test arises due to the relationship between one observation and another over time, as well as the problem of touching the rest of the observations that are not free from other observations. Furthermore, the problem of autocorrelation always arises even though we use data for individuals or groups in the same period (cross-section), as the autocorrelation problem relates to the interference of observations that are different from individuals or groups. The Durbin-Watson model is compared to the Durbin-Lower (D-L) value and Durbin-Uppon (D-U) value based on the amount of free variable in the regression model (k) and the quantity of the sample (n).  $df = n - k$ . In this case, k represents the free variable,  $k = 2$ , n represents the sample,  $n = 50$ , and the significance level is 5%. The Autocorrelation results are shown in Table 4.7.

Model Summary <sup>b</sup>	
Model	Durbin-Watson
1	1.970 <sup>a</sup>
a. Predictors: (Constant), Promosaun, Folin	
b. Dependent Variable: Desizaun Sosa	

*Sources: Analysis IBM SPSS version 21, 2020*

#### 4.1.3.3. Data Analysis Techniques

##### 4.1.3.3.1. Result of Linear Regression Coefficients

The analysis technique used, such as Double Linear Regression Analysis, is a technique that can explain more than one variable. Data analysis is the process of searching and assembling data systematically obtained by researchers through questionnaires and observations, materials, and other equipment in the field. The process is easy to understand. The formula for double linear regression is  $Y = a + b_1x_1 + b_2x_2 + e$ .

**Table 4.8. Test Results Coefficient of Determination.**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.216	1.616		3.228	.002
	Price	.421	.303	.319	4.207	.000
	Promotion	.753	.080	.852	9.396	.000
a. Dependent Variable: Decision to buy						

Sources: Analysis of IBM SPSS version 21, 2020.

Based on the formulation equation of the linear regression model explained above, according to the detailed explanation below:  $Y = 5.216 + 0.421X_1 + 0.753X_2 + 1.616$ . 1. Constant ( $\alpha$ ) = 5.216, a positive constant value that indicates that before having an influence from price ( $X_1$ ) and promotion ( $X_2$ ) variables on the decision to buy thick fibrous part at the top of some palm trees in Colmera, Dili, Timor-Leste. 2. Regression coefficient ( $\beta_1$ ) = 0.421, a positive coefficient value that indicates the influence of the price variable ( $X_1$ ) on the decision to buy ( $Y$ ), where an increasing price would negatively affect the consumer's decision with 42.1%. 3. Regression coefficient ( $\beta_2$ ) = 0.753, a positive coefficient value that indicates the influence of the promotion variable ( $X_2$ ) on the decision to buy ( $Y$ ), where good promotion would influence consumers with 75.3%. 4. Standardized error ( $e$ ) = 1.616, a value that signifies the approximate error that occurred within the company. 4.1.3.3.2. Coefficient of Determination The coefficient of determination is important for measuring the capacity of the model to explain the variance of the independent variables ( $X_1$  &  $X_2$ ). The coefficient of determination value ranges between zero and one (1). A small value of the coefficient of determination means that the independent variables ( $X_1$  &  $X_2$ ) have no or very little intervention on the dependent variable ( $Y$ ), Ghozali (2016:83). To determine the coefficient of determination, we need to use the value of R-Square. Table 4.9. Coefficient of Determination Results.

Model Summary <sup>b</sup>				
Model	cR	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 <sup>a</sup>	.711	.698	2.181
a. Predictors: (Constant), Price Promotio				
b. Dependent Variable: Decisio to buy				

Sources: Analysis IBM SPSS version 21, 2020

Based on the SPSS output table with "model summary" established at the top, the determined coefficient value or R Square is identified at 0.711 or 71.1% derived from the correlation coefficient value ( $R^2$ ) with a value of 0.843. The magnitude of the determined coefficient (R Square) is 0.711 or 71.1%. The numeric reference indicated that the strong relationship between the price variable ( $X_1$ ) and promotion ( $X_2$ ) influences the decision to buy ( $Y$ ) by a magnitude of 0.711 or 71.1%, with the rest 28.9% affected by other unrelated factors in the study such as customer service, product quality, and others. In terms of hypothesis testing, the research team used statistical tests such as partial t-test and simultaneous f-test to measure the hypothesis established based on the research data. The partial t-test helps analyze the partial influence of independent variables on the dependent variable with a degree of confidence of 95%. By comparing the t-test value with the t-table value using the degree of freedom ( $df = n - k$ ) and the significance level (5% or 0.05%), the research found that the t-table value in this study was 1.677.



Table 4.10. Test Hipoteza

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.216	1.616		3.228	.002
	Folin	.421	.303	.319	4.207	.000
	Promosaun	.753	.080	.852	9.396	.000

a. Dependent Variable: Desizaun Sosa

Sources Analysis IBM SPSS version 21, 2020

From the table of coefficients established above, to formulate the hypothesis that is the same as the following: a. Testing the Price Variable (X1) From the output results above, it was identified that the t-value of the price variable (X1) is 4.207 > t-value of 1.677 in the table, and the significance value (sig) is 0.000 < 0.05. This means that H1 is accepted or the first hypothesis is accepted. Therefore, it can be said that the price variable (X1) has a positive and significant influence on the purchasing decision (Y) in Tais Marketing, Colmera, Dili. b. Testing the Promotion Variable (X2) From the output results above, it was identified that the t-value of the promotion variable (X2) is 9.396 > t-value of 1.677 in the table, and the significance value (sig) is 0.000 < 0.05. This means that H2 is accepted or the second hypothesis is accepted. Therefore, it can be said that the promotion variable (X2) has a positive and significant influence on the purchasing decision (Y) in Tais Marketing, Colmera, Dili.

#### 4.2. Discussion of Research Results

The objective of this research is to discover and analyze the influence of the price variable (X1) and promotion on consumers' purchasing decisions (Y).

4.2.1. The influence of Price on Consumers' Purchasing Decisions From the analysis results, it was declared that the first hypothesis of the price variable (X1) has a positive and significant influence on consumers' purchasing decisions (Y) at the Tais market. The result is based on the theory stated by Mundar (1996:55) that "Price can be a significant criterion, which is relevant to one activity of exchanging or trading in the market between producers and consumers, and describes that the market price is determined by the magnetic force between demand and supply." Price is a determining factor that directly influences both organizations and consumers. When the price is appropriate, it will have a positive impact on improving the organization's income.

#### 5. CLOSING

From the research results and discussions explained in Chapter 4, the following relevant conclusions were drawn based on the desire of the merchants to take some conclusion, such as:

From the research results that have identified and declared that the cost variable (X1) has a positive and significant influence on the decision to buy tais in the market, with a t-value of 4.207 > t-table value = 1.677, and a significance value of 0.000 < p-value of 0.05%. Therefore, an appropriate cost can benefit the merchants in increasing their income according to their future goals. 2. From the research results that have identified and declared that the promotion variable has a positive and significant influence on the decision to buy tais in the market, with a t-value of 9.396 > t-table value = 1.677, and a significance

value of 0.000 < p-value of 0.05%. Therefore, promotion is an activity that attracts customers to access the products offered by the merchants.

Suggestions Based on the concluded results above, the following relevant suggestions are proposed as follows: 1. For the Tais Marketing Organization a. Product Cost (X1) The research results that researchers have identified and analyzed using SPSS have shown a very positive influence from the cost variable (X1). Therefore, it is suggested that the organization pay maximum attention to the cost established in the organization to increase its income and attract customers to access the products offered by tais marketing. b. From the research results that the researcher has identified, the promotion variable (X2) has a positive and significant influence on customers' buying decisions (Y). Therefore, it is

suggested for merchants to prioritize promoting their products through appropriate marketing techniques.

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