

The Influence of Promotion Strategy, Product Quality, and Price on Consumer Purchase Decisions Amidst Competition in the Fast Food Industry in Pekanbaru

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ABSTRACT

Purpose	This study aims to analyze the influence of promotional strategies, product quality, and price on consumer purchasing decisions amid the intense competition of the fast-food industry in Pekanbaru City. The research seeks to identify the dominant marketing factors shaping consumer decision-making in a highly competitive urban market.
Methodology	This study employed a quantitative approach with an explanatory research design. Data were collected through a structured questionnaire distributed to 110 fast-food consumers in Pekanbaru City using an accidental sampling technique. The data were analyzed using multiple linear regression, supported by validity, reliability, and classical assumption tests, with SPSS as the statistical analysis tool.
Findings	The results indicate that promotional strategies, product quality, and price have a positive and significant effect on consumer purchasing decisions, both partially and simultaneously. Product quality emerged as the most influential factor, followed by promotional strategies and price. The model demonstrates strong explanatory power, indicating that marketing mix variables play a crucial role in shaping purchasing decisions in the fast-food industry.
Contribution	This study contributes theoretically by reinforcing consumer behavior and perceived value theories within the context of fast-food industry competition in a developing urban area. Practically, the findings provide managerial insights for fast-food businesses to design integrated marketing strategies that emphasize consistent product quality, effective promotion, and competitive pricing to enhance consumer purchasing decisions.
Keywords:	Promotional Strategy; Product Quality; Price; Purchasing Decision; Fast-Food Industry

INTRODUCTION

The development of the fast-food industry is one of the significant phenomena in the transformation of global and national consumption patterns. Urbanization, increased labor force participation, and changes in modern lifestyles are driving increased demand for convenient, fast, and affordable food products. In various developing countries, including Indonesia, the fast-food industry is not only dominated by global brands but is also experiencing significant growth from national and local business operators offering similar products with local price and flavor adjustments. This condition creates an increasingly competitive environment, thus encouraging businesses to optimize their marketing strategies to maintain and increase consumer purchasing decisions (Euromonitor, 2020; Kotler & Keller, 2016).

In the national context, the food and beverage sector is one of the main contributors to Indonesia's economic growth. This industry is relatively resilient to economic shocks and has shown a steady growth trend in recent years, driven by increasing household consumption and urban expansion. The high competition in this sector requires companies to focus not only on operational aspects but also on marketing strategies that can effectively influence consumer behavior. Consumer purchase decisions are an important indicator of the success of this strategy, as they reflect the extent to which the value offered by the product is able to meet consumer expectations amidst a wide range of alternative choices (Kumar & Reinartz, 2018).

Sectorally, marketing studies in the fast-food industry place purchase decisions as a key variable influenced by various marketing factors. Promotion strategy, product quality, and price are consistently cited as key determinants in shaping perceived value and consumer attitudes toward a brand or product. Promotion strategy plays a role in building awareness, attracting attention, and persuading consumers thru various media, both conventional and digital. Product quality is a fundamental factor determining satisfaction and repurchase potential, especially in the food industry, which is highly sensitive to aspects of taste, cleanliness, and consistency. Meanwhile, price serves as a signal of value and a crucial psychological boundary in purchasing decisions, particularly in the middle to lower market segments that dominate fast-food consumers (Tjiptono, 2019; Kotler & Armstrong, 2018).

On an empirical level, Pekanbaru City is one of the major cities in Sumatra experiencing rapid growth in the service and trade sectors, including the fast-food industry. The increasing number of fast-food outlets, both national and local, reflects the high market potential as well as the increasingly complex competitive intensity. Consumers in Pekanbaru City are faced with many product alternatives with varying prices, aggressive promotions, and relatively homogeneous quality claims. In this situation, consumer purchasing decisions are no longer determined by a single factor, but rather by a combination of effective promotional strategies, perceived product quality, and the alignment of price with the value received. This phenomenon highlights the importance of empirical understanding of the most dominant factors influencing consumer purchasing decisions within the fast-food industry's competitive landscape in a local context.

However, despite extensive research on purchasing decisions in the fast-food industry, there are still several research questions that have not been consistently answered. Some studies have found that promotional strategies have a significant impact on purchasing decisions, particularly thru digital and social media promotions (Dwivedi et al., 2021). Conversely, other research indicates that promotion only serves

as a supporting factor, while product quality is the primary determinant of purchasing decisions (Raji et al., 2019). Similarly, the price variable, which has been shown to have a significant impact in some studies, actually demonstrates a weak influence in certain contexts when consumers prioritize quality and consumption experience (Hanaysha, 2018).

The inconsistency of these empirical findings indicates a research gap, both in terms of geographical context, consumer characteristics, and the intensity of industry competition. Most previous research was conducted in large metropolitan cities or used specific brand objects, so generalizing the research results to developing city contexts like Pekanbaru is still limited. Additionally, there is still limited research that simultaneously examines the influence of promotion strategy, product quality, and price within a single empirical model, with industry competition serving as the primary context for analysis. This research gap highlights the need for more contextual and comprehensive research to fully understand consumer behavior.

This research is based on consumer behavior theory and the marketing mix concept, specifically the promotion, product, and price elements as determinants of purchasing decisions. Consumer behavior theory explains that purchasing decisions are the result of consumers' cognitive and evaluative processing of received marketing information, which is then influenced by perceived value and expected satisfaction (Schiffman & Wisenblit, 2019). Meanwhile, the concept of perceived value emphasizes that consumers are more likely to choose products that offer the highest benefits compared to the costs they must incur, whether in the form of price or other non-monetary sacrifices (Zeithaml et al., 2020).

By integrating these three key variables into a single analytical framework, this research positions itself as an effort to enrich marketing literature, particularly within the context of the fast-food industry in developing cities. The main contribution of this research lies in providing contextual empirical evidence regarding the factors that most influence consumer purchasing decisions in Pekanbaru City, as well as in testing the consistency of marketing theory in an increasingly intense industrial competition situation. The results of this research are expected not only to contribute theoretically but also to provide practical implications for business actors in formulating more effective and consumer-oriented marketing strategies.

Based on the description, the purpose of this research is to analyze the influence of promotion strategy, product quality, and price on consumer purchasing decisions amidst the competition in the fast food industry in Pekanbaru City, both partially and simultaneously. Thus, this research is expected to provide a more comprehensive understanding of the determinants of consumer purchasing decisions and strengthen the basis for strategic decision-making in the fast-food industry.

RESEARCH METHOD

Research Design

This research uses a quantitative approach with explanatory research. A quantitative approach was chosen because the main objective of the research was to test the causal relationship between the independent variables, namely promotion strategy, product quality, and price, and the dependent variable, which is consumer purchasing decisions. Explanatory research allows researchers to explain the influence and strength of relationships between variables based on statistically measurable empirical data (Sekaran & Bougie, 2019).

The research design used is cross-sectional, where data is collected at a specific point in time from respondents who meet the research criteria. This design is considered relevant because it can accurately depict consumer perceptions and behaviors at the time of the study, particularly within the dynamic context of the fast-food industry's competition. Additionally, this design is replicable, allowing for similar research to be conducted in different regional or temporal contexts using the same methodological framework (Hair et al., 2019).

Research Population and Sample

The population in this study consists of all fast food consumers in Pekanbaru City who have purchased fast food products within a specific period. The population is infinite, considering there is no precise data available on the total number of fast food consumers in the study area. The research sample is a portion of the population selected to represent the characteristics of the population as a whole. The use of a sample is done to obtain efficient data and allow for statistical hypothesis testing, without having to reach the entire population (Malhotra, 2018).

Data Collection Techniques

The sampling technique used is non-probability sampling with the accidental sampling method, which involves selecting respondents based on whoever the researcher happens to meet and who meets the criteria as fast food consumers. This technique was chosen due to limited access to consumer population lists and the heterogeneous and dynamic characteristics of the population.

The determination of sample size refers to the minimum sample size guidelines for multivariate analysis. Hair et al. (2019) recommend a minimum sample size of 5-10 times the number of indicators used in the research model. In this study, the number of indicators used is 16, so the minimum sample size required is 80-160 respondents. To enhance the reliability and power of the statistical analysis, this study sets the sample size at 100-120 respondents, which is considered sufficient for multiple regression analysis.

Data Analysis Techniques

The collected data were analyzed using multiple linear regression analysis, with the aim of testing the partial and simultaneous influence of promotion strategy, product quality, and price on consumer purchasing decisions. The data analysis stages include: (1) instrument validity and reliability testing, (2) classical assumption testing (normality, multicollinearity, and heteroscedasticity), (3) hypothesis testing using t-tests and F-tests, and (4) analysis of the coefficient of determination (R^2). This approach was chosen because it aligns with the study's explanatory objectives and involves more than one independent variable (Gujarati & Porter, 2017).

RESULTS AND DISCUSSIONS

Respondent Description

The respondents in this study were 110 fast food consumers in Pekanbaru City who met the criteria of being active users of fast food products. Demographically, the majority of respondents are in the productive age range of 18-35 years, which reflects the dominant consumer group in the fast-food industry. From a gender perspective, the respondents were relatively balanced, although there was a tendency for female

respondents to dominate. This aligns with the finding that women tend to be more active in making decisions about consuming fast food in an urban context.

Based on purchase frequency, the majority of respondents stated that they purchase fast food more than twice a month, indicating that the purchase decisions in this study are not incidental, but rather based on repeated consumption experiences. This characteristic is important because it strengthens the validity of respondents' assessments of promotions, product quality, and price.

Validity and Reliability

Testing Validity testing was conducted using Pearson Product Moment correlation, with the criteria being a correlation coefficient value greater than the r -table value and a significance level < 0.05 . The test results show that all indicators for the variables of promotion strategy, product quality, price, and purchase decision have correlation values that meet the criteria, so all statement items are declared valid. Reliability testing was conducted using Cronbach's Alpha. The test results showed that all variables had a Cronbach's Alpha value above 0.70, indicating a good level of internal consistency. Thus, the research instrument is considered reliable and suitable for further analysis (Hair et al., 2019).

Research Model Testing

The model was tested using multiple linear regression analysis. The analysis results showed that the coefficient of determination (R^2) value was ± 0.62 , which means that promotion strategy, product quality, and price together were able to explain approximately 62% of the variation in consumer purchasing decisions. The rest is influenced by other variables outside the research model.

The relatively high R^2 value indicates that the research model has strong and relevant explanatory power within the context of the fast food industry in Pekanbaru City. This indicates that the marketing mix variables used in this study are important determinants in shaping consumer purchasing decisions.

Hypothesis Testing Results

The results of the partial test (t-test) show that: Promotion strategy has a positive and significant effect on consumer purchasing decisions. Product quality has a positive and significant effect on consumer purchasing decisions. Price has a positive and significant effect on consumer purchasing decisions. In addition, the results of the simultaneous test (F-test) show that promotion strategy, product quality, and price collectively have a significant effect on consumer purchasing decisions. Thus, all research hypotheses are accepted.

Discussion

The Influence of Promotion Strategy on Consumer Purchase Decisions

The research results indicate that promotion strategy has a positive and significant influence on consumer purchase decisions. This finding indicates that the more effective and engaging the promotional strategies implemented, the greater the likelihood of consumers making a purchase decision. Theoretically, these findings align with the concept of integrated marketing communications, which states that promotion serves as an external stimulus that shapes consumer awareness, attitudes, and purchase

intentions (Kotler & Keller, 2016). Intensive and relevant promotions can accelerate the decision-making process, especially in industries with fast purchase cycles like fast food.

The results of this study are also consistent with the findings of Dwivedi et al. (2021) and Hanaysha (2018), who stated that promotion, particularly thru digital media and sales promotion, significantly influences consumer purchasing decisions. However, these findings extend previous research results by showing that the impact of promotion remains significant in the context of intense local competition, not just for major brands or metropolitan markets.

Contextually, consumers in Pekanbaru City are faced with many fast food product choices with relatively homogeneous characteristics. In this situation, promotion serves as a differentiation tool capable of attracting consumer attention and driving spontaneous purchases. The implications of these findings suggest that businesses need to design creative, consistent, and locally consumer-preference-based promotional strategies.

The Influence of Product Quality on Consumer Purchase Decisions

Product quality has been proven to have a positive and significant influence on consumer purchase decisions. This finding confirms that quality remains a fundamental factor in purchasing decisions, even tho the fast-food industry is often associated with convenience and price. This finding supports the theory of perceived value, which states that consumers will evaluate the functional and emotional benefits of a product before making a purchase decision (Zeithaml et al., 2020). In the context of fast food, aspects of taste, cleanliness, and quality consistency become crucial elements in shaping this perception of value.

This research aligns with the findings of Raji et al. (2019), who found that product quality is a major determinant of purchasing decisions in the food industry. However, this study makes an additional contribution by showing that product quality remains dominant even when promotions and price also play a significant role. In the context of Pekanbaru City, the increasing consumer awareness of health and food safety aspects makes product quality a primary consideration. The implications of these findings emphasize the importance of consistently maintaining quality standards as a long-term strategy for retaining purchasing decisions and consumer loyalty.

The Influence of Price on Consumer Purchase Decisions

The research results indicate that price has a positive and significant influence on consumer purchase decisions. This finding indicates that consumers are not solely seeking low prices, but are considering the alignment between price and the benefits obtained. Theoretically, these findings align with the concepts of price fairness and value for money, which state that price serves as an indicator of product value and quality (Kotler & Armstrong, 2018). A price considered fair and commensurate with product quality will increase consumers' likelihood of making a purchase.

These results are consistent with the research by Kumar and Reinartz (2018), but differ from some studies that found a weak influence of relative price in the context of strong brands. This difference can be explained by the characteristics of the local market in Pekanbaru City, where consumers tend to be more price-sensitive due to the abundance of similar product alternatives.

The implications of these findings suggest that businesses need to implement competitive and flexible pricing strategies, without sacrificing product quality, in order to remain relevant amidst the competition in the fast-food industry.

CONCLUSIONS

This research examines the influence of promotion strategy, product quality, and price on consumer purchasing decisions amidst the competitive fast-food industry in Pekanbaru City. In general, the research results indicate that all three variables are important determinants in shaping consumer purchasing decisions, both partially and simultaneously. The research model has strong explanatory power, indicating that consumer purchasing decisions in the fast food industry can be comprehensively understood thru an integrated marketing mix approach.

In line with the research objectives, the empirical findings indicate that promotional strategies have a positive influence on purchasing decisions, confirming the role of promotion as an initial trigger in attracting attention and driving consumer action. Product quality has proven to be a fundamental factor influencing purchasing decisions, reflecting the importance of consistency in product quality, taste, and safety in maintaining consumer trust. Meanwhile, price serves as a determinant of consumer choice rationality, where the alignment between price and perceived benefits is the primary basis for purchasing decisions.

From a theoretical perspective, this research contributes by strengthening the validity of consumer behavior theory and the concept of perceived value within the context of the fast-food industry in developing cities. The findings of this study confirm that the elements of promotion, product quality, and price do not work in isolation, but rather complement each other in shaping purchasing decisions. Additionally, this research enriches the marketing literature by providing contextual empirical evidence at the local level, which has received relatively less attention compared to studies in large metropolitan areas.

Practically, the results of this study provide managerial implications for fast-food business owners, urging them not only to focus on aggressive promotion strategies but also to ensure consistent product quality and competitive pricing. Promotion strategies need to be designed to be relevant to the characteristics of local consumers, while product quality must be the top priority in building trust and sustainable purchasing decisions. Fair pricing that is commensurate with the value received by consumers is key to maintaining competitiveness amidst high competition.

Although it provides meaningful findings, this study has several limitations. First, the use of a cross-sectional design limits the study's ability to capture the dynamics of consumer behavior change over the long term. Second, the non-probability sampling technique restricts the generalizability of the research findings to the entire population of fast-food consumers in Pekanbaru City. Third, the research model only includes three main marketing variables, so it does not fully represent the complexity of factors influencing consumer purchasing decisions.

Based on these limitations, future research is suggested to use a longitudinal design or a mixed methods approach to gain a deeper understanding of consumer behavior changes. Future research could also incorporate other variables such as brand image, service quality, consumer experience, or the influence of digital media as part of the analysis model. Additionally, the use of probability sampling techniques and the expansion of the geographical context are expected to improve the generalizability and strength of empirical findings in future research.

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