

The Effect of Digital Marketing, Promotion, and Price on Urea Fertilizer Purchase Decisions at PT Pupuk Sriwidjaja Palembang

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Abstract: This study examines the influence of digital marketing, promotion, and price on purchasing decisions for urea fertilizer at PT Pupuk Sriwidjaja Palembang. The research population comprised all customers who purchased urea fertilizer from the company in 2024. A total of 100 respondents were selected as the sample, with data collected through structured questionnaires. The study employed a quantitative approach, using multiple linear regression analysis to evaluate the relationships between the independent variables digital marketing, promotion, and price and the dependent variable, purchasing decisions. The results indicate that digital marketing, promotion, and price simultaneously and partially exert a positive and significant effect on purchasing decisions. Digital marketing plays a key role in disseminating product information and fostering customer engagement, particularly via social media platforms that increasingly shape consumer perceptions and preferences. Promotional activities also significantly influence purchasing decisions, underscoring the need for ongoing evaluation of strategies such as special pricing or incentives accessible to all consumers. Furthermore, price remains a critical determinant of purchasing decisions, suggesting that the company should continually review its pricing policies in light of production costs, raw material prices, and market competition. Overall, these findings underscore the value of integrated marketing strategies in boosting consumer purchase decisions.

Keywords: Digital Marketing, Promotion, Pricing, Purchase Decision

INTRODUCTION

Developments in the economic sector have brought many consequences quite rapidly in the business world, in connection with which many new companies are established and the return of rehabilitated companies, resulting in the emergence of fierce competition between these companies. Whether it is competition between similar companies or companies that are not of the same type. Companies in their existence as organizational units, are generally established with the aim of obtaining profits by providing goods or services that are in accordance with the needs of the community. Profits can be obtained if the company can achieve maximum sales levels (Kusumawati, 2024).

PT Pupuk Sriwidjaja Palembang (Pusri) is a company that was established as a pioneer urea fertilizer producer in Indonesia on December 24, 1959 in Palembang, South Sumatra, under the name PT Pupuk Sriwidjaja (Persero). PT Pusri became PT Pupuk Sriwidjaja Palembang due to a spin-off on November 12, 2010. Pusri started business operations with the main goal of implementing and supporting government policies and programs in the field of economy and national development, especially in the fertilizer and other chemical industries. Pusri's long history as a pioneer of national fertilizer producers for more than 50 years has

proven our ability and commitment in carrying out important tasks given by the government. (pusri.co.id, 2024).

The increase in the realization of fertilizer sales of PT Pupuk Sriwidjaja Palembang based on customer categories in 2023 and 2024. The highest percentage of increase achievement is shown in third-party category production, which is 31.38%. Meanwhile, the lowest percentage of achievement in 2023 and 2024 is in the sale of urea fertilizer with a percentage of 3.18%.

PT Pupuk Sriwidjaja Palembang's urea production capacity exceeds the government's PSO (Public Service Obligation) obligations and the excess is used to meet the needs of the commercial market (plantations, industry, and exports). We distribute PSO fertilizers and commercial sales with the principle of 6 correct, namely the right type, quantity, price, place, time, and right quality. In addition, ammonia production capacity that exceeds the needs of urea production is used for export and domestic market needs. The distribution of PSO fertilizers is in accordance with the marketing area of PT Pupuk Sriwidjaja Palembang, including Southern Sumatra, Central Java, D.I Yogyakarta, East Java and Bali by using ships and trucks, urea sent in bulk form or Inbag. (pusri.co.id, 2024). Companies other than PT Pusri Palembang that produce Urea fertilizer are PT Pupuk Iskandar Muda, PT Pupuk Kujang Cikampek, PT Pupuk Kalimantan Timur, PT Petrokimia Gresik.

In the era of globalization like today, the level of technological advancement has provided convenience for humans in various fields, one of which is in the field of business and promotion. The real form of technological progress is the existence of the internet and social media. Social media provides various facilities for its users, one of which is as a place for promotion. With the existence of the internet, promotion becomes simpler and able to keep up with the times (Yasmin et al., 2020). With the development of technology, social media is increasing, one of which is through internet media by using this media companies do not need a lot of money to promote products, the reach is wider.

In this modern era, people in Indonesia like to use social media both from young and old (Ovinda, 2022). Social media is a means for consumers to share text, image, audio, and video information with each other and with companies and vice versa (George and Michael, 2018). Social media is a media platform that focuses on the existence of users who facilitate them in their activities and collaboration with, following data on social media users in Indonesia in 2024 according to databoks. Based on Katadata.co.id shows a total of 191 million users (73.7% of the population), 167 million active users (64.3% of the population), internet penetration of 242 million users (93.4% of the population).

Shows the most popular social media platforms in Indonesia in 2024. The most popular platform is Youtube with 139 million users with a percentage of 53.8%. The social media platform with the fewest users is TikTok with 89 million users with a percentage of 34.7%. Meanwhile, in terms of age itself, social media users are dominated by 18-34 years old (54.1%), with female gender (51.3%) and male (48.7%). The frequency of use of Indonesian people spends an average of 3 hours and 14 minutes per day and 81% access it every day. The activities that are often carried out also vary from sharing photos/videos (81%), communication (79%), news/information (73%), entertainment (68%), online shopping (61%).

MATERIALS AND METHOD

The population in this study is all customers at PT Pupuk Sriwidjaja who purchase urea fertilizer in 2024. To determine the sample in this study, the researcher used the purpose sampling technique, which is the deliberate sampling in accordance with the requirements of the sample deliberately in accordance with the required sample requirements, namely: 1) Company registered on Web Order PT Pupuk Indonesia (Persero). 2) The company that buys fertilizer at PT Pupuk Sriwidjaja Palembang. 3) The fertilizer purchased is a type of commercial urea fertilizer. So, the sample used in this study was 100 respondents using the purposive sampling method in determining the sample.

RESULTS AND DISCUSSION

The digital marketing variable (X1), has a beta value of 0.601 with a significant value of 0.000 which is smaller than 0.05. This shows that the digital marketing variable has a positive and significant influence on the purchase decision of urea fertilizer at PT Pupuk Sriwidjaja Palembang. This proves that the first hypothesis on the variable of digital marketing has a positive and significant effect is acceptable.

The promotion variable (X2), has a beta value of 0.482 with a significant value of 0.001 which is smaller than 0.05. This shows that the promotion variable has a positive and significant influence on the decision to purchase urea fertilizer at PT Pupuk Sriwidjaja Palembang. This proves that the second hypothesis on the promotion variable has a positive and significant effect is acceptable.

The price variable (X3), has a beta value of 0.311 with a significant value of 0.003 which is smaller than 0.05. This shows that the price variable has a positive and significant influence on the decision to purchase urea fertilizer at PT Pupuk Sriwidjaja Palembang. This proves that the third hypothesis on the price variable has a positive and significant effect is acceptable.

The Influence of Digital Marketing on the Decision to Purchase Urea Fertilizer at PT Pupuk Sriwidjaja Palembang

Digital marketing has a positive and significant effect on purchasing decisions. These results are in line with the results of research from (Dwiputri, 2024); (Berry et al., 2023); (Prabowo, 2023; Hien, 2022; Kurdi, 2022; Alhalwachi, 2022; Mohammed, 2022; Haribowo, 2022; Kok, 2021; Dar, 2021; Mahalaxmi, 2021; Fattah, 2021; Kodrat, 2021; Janathanan, 2021; Soomro, 2020; Hutter, 2020; Fahim, 2020; Makrides, 2019; Godwin, 2019). shows the same results that digital marketing has a positive and significant effect on purchasing decisions.

The respondents' responses to the indicator of PT Pupuk Sriwidjaja Palembang being active in promoting on social media showed the lowest value. This shows that according to respondents' responses, PT Pupuk Sriwidjaja Palembang is still considered less active in promoting on social media. Several respondents said that PT Pupuk Sriwidjaja Palembang rarely conducts sales promotions on social media such as Facebook, Instagram, TikTok. Where information in the digital era like this is faster connected well through social media. Especially for Indonesian people who are familiar with using social media in their daily lives and needs.

Respondents' responses to the PT Pupuk Sriwidjaja website indicators provide information about ongoing promotions and ordering services for various fertilizer products showing the highest scores. This shows that the website appearance is considered good and can

meet consumer needs. The provision of updated information in accordance with the products produced, as well as the use of an easy-to-understand website makes it easy for consumers to get information, ordering services through the official website of PT Pupuk Sriwidjaja.

The Effect of Promotion on the Decision to Purchase Urea Fertilizer at PT Pupuk Sriwidjaja Palembang

Promotions have a positive and significant effect on purchasing decisions. These results are in line with the results of research from (Ernawati et al., 2021); (Tyas & Hartelina, 2021); (Fransiska & Madiawati, 2021); (I. Saputra et al., 2020); (Islam, 2020); (Is, 2019); (Rafdinal & Rafdinal, 2019); (Perdana & Nanang, 2018); (Utomo & Waluyo, 2018) showed that promotions have a positive and significant effect on purchasing decisions.

Respondents' responses to the PT Pupuk Sriwidjaja Palembang indicator often provide promos by providing special prices if they make a large purchase in large quantities showing the lowest value. Based on interviews with several respondents who are consumers who purchase fertilizers, PT Pupuk Sriwidjaja Palembang said that this special price is given by having to meet certain conditions. For new members, this cannot yet apply, where the provision of special discounts is given if they have made a purchase in accordance with applicable regulations.

The respondents' responses to the indicators of employees and sales officers at PT Pupuk Sriwidjaja Palembang maintaining good relations with consumers showed the highest value. This shows that employees give an impression both in making sales and after sales. Employees maintain and establish good relationships with all consumers who make purchases. This has a very good impact on consumers' desire to always choose urea fertilizer products from PT Pupuk Sriwidjaja Palembang as an option in purchasing fertilizers.

The Effect of Price on the Decision to Purchase Urea Fertilizer at PT Pupuk Sriwidjaja Palembang

Price has a positive and significant effect on purchasing decisions. These results are in line with the results of research from (Jandri et al., 2022); (Manyu et al., 2022); (Ernawati et al., 2021); (M. W. Saputra et al., 2020); (Saputra, M.W., Zakaria, W., Muchsin, S.S., Marlina, W., 2020); (Carvalho, 2020); (Setyani & Prabowo, 2020); (Haqiqi & Khuzaini, 2020); (Anwar & Andrean, 2020); (Nasution et al., 2020); (Islam, 2020); (Rafdinal & Rafdinal, 2019); (Iran & Hidayat, 2019); (Amalia, 2019); (Rafi & Budiatmo, 2018); (Novansa & Ali, 2018) showed that prices have a positive and significant effect on purchasing decisions.

The respondents' responses to the urea fertilizer price indicator of PT Pupuk Sriwidjaja Palembang are cheaper when compared to competitors showing the lowest value. This shows that the price of urea fertilizer offered by PT Pupuk Sriwidjaja Palembang is not even cheaper with the increasing number of competitors selling similar products. This price competition makes the company more strict in maintaining and providing prices that can compete with more and more competitors.

The respondents' responses to the Pusri urea fertilizer price indicator offered in accordance with the quality of the fertilizer provided showed the highest value. This shows that the fertilizer products produced are in accordance with the price and quality of the product.

Consumers said that the quality of urea fertilizer products produced by PT Pupuk Sriwidjaja Palembang is of good quality and in accordance with consumer needs.

CONCLUSION

This study concludes that digital marketing, promotion, and price each exert a positive and significant effect on urea fertilizer purchase decisions at PT Pupuk Sriwidjaja Palembang. These findings underscore the critical role of integrated marketing strategies in influencing consumer behavior within the fertilizer sector. For future research, scholars could explore moderating factors such as customer demographics, regional market variations, or the impact of emerging technologies like AI-driven personalization on these relationships to provide deeper insights for fertilizer companies.

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