

**THE IMPACT OF PSYCHOLOGICAL PRICING ON CONSUMER PURCHASE DECISION
AT HYPERMART MANADO***PENGARUH HARGA PSIKOLOGIS TERHADAP KEPUTUSAN PEMBELIAN KONSUMEN DI
HYPERMART MANADO*

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Abstract: Psychological pricing is very much a customer based pricing method, relying as it does on the consumer's emotive responses, subjective assessments and feelings towards specific purchases. That is why psychological pricing is an important thing in order to impact consumer purchase decision. This study expect to give useful information regarding psychological pricing so that, marketer can increase or even innovate their strategies in pricing. To achieve this objectives the researcher got information from 20 informants using qualitative study which is in-depth interview. Meanwhile, in-depth interview is used to collect the data among the respondent which are Manado citizen as the customers of Hypermart Manado. The result showed that bundle, discount, and promotion pricing can impact consumer purchase decision in Hypermart Manado. The result can defined as positive result since almost all psychological pricing strategies applied in Hypermart Manado can impact the consumer purchase decision even though bundle and promotion pricing can only give small impact. In other side, there is one psychological pricing which cannot make any impact to consumer purchase decision which is charm pricing. It is because the consumer doesn't feel any benefit from this psychological pricing.

Keywords: psychological pricing, consumer purchase decision.

Abstrak: Penetapan harga psikologis merupakan metode penetapan harga berbasis pelanggan, bergantung seperti halnya pada tanggapan emotif konsumen, penilaian subjektif dan perasaan terhadap pembelian tertentu. Oleh karena itu, penetapan harga psikologis merupakan hal yang penting agar dapat mempengaruhi keputusan pembelian konsumen. Penelitian ini diharapkan dapat memberikan informasi yang bermanfaat mengenai harga psikologis sehingga pemasar dapat meningkatkan atau bahkan melakukan inovasi strategi dalam penetapan harga. Untuk mencapai tujuan tersebut peneliti memperoleh informasi dari 20 informan dengan menggunakan studi kualitatif yaitu wawancara mendalam. Sedangkan wawancara mendalam digunakan untuk mengumpulkan data di antara responden yang merupakan warga Manado sebagai pelanggan Hypermart Manado. Hasil penelitian menunjukkan bahwa bundel, diskon, dan harga promosi dapat mempengaruhi keputusan pembelian konsumen di Hypermart Manado. Hasil tersebut dapat dikatakan sebagai hasil yang positif karena hampir semua strategi harga psikologis yang diterapkan di Hypermart Manado dapat mempengaruhi keputusan pembelian konsumen meskipun harga bundel dan promosi hanya dapat memberikan dampak yang kecil. Di sisi lain, ada satu harga psikologis yang tidak dapat mempengaruhi keputusan pembelian konsumen yaitu harga ganjil. Pasalnya, konsumen tidak merasakan manfaat apapun dari penetapan harga psikologis ini.

Kata Kunci: harga psikologis, keputusan pembelian konsumen

INTRODUCTION

Research Background

The existence of marketing in a company is a crucial thing in this era. The success of a company cannot be separated from the role of marketing as the spearhead of the company. Fejza and Asslani (2013) stated that marketing is one of the main departments within an organization and its duty is to identify customer needs and wants and to produce or modify products in attempt to respond to market demand. Almost everyone in Manado has shopped at Hypermart Manado. We buy different things according to our purchasing power and our preference. The sellers are following plenty of pricing methods to their goods and services in order to enhance their profitability through utilizing the consumers' desires. There are several pricing strategies followed in there. One of them is psychological pricing. Psychological pricing has been used by marketers over the years to manipulate buying behavior of consumers. Marketers often use psychological policy in pricing the products or services. In fact knowledge on the perception of retailers and consumers on psychological pricing can help marketers in framing vital marketing policies in terms of marketing communication and distribution. At Hypermart Manado, there we can see a heavy use of psychological pricing strategies there are discount pricing, bundle pricing, charm pricing, and price promotion. There is a reason why Hypermart Manado used psychological pricing, because by using that consumer will feel that the price given to them is cheaper. One of the most frequently applied and the mainstay strategy is discount pricing. This is usually done to impact consumer purchase decision, but we don't know if psychological price in Hypermart Manado have an impact to the consumer purchase decision or not. The researcher tries to analyze the psychological pricing, can it have an impact to consumer purchase decision or not.

Research Objective

Based on the research background and the problem that exist, this research conducted with the aim to analyze the impact of psychological pricing on consumer purchase decision at Hypermart Manado.

THEORETICAL FRAMEWORK

Marketing

The concept of marketing has been debated and evaluated regularly since marketing was recognized as a distinctive discipline and domain. Many definitions of marketing have been put forward over the years as each generation tries to capture what marketing is and what it means to them. According to Kotler (2009), marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. Marketing is a form of constructive engagement—a societal function and a systemic set of processes for creating, communicating, and delivering value to customers and for managing customer and societal relationships in ways that benefit local and global stakeholders of these processes (Shultz II, 2007). In addition, according to Gronroos (1989), Marketing is to establish, develop and commercialize long-term customer relationships, so that the objectives of the parties involved are met. This is done by a mutual exchange and keeping of promises.

Consumer Purchase Decision

Purchase decision is a reason of how the consumer determines the choice of purchasing a product according to the need, desire and expectation so that it can cause satisfaction or dissatisfaction to the product (Puccinelli et al., 2009).

Price

According to Kotler and Keller (2012), price is the amount of money that consumers exchange for the benefits of owning or using such products and services.

Psychological Pricing

Psychological pricing is very much a customer based pricing method, relying as it does on the consumer's emotive responses, subjective assessments and feelings towards specific purchases (Brassington and Pettitt, 2006).

Previous Research

Majeed (2015) aimed to find out the impact of psychological pricing on consumer's behavior in terms of buying goods and services in five famous malls in Kurdistan Region-Iraq. To achieve this objective, current study adopts descriptive analytical method (DAM) by using factor analysis (FA) with (Principal Component Analysis), and (Person Correlation) methods, as well as, the primary data are from a survey of (221) sellers and (216) buyers who interested mall to meet their needs. It was conducted during 01/02/2019 to 01/03/2019. Distributing questionnaires are used among different types and groups of people as primary data to collect data and information as a way to achieve the study's objective. Findings illustrate that the most influences factors on consumer's behavior are (Advertisement for the products, Environment for the malls and Nine-ending price). Beside these, nine-ending prices could be counted as one of the major factors that have a positive significant impact on consumer behavior. In addition, consumers with a small hedonic, low educated, low income and younger consumers are prone to select the nine-ending priced products and services. Psychological pricing strategy has significant impact on consumer's buying behavior in Kurdistan Region.

Lumowa (2018) analyzed the factors that drive psychological prices at PT. Matahari Department Store Mega Mall Manado. At the beginning of the study there were twenty factors determined as materials for research. This research used quantitative methodology with 100 samples for research. In the results there is one factor that is eliminated because the extraction value is less than 0.5. Nineteen other factors that have been tested are divided into three new factors. These three new factors formed, namely: 1) Consumer Behavior and Consumer Perception, consisting of twelve initial factors. 2) Sales promotion, consisting of three initial factors and, 3) Environment, consisting of four initial factors. In the tests nineteen remaining factors showed a positive correlation.

Ahmed and Baruah (2017) conducted a systematized study with the twin objectives of studying the overall consumer perception on psychological pricing and overall retailer perception on psychological pricing. It is an exploratory cum descriptive study with a sample size of 200 each for the retailers and consumers respectively. The study found that psychological pricing attracts customer to have a look at the products. Secondly as psychological pricing increase the chances of selling products, it is a motivation for the sales people for selling such products. Thirdly since the figure ending with 99 give a good effect in the mind of the customers it is a good marketing strategy to bring more customers.

RESEARCH METHOD

Research Approach

In this study, the method that I used to collect the data is qualitative method. In contrast, qualitative research depends on words rather than numbers, and can be generally described as research the findings of which are not produced by means of quantification (Strauss and Corbin, 1990).

Population, Sample Size, and Sampling Technique

The population in this research is the customers of Hypermart Manado with the minimum limitation that the customers shopped at Hypermart Manado once a week. Bordens and Abbott (2002) define a sample as a set of respondents (people) selected as representative individuals from a large population. Based on that, the sample in this research are the 20 customers of Hypermart Manado. In this research, sampling technique that research used is purposive sampling. Also known as judgment sampling, purposive sampling is the intentional selection of a participant because of the characteristics and qualities the individual possesses (Etikan, Musa, and Alkassim 2016).

Data Collection Method

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The data collection component of research is common to all fields of study including physical and social sciences, humanities, business, etc (Kabir, 2016).

Instrument Testing

A Research Instrument is a tool used to collect, measure, and analyze data related to your research interests. These tools are most commonly used in health sciences, social sciences, and education to assess patients, clients, students, teachers, staff, etc. A research instrument can include interviews, tests, surveys, or checklists.

Data Analysis Method

This research collect and analysis the data based on the in-depth interview and observation result from the respondent of costumers of Hypermart Manado. Interview doing by asking a question to the respondent personally, and observation doing by directly go to the place and see how it actually happen and records the interview section. This research use the case study as a qualitative type of research, which is in this research, the obtained information will be described one by one.

RESULT AND DISCUSSION

Result

Table 1. Informants' Data

No.	Informant	Gender	Age	Education Background	Occupation
1.	Informant 1	Female	31 up to 35 years old	Master's Degree	Lecturer
2.	Informant 2	Female	21 up to 25 years old	Bachelor Degree	Private Employee
3.	Informant 3	Male	21 up to 25 years old	Bachelor Degree	Entrepreneur
4.	Informant 4	Female	21 up to 25 years old	Bachelor Degree	Private Employee
5.	Informant 5	Male	21 up to 25 years old	Bachelor Degree	Private Employee
6.	Informant 6	Male	21 up to 25 years old	Bachelor Degree	Entrepreneur
7.	Informant 7	Female	21 up to 25 years old	Bachelor Degree	Private Employee
8.	Informant 8	Male	21 up to 25 years old	High School	College Student
9.	Informant 9	Female	21 up to 25 years old	High School	College Student
10.	Informant 10	Male	21 up to 25 years old	Bachelor Degree	Lawyer
11.	Informant 11	Male	31 up to 35 years old	Bachelor Degree	Civil Servant
12.	Informant 12	Female	31 up to 35 years old	Bachelor Degree	Private Employee
13.	Informant 13	Male	21 up to 25 years old	Bachelor Degree	Entrepreneur
14.	Informant 14	Male	21 up to 25 years old	Bachelor Degree	Honorary Employee
15.	Informant 15	Male	21 up to 25 years old	High School	College Student
16.	Informant 16	Male	21 up to 25 years old	Bachelor Degree	Developer
17.	Informant 17	Male	21 up to 25 years old	High School	College Student
18.	Informant 18	Male	21 up to 25 years old	Bachelor Degree	Private Employee
19.	Informant 19	Male	21 up to 25 years old	High School	Private Employee
20.	Informant 20	Female	21 up to 25 years old	Bachelor Degree	Quality Assurance

Source: primary data (2021)

Table 2. Coding Categorizing

Indicators	Description	Respondents
Charm Pricing	Less profitable for his/her compared to the other pricing strategies	90% Respondents
	Cannot impact his/her purchase decision	10% Respondents
Promotion Pricing	Less profitable for his/her compared to the other pricing strategies	85% Respondents
	The most benefits psychological pricing to his/her	5% Respondents
	Cannot impact his/her purchase decision	10% Respondents
Discount Pricing	Less profitable for his/her compared to the other pricing strategies	20% Respondents
	The most benefits psychological pricing to his/her	70% Respondents
	Cannot impact his/her purchase decision	10% Respondents
Bundle Pricing	Less profitable for his/her compared to the other pricing strategies	75% Respondents
	The most benefits psychological pricing to his/her	15% Respondents
	Cannot impact his/her purchase decision	10% Respondents

Source: Data Process (2021)

Discussion

Psychological pricing is one of the pricing strategies are applied in supermarket. Psychological pricing can help one of their goals that are to gain more customers. It is the tool that company used to impact consumer purchase decision. Consumer purchase decision is a reason of how the consumer determines the choice of purchasing a product according to their needs, desire and expectation so that it can cause satisfaction of dissatisfaction of the product and psychological pricing can impact it because psychological pricing can make the consumer feel benefited and it can cause satisfaction to the customer. Hypermart Manado is the one of the supermarkets that used psychological pricing. Hypermart Manado is one of the largest supermarkets in Manado located in Manado Town Square 2nd floor. This research focuses on the impact of psychological pricing at Hypermart Manado, whether it can impact the consumer purchase decision or not.

At present, discount is the psychological pricing that we see most often in any stores which aims to attract customers to buy their stuff. In studying psychological pricing in Hypermart Manado, the researcher have analyzed about the consumer perspective about the psychological pricing in Hypermart Manado. After conducting interviews of 20 respondents, the result shows that discount pricing is the most profitable pricing strategy perceived by the majority of respondent compared with others psychological pricing that exist in Hypermart Manado. There are 70% informants have stated that they feel benefited when buying items at a discount. It means that discount pricing plays an important role in Hypermart Manado to impact their consumer purchase decision.

According to the interview results about bundle pricing, 15% informant feels benefited when they buy something and get another thing. Meanwhile 75% informant feel less profitable through this psychological pricing compared to the other psychological pricing strategies. Also 10% informant didn't feel benefited through this psychological strategy. Based on interview results above, it can be concluded that price bundling is less effective than the others psychological pricing in Hypermart Manado and has a small power to impact their consumer purchase decision. According to the interview result about charm pricing, 0% informants feel benefited through this psychological pricing. They think that other pricing strategies are more profitable than charm pricing. Because of that we can see that this psychological pricing is not effective at all and cannot impact their consumer purchase decision at all. According to the interview result promotion pricing, 5% informant feels benefited with this psychological pricing strategy, but 85% informant think that other psychological pricing is more profitable than this. Meanwhile 10% informant didn't feel benefited at all through this psychological pricing. It can be seen that this psychological pricing has a small impact to their consumer purchase decision. This result is in accordance with Ahmed and Baruah (2017) that psychological pricing attracts customer to have a look at the products.

CONCLUSION AND RECOMMENDATION

Conclusion

1. After the result and the discussion on previous chapter it can be concluded that bundle, discount, and promotion pricing can impact consumer purchase decision in Hypermart Manado, because they feel benefited with those psychological pricing even though bundle and promotion pricing can only give small impact.
2. In other side, there is psychological pricing which cannot make any impact to consumer purchase decision which is charm pricing. It is because the consumer doesn't feel any benefit from this psychological pricing.

Recommendation

This research has been conducted in order to explore the consumer perspective about psychological pricing in Hypermart Manado. As well as gaining more consumers is one of the goals of the pricing strategies, here is the recommendation for the company. Hypermart must keep the popular pricing strategy in there which is discount pricing and then charm pricing should be replaced with other psychological pricing strategy like limit pricing. Since Hypermart Manado is a big company and have a big name as supermarket limit pricing strategy will help them to restricting the competition and maintain monopoly.

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