

## The Impact of Online Application Competition, Discount Prices and Cinemax Service Innovation on Online Cinema Ticket Purchase Decisions in Medan City

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### ABSTRACT

*This study was conducted to explain the impact of online application competition, discounted prices, and Cinemax service innovation on online cinema ticket purchasing decisions in Medan. The quantitative descriptive method is used in the research. The online cinema ticket ordering application (TIX ID) in the East Medan area is 112,482 people, and the sampling technique using the slovin formula is obtained by 100 respondents. The results of this study are the application competition variable (X1) obtained a value of  $t_{hitung} > t_{table}$  (3.935 > 1.290), the discounted price variable (X2) obtained a value of  $t_{hitung} > t_{table}$  (1.715 > 1.290), the service innovation variable (X3) obtained a value of  $t_{hitung} > t_{table}$  (5.795 > 1.290) has a significant positive effect with a value of  $< 0.1$  on online cinema ticket purchasing decisions in the city of Medan,*

*Keywords: Online Application Competition, Discount Price, Service Innovation, Purchase Decision*

### INTRODUCTION

Increasingly advanced and developing times, there are many various developments, for example, developments in technology. Almost all work is done using technology due to the emergence of very sophisticated technology that can increase the effectiveness and efficiency of a person in doing work. Indonesia is a country that has experienced developments in technology, and the Indonesian people have also been very able to accept developments in technology such as technology on smartphones; at this time, almost everyone from young to old age already has a smartphone and understands how to use it the technology. One example of the development of existing smartphone technology is the emergence of a cinema ticket booking

application. In the past, when someone wanted to watch a movie, they were required to go to the place to buy tickets directly, but now in this fast and sophisticated era, there is a development in cinema ticket booking services, namely the online cinema ticket booking service. The service aims to make customers who want to get show tickets films gain convenience and efficiency. In the city of Medan, this online cinema ticket booking application has entered the world of Cinemax; several cinemas in the city of Medan have already made reservations for cinema tickets online and to purchase cinema tickets. It is also convenient, only by ordering and transactions via smartphone and then prints the ticket on the Cinemax of choice. It is what makes some people in the city of Medan decide to buy cinema tickets online. However, some still like to buy cinema tickets face

to face because they still consider it more practical to make direct purchases. The decision is meant by choosing between two or more actions from the available options. In other words, when making a decision, the person must choose one of all options. To fulfill their daily needs, consumers must ensure the products and services they will use. Most options and circumstances encountered in considering something make the difference in the decisions obtained from one individual to another. For example, e-ticketing sales are currently the people's choice to make cinema ticket purchasing decisions because making purchases online can increase time efficiency and is practically used where buyers can buy tickets anywhere and anytime. Competition is intended as something that businesses will do, namely competing for profits, total sales, and market share as in this online cinema ticket booking application which is increasingly in demand from year to year; as a result, various online cinema ticket booking applications have emerged, some of which are TIX. ID, CGV Cinemas. Cinepolis Indonesia, MTIX, Book My Show, Go Tix and Traveloka. Because of that came the competition between these applications; they competed with each other to attract consumers and become superior among others.

Discount prices play a vital role in attracting people to make decisions about their purchases. For example, discount prices are often presented from one of the TIX ID online cinema ticket booking applications, namely buy one get one with the intention that they will get one free ticket just by buying one ticket, but in giving the discount, it is not given for free, but based on the terms and conditions. Likewise, a 50% discount price is given if we buy the first ticket in the latest film show and of course there are many other discount prices provided by the TIX ID application. Another reason that can influence someone to make a purchase decision is service innovation. With the nature of people who want to be practical and do not want to miss technological advances, this application service must vary and develop services to make it easier and attract consumers. As an example of service innovation

presented by the TIX ID application, namely developing in terms of payments, for example, collaborating with applications in payments such as through the DANA application, and more. So that consumers can more easily pay for online cinema tickets. For this research, the type of online application service for cinema ticket booking chosen is TIX ID because this application is very prominent and has many devotees compared to other online cinema tickets booking applications. PT publishes this application. Nusantara Raya Sejahtera, this company was founded in 1985 and was only issued on March 21, 2018. According to data from the 2021 Appstore, the TIX ID application is the most popular online ticket ordering application with a total rate of 4.8/5 out of 49.1 thousand ratings, while the data shows Playstore 2021 TIX ID gets more than 5 million users with a total rate of 4.7/5 from 408 thousand reviews.

## Literature review

### 1. Competition

Fauzi (2015:17) states that marketing competition is a situation in which a company advertises certain items or services with or without specific laws to achieve the advantages of its clients. Basrowi (2011) explained the meaning of competitors as people who pursue target markets accurately. Compare products, prices, distributors, promotions with competitors must continue. The indicators of competition in this application are (1) speed of access, (2) quality of service (3) number of competitor sizes.

### 2. Discount Price

Aryani and Rosinta (2010) stated that price is the amount of value that customers trade by owning or utilizing a product or service for various advantages. Discounts can contribute to the perception of poor product quality and therefore discourage buyers from buying. Therefore, optimal discount price to optimize product sales is significant. (Puligadda 2012). The price discount indicators put forward by Wahyudi (2017): (1) discount frequency (2) the amount of discount and according to Belch & Belch (2009:342) discount price indicators (1) Trigger mass

purchases by customers. (2) predict the promotion of competitive aid (3) to increase the volume of aid.

### 3. Service Innovation

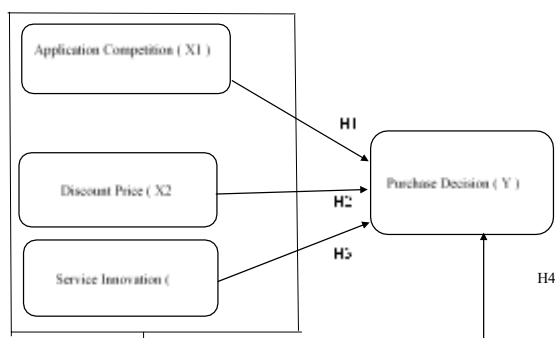
Hartini (2012) suggests that innovation is the openness of new ideas to thoughts. Delafruz et al. (2013) stated that this innovation plans to implement creative steps that lead to developing new products or services. Innovation is a combination of activities that impact each other by producing new goods, causing more customer interest in procurement decisions proposed by Myers and Marquis in Kotler (2014:36). In Siyamtinah's research (2011), there are factors to analyze the process of building innovation capabilities, including (1) new product development, (2) interaction and communication, (3) technology strategy, (4) marketing capability, (5) production and operation capabilities

### 4. Buying decision

Sangadji et al. (2013) suggested the decision to choose an action from two or more options. In Sinambow (2015), consumer choice is the reason or impetus for something customers buy for their requirements and desires. Kotler and Keller (2012:154) suggest that there are three indicators of purchasing decisions, namely: (1) the stability of a product, (2) providing recommendations to others (3) repurchasing.

### Conceptual Framework

Based on the description of the theory, a conceptual framework in the research was drawn up the picture below:



### Research Hypothesis:

H1: Application competition has an impact on purchasing decisions for online cinema tickets in the city of Medan

H2: Discounted prices have an impact on purchasing decisions for online cinema tickets in the city of Medan

H3: Service innovation has an impact on purchasing decisions for online cinema tickets in the city of Medan

H4: Application competition, discounted prices, service innovations have an impact on online cinema ticket purchasing decisions in the city of Medan

### METHOD

The descriptive method through quantitative approach applied in research. This study's population is the community from the district of Medan Timur, amounting to 112,482 people sourced from <https://medankota.bps.go.id/>. The type of sampling in this study is accidental sampling through the type of qualified volunteer sample. It is because respondents who meet the criteria are willing to become respondents. The slovin formula is the technique used in this study.

Data were obtained from questionnaires, meaning that they gave some written questions to the people of the East Medan sub-district, which were then sampled in this study. Thus, primary data is direct research data. In comparison, secondary data comes from data that already exists, such as books and journals.

## RESULT and DISCUSSION

### 1. Validity and Reliability Test

Table 1 Validity Test.

Question	Application Competition		Discount Price		Service Innovation		Buying decision	
	Pearson correlation	significant	Pearson correlation	significant	Pearson correlation	significant	Pearson correlation	significant
1	0.558	0.001	0.712	0.000	0.809	0.000	0.585	0.001
2	0.663	0.000	0.765	0.000	0.653	0.000	0.527	0.003
3	0.625	0.000	0.462	0.010	0.536	0.002	0.607	0.000
4	0.749	0.000	0.625	0.000	0.573	0.001	0.672	0.000
5	0.621	0.000	0.623	0.000	0.605	0.000	0.756	0.000
6	0.548	0.002	0.511	0.000	0.749	0.000	0.663	0.000
7			0.697	0.000	0.640	0.000		
8			0.683	0.000	0.616	0.000		
9			0.757	0.000	0.632	0.000		
10			0.693	0.000	0.680	0.000		

The test data for the validity of the application competition variables, discount prices, service innovation, and purchasing decisions obtained the correlation value more significant than the r

table value of 0.30 and the significant value less than 0.1, meaning that all questions were declared valid.

Table 2. Reliability Test

Variable Name	Cronbach Alpha	N Of Items	Information
Application Competition	0.694	6	Reliable
Discount Price	0.850	10	Reliable
Service Innovation	0.848	10	Reliable
Buying decision	0.701	6	Reliable

The table data above shows that the variables of application competition, discount prices, service innovation, and purchasing decisions are

reliable and can be continued in research because the Cronbach alpha value found is more significant than 0.60.

### 2. Descriptive Statistics

Table 3. Descriptive Statistics

	N Statistics	Minimum Statistics	Maximum Statistics	mean		Std. Deviation Statistics
				Statistics	Std. Error	
App competition	100	20	29	24.09	,235	2,34
Discount price	100	35	47	41.28	,356	3,56
Service innovation	100	34	46	40.33	,360	3,59
Buying decision	100	19	29	23.89	,294	2,94
Valid N (listwise)	100					

Based on table 3, the application competition variable has a sample of 100 respondents with an average value of 0.235, the lowest value of 20, the highest value of 29, and a standard deviation of 2.349. The discount price has an average value

of 0.356, the lowest value of 35, the highest value of 47, and a standard deviation of 3.565. Service innovation has an average value of 0.360, the lowest value is 34, the highest value is 46, and the standard deviation is 3,596. Finally, the purchase

decision has an average value of 0.294, the lowest value is 19, the highest value is 29, and the standard deviation is 2,940.

### 3. Classic assumption test

This test confirms certainty if the equation from the regression obtained has accuracy in the estimation and is consistent.

#### a. Multicollinearity Test

Ghozali's (2018:105) multicollinearity test is used to test whether there is a relationship between the independent variables identified in the regression model. Tolerance and VIF values can be used to see multicollinearity testing. For example, if the tolerance value is  $>$  from 0.10, there is no multicollinearity, but there is multicollinearity if the tolerance value is  $<$  from 0.10. Meanwhile, in VIF, if  $VIF < 10.00$  means no multicollinearity, but if  $VIF > 10.00$  means multicollinearity occurs.

From the results of the variable test, it is known that the tolerance value for the application competition independent variable is  $0.325 > 0.1$ . On the other hand, the discount price independent variable is  $0.690 > 0.1$ , the service innovation independent variable is  $0.308 > 0.1$ , while the VIF value for the application competition independent variable is  $3.076 < 10.00$ . The independent variable discounted price is  $1.449 <$

10.00, and the independent variable is service innovation  $3.243 < 10.00$  that there is no correlation between the independent variables between application competition, discounted prices, and service innovation.

#### b. Normality test

In testing the regression model, it is found that the independent and dependent variables are standard or not, which is the purpose of the normality test (Ghozali 2018:111).

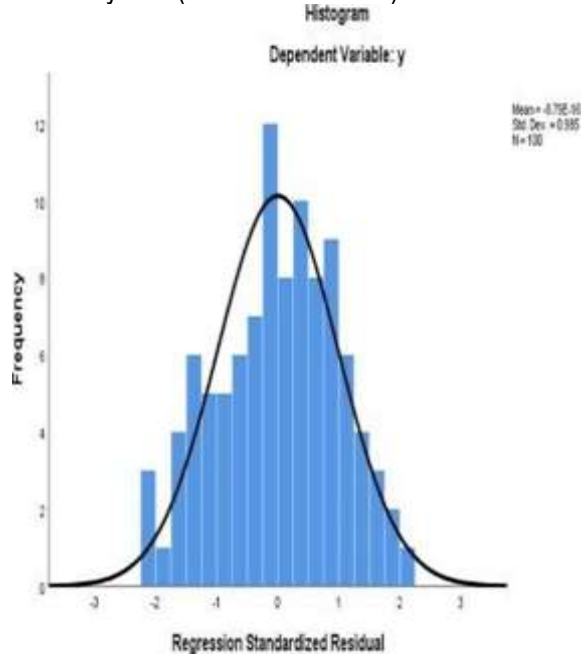


Figure 1. Histogram Normality Test

In the histogram graph, this test shows that the data forms a bell-shaped curve graph, and the data also does not bend to the right or the left so that it can be defined that the data is typically distributed.

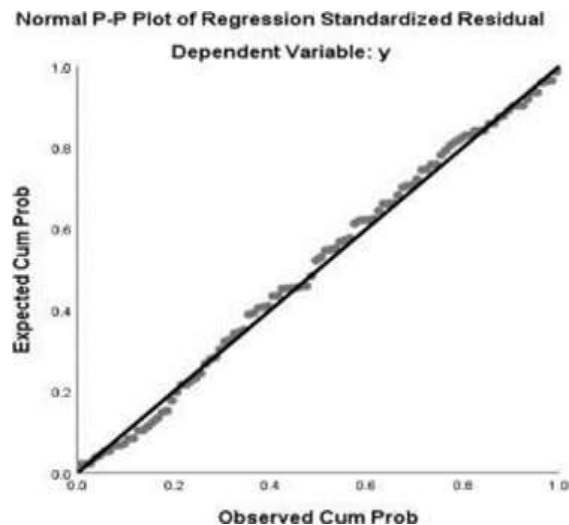


Figure 2. PP Plot Normality Test

Based on the pp plot normality test image in Figure 2, it can be seen that the line is followed by

parallel points and is located around the diagonal line. With this, it is known that the data meet the normality assumption test.

It is known that if the probability is  $> 0.1$ , then the data distribution is considered normal. However, from table III.5 of the significance as much as 0.200. Therefore, the significance value is more significant than 0.1, meaning that the data is typically distributed.

#### c. Heteroscedasticity Test

The purpose of this heteroscedasticity test stated by Ghozali (2018:135) aims to find out whether the variance inequality between residual observations exists in the regression model. After the data is processed, there are results that all variables contain a significant value greater than 0.1. The application competition variable is  $0.316 > 0.1$ , the discount price is  $0.726 > 0.1$  and the service innovation is  $0.517 > 0.1$ . So it can be summarized that there are no heteroscedasticity symptoms that occur and can meet the criteria for the classical assumption test.

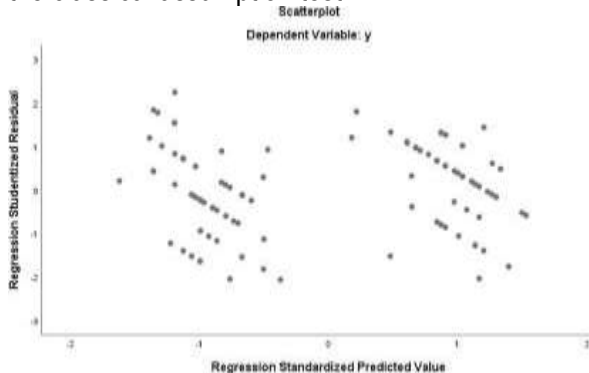


Figure 3. Scatterplot. Heteroscedasticity Test

From Figure 3, it is summarized that there is no heteroscedasticity symptom because the data points for the spreader are above and below the number 0, and the spread is not patterned.

#### 4. Multiple Linear Regression Analysis Test

Several linear regression tests were conducted to see how the independent variable (independent) affects the dependent variable (dependent). Based on the table above, the multiple linear regression equation obtained is:

$$Y = 6.754 + 0.425 X1 + 0.084 X2 + 0.420 X3 + e$$

With this, it can be interpreted that the constant of -6.754 means that if the value of the

independent variable, namely application competition, discount prices, and service innovation, increases by one percent, the value of the purchasing decision variable will also find a decrease of -6.754 and when the value of the independent variable decreases by one percent, the value of the purchasing decision variable will decrease increase by - 6,754.

Application competition (X1) has a regression coefficient of 0.425 and is positive; this means that when it increases by 1 percent the application competition variable will increase purchasing decisions by 0.425 or 42.5% if the other variables are assumed to be constant. With this, it can be concluded that application competition is a change in increasing purchasing decisions.

The discount price (X2) has a regression coefficient of 0.084 and is positive; this means that when it increases by 1 percent, the discount price variable will increase the purchasing decision by 0.084 or 8.4% if the variable is assumed be constant. With this, it can be concluded that the discount price is a change in increasing purchasing decisions.

Service innovation (X3) has a coefficient of 0.420 and is positive; this means that when the service innovation variable increases by one percent, it will increase purchasing decisions by 0.420 or 42.0% if the variable is assumed to be constant. With this, it can be concluded that service innovation is a change in increasing purchasing decisions.

#### 5. Coefficient of Determination ( R 2 )

Ghozali (2011: 97) states how far the model can represent fluctuations in the dependent variable, especially measuring coefficients. For example, if the value of R Square is minus or negative in the research, it can be interpreted that there is no impact between the X variable and the Y variable. Likewise, if the R Square value increasingly leads to the number 1, the impact will be more substantial.

From the summary model, it can be seen that the coefficient of determination or R Square is 0.767 or 76.7%. This figure means that the competition variable (X1), discounted prices (X2), and service innovation (X3) together have an impact on the purchasing decision variable (Y) by

76.7%. In comparison, the remaining 23.3% is influenced by other variables outside this regression equation or on variables that are not examined, such as service quality, promotion, customer satisfaction, and more.

6. Hypothesis testing

a. Simultaneous Hypothesis Testing (F Test)

It is known that this F test aims to see how the impact of application competition, discount prices, and service innovation on online cinema ticket purchasing decisions in the city of Medan.

Table 4. F . test

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	656,703	3	218,901	105.554	,000b
	Residual	199,087	96	2,074		
	Total	855,790	99			

a. Dependent Variable: decision  
 b. Predictors: (Constant), innovation, price, competition

From Table 4, it can be obtained that the Fhtung value is 105.554, and the significant value is 0.000. The value in F-count is compared with the Ftable value, which is 2.70 (obtained by looking at Ftable with criteria  $df_1 = 3$  and  $df_2 =$  greater than 97). so that the F-count value  $>$  F-table ( $105.554 > 2.70$ ) and with a significance value of  $0.000 < 0, 1$  with this it can be concluded that application competition, discount prices, and service innovation together have a positive and

significant impact on purchasing decisions for online cinema tickets in the city of Medan.

b. Partial Hypothesis Testing (T-Test)

The t-test was carried out to test the independent variables partially, namely application competition (X1) discounted prices (X2) service innovation (X3) which had a positive and significant impact on purchasing decisions for online cinema tickets in the city of Medan.

Table 5. T . test

		Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-6.754	1,889		-3,576	,001
	App competition	,425	,108	,340	3,935	,000
	Discount price	,084	0.049	,102	1,715	0.090
	Service innovation	,420	,072	,514	5,795	,000

a. Dependent Variable: Purchase decision

Based on Table 5, it can be seen that:

1. Partially test the hypothesis that the application competition variable from the table above is known to have  $t$  count  $>$   $t$  table ( $3.935 > 1.290$ ) and the significance is less than 0.1, meaning that the application competition variable (X1) partially has a significant positive impact on purchasing decisions (Y) for online cinema tickets. In the city of Medan. It is in line with previous research conducted by Hermanto (2018). In

this study, it was stated that there was an impact of competition on purchasing decisions.

2. Partially test the hypothesis of the discounted price variable from the table above, it is known that  $t$ -count  $>$   $t$ -table ( $1.715 > 1.290$ ) and the significance is smaller than 0.1 means the discounted price variable (X2) partially has a significant positive impact on purchasing decisions (Y) online cinema tickets in Medan city.

- Furthermore, reported from the journal processed by Hendra Jonathan Sibarani et al. (2018), there is a significant impact of discount prices on purchasing decisions.
3. Partially test the hypothesis of the service innovation variable from the table above  $t\text{-count} > t\text{-table}$  (5.795 > 1.290) and the significance is smaller than 0.1, means that

## CONCLUSION

Based on the questionnaire results in this study, it is summarized that the residents of the East Medan area, users of the online cinema ticket booking application, prioritize the quality of the application's service in deciding its use because if the service quality is the best. It can be ascertained that the application works well, too; therefore, the online cinema ticket booking application. Therefore, this company must prioritize the quality of its services in order to face the competition. From the results of hypothesis testing, it was found that  $t\text{-count} > t\text{-table}$  (3.935 > 1.290) and the significant value (0.000 < 0.1) means that the competition variable partially has a significant positive impact on purchasing decisions.

The public will be presented with attractive promos and fantastic discounts when using an online cinema ticket booking application. It makes people interested in purchasing cinema tickets through an online cinema ticket booking application. Timur strongly agrees that this application can apply the public's first choice to choose an online cinema ticket booking

the service innovation variable (X3) partially has a significant positive impact on purchasing decisions (Y) online cinema tickets in the city of Medan. Thus, innovation has a significant influence on buyer decisions. This statement is confirmed by research from Supriyatim Darham and Herawati (2017).

application by providing attractive discount prices. It is also an advantage for this application because it can anticipate promotions from competitors. The hypothesis test summarized from this study is  $t\text{ count} > t\text{ table}$  (1.715 > 1.290) and the significant value (0.090 < 0).

Factors that impact purchasing decisions are service innovations due to some people want to be fast and practical; it is very suitable to decide to buy cinema tickets through this online cinema ticket booking application. Based on the results of this research questionnaire, residents of the East Medan area stated that interaction and communication became an innovation that impacted purchasing decisions. A good relationship between the service and the user would have a positive impact on increasing purchasing decisions, and this is in line with the results of the research hypothesis test in this journal stated by  $t > t\text{ table}$  (5.795 > 1.290) and a significant value (0.000 < 0.1) namely the service innovation variable has a significant positive effect on purchasing decisions. In this study, the value of  $F\text{-count} >$

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