The Effect of Product Innovation and Discounts on Buying Decisions for MSMEs Meatballs in Medan City During the Covid-19 Pandemic

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ABSTRACT
Study this aim to find out how the Effect of Product Innovation and Discounts on Purchase Decisions for MSMEs Meatballs in Medan City During the Covid-19 Pandemic Period. Method research used is qualitative data method and quantitative data f. While the data used are primary and secondary data. Method data analysis in research this use multiple linear regression analysis. As for the results of this study, the first hypothesis D can be seen that the first hypothesis is rejected, it means that the innovation variable (X1) has no effect on the Purchase Decision (Y) variable. D it can be seen that the second hypothesis is accepted, meaning that the Discount variable (X2) has an effect on the Purchase Decision variable (Y). D it can be seen that the third hypothesis is accepted, meaning that the Innovation Variable (X1) and Discount Variable (X2) have a significant effect simultaneously (simultaneously) on the Purchase Decision Variable (Y).

Keywords: Product Innovation, Giving Discounts and Purchase Decisions

INTRODUCTION
Purchase decision is a consumer's decision to buy about which brand to buy. The purchase decision will encourage consumers to make decisions on the problems they face. The decision is about the consumer's choice to buy or not the product he wants. To obtain optimal results, this discount strategy has a broad scope in the field of marketing including strategies in facing competition, pricing strategies, product strategies, service strategies and so on. Purchasing decisions are the study of how individuals, groups and organizations select, purchase, use and dispose of goods, services, ideas or experiences to satisfy their wants and needs. Consumer decision making is an integration process that combines knowledge to evaluate two or more alternative behaviors and choose one of them.

The emergence of competition in the business world is unavoidable. With competition, businesses are faced with various opportunities and threats both from outside and from within the country. For this reason, every business is required to always understand and understand what is happening in the market and what is the desire and willingness of consumers, as well as various changes in the business environment so that they can compete with other companies. There are many paths to success, one of which is by creating a forerunner of a business that is expected to be able to develop creativity and innovation. This requires tremendous courage. Business is an organized individual business activity to produce and sell goods and services in order to make a profit in meeting the needs of society.
The food business is a business that always survives and continues to grow along with the increasing culinary needs of the community, one of the food businesses that is currently popular is meatballs. The number of meatball fans who cover the lower classes to the upper classes makes this business a promising business to provide profits and is not easy to decline because this business is not a seasonal business. Traders must have their own strategy to compete with other traders, competition in business is very high because there are many meatball businesses in the Medan City area and it does not rule out competition by meatball businessmen and traveling traders.

Here, the researchers present data on the contribution of the Meatball Product Business sub-sector in the city of Medan as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culinary</td>
<td>38.8%</td>
<td>43.71%</td>
<td>51.21%</td>
<td>45.08%</td>
<td>42.34%</td>
</tr>
</tbody>
</table>

Source: bps.go.id

Based on the data, Table 1.1 explains that there is a culinary industry that has been designated by the Ministry of Commerce as a contributing creative industry in the city Medan year 2022. Based on the data in Table 1.1 above, it shows that the culinary industry of Medan City the highest in 2020 was 51.21% because culinary in 2020 experienced a covid-19 pandemic but sales increased quite a bit, in 2021 it decreased and in 2022 it also decreased by 42.34% where the type of business that has been in for several years widely used as a field of business for entrepreneurs.

Wrong one form of small business and medium-sized enterprises (SMEs) in the trading sector are street food traders, namely people who start their business with capital relatively small business in the field of production and food sales. Business trader street vendors are a group business inseparable from national development assets which people-based, and is an informal sector that has the potential to create and expand employment opportunities, and has a strategic potential and role in realizing development goals, economy and national development.

Street food trading sector in Medan City in general experienced very rapid growth. Almost in every area there are street food vendors. Thing this shows that the entrepreneurial sector which many interested is as a trader food and make society has many alternatives in choose the type of food desired with various variation dream flavor because consumers always want new things from the MSME business. Public around prefer to buy necessities, including food. the density total resident in the city of Medan this makes the rapid growth of street food vendors.

The market segment chosen in this business is all circles public. Because the middle and upper segment of society is in a business like this there are enough and varied in presentation and taste especially in big cities so that there are more competitors compared to the segment middle down. In this endeavor the company needs several employees to make it easier to run a very simple business this, the business company that will be run will bring positive impact and development that leads to success in the future.

RESEARCH METHOD

Research Objects and Locations
This research was conducted on the sale of MSME meatballs in the city of Medan during the Covid-19 pandemic.

Types of research

The researcher uses a descriptive quantitative approach. According to (Sugiyono, 2017) quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing predetermined hypotheses.

Data collection technique

Questionnaire at the questionnaire is amount question or statement written about factual data or related opinion with self respondent, which is considered fact or known truth and need answered by respondents (Suroyo Anwar, 2011:29). In questionnaire this later will used the question model closed, i.e the question already accompanied by alternative answers previously so that respondent could choose wrong one from alternative answer that. According to Sugiyono (2015:49) interview is technique data collection if researcher want To do studies preliminary for find problem that must researched, but also if researcher want know things from more respondents deep.

RESULT AND DISCUSSION

Classical Assumption Test Equation 1

The tests of classical assumptions with the SPSS 25.00 program carried out in this study include:

Normality test

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016). Normality test using the graphical method can be seen in the following figure:
Figure 1.1 Normal P Plot

Data that is normally distributed will form a straight diagonal line and plotting residual data will be compared with a diagonal line, if the distribution of residual data is normal, the line that describes the actual data will follow the diagonal line (Ghozali, 2016).

**Multicollinearity Test**

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. The multicollinearity test in this study is seen from the tolerance value or variance inflation factor (VIF).

**Table 1.2 Multicollinearity Test Results**

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>13,500</td>
<td>3.133</td>
<td>4,309</td>
<td>.000</td>
<td>1.085</td>
</tr>
<tr>
<td>Innovation _X1</td>
<td>-.211</td>
<td>.212</td>
<td>-.121</td>
<td>-.996</td>
<td>.323</td>
</tr>
<tr>
<td>Discount _X2</td>
<td>.613</td>
<td>.154</td>
<td>.483</td>
<td>3.989</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase_Decision_Y
Source: Data processed from appendix 4 (2022)

D can be seen that the tolerance value of the Innovation variable (X1) is 0.922, Discount variable (X2) is 0.922, all of which are greater than 0.10 while the VIF value of the Innovation variable (X1) is 1.085, Discount variable (X2) is 1.085, all of which is less than 10. Based on the calculation results above, it can be seen that the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 10 so that there is no correlation symptom in the independent variables. So it can be concluded that there is no symptom of multicollinearity between independent variables in the regression model.

**Heteroscedasticity Test**

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is the one with homoscedasticity or non-occurrence heteroscedasticity.

**Table 1.3 Glejser Test Results**

<table>
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<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3,272</td>
<td>2.020</td>
<td>1,620</td>
<td>.111</td>
<td>1.085</td>
</tr>
<tr>
<td>Innovation _X1</td>
<td>-.061</td>
<td>.137</td>
<td>-.061</td>
<td>-.445</td>
<td>.658</td>
</tr>
<tr>
<td>Discount _X2</td>
<td>-.040</td>
<td>.099</td>
<td>-.055</td>
<td>-.406</td>
<td>.686</td>
</tr>
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a. Dependent Variable: ABS_RES
Source: Data processed from appendix 4 (2022)
The results of the Glejser test show that the sig value of the Innovation variable (X1) is 0.658, the Discount variable (X2) is 0.686, both of which are greater than 0.050 so it can be concluded that there are no symptoms of heteroscedasticity.

**Multiple Linear Regression Test**

Linear regression testing explains the role of the independent variable on the dependent variable. Data analysis in this study used two linear regression equations, using *SPSS 25.00 for windows*.

**Table 4.3 Simple Linear Regression Results**

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<tr>
<td></td>
<td>Innovation X1 -0.211 0.212</td>
<td>-0.121 -0.996 0.922 1.085</td>
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<tr>
<td></td>
<td>Discount X2 0.613 0.154</td>
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a. Dependent Variable: Purchase_Decision_Y
Source: Data processed from appendix 4 (2022)

Based on these results, the linear regression equation has the formulation: $Y = b_0 + b_1 X_1 + b_2 X_2 + \varepsilon$, so that the equation is obtained: $Y = 13,500 - 0.211 X_1 + 0.613 X_2$

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**CONCLUSION**

Based on the results of research and discussion in the previous chapter, it can be concluded as follows:

1. It can be seen that the first hypothesis is rejected, it means that the innovation variable \( X_1 \) has no effect on the Purchase Decision \( Y \) variable.
2. It can be seen that the second hypothesis is accepted, meaning that the Discount variable \( X_2 \) has an effect on the Purchase Decision variable \( Y \).
3. It can be seen that the third hypothesis is accepted, meaning that the Innovation Variable \( X_1 \) and Discount Variable \( X_2 \) have a significant effect simultaneously on the Purchase Decision Variable \( Y \).

Innovation has no effect on purchasing decisions on sales of MSME meatballs in Medan City during the Covid-19 Pandemic because buyers buy meatballs more for discounts or sloping prices and have a good taste. The suggestions that researchers can convey are that considering the business world continues to move according to its era, it is important for entrepreneurs to continue to apply price discounts in various ways. In addition, business actors are required to be able to meet all the needs of their consumers in order to be able to survive in their business.

**REFERENCES**


