

The Influence of Discounts and Brand Awareness Mediated by Buying Intention on the Buying Decision of Domino's Pizza Products

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INTRODUCTION

In today's era of globalization and rapid technological advancement, competition in various industries, including the fast-food sector, has become increasingly fierce, both in local and global markets. This industry has experienced significant growth, largely due to shifts in consumer behavior driven by digital innovation and easier access to information. Consumers now find it simpler to compare prices and product quality, compelling companies to develop effective marketing strategies to remain competitive.

Marketing initiatives aim to attract and retain both existing (actual) and potential customers. These efforts encompass a wide range of activities, including market segmentation and targeting, managing the marketing mix, as well as monitoring competition and gaining deeper insights into consumer behavior. A key element in marketing strategy is promotion, which consists of four main components: advertising, sales promotions, public relations activities, direct selling, and direct marketing.. Kotler & Armstrong (2008) in Steven & Fitria Rina Sari (2019)

According to Sudaryono (2014:363) in (Kartika, 2018) A discount is defined as a strategy that offers a reduction in the price from a predetermined price. The goal is to increase sales of a product or service, with common types of discounts being given include discounts on bulk purchases and cash discounts.

Brand awareness plays a very important role in influencing Buying Decisions. According to Aaker in (Arianty & Andira, 2021), brand awareness is the ability of potential consumers to recognize or remember a brand in a certain product category. When someone knows a brand, they tend to be interested and intend to buy it. Conversely, a lack of brand awareness can lead to doubts. A high level of brand awareness increases consumers' ability to remember the brand when thinking about a product, reducing hesitation in making Buying Decisions.

Consumer behavior in making a decision to buy a product usually occurs after they go through a series of considerations in their minds, which include the perception of the brand and the influence of the surrounding environment. This process then gives rise to actions in the form of a choice of certain brands. Before consumers finally decide to buy, there will generally be an interest or interest in buying the product in their minds. (Kotler, 2013) in Sari (2020)

Buying intention is a key element of consumer behavior. It represents an individual's inclination to act before making an actual Buying Decision. This intention serves as a bridge between product consideration and the final buying action, offering businesses valuable insights into potential future consumer purchasing behaviors.. Measuring consumer buying interest is essential to understand whether customers will remain loyal or choose to switch away from a product or service. Consumers who feel satisfied and happy with the product or service They are likely to consider making a repeat purchase in the future. (Thamrin, 2013 in Sari, 2020)

Tabel 1. Top Brand Index (Source: <https://www.topbrand-award.com>)

Brand	TBI			Predicate
	2022	2023	2024	
Pizza Hut	55.60%	56.60%	57.80%	TOP
Domino's Pizza	21.10%	21.40%	31.50%	TOP
Papa Rons	-	3.10%	4.00%	
Gian Pizza	4.00%	3.10%	2.60%	

Domino's Pizza, as one of the major players in the fast food industry, faces the same challenges. Fierce competition demands Domino's Pizza to make various efforts in attracting consumers' attention and maintaining customer loyalty. One of the strategies implemented is the use of discount promotions

Based on *Top Brand Index* (TBI) data from 2022 to 2024, Domino's Pizza shows a significant increase in customer trust in their brand. In 2022, TBI Domino's Pizza stood at 21.10%, then rose slightly to 21.40% in 2023. However, the most striking is the increase in 2024, where TBI Domino's Pizza jumped to 31.50%. This substantial increase shows that the marketing and promotional strategies implemented by Domino's Pizza have succeeded in significantly increasing brand awareness and customer trust.

The Top Brand *title* given in 2024 shows that Domino's Pizza has managed to compete with other brands in the industry, even though it remains below Pizza Hut. This indicates that Domino's Pizza is able to expand its market share and increase its competitiveness, likely thanks to a more intensive promotional approach and brand *awareness* that continues to be built.

Table 2 – Number of Domino's Pizza Outlets in the World in 2022

Year	Domino's Pizza	Pizza Hut	Papa John's
2018	15,914	18,431	5,303
2019	17,020	18,703	5,395
2020	17,644	17,639	5,400
2021	18,848	18,381	5,650
2022	19,294	18,591	5,571

Source: <https://data.tempo.co/data/1539/dominos-pizza-restoran-pizza-terbesar-kalahkan-pizza-hut>

Based on data on the number of outlets from 2018 to 2022, Domino's Pizza shows a consistent growth trend. Starting from 15,914 outlets in 2018, the number increases every year to reach 19,294 outlets in 2022. This growth was more stable compared to competing brands such as Pizza Hut, which experienced slight fluctuations, and Papa John's, which showed slower growth.

Currently, Domino's Pizza has more than 200 outlets in Indonesia, spread across 28 cities, including Greater Jakarta, Bali, Medan, and Surabaya. In 2022, the pizza retailer celebrated its 200th outlet, reflecting its rapid growth since entering the Indonesian market. With a focus on service quality, menu innovation, and speed of service, Domino's continues to strengthen its position as one of the most popular pizza brands in Indonesia (Sayekti, 2022)

Domino's Pizza has adopted various marketing strategies to increase brand awareness and customer loyalty (Novitasari Albar & Setyo Iriani, 2022). One of the main approaches used to attract consumer attention is frequent discounting, especially in suburban areas like Bekasi Regency, where fast-food restaurant options are becoming increasingly diverse. This study aims to analyze the impact of Domino's discounts and brand awareness on Buying Decisions in Bekasi Regency, with buying intention serving as a mediating variable.

According to research (Widjaya et al., 2016) and (Nasir & Harti, 2017) Discounts are proven to significantly increase buying interest. Moreover *brand awareness* It has also been proven to significantly affect buying interest as evidenced by (Indah & Budiarmo, 2018) and (Santoso et al., 2019). Several previous studies have shown that discounts and brand awareness can significantly affect buying interest. Researchers tried to find out whether discounts and brand awareness can influence purchasing decisions through buying interest as a mediating variable. This aims to find out whether buying interest can clarify or strengthen the relationship between discounts, brand awareness, and Buying Decisions, especially for Domino's Pizza products in Bekasi Regency.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Discount

Discounts are provided by companies to encourage faster payments, bulk purchases, or off-season purchases. Discounts can be cash discounts, volume discounts, functional discounts, seasonal discounts, as well as other discounts. Cash discounts, for example, are price reductions for consumers who make early payments. (Anggraeni, 2016). One of the strategies that the company implements to increase sales is the discount program. This discount is a reduction in product prices given to customers to encourage optimal product sales. According to Devy & Herdian (2022), a price discount is a subtraction from the initial price of a product over a certain period. Belch, in Prihastama (2016), revealing that providing discounts can provide various benefits, such as encouraging consumers to buy in bulk, anticipating promotions from competitors, and facilitating trade in large volumes. The indicators for the discount variables are discount frequency, discount amount, and discount time (Lelyana & Cahyanti, 2022).

Brand Awareness

(Firmansyah, 2019) Creating brand awareness is a key goal in marketing communication. When a brand is well-known, it's more likely to be remembered and considered by consumers when they need products in that category. This recognition can significantly influence the Buying Decision-making process. (Febriani & Dewi, 2018) added that *brand awareness* It allows people to recognize various elements of the brand, such as brand names, logo, packaging, and slogans, in various situations. According to (Arianty & Andira, 2021) indicator brand awareness namely brand recall, brand recognition, and brand consumption.

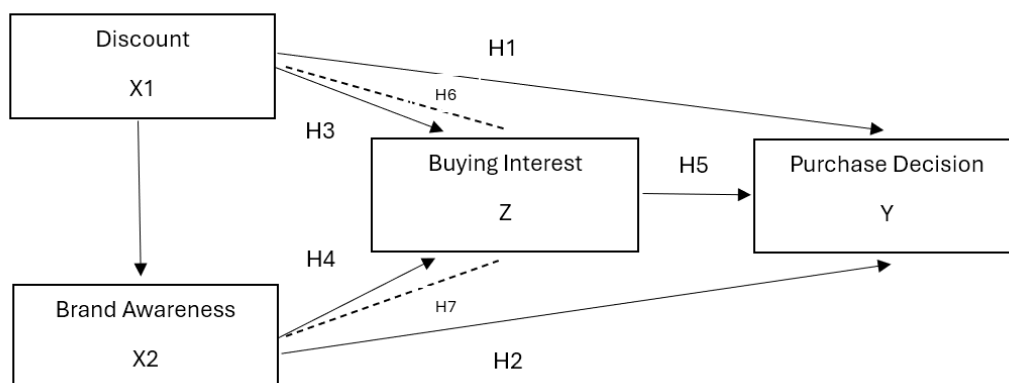
Buying Intention

Consumer buying intention is basically a factor that drives the decision to buy a product. According to (Halim & Iskandar, 2019) Buying intention is related to the consumer's plan to buy a particular product and the number of units needed in a certain period of time. Buying interest is also a form of mental awareness that describes the consumer's intention to buy a product with a certain brand. Understanding consumer buying intention is essential for marketers to predict future consumer behavior. This buying interest is formed from consumers' attitude towards the product, which is based on their belief in the quality of the product. Indicators for buying intention consist of transactional interest, preferential interest, and exploratory interest (Vandiah, 2022)

Buying Decision

According to (Fahmi, 2016) A buying decision is an action taken by consumers when deciding to choose a product that is considered capable of meeting their needs and desires. Meanwhile, (Arianty, 2016) explained that a buying decision is a series of steps taken by consumers to overcome various problems faced, with the aim of achieving the most efficient results possible, both in terms of time and cost. There are several indicators of buying decisions, namely product selection, brand selection, and number of purchases or quantity (Br Marbun et al., 2022)

Figure 1. Research Framework



According to research conducted by Oktavia & Fageh (2022), Arianty & Andira (2021), and Septifani et al. (2014), it was found that discounts, brand awareness, and Buying Intention significantly influence Buying Decisions. Furthermore, studies by Nasir & Harti (2017) and Bahrussyah & Iskandar (2018) revealed that discounts and brand awareness significantly affect Buying Intention. Therefore, this study aims to examine whether Buying Intention can act as a mediating variable influencing the relationship between discounts and brand awareness on Buying Decisions, particularly for Domino's Pizza products, as no prior research has specifically addressed this product.

- H1:** Discounts positively contribute to consumers' Buying Decisions.
- H2:** Brand awareness has a positive impact on Buying Decisions.
- H3:** Buying Intention positively influences consumers' Buying Decisions.
- H4:** Discounts have a positive effect on Buying Intention.
- H5:** Brand awareness positively affects Buying Intention.

H6: Discounts can enhance Buying Decisions through the mediation of Buying Intention.
H7: Brand awareness can influence Buying Decisions through the mediation of Buying Intention.

RESEARCH METHOD

This study uses a quantitative approach with a survey method to examine the influence of discount promotions and *brand awareness* to Buying Decisions, with buying interest as a mediating variable. The research population is consumers who live in Bekasi and have bought Domino's Pizza products, with a sample of 100 respondents taken using the *accidental sampling*, that is, this technique is based on chance, where anyone who accidentally meets the researcher can be sampled, provided that the person encountered is considered appropriate as a source of data (Siswadhi, 2016). The research instrument is a questionnaire with a Likert scale of 1-5, which measures the discount promotion variable (X1), *brand awareness* (X2), buying interest (Z), and buying decision (Y). The data collection methods applied in this study include observation, literature review, and online questionnaire dissemination through *Google Form*.

In this study, to test the hypothesis and analyze the data, SmartPLS (Partial Least Square) computer software version 3.0 was used. SmartPLS is a data analysis tool that uses bootstrapping techniques, so it does not require assumptions of normality in data processing. In addition, SmartPLS also does not require a minimum number of samples for research. The analysis process using SmartPLS is carried out in three main stages, namely: *Outer Model Analysis*, *Inner Model Analysis*, and Hypothesis Testing.

RESULT AND DISCUSSION

Validity and Reliability Test

We checked how accurate and dependable our study is using a special tool called Smart Partial Least Square (PLS) 3.0. First, we wanted to make sure the questions in our survey were spot-on - that's what we call the validity test. It's like making sure we're asking the right questions to get the information we need. Then, we did a reliability test to see if our results would stay consistent if we repeated the study. It's kind of like checking if a measuring tape always gives the same measurement for the same object. We've put all the results from these tests in a table for you to see. This table shows us whether our questions were good (valid) and if our measurements were steady (reliable). It's our way of double-checking that our research is solid and trustworthy.

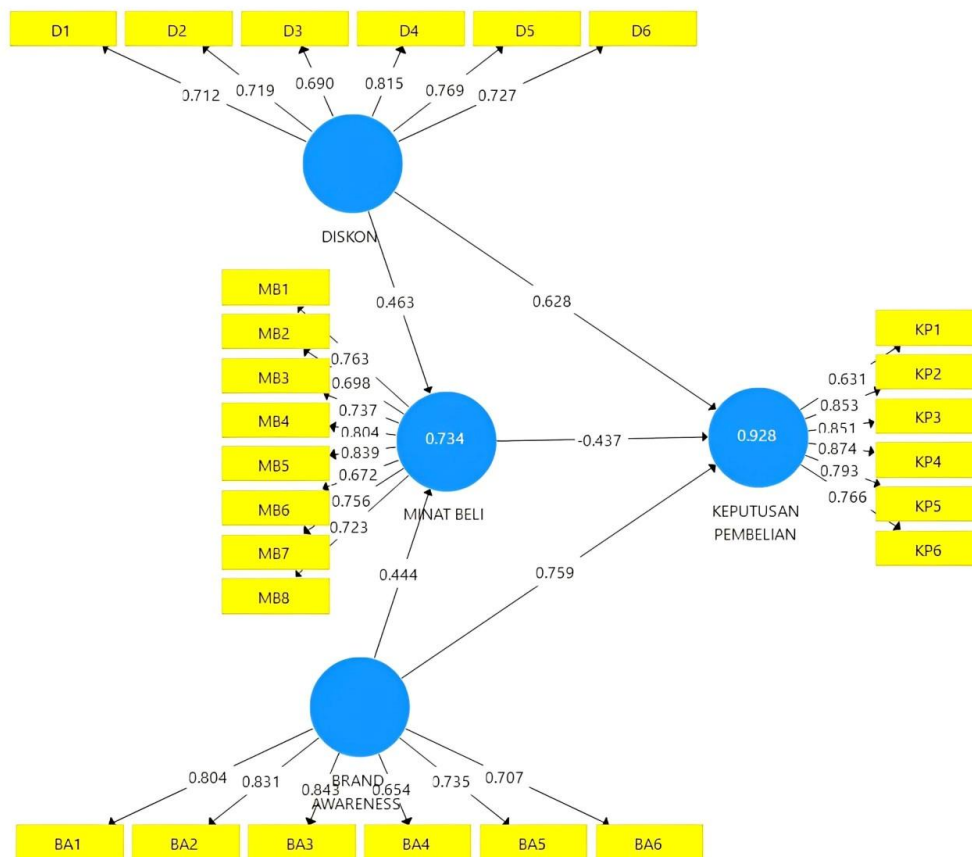
Table 3. Validity and Reliability Test

Outer Loading			Cronbach's Alfa		
Indicator	Coefficient	Result	Variable	Coefficient	Result
D1	0.712	VALID	Discount (X1)	0.858	Reliable
D2	0.719	VALID			
D3	0.690	VALID			
D4	0.815	VALID			
D5	0.769	VALID			
D6	0.727	VALID			
BA1	0.804	VALID	Brand Awareness (X2)	0.834	Reliable
BA2	0.831	VALID			
BA3	0.843	VALID			
BA4	0.654	VALID			

BA5	0.735	VALID			
BA6	0.707	VALID			
MB1	0.763	VALID	Minat White (Z)	0.884	Reliable
MB2	0.698	VALID			
MB3	0.737	VALID			
MB4	0.804	VALID			
MB5	0.839	VALID			
MB6	0.672	VALID			
MB7	0.756	VALID			
MB8	0.723	VALID			
KP1	0.631	VALID	Buying Decision (Y)	0.888	Reliable
KP2	0.853	VALID			
KP3	0.851	VALID			
KP4	0.874	VALID			
KP5	0.793	VALID			
KP6	0.766	VALID			

Looking at the results in Table 3, we can see that all our measurements hit the mark. Every indicator shows a score higher than 0.5, which tells us they're all on point and trustworthy. Plus, when we check the Cronbach's Alpha for each group of questions, they all score above 0.6. This is great news because it means our survey is consistent and reliable across the board. In simpler terms, we can count on these results to give us a solid picture of what we're studying.

Figure 2. Output Outer Loading (by Researcher)



Hypothesis Test Result

To check if our ideas hold up, we use a special method called bootstrapping. This helps us figure out how strong the connections are between different parts of our research model. It's like drawing a map of cause and effect for our study. We've put all the results of this testing in a table, which you can see below. This table shows us whether our guesses about how things work are likely to be right or not.

Table 4. Output Path Coefficient

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Discount -> Buying Decision	0.628	0.627	0.046	13.619	0.000
Brand Awareness -> Buying Decision	0.759	0.760	0.036	21.158	0.000
Buying Intention -> Buying Decision	-0.437	-0.437	0.045	9.727	0.000
Discount -> Buying Intention	0.463	0.462	0.066	6.998	0.000

Brand Awareness - > Buying Intention	0.444	0.445	0.068	6.525	0.000
Discount -> Buying Intention - > Buying Decision	-0.194	-0.194	0.033	5.955	0.000
Brand Awareness - > Buying Intention -> Buying Decision	-0.202	-0.203	0.038	5.279	0.000

Discussion

The findings of this study indicate that discounts (X1) have a highly significant influence on Buying Decisions (Y) among Domino's Pizza consumers in Bekasi Regency. This is evidenced by a t-statistic value of 13.619, which exceeds the critical value of 1.96. Consequently, the first hypothesis (H1) concludes that Ho is rejected, and Ha is accepted. These results align with the research conducted by Oktavia and Fageh (2022), which also found that discounts have a very significant effect on Buying Decisions.

Furthermore, this study confirms that brand awareness (X2) significantly affects Buying Decisions (Y) for Domino's Pizza products in the same area. With a t-statistic value of 21.158 exceeding the critical threshold of 1.96, the second hypothesis (H2) concludes that Ho is rejected, and Ha is accepted. This finding is consistent with research by Arianty and Andira (2021), which states that brand awareness significantly influences Buying Decisions.

The variable of Buying Intention (Z) also has a significant impact on Buying Decisions (Y). A t-statistic value of 9.727, which exceeds the critical value of 1.96, confirms that the third hypothesis (H3) rejects Ho and accepts Ha. This result supports the findings of Septifani et al. (2014), which demonstrated that Buying Intention significantly influences Buying Decisions.

Additionally, discounts (X1) are shown to have a very significant influence on Buying Intention (Z) among Domino's Pizza consumers in Bekasi Regency, with a t-statistic value of 6.998 exceeding 1.96. Based on this result, the fourth hypothesis (H4) rejects Ho and accepts Ha. This finding aligns with research by Nasir and Harti (2017), which found that discounts significantly affect Buying Intention.

Brand awareness (X2) also has a significant effect on Buying Intention (Z), as evidenced by a t-statistic value of 6.525, which exceeds the critical threshold of 1.96. Consequently, the fifth hypothesis (H5) rejects Ho and accepts Ha. This result is consistent with the findings of Bahrnsyah and Iskandar (2018), which suggest that brand awareness has a significant impact on Buying Intention.

Moreover, the results indicate that discounts (X1), when mediated by Buying Intention (Z), continue to significantly influence Buying Decisions (Y), as evidenced by a t-statistic value of 5.955 exceeding the critical value of 1.96. Thus, the sixth hypothesis (H6) concludes that Ho is rejected, and Ha is accepted.

Finally, brand awareness (X2), when mediated by Buying Intention (Z), also significantly influences Buying Decisions (Y). This is supported by a t-statistic value of 5.279, which exceeds the critical value of 1.96. As a result, the seventh hypothesis (H7) rejects Ho and accepts Ha.

CONCLUSION

Based on the results of this study, we can conclude that Discounts and Brand Awareness have a significant influence on the Buying Decisions of Domino's Pizza consumers in Bekasi Regency. This is shown through t-statistical values that consistently exceed the threshold of general significance. Discounts have also been shown to have a significant effect on Buying Interest, which then mediates the relationship between Discounts and Buying Decisions. Similarly, Brand Awareness not only influences Buying Decisions directly, but also through Buying Interest as a mediator. These findings are in line with previous studies and highlight the importance of promotional strategies that include discounts and increased brand awareness in influencing consumer purchasing decisions. Therefore, companies should pay more attention to marketing strategies that focus on these elements to increase customer satisfaction and loyalty.

For further research, it is recommended to explore other factors that can also influence consumer purchasing decisions, such as product quality, customer service, and reviews from other consumers. Further research can also leverage a qualitative approach to gain in-depth insights into how consumers perceive and value these promotional elements.

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