The Effect of Odd Price on Purchasing Decisions Mediated by Processing Fluency

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ABSTRACT
Setting odd prices is one of the pricing strategies applied in retail. Setting odd prices can help one of their goals, which is to get more customers. It is a tool that companies use to influence consumer buying decisions. Consumer purchasing decisions are a reason for how consumers determine the choice of purchasing a product in accordance with their needs, desires, and expectations so that it can lead to satisfaction with product dissatisfaction and odd prices can have an impact on setting odd prices because it can make consumers feel satisfied and benefited and can lead to customer satisfaction. Ease of calculation fluency (processing fluency) will change their price perception and increase purchase intention for a final price that is consistent between the original price and the selling price is much cheaper than under inconsistent conditions, even though the magnitude of the discount under conditions of consistent final prices is lower than under inconsistent final price conditions. This research is a quantitative study and the respondents in this study were 100 respondents. In this study, the samples were taken by means of nonprobability sampling, namely by accidental sampling technique. Based on data analysis, it is known that there is an effect of odd prices on purchasing decisions, there is an effect of processing fluency on purchasing decisions and processing fluency mediates the relationship between odd prices and purchasing decisions.

Keywords: odd price, processing fluency, purchase decision, marketing

ABSTRAK
Menetapkan odd price adalah salah satu strategi penetapan harga yang diterapkan di ritel. Menetapkan odd price dapat membantu salah satu tujuan mereka, yaitu mendapatkan lebih banyak pelanggan. Ini adalah alat yang digunakan perusahaan untuk mempengaruhi keputusan pembelian konsumen. Keputusan pembelian konsumen merupakan suatu alasan bagaimana konsumen menentukan pilihan pembelian suatu produk yang sesuai dengan kebutuhan, keinginan dan harapannya sehingga dapat menimbulkan kepuasan ketidakpuasan produk dan odd price dapat memberikan dampak terhadap penetapan odd price karena dapat membuat konsumen merasa puas dan diuntungkan serta dapat menimbulkan kepuasan konsumen. Kemudahan perhitungan kelancaran (processing fluency) akan mengubah persepsi harga mereka dan meningkatkan niat beli untuk harga akhir yang konsisten antara harga asli dengan harga jual jauh lebih murah dibandingkan dengan kondisi yang tidak konsisten, meskipun besarannya diskon pada kondisi harga akhir yang konsisten lebih rendah dibandingkan dengan kondisi harga akhir yang tidak konsisten. Penelitian ini merupakan penelitian kuantitatif dan responden dalam penelitian ini sebanyak 100 responden. Dalam penelitian ini sampel diambil dengan cara nonprobability sampling yaitu dengan teknik accidental sampling. Berdasarkan analisis data diketahui bahwa terdapat pengaruh odd price terhadap keputusan pembelian, terdapat pengaruh kelancaran pemrosesan terhadap keputusan...
INTRODUCTION

Consumers purchase different goods according to their purchasing power and preferences. Miniso is known to follow many pricing methods for their goods and services to increase their profits by capitalizing on consumer desires. A purchase decision is a reason for how consumers make a choice to purchase a product according to their needs, wants, and expectations so that it can lead to satisfaction or dissatisfaction with the product (Puccinelli et al., 2009).

Based on Figure 1.1, it can be explained that one of Miniso's products applies an odd price strategy and for other products in Miniso is listed on social media Instagram @minisotriomallkebumen. Setting odd price is one of the pricing strategies applied in retail. Setting odd prices can help one of their goals, which is to get more customers. It is a tool that companies use to influence consumer purchasing decisions. Consumer purchasing decisions are a reason for how consumers determine the choice of purchasing a product according to their needs, wants and expectations so that it can lead to satisfaction over dissatisfaction with the product and odd price can have an impact on odd price setting because it can make consumers feel satisfied.

Odd price is part of a marketing strategy that sets an odd price or slightly below the predetermined price with the aim that psychologically buyers will see the product being purchased cheaper (Saleh and Said, 2019). For example, an item whose initial price is IDR 100,000.00 is changed to IDR 99,990.00. Odd final pricing looks cheap if you shop in large quantities, but if you only buy one or two certain products, of course, this can be seen from the receipt given by the cashier to consumers.

Previous research has focused on consumers' evaluation of the sale price rather than the impact of the final price digit between the original price and the sale price on consumers' price evaluation (discount awareness). Several studies have concluded that comparative price promotions will motivate consumers to buy when transactions are easy to calculate (Feng et al., 2017; Compeau and Grewal, 1998). The processing fluency of the calculation will change their price perception and increase purchase intention (Lichtenstein et al., 1991; Liefeld and Heslop 1985; Grewal et al., 1998; Grewal and Compeau, 2017). Thus, consumers' price perception for a final price that is consistent between the original price and the sale price is significantly cheaper than in the inconsistent condition, even though the magnitude of the discount in the consistent final price condition is lower than in the inconsistent final price condition.

Nowadays, odd price is one of the most common strategies we see in stores that aim to attract customers to buy their goods. In studying the odd price phenomenon in Miniso stores, researchers have observed and conducted mini research on consumer perspectives on odd prices by conducting interviews with Miniso consumers. Therefore, the researcher
is interested in further analyzing odd prices that have an impact on purchasing decisions mediated by processing fluency.

**LITERATURE REVIEW**

Purchasing decisions are concepts in behavior where consumers decide to purchase or take an action or take advantage of certain products or services (Tompun, 2014). A purchase decision is a person's decision to choose a particular product or service introduced by a company over its competitors (Kim and Niehm, 2009). Processing fluency is defined as subjective feelings about the ease or difficulty experienced by individuals when processing new information about an object (Novemsky et al., 2007). Shen et al. (2010) showed that a high degree of disfluency in processing information about one product leads to a more favorable evaluation of the second product (contrast effect).

Kotler and Keller (2016) explain that many sellers use this odd price strategy by setting prices that end in odd numbers because some research shows that consumers tend to process prices from "left to right" and not by rounding them up. Tjiptono (2014) odd price is setting prices in such a way as to make consumers perceive that prices are cheaper by setting odd prices. Psychological pricing capitalizes on the fact that customers are not always rational when making purchasing decisions. One type of psychological pricing is odd-even pricing which is based on the theory that customers see prices that are not listed in even numbers, i.e. customers will see the price of Rp19,950, Rp14,999 as a higher price than Rp20,000, Rp15,000.

Odd pricing, many sellers believe that pricing should result in an odd number. Psychologically, consumers tend to round prices down. For example, product A in the price range of IDR 9,999 and product B in the price range of IDR 10,000, consumers will judge the price of product A to be worth IDR 9,000 and product B to be worth IDR 10,000.

**Thinking Framework**

The framework in this study is as follows:

![Figure 2. Framework of Thought](image)

**Research Hypothesis**

*Odd price and purchase decision*

The purchasing decision-making process is a process of consumers recognizing their problems, seeking information about certain products or brands, and then evaluating how well each of these alternatives can solve their problems, which then refers to a purchase decision (Tjiptono, 2014). The marketing strategy set by management in a company aims to influence consumer buying interest. Among the 4 marketing mixes that are most attractive to consumers is the pricing strategy, one of the pricing strategies is to influence consumer psychology to be interested in buying, namely by setting odd prices.

Monroe (2012) defines psychological pricing as a marketing strategy based on the theory that certain prices have a psychological impact. This means that consumers will be affected by the odd pricing without paying attention to the previous digit number because consumers think the price is cheaper.

H1: There is an effect of odd price on purchasing decisions.
Processing fluency and purchase decisions
Consumers tend to perceive prices as cheaper and have higher purchase intent when the last digits in the original price and sale price are consistent. Consumers get alternative methods of obtaining various data to establish cause and effect.

H2: There is an effect of processing fluency on purchasing decisions.

Processing fluency mediates odd price and purchase decision
The researcher intends to examine the mediating role of processing fluency, which explains that consistent final price triggers processing fluency. Processing fluency will mediate the relationship between consistent final price and perceived price. Conversely, if the processing fluency explanation is false, only one or none of the constructs should mediate. The hypotheses in this study are:

H3: Processing fluency mediates the relationship between odd price and purchase decision.

RESEARCH METHODOLOGY
Research Methods
The type of research used in this study is quantitative research. Quantitative research is a method that aims to convert raw data sets into a form that is easy to understand, in the form of concise information, where the results of the research and its analysis are described in a scientific paper where from the analysis a conclusion will be formed.
Population and Sample
Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions (Sugiyono, 2018). The population in this study were Miniso consumers.
The sample is part of the number and characteristics possessed by the population (Sugiyono, 2018). The sampling technique used in this study; the author does not yet know how much the population of the region is. Because the population is not yet known, the sampling technique used is a non-probability sampling technique, namely the incidental sampling method.
Because the population size is unknown, the determination of the number of samples in this study was taken using the following formula:

\[ n > \frac{pq (Za/2)^2}{e^2} \]

- \( n \) = number of samples
- \( Za/2 \) = Ztable value (\( a = 5\% \); \( a/2 = 0.025 \))
- \( e \) = error (maximum error limit = 10%)
- \( p \) = precisions (precision setting limit = 5%)
- \( q \) = quantity (number of estimates = 0.5)

From the above formula, the number of samples can be calculated as follows:

\[ n > \frac{0.5 \times 0.5 (1.96/0.1)^2}{0.1^2} \]
\[ n > 96.04 \]

Based on the results of the above calculations, the minimum sampling in this study was 96 people. The sample in this study amounted to 100 people.
Data Collection Methods
In this study, the sample was taken by nonprobability sampling, namely by incidental sampling technique with the fulfillment of the criteria of this sample is Miniso Kebumen consumers with a minimum age of 18 years.
Data Type and Source
In this study, data was obtained through two main sources. Primary data sources were obtained using questionnaires distributed directly to Miniso Kebumen consumers, both face-to-face and online using Google Form. This direct approach provides an opportunity for researchers to get direct responses from consumers regarding the questions asked. In
addition, secondary data sources in this study were sourced from internet media. Additional information and data were obtained through online searches, utilizing various sources available online. The combination of these two data sources is expected to provide a comprehensive and in-depth understanding of the research topic related to Miniso Kebumen consumers.

**Variable Identification**

In this research, three variables are recognized. The independent or independent variable, identified as Odd Price (X), is a factor that is considered to influence the dependent or bound variable, namely Purchase Decision (Y). Meanwhile, the mediating variable called Processing Fluency (Z) plays the role of an intermediary or mediating factor between Odd Price (X) and Purchase Decision (Y). Odd Price (X) as an independent variable refers to prices that are considered uncommon or strange, Processing Fluency (Z) reflects the level of information processing fluency, and Purchase Decision (Y) is the dependent variable that reflects the decisions made by consumers regarding purchases. By identifying and understanding the relationship between these variables, the research is expected to provide deeper insights into the factors that influence consumer purchasing decisions in the context of Odd Price.

**Data Analysis Method**

In this study, to analyze the data, the SPSS version 22 tool was used to test the relationship both partially and mediation in the hypothesis.

**RESULTS AND DISCUSSION**

**Results of Questionnaire Distribution**

The questionnaire was distributed online using Google form and directly to students of Universitas Putra Bangsa. The distribution was carried out from September 10, 2022, to January 23, 2023, and received a response of 244 questionnaires.

**Respondent Characteristics**

From the research that has been carried out, the following characteristics of the respondents can be identified:

<table>
<thead>
<tr>
<th>Profile</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 30 Years</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>31 - 40 Years</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>&gt; 41 Years</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Income/Pocket Money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;Rp 2,000,000.00</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>IDR 2,000,000.00 - IDR 3,000,000.00</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>IDR 3,000,000.00 - IDR 5,000,000.00</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>&gt;Rp 5,000,000.00</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Processed by researchers, (2023)*

Based on the table above, it can be concluded that in this study the majority of respondents earn Rp 2,000,000-Rp 3,000,000 per month as many as 43 respondents or around 43%, others with incomes below Rp 2,000,000. As many as 13 people or 13%, income> Rp 3,000,000.00 - Rp 5,000,000 as many as 26 people and> Rp 5,000,000.00 18 people or 18%.

**Statistical Analysis**

**Validity Test**

The validity test was carried out using Pearson's product moment correlation, used when simultaneously calculating the regression equation. The calculation results are consulted with [rxy](#) table with a significance level of 95% and alpha 5%. If [rcount](#) > [rtable](#) the item is said to be "valid". Conversely, if [rcount](#) ≤ [rtable](#) the item is said to be "invalid":

**Table 2. Validity Test**
Based on the table above, it is known that all statements used in the questionnaire are valid, all statement items in the variable have $r_{count} > r_{table} 0.1671$ with a significance level of 5%.

**Reliability Test**

This reliability test is used to show that a research measurement tool can be said to be reliable or has the confidence to be used in testing a variable. A measuring instrument declared reliable is adjusted to the reliability criteria from very low to very high levels. The item reliability test is carried out with the provisions, if $r_{alpha} > 0.6$ then the variable is reliable and vice versa if $r_{alpha} < 0.6$, then the variable is not reliable:

**Table 3. Reliability Test**

<table>
<thead>
<tr>
<th>Variables</th>
<th>ralpha</th>
<th>rcritical</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odd price</td>
<td>0.760</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Processing fluency</td>
<td>0.610</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase decision</td>
<td>0.878</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

**Source:** Processed by researchers, (2023)
Based on the reliability test results in the table above, it shows that each instrument has Cronbach alpha > 0.60, so it can be concluded that all items on the odd price, processing fluency, and purchasing decision variables are reliable or trustworthy so that they can be used for further research.

**Classical Assumption Test**

**Multicollinearity Test**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Colinearity Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>Odd price - Purchase decision</td>
<td>1,000</td>
</tr>
<tr>
<td>Processing fluency - Purchase decision</td>
<td>1,000</td>
</tr>
</tbody>
</table>

*Source: Processed by researchers, (2023)*

Based on table 4, it can be explained that a variable is said to occur multicollinearity if it has a Variance Inflation Factor (VIF) value ≥ 10. If the VIF value ≤ 10, then there is no multicollinearity. Based on the analysis that has been done, the VIF value of odd price and processing fluency is 1.000. The VIF value of 1,000 ≤ 10 so that there is no multicollinearity. Therefore, the data used to determine the effect of odd price and processing fluency on purchasing decisions does not occur multicollinearity.

**Normality Test**

<table>
<thead>
<tr>
<th>Normal Parameters</th>
<th>N</th>
<th>Studentized Deleted Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

*Test distribution is Normal*

*a. Calculated from data*

*b. Lilliefors Significance Correction*

Based on the normality test results, it is observed that both odd price and processing fluency variables can be used for further research because the data used is normally distributed.
Based on the Kolmogorov Smirnov data analysis table in the attachment that has been carried out, the odd price significance value is 0.131. This shows that the sig value > 0.05 so the results are not significant. This insignificant result refers to relatively equal or normal data. This regression model fulfills the assumption of normality. Therefore, the effect of odd price on purchasing decisions has normal data.

Further data analysis on the effect of processing fluency on purchasing decisions obtained a value of 0.200. This shows that the sig value > 0.05 so the results are not significant. This insignificant result refers to relatively the same or normal data. This regression model fulfills the assumption of normality. Therefore, the effect of processing fluency on purchasing decisions has normal data.

**Hypothesis Test**

**Linear Regression Analysis**

<table>
<thead>
<tr>
<th>Relationship</th>
<th>B</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odd price - purchase decision</td>
<td>2,068</td>
<td>34,019</td>
<td>0.000</td>
</tr>
<tr>
<td>Processing fluency - purchase decision</td>
<td>3,388</td>
<td>11,211</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**Mediation Test**

<table>
<thead>
<tr>
<th>Relationship</th>
<th>B</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odd price - purchase decision</td>
<td>2,068</td>
<td>34,019</td>
<td>0.000</td>
</tr>
<tr>
<td>Odd price - processing fluency</td>
<td>0,292</td>
<td>7,673</td>
<td>0.000</td>
</tr>
<tr>
<td>Odd price - processing fluency - purchase decision</td>
<td>1,168</td>
<td>10,542</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The test results that have been carried out focus on the effect of Odd Price on Purchasing Decisions. Based on the analysis conducted by referring to table 5, it is found that the regression coefficient for Odd Price on Purchasing Decisions is 2.068 with a tcount value of 34.019 and a significance of 0.000. With a positive coefficient direction, it can be concluded that Odd Price has a significant positive effect on Purchasing Decisions. Therefore, based on these findings, it can be concluded that the first hypothesis, which states that there is a positive effect of Odd Price on Purchasing Decisions, can be accepted. These results make an important contribution in understanding how Odd Price factors influence consumer purchasing decisions, providing a foundation for companies to design more effective pricing strategies in the context of consumer behavior.

Based on the results of the tests carried out, it focuses on the effect of Processing Fluency on Purchasing Decisions. In this analysis, it was found that the regression coefficient for Processing Fluency was 3.388 with a tcount value of 11.211 and a significance of 0.000. With a positive coefficient direction, this shows that there is a significant positive effect of Processing Fluency on Purchasing Decisions. Therefore, based on these results, it can be concluded that the second hypothesis, which states that there is a positive effect of Processing Fluency on Purchasing Decisions, can be accepted. These results provide a further understanding of the contribution of Processing Fluency in shaping consumer purchasing decisions, providing a strong basis for companies in optimizing this factor in their marketing strategies.
Based on Figure 3 shows, the coefficient \( c \) has a sig. value of 0.000 which means that the coefficient \( c \) is significant, and the sig value of the coefficient \( c' \) is 2.068 with sig. <0.05. These results explain that odd price has a positive effect on processing fluency and processing fluency has a positive effect on purchasing decisions. The effect of odd price on purchasing decisions remains significant even though the mediating variable (processing fluency) is included with a sig value of 0.000 <0.05. It is concluded that processing fluency mediates the relationship between odd price and purchasing decisions. Therefore, hypothesis 3 in the study is supported.

**DISCUSSION**

**Odd Price and Purchase Decision**

Based on the data analysis that has been carried out, it shows that odd price has a positive effect on purchasing decisions. This is in line with the hypothesis in this study. This shows that in general, consumers who shop at Miniso Kebumen consider that a product offered at an odd price is cheaper than a product that is not odd priced. Sellers use this odd price strategy by setting prices that end in odd numbers because some research shows that consumers tend to process prices from "left to right" rather than rounding them up. This is often the basis for many companies to implement the odd price strategy. Nowadays, many companies use odd prices instead of round prices.

This research is in line with this study and is supported by previous research conducted by Zhong & Moon (2020) this study proves that the numerical relationship between the original price and the subsequent selling price can influence customer judgment. A consistent final price effect that affects consumers' perceptions of price and their purchase intentions. The effect of making the last digit of the original price and the selling price the same.

**Processing Fluency and Purchase Decision**

The results further show that processing fluency has a significant positive effect on purchasing decisions. The results of this study are in line with the hypothesis in this study. This shows that a person with subjective feelings about the ease or difficulty experienced when processing new information about a product can increase a consumer's purchase intention.

This research is in line with this study and is supported by previous research conducted by Zhou et al. (2023) which shows that the consistency of the last digit of the regular price and the selling price can be a heuristic for consumers to make purchasing decisions because smooth processing affects consumers' price recognition.

**Mediation Effect**

The analysis that has been carried out shows that processing fluency can mediate the relationship between odd price and purchasing decisions. The results of this study are in line with the hypothesis in this study. This shows that the odd price of a product will influence purchasing decisions through the processing fluency felt by consumers. Odd prices can make consumers have a high level of purchasing decisions if they feel the
smoothness of the buying process. This shows that processing fluency can mediate the relationship between odd prices and purchasing decisions.

This finding is in line with previous research conducted by Keller et al. (2022) where consumers tend to perceive prices as lower and have higher purchase intentions when the last digits in the original price and sale price are the same than when they are different, regardless of whether the last digit is 0, 6, 5, 8, or 9. Therefore the choice of the last digit (including 0, 5, 6, 8, or 9) does not affect the consistent final price effect.

CONCLUSIONS

Based on the results of the analysis, it can be concluded that the research results support the hypothesis proposed. First, H1 is accepted, indicating that there is a significant effect of Odd Price on Purchasing Decisions. This indicates that prices that are considered uncommon or strange (Odd Price) have a real influence on consumer purchasing decisions. Furthermore, H2 is accepted, confirming that there is a significant effect of Processing Fluency on Purchasing Decisions. This means that the level of information processing fluency (Processing Fluency) also plays an important role in shaping consumer purchasing decisions. Finally, H3 is accepted, indicating that Processing Fluency mediates the relationship between Odd Price and Purchasing Decisions. This implies that the effect of Odd Price on Purchasing Decisions is largely explained through the mediation of Processing Fluency variables. These overall findings make an important contribution to understanding the dynamics of factors that influence consumer purchasing decisions, particularly in the context of prices that are perceived as uncommon or odd.

Based on the data analysis that has been carried out, the researcher provides several suggestions that can be implemented by companies to improve consumer purchasing decisions. First, companies are advised to utilize price promotions as a strategy to increase profits. Odd pricing can have a significant effect on consumer evaluations and purchase intentions. Therefore, companies can design effective pricing strategies, including the use of odd prices, to increase consumer purchasing decisions. Second, observations of consumer behavior show a tendency to purchase for daily needs. Therefore, researchers suggest that companies understand consumer desires for fast and efficient decision making. A consistent strategy of using odd prices can make it easier for consumers to understand the value of the products they get quickly, allowing them to save time and money when shopping. The implementation of these suggestions is expected to help companies optimize their marketing and pricing strategies to achieve better results in the face of consumer preferences and behavior.

REFERENCES


