ANALYSIS OF THE EFFECT OF THE MARKETING MIX ON PURCHASING DECISIONS

Muhammad Yusuf
STIA Bandung
muhammadyusuf@stiabandung.ac.id

Nuuridha Matiin
STIE Nusantara Sangatta
nuridha.frs@gmail.com

Abstrack

Tea Powder is a delicious beverage powder in Bandung. In developing the business, the company will expand the sales area in each sub-district. The company chooses the low end segment, which is considered to be at low cost, and determines product positioning only in the sweet bread market. Management has conducted the marketing mix strategy. But, the effectiveness is still being debated, especially regarding the problems of the expansion of sales area. Thus, the scientifically conducted study is needed to measure the marketing mix and its influence on the decision, statistics, and the loyalty of customers. The results of the study showed that the overall hypothesis was acceptable and there were significant influences of the product, distribution and promotion on consumers' decisions; there were significant influences of product and price on consumers' satisfaction; there were significant influences of consumers' decision on consumers' satisfaction and loyalty, and there was a significant influence of consumers' satisfaction on consumers' loyalty.

Keywoard: Product, Price, Distribution, Promotion, Decision, Satisfaction, Loyalty

I. INTRODUCTION

The strategy according to the tag line is intended for sustainable brand support at the following levels: brand awareness, brand acquisition, brand equity and finally brand loyalty. The company chooses the low end segment which is realized at a low price, and determines product positioning in the sweet bread market (not plain bread, tarts, cakes/snacks market) which are identified as sweet with delicious. In the low end and product positioning segments, there is a very tight level of competition in the form of features, advantages, benefits but not in terms of value, so fresh from the oven is the value that the company chooses as a differentiator from competitors so that its customers get freshly served bread. out of the oven. With these different flavors, the company intends to make customers loyal to the brand.

The strategy chosen by the company is strategic competitiveness which is achieved if a company properly formulates and implements a value creation strategy, which means that the company has a sustainable or sustainable competitive advantage (Kotler, 2016). A company is believed to have a sustainable competitive advantage only after the efforts of its competitors have imitated it their strategy however ended in failure. Although a company can achieve a competitive advantage, usually it can only maintain that advantage temporarily. A sustainable competitive advantage generates above average profits. From the strategic competitiveness strategy, the company took tactical steps through the block coverage area system with the personal selling method and intensive calls techniques as its operational steps.

Management intends to expand the sales area to all sub-districts in Indonesia in stages using the personal selling method with intensive calls to buyers or customers as the technique. The thing that needs to be considered by management is the feasibility of the sales model used, then a feasibility problem will arise from the personal selling method and intensive calls, namely the ability to achieve a certain sales volume, the ability to get a certain profit, and the ability to support company growth. The definition of

feasible in this study is the possibility that the business/project idea to be implemented will provide benefits, both in terms of financial benefits and in terms of social benefits.

Aspects to be considered in business feasibility, namely: market and marketing aspects, technical and technological aspects, as well as economic and financial aspects. The social benefit that will be of concern in this research is the community with the output of creating new entrepreneurs engaged in franchising. Indeed, Powder Tea has just been established, but is always optimistic to continue to grow and develop. (Martin et al., 1992) states that effective steps are needed for the introductory stage of the company that are interconnected, namely: audit, objectives, strategies, and plans to implement them, to place the company in the future so that growth, maturity and the ability to overcome setbacks can be achieved. The model used in the personal selling method with intensive calls technique is based on resources for high profitability.

1) Resources are inputs to the company's production process in the form of: physical capital, human resources, and organization.
2) Capability is the capacity of a set of resources to carry out tasks or activities in an integrated manner.
3) A sustainable competitive advantage occurs when a company implements a value creation strategy and competing companies are unable to implement it on an ongoing basis, and when other companies are unable to replicate the advantages of that strategy, or the company's ability to outperform its competitors in terms of profitability.
4) Implementation of strategy is action taken to earn high profit.
5) High profitability is the achievement of profits above average.

The objectives of intensive calls or regular visits to repurchase are: (1) reaching the prospect by visiting potential buyers, (2) making the sale, namely creating purchases or creating buyers, and (3) developing the relationship by turning buyers into customers. The reporting system structure of the company is as follows:

1) Estimated or planned estimate in the form of:
   a. *Target calls*or a target for the number of customers to be visited, b. Target pack or sales targets measured per pack,
   b. *Rupee targets*or sales targets as measured by the value of rupiah.
2) Realization or achievement of sales in the implementation in the field:
   c. *Actual calls*or the fact of visits to customers;
   d. *Effective calls*or the occurrence of transactions (closed) by the visited buyer,
   e. *Effective pack*or the occurrence of transactions (closed) by visited buyers measured per pack,
   f. *Rupee targets*, or the occurrence of transactions (closed) by visited buyers measured in rupiah values.
3) Projections for estimating sales for the coming year are called prosperity cards.

To carry out sales operational activities, the company employs salesmen. Administrative activities carried out daily as quantitative data are: (a) daily calls sheet, which is also called a visit report on daily purchases, (b) daily issues, also called daily inventory and financial calculation reports, (c) customer record cards or customer data visited regularly.

The number of salesmen who carry out sales currently consists of 6 people. The method used in selling is personal selling, by applying a persuasion process which, according to Mowen and Minor (2002: 356) is an explicit effort to influence beliefs, attitudes and/or behavior with techniques as follows:

1) Technique in front of the door (foot-in-the-door technique) is done through the mechanism of self-perception. By following the initial smaller requests, the prospect forms the impression that he or she is the kind of person who does just that. Furthermore, when the second request is made, the prospect usually agrees to that request simply stemming from a need consistent with self-perception.
2) In the door-in-the-face technique, in this technique, the norm of reciprocity emerges, which states that if someone does something for you, you must also do something in return. This norm improves the condition of society by ensuring that our efforts to help others will be rewarded.
3) The even-a-penny-will-help technique is based on a universal tendency for people to want to "look good" themselves.
4) The ingratiation technique refers to the self-serving tactics carried out by the salesman so that he looks attractive to others.

In terms of the number of salesmen, for now it is considered adequate for a target call of 60 visits per day which in carrying out their duties and activities is guided by job analysis and qualitative evaluation. However, until now there has never been a measurement of the effectiveness of the marketing mix as a process in creating demand resulting in a sustainable increase in sales because after all, the purchase (closing) is an outcome for the company. Therefore, what are the factors that influence purchasing decisions, satisfaction and loyalty, and are the product, price, distribution, and promotion strategies of Tea Powder very influential for prospective buyers in determining purchases, and what is the overall pattern of causality of these factors with organizational performance,

Based on the background above, the aims of this study are: (1) to determine the effect of products on consumer decisions, (2) to determine the effect of price on consumer decisions, (3) to determine the effect of distribution on consumer decisions, (4) to determine the effect of promotion on consumer decisions , (5) knowing the effect of products on consumer satisfaction, (6) knowing the effect of price on consumer satisfaction; (7) determine the effect of distribution on consumer satisfaction, (8) determine the effect of promotion on customer satisfaction, (9) determine the effect of decisions on consumer satisfaction, (10) determine the effect of decisions on customer loyalty, (11) determine the effect of satisfaction on customer loyalty.

2. LITERATURE REVIEW
2.1. Definition of Marketing Mix
According to Kotler (2000:18), the marketing mix is a set of marketing tools that companies use to continuously achieve their marketing objectives in the target market. According to Swastha and Irawan (2001:78), the marketing mix is a combination of four variables or activities which are the core of the company's marketing system, namely: product, price structure, promotional activities, and distribution system.
2.2. Marketing Mix Components
a. Product
 Products have a very important meaning for a company. Therefore, apart from being the basis for determining marketing policy, it is also a picture of the company in the eyes of the consumer community. If the product offered can satisfy consumer desires is a picture of success. Of course the products here are not only limited to physical form, but also the quality of the model and anything that can satisfy consumer desires. Kotler and Armstrong (2008: 266), define a product as anything that can be offered to the market in order to attract attention, acquisition, use, or consumption that can satisfy an activity or need.
b. Price
 According to Swasta and Irawan (2001: 241), price is the amount of money (plus some products if possible) needed to get a number of combinations of products and services. According to Effendi (2007:61-62), the purpose of pricing is indispensable in marketing activities. This is because the purpose of pricing 3 will be a reference for the company in carrying out marketing activities. There are several pricing objectives that are often taken, including: 1. Obtaining maximum profit 2. Gaining a certain market share 3. Milking the market 4. Achieving the maximum level of sales receipts at a certain time 5. Achieving targeted profits 6. Promoting the product
2.3. Consumer Behavior
Kotler & Keller (2009:166) states that consumer behavior is the study of how individuals, groups, and organizations choose, buy, use, how goods, services, ideas or experiences satisfy their needs and desires.
3. METHODOLOGY
The research activity is to find endogenous variables in the form of consumer loyalty as measured by decisions and satisfaction, and the influence of exogenous variables in the form of marketing mix, namely: product, price, promotion and distribution. This research is included in explanatory research because this research intends to explain the causal relationship (cause and effect) between variables through testing the hypotheses that have been formulated (Hair, 1998:21).

 Data was collected using a cross-sectional approach, that is, data was collected once. Interviews were conducted personally by the Tea Powder salesman who always made regular visits to consumers. The technique of determining the sample chosen to be the respondent in this study used an

accidental sampling technique, which means that the research was carried out directly by ignoring the status, name or predicate of the respondent (Ghozali, 2008:42). The number of samples in this study was determined as much

260 (two hundred and sixty) respondents. The population in this study is limited to consumers who buy tea powder related to the use of structural equation modeling (SEM) with AMOS, so it is based on the "rule of thumb", namely by converting path diagrams into equations, converting the model specifications into a series of equations. built consisting of:

a.   Structural equations. This equation is formulated to express causality between various constructs.

b.   Model specification equationmeasurement (measurement model), namely determining which variable measures which construct, as well as determining a series of matrices showing the correlation between the construct and the hypothesized variables (Ferdinand, 2002:30). The equation proposed for the conceptual model is presented as follows:

1. $Y_1 = \gamma 1.1 X1 + \gamma 1.2 X2 + \gamma 1.3 X3 + \gamma 1.4 X4 + \text{€}1$

2. $Y_2 = \gamma 2.1 X1 + \gamma 2.2 X2 + \gamma 2.3 X3 + \gamma 2.4 X4 + \text{€}2$

3. $Y_2 = \gamma 2.1 X1 + \gamma 2.2 X2 + \gamma 2.3 X3 + \gamma 2.4 X4 + \beta 2.1 Y1 + \text{€}3$

4. $Y_3 = \gamma 3.1 X1 + \gamma 3.2 X2 + \gamma 3.3 X3 + \gamma 3.4 X4 + \beta 3.1 Y1 + \text{€}4$

5. $Y_3 = \gamma 3.1 X1 + \gamma 3.2 X2 + \gamma 3.3 X3 + \gamma 3.4 X4 + \beta 3.2 Y2 + \text{€}5$

where:

γ, β : (gamma, beta) the path coefficient of the variable
γ : The direct relationship of exogenous variables to endogenous variables β : Connectionendogenous variable directly to exogenous variable
X1   : Product
X2   : Price
X3   : Distribution
X4   : Promotion
Y1   : Decision
Y2   : Satisfaction
Y3   : Loyalty
€   (*measurement error*) error rate

4. RESULTS AND DISCUSSION

At this stage, we will discuss the model suitability test and causality significance test. The test results with the AMOS program version 5.0 give the results of the SEM model which shows the influence of the marketing mix (product, price, distribution and promotion) on decisions and satisfaction, as well as decisions and satisfaction on consumer loyalty of Tea Powder in Bandung. The conclusions from the results of hypothesis testing are recorded in the table following:

Table 1: Hypothesis Testing Results

Variable		Estimates	Standard Error	critical Ratio	Profitability Error	Conclusion Hypothesis
X1 →	Y1	0.098	0.354	2,270	0.027	H1 Be accepted
X2 →	Y1	0.085	0.965	0.073	0.942	H3 Rejected
X3 →	Y1	0.099	1,656	2,782	0.006	H5 Be accepted
X4 →	Y1	0.469	0.208	2,694	0.007	H7 Be accepted
X1 →	Y2	0.381	0.369	3,032	0.000	H2 Be accepted
X2 →	Y2	0.288	1.014	2,242	0.029	H4 Be accepted
X3 →	Y2	0.513	1,726	0.422	0.673	H6 Rejected
X4 →	Y2	0.154	0.212	0.896	0.370	H8 Rejected
Y1 →	Y2	0.431	0.131	3,393	0.000	H9 Be accepted
Y1 →	Y3	0.384	0.064	2,859	0.004	H10 Accepted
Y2 →	Y3	0.246	0.053	2,130	0.033	H11 Accepted

Source: Processed data, 2012

In general, this study shows that the entire hypothesis proposed is acceptable. In this case there is a significant influence of product, distribution and promotion on the decision; there is a significant effect of product and price on satisfaction; there is a significant influence of the decision on satisfaction; and there is a significant influence of decision and satisfaction on loyalty. While the hypothesis which states that price has an effect on decisions, and distribution and promotion have an effect on satisfaction, has not been proven to have an effect.

5. CONCLUSION

The conclusions that can be drawn in this study are as follows:
1) Products have a positive and significant effect on consumer decisions.
2) Price has a positive but not significant effect on consumer decisions.
3) Distribution has a positive and significant effect on consumer decisions.
4) Impact promotion   positive and   significant   to   decision consumer.
5) Products have a positive and significant effect on consumer satisfaction.
6) Price has a positive and significant effect on consumer satisfaction
7) Distribution has a positive but not significant effect on consumer satisfaction
8) Promotion has a positive but not significant effect on consumer satisfaction.
9) Decisions have a positive and significant effect on consumer satisfaction.
10) Decision   influential   positive and   significant   to   loyalty consumer.
11) Satisfaction   influential   positive and   significant   to   loyalty consumer.

REFERENCE

BPS Bandung Regency. 2012. Results of the 2000 Population Census. Ferdinand, Augusty. 2002. Structural Equation Modeling in Management Research: Application of Complex Models in

Cakranegara, P. A., Kurniadi, W., Sampe, F., Pangemanan, J., & Yusuf, M. (2022). THE IMPACT OF GOODS PRODUCT PRICING STRATEGIES ON CONSUMER PURCHASING POWER: A REVIEW OF THE LITERATURE . Jurnal Ekonomi, 11(03), 1115–1120. Retrieved from https://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/view/845Research for Doctoral Theses and Dissertations, Edition 2. Semarang: BPUNDIP.

Effendi, A. The Influence of Reference Group, Brand Equity, and Perceived Price On Purchase Tahu Takwa In Kediri.

Ghozali, I., & Fuad. (2008). Structural equation modeling: Teori, konsep, dan aplikasi dengan program Lisrel 8.80. Badan Penerbit Universitas Diponegoro.

Hair, JF, et al. 1998. Multivariate Data Analysis With Readings. New Jersey: Prentice Hall.

Kotler, Philip and Kevin, Keller. 2009. Marketing Management. Translated by: Imam Nuraman, *Third Edition*. Jakarta: Erlangga Publisher.

Kotler, P., Armstrong, G., Ang, S. H., Leong, S. M., Tan, C. T., & YAU, O. (2008). Principles of marketing: An global perspective.

Kurniadi, W., Lotte, L. N. A., Cakranegara, P. A., Sampe, F., & Yusuf, M. (2022). HANAN WEDDING PLANNER'S MARKETING COMMUNICATION STRATEGY FOR INCREASING SALES IN THE COVID-19 PANDEMIC ERA ON THE TIKTOK APP. Jurnal Ekonomi, 11(03), 1359–1364. Retrieved from https://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/view/887

Malcolm, Mcdonald. 1992. Marketing Strategy. Jakarta: PT. Elex Media Komputindo. Mowen, John C.,and Minor, Michael. 2002. Consumer Behavior, Fifth Edition. Jakarta: Erlangga.

Irawan, C., & Loekito, M. (2014). Analisa Pengaruh Marketing Mix (7p) Terhadap Keputusan Pembelian Di Folks! Coffee Shop and Tea Housesurabaya. Jurnal Hospitality dan Manajemen Jasa, 2(1), 86-100.

Herawati, A., Yusuf, M., Cakranegara, P., Sampe, F., & Haryono, A. (2022). SOCIAL MEDIA MARKETING IN THE PROMOTION OF INCUBATOR BUSINESS PROGRAMS. Jurnal Darma Agung, 30(2), 623 - 633. doi:10.46930/ojsuda.v30i2.2304

Sampe, F., Yusuf, M., Pakiding, D., Haryono, A., & Sutrisno, S. (2022). APPLICATION OF DIGITAL MARKETING IN MAINTAINING MSMES DURING THE COVID-19 PANDEMIC. Jurnal Darma Agung, 30(2), 663 - 676. doi:10.46930/ojsuda.v30i2.2329