Traditional Marketing Mix as a Tools to Improve Consumer Buying Decision

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Abstract

Everyone knows that living in this world we as a human individual have needs. According to [4] “The goal a person forms during his or her life ultimately serve the satisfaction of basic needs”. Currently in Indonesia, there are many companies and business that allows people to earn money. One of the various industries that produces a lot of earnings is the food and beverage service industry. Food and beverage services can be defined as the process of preparing and serving food and beverage to the customers. Additionally, currently a particular F&B service is on the rise in Indonesia, Coffeeshops, the number of coffeeshops in Indonesia has kept on growing and it can notably be seen by looking at various coffeeshops located everywhere in the past few years. A coffeeshop named Yakun Kaya Toast use in this research. The sample used in this study is 110 respondents. The research technique used is non-probability sampling with the snowball sampling method. For processing and analyzing data in this study, namely by using AMOS version 22.0 as software for data processing. This study has four hypotheses and all of them have significant results

Keywords: Marketing Mix, Product, Price, Place, Promotion, Consumer Purchase / Buying Decision

Abstrak

Semua orang mengerti bahwa hidup di dunia sebagai seorang individu memiliki kebutuhan. Menurut [4] “The goal a person forms during his or her life ultimately serve the satisfaction of basic needs”. Saat ini di Indonesia terdapat berbagai perusahaan dan bisnis yang membuat orang dapat mendapatkan uang. Salah satu dari berbagai macam industri yang dapat memberikan banyak pendapatan adalah industri food and beverage service. Food and beverage service dapat di definisikan sebagai proses dari menyediakan dan menyajikan makanan dan minuman kepada pelanggan. Terlebih lagi, saat ini F&B service tengah mengalami peningkatan di Indonesia, kedai kopi salah satunya, angka dari kedai kopi di Indonesia terus berkembang dan dapat dilihat dari berbagai macam kedai kopi yang terletak dimana-mana dalam beberapa tahun terakhir. Yakun Kaya Toast merupakan objek penelitian yang digunakan. Penelitian ini ditujukan untuk menganalisa bagaimana marketing mix dapat membantu keputusan pembelian pelanggan di Yakun Kaya Toast. Jumlah sampel yang digunakan dalam penelitian ini sebanyak 110 responden. Teknik penelitian yang digunakan yaitu non
probability sampling dengan metode snowball sampling. Untuk mengelola dan menganalisis data dalam penelitian ini akan menggunakan software pengelolaan data yang bernama AMOS versi 22.0. Penelitian ini memiliki empat hipotesis dan seluruh hipotesis tersebut memiliki hasil yang signifikan.


1. Introduction

Everyone knows that living in this world we as a human individual have needs. According to [4] “The goal a person forms during his or her life ultimately serve the satisfaction of basic needs”. In addition to that, [9], [10] stated that our most basic need is physical survival and there is a 5-stage model hierarchy of needs. Which is physiological, safety, love/belonging, esteem and self-actualization. In order to complete all those needs we need money. Money is what revolves in the world and we must earn a lot of money and thus every company or store that is owned has the goal to earn money.

Currently in Indonesia, there are many companies and business that allows people to earn money. One of the various industries that produces a lot of earnings is the food and beverage service industry. Food and beverage services can be defined as the process of preparing and serving food and beverage to the customers. Statistics shown that despite the COVID-19 pandemic, the F&B sector successfully recorded a positive year on year growth in the first quarter of 2020, during this first quarter, it contributed 36.4% to Indonesia’s GDP, Indonesian Food and beverage entrepreneurs association also projected that the sector will grow up to 7% in 2021 [2].

Additionally, currently a particular F&B service is on the rise in Indonesia, Coffeeshops, the number of coffeeshops in Indonesia has kept on growing and it can notably be seen by looking at various coffeeshops located everywhere in the past few years. According to an independent research of Toffin, a business platform that provides solution to purchase machines, raw ingredients, training and reparation service for the coffee industry, the number of coffeeshops in Indonesia has reached beyond the digit 2950, increasing almost threefold since the year 2016 which only has 1000 stores. Which had been discovered to have a market value of Rp4.8 trillion market [3].

A coffeeshop named Yakun Kaya Toast however, does belong to the coffeeshop industry but does not “really” belong in this category. Yakun Kaya Toast’s history was that in the year 1926 a young boy named Loi Ah Koon set sail from Hainan Island to Singapore, knowing nobody there he naturally joined a Hainanese community there he then was introduced to work as an assistant in a Hainanese coffee stall. Ah Koon learned all the tricks fast and started his own coffee stall with two partners, eventually the partners left but he still kept on working, he kept working for more than 15 years and relocated his business across the street to Lau Pa Sat, and the stall was later named Ya Kun Coffee stall, Ya Kun is the same as Ah Koon in hanyu pinyin, the business remained in Lau Pa Sat for another 15 years where it achieved being called The Most Courteous Stall in Lau Pa Sat, it moved another time in 1984 but finally in 1998 Ya Kun Kaya Toast settled down at its present site at Far East Square. [18].
**Product**

[7] described product as anything that can be offered to a market for acquisition, attention or consumption that could satisfy the needs or the things that people want. In another person words, a collection of all benefits that are received through trades is called product. [1]. Product is not only tangible objects, but also in a broader meaning includes services, persons, places, organizations or even events. Product that has a physical form is called item while no form is called as service, [13].

According to [8] increasing product and the quality of the product is an important part in strategic marketing. Product is everything that could be offered to consumers to satisfy their needs. According to a study from [12] it shows that product has a positive influence on consumer purchase decision. The writer reaches a hypothesis:

**H1: Product significantly affect Consumer Purchase Decision in Yakun Kaya Toast Jl Iskandar Muda No 109.**

**Price**

[19] defined price as an indicator of service quality that a customer accepts for the product that is consumed. [17] noted that price is key for customer to calculate whether a particular service or product is “worth it”. According to [6] price is one of the factors in choosing brand that is connected to the customer purchase decision. The sacrifice in terms of economy to make a purchase or exchange to a service or product is called price. Price is blended with product and promotion by marketing manager to research activities to capitalize anticipated demands.

According to [15] pricing that was made influence the selling quantity and indirectly also influence cost because quantity also influence cost in a way of the product efficiency. Thus, pricing has a role in every company. According to a study by [11] price has a positive and significant effect on Consumer Purchase decision. The writer reaches a hypothesis:

**H2: Price significantly affect Consumer Purchase Decision in Yakun Kaya Toast Jl Iskandar Muda No 109.**

**Place**

[16] describe place as the physical structure that would be the primary visible component in making an impression of a company’s work upon its work and activities in delivering a service needed by the consumers. The location where the product is available to purchase, it may be on the internet or a brick-and-mortar store. Place is often also called as distribution channel. Place is important since customer needs to know where they can receive and order their products.

[14] describes that locations often determines the success of ones business because it has great ties with the potential market of a company. The firm’s flexibility is determined by the location and the location selection must be responsive to the change of economy, demography, culture and competitiveness nature that will hold in the future.

Location is often deciding in a success of a business because location has tight relationship with market potential of a company, [14]. According to [16] describe place as the
physical structure that would be the primary visible component in making an impression of a company’s work upon its work and activities in delivering a service needed by the consumers.

Location has influential significance in consumer purchase decision. The writer reaches a hypothesis:

**H3: Place significantly affect Consumer Purchase Decision in Yakun Kaya Toast Jl Iskandar Muda No 109.**

**Promotion**

It is all the communications that a marketer uses for marketing their products, may it be creating awareness, retaining customers, persuading customers, etc. Promotion is very vital in marketing since communication has always been the way to gather, attract customers, with great communication, great benefits will come. [17] says that promotion goal is not only on advertising and promotions but also viewed as a form of communication and guidance for customer in the service process.

[7] defined promotion as not only a single tool but rather a mix of several tools, a company will then carefully use these promotion elements to engage with customer and build clear and good message about its organization and product. When a promotional message is written, symbols recognizable and meaningful to the market must be used.

[17] advises that a physical site location requires sizable investment and long-term commitment, a firm cannot easily move to another site, even if sunk cost is written off, relocating may cause firm to lose proportion of loyal customer and employees. In other words, it is very important in choosing a place and it cannot be random, really needing some tactical and strategical location consideration.

According to [8], promotion is a core in marketing campaign that were planned to stimulate faster and bigger purchasing for products or services targeting customers. According to a study from [12] it shows that promotions does have a positive influence on consumer purchase decision. The writer reaches a hypothesis:

**H4: Promotion significantly affect Consumer Purchase Decision in Yakun Kaya Toast Jl Iskandar Muda No 109.**

2. **Research Issue and Methodology**

Research design is very important in the making of a study because without research design, you cannot have a clear vision of what needed to be done and what to do. It is the process of making a structure and the planning of the project. The method used for this research is quantitative. The goal of this research is to understand the relationship between the variables, see and develop whether the factors mentioned affects the customer purchase intention of Yakun Kaya Toast in Jl Iskandar Muda. The population of this research is to all the customers that has been purchasing products from Yakun Kaya Toast in Jl Iskandar Muda. It is difficult to know the population considering the uncountable number of customers coming in and out of the store itself.

Various technique are available through the non-probability sampling, but in this research the technique used would be called Purposive. According to [5] the minimum sample used is at least (5) times the indicator of the variables. As stated earlier that the number of respondents
should be indicators multiplied by five. In this research there are 5 variables which is Product, Price, Place, Promotion and Customer Purchase Decision. The indicators in total from these 5 variables is 22. Thus 22 x 5 would be 110. The number of samples that would be used in this research is 110 people. The characteristics or requirements of the purposive sampling made in this research for the customers who consume the product or services in Yakun Kaya Toast Jl Iskandar muda, would be described such as both genders has the right to be samples, aged between 18-60 years old (this is because the researcher believes after the age of 18 then the people would be able to think critically), research is conducted in Medan, Indonesia, and purchased the product or services in Yakun Kaya Toast Jl Iskandar Muda in the time mentioned earlier. This research using AMOS to analyze data.

![Figure 1 Research Model](Source: Prepared by Writer 2021)

3. Finding and Discussion

Findings

The method in this paper will refer to a reference that could perform a process of SEM which is a simultaneous analysis correlated with multi variable model with a software called AMOS 22.0. From the results in Table 1 below it describes that the age that responded the most is in the age group of 18 – 25 years old which is 67.3% while the second is 46 – 60 with 20.9% followed by 26 – 35 years old with 6.4 % and finally 5.4% with the age of 36 – 45.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 25</td>
<td>74</td>
<td>67.3%</td>
<td>67.3%</td>
</tr>
<tr>
<td>26 – 35</td>
<td>7</td>
<td>6.4%</td>
<td>73.7%</td>
</tr>
<tr>
<td>36 – 45</td>
<td>6</td>
<td>5.4%</td>
<td>79.1%</td>
</tr>
<tr>
<td>46 – 60</td>
<td>23</td>
<td>20.9%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Analyzed (2021)

From the results in Table 2 below it shows that there are more females that responded to the questionnaire with a slight difference of 8%. There are 51 males which is 46% and 59 females which is 54% that totaled into 110 people.

Table 2 Respondents by Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>51</td>
<td>46.4%</td>
<td>46.4%</td>
</tr>
<tr>
<td>Female</td>
<td>59</td>
<td>53.6%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Analyzed (2021)

Validity Test

Table 3 Validity Test Result

<table>
<thead>
<tr>
<th>-</th>
<th>-</th>
<th>C.R.</th>
<th>P</th>
<th>Std Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>x4</td>
<td>&lt;---</td>
<td>0.579</td>
<td></td>
<td></td>
</tr>
<tr>
<td>x3</td>
<td>&lt;---</td>
<td>4.272</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x2</td>
<td>&lt;---</td>
<td>4.222</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x1</td>
<td>&lt;---</td>
<td>4.551</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x5</td>
<td>&lt;---</td>
<td>4.8</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x6</td>
<td>&lt;---</td>
<td>4.663</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x10</td>
<td>&lt;---</td>
<td>0.661</td>
<td></td>
<td></td>
</tr>
<tr>
<td>x9</td>
<td>&lt;---</td>
<td>5.015</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x8</td>
<td>&lt;---</td>
<td>4.69</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x7</td>
<td>&lt;---</td>
<td>4.773</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x14</td>
<td>&lt;---</td>
<td>0.639</td>
<td></td>
<td></td>
</tr>
<tr>
<td>x13</td>
<td>&lt;---</td>
<td>4.758</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x12</td>
<td>&lt;---</td>
<td>4.58</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x11</td>
<td>&lt;---</td>
<td>4.858</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x18</td>
<td>&lt;---</td>
<td>0.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>x17</td>
<td>&lt;---</td>
<td>5.796</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x16</td>
<td>&lt;---</td>
<td>5.789</td>
<td>**</td>
<td></td>
</tr>
<tr>
<td>x15</td>
<td>&lt;---</td>
<td>5.963</td>
<td>**</td>
<td></td>
</tr>
</tbody>
</table>

Source: Text Output Amos 22.0 (2021)

From table 3 can be seen that all the indicators valid because CR>2.85.

Research Result

After the model is analyzed by confirmatory factor analysis, each indicator in the fit model can be used to define a latent construct. This means that making a full model SEM can be analyzed and the results of processing can be seen in figure 2:
**Figure 2 Research Results**
Source: Data Analyzed AMOS 22.0 (2021)

**Hypotheses Testing**

Based on the calculation results through confirmatory factor analysis and SEM, the model in this research is acceptable, as shown in image 4.5. The measurement results have met the criteria of goodness of fit; chi square = 310.437, Significant probability = 0.000; RMSEA = 0.069; CMIN / DF = 1.514; TLI = 0.849; and CFI = 0.866. Next, based on the model, the 4 Hypothesis in this research as shown in table 4.

**Table 4 Hypotheses Testing Result**

<table>
<thead>
<tr>
<th>Customer Purchase Decision</th>
<th>Standardized Regression Weights</th>
<th>C.R.</th>
<th>P-value</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Purchase Decision</td>
<td>---</td>
<td>0.539</td>
<td>3.499</td>
<td>***</td>
</tr>
<tr>
<td>Customer Purchase Decision</td>
<td>---</td>
<td>0.607</td>
<td>4.142</td>
<td>***</td>
</tr>
<tr>
<td>Customer Purchase Decision</td>
<td>---</td>
<td>0.246</td>
<td>2.184</td>
<td>0.029</td>
</tr>
<tr>
<td>Customer Purchase Decision</td>
<td>---</td>
<td>0.309</td>
<td>2.395</td>
<td>0.017</td>
</tr>
</tbody>
</table>

Source: Data Analyzed (2021)

**Discussion**

Using the software AMOS 22.0, there are several results that could be concluded which shows 4 hypotheses proposed in the research. The results are as follows:

The first hypothesis is Product has a significant effect on Consumer Purchase Decision with the C.R. value of 3.499 and regression coefficient value of 0.539. The second hypothesis is the Price has a significant effect on Consumer Purchase Decision with the C.R. value of 4.142 and regression coefficient value of 0.607. The third hypothesis is Place has a significant effect on Consumer Purchase Decision with the C.R. value of 2.184 and regression coefficient value of 0.246. And the last hypothesis is Promotion has a significant effect on Consumer Purchase Decision with the C.R. value of 2.395 and regression coefficient value of 0.309.

All the variables; Product, Price, Place, Promotion influence the Consumer Purchase Decision. Based on the result of coefficient path, the variables that has the biggest influence on Consumer Purchase Decision is Price with a regression value of 0.607 which means the main thing that needs to be focus by Yakun Kaya Toast is Price. Pricing really is a necessity to improve consumer purchase Decision, not too pricey and also not too cheap, just the right amount to attract the costumers, with great pricing strategy people will prefer also this brand instead of others and could eventually increase the consumer purchase decision.

4. Conclusion

This model was made in the framework of Customer Purchase Decision in Yakun Kaya Toast Jl Iskandar Muda No.109, Sei Sikambing D, Kec. Medan Petisah, Medan City, North Sumatra. The research model observes the relationship between Product, Price, Place, Promotion towards Customer Purchase Decision. The goal is to determine whether the factors, Product would have significant effect on Customer Purchase Decision, Price would have significant effect on Customer Purchase Decision, Place would have significant effect on Customer Purchase Decision, Promotion would have significant effect on Customer Purchase Decision.

The first hypothesis is Product variable has an effect on Customer Purchase Decision. This means that consumer purchase decision will increase if the products are better. In other words, if Yakun Kaya Toast Jl Iskandar Muda wants to increase their consumer purchase decision, Yakun could improve their overall product quality, or product variety to attract customers and eventually increase their consumer purchase decision. Vice versa, if the product Yakun Kaya Toast Jl Iskandar Muda reduce the quality of the products then the consumer purchase decision will decrease.

The second hypothesis is Price variable has an effect on Customer Purchase Decision which means that consumer purchase decision will increase if the pricing element is better. Among these 4 variables it could be seen that price has the highest C.R. value which means the people really paid close attention to price. Yakun Kaya Toast has to make good pricing strategies, may it be competitive to competitors or by making the product worth for the price people are giving away to increase the consumer purchase decision.

The third hypothesis is Place is also a variable that giving impact to Customer Purchase Decision which means that consumer purchase decision will increase if the place or location of the company is good. Yakun Kaya toast Jl Iskandar Muda indeed has a location that is strategic, the place is very visible from the roads and the place itself is very comfortable. Yakun Kaya
Toast has to keep up its reputation of securing the good location and the great atmosphere of the site. If Yakun Kaya Toast Jl Iskandar Muda failed to do so then the consumer purchase decision would decrease.

The last hypothesis is Promotion is affecting Customer Purchase Decision that means consumer purchase decision will increase if the promotion of Yakun kay Toast is attractive or appealing. Yakun Kaya Toast does gives great promotion, an idea that has been currently in the trend of some food and beverage company is promotion is by tagging a photo in Instagram and hash tagging it to get free drinks or food. This helps the company to be more known to many people through social media and the customer would be happy by getting the benefit of the promotion as well. The advertisement of Yakun Kaya Toast has to be interesting as well so consumer purchase decision will increase.

Based on the result of research, Product, Price, Place and Promotion have a significant influence towards Customer Purchase Decision in Yakun Kaya Toast JIlSkandar Muda, Thus, the managerial implications have to be focused on all of the variables.

First, Product, there are some things that Yakun Kaya Toast could improve, Yakun can make new menu so it would be more innovative, also make better unique designs by doing better plating, the services could also be improve by providing more training for the employees in giving better services, and Yakun Kaya Toast could also improve their brand more by making promotions asking customers to post their Yakun Kaya Toast in social media, this could increase the overall exposure of Yakun Kaya Toast. When the product qualities is improved overall, customer purchase decision will improve.

Second, Price, there are some things that Yakun Kaya Toast could improve in Price, for the pricing Yakun Kaya Toast could make some better bundling options of their product, thus people would definitely see a better pricing option for the products, not only that Yakun Kaya Toast could research further against its competitors and try to compete it. Or another thing Yakun could do is offer some discount voucher after eating for an amount of money and only be could be used after the next visit to Yakun Kaya Toast, thus this could make it seems more affordable and also create more customer visits which increase customer purchase decision.

Third, Place, there are some things that Yakun Kaya Toast could improve in Place, for the place, Yakun Kaya toast could add more doors to for the entrance of Yakun Kaya Toast, from the sides of the building, Yakun could also implement putting some sofas and making a vip room so people would be more comfortable, Yakun Kaya Toast could be putting billboard in front to it would be more visible to people driving in the streets or walking along the streets. And also finally, Yakun Kaya Toast could implement better valet parking so security can help customer find parking spots instead of customer finding it themselves.

Last, Promotion, there are some things Yakun Kaya Toast could improve in Promotion, for promotion, Yakun Kaya Toast could build a team and try to brainstorm better ideas of advertising, researching what other coffee stalls do is also good to be able to see what works and what does not work, make a promotion getting a free drink or meal coupon if customers visit yakun kaya every 10 times similar as a barbershop. It would be a very attractive promotion and also getting more exposure for Yakun Kaya Toast. Yakun Kaya toast also could employ a social media manager to improve the overall social media of their company and finally giving...
employees data of what items have been popular throughout the month so the employees could give better recommendations for customers.

All of this is important since all of them are significant towards customer purchase decision.

5. Research Limitation
Looking at the results of the research, there are still limitations made by the author. Recommendations that the author suggest would be as follows:

1. It is expected that net research using same or modified model can be applied to various object to receive the general results on factors that influences Customer Purchase Decision, this is considering limitations of the research object, in this case Yakun Kaya Toast Jl Iskandar Muda.
2. Further research should also expand the scope and size of respondents, the other areas of Yakun Kaya Toast could also be implemented.
3. For further and better research for the future research, more advanced marketing mix has grown and emerge slowly from 7Ps, 11Ps and the latest is 15Ps, it could be implemented in the future research. Excluding the 4Ps written in the paper, there are People, Process, Physical Evidence, Privacy, Personal Interest, Personal Social Networks, Public Commentary, Personalization, Participation, Peer to Peer, Predictive Modeling.
4. To be able to help Yakun Kaya Toast in order to make better strategy to stay even more competitive in the coffeshops industry, future research are recommended to be made.

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References


