

**DESIGN FOR PRODUCT SALES INCREASING (REPEAT PURCHASE) IN LEATHER SHOES WITH MARKETING MIX OPTIMIZATION
(CASE STUDY : SMES IN TANGGULANGIN – SIDOARJO, EAST JAVA INDONESIA)**

Rony Prabowo¹

Institut Teknologi Adhi Tama Surabaya (ITATS)
INDONESIA

E-mails : rony_prabowomt@yahoo.co.id, ronyprabowo77@gmail.com

This study aims to determine the effect of simultaneously and partially marketing mix on customer satisfaction and repeat purchase behavior. In general, not all marketing variables displayed by the company will established by consumers in deciding to buy a product. The purpose of this study was to determine the influence of marketing mix on purchasing decisions either partially or simultaneously, and which of the four marketing mix variables that most influence on purchasing decisions.

This study is very important because small businesses difficult to compete because it has several obstacles such as access to information , network marketing , adequacy of capital , raw materials and so on . In addition, SMEs often can not survive long due to losing the competition . It is therefore necessary steps to maximize the marketing mix

All data in this study was obtained from the study uses questionnaires in SMEs Sidoarjo . Techniques of analysis in this study using multiple linear regression analysis. The population of this research is that consumers who have purchased products leather shoes, by taking a sample of 100 respondents base on purposive sampling. The results showed that the marketing mix consists of product, price, distribution/place, and promotion simultaneously influence the purchase decision. Partially, only the price and distribution / place significant effect on product purchase, shoes price is the most dominant variable. It can be concluded that the marketing mix of product, price, distribution / promotion place and able to influence consumers to make a decision to buy a product.

Keywords : *Product, Price, Promotion, Place, Mix Marketing*

INTRODUCTION

Consumer is the only reason to live and growth an corporate. This reason causes customer satisfaction a top priority for consumer's organization. Customer's satisfaction that led to the demands of the consumers so that consumers not only want quality products with cheap price but also relatively easy to obtain the product . Repeat purchase behavior is very important to maintain the image and organization's successful. Measuring instrument in order to survive and grow market share in the presence of repeat purchase behavior . Wang (2002) defines, repeat purchase behavior as a function of attitude toward the product or service.

Marketing mix influence on consumer purchase decisions. Because of the marketing mix is a strategy used in the field of marketing to create exchanges in achieving the company's goal to make a profit and will increase the volume of sales of its products, so that the company's products will increase if the consumer decides to buy the product (Constantinides, 2002). From the background described above, then the problem can be formulated in this study are as follows :

1. Is the marketing mix simultaneously influence the purchasing decision of leather shoes product in Sidoarjo's SMEs ?
2. Is the marketing mix partial effect on product purchasing decisions of leather shoes product in Sidoarjo's SMEs ?
3. Which of the four marketing mix variables most dominant influence on product purchasing decisions of leather shoes product in Sidoarjo's SMEs ?

Literature Review

Marketing Definition

Definition of marketing by Kotler (1997) is a social and managerial process in which individuals and groups obtain what they need and want by creating, offering and exchanging products of value with others. Marketing involves many individuals and organizations in different situations. But they are all the same, that involves one or more individuals or organizations to persuade others to do something. Marketing in its broadest sense is defined as all activities designed to encourage and manage all exchanges to satisfy our wants and needs. Narrower definition of marketing as a whole system of business activities designed to provide something for groups, individuals or organizations that satisfy the consumer, in order to achieve organizational goals.

Marketing Mix

According Kotler and Armstrong (2002), the marketing mix is a set of marketing variables, which can be controlled and the combined company to produce the desired response in the target market. Mahajan (2000) states that the marketing mix is a combination of four variables or core activities of the company's marketing system, namely product, price, place and promotion. Meanwhile, according to Shapiro (2000), classifies marketing tools into four groups known as the 4Ps of marketing, namely product, price, place and promotion. The marketing mix consists of everything that can be done by companies to influence the demand for its products. Activity in question is the decision of the four variables, namely product, price, distribution and promotion. To reach the target market and meet consumer or serve effectively as possible then these activities should be combined. In this case the company or organization does not just have the best combination, but also have to coordinate the various elements of the marketing mix to implement effective marketing programs. In summary of each marketing mix variables are described as follows.

Product

According Mahajan (2000), a product is anything that can be offered to a market to be considered, purchased or consumed . Kotler (1997) states that the product is a complex trait, either a tangible or intangible, including wrapping, color, price, companies and retailers achievement received by the buyer to satisfy wants and needs. According Rayport (2004), is conceptually subjective understanding of the products are top producers "something" that can be offered in an effort to achieve organizational goals through fulfilling the needs and desires of consumers in

accordance with the competence and capacity of the organization as well as purchasing power.

1. Price

Angehrn (2005) states that the price is the value of goods and services measured by the amount of money. Based on the value of a person or company willing to release the goods or services owned by the other party. In the company, the price of a good or service is the determination of the market demand. Prices may affect the company's competitive position.

2. Place

Place reflects the company activities that make the product available to target consumers. Part of the task is to choose an intermediary distribution that will be used in the distribution channels that are physically handling and lifting products through the channel, meaning that the product can reach the target market in a timely manner.

3. Promotion

Promotion reflects the activities that communicate product benefits and persuade consumers to buy it. So, this promotion is a component used to deliver and influence the market for the company's products. The activities included in the promotion are advertising, sales promotion, personal selling and publicity. The aim of the campaign itself is to disseminate information about the product to consumers, increase sales gain, get new customers and loyal customers, maintain the stability of the sale when the market is weak, to favor its own products as well as forming the image of the product in the eyes of consumers as desired.

Purchase Decision

According Schiffman, Kanuk (2004), the purchase decision is the selection of two or more alternative choices purchasing decisions, it means that one can make the decision, should be available some alternative options. The decision to buy can lead to how the decision making process was done. Consumer purchasing decisions are influenced by consumer behavior. Consumer behavior is a direct action that involved in obtaining, consumption, and spent products and services, including the decision processes that precede and follow these actions (Engel et al., 2001).

Research Methodology

Data and Variable

The data used in this study is primary data. In this study primary data includes data from distributing questionnaires to the respondents. With the independent variables (the marketing mix) and the dependent variable (purchase decisions), which consists of 18 statements of the variable product (X_1) which consists of 4 indicators, price (X_2) consists of 3 indicators, distribution / place (X_3) consists of 3 indicators, promotion (X_4) consists of 4 indicators and purchasing decisions (Y) consists of 4 indicators.

Data Analysis Methods

The analytical tool used to test the hypothesis in this study is the use of multiple linear regression with a significant level of 5 %. And to get a good result, multiple linear regression required to perform classical assumption.

Validity and Reliability Test

Validity Test

According Shapiro (2006), validity is the accuracy or precision of an instrument to measure what you want to measure. Validity test is used to measure whether or not a valid or invalid questionnaires. A questionnaire be valid if the statements in the questionnaire was able to reveal something that will be measured by the questionnaire (Zang, 2001).

Reliability Test

According Zang (2001), reliability is a tool to measure a questionnaire which is an indicator of the variables or constructs. A questionnaire said reliable if someone answers the statement is consistent or stable over time.

Likert Scale

Likert scale is a scale used to measure attitudes, opinions, perceptions of a person or group of people about social phenomena. With the Likert scale, variables to be measured are translated into an indicator variable. The data used to measure respondents are quantitative data. By using a scoring system that has the highest weight to the lowest points and earn 5 points 1.

Multiple Linear Regression Analysis

Multiple regression analysis aims to determine the influence of the independent variables (marketing mix) to the dependent variable (consumer purchasing decisions). The general form of the multiple linear regression equation used in this study are as follows :

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Where :

Y = Purchasing decision; a = constant; X1 = product; X2 = price; X3 = distribution/place; X4 = promotion; e = error variable, is mean other's factor influence Y

Partial Test

T test is intended to determine the influence of each independent variable individually (partially) on the dependent variable . The results of this test on SPSS output can be seen in the coefficient table. The value of the t test can be seen from the p-value (significant column) for each independent variable, if pvalue is smaller than the specified level of significant or t-count is greater than t-table (Horman, 2001)

Simultan Test

F test is intended to determine the effect of independent variables together on the dependent variable. SPSS output results can be seen in the ANOVA table. F test results indicate the independent variables jointly affect the dependent variable if the p - value is smaller than the specified level of significant or the F- count is greater than the F- table (Horman, 2001)

Discussion

Classical Assumptions Test

Assumptions underlying the multiple linear regression analysis is a normal distribution and the relationship between the dependent variable and the independent variables is linear. Classical assumptions are typically used in economic research, namely the lack of multicollinearity, heteroscedasticity, and autocorrelation in the regression model. By using SPSS 16.0 for Windows applications in the processing of the data, then we obtain the following classical assumption.

Classical Assumptions Test Result

Test	Remarks / Definition
Normality	Normally distributed data because the data spread around the diagonal line.
Multicolinierity	Multicolinierity not occur because the value of tolerance more than 0:10 and VIF value less than 10
Heteroscedasticity	The absence of symptoms heteroscedasticity, the absence of a specific pattern in scatter plots charts.
Autocorrelation	Autocorrelation does not occur because the value of Durbin Watson approached.

Multiple Linear Regression

1. Simultaneous Effect

Multiple linear regression analysis used in this study with the aim to determine whether there is influence of independent variables on the dependent variable. From processing, the regression equation is as follows :

$$Y = 0,218 + 0,319 + 0,415 + 0,338 + 0,282$$

F test is used to test the effect of independent variables on the dependent variable simultaneously. Associated with the proposed hypothesis, explained :

- Ho : there is no significant effect of the marketing mix (product, price, distribution/place and promotion) on purchasing decisions
- Ha : There is significant influence of the marketing mix (product, price, distribution / place and promotion) on purchasing decisions

Testing the influence of independent variables together against the strain variable is done by using the test statistic F. The calculation shows the F count > F table = 18.672 > 2.388 with a significance of 0.000 < 0.05 . this means that the variables are jointly marketing mix (product, price, distribution/place and promotion) have a significant influence on product purchase decisions Leather shoes.

Coefficient Determination (R^2) essentially measure how far the ability of the model to explain variation in the dependent variable. The coefficient of determination is between zero and one (Ghozali, 2005). The calculations using the program SPSS 16.0 for Windows, it is known that the coefficient of determination (R^2 square) of 0.476 obtained. this means that 47.6 % of purchase decisions can be explained by the variable marketing mix (product, price, distribution/place and promotion), while the remaining 52.4 % purchasing decisions are influenced by other variables that were not examined in this study. These variables are education, productivity, and environmental influences.

Partial Impact

From processing, it can be seen that the influence of each of the marketing mix variables is a positive effect. There are two variables that are not significant, the variable product and promotion. For variable products with value $t_{count} > t_{table} = 1,828 > 1,687$, and the $sig > \alpha = 0.061 > 0.05$ means that the variable influence on purchase decisions, but not significant, so the variable products is negligible. For the promotion of the value of the variable $t_{count} > t_{table} = 1,724 > 1,687$, and the $sig > \alpha = 0.087 > 0.05$ means that the variable has positive influence on purchase decisions, but not significant, so the promotion variables are negligible. Meanwhile, two other variables, namely price and distribution / place has significant positive effect. For the price variable with a value of $t_{count} > t_{table} = 3,461 > 1,687$, and the $sig < \alpha = 0.021 < 0.05$, meaning that the price variable positive and significant impact on purchasing decisions. For variable distribution / place with a value of $t_{count} > t_{table} = 2,687 > 1,660$, and the $sig < \alpha = 0.039 < 0.05$, meaning that the price variable positive and significant impact on purchasing decisions.

2. Dominant variables

For product marketing mix variables (X1), price (X2), distribution/place (X3) and promotion (X4) the greatest influence on purchase decisions (Y) is a variable price (X2) with a Beta value of 0.357. Then followed by a variable distribution / place (X3) with a Beta value of 0.293. The next position is a promotion variable (X4) with a Beta value of 0.215 and the latter is a variable product (X1) with a Beta value of 0.192.

Conclusions and Implications

Conclusion

Based on the results of the analysis and discussion, it can be concluded as follows :

1. In the simultaneous marketing mix product is price, distribution/promotion place and influence purchasing decisions leather shoes products in Sidoarjo's SMEs.
2. In partial four marketing mix variables only two significant variables that influence purchasing decisions leather shoes products in Sidoarjo's SMEs, namely price and distribution / place.
3. Variable most dominant marketing mix is price, followed by the distribution / place.

Implications

Above results show that the price is a great value variable influence on consumer purchasing decisions. This might be due to consumers using leather shoes products assume that the price of this product in accordance with good quality and varied features that they can get. And the ease of customers to obtain the products in the market, so that the variable distribution / place should also be considered by the company. The company also needs to improve the quality of products from leather shoe itself. Due to the good quality of the product will cause satisfaction to consumers on a product so as to encourage consumers to recommend the product to others. The company also needs to increase promotional activities in order to get product information advantage to the consumer.

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