

INFLUENCE OF MARKETING MIX (4P) ON MALANG CITY BOARD GAME CAFE CONSUMER BUYING DECISION

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ABSTRACT

Purpose – The study seeks to examine which Marketing Mix (4P) variables influence on consumer buying decision to board game cafe. This paper aims to explore four variables of Marketing Mix (4P): product, price, place, and promotion.

Design/methodology/approach – The research was founded on a quantitative field study, quota sampling method, whose sample was comprised of 97 consumers from two Board Game Cafe in Malang.

Findings – The findings among the entire sample imply that consumer buying decision is positively influenced by all of the variables that were examined. The variable price, place and promotion significantly influencing consumer buying decision to board game cafe.

Originality/Value – These findings indicates that Marketing Mix (4P) can play important role on consumer buying decision. In term of managerial implications, a board game cafe should, preferably, not only focus on the tangible aspects of a product but also the intangible or unobservable product attributes.

Keywords: Marketing Mix (4P), Consumer Buying Decision, Board Game Cafe, Malang City

INTRODUCTION

Malang is the second biggest city in East Java, Indonesia. The city is considered a cool, clean, peaceful place for tourism and education. Interest in choosing Malang as the city for higher study levels is also supported by the development of schools, universities, and developed living areas. As the number of Malang population grows, mostly by the student newcomers aged 19-25 years old, the business sectors of Malang are also growing rapidly during 2012-2014 especially in hospitality, food and beverages, and leisure. The number of corporate taxpayer in this business field is growing from 567 in 2011, 671 in 2012, and 703 in 2013 (Malang Media Center, 2014). Restaurants and cafes are opened in many areas of Malang city offering various concepts and products for the consumers. In 2013, the new concept of Board Game Cafe was built as the new offering of cafe business. Kotler and Armstrong (2010) said that it is impossible to attract all groups of consumers in the market or all buyers in similar way. Because the

concept is new and the cafe must compete with other cafes, Board Game Cafe must prepare the appropriate and controlled Marketing Mix concepts, in order to reach the certain sales level of the target market (Kotler in Akrani, 2010). By using the right Marketing Mix (4P), product-price-place-promotion strategies, the Board Game Cafe business can decide the proper way to face the other cafe competitors in providing hospitality and leisure.

Conceptual Background

In accordance with the research question, the conceptual framework (see Figure 1) was developed to guide this study.

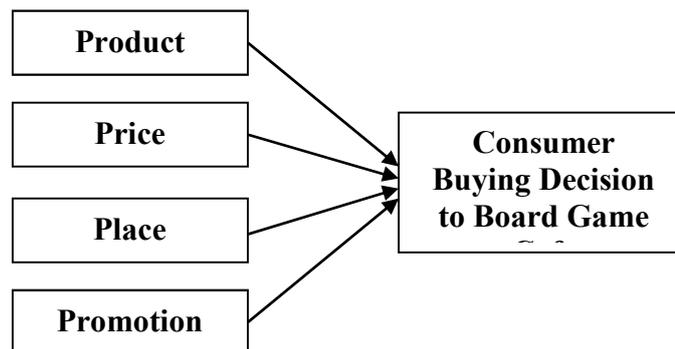


Figure 1. Conceptual

CONTEXT AND REVIEW OF LITERATURE

Cafe

The first time use of the term ‘cafe’ was in 1802, with the definition of a small and informal place that provides a variety of beverages (such as coffee); a restaurant where you can get simple food and beverages (*Merriam-Webster Dictionary*, 2014).

Board Game

Definition of Board Game

The first time use of the term “board game” was in 1889, with the definition of a strategy game (like *checkers*, *chess*, or *backgammon*) which is played by moving pawn(s) on a special board (*Merriam-Webster Dictionary*, 2014). Board game is a game that uses any type of board or mat to play, and is usually played by more than one person at the same table (Wisana, 2011).

Benefits of Playing Board Game

According to Wisana (2011), gathering a group of people at the table to play together is a phenomenon that can only be created by a board game. A board game is unique and has a strong influence on the mental development of the players. Board game has several advantages and benefits, which are:

Rules

Board Game is a game full of rules. Board Games will only be played well when all players abide by the rules. This means that this game is indirectly train players to consciously abide by the rules and being honest.

Social Interaction

Most Board Games titles can be played by more than 3 players. With these variations, board games could invite fellow players to work together and defeat the game itself, negotiating, role playing, bluffing or other action that requires the player to interact with other players. Behind the goal to win the game, each player also unconsciously have intense communication with other players during the game progressed, both with the purpose of deceit, joke, negotiate, and discuss the existing rules.

Education

An exciting board game commonly packed into a specific theme that is also interesting, for example Monopoly is packed into an investment or land purchasing theme or Agricola which had a theme of managing the farm. Other board game gives new knowledge to the players, and not a few players become interested to know more about the themes raised by a board game. Apart from the theme, almost the entire board game requires the player to sharpen the brain as set strategy, predict, prepare tactics, and decision-making. The experience gained is different when the players come face to face with other players and see the consequences of any decision-making that happen for him and those around him.

Risk and Simulation

Every human action must have influence and consequence, either directly or indirectly. With board games, every decision will be simulated quickly. Players will be able to see the result of which he caused in a social group (fellow players) as a form of decision that he took during the game. Every betrayal, broken promises, solidarity, good luck, and cooperation in the game, will result in a direct reciprocal relationship between the players. In other words, the board game is a game that trains social life situation by providing simulated training to players.

Levels of Generation

Not everyone can enjoy digital games, especially the elderly. Since most of the digital game to rely on its agility in technology, such as moving the mouse or joypad. Some parents consider digital games are too complicated and is no longer time for them to play.

Instead, board game is a conventional type of game that has been known since long. Not required special understanding to be able to play it, so that everyone can directly play board games. Players can easily invite parents to play board games together.

Consumer Buying Decision

In this era, modern consumers are facing more complicated decision-making process, because there are too many options that can be taken. Ironically, consumers face a big problem not because of too little choice, but because of too much. This condition is called consumer hyperchoice, where conditions provide a large number of options to be taken that may seize the psychological energy to make a smart choice. This phenomenon makes consumer decision making process (See Figure 2) become more complicated. Solomon (2013) says that a purchasing decision process is a response to a resolution of problem. A purchase can be decided quickly, but at different times can be a job that

takes time to plan. For example, someone may take several days or weeks to plan to buy an iPhone or an Android.

STAGES IN CONSUMER DECISION MAKING

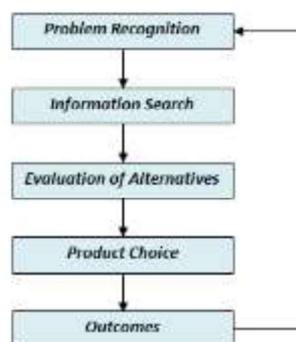


Figure 2. Stages in Consumer Decision Making

During the process of decision making, Marketing Mix can be the guidelines for user(s) in three stages: (2) information search, when user(s) gather information from Marketing Mix to solve problems, (3) evaluation of alternatives, when user(s) evaluate and find appropriate products or services offered, and (4) product choice, when user(s) decide which products or services have to be taken or used for the problems.

Marketing Mix (4P)

Kotler and Armstrong (2010) defined Marketing Mix as a combination of controlled marketing variables, which is used by companies to achieve a certain level of sales in the target market. Marketing Mix consists of four elements, namely Product, Price, Place, and Promotion. All four elements of the 4P are the main elements that must be properly addressed in order to achieve marketing objectives.

Product

Kotler and Keller (2009) defined product as anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, people, places, equipment, organization, information, and ideas. Board game cafe is a products and services provider, with certain social approach. In the customer-value hierarchy, the level of the product served is the *expected product*, which needs group of attributes and conditions buyers normally expect when they purchase this product. Buyers want the convenient cafe, with good food, exciting games, memorable experiences with friends or families, and great satisfaction.

H₁: Consumer buying decision is positively influenced by product, i.e. the higher the amount of product, the higher the consumer buying decision.

Price

According to Kotler and Armstrong (2010), determining the right price is one thing that is hard to do by a marketer. But in the end, the consumer who decides whether the price of a product is right or not. Consumers are more concerned with the perception of value that he obtained from the seller than the costs incurred. When consumers buy a product, they exchange something of value (price) to get something of value (the benefits of

having or using the product). Effectively, the consumer-oriented pricing requires an understanding of how much consumers value measured for the benefits of the product.

H₂: Consumer buying decision is positively influenced by price, i.e. the higher the satisfaction rates of price, the higher the consumer buying decision.

Place

According to Levy and Weitz (2009), the design of the stores' operations of a business is also a thing that needs to be well prepared. For a board game café venture, the atmosphere (atmosphere) is considered a very important aspect, because the consumer will spend time and enjoy the products and services offered on the site until he left the place.

Atmosphere (atmosphere) according to Levy and Weitz (2009) refers to design a store environment through visual communications, lighting, color, music and aroma that stimulate consumer perceptions and emotional responses and influence buying behavior. Research has shown that it is very important that this atmosphere elements work together - for example, the right music with the right scent.

H₃: Consumer buying decision is positively influenced by place, i.e. the higher the satisfaction of the place, the higher the consumer buying decision.

Promotion

Marketing communications are used by companies to inform, persuade, and remind consumers, directly or indirectly, about the products and brands sold. In essence, marketing communications represent the "voice" of the company and the brand as well as a means by which companies can create a dialogue and build relationships with consumers.

The forms of promotion are often encountered in the community according to Kotler and Keller (2009) referred to the marketing communication mix or marketing communication mix, which is comprised of eight main communication models, namely: (1) advertising, (2) sales promotion, (3) events and experiences, (4) public relations and publicity, (5) direct marketing, (6) interactive marketing, (7) word of mouth marketing, (8) personal selling.

H₄: Consumer buying decision is positively influenced by product, i.e. the higher the number of promotion, the higher the consumer buying decision.

Influence of Marketing Mix (4P) in Consumer Buying Decision

Disa (2013) found that good facilities and service quality can influence consumer buying decision. Ryu *et al.* (2012) in their research found that product quality and good service can influence customer satisfaction, which can affect the consumer buying decision.

Prices significantly influence purchasing decisions as consumers consider the price that competes with the competitors before purchase (Kristianto, 2013; Nganduh, 2013; Satit *et al.*, 2012). Pricing is very important to note because the price reflects the value perceptions of consumers for products or services and all marketing decisions are highly correlated with the price (Jenster *et al.*, 2005 in Satit *et al.*, 2012).

The atmosphere can be a reference for someone to make a purchase or make a choice. Levy and Weitz (2009) stated that the creation of the design of a store environment through visual communications, lighting, color, music and aromas can stimulate consumer perception and emotional response, which strongly influence buying

behavior. Tongku (2013) found that a good atmosphere can bring a positive influence in influencing buying decisions. Ryu *et al.* (2012) in his research found that a good physical environment can affect customer satisfaction, which will also affect buying behavior.

Effective and attractive promotion can help a person in making choices or buying decision. Tongku (2013) found that effective promotion campaign on various instruments have positive influence on purchase decisions. Te'eni-Harari and Jornik (2010) in his research found that the influence of others can be a very powerful direct promotion for a person in making purchasing decisions. Kotler and Keller (2009) stated that the total marketing mix or marketing communication mix, which is used by companies to communicate persuasively, can create consumer value and building customer relationships.

H₅: Consumer buying decision is positively influenced by Marketing Mix, i.e. the higher the use of effective Marketing Mix, the higher the consumer buying decision.

METHODOLOGY

Research Design

The study was founded on a comprehensive, quantitative field study, using causal connections between independent variables of Marketing Mix (4P) product-price-place-promotion towards the dependent variables consumer buying decision. The consumers asked to be the respondents are also asked to write their opinions and preferences about their likes and dislikes of the Board Game Cafe in the critics and suggestions section in the questionnaire.

Samples

The study was carried out in two Board Game Cafes in Malang City, which claim themselves a Board Game Cafe, and both of them are chosen to be the place for the research. There are 3.000 people found as the population, 1.200 from Lego House Board Game Cafe and 1.800 from UNO Board Game Cafe. Using the Slovin formula to count the minimum sample should be taken in the research, with 10% error bound, the number of respondents taken is 97 respondents, 39 respondents from Lego House Board Game Cafe and 58 respondents from UNO Board Game Cafe. The method used is non-probability sampling, quota sampling type.

Measures

The questionnaire was designed in likert scale, with Marketing Mix (4P) product-price-place-promotion as four independent variables and consumer buying decision as the dependent variable. Each of the question has 4-point likert scale as the measurement of product, price, place, and promotion over consumer buying decision. The Cronbach Alpha coefficient for product, price, place, and promotion over consumer buying decision were 0.793, 0.642, 0.718, 0.688, and 0.702.

FINDINGS

Results among the entire research sample

Linear regression analysis was used to access the direct effect of product, price, place, and promotion on consumer buying decision to board game cafe. The linear regression results showed (See Table 1) that Marketing Mix (4P) as the independent variables accounted for 41.3 percent of the variation in consumer buying decision ($R^2=0.413$; Adjusted $R^2=0.387$, $F=16.170$, $Sig.=0.000$).

Table 1. Linear regression results

	Coefficients			
	B	Beta	t	Sig.
Constant	.911		3.274	.001
Product (X ₁)	.043	.045	.413	.680
Price (X ₂)	.198	.252	2.735	.007
Place (X ₃)	.222	.296	2.869	.005
Promotion (X ₄)	.242	.259	2.705	.008
R	.643			
R ²	.413		F	16.170
Adjusted R ²	.387		Sig.	.000

Source: Processed

Consumer buying decision was positively and insignificantly influenced by product ($B=0.043$, $Beta=0.045$, $Sig.=0.680$). Consumer buying decision was positively and significantly influenced by: price ($B=0.198$, $Beta=0.252$, $Sig.=0.007$), place ($B=0.222$, $Beta=0.296$, $Sig.=0.005$) and promotion ($B=0.242$, $Beta=0.259$, $Sig.=0.008$).

As can be seen, consumer buying decision was positively influenced by all of the independent variables, significantly influenced by price, place, and promotion. Based on these findings, it can be determined that $H1$ (product), $H2$ (price), $H3$ (place), $H4$ (promotion) and $H5$ (marketing mix 4P) were confirmed.

DISCUSSION AND IMPLICATION

Based on multiple regression analysis, the findings revealed that among the 4Ps tested, that is, product, price, place, and promotion, only product that is not significantly affect in marketing mix to affect customers' buying decision-making to board game cafe. The other three: price place and promotion emerged as the strong predictors. This finding thus corroborated with other studies of reference: about price (Kristianto, 2013; Nganduh, 2013; Satit *et al.*, 2012), place (Levy and Weitz, 2009; Tongku, 2013; Ryu *et al.*, 2012), promotion (Kotler and Keller, 2009; Te'eni-Harari and Jornik, 2010; Tongku, 2013). In terms of product, the perception of high product and servive quality will directly lead to high levels of purchase intention and repeat buying. Jauw (2014) found that products may does not matter for consumers as long as the other aspects are supportive to the buying decision. For example, when customers see that the board game cafe have a great convenient place to stay or attracting event and discount, instead of great package of products and services, they will still be interested in coming and staying to play. To make the product elements more affective, product attributes such as

product quality, complete and accurate information, capability to give suggestions and assistance, superior service, and so on have to be upgraded. Then, it may influence customer decision-making over coming back to board game cafe.

In terms of managerial implications, board game cafe should, preferably, not just focus on the tangible aspects of a product. Rather, they should seriously focus on the intangible or unobservable product attributes, such as game packaging, game play instructions, supporting decorations and interior decorations, safety place for food and beverage under the table surface and so on. For price strategies, board game cafe should provide special package and discount especially for students, i.e ladies day every Wednesday, 25% discount from 1 PM up to 5 PM for food and beverage, or 30% direct discount for student card bearer. Atmosphere situation should also be attended, by providing proper lighting, dividing the smoking and no smoking area, maintaining toilet and wash basin hygiene, supporting interior decorations and music. For promotion aspects, board game cafe can provide innovative events such as gaming competitions, new game training, special package promo (i.e lunch package) and buy more get bonus (buy 3 get 1 more!).

CONCLUSION

Marketing Mix (4P) affect and play an important role on board game cafe consumer buying decision. The variable price, place and promotion positively and significantly influencing consumer buying decision. A board game cafe should not only focus on the tangible aspects of a product but also the intangible or unobservable product attributes. The board game cafe business is a creative and innovative business. It needs entrepreneurial creativity and periodic control in its performance and service in order to fulfill the consumers' desires, especially the intention to playing games together and having fun on site, as well as serving proper food and beverages.

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