

ANALYSIS OF MARKETING MIX ABOUT PEOPLE'S BUYING DECISION OF WALKING REVIVAL PRODUCTS

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ABSTRACT

The market value of textile and fashion products industry in Indonesia in the year 2015 reached US\$15,19 billion or Rp 208 trillion (13.700 IDR/USD). The industry had grown by 4.7% compared to 2014. According to the calculation of Indonesian Synthetic Fiber Producers Association (APSyFI) sourced from Bank Indonesia, in the last 5 years, the purchasing power of people for textile products rose from 1,21 million tons to 1,75 million tons. The involvement of Indonesia in producing the world's leading products will continue to grow as evident by the vast amount of foreign brands manufactured in Indonesia.

This research uses quantitative data by distributing questionnaires on 55 respondents and utilizes multiple linear regression method, supported by SPSS program. The research variables are product, price, promotion, place, and buying decision.

The results of this research indicate that buying decision is affected by the quality and design of the product, appropriate price setting, emotional impact of promotions, Instagram as a promotion medium, and LINE@ as a communication medium that connects the seller and the buyers.

Keywords: Marketing Mix, Purchase Decision

INTRODUCTION

Based on the calculation data from Indonesian Synthetic Fiber Producers Association (APSyFI) that be based on Bank Indonesia asserted that the purchasing power of Indonesians in textile consumption per capita has been increased from 5.03 kg to 6.82 kg in recent 5 years. Syaiful (2015) stated that the involvement of Indonesia in producing world's leading products will keep on growing. It means that Indonesian fashion industry grows significantly, it can be seen from a numerous of foreign brands which produce their own productions in Indonesia.

Indonesia recognizes five religions: Islam, Christianity, Buddhism, Hinduism, and Confucianism. Christian is divided into two: Protestantism and Catholicism. The total population of Protestantism in Indonesia in 2013 was 16.528.513 and the Catholicism one was 6.907.873. The data were taken from the Ministry of Religious Affairs Indonesia. It showed that Christian population exists in Indonesia.

Clothing is a primary need of every individual because everyone always wear clothes in their daily life. By in great quantities of clothing industry in Indonesia, *Walking Revival* was established as clothing business. *Walking Revival* is an apparel industry which is focus on T-shirts, and special Christianity clothing that is located in Surabaya. *Walking Revival* is a clothing brand with its vision to share the "Gospel" and bring the revival spirit until the end of

the earth. “Sharing the gospel and bringing the spiritual victory around the world,” based on the Holy Bible in the Acts of Apostles 1:8 is the fundamental value of the brand. The business is a start-up one since 2015. The means that used as a promotion of the brand are the social media, that is: Instagram and LINE. The followings are the last ten-month sales report of *Walking Revival*.

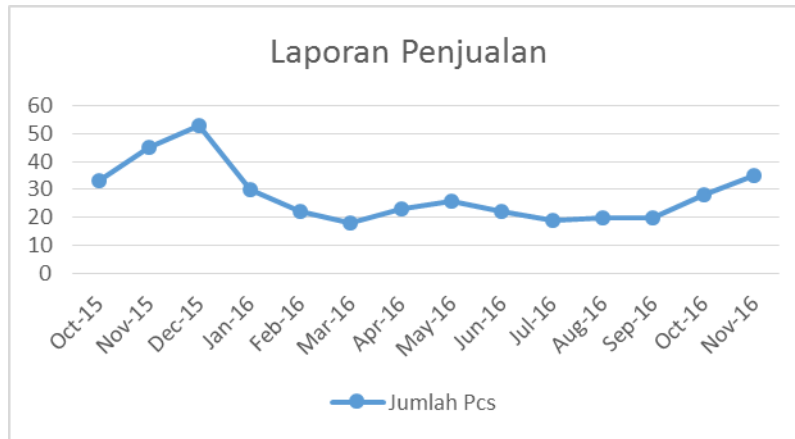


Figure 1 The last ten-month sales report of *Walking Revival*
Source: Internal *Walking Revival*

The data in the Figure 1 shows that the selling of *Walking Revival* encounters both increase and decrease. This is due to the fact that *Walking Revival* offers Christian-specific T-shirt so that during the high session in Christmas and Easter, the sales increases and the sales decreases once the celebration of Christmas and Easters come to an end.

“Marketing mix describes the set of tools that management can use to influence sales,” Kotler (2003). From the statement it can be concluded that the means of marketing mix consist of product, price, place, and promotion. Those aspects are essential for entrepreneurs in managing their business.

The sales of the products keep the business going, hence it needs to concern on the four aspects of marketing mix to make the selling number reaches its maximum. Marketing mix can also be the standard for the consumers in making their decision to buy certain products.

The social media usage in Indonesia is plentiful as it is shown from the statistics by Indonesian Internet Service Providers Association (APJII) stated that from 100% of total population in Indonesia; 97.4% of them are the social media users.

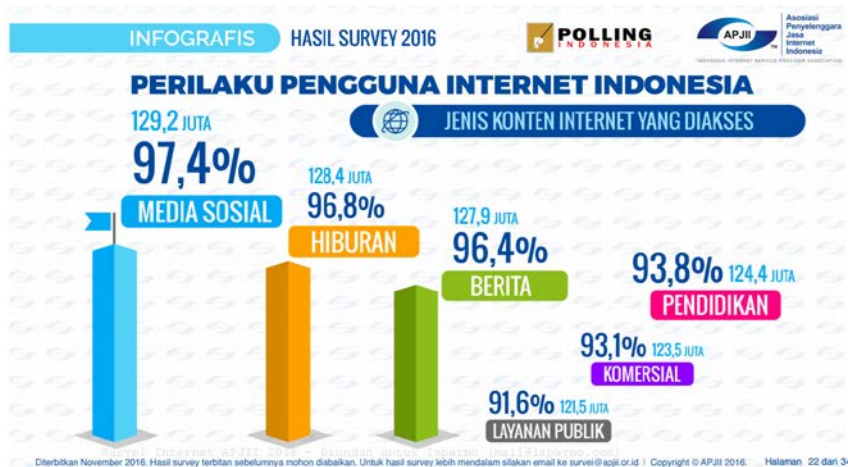


Figure 2 Internet Usage Behavior in Indonesia 1

Source: APJII

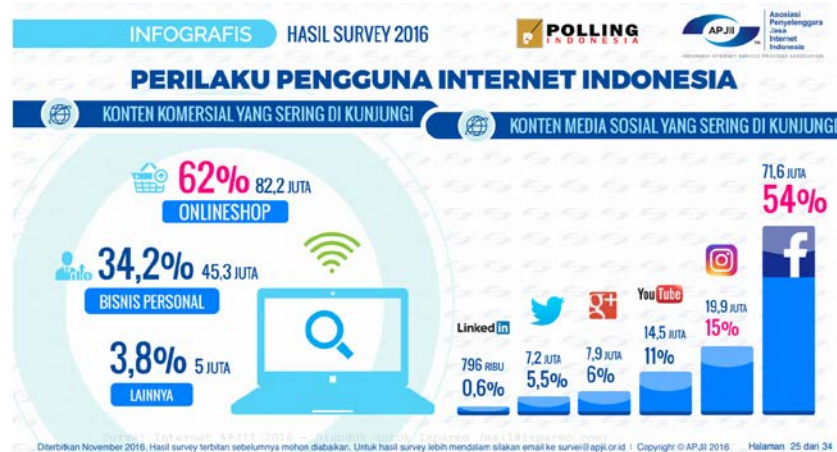


Figure 3 Internet Usage Behavior in Indonesia 2

Source: ASPJII

James Stoner stated, “decision making is an act performed in order to choose a certain way in resolving a problem”. In this case, the decision making depends on the product purchasing, until buying decision is a way of the problem solution whether one should buy the product or not. Ministry of Communication and Information stated that nowadays the number of internet users in Indonesia are approximately 63 millions of people; 95% of them use the internet to access social media. The data indicated that the using of social media in running business is effective due to the plentiful number of social media users. Social media is an easy access medium for entrepreneurs to help managing their businesses without time and place limitation. Based on the previous explanation regarding the background of the study, the researcher found that it is necessary to conduct and analyze the factor of the product, price, promotion, and place towards the decision of the consumers to purchase the product of *Walking Revival* in social media.

LITERATURE REVIEW

Previous Research

Firstly, a study conducted by Masrita (2013) entitled “*The Influence of Marketing Mix on Purchasing Decision Making Studi on Dekranasda Showroom of Jambi Province*”. This study aim was to explain whether there was significant differences from product factor, price, promotion, and distribution towards the decision of the consumers to purchase batik in Dekranasda Showroom. The study also explained the most dominant factor among the factor of product, price, promotion, and distribution in purchasing decision. The research method in the study used probability sampling technique and the number of the sample are 100 respondents. The result of the study simultaneously showed that the variable of the product (X_1), price (X_2), promotion (X_3), and distribution (X_4) leveraged significantly towards purchasing decision (Y) of batik Jambi in Dekranasda Showroom of Jambi Province. Partially, variable of product, price, and promotion gave significant impact towards purchasing decision of batik in Dekranasda Showroom of Jambi Province; however, variable of distribution gave less significant impact. Based on further calculation, variable of price became the dominant leverage towards purchasing decision of batik in Dekranasda Showroom of Jambi Province.

Secondly, Junio Andreti, Nabila H. Zhafira, Sheila S Akmal, and Suresh Kumar (2013) conducted a study entitled “*The Analysis of Product, Price, Place, Promotion, and Service*”.

Quality on Customer's Buying Decision of Convenience Store: A Survey of Young Adult in Bekasi, West Java, Indonesia". The aim of the study was to identify the dominant factors of product, price, promotion, and service quality which leveraged the purchasing decision of customers in Bekasi. The research method used non probability sampling technique and the number of sample were 300 respondents. The result of the study showed that the ones with high impacts toward the customers in making purchasing decision were price, promotion, and service quality.

Other research conducted the same topic that held by Ernani Hadiyati (2016) entitled "*Study of Marketing Mix and AIDA Model to Purchasing Online Product in Indonesia*". The study focused on finding out as well as analyzing the leverage of AIDA-modeled marketing mix. Marketing mix and AIDA Model gave an impact towards the customers who bought online products. The method of the research used accidental sampling, customers who bought products online, and the number of the sample were 97 customers. Hadiyati employed path analysis as a means of analyzing the data collected. The result showed that marketing mix gave an impact towards AIDA Model. Marketing mix and AIDA Model leverage both directly and indirectly toward the customers in purchasing online products. Based on the study finding, in conclusion, marketing mix leveraged the purchasing decision of the customers in buying online products.

Marketing Mix

Lamb, Hair, and McDaniel (2006) declared that "marketing mix is a unique strategy of product, pricing, and promotion in order to cause a beneficial exchange with the targeted market." Marketing mix has four marketing strategies in making decision, that is: marketing decision, promotion decision, distribution decision, and price decision. In implementing certain strategy, the manager usually takes account, such as: (1) service products, ideas, or products created in order to meet the needs of the customers. In this case, the product being offered to the customers is Christian T-shirt. (2) Price determination is a balancing act so that the price given meets the expectation of the customers. In this study, the price offered is based on the calculation of the business owner as well as considering the needs of the customers. (3) Promotion is a mean or a way in sharing the information regarding the product to the customers. In this case, the act of promoting the T-shirt is held through making use of social media. (4) Distribution or placing is an outlet as a transaction place in which the seller and the customer meet. In this study, social media of Instagram and LINE@ become the place for transaction of the product.

Definition of Product

Tohar (2000) in his book entitled "Membuka Usaha Kecil" defined a product as everything or a concrete object sold to the market for usage, ownership, consumption, in order to satisfy the wants or needs. A product is a concrete observable and touchable object meaning that everything going through the process of production is a concrete object. A product is a real object, as well, so that there are various types of objects in life. In general, products are divided into two, consumer products and industrial products. (a) A consumer product is the last result consumed by the end-users or the households without any business or reselling purposes. The examples of consumer products are daily necessities, shopping goods (in which comparison regarding quality, price, and model are needed when buying), and specific goods (having their own unique qualities). (b) An industrial product is a good that is used in a process for the purpose of marketing development program. The examples of industrial products are raw materials, factory spare parts, operational supplies (daily products used by the sector of industry).

The Importance of Price

From the book “Business” written by Griffin & Ebert (2006), it is stated that price is a strategy in order to determine the income of a business; hence, price fixing is an essential element. There are three choices in terms of pricing: (1) Premium pricing is a way of establishing a price higher than the market. The justification usually stated is that high price equals better quality. (2) Penetration pricing is a way of entering the market by establishing price lower than the market. A thing to maintain while using such pricing is quality. (3) Economy pricing is a way of determining a price relatively close to the market.

The Importance of Marketing in Products Promotion

Cannon et al. (2008) in his book entitled “Basic Marketing” stated that every aspect in daily life is an impact of marketing, for instance a place to buy a certain product, what type of product to consume, or television programs to watch. Marketing is a strategy used by organizations in order to focus on certain goods needed by customers so that the customers are able to satisfy their needs. Once the customers meet their needs, marketing process becomes easier. Marketing offers an appealing and promising career opportunity, too. Marketing process plays an important role on the success of a company.

Distribution/Product Placement

(1) Distribution by Social Media of Instagram: A way of promoting products, besides using printed media or television, online media also can be used. Online media becomes the channel of product distribution. Due to its integrated system as well as its global range, people tend to use online media, such as Instagram. Instagram provides such enticing services and functions towards its users. Instagram makes it more expressive in sharing news or information since it uses pictures, photos, or short-length video. Services that given by Instagram are free that makes it is easy to access and attract a large number of people to download the application and sign up. The large number of users becomes the highlight for advertisement and promotion and gain benefits from its users. (2) Promotion using the Social Media of LINE@: The new service held by LINE called LINE@ is a specific application for business owners. LINE@ facilitates business owners to manage, to communicate, and to promote their businesses and it becomes a means of product distribution. The features provided in the social media of LINE@ help the owners of online shops as it not only promotes the products, but also helps the owners in managing their online shops, for example the application is accessible for more than one administrators, so that having multiple account to communicate with a number of customers at the same time is unnecessary. LINE@ also has the broadcast message feature to help owners in reaching out their many customers without having to spend much time, but at the same time it helps to gain the selling of the product. Those features provided by LINE@ attract online shop owners in order to promote their products as well as to get more sales.

Purchasing Decision

The Role of Purchasing

Making a decision in purchasing has five factors in influencing the customers, those factors are: (a) Initiator: A person who gives an advice to purchase the product or the service. (b) Influencer: A person whose point of view or advices to influence other people in making purchasing decision. (c) Decider: A person who determines the decision of other people in purchasing the product. (d) Buyer: A person who directly purchases the product. (e) User: A person who directly uses the purchased product or service.

Buyer Decision Process

A consumer, before deciding to purchase a product, has to pass through the process so-called buyer decision process. Such process consisting of five steps explains on how a consumer

determines his/her purchasing decision and the impact after purchasing. Those processes are: (a) Problem/Need Recognition: A consumer recognizes what the problem or need is and identify the product or type of product to purchase. (b) Information Search: The consumer finds out the product which would satisfy the recognized need. (c) Evaluation of Alternatives: The consumer evaluates the information about the products. The search reveals multiple products for the consumer to evaluate and understand which product would be appropriate. (d) Purchasing Decision: The consumer forms a list of preference of the products to make decision on which to purchase. (e) Post Purchase Behavior: This stage determines whether the consumer would like to repurchase the product.

RESEARCH METHODS

This research is the quantitative. Martono (2011) in Sutanto (2014) explained that quantitative research is conducted by collecting numerical data to be processed, and to be analyzed in order to obtain scientific information. This study employed the customers of *Walking Revival*, who purchased the products online via Instagram and LINE@, as the subject of the study. The population of the customers of *Walking Revival* were 120 customers. The amount of sample—a part of population to be analyzed, for this study was taken using sample calculation of Slavin formula (Sevilla et al., 2007 in Sutanto; 2014) and the number of the sample for this study is actually 54.5, so the researcher rounded the figure to become 55 respondents. The method employed in the study was Double Linear Regression with several tests: (1) Validity test in order to find out and measure the validity of a questionnaire. Such test observed the indicator of Pearson correlation coefficient with the total indicator of a variable. The significance level used was $\alpha=5\%$ or 0,05 for the measurement to be considered valid. (2) Reliability test in order to find out whether or not the indicator questions are reliable. The formula used for the test is Alpha Cronbach. A variable is considered reliable if the value of alpha cronbach > 0.6 . (3) Double linear regression analysis was used in order to test the relation between more than one free variable (Martono; 2011 in Sutanto; 2014) with the purpose of examining the subordination of dependent variable with at least two independent variables in order to estimate or predict the average of the population or the values of dependent variable based on the recognized independent variables. Double linear regression analysis was taken in order to find out both simultaneously and partially the impact of the material of the product (X_1), price (X_2), promotion (X_3), and place (X_4) towards the purchase decision (Y) of the customers of *Walking Revival*. (4) Hypothesis test consists of: (a) F test in order to determine whether the free variable gives a significant impact towards the fixed variable simultaneously. (b) T statistic test in order to determine the impact of an individual independent variable in order to explain the varied dependent variable. T test was done by distributing the value of t significance with the significance level of 0.05. (c) The determination coefficient (denoted R^2) was used in order to measure the ability of the model in explaining every bound variable. (Ghozali; 2009 in Sutanto; 2014). The value of determination coefficient is within 0 to 1. (5) Classical assumption test was held in order to find out that double linear regression is capable to become a well-measured tool. Double linear regression model ought to meet the BLUE (Best Linear Unbiased Estimator) criteria (Kuncoro 2013).

RESULTS AND DISCUSSION

Some critics said that products of *Walking Revival* should vary the collection so that the product offered to the consumers is not only T-shirts. It prevents the consumers from the boredom of the homogeneity of the product. Some examples of products are bracelets, necklaces, pins, or other accessories under the Christian theme. Besides, *Walking Revival* never checked the products before the distribution, it is necessary for the company to do the checking as consumers pay a good attention of the product quality. Previously, the price of the product was the same,

Walking Revival ought to make considerations before making fixed price. Another point is that the discount used to be given towards unsold product, so *Walking Revival* ought to give the discount towards the entire products so that the customers are able to get the discount in all products. The price is considered expensive, so in order to attract more customers, it is necessary to lower the price during the launching so that the customers will rethink to purchase the product after the launching. *Walking Revival* ought to have scheduled-promotion in order to gain the attention of the social media users. Previously, the type of promotion held by *Walking Revival* is only by giving discount; however it is necessary to create a more unique medium, namely a video which motivate not only the customers but also other people to become more religious or a video of an inspiring figure, etc. The use of social media of Instagram which previously was only due to the large number of users, *Walking Revival* now has to focus on using the platform as a means of promotion and interacting with the customers in order to optimize the work force and minimize the use of times. The features provided by the social media of Instagram and LINE@ ought to be maximized in terms of usage as a means of distributing the products since both platforms attract many customers. By optimizing the features available on the platforms, *Walking Revival* is able to serve its customers more professionally. It is important to pay attention to the use of Instagram as a promotion medium in attracting consumers and the use of LINE@ as a communication medium in order to facilitate the interaction with the customers.

CONCLUSION

Based on the analysis on marketing mix towards the purchasing decision of *Walking Revival*'s product, it can be concluded that: (1) Product leverages towards the decision in purchasing the product of *Walking Revival*. The important keys of the product are quality and design. (2) Price makes an impact in making purchasing decision of the product of *Walking Revival*. It is not only about low-price, but also the quality. (3) Promotion leverages towards the customers in buying the product of *Walking Revival*. To promote the product is essential; however, the type of promotion involving the customers emotionally, namely sharing the picture of spiritual activities in which the participants wear the product of *Walking Revival* is more essential. (4) Product placement/distribution gives an impact in purchasing decision of *Walking Revival*'s product and nowadays one of the most effective places in order to have a transaction is by using online platforms. Instagram plays the role of a platform to promote the product as well as to attract the attention of the customers. Meanwhile, LINE@ plays the role of a platform to communicate and a process of making purchasing decision of the customers. LINE@ is also considered effective as a platform to facilitate the post purchase behavior.

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