The Management Journal of BINANIAGA Vol. 03, No. 01, June 2018
PISSN: 2527 – 4317
EISSN: 2580 – 149x

Research.

THE EFFECT OF MARKETING MIX UPON THE CONSUMER'S DECISION MAKING TO BUY A PRODUCT AT PT GRIYA PAGELARAN BOGOR

Sumardjono and Heni Ardila
STIE Binaniaga, Bogor, Indonesia

Received: January 23, 2018; Accepted: April 9, 2018; Published: June 30, 2018
To cite this article: Sumardjono and Heni Ardila, *The Effect of Marketing Mix upon The Consumer's Decision Making to Buy a Product at PT. Griya Pagelaran Bogor*, The Management Journal of BINANIAGA, Vol. 03, No. 01, June 2018, pp. 59 - 70.

Abstract. *The purpose of this study is to determine and prove whether the variables of the marketing mix significantly has influenced the consumer's decision making to buy the product at PT. Griya Pagelaran Bogor. The population of this study are the number of unknown sampling determination using Maximum Likelihood estimation method by taking samples of consumers who their needs has met with the researcher requirement as many as 150 respondents. The analytical method has used ~~is~~ Structural Equation Modeling (SEM) using AMOS 21 program. The result of the research shows that 1) Product Variables have a significance level of 0.05 which is 1,965 > 1,96 and value (p) probability 0,49 ≤ 0.05. Then H_a is accepted and significant effect. 2) Variable Price level of significance 0.05 is 2.023 > 1.96 and has a probability of 0.43 which is below 0.05. And the value (p) probability ≤ 0.05 then H_a is accepted and significant effect. 3) Place Variables significance level of 0.05 is 2.251 > 1.96 and has a probability of 0.24 which is below 0.05. And the value (p) probability ≤ 0.05 then H_a is accepted and significant effect. 4) Promotion Variables 0.05 level of significance is 3.435 > 1.96 and has a probability in accordance with the recommended. And the value (p) probability ≤ 0.05 then H_a accepted and significant effect.*

Keywords: Marketing Mix, Consumer Purchase Decision, SEM

INTRODUCTION

In general, measuring the level of consumer' purchase decision has applied Structural Equation Modeling Method (SEM) which has involved latent variable having linear connection and all its observation values have distributed normal multivariate SEM will produce a valid equation if all the assumptions needed has been achieved which is normal multivariate and its linearity. SEM is a combination method of regression analysis, path analysis and factor analysis.

Since the purchasing decision of the consumer could have been triggered by marketing mix, the effect would be lower than it should be if it is connected with the communication issue thru the process of hierarchical model as the concept of the related model that will introduce how the consumers have been getting thru the steps of attention, interest, desire before reaching the action process. However, when a recent marketing mix is not in accordance with the consumer's interest, the related company will be left by the consumer and the consumer will pick another company that is having added value of job performance of marketing mix. But if the marketing mix has met the interest of the consumers, they will make a decision to use the related product. It happens to the companies which are dealing with trading business, for example, a retail company. As

one of the retail companies in Bogor, Griya Pagelaran supermarket has been visited by a lot of consumers. Based on the observation and investigation that the writer has been doing, Griya Pagelaran Supermarket has encountered marketing mix problems.

Severe competitive situation has made PT Griya Pagelaran Bogor more serious designing the marketing strategy specifically marketing mix referred to 4P (product, place, price and promotion). Griya pagelaran retail has been doing a lot of innovation and creativity to attract the consumers' intention, specially its loyal customers, but there are still many things to be faced by the company since lot of new retail company of the same products are coming up. Retailing company has encountered too much challenges in selling the products since there are so many competitors which are ready to interfere or to steal the loyal customers. Due to the importance of the marketing mix implementation upon the decision to buy, the writer has been interested in doing a study and description in details about the topic above in this scientifically research.

LIBRARY REVIEW

A. Marketing Mix

Marketing mix is the marketing tools consisting of the elements of marketing program to be considered to be implemented in order to make the marketing and positioning strategy success (Lupiyoadi in Swastha, 2001). The concept of 4P marketing mix (Product, Price, Place, Promotion) that was introduced by Mc. Charty is a very famous one in marketing concept since it has been a part of the marketing program and strategy.

1. Product

Product is all the things accepted by the consumers when they are buying or using the product purchased. Formally, product is a complete physical and psychological satisfaction enjoyed by the consumers as the result of buying or using the product (Simamora, 2004)

2. Price

Kotler and Armstrong (2010) defined a price is a certain amount of money to be transferred by the consumer to get a product or a service needed or required.

3. Place

Place is a combination of location and decision over the distribution path, it is related to the way how to distribute a service to the consumer and where the strategic location is. The distribution is referred to the company's activity to make the expected consumers easily find the products (Kotler: 2010).

4. Promotion

Promotion is an important aspect of the marketing which is providing the information to the potential consumers. Promotion is also one of the most important key point in marketing. Having such the promotion, the company will be able to get in touch with the consumer. Promotion is communicating the superiority of product and convincing the potential customers to buy it. (Kotler:2010)

B. Marketing

1. Marketing Definition

Marketing is an integrated system of business activities which is planning, defining the price, promotion and distribution the goods and the products that can satisfy either current customers or potential customers (Swastha: 2002)

2. Purchase Decision

A decision can be done only if there are some alternatives to be chosen. If the alternative ones are not available, the action without having any alternative to choose cannot be defined as a decision making. The process of decision making to buy something has been influenced mostly by the consumer's behavior.

Kotler and Armstrong (2008) defined the process of decision making actually is the process of problem solving in order to meet the consumer's interest and requirement. Consumer is concerned about the characteristics of the products (appearance, style, quality and price) in order to buy the related product. Pricing done by the seller will influence the customer behavior to buy, because a reasonable price makes the customer interested in buying the product.

RESEARCH METHODOLOGY

The data applied in this research is primary data obtained from the customer's purchasing survey at PT Griya Pagelaran Bogor. Population of this research is the consumers who buy the products at Griya Pagelaran Bogor. Total of the population is unknown.

Estimation method applied is Maximum Likehood (MC) where a minimum sample is 100 and maximum one is 200 (Imam Ghozali, 2008). Total samples have been an important role in SEM interpretation. So that, the researcher has decided to get 150 respondents accordingly.

A. Method of Data Analysis

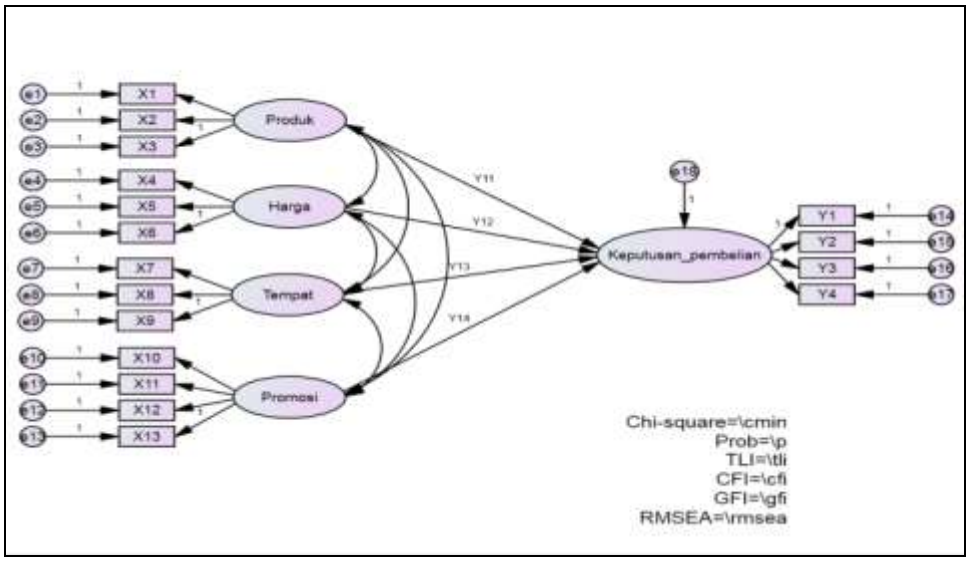
Method of Data Analysis applied is SEM analysis (Structural Equation Modeling) which is operated by getting thru AMOS 20.0 program. SEM is the combination of factors analysis and regression analysis which can describe the correlation of many variables. The steps of SEM model are as follows:

1. Model development based on the theory.
2. Designing Path Diagram and Structural Equation :
   a. Validity Test.
   b. Reliability Test.
3. Selecting the type of Matrix Input and Estimation model offered.
4. Evaluating the identification of structural model.
5. Evaluating the Criteria of Goodness of Fit.
   a. SEM Assumption Test.
   b. Normality Test.
   c. Outlier Test.
   d. Multicolinearity Test.
6. Model Interpretation.

RESULT AND DESCRIPTION

B. Data Analysis Process and Research Model Test

1. Model development based on the theory. Designing path diagram and structural equation.



Structural Equation

$$\eta_1 = \gamma_{11}\xi_1 + \gamma_{12}\xi_2 + \gamma_{13}\xi_3 + \gamma_{14}\xi_4 + \zeta$$

Equation of Exogen variable measurement

Product(ξ1)

X1= $\lambda_{11}\xi_1 + \delta_1$

X2= $\lambda_{21}\xi_1 + \delta_2$

X3= $\lambda_{31}\xi_1 + \delta_3$

Price(ξ2)

X5= $\lambda_{52}\xi_2 + \delta_5$

X6= $\lambda_{62}\xi_2 + \delta_6$

X7= $\lambda_{72}\xi_2 + \delta_7$

Place(ξ3)

X8= $\lambda_{83}\xi_3 + \delta_8$

X9= $\lambda_{93}\xi_3 + \delta_9$

X10= $\lambda_{10.3}\xi_3 + \delta_{10}$

Promotion(ξ4)

X11= $\lambda_{11.4}\xi_4 + \delta_{11}$

X12= $\lambda_{12.4}\xi_4 + \delta_{12}$

X13= $\lambda_{13.4}\xi_4 + \delta_{13}$

Equation of Endogen Variable Measurement (η1)

$Y_1 = \gamma_{11}\eta_1 + \varepsilon_1$

$Y_2 = \gamma_{21}\eta_1 + \varepsilon_2$

$$Y_3 = \gamma_{31} \eta_1 + \zeta_3$$
$$Y_4 = \gamma_{41} \eta_1 + \zeta_4$$

2. Selection the type of Matrix Input and Estimation Model offered.

   Estimation technique that will be applied is maximum likehood since the total samples applied is between 100 – 200 which is 150 samples.

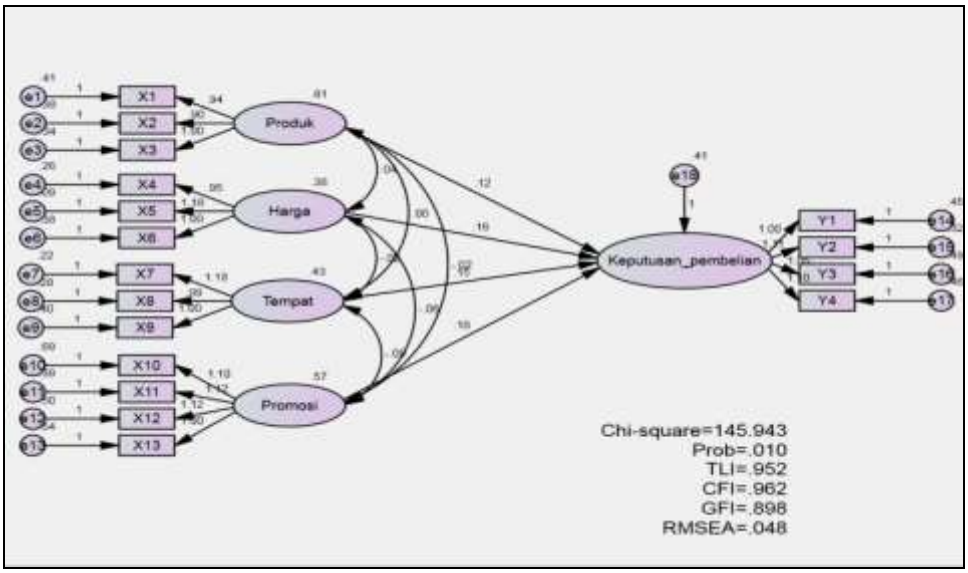
C. Estimation Equation of Full Model

1. Computation of Degrees of Freedom (Default Model)

Number of distinct sample moment: 153
Number of distinct parameters to estimated : 44
Degress of freedom (153-45) : 109

2. Result (Default Model)

Minimum was achieved
Chi-square = 145.943
Degrees of freedom = 109
Probability level = .010



Full Model Structural

Result of test of Full Structural Model

Goodness of fit index	Cut-i=off Value	Result of the model	Description
XChi-square	Expected small	145,943	Not good
Significance Probability	≥ 0,05	0,010	Not good
TLI	≥ 0,90	0,952	Good
CFI	≥ 0,90	0,962	Good
GFI	≥ 0,90	0,898	Not good
RMSEA	≤ 0,08	0,048	Good

Source: Data Amos 2017 output

Refers to Chi-square result of 145.943 and the probability of 0.010. It has indicated that the model is determined unfit. Using chi-square is sensitive to the total of the samples. Then we figure out the other fit criteria which is GFI, all of them has indicated the unfit value. Nevertheless the value of CFI, TLI and RMSEA have been in compliance with the recommendation which is > 0.90 and RMSEA is about < 0,08.

3. Evaluating The Identification of Structural Model.

Parameter Summary

	Weights	Covariances	Variances	Means	Intercepts	Total
Fixed	23	0	0	0	0	23
Labeled	0	0	0	0	0	0
Unlabeled	17	6	22	0	0	44
Total	39	6	22	0	0	67

Resource: Output of Amos 2017 data processing.

By using the total sample n = 150, the total of covariant and variant data could be calculated using the equation of p(p+1) / 2 = 44 (17+1) / 2 = 153. However total of parameter which is going to be estimated is 44 , then we will get 153 – 44 = 109 degree of freedom. Furthermore it is concluded that our model is overidentified.

4. Test of SEM Assumption
   a. Data Normality Test

Assessment of Normality (Data Normality)

Variable	Min	Max	Skew	c.r.	kurtosis	c.r.
X7	1.000	5.000	-.567	-2.835	.082	.206
X8	1.000	5.000	-.657	-3.283	.615	1.538
X9	1.000	5.000	-.729	-3.645	.304	.761
X4	2.000	5.000	-.393	-1.966	-.333	-.833
X5	2.000	5.000	-.508	-2.538	-.148	-.370
X6	1.000	5.000	-.712	-3.559	.511	1.279
X1	1.000	5.000	-.277	-1.387	-.344	-.860
X2	1.000	5.000	-.079	-.397	-.508	-1.271
X3	1.000	5.000	-.356	-1.782	-.395	-.987
Y4	1.000	5.000	-.290	-1.450	-.419	-1.047
Y3	1.000	5.000	-.499	-2.493	-.184	-.460

Variable	Min	Max	Skew	c.r.	kurtosis	c.r.
Y2	1.000	5.000	-.574	-2.869	.165	.413
Y1	1.000	5.000	-.423	-2.113	-.207	-.517
X10	1.000	5.000	-.314	-1.570	-.865	-2.162
X11	1.000	5.000	-.663	-3.313	-.035	-.088
X12	1.000	5.000	-.661	-3.305	-.160	-.401
X13	1.000	5.000	-.413	-2.066	-.336	-.840
Multivariate					40.116	9.665

b. Outlier Test

Assessment of Normality

Variable	Min	max	Skew	c.r.	kurtosis	c.r.
X1	1.000	5.000	-.309	-1.315	-.176	-.376
Y1	1.000	5.000	-.364	-1.553	-.114	-.244
X8	1.000	5.000	-.592	-2.525	1.247	2.657
Y4	1.000	5.000	-.148	-.629	-.671	-1.429
Y3	1.000	5.000	-.507	-2.160	-.096	-.204
X2	2.000	5.000	.069	.294	-.749	-1.595
X3	1.000	5.000	-.439	-1.871	-.336	-.716
Y2	1.000	5.000	-.613	-2.612	.581	1.239
X10	1.000	5.000	-.142	-.606	-.951	-2.026
X11	1.000	5.000	-.591	-2.521	-.084	-.179
X12	1.000	5.000	-.586	-2.497	-.068	-.145
X13	1.000	5.000	-.293	-1.248	-.058	-.123
X7	1.000	5.000	-.578	-2.462	.542	1.154
X9	1.000	5.000	-.729	-2.107	.912	1.943
X4	2.000	5.000	-.513	-2.187	-.171	-.365

Variable	Min	max	Skew	c.r.	kurtosis	c.r.
X5	2.000	5.000	-.637	-2.716	.310	.660
X6	2.000	5.000	-.546	-2.329	-.124	-.264
Multivariate					9.804	2.014

Resource : Output of data processing using Amos 2017

c. Evaluating Goodness of fit criteria

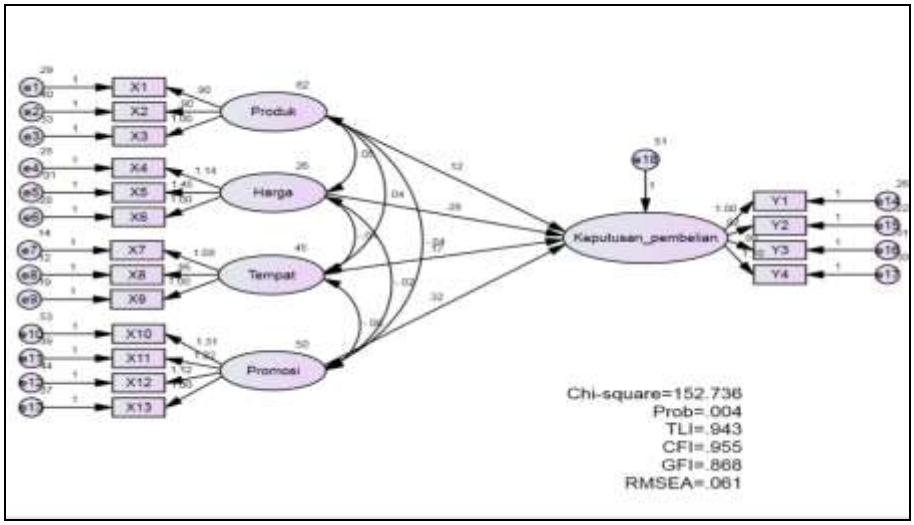


Figure 1
Structural Equation Modeling

Table 1
Test result of Strutural Equation Modeling

Goodness of fit index	Cut-i=off Value	Result of the model	Description
XChi-square	Expected small	152,736	Unfit
Significance Probability	≥ 0,05	0,004	Unfit
TLI	≥ 0,90	0,943	Fit
CFI	≥ 0,90	0,955	Fit
GFI	≥ 0,90	0,868	Unfit
RMSEA	≤ 0,08	0,061	Fit

Referring to the table 1 above, Chi-square of 152.736, its probability of 0.004, and GFI can be declared that the model has not yet been identified fit, but the other fit criteria which is TLI, CFI and RMSEA have been declared fit since they are in compliance with the value recommended.

d. Reliability Test and Variance Extract

Variance Extract Construct Reliability

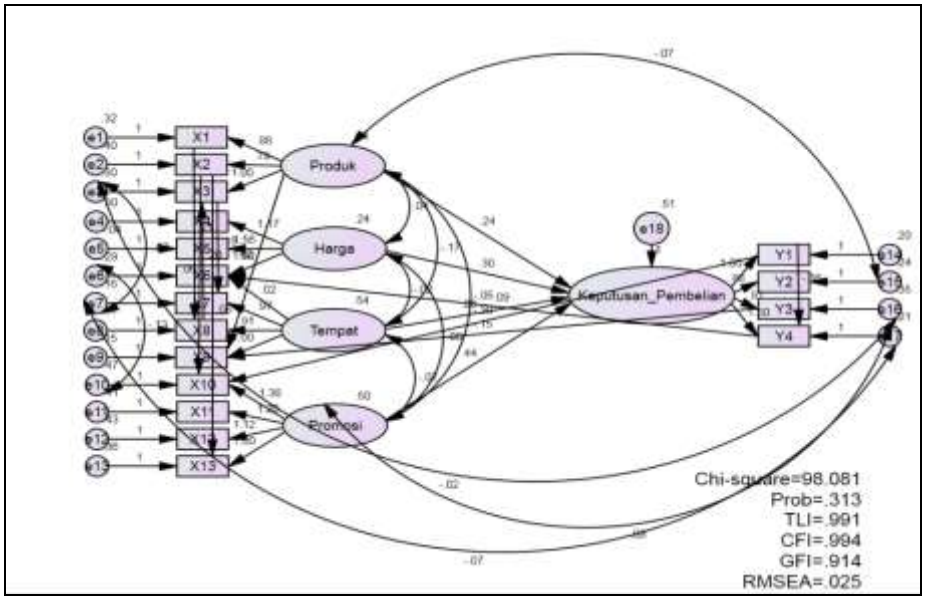
Variable/Indicator	Std. Loading	Std. Loading2	1-Std. Loading2	Reliability	Variance Extract
Product					
X1	0.795	0.632	0.368	0.814	0.594
X2	0.705	0.497	0.503		
X3	0.808	0.653	0.347		
Σ	**2.308**	**1.782**	**1.218**		
Σ^2	**5.33**				
Price					
X4	0.743	0.552	0.448	0.864	0.686
X5	1.010	1.020	-0.020		
X6	0.697	0.486	0.514		
Σ	**2.450**	**2.058**	**0.942**		
Σ^2	**6.00**				
Place					
X7	0.891	0.794	0.206	0.902	0.754
X8	0.877	0.769	0.231		
X9	0.836	0.699	0.301		
Σ	**2.604**	**2.262**	**0.738**		
Σ^2	**6.78**				
Promotion					
X10	0.786	0.618	0.382	0.861	0.608
X11	0.810	0.656	0.344		
X12	0.764	0.584	0.416		
X13	0.758	0.574	0.426		
Σ	**3.118**	**2.432**	**1.568**		
Σ^2	**9.72**				
Decision to buy					
Y1	0.835	0.697	0.303	0.888	0.654
Y2	0.833	0.694	0.306		
Y3	0.806	0.648	0.350		
Y4	0.842	0.708	0.292		
Σ	**3.316**	**2.615**	**1.385**		
Σ^2	**11.00**				

d. Model Interpretation and Modification

Computation of degrees of freedom (Default model)
Number of distinct sample moment: 153
Number of distinct parameters to be estimated : 61
Degress of freedom (153-61) : 92

Result (Default model)
Minimum was achieved
Chi-square = 98.081
Degrees of freedom = 92
Probability level = 313

Figure 1
(Result) Structural Equation Modeling Modifikasi Model



Structural Equation Modeling Modification Model

Table 2
Modification Indices Covariances

			M.I.	Par Change
e10	<-->	e18	4.270	-.125
e10	<-->	e14	5.311	-.106
e11	<-->	e10	5.418	.127
e12	<-->	e10	7.998	-.160
e13	<-->	e11	7.530	-.123
e13	<-->	e12	6.391	.117
e7	<-->	Produk	4.689	-.083
e7	<-->	e17	5.474	-.065
e7	<-->	e14	5.139	.059
e9	<-->	Produk	6.770	.108
e4	<-->	e14	4.558	-.062

			M.I.	Par Change
e6	<-->	e17	4.525	.067
e6	<-->	e10	9.060	-.124
e3	<-->	e15	6.415	-.092

e. Test Result of Causality Model

Table 3
Test Result of Causality Model

			Estimate	S.E.	C.R.	P	Label
Decision to buy	<---	Product	.240	.122	1.965	.049	par_19
Decision to buy	<---	Price	.302	.149	2.023	.043	par_20
Decision to buy	<---	Place	.262	.117	2.251	.024	par_21
Decision to buy	<---	Promotion	.441	.129	3.435	***	par_22

Source : output of data processed Amos 2017

Based on the Table 3 above, it has indicated that the Product has significantly affected the Decision to buy which CR value of 1.965 and (p) value of 0.49 which is below the determined CR value of 0.05. Price has significantly affected the decision to buy which CR value of 2.023 and its probability value of 0.43 which is in compliance with the determined criteria of < 0.05. Place has significantly affected the decision to buy which CR value of 2.251 and the probability value of 0.24 which is in compliance with the determined criteria of < 0.05. And Promotion has significantly affected the decision to buy which CR value of 3.435, and its probability value has been in compliance with the determined criteria of < 0.05.

CONCLUSION AND SUGGESTIONS

A. Conclusion

1. Product has significantly affected the Consumer's Purchase Decision at PT Griya Pagelaran Bogor.
2. Price has significantly affected the Consumer's Purchase Decision at PT Griya Pagelaran Bogor.
3. Place has significantly affected the Consumer's Purchase Decisiton at PT Griya Pagelaran Bogor.
4. Promotion has significantly affected the Consumer's Purchase Decision at PT Griya Pagelaran Bogor.

B. Suggestion

1. For the purpose of next researchers, they can do the research furthermore by adding other variables or using 7P marketing mix method, and can increase the numbers of samples so that they can get the result which is more representative.
2. For the purpose of the company, the employees or staffs in charge should have to be more concerned about checking the products which are expired.

REFERENCES

Ghozali, Imam, 2008."Pengaruh promosi penjualan dan periklanan terhadap keputusan pembelian pada tabungan simpedes, PT. Bank Rakyat Indonesia (BRI) Metode Structural Equation Modeling (SEM). "Jurnal Ilmiah Manajemen

Kesatuan Vol. 2 No. 2." Aplikasi Analisis Multivarial Dengan Program IBM SPSS 21. Penerbit: Universitas Dipenogoro, Semarang.

Henry, Simamora. 2000. "Manajemen pemasaran international." Jilid 1. Penerbit: Salemba Empat Jakarta.

"_____" 2011. " Model Structural equation modeling, konsep dan aplikasi dengan program AMOS 21 update bayesian SEM." Penerbit: Badan Penerbit Universitas Diponegoro. Semarang.

Kotler, Amstrong. 2008 ." Manajemen pemasaran." Edisi Milenium Diterjemahkan Benyaman Molan, PT. Prehalinndo, Jakarta. Penerbit: Salemba Empat.

Kotler, Phillip dan Garry Amstrong 2010, Principles of marketing, Jil. 1, Jakarta. Penerbit: Erlangga.

Kotler, Phillip dan Gary Amstrong. 2010."Principles of marketing." Jil. 2. Penerbit: Erlangga.

Lupiyoadi. 2001. "Konsep manjemen pemasaran." Dalam Swastha. Jurnal Ilmu dan Riset Manajemen: Volume 5, Nomor 6, Juni 2016.

Swasta, Basu. 2002. Manajemen pemasaran. Edisi Kedua, Cetakan Kedelapan. Jakarta. Penerbit: Liberty. 50-77