THE EFFECT OF MARKETING MIX TOWARDS CUSTOMER PURCHASE DECISION PROCESS
(a Study on Alfamart Gegerkalong Hilir no.44 November 2014 – April 2015)

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Abstract
This study explores elements of marketing mix which is product, price, place, promotion, people, physical evidence, and process. In particular, the authors examine the effect of seven elements of marketing mix on customer purchase decision process. Study conduct by taking three hundred and fifty of Alfamart customer in Jalan Gegerkalong Hilir no.44 Bandung as respondent. Result revealed that product, place, promotion, people, physical evidence, and process have positive effect to the customer purchase decision process in Alfamart. It is recommended that company consider keeping of price dimension, and improve the promotion dimension in order to increase the customer purchase decision process which lead into the increase of sales.

Keyword: marketing mix, product, price, place, promotion, people, physical evidence, process, purchase decision process

1. Introduction

Developments, inventions, and rapid technological change, bring an opportunity and a challenge to the retail industry in Indonesia. Competition becomes tighter than before, it is in line with the data if the profit of Alfamart which is one of the biggest minimarket company in Indonesia is decreasing within the past three quarter in 2014 comparing to 2013. Alfamart has to survive and beat the competitor. This is believed that marketing mix of Alfamart itself must be contributed to the customer purchase decision process. The objective of this study is to give company a suggestion to overcome the problem and also this study were design to compare the theory and the reality exists.

Quantitative research was used in this study. Three hundred and fifty customer of Alfamart in Bandung are giving their response through forty one questions in questionnaire to represent the other users. The data was analyzed using multiple regression analysis and the sampling technique used is purposive sampling method.

The paper is organised as follows. It opens with a brief, general discussion of marketing mix dimensions such as product, price, place, promotion, people, physical evidence and process, and customer purchase decision process . The conceptual model and hypotheses are presented. The methodology is next described followed by the analysis and empirical findings. The paper then outlines the conclusions and suggestion.

2. Literature Review
2.1 Product

According to Kotler and Keller (2009) Product is everything that could offer to market in order to satisfy wants and needs, including goods, service, experience, event, people, property, organization, and idea.

2.2 Price

Price is one of the elements of marketing mix which generate revenue and most easily adjusted (Kotler & Keller, 2009).
2.3 Place

Set of organization which connected each other and help product or services available to used by consumer or business user (Kotler & Armstrong, 2012)

2.4   Promotion

Promotion is the element in an organization's marketing mix that serves to inform, persuade and remind the market and/or the organization of a product, in the hope of influencing the recipient's feelings, beliefs or behavior (Stanton, Etzel & Walker, 2007)

2.5   People

All human actors who play a part in service delivery and thus influence the buyer's perception: namely, the firm's personnel, the customer, and other customers in the service environment (Zeithaml et al., 2009:24).

2.6   Physical Evidence

The environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service (Zeithaml et al., 2009:25)

2.7   Process

The actual procedures, mechanisms, and flow of activities by which the service is delivered-the service delivery and operating system (Zeithaml et al., 2009:25).

2.8   Purchase Decision Process

Purchase decision is an action which directly involve in obtaining, consuming, and spending products and services, including process and preceding and following of the action (Engel et al., on Hasan et al., 2010:3)

2.9   Research Framework

This study used eight variables, one dependent variable which is purchase decision process and seven independent variables of marketing mix elements.
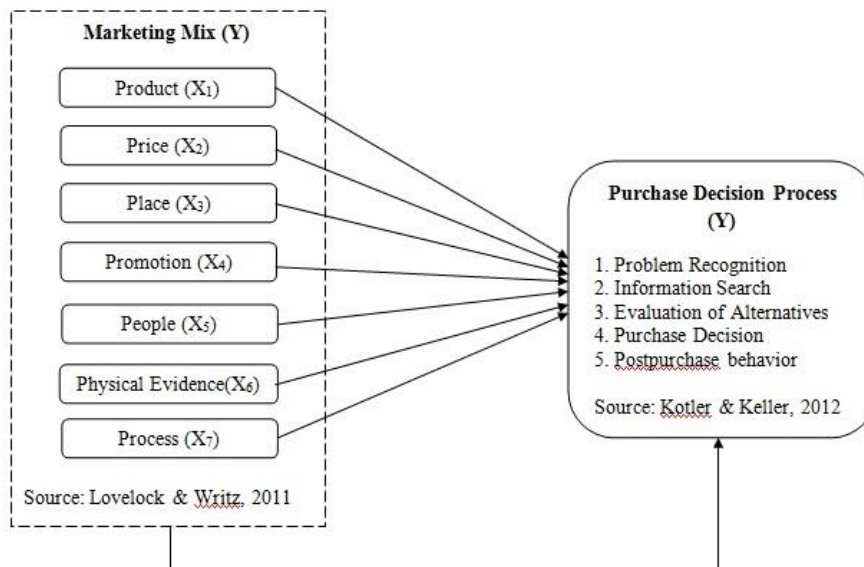

Figure 1. Conceptual Framework

2.10 Hypothesis

According Sekaran (2010) Hypotheses are derived from the theory on which your conceptual model is based and are often relational in nature. Based on framework that has been illustrated, the hypotheses of this study are as follows:

H1: Product has positive effect on customer purchase decision process.
H2: Price has positive effect on customer purchase decision process.
H3: Place has positive effect on customer purchase decision process.
H4: Promotion has positive effect on customer purchase decision process.

H5: People has positive effect on customer purchase decision process.
H6: Physical Evidence has positive effect on customer purchase decision process.
H7: Process has positive effect on customer purchase decision process.
H8: Marketing Mix has positive effect on customer purchase decision process.

3. Methodology
3.1 Research Type

Quantitative research methodology is applied in this research. Zikmund, et al (2010) defines quantitative business research as business research that addresses research objective through empirical assessments that involve numerical measurement and analysis approaches. Quantitative researchers direct a considerable amount of activity toward measuring concept with scales that either directly or indirectly provides numeric value. The numeric values can then be used in statistical computations and hypothesis testing.

3.2 Operational Variable

Independent variables are one that influences the dependent variable in either a positive or negative way (Sekaran, 2010). Independent variables in this research are seven element of marketing mix which consists of product (X_1), price (X_2), place (X_3), promotion (X_4), people (X_5), physical evidence (X_6), and process (X_7).

According to Sekaran (2010) Dependent variable is the variable of primary interest to the researcher. Through the analysis of the dependent variable, it is possible to find answers or solution to the problem. Dependent variable in this research is purchase decision process (Y).

3.3 Measurement Scale

The scale used in this study is ordinal scale. Ordinal scale is a ranking scale in which number are assigned to objects to indicate the relative extent to which the objects possess some characteristic. Thus it is possible to determine whether an object has more or less of a characteristic that some other object. (Malhotra, 2010)

In this study, the measurement scale used is a Likert scale. Likert scale is a measurement scale with five response categories ranging from "strongly disagree" to "strongly agree," which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus object (Malhotra, 2010).

3.4 Population and Sampling

Population in this research is   Alfamart Gegerkalong Hilir no.44 customers. Non Probability Sampling is used in this study, which is purposive sampling. Convenience sampling is suitable to be used in this research due to the elements that doesn't have the same chance to be selected. Based on Sekaran (2010) in convenience sampling, the most easily accessible members are chosen as subjects.

3.5 Data Analysis Technique

In this research multiple regression analysis is used as data analysis technique. According to Hair (2010) multiple regression analysis is a statistical technique used to examine the relationship between a single dependent variable and a set of independent variables. The ever-widening application of multiple regression fall into two broad classes of research problem which are prediction and explanation. Prediction involves the extent to which the regression variate (one or more independent variables) can predict the dependent variable.

4. Discussion

This study used seven variables as the independent variable which are; product, price, place, promotion, people, physical evidence, and process, and one variable as the dependent variable which is purchase decision process.

Table 1
Coefficient Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.918[a]	.843	.840	.29546	1.930

a. Predictors: (Constant), Process, Physical Evidence, Price, People, Place, Promotion, Product

b. Dependent Variable: Process Purchase Decision

From the results show that the adjusted R square in this research is 0.840. It means that 84% of purchase decision process are affected by product, price, place, promotion, people, physical evidence and process of marketing mix. While the rest, which is 16% of purchase decision process are affected by others variable which are not included in this research.

Table 2
Result of Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.183	.220		-.832	.406		
	Product	.223	.035	.238	6.361	.000	.328	3.053
	Price	-.041	.035	-.026	-1.179	.239	.963	1.038
	Place	.050	.024	.048	2.091	.037	.874	1.144
	Promotion	.439	.031	.470	14.230	.000	.421	2.378
	People	.066	.040	.036	1.633	.103	.969	1.031
	Physical Evidence	.308	.035	.309	8.737	.000	.367	2.726
	Process	.058	.046	.028	1.254	.211	.919	1.088

a. Dependent Variable: Purchase decision process

Regression model that can be explained from the results in the form of regression equation as follows:
$Y = 0.238 X1 + -0.026 X2 + 0.048 X3 + 0.470 X4 + 0.036 X5 + 0.309 X6 + 0.028 X7$

Those equations can explain as follows:
a. The coefficient regression of product has positive effect to purchase decision process
b. The coefficient regression of price has negative effect to purchase decision process
c. The coefficient regression of place has positive effect to purchase decision process
d. The coefficient regression of promotion has positive effect to purchase decision process
e. The coefficient regression of people has positive effect to purchase decision process
f. The coefficient regression of physical evidence has positive effect to purchase decision process
g. The coefficient regression of process has positive effect to purchase decision process

5. Conclusion

Based on the multiple regression analysis results, product, place, promotion, people, physical evidence, and process dimensions have positive effect to the purchase decision purchase. However, Price dimension of marketing mix has a negative effect to the purchase decision process. The value of R-square (R^2) in the table is .840, and based on the considerations, it can be concluded that it has a significance level of influence of the independent variable product, price, place, promotion, people, physical evidence, and process on customer purchase decision process. The value above illustrate that the purchase decision process variable is affected 84% by product, price, place, promotion, people, physical evidence, and process and the rest 16% is influenced by other variables out of this study.

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