

Implementation of Assael Model in Buying Decision on Fast Food Product in Surakarta City

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ABSTRACT

The purpose of this study is to analyze and discuss the influence of individual, environmental, and marketing stimulus on buying decisions on fast food products in the city of Surakarta. Furthermore, the formulation of the problem in this study is whether the individual, environment, and marketing stimulus have a significant effect on buying decisions. This research is a survey research based on a quantitative approach using primary data through filling out questionnaires which are distributed using Google Form. The data source of this study is a sample of respondents who buy and consume fast food products at KFC and McDonald's in Surakarta City. The population in this study are all consumers who make a purchase at KFC and McDonald's in Surakarta City. The sampling technique used in this study was non-probability sampling using purposive sampling, where the number of samples in this study is 200 respondents. The hypothesis in this study is that individuals are assumed having a significant effect on buying decisions (H1), assumed having a significant environmental influence on buying decisions (H2), and assumed that marketing stimuli has a significant effect on buying decisions (H3). The results showed that individuals have a significant effect on buying decisions, the environment has a significant effect on buying decisions, and marketing stimulus has a significant effect on buying decisions. The conclusion of this study shows that the individual (X1), environment (X2), and marketing stimulus (X3) have a significant effect on buying decisions (Y) on fast food products in Surakarta City. Therefore, the proposed H1, H2, and H3 are proven to be true. The policy implications of KFC and McDonald's fast food managers must always innovate products based on perceived quality, price, and brand trust.

Keywords: *individual, environment, marketing stimulus, purchase decision, perception of price quality, and brand trust.*

1. INTRODUCTION

Human needs are a state of basic satisfaction that is felt or realized. A need becomes an impulse when the need arises until it reaches a level of sufficient intensity. The motive (drive) of a need directs a person to look for a means of satisfaction in the form of a product or service. Basically, human needs are stratified, starting from primary needs to secondary needs (Maslow, 1943:87) [1].

Human needs are closely related to marketing management which is used as the spearhead of a business institution. This is because, if a business wants to achieve maximum profit, then inevitably it must understand very well what consumers or customers want. The times have made the market competition factor to be more stringent, which will indirectly affect a company's efforts to maintain market share. Companies are required to understand changes in consumer

behavior in their target market by offering or selling quality products with good service to customers. Buying decisions are influenced by all existing factors, both internal and external factors [2]. According to Assael (1992), there are three factors that influence consumers in making buying decisions, namely the individual [3], the environment [4], and the company's marketing strategy[5].

Individual influence is a psychological process that affects individuals in obtaining [6], consuming [7], and receiving goods and services as well as individual experiences and characteristics are internal (interpersonal) factors that move and influence individual behavior (Amelia, 2018) [8]. It can be concluded that individual characteristics are the character of an individual that the nature and characteristics of a person describe the actual state of the individual. Individual factors affect several things

including needs, attitudes, lifestyle, geographical conditions, individual personality characteristics, and perceptions.

Environmental influences, which are grouped into a social culture, consist of reference groups (friends, co-workers, neighbors) and family [9]. Culture in this case has the broadest and deepest influence and is the most basic determinant of desires and behavior. Halim (2010) states that the values, beliefs, rules and norms that complement a community group will influence the attitudes and actions of individuals in that society [10].

A marketing stimulus is any communication or physical stimulus designed to influence consumers (Hawkins 2001). According to Assael (2004:148) marketing stimulation is communication or physical stimulation that is stimulated to influence consumers. The things that affect it are advertising, service quality, and product packaging [11].

The marketing strategy developed by marketers usually relates to the products offered, the selling price of the product, the marketing strategies carried out, and how the market distributes products to consumers. Furthermore, marketers must evaluate the marketing strategy carried out by looking at consumer responses to improve marketing strategies in the future. If the purchases made are able to meet the needs and desires in the future, there will be repeat purchases. Even, satisfied consumers will form loyalty by conveying their satisfaction to others (Kotler and Keller, 2012: 77) [12].

Fast food that is quite in demand by people in Indonesia is KFC and McDonald's. Both of these fast foods have many enthusiasts because they have almost the same fast food products, even though each of these fast food companies has a different slogan to be recognized by each consumer which becomes its own characteristic [13]. In addition, the competition between these two fast foods is getting more competitive. This can be proven by the opening of many franchise of KFC and McDonald's branches. Besides, competition is added with the emergence of types of fast food circulating both domestically and abroad. Fast food is defined as first, as food served in the shortest possible time. Second, is as food that is consumed quickly (Hayati, 2000).

The first KFC outlet in Indonesia was in October 1979, which is located in the Melawai area, Blok M, South Jakarta [14]. Meanwhile, McDonald's entered Indonesia for the first time in 1991, which is located in the Sarinah area, Thamrin [15]. Both of these fast foods already have a halal certificate from LPPOM MUI, so you can be sure that KFC and McDonald's are safe to be consumed as fast food [16]. Currently, KFC and McDonald's are claimed to be fast food brands with the most types of products. Its reach is wide because it is marketed through various lines, such as in various branches in Indonesia. In Surakarta City, there are several fast food branches of KFC and McDonald's thus

indicating that consumer and buyer interest in fast food products is quite high in Surakarta City [17]. Therefore, it would be very interesting to conduct research on the application of the *Assael* model to buying decisions on two fast food products in Surakarta City [18].

2. PROBLEM FORMULATION

Do individuals, environment, marketing stimulus have a significant effect on buying decisions for fast food products in the city of Surakarta?

3. RESEARCH PURPOSES

The research aims in analyzing and discussing the influence of individuals, the environment, and marketing stimulus that influence buying decisions on fast food products in the city of Surakarta.

4. BENEFITS OF RESEARCH

Theoretical benefits in this research contribute to the development of science in the field of marketing, especially regarding the application of the *Assael* model (individual, environment, and marketing stimulus). While the practical benefits of the results of this study are expected to be used by fast food managers in Surakarta City as input for making policies related to marketing strategies. Besides, the results of this study are expected to be a reference for other researchers in conducting research on the same topic.

5. LITERATURE REVIEW

According to Kotler & Keller (2009: 184), buying decision is an integration process that is used to combine knowledge to evaluate two or more alternative behaviors and to choose one of them [19]. Kotler & Keller stated that there are four indicators for making buying decisions which are contained in the AIDA model (Attention, Interest, Desire, Action) [20].

Individual influence is a psychological process that affects individuals in obtaining [21], consuming [22], and receiving goods and services as well as individual experiences and characteristics are internal (interpersonal) factors that move and influence individual behavior (Amelia, 2018:56) [23].

Halim (2010:78) states that environmental influences are values, beliefs, rules, and norms that complement a community group in influencing the attitudes and actions of individuals in that society [24].

According to Lupioadi (2014:58), marketing stimulus is physical, visual, or verbal forms of communication that can affect individuals [25]. Stimulus itself is a stimulus to consumers to make purchases of products or services offered [26].

6. PREVIOUS RESEARCH

Research was conducted by Amalia and Egi (2018), entitled *The influence of individual characteristics and psychological factors on consumer buying decisions in Langsa City (a case study on a milk house and Pampers Pash supermarket) with individual characteristics variables and psychological factors*

having a significant effect on consumer buying decisions. Whereas research was conducted by Putri and Nurul (2018), entitled *Effect of lifestyle, money attitude, personal value, marketing stimulus on buying decisions on android smartphones (case study of Muhammadiyah students stikes Banjarmasin) with variables of lifestyle, money attitude, value personal, and marketing stimulus* having a significant effect on consumer buying decisions.

Research was conducted by Parmani, et al.(2017), entitled *The effect of personal factor on consumer purchase decisions (case study: everbest shoes) with variables Age & life cycle stage and economic conditions, lifestyle, personality* having a significant effect on consumer buying decisions. Whereas research was conducted by Khuong and Thi (2016), with the title *personal factor affecting consumer purchase decisions towards men skin care products A study in Ho Chii Minh city, Vietnam with variables of personal factors, self-image, skin health concerns, power body attractiveness and age, and the aging process* having a significant effect on consumer buying decisions. Furthermore research was conducted by Dana and Restini (2015), with the title *Environmental, personal, and psychological influences on consumer decisions to visit the Citra Bali International Bird Park in Sangapadu, Gianyar with environmental, personal, and psychological variables* having a significant effect on consumer buying decisions.

7. RESEARCH FRAMEWORK

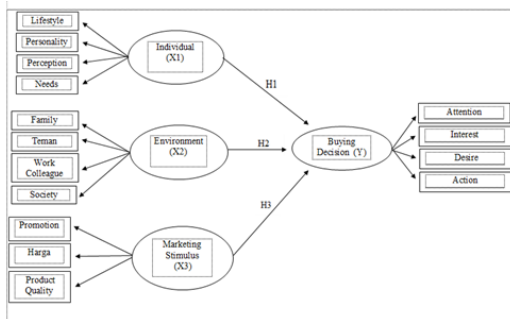


Figure 1 Research Framework

Figure Explanation :

In this study, the dependent variable is the purchase decision (Y) which is formed by the independent variables which include the individual (X1), environment (X2), and marketing stimulus (X3) while the individual independent variable (X1) is a reflection of the indicators of lifestyle, personality, perception, and needs. The environmental independent variable (X2) is a reflection of the indicators of family, friends, co-workers, and society. Furthermore, the independent variable marketing stimulus (X3) is a reflection of the indicators of advertising, price, and product quality.

8. HYPOTHESIS

Hypotheses in this study are that individuals are assumed having a significant effect on buying decisions

(H1), buying decisions are assumed having a significant environmental influence on buying decisions (H2), and marketing stimulus assumed having a significant effect on buying decisions (H3).

9. RESEARCH METHODS

9.1 Types of Research

This research is a survey research based on a quantitative approach using primary data through filling out questionnaires which are distributed using Google Form [27].

9.2 Population and Sample

The population in this study is all consumers who buy at KFC and McDonald’s in Surakarta City [28]. The sampling technique in this study is non-probability sampling with purposive sampling approach, where the number of samples in this study is 180 respondents [29]. The criteria of the samples is consumers who have bought at KFC and McDonald's [30]. Respondents are domiciled in the city of Surakarta and the age of respondents is 18 years and over [31].

9.3 Data Collection Technique

The data collection method used in this study is the method of distributing questionnaires via Google Form. This questionnaire uses the *Likert* scale method, where the subject must be indicated based on the level of various statements related to the behavior of an object [32].

10. DATA ANALYSIS RESULT

10.1 Outer Model Test

The measurement model (outer model) is used to determine the specification of the relationship between latent variables and their indicators. This test includes the analysis of validity, reliability, and multicollinearity. The results of the outer model analysis are as follows:

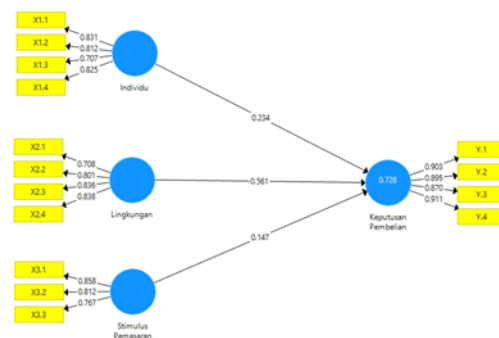


Figure 2 Outer Model Analysis

a. Convergent Validity

To test convergent validity, the outer loading value or loading factor is used. An indicator is declared to meet convergent validity in a good category if the outer loading value is > 0.7 (Ghozali & Latan, 2015:7). Based on the results of the

convergent validity analysis, it is known that each of the research variable indicators has a value of outer loading > 0.7. The value of convergent validity for all indicators for each variable is ranging from 0.825. This means that all indicators for each variable are valid to be used in further analysis.

b. Discriminant Validity

An indicator is declared to meet discriminant validity if the average variance extracted (AVE) value is > 0.5 (Ghozali & Latan, 2015:8). Based on the results of the discriminant validity analysis, it is known that each of the research variable has a value of average variance extracted (AVE) > 0.5. The value of discriminant validity for all variables is ranging from 0.662. This means that for all variable are valid to be used in further analysis.

c. Reliability Test

To measure the reliability of a construct using reflective indicators can be done in two ways, namely composite reliability. A variable can be declared reliable if it has a composite reliability value > 0.7 (Ghozali & Latan, 2015:9). With individual value of 0.837, environment of 0.874, marketing stimulus of 0.854, and buying decisions of 0.941, this means that each variable in this study can be said to be reliable,. So all indicators for each variable are valid to be used in further analysis.

The reliability test with Composite Reliability above can be strengthened by using the Cronbach's Alpha value. A variable can be declared reliable if it has Cronbach's alpha value > 0.7 (Ghozali & Latan, 2015:9). Based on the result of Cronbach's alpha, it can be seen that the value of Cronbach's alpha > 0.7. With an individual value of 0.805, an environment of 0.809, a marketing stimulus of 0.744, and a purchase decision of 0.917. This means that each variable in this study can be said to be reliable, so all indicators for each variable are valid to be used in further analysis.

d. Multicollinearity Test

This test aims to test whether there is a correlation between independent and independent variables. The criteria that apply in the multicollinearity test is if the VIF value is < 5 Ghozali (2018:105). Based on the result of Multicollinearity Test, it can be seen that the value of VIF is < 5. The result showed buying decisions is 2.428. Then the value of the environmental variable on buying decisions is 2.394. Then the value of the marketing stimulus variable on buying decisions is 1.731. This shows that each variable in this study can be said not to violate the multicollinearity assumption test, so all indicators for each variable are valid to be used in further analysis.

10.2 Inner Model Test

Structural Model (Inner Model) is used to test the effect of one latent variable with other latent

variables. This test includes the analysis of Coefficient Determination (R2), Model Feasibility (Goodness of Fit), and Effect Size (f2). The results of the inner model analysis conducted through bootstrapping are as follows:

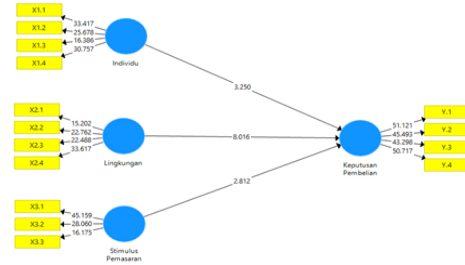


Figure 3 Inner Model Analysis

a. Coefficient Determination (R²)

Coefficient Determination (R²) shows how far the model's ability to explain the variation of the dependent variable. The classification of the correlation coefficients are, 0 (no correlation), 0-0.49 (weak correlation), 0.50 (moderate correlation), 0.51 – 0.99 (strong correlation), and 1.00 (perfect correlation) (Ghozali, 2018:115). The R-Square values in this study can be seen intable 1.

The results of the analysis obtained in this study are the result of R-Square value of 0.728 (72%). It means that the contribution generated by the individual variable model, environment, and marketing stimulus in explaining the factors that cause buying decisions is 0.728 (72%). So that, there are still 28% of other independent variables that have not been disclosed in this study. Thus, the model in this study has a strong contribution.

b. Goodness of Fit

The goodness of fit test is carried out using the blindfolding procedure on smart PLS. The results of the Q-Square analysis are said to have a good model if the value is > 0.5 (Ghozali 2018:88). The results of the Q-Square can be seen in table 2.

The results of the analysis obtained in this study are the resulting R-Square value of 0.573 or > 0.5. Thus, the goodness of fit model in this study has a good model.

c. Test Effect Size (f²)

Effect Size test (f²) is used to determine the proportion of the variance of certain exogenous variables to endogenous variables. The results of the calculated f² values recommended by experts are 0.02 (small), 0.15 (enough), and 0.35 (large). The results of the f² analysis in this study can be seen in table 3.

The result of individual variable for f² value of 0.083, it means that the individual variable has a position > 0.02, < 0.15 and < 0.35. Thus individual variables have little effect on buying decisions. The

result of environment variable for f_2 value of 0.484, it means that the environment variable has > 0.02 , 0.15 and 0.35. Thus, environment variables have a big influence on buying decisions. The result of marketing stimulus variable for f_2 value of 0.546, it means that the marketing stimulus variable has > 0.02 , 0.15, and 0.35. Thus, marketing stimulus variables have a big influence on buying decisions.

10.3 Hypothesis Test

a. t- test

The significance level used in this study is 5% where the t-value is 1.96. Therefore, a variable is said to have a significant effect on other variables if the t-count > 1.96 . The results of the t-test analysis in this study can be seen in table 4.

Based on the table above, it can be seen that all have result t-test > 1.96 . The individual has a value of 3.250 which means that it has a significant influence on buying decisions. Then, the environment has a value of 8.016 which means it has a significant influence on buying decisions and marketing stimulus has a value of 2.812 which means it has a significant influence on buying decisions.

b. Patch Coefficient

The results of processing the direct influence hypothesis can be seen in the path coefficient table on the Smart PLS bootstrap. If the p-value < 0.05 , it can be said that the effect of the variable is significant. If the p-value > 0.05 then the variable is not significant. The results of path analysis (path coefficients) in this study can be seen in table 5.

Based on the table above, it can be seen that the value of each variable has a p-value < 0.05 . Individual variable p-value is 0.001; environment variable p-value is 0.000; and marketing stimulus variable p-value is 0.005. Therefore, individual variables (X1), environmental variables (X2), and marketing stimulus variables (X3) each have a significant effect on purchasing decisions (Y). Thus, H1, H2, and H3 are proven correct. Thus the results of this study support previous research conducted by Amalia and Egi (2018); Putri and Nurul (2018); Parmani, et al. al. (2017), Khuong and Thi My (2016), Dana, Ni Made (2015).

11. CONCLUSION

The conclusion of this study shows that partially all independent variables (X1, X2, and X3) have a significant effect on the dependent variable, namely individual purchasing decisions (Y). The strongest effect is shown by the environmental variable (X2) with a significance level of 0.000; then individual variables (X1) with a significance level of 0.001; and the marketing stimulus variable (X3) with a significance level of 0.005 for fast food products in

Surakarta City. Therefore, the proposed H1, H2, and H3 are proven to be true.

12. RESEARCH LIMITATIONS

The distribution of the questionnaires in this study was carried out via Google Form so that the possible answers given by the respondents did not match the truth. The research variables used by the researcher have not been able to fully reveal the factors that can influence purchasing decisions for fast food products in the city of Surakarta. The selected sample has not been distributed proportionally for the entire area of Surakarta City.

13. IMPLICATION STRATEGY

The strategic implications that must be carried out by KFC and McDonald's fast food managers must include comprehensive product innovation consisting of: individual variables are focused on lifestyle, perception of quality, and personality. For environmental variables, they have to be designed to meet the interests of family, colleagues, and society. Furthermore, for the marketing stimulus variable, they are focused on improving product quality, promotion quality, and price adjustments.

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