The Influence of Marketing Mix And Customer Purchasing Decision Process On Customer Satisfaction

Agus Riyadi[1]
Diploma 4 in Hospitality Program
Trisakti School of Tourism
Jakarta, Indonesia
agus.riyadi@stptrisakti.ac.id

Sarah Febriani Rangkuti[2]
Diploma 4 in Hospitality Program
Trisakti School of Tourism
Jakarta, Indonesia
sarahfebriani1702@gmail.com

ABSTRACT

There are many ways to promote the restaurant, one of those ways is Marketing Mix. Customer make a decision first when they finally buy something in the restaurant and ends with satisfy or dissatisfy feeling. The objective of this study were to examine the degree of marketing mix, customer purchasing process and customer satisfaction and to investigate the influence the marketing mix and customer purchasing decision process to customer satisfaction of Neo Milk Bar Jakarta. In this research, use quantitative descriptive because the data obtained by the researcher based on quantitative. Non-Probability sampling was used in this research which was unknown population. Based on the formula non probability sample, at least 96 respondents in the Neo milk bar was used convenient sampling method. Odds R Square, Multiple Regression, Anova test and *t*-test were performed to determine relationship among variables. The influence of marketing mix and customer purchasing decision process on customer satisfaction were able to explain 65,5 percent and the other 34,5 percent were influenced by other factors which are not being observed in this research. Anova and T test results confirmed signified that hypothesis two was fully supported espoused that the effect of marketing mix and Customer Purchasing Decision Process on Customer Satisfaction was significant. The results revealed that the effect of Marketing mix and customer satisfaction was strong influence. The comparison results that T-statistic is greater than T-critical value, = 6,316 > 1,9858, significance 0.00 less than 0.05 therefore H0 is rejected. The effect of Customer Purchasing Decision Process was influence on customer satisfaction with the statistical test of the β coefficient (t = -24,255 > 1,9858, p = 0.00 < 0.05) therefore H0 is rejected.

Key Words: *Marketing Mix, Customer Purchasing Decision Process, and Customer Satisfaction*

I. INTRODUCTION

Neo Milk Bar is located near Kalibata, near Nifarro Apartment in Jalan Raya Pasar Minggu KM.18 No.18 South Jakarta. Not like any other bar that serves alcoholic beverages, Neo Milk Bar serves menus that mostly contain milk. They major product is milk, whether it is milkshake, pure milk, or even the gravy of a noodle. Also, they serve waffles, pancakes, toast breads and many others that become youth people style recently. Many young customers choose to eat or spend their time at Neo Milk Bar. One of the strategies that Neo Milk Bar has done is to maintain the marketing mix elements (Price, Place, Product, and Promotion).

Neo Milk Bar had already promoted itself by social media. Zomato.com is one of the examples, it is become people references recently, when they want to search a place to dine in or even just to spend time with their friends, family and relatives. It is an easy application for us to use. Overall, from Zomato, people already checked-in in Neo Milk Bar is about 193 times, followed by 78 reviews with 140 photos are shared. The other, Neo Milk Bar was mentioned on www.qraved.com. It is a journal web for food and beverages, the reviews of the restaurants and also recipes. Neo Milk Bar mentioned as number 5th of 11 coolest restaurants in Pasar Minggu. Followed by other media, including Net TV, www.dream.co.id which is another media from www.kapanlagi.com and several media had interviewed Neo Milk Bar.

Based on that situation, we interested in to talk about. As a new-come restaurant, it needs several elements to gain their income and loyal customers. It needs the marketing mix elements. Not just because they enter the social media in their early new restaurant but also how to make more people choose to eat or drink there. By that point, we can take the evolution rather the customer get the satisfaction or not. The most important thing in Hospitality and Tourism industry and in this case is a bar is how to sell the product with the suitable price, the best way to promote it and the strategic place of the bar. We need to know how customer's reaction to the bar. Whether the bar will work or not. Therefore, the problem identification of this research were determine lack of marketing mix are being made to improve customer purchasing decision process that create customer satisfaction in Neo Milk Bar Jakarta. Thus, the main objective was

supported by the following immediate objectives:

(1). To examine the degree of marketing mix, customer purchasing decision process and customer satisfaction of Neo Milk Bar.

(2). To examine the influence of the marketing mix and customer purchasing decision process to customer satisfaction.

II.   LITERATURE REVIEW

Marketing Mix

Marketing is a set of steps that deliver value that could be remembered by customers and can create a relationship with customers as well as providing benefits to the organization (Armstrong & Kotler, 2011). Bay, Petrizzi and Gill (2008) confirmed that when organizations apply marketing mix in their business, it will help to increase sales and profits of their organization, hence, achieving their marketing target. Elements in marketing mix; namely, product, price, place, and promotion (4P's) are the controllable tools that will contribute to customers' satisfaction (Shankar & Chin, 2011, Sable 2013)

In marketing, there are several elements that become the base foundation of every company. "*The Marketing Mix is the set of tactical marketing tools - Product, Price, Promotion, and Place - that the firm blends to produce the response it wants in the target market*" (Kotler and Armstrong : 2012).

According to McCarthy in the book that is edited by Kotler and Keller (2012) said McCarthy classified various marketing activities into marketing-mix tools of four broad kinds, which he called the four Ps of marketing: product, price, place, and promotion.

Each firm strives to build up such a composition of 4'P's, which can create highest level of consumer satisfaction and at the same time meet its organizational objectives. They are connecting to each other. One element's lost then a company can't even continue the business, having problem while doing the business, or even start the business. The example is the product that is ready to sell to the market, the price is already set that suitable and reasonable to the market, the place is already done but not a strategic place, and unfortunately less of promotion so the product will have a problem to deliver it from producer to consumer.

Customer Purchasing Decision Process

Kotler and Keller (2012) suggests that the purchase decision-making process can be divided into five stages as follows:

(1). Problem Recognition

The purchase process begins with an introduction to the problem or need. The need may arise when the buyer feel any external or internal stimuli that encourage him to recognize the need. Internal stimuli arising from within man himself, while the external impulse comes from outside of humans or the environment. Needs to have a certain level of intensity. The greater the level of intensity, the more powerful impetus arising to reduce them by looking for new objects that can satisfy their needs.

(2). Information Search

Consumers who feel the need for the stimulus will then be encouraged to seek and collect information as much as possible. The stimulation is divided into two levels. The first level is strengthening at this level of attention where people just more sensitive to product information. The next level is to actively search for information at this level where people start looking for reading material, call a friend, and visit the shop to learn about a particular product. A source of consumer information can be classified into four groups, namely private sources, commercial sources, public sources, and experimental sources. Through the collection of information obtained from various sources, consumers can then learn brands competing along with these brand features.

(3). Evaluation of Alternative

After receiving a lot of information, consumers will learn and process this information to arrive at a final selection. There are many processes of evaluation or assessment of consumers towards the product. However, the latest model is a cognitive orientation that sees consumers as a maker of considerations regarding products mainly based on rational considerations and standards. To know the evaluation process carried out by consumers need to understand some basic concepts, namely:

a. Product attributes.

Weights important characteristics for consumers. Marketers must understand that not every consumer concerned a product attribute.

b. Confidence in the brand.

Consumers tend to gain confidence that each brand has advantages in certain attributes

based on experience or information obtained.

(4). Purchase Decision

If the decision is to buy, then the consumer must take a decision regarding the brand, price, seller, quantity, time and manner of payment purchase. The decision was not glued to be done through the order process as above, and not all products require the decision process. Example is everyday consumer goods such as food does not need to plan and purchase consideration.

(5). Post Purchase Behavior

After purchasing a product, consumers will experience the satisfaction or dissatisfaction, this will affect the action after the purchase. If consumers gain the satisfaction of consumer attitudes toward the product becoming stronger or vice versa. The marketer can do something of consumers are satisfied for example by advertising that describes the feeling satisfied someone who has to choose one brand or shopping in certain location for dissatisfied customer, marketers can minimize dissatisfaction with the way the buyer to collect suggestions for product improvements, as well as additional services to consumers and so on.

Customer Satisfaction

Previous studies found that one of the major determinants of customer loyalty is customer satisfaction, indicating that in every business and market, customers need to be satisfied before they can become loyal (Parasuraman, Zeithaml & Parasuraman, 1988; Lin & Wang, 2006). According to the theory Kotler (2011), stated the key to retain customers is customer satisfaction. Indicators of consumer satisfaction can be seen from:

(1). Re-purchase

Buyback, where customers will be back to the company to look for goods/ services.

(2). Create a Word-of-Mouth

In this case, the customer will say good things about the company to others.

(3). Creating Brand Image

(4). Customers will pay less attention brand and advertising from competitors' products.

(5). Creating Purchase Decisions at the Same Company

(6). Buy another product from the same company

The Influence of Marketing Mix on Customer Purchasing Decision Process and Customer Satisfaction

Based on previous studies explanation, then there is an opportunity to conduct further research to integrate the marketing mix variable, the variable purchase decision, and variable customer satisfaction as an intervening variable. Satisfaction becomes a very important role in the purchase of a products and services made by consumers.

These current findings also add support to the previous studies by Amelia et al., (2015) which the product, price, promotion, distribution channel variables and purchase decision process have positive and significant effect on customer satisfaction. It can be concluded from these definitions that customer satisfaction is influenced by purchasing decisions. After consumers know the product, price, distribution channels and promotion that's when purchase decisions are made after actually making a purchase then the new consumer satisfaction.

Based on previous studies explanation, then there is an opportunity to conduct further research to integrate the marketing mix variable, the variable purchase decision, and variable customer satisfaction as an intervening variable. Satisfaction becomes a very important role in the purchase of a products and services made by consumers. According Martin et al., (2008) explained that consumer satisfaction is one important factor to predict consumer behavior and more specifically the repeat purchase. The decision process performed by irrational because it is based on an understanding of information that can't be trusted, in the end the results are not satisfied, (Dapkevičius and Melnikas,2009:20)

Research Model and Hypothesis Formulation

Research framework was drawn from many researches and many theories. In addition, the questionnaire was designed by using marketing mix idea from Kotler (2003). Kotler and Keller (2012) customer purchasing decision process idea was used, and customer purchasing decision process was used from Kotler (2011).
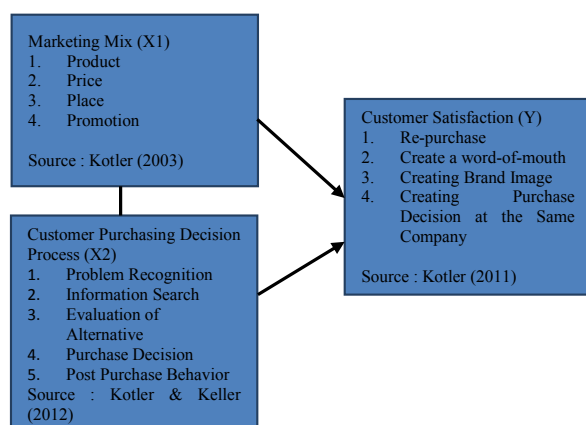
Figure 1: Research Model

Based on the review of the related literature, the following research hypotheses are developed:

a. H0: Marketing mix has no influence to customer satisfaction
    Ha: Marketing mix has influence to customer satisfaction

b. H0: Customer Purchasing Decision Process has no influence to customer satisfaction
    H1: Customer Purchasing Decision Process has influence to customer satisfaction

III. METHOD

This study intends to investigate whether there is a relationship between marketing mix, Customer Purchasing Decision Process and customer satisfaction. The theoretical development of each variable will be elaborated upon and the variable defined. A number of studies that have looked at the relationships between these variables will be summarized and discussed. In this research, use quantitative descriptive because the data obtained by the researcher based on quantitative. According Sugiyono (2013) quantitative methods constitute scientific method because it has met scientific principles, namely concrete/empirical, objective, measurable, rational, and systematic. While the methods of descriptive research is research that is intended to investigate the circumstances, conditions, or other things that have been mentioned, the results presented in the form of research reports.

The relevant unit of analysis for this study was the customer in Neo Milk Bar which will be asked about several questions that become the result of this research. Non-Probability sampling was used in this research which was unknown population. Based on the formula non

probability sample, at least 96 respondents in the Neo milk bar was used and distributed by convenience sampling because the respondents are accessible to the researcher. In this research, the multiple regression analysis and R square analysis to study if there is a significant relationship and influence between variables. Then F-test and T-test will be conducted to test the hypothesis to see if there is significant influence of marketing mix and customer purchasing decision process toward customer satisfaction level in Neo Milk Bar.

IV. FINDINGS AND DISCUSSION

The means and standard deviations of the research variables can be found in Table 1.

Table 1. Summary of The Distribution of Respondents by Marketing Mix and Customer Purchasing Decision Process Across Customer Satisfaction

Variable	Sub Variables	Mean Score	Result
Marketing Mix	Product	3.94	Agree
	Price	4.22	Agree
	Place	3.91	Agree
	Promotion	3.16	Nor Disagree
Customer Purchasing Decision Process	Problem recognition	3.98	Agree
	Information search	3.46	Agree
	Evaluation of alternative	3.89	Agree
	Purchase decision	4.01	Agree
	Post purchase behavior	3.78	Agree
Customer Satisfaction	Re-purchase	3.91	Agree
	Create a word-of-mouth	3.90	Agree
	Creating brand image	3.47	Agree
	Creating purchase decision at the same company	4.21	Agree

(Source: Primer Data SPSS, 2015)

From the table above, show the five point Likert scale with 5 indicators used in the measurement of the marketing mix (X1) was nor disagree is promotion in 3.16. This is in line with the condition, staffs didn't inform to customers that they have discount or promotion about the product (food and beverage). They do have sign, picture, banner about the promotion

and discount but the customers had less attention to that. While promotion should be a communicate the merits of the product and persuade target customers to buy it (Kotler and Armstrong: 2013).

As illustrated in the table 1, revealed that the overall level of customer purchasing decision process and customer satisfaction ranged from 3.46 to 4.21 (agree to strongly agree) and the highest score was price (4.22). The price at Neo Milk Bar was affordable. It is a great way to set a price like that because from the respondent characteristic table in occupation, students were the highest occupation as a customer who visits Neo Milk Bar the most. By that, student felt the price was reasonable, as well as the others. The results also indicated that the brand of Neo Milk Bar was a unique and an interesting name so customer is curious to come and try the products. However, the results showed that the customers were satisfied, therefore they come again and make repeat purchase more than once.

Coefficients of Determinant

The determinant test shown in table 2 that the value of Adjusted R Square was 0.655, indicating that Marketing Mix (MM) and Customer Purchasing Decision Process (CD)

were able to explain 65,5 percent of the variance in Customer Satisfaction, and the other 34,5 percent were influenced by other factors which are not being observed in this research. It can be characterized as strong using the rule of thumb that a correlation greater than 0.20 and less than or equal to 0.40 is weak.

Result of Multiple Regressions Analysis

To test the hypothesis, this study used F-test by comparing the F-value. The F-value for this study is also attained from the multiple regression analysis and conducted through computer program SPSS Statistic version 20. Below, table 3 will shows F-value calculated for this relationship. The F-statistic, or F-value calculated for this study is 91.259. With 2 and 93 degree of freedom, then the F-critical value attained from the F-table is 3.09. The comparison results that F-statistic is greater than F table, 91.259> 3.09 or p=0,00<0,05. This result explained that null hypothesis is rejected and accept the alternative hypothesis. Therefore, the effect of marketing mix and Customer Purchasing Decision Process on Customer Satisfaction was significant. This is proven by the probability of <0.05, which means there is a significant effect.

As can be seen from table 4, the influence of

Table 2. Coefficients of Determinant

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,814(a)	0,662	0,655	0,262	2,250

    a. Predictors: (Constant), CD, MM
    b. Dependent Variable: CS

Table 3. Anova test Result

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.533	2	6.267	91.259	.000[b]
	Residual	6.386	93	.069		
	Total	18.919	95			

    a. Dependent Variable: CS
    b. Predictors: (Constant), CD, MM

Table 4. Regression Analysis of Marketing Mix and Customer Purchasing Decision Process
on the Customer Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF	B	Std. Error
1	(Constant)	-,418	,346		-1,210	,229		
	MM	,594	,094	,527	6,316	,000	,521	1,918
	CD	,536	,126	,355	4,255	,000	,521	1,918

    a.   Dependent Variable: CS
    (Source: Primer Data SPSS, 2015)

Marketing Mix (MM) to Customer Satisfaction (CS) were significant value (MM t = 6,316, p= 0.000 < 0.05). The Influence of Customer Purchasing Decision Process (CD) to Customer Satisfaction (CS) also were significant value (Sig.) 0.000 Coefficients a table with a value of α (degree of significance) means 0.000<0.05 or significant influences of Customer Purchasing Decision Process on the Customer Satisfaction. However, based on the overall model fit, the result proved that there is a significant influence between marketing mix and Customer Purchasing Decision Process on Customer Satisfaction.

A typical equation for the multiple regression of Customer Satisfaction (Y) on Marketing Mix and Customer Purchasing Decision Process (X1 and X2) could be explained further through in this regression equation below :

$$Y = \beta + \beta_1 X_1 + \beta_2 X_2 + ... + b_n X_n. \qquad (1)$$
$$Y' = -0,418 + 0,594 + 0,536 \qquad (2)$$

From this equation, there are several things to be concerned:

1. The constant was generated if the marketing mix and Customer Purchasing Decision Process value is 0, then the value of customer satisfaction will be negative 0,418.
2. The regression coefficient variable of the marketing mix for one unit, it will be increased by 0,594 units of customer satisfaction with the assumption that another independent variable value is fixed.
3. The positive coefficient shows the positive influence Purchasing Decision Process has on Customer satisfaction. The regression coefficient variable of the Customer Purchasing Decision Process for one unit, it will increased by 0,536 units of customer satisfaction with the assumption that another independent variable value is fixed.
4. The results revealed that the effect of marketing mix and customer satisfaction was strong influence. The comparison results that T-statistic is greater than T-critical value, = 6,316 > 1,9858, significance 0.00 less than 0.05 therefore H0 is rejected.
5. The effect of Customer Purchasing Decision Process was influence on customer satisfaction with the statistical test of the β coefficient (t = -24,255 > 1,9858, p = 0.00 < 0.05) therefore H0 is rejected.

This finding was supported by Belohlavek et al., (2006) and Martin et al.,(2007) states that targets and marketing mix is set of actions aim to influence purchasing decision simultaneously to influence purchasing decisions. Thought satisfaction is whether customers can get appropriate compensation after purchasing product.

V. CONCLUSION AND SUGGESTION

This study aimed to investigate the influence between marketing mix and Customer Purchasing Decision Process on the Customer Satisfaction. The study confirmed that the overall level of marketing mix, customer purchasing decision process and customer satisfaction ranged from 3.16 to 4.22 (Nor disagree to strongly agree) and the highest score was price (4.22) in marketing mix variables. The lowest score was promotion (3.16) also in marketing variables. Neo Milk Bar had less action to inform about the promo and discount to customers. But Neo Milk Bar has components of item that leads customer to make a purchase, such as the price, the unique name, and others.

If there were no value between marketing mix and customer purchasing decision process, then customer satisfaction got negative 0,418 value. Marketing mix got 0,594 for every unit increased on influencing the customer satisfaction. Same goes to customer purchasing decision process who gave positive result as marketing mix did. The result was 0.536 for every unit increased on influencing the customer satisfaction. It shows us that marketing mix on customer satisfaction had a strong influence based on a calculation result that T-statistic is greater than T-critical value, = 6,316 > 1,9858, significance 0.00 less than 0.05 therefore H0 is rejected. The same thing happened between customer purchasing decision process on customer satisfaction that appeared the H0 is rejected because it did had influence based on the statistical test of the β coefficient that T-statistic is greater than T-critical value -24,255 > 1,9858 with significance 0.00 less than 0.05.

From the analysis conducted, it is feasible for Neo Milk Bar to run but there are some things that must be considered. Even though almost all aspects are high but it is better to keep it up or increase the method to gain more customers. The proposed strategy for Neo Milk Bar can be done to improve customer satisfaction.

This study showed that promotion need more attention based on the table 1 which ended up a solution to ameliorate Neo Milk Bar, such as:

1. To enable customers to find the location of neo milk bar, can be done by giving a direction sign
2. Spreading the brochure in any places that has big mass, such as campuses, offices, etc in purpose to introduce Neo Milk Bar into a wider community
3. Making a member card so when Neo Milk Bar has special promo, discount, or event, Neo Milk Bar could send a message blast to them in order to attract them to come

In this study have several limitations that are necessary to note and indeed such limitations offer opportunity for future research and make further contribution to the body of knowledge or theoritical framework. First, the results here need to be viewed with caution, in the sudy result of coefficients of determinant, there were 34,5% were influenced by other factors. Therefore, future research should continue to search for more appropriate variables and authors.

Second, this study focused only 4 P's but the other such people, process and physical environment need explored for the future research. However, there are other important factors in Neo Milk Bar which is people or staffs to encourage business. These are mainly customer contact employees (waiter/ist, bartender, manager, etc.), and management. It is mainly the customer contact employees who are the face of the organization and they translate the quality into a service. Other side, the element Process of the service marketing mix represents the activities, procedures, protocols and more by which the service in question is eventually delivered to the customer. It could be the entire sales funnel, a pay system, distribution system and other systematic procedures and steps to ensure a working business runs effectively. The other is Physical Evidence. There should be evidence that the service was delivered nicely to the customers and perceived in the market place. The physical evidence includes a representation of a service for instance brochures, company stationery, business cards, reports, company website, etc. A good example in Neo Milk Bar. The design, furnishing, lighting and decoration of Neo Milk Bar as well as the appearance and the attitudes of the employees have a certain influence on the quality of the service and customer experience.

Third, the study was limited sample and unknown. Perhaps future studies will benefit to compare with other similar bar and more accurate.

References

Armstrong, G., & Kotler, P., Marketing: An Introduction (10th Edition), Upper Saddle River, NJ, Pearson Prentice Hall, 2011

Bay, S., Petrizzi, R., & Gill, P, The why of the buy: Consumer behavior and fashion marketing, New York: Fairchild Books, 2008.

Belohlavek, F ., Kostan, P ., Suler, O . Management. 1 . vydání. Brno:Computer Press, 2006. 724 stran. ISBN 80-251-0396-X.

Dapkevičius, Aurimas., dan Borisas Melnikas, Influence of Price and Quality to Customer Satisfaction: Neuromarketing Approach. Science-Future of Lithuania, Business in XXI Century, 1(3), 2009, pp.17-20

L. Rizki Amelia, Andriani Kusumawati, M. Kholid Mawardi," The Influence of Marketing Mix Variables on Purchase Decision Process and Customer Satisfaction. Jurnal Administrasi Bisnis (JAB), Vol.28, No.2, November 2015, pp.1-10,

Lin, H. H., & Wang, Y. S, "An examination of the determinants of customer loyalty in mobile commerce contexts", Information & Management, 43, 2006, pp.271-410

Martin, D., O'Neill, M., Hubbard, S. & Palmer, A., "The role of emotion in explaining consumer satisfaction and future behavioural intentions" Journal of Services Marketing, 22(3), 2008, pp. 224 – 236

Kotler, P, Marketing Management, 11th European edition, Prentice Hall. 2003.

Kotler, Philip, "Philip Kotler's Contributions to Marketing Theory and Practice, in Naresh K. Malhotra (ed.) Review of Marketing Research: Special Issue – Marketing Legends" (Review of Marketing Research, Volume 8) Emerald Group Publishing Limited, 2011,pp.87 - 120

Kotler, Philip, Kevin Lane Keller. Marketing Management, 14th Edition United States of America : Pearson, 2012.

Shankar, C., & Chin, K. K, "A study of the relationship between marketing mix and customer retention for herbal coffee in Malaysia". 2nd International Conference on Business and Economic Research (2nd ICBER, 2011) Proceeding, 2011-279.

Sugiyono, Metode Penelitian Manajemen. Bandung : Alfabeta. 2013

Parasuraman, A., Zeithaml, V. A., & Berry L. L, SERVQUAL: a multi-item scale for measuring customer perceptions of service quality. Journal of Retailing, 64(1), 1988, pp.