Conference Paper

The Influence of Marketing Mix on Decisions to Purchase UD Utama Karya Products

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Abstract

The performance of the furniture industry in Indonesia is fluctuating. The furniture trend has been changing quickly. The number of furniture companies has been increasing, so competition has also increased. UD Utama Karya is a family furniture business which produces antique-classic and minimalist designs. It serves customers in Indonesia, specifically the eastern part of Indonesia. This company was established in 1999. The aim of this research was to determine the influence of the marketing mix on decisions to purchase UD Utama Karya products. This research used a quantitative approach and data were collected with an online questionnaire using Google Forms. There was a sample of 61 and participants were customers of UD Utama Karya in Pasuruan City. Participants were recruited from the internal data of this company, using the Slovin Formula. Product, price and promotions influenced decisions to purchase UD Utama Karya products, but place did not.

Keywords: Marketing Mix, Purchase Decision, UD Utama Karya

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1. Introduction

Local and international competitors in furniture industy become tighter; the homogenous commodity in which using only one basic material; craftsmen become less frome time to time- because there is less regeneration in craftsmen, and also the many suppliers are out of business. It can be concluded that Gross Domestic Products (GDP) which has high average value compared to the development of furniture industry, which tends to fluctuative, is showed the amount of products has high point within the sum of industries that through ups and downs in its point. His case is required stable sales in order to make demand in tune with the supply of furniture products in Indonesia, including the stability of its price. UD Utama Karya is a family business specifically a furniture company and serve Indonesia customer in Eastern Indonesia. This company is established in 1999.

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UD Utama Karya produces antique-classic and minimalist style furniture. This company produces home appliance since it is established and uses Teak Wood based material.
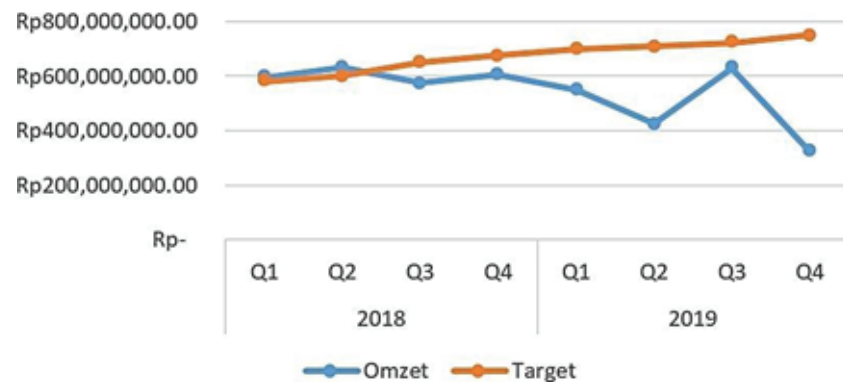

Figure 1: Data Sales of UD Utama Karya Source: UD Utama Karya Internal data, (Data processed (2020))

Some problems is found in this company, basically is taken place in decreasing sales in past two years. It is also given some influences in products which related to the price, and also impacts to the place where products is sold. These four problems which previously stated are referred to the comparison of product quality, the difference of price with competitors which is referred to product quality, lost suppliers/partners that is required to increase sales, also company's place that is distant from central city within the difficult access to reach there if it is reached by private transportation. It can be concluded that these four problems can be simplified as product, price, promotion, and place problems. Then the researcher intended to do a research entitled Marketing Mix 4p (product, place, price, promotion) in UD Utama Karya company.

2. Conceptual Background

2.1. Marketing Mix

Marketing Mix [1] is defined as some variables which is used by companies commonly related to four aspects. These are the main elements from marketing strategies (Product, Price, Place, and Promotion). However, there are some differences in marketing mix between the company that produces goods and the company that provides services. Such case is stated in [2], although customers' purchase decision are showed the sample results, on the other hand providing service needs a different approach against its customer so that the customer is willing to use the service. In this point, Price becomes sensitive against particular part of the market and the advantage level of the company.

2.2. Product

Product is a whole thing which is offered in marked in order to fulfill customer's needs and desire, including variance of products, quality, design, characteristics, brand, packaging, size, service, guarantee, and also reward. Then the customer's needs indirectly is required and something is offered by market is called product [3].

2.3. Price

Price [4] becomes diciding factor in purchasing, also becomes main element in deciding market section and the advantage level of company. At these points, it can be sensitive. On the other side, it can be concluded as the amount of money that intended customers willing to pay to get a product or a kind of service [5].

2.4. Place

Place [1] showed various activities that is done by a company in order to make targeted customers can get the products and available in the market. Therefore customers can directly see and feel the products that soon to be bought as a consideration.

2.5. Promotion

Promotion [6] is a kind way in marketing to communicate and sell products to potential customers. Therefore promotion can be meant as a way or link for a products so that these can be sold as expected. It is important in Marketing Mix, as stated in [7] that promotion is one of the strongest elements in the MM.

2.6. Purchase Decision

Purchase decision [6] is an individual activity that directly involved in getting the products. There are some stages in purchase decision [8], such as:

3. Data Analysis Model

Purchase Decision is consisted of some stages before the customers decide to buy the products. Potential customer will consider various factors about the products. One
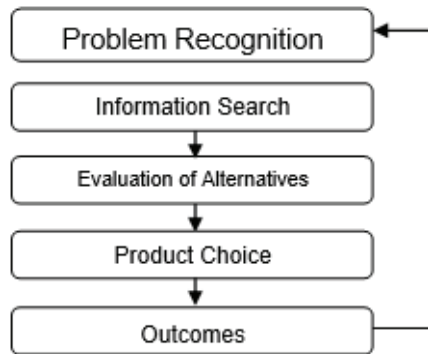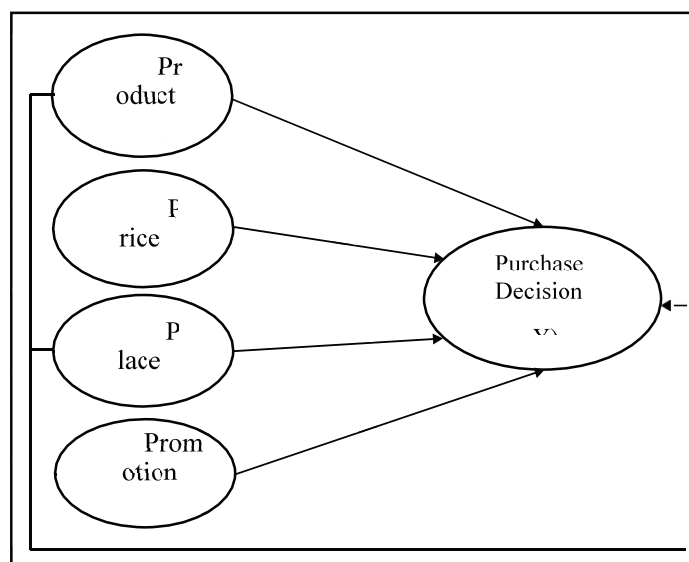
Figure 2: Stages in Purchase Decision

Figure 3: Data Analysis Model Source: Data Processed, 2020

of the factors is Marketing Mix, consisted of Product, Price, Place, adn Promotion [9]. Figure 3 elaborated the model analysis of this research in Marketing Mix partially and simultaneously against Purchase Decision.

4. Hipotheses

H1: Product influences significantly against Purchase Decision in UD Utama Karya.

H2: Price influences significantly against Purchase Decision in UD Utama Karya.

H3: Place influences significantly against Purchase Decision in UD Utama Karya.

H4: Promotion influences significantly against Purchase Decision in UD Utama Karya.

H5: Product, Price, Place, and Promotion simultaneously influences against Purchase Decision in UD Utama Karya in significant way.

5. Research Methodology

5.1. Research Design

Quantitative approach is used in this research in order to obtain valid data and outcomes. Questionnaire is used as instrument and source of main data which contains several questions in order to test the relation between dependent variables which are Product, Price, Place and Promotion; against the independent one which is Purchase Decision.

5.2. Population and Sample, and Sampling.

The population in this research is Pasuruan City. Besides, the samples are customers of UD Utama Karya, who are 73 people. In this case, Slovin Formula is used by the researcher in order to efficiently count the samples. Then finally they are counted to 61 people. Purposive sampling is used as sample collection technique.

6. Data Collection Method

6.1. Data Source

There are some data sources which is used in this research in order to collect the data. These sources are primary and secondary data. The primary data is data sources that is directly given to the data collector (questionnaire), such as Google form or hard copied quesionnaire. The secondary data is data sources which are obtained from reading, learning, and understanding through media, literature, and documents. Primary data sources are collected data by the researcher, on the other side secondary data are obtained from second source [10].

6.2. Data Collection Method

The data collection in this research is obtained by the researcher from closed questionnaire because it is safer and more efficient in collecting the data. Likert scale is used as the data collection instrument.

7. Result and Discussion

7.1. Validity Test

In order to measure validity test, Pearson Correlation is used in this test. The value of significance is <0,05 as the standard to make this research valid in each indicator of this research. Besides, 30 questionnaires were taken to be tested in this validity test.

Based on validity test table, all indicators in the questionnaire is showed points which are under 0,05 as significance, therefore it can be concluded as valid data.

7.2. Reliability Test

The value of Cronbach's Alpha in each variable is showed higher than Cronbach's Alpha if Item Deleted. The result of reliability test in this table is when Cronbach's Alpha if Item Deleted value per indicator is lower than Cronbach's Alpha. Therefore it can be concluded that research instruments used to measure purchase decision in this research can be stated as reliable. On the other side, each Cronbach's Alpha value per Variable in this table is above minimum value. Then the instrument which used to measure variables in this table can be called reliable.

On the other side, the point of Cronbach's alpha in each variable in this research is above the minimum value (0,6). In order to specify this reliability test, the point of Cronbach's alpha in variable Product= 0,936; the point of Cronbach's alpha in variable Price=0,895; the point of Cronbach's alpha in variable Place= 0,851; the point of Cronbach's alpha in variable Promotion= 0,87; and also the point of Cronbach's alpha in variable Purchase Decision= 0,895. Then the instrument which is used to measure these variables can be concluded as reliable.

7.3. Multilinear Regression Analysis

$$Y = 0,388 \ (X1) + 0,254 \ (X2) + 0,115 \ (X3) + 0,235 \ (X4)$$

Based on Regression Equation Table, it is obtained positive result. The higher value of variable Product, the higher value of Purchase decision. This result is also the same as the other dependent variables except Price variable.

TABLE 1: Regression Equation Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.546	1.254		-1.233	0.223		
	product	0.309	0.085	0.388	3.655	0.001	0.265	3.777
	price	0.26	0.104	0.254	2.487	0.016	0.286	3.491
	place	0.14	0.11	0.115	1.275	0.207	0.366	2.732
	promotion	0.307	0.142	0.235	2.158	0.035	0.251	3.99

TABLE 2: t Test Table

Model	Variable	Coefficients	t	Significance
1	Constant	-1.546	-1.233	0.223
	Product	0.309	3.655	0.001
	Price	0.26	2.487	0.016
	Place	0.14	1.275	0.207
	Promotion	0.307	2.158	0.035

7.4. t Test

Significance value Products, Price, Place, and Promotion variables are lower than 0,05 (significance provision). Therefore, it can be concluded that each variable Product, Price, Place and Promotion is partially influences variable Purchase Decision significantly.

7.5. F Test

TABLE 3: F Test Table

Model	df	F	Sig.
Regression	4	69.827	.000[b]

Based on Table 3, the sigificant value is 0,000 which lower than 0,05. Then it can be concluded that in this research, dependent variables (Product, Place, Price and Promotion) are simultaneously influence independent variable in sigificant way.

8. Discussion

8.1. The Influence of Product against Purchase Decision

The result of this research is showed that hypothesis 1 is successfully proven by the influence of Product (X1) against Purchase Decision in UD Utama Karya. Enthusiast potential customers wanted that the products should be made in quality [11]. Therefore, this research is associated with how the influence impacts Variable Product against Purchase Decision. In line with a research [12] that Product in this research is proving influence significantly against Purchase Decision. Thus, the average of respondents' answer 4,4 points that showed majorly respondents' answer are agree on variable Products influenced Purchase Decision, then the result is shown influence significantly against Purchase Decision.

8.2. The Influence of Price against Purchase Decision

The next result is shown by hypothesis 2 which is successfully proven influence of Price (X2) significantly against Purchase Decision in UD Utama Karya. Price becomes decision factor in purchasing and becomes one of main element in deciding market section and also company advantage level [4]. Therefore, this opinion is similar with this research and variable Price is giving an influence significantly against Purchase Decision. However, this research specifically Price has given different result if it is compared to a research [6]. The result in that research is the Price has no influence against its Purchase Decision. On the other side, the average answer of respondents (4,14) is shown that majority respondents were agree on variable Price (X2) then the result was given influence significantly against Purchase Decision.

8.3. The Influence of Place against Purchase Decision

Partial test variable Place (X3) in this research is given a result that Place has given no influence against Purchase Decision. Recall to the research [13] that Place influences significantly against Customer Satisfaction PT Pak Oles in Denpasar. In other words, hypothesis 3 in this research was different from the research done by Setiawan, et al. The average of respondents' answers were agree on Likert scale number 4, however partial test in this research was given a result that Price (X3) has given no influence against Purchase Decision.

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8.4. The Influence of Promotion against Purchase Decision

Hypothesis 4 is successfully proven in this research, that variable Promotion (X4) is significantly given influence against Purchase Decision in UD Utama Karya. In line with previous research [6] where the research especially Promotion (X4) is given influence significantly against its Purchase Decision. Promotion is defined as a kind of communication which gives explanation about ensure customer-to be about goods and service [3]. On the other side, his statement is supported by [4] that Promotion is one of deciding factors of succession in a marketing program. Therefore, it can be said that Promotion is also gotten a place in influencing against Purchase Decision as it was stated in [4]. If it is added with respondents' answers average which is 4,14 them it is proven respondents in major were agree on variable Promotion (X4) and the result was influenced significantly against Purchase Decision.

8.5. The Influence of Marketing Mix Simultaneously against Purchase Decision

Generally, the result is shown in this research that the influence of every variable Marketing Mix (Product, Price, Place, and Promotion) was significant against purchase decision. Sitimah (2018) in previous research, dependent variables: Product (X1), Price (X2), Place (X3), and Promotion (X4) were simultaneously given influence against Purchase Decision (Y) in Samarinda. Both this research and her research is the same proof in influencing simultaneously from variable Marketing Mix against Purchase Decision in each research.

9. Conclusion and Suggestion

9.1. Conclusion

1. Variable Product is given significant influence against Purchase Decision in UD Utama Karya.

2. Variable Price is given significant influence against Purchase Decision in UD Utama Karya.

3. Variable Place has given no influence against Purchase Decision in UD Utama Karya. This company has 3 showrooms which each contained different kind of furniture products. The reason is customers in Major especially end users are only willingly to visit one of UD Utama Karya showroom which is the first one. So if

customers found no choice of their preference in the first showroom then they don't want to move to the other showrooms.

4. Variable Promotion is given significant influence against Purchase Decision in UD Utama Karya.

5. Product, Price, Place and Promotion are simultaneously given significant influence against Purchase Decision in UD Utama Karya.

9.2. Suggestion

1. Hopefully UD Utama Karya as a furniture company can increase its product quality so customers can be more confident about their purchase decision and also satisfied with the products, especially in design, variant, also the texture of products.

2. Hopefully UD Utama Karya can manage pricing strategy so that the price can be more detail and can compete with competitors' products especially in pricing.

3. Hopefully UD Utama Karya can expand its market than before, not only Eastern Indonesia but all over this Country, moreover internationally.

4. Through market expansion, UD Utama Karya workshop and showroom not only located in Pasuruan City, but also located in every section of Capital City in Indonesia so that market expansion process can reach surroundings. Basically, the showroom is functioned to show products real condition that cannot be obtained in online purchase. The important factor in developing a company is the place itself against city region, the way customer reach its place and estimated time arrive [13].

5. Suggestion that can be delivered by researcher specifically in product is hopefully this company should be aware, followed ny price, place and promotion because there is also influence simultaneously against Purchase Decision.

6. Suggestion for the next research is if a research weill be done under the same kind cases (especially in Purchase Decision) hopefully using variable other than Marketing Mix in order to reveal wider result.

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