The Effect of Service Marketing Mix on Consumer Decision Making

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Abstract: The purpose of this study is to determine the effect of service marketing mix to consumer decision making. The location of the research was conducted in Hero Tailor Makassar. Meanwhile, the research population were all consumers who chose men's suits on Hero Tailor Makassar while the samples were 100 respondents. Data collection techniques used were: 1) questionnaires, 2) documentation techniques, 3) interviews. Data analysis used was path analysis with multivariate analysis development using SPSS. The results showed that the most influential product variables on consumer decisions. Next followed by variable price, promotion, people, location and physical evidence. However, process variables are indicators that have no relationship or influence between consumer decisions.

Keywords: Marketing Mix, Consumer, Decision Making.

1   INTRODUCTION

Progress and development in various sectors, especially industries in Indonesia has increased significantly. The increase in this sector is in line with the increasing level of the State's economy (Cohen & Levinthal, 1989; Evans & Rauch, 1999; Haskel, Pereira, & Slaughter, 2007; O'connor, 1979; Storey, 2016).

One of the industrial sectors that experienced rapid development is the convection industry, as well as expressed by experts such as: Ananda & Setiawan, (2011); Aribawa, (2009); Arifah, (2011); Fadliilah & Atmanti, (2012); Setiyadi (2008); Mekhilef, Saidur, & Safari (2011); Mujumdar (1995). The changing pattern of public consumption in accordance with the development of fashion makes the convection industries also adjust to the needs of consumers in order to continue to grow. As is known, convection is a type of business in the manufacture of clothing or clothing needs en masse especially in fashion tailoring business. Fashion dressing business is an activity that produces clothing products starting with the selection of raw materials / materials with color criteria motif, price, model, then processed through employee skill support, capital and knowledge and produce goods in the form of clothing.

In order to develop and market a business, not the exception of convection business, so that needs to know is about marketing management. Today, marketing studies are increasingly complex, originally targeting only four points, namely; Product, price, promotion, and place are now targeting to packaging, positioning, and people (Asyari, 2010).

Thus, talking about the target market in marketing studies means at least we must know the seven things, especially in the field of production of a good (Dharma & Akib, 2009; Ismail, Sulur, Akib, & Salam, 2016; Salam, Rosdiana, Suarlin, & Akib, 2014). Hero Tailor is a company engaged in good sewing which consists of several types of men's and women's clothing in the city of Makassar. In supporting the operational activities, the company experienced a growth in clothing sales from year to year develop. But in the last year Hero Tailor company experienced various obstacles and challenges both from internal company and from outside company. The problems obtained in the field are: 1)

changes in consumer tastes, 2) limited business capital, 3) increased employee salaries. To overcome these problems, it takes a marketing strategy in making decisions. Companies must take concrete steps to address the problem.

2 METHOD

This research is a kind of quantitative research. The location of the research was conducted in Hero Tailor Makassar. The population of the study were all consumers who chose men's suits on Hero Tailor Makassar, while the samples taken as many as 100 respondents. Data collection techniques used are: 1) questionnaires, 2) documentation techniques, 3) interviews. The variables in this research are: 1) Independent variable (X) = Marketing mix Service consisting of: X_1 = Product, X_2 = Price, X_3 = Place, X_4 = Promotion, X_5 = People, X_6 = Process, X_7 = Physical evidence, 2) the dependent variable (Y) is the consumer's decision. Data analysis used was path analysis with multivariate analysis development using SPSS. Path analysis is a technique used to analyze causal linkages in multiple regression, if the independent variables affect the variables directly or indirectly" (Retherford & Choe, 1993).

3 RESULTS AND DISCUSSION

Path analysis is used for direct or indirect correlation between independent variables: X_1 = Product, X_2 = price, X_3 = place, X_4 = promotion, X_5 =people, X_6 = process, X_7 = physical evidence, with dependent variable or decision consumer. In testing hypothesis done with significance level t <0,05. For more details, can be seen in table 1.

Table 1. Domination Test

Variabel	Standardized Coefficients Beta	t	Information
Product-X1	0,496	8,119	Domination
Price-X2	0,203	4,112	Influential
Place-X3	0,116	1,962	Influential
Promotion=X4	0,180	2,826	Influential
People =X5	0,117	2,248	Influential
Process= X6	-,083	-1,056	No Influential

a Dependent Variable: Keputusan Konsumen-y

3.1 Product Variable (X1)

Product variable (X1) has direct path coefficient value to consumer decision (Y) equal to 0,496, with coefficient value of Pearson zero order equal to 0,8 so result direct influence from product is equal to 39,9 percent toward consumer decision. This means that the quality of a good suit will be able to influence the consumer's decision to choose a suit on Hero Tailor. The results of this study are supported by research conducted by Dodds & Monroe (1985); Milgrom & Roberts (1986); Stark (2015); Teng & Thompson (1996) revealed that with a quality product it will increase the product sales results. This shows that the efforts made by Hero Tailor Makassar have been very good by making improvements in product quality in accordance with the needs of consumers.

3.2 Price Variable (X2)

The value of coefficient of direct line price variable (X2) to consumer decision (Y) is 0,203. With the value of coefficient pearson zero order of 0.487 then obtained a direct influence of 9.8 percent. This means that the price standard will affect the consumer's decision to choose a suit on Hero Tailor. Based on these results, Hero Tailor has made an effort to adjust market

prices in accordance with consumer needs. Price is one factor that greatly influences the consumer's decision to own the product (Laurent & Kapferer, 1985; Lu Wang & Xiong Chen, 2004; Padel & Foster, 2005). If Hero Tailor does not do that, then the consumer will choose another place because it has a lot of growing sewing business in the city of Makassar.

3.3 Place Variable (X3)

The value of direct path coefficient of Place Variable (X3) to consumer decision (Y) is 0,116. While the indirect effect through product variables (X1) of 0.217. These results indicate that the strategic location, then the consumer will get the convenience to come directly and choose the types of products desired. This is in accordance with the results of research (Ailawadi & Keller, 2004) who said that with a strategic location will make consumers to come because it is able to be reached easily.

3.3 Promotion Variable (X4)

Promotion variable (X4) has direct path variable coefficient of Place (X3) to consumer decision (Y) equal to 0,180 and indirect influence through product variable (X1) equal to 0,254 and location variable (X3) equal to 0,567. So, the effective contribution resulting from the two patterns of relationship is 12 per cent which is obtained through direct influence and 17.04 and 38.04 per cent are indirect influences. This means that promotion is done, then the consumer will be easier about the products offered so indirectly also will be easier to know the location of Hero Tailor.

3.5 People Variable (X4)

The value of direct line coefficient of people variable (X5) to consumer decision (Y) is 0,177 and indirect effect value through product variable (X1) is 0,304. The value of zero order pearson coefficient of 0.627, so the effective contribution resulting from the two patterns of

relationship is 11.09 percent for direct influence and 19.06 percent for indirect influence on consumer decisions to choose suit on Hero Tailor. Based on the results of research indicate that in performing function as an people.

3.6 Process Variable (X6)

Process variables only have indirect influence through promotion variable (X4) to consumer decision (Y) equal to -, 083. This means that the process cannot influence the consumer's decision to choose a suit, so the result of the tailoring process will affect the consumer's decision after through promotional variables. Pearson zero order coefficient value of 0.613 so that the effective contribution resulting from the indirect relationship is 29.8 percent of consumer decisions to choose a suit on Hero Tailor.

3.7 Physical Evidence Variable (X6)

Physical evidence (X7) has direct path coefficient value to consumer decision (Y) equal to 0,123 and coefficient value of indirect effect line through people variable (X5) equal to 0,426. This means that with complete physical e will certainly greatly help improve employee performance.

4 CONCLUSIONS

The results showed that the product variable is the most dominant variable that affects the consumer's decision with the value of direct path coefficient of 0.217. Then followed by price variable with direct coefficient value equal to 0,203, promotion of direct coefficient value equal to 0,180, people direct coefficient value equal to 0,177, place of direct coefficient value equal to and physical evidence value of direct coefficient equal to 0,123. However, the process variable is an indicator that has no relationship or influence between the consumer decision of the value of the direct coefficient of -, 083.

5 ACKNOWLEDGEMENTS

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