Influence of Consumer Behavior and Marketing Mix on Product Purchasing Decisions

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Abstract

The purpose of the study was: 1) to look at the direct influence between consumer behaviour on the marketing mix, 2) to look at the direct relationship between consumer behaviour on purchasing decisions, 3) to look at the influence of direct relationships between marketing mixes on purchasing decisions, 4) to look at the indirect influence of indirect relationships between consumer behaviour toward purchasing decisions mediated by the marketing mix. The sample used in the study was as many as 120 randomly selected respondents, and data processing using Smart PLS 2.0 software. The results of this study are, 1) consumer behaviour towards the marketing mix has a positive and significant influence with a relationship value of 55,899 > 1.96. 2) Consumer behaviour towards purchasing decisions has a positive and significant influence with a relationship value of 2,850 > 1.96. 3) Marketing mix on purchasing decisions has a positive and significant influence value with a relationship value of 13,764 > 1.96. 4) The results of analysis of indirect influence pathways between consumer behaviour to purchasing decisions mediated by marketing mix is 13,554 > 1.96 with a significance level of 5% proving that marketing mix has a significant effect in mediating the relationship between consumer behaviour to purchasing decisions.

Keywords: Consumer behaviour, Marketing mix, Purchasing decisions

1. Introduction

Improvements and refinements of activities in the field of marketing must be done in a planned manner, or in other words the company must determine the right marketing strategy. Changes in the business environment, especially in terms of competitors' ability to produce the same product, are causing many companies to turn to consumers. A consumer-focused business should always think about what consumers need, what consumers want and what services they like so that consumers are not only satisfied but also become loyal and buy again.[1] The Central Statistics Agency (BPS) released Indonesia's economic growth figures in 2020, with growth down 2.07% (c-to-c) from 2019. Gross domestic product (GDP) based on prevailing prices, GDP reached Rp. 15,434.2 trillion and GDP per capita reached Rp. 56.9 million or US$ 3,911.7. In terms of production, transportation and warehousing activities decreased the most, which was 15.04%. In terms of expenditure, most of the components are contracted. The exported goods and services group was the group with the largest decline of 7.70%. [2] Meanwhile, imports of goods and services that were a factor in the reduction fell by

14.71%. 4,444 Indonesia's economy in the fourth quarter of 2020 compared to the fourth quarter of 2019 decreased growth by 2.19% (y-on-y). In terms of production, the transportation and warehousing business grew the most strongly by 13.42%. In terms of spending, the export component of goods and services experienced the strongest growth decline of 7.21%. Meanwhile, imports of goods and services fell 13.52%. Indonesia's economy in the fourth quarter of 2020 compared to the previous quarter grew by 0.42% (q-to- q). In terms of production, the agricultural, forestry, and fisheries sectors experienced the largest decline with an increase of 20.15%. In terms of spending, the strongest growth was contributed by the Government Consumption Expenditure Component (PKP) which increased by 27.15%. The spatial structure of Indonesia's economy in 2020 mainly focuses on the provinces on the island of Java at a rate of 58.75%, with economic growth declining by 2.51%.[2]

The variety of consumer behaviour to meet daily needs can be influenced by various factors, both from consumers themselves and those from outside the consumer. Several factors can influence consumer behaviour, including cultural, social, personal and psychological factors. So these factors need to be taken into account. The decision of consumers to buy goods and services, there are several factors found in consumer characteristics, namely business stimuli including products, prices, locations and promotions and as other stimuli such as politics, economy, technology and culture.[3] Consumer response to these stimuli will lead to decisions about the product, brand, agency, and when and how much to buy.[4]

The requirements that the Company must meet to be successful in the competition strive to achieve the goal of creating and maintaining customers. To this end, each company must create and deliver products and services that consumers want at affordable prices. Therefore, every company cannot understand consumer behaviour in the target market, since the company's survival as an organization with the aim of satisfying consumer needs and expectations is highly dependent on consumer behaviour. Not only that, especially if you have established a marketing strategy, consumers should learn and test the product. The process of consumer acceptance of products is implemented in the form of purchasing decisions.[5]

Marketing strategies include elements of an integrated marketing mix that is a product, price, distribution channels/ location and promotion that develop along with company activities and changes in the marketing environment, as well as changes in consumer behaviour. Consumption behaviour referred to here of course consumption behaviour that will bring revenue to the company. A marketing strategy is a set of goals and objectives, policies and rules that guide a company's marketing efforts at all times, at every level and its credentials and responsibilities, in particular, the company's response, environment and ever-changing competitive conditions.[6] Most people think that marketing is about sales and advertising. Sales and advertising are just the pinnacles of marketing. Today, marketing should not be understood in the old sales sense, but in the modern sense of meeting customer needs. Marketing creates value for customers and builds lasting relationships with customers to capture customer value.[7] Marketing is a social process in which a business creates value for an individual or group, customer or consumer by satisfying needs and wants through supply and demand.[8]

Purchasing behaviour describes how consumers make purchasing decisions and how they use and manage their purchases of goods or services. This consumption behaviour is dynamic, changing and moving all the time, which implies that generalizations of consumption behaviour are generally limited to a given period. Consumer behaviour is defined as actions directly related to the acquisition, consumption and disposal of products and services, including the decision-making process before and after those actions. Buying behaviour is influenced by many factors, including product, price, location and promotion of purchase.[9]

2. Research Method

The research method used is the survey method. The data used includes primary data and secondary data. The sample used in the study was 120 respondents. The data analysis used in this study is a statistical and descriptive analysis of Structural Equation Modeling (SEM) with Smart PLS 2.0M3 software. The rationale for the use of SEM is its ability to estimate relationships between variables with many relationships and to describe the pattern of relationships between latent constructs and expressed variables.[10]
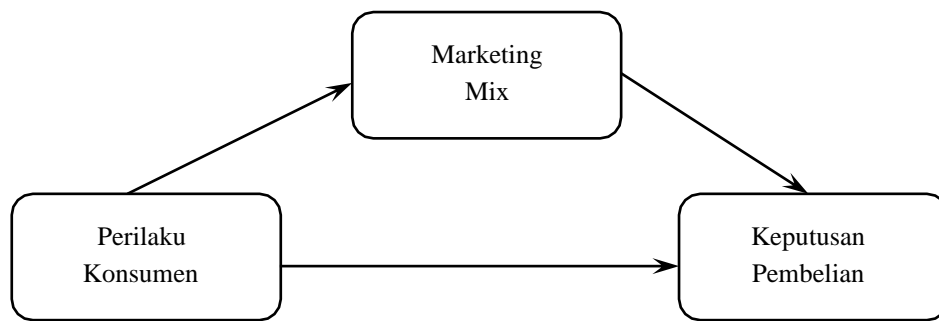
Figure 1. Framework of

2.1 Thought Results and Discussions
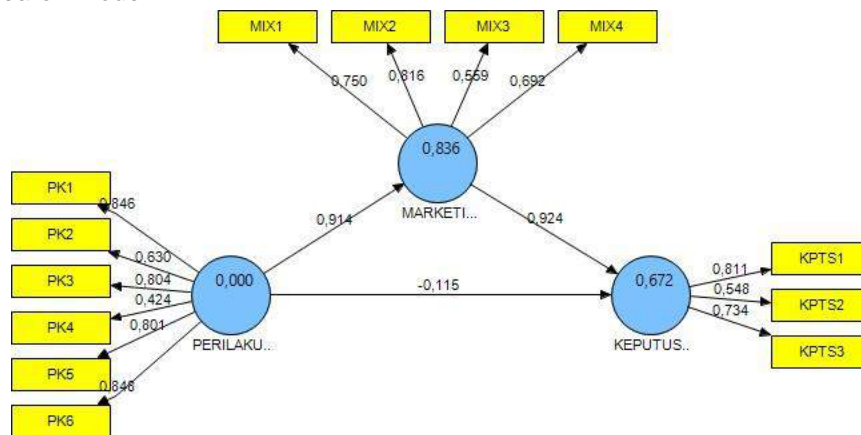*Design research model*

Figure 2. PLS Algorithm Results

From figure 2 above it is explained that the validity results of each variable indicator in this study use a validity standard of 0.5. The PK4 indicator gets a value of 0.424 and is declared[11]

invalid because it has a validity value below the standard of 0.5, and the decision taken related to the result is to remove the PK4 indicator and recalculate the validity results.[5]
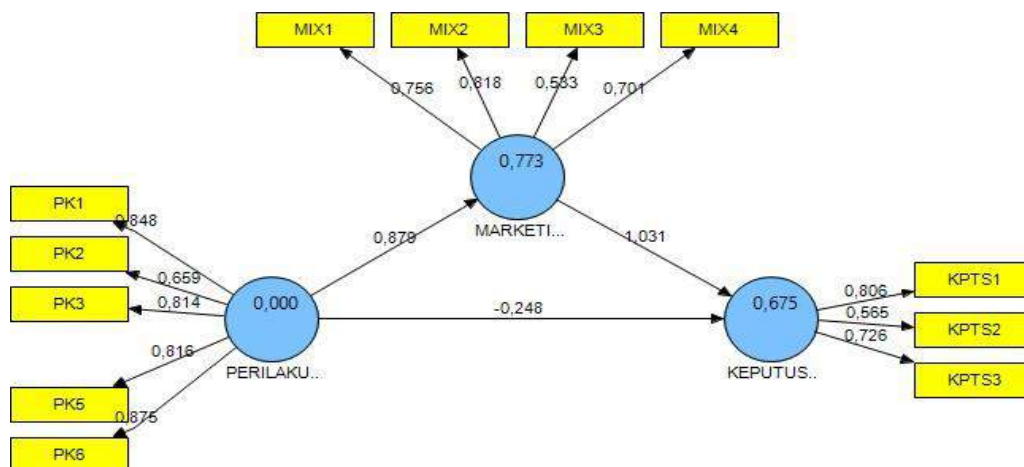

Figure 3. Algoritm PLS Results

The results of the next calculation (figure 3) of the validity test of each indicator in this study have met the valid standard set at > 0.5.[12]

Convergent Validity Test
The reflective indicator validity test can use the relationship between the indicator score and the construct score.[5]

Table 1. Outer Loading Value

	Keputusan Pembelian	Marketing Mix	Perilaku Konsumen
KPTS1	0,805917		
KPTS2	0,565237		
KPTS3	0,725677		
MIX1		0,755607	
MIX2		0,818413	
MIX3		0,532624	
MIX4		0,701116	
PK1			0,847661
PK2			0,659437
PK3			0,814469
PK5			0,816024
PK6			0,874733

Discriminant Validity Test
For reflectance indexes, discriminant validity should be checked by comparing values in a cross-load table.[13] An indicator is declared valid if it has the highest load factor value for the target structure compared to the load factor value for other structures.[14]

Table 2. Cross Loading Results

	Keputusan Pembelian	Marketing Mix	Perilaku Konsumen
KPTS1	0,805917	0,688603	0,624740
KPTS2	0,565237	0,407578	0,153820
KPTS3	0,725677	0,593422	0,544513
MIX1	0,624822	0,755607	0,671965
MIX2	0,612983	0,818413	0,803137
MIX3	0,571217	0,532624	0,182435
MIX4	0,537385	0,701116	0,683892
PK1	0,579185	0,741376	0,847661
PK2	0,320602	0,481909	0,659437
PK3	0,593819	0,774620	0,814469
PK5	0,554210	0,760067	0,816024
PK6	0,549602	0,729218	0,874733

Reliability Test

Table 3. Variable Reliability Test Results

Construct	Composite Reliability	Notes
Keputusan Pembelian	0,745065	reliable
Marketing Mix	0,798936	reliable
Perilaku Konsumen	0,901843	reliable

Reliability test results showed the results of composite reliability of purchasing decisions of 0.745, [15] marketing mix variables of 0.798, and consumer behaviour of 0.901, the results were very satisfactory because they were above the standard set at 0.7.[16]
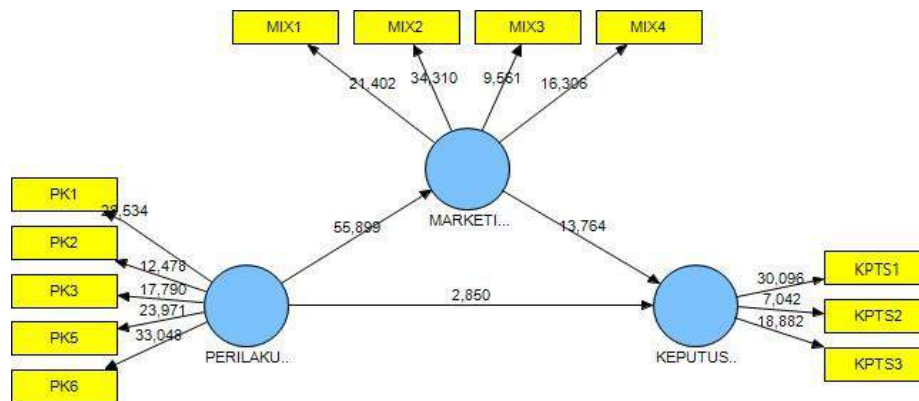

Figure 4. Bootstrapping Results

The results of the bootstrapping test to test the direct influence between the variables used in the study and to test the path hypothesis between each variable are used. From the results of the relationship between variables can be seen whether there is an influence or not between variables.[17] The results of consumer behaviour towards the marketing mix had a positive and significant influence with a relationship value of 55,899 > 1.96.[18] The relationship between consumer behaviour and purchasing decisions had a positive and significant influence with a relationship value of 2,850 >1.96. The marketing mix related to the purchase decision has a positive and significant influence value with a relationship value of 13,764 > 1.96.[19]

Table 4. Conclusion of Research Results

Hypothesis	Variables		Direct Effect	Indirect Effect	Total Effect	t - Values (>1.96)	Notes
	Exogenous	Endogenous					
1	Perilaku Konsumen	Marketing Mix	0,879	-	0,879	55,899	(+) Signifikan
2	Perilaku Konsumen	Keputusan Pembelian	-0,248	-	-0,248	2,850	(+) Signifikan
3	Marketing Mix	Keputusan Pembelian	1,031	-	1,031	13,764	(+) Signifikan
4.	Perilaku Konsumen ⟶ Marketing Mix	Keputusan Pembelian	0,879	1,031	1,91	13,554	(+) Signifikan

Source: Smart PLS 2.0M3 data processing

Indirect Effect

To see the results of indirect influence tests, the study used a Sobel test involving Consumer Behavior, Marketing Mix, and Purchasing Decisions.[20] Figure 5, shows the value of track analysis between consumer behaviour to the marketing mix of 0.879 with an error standard of 0.015 and marketing mix to purchasing decisions of 1,031 with a standard error of 0.074.[21] From the results of the Sobel test, the results of the analysis of indirect influence pathways between consumer behaviour to purchasing decisions mediated by marketing mixes were 13,554 > 1.96 with a significance level of 5% proving that marketing mix has a significant effect in mediating the relationship between consumer behaviour to purchasing decisions.[22]
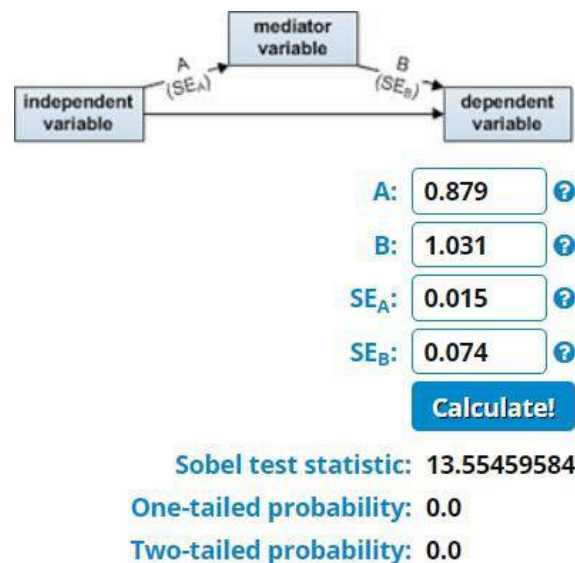

Figure 5. Indirect Impact Results

4. Conclusion

The first hypothesis, from the relationship between consumer behaviour to the marketing mix, has a positive and significant influence with a relationship value of 55,899 > 1.96. The second hypothesis is that the relationship between consumer behaviour toward purchasing decisions has a positive and significant effect with an associated value of 2,850 >1.96. The third hypothesis, the marketing mix relationship to purchasing decisions has a positive and significant influence value with a relationship value of 13,764 > 1.96. The fourth hypothesis, the results of analysis of indirect influence pathways between consumer behaviour to purchasing decisions mediated by marketing mix is 13,554 > 1.96 with a significance level of 5% proving that marketing mix has a significant effect in mediating the relationship between consumer behaviour to purchasing decisions.

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