

# The Impact Of Marketing Mix Strategy On Consumers Decision To Buy On Credit At Pt.Fifgroup Spektra Medan Branch

Ria Octari<sup>1\*</sup> Nazarudin Matondang<sup>2</sup> Zahari Zen<sup>2</sup>

1. Magister Manajemen, Universitas Sumatera Utara, Medan, Indonesia
2. Post Graduate Lecturer, Universitas Sumatera Utara, Medan, Indonesia

\* E-mail of the corresponding author: [riaocthari@gmail.com](mailto:riaocthari@gmail.com)

## Abstract

Marketing mix strategy applied by PT. Fifgroup Spektra Medan Branch, has showed a positive impact on its sale and on maintaining consumer loyalty even though its prosmotion policy is not effective enough since it is still not known by many people. Therefore, it has to maximize its strategy and has to be consistent in its implementation. The samples were 95 respondents, taken bt using proportionate stratified random sampling technique. The data were analyzed ny using multivariate analysis. The hypothesis was marketing mix which comprised product, price, promotion, place, people, and process which influence consumers decision to buy on credit at PT. Fifgroup Spektra Medan Branch. The result of the research showed that, simultaneously, the variable of marketing mix had significant influence on consumers decision to buy on credit. Simultaneously, the variables of product, price, and place did not have any significant influence on consumers decision to buy on credit, while the variables of promotion, people, and process did.

**Keywords :** Marketing Mix, Marketing Strategy, Consumer Financing

## 1. Introduction

The increasing number of loan financing companies that are emerging will make the competition tighter not only from consumer finance companies but also from bank financial institutions that will compete for the same customers. The movement of SPEKTRA achievement can be seen in table 1.

Table 1. Movement of SPEKTRA Sales Achievement Year 2012 - 2016

<b>Tahun</b>	<b>Order ( unit )</b>	<b>Booking Unit ( unit )</b>	<b>Amount Finance ( Rp )</b>	<b>Reject ( % )</b>
2012	7133	5706	19.807.887.700	20
2013	8491	7196	26.218.659.550	18
2014	8377	7016	20.346.429.467	16
2015	9339	8121	37.610.854.070	13
2016	6771	6434	26.447.336.973	5

Based on Table 1. By looking at sales conditions from 2012 - 2015, there is inconsistency in running the company's marketing mix which is the spearhead of the company. In 2015 Spectra held a big event by doing a very large promotion so as to achieve a high amount of finance. Central management provides a large promotion fund to Spectra Branch Medan so that in 2015 Spektra Medan Branch can capture more consumers and can increase corporate profits

The application of marketing mix marketing strategy aims to maintain the consistency of sales which is a consumer decision tool using Spektra financing services. The efforts made by PT. Fifgroup Spektra Medan Branch to increase sales by using marketing promotion by introducing its products to the public through the event by advertising through print media and electronic media, along with the distribution of merchandise to provide accurate and clear information and total / total service to the customer.

This is consistent with that described by Lovelock & Wright (2015) that performance evaluation for employees, managers, and consumers who decide to use certain services / products is influenced by the service delivery process that results from the concept of service marketing and concept of service operations, this is very important considering one of the sources of income PT. Fifgroup Spektra Medan Branch is from the sale of various electronic products.

## 2. Literature Review

### 2.1 Theory of Consumer Financing

Based on Decree of the Minister of Finance number 1251 / KMK.013 / 1988, consumer financing is financing

activities in the form of funds for procurement of goods based on consumer needs with the system of installment payments or periodically by consumers. Based on this understanding it can be concluded that consumer financing activities include several aspects as follows:

- Financing provided in the form of funds or money. This means the borrower borrows money from the finance company
- Procurement of goods for consumptive purposes. This means that financing risks are relatively safer because they spread to many consumers, with relatively small nominal financing, thus the interest rate given is relatively high.
- How to pay in installments or installments in a certain time or period.

### *2.2 Theory of Marketing Service*

Basically services are all economic activities whose results are not physical or construction, which are generally produced and consumed simultaneously and provide added value (eg convenience, entertainment, pleasure, or health) to consumers. According to Kotler (2000) Services have four characteristics of Services:

- Intangible Service can not be seen, felt, touched, heard or smelled before the service is purchased. To reduce uncertainty, buyers will seek or evidence of the quality of services. They will draw conclusions about the quality of services from the places, people, equipment, communication tools, symbols, and prices they see.
- Inseparability, Generally services are generated and consumed simultaneously. Unlike physical goods produced, it is stored in stock. If a person provides services, then the provider is part of the service.
- Variable Service depends on who provides and when and where the services are provided. The company can perform three steps in quality control. The first is to invest in creating good recruitment and training procedures. The second is to standardize the service delivery process throughout the organization. Third is to monitor customer satisfaction through a system of suggestions and complaints, customer surveys and comparison shopping.
- Easy to Vanish (Variability) A service can not be stored, the nature of services that easily disappears will not be a problem if demand is fixed, problems will arise if demand for services fluctuate.

### *2.3 Theory of Service Marketing Strategy*

At a finance company the application of the marketing mix becomes very important to continue to attract consumers by purchasing the goods they need on credit and marketing mix to spearhead the success of a company. According Yazid (2008) "In the marketing of services there are other elements that can be controlled and coordinated for the purposes of communication and consumer service satisfaction. Elements are: People (people or participants). The physical environment in which the services are provided or the physical evidence and the service process itself ". Next Suparyanto and Rosad (2015) stated that "Service Marketing mix is wider than the marketing mix of goods. there is a similarity of marketing mix of goods with service delivery mix on the first 4P of product, price, place, and promotion, besides that there are additional 3P other that is people, process, and physical evidence.

#### *a. Theory of Marketing Mix*

In achieving the goals of a company, companies sometimes experience problems in marketing their products. Marketing mix is a tool or tool for marketers consisting of various elements of a marketing program that needs to be considered for the implementation of marketing strategy and positioning set can run successfully.

##### **i. Product**

Conceptually, product (product) is a subjective understanding of the producer of something that can be offered as an effort to achieve organizational goals through the fulfillment and desires of consumers, in accordance with the competence and capacity of the organization and the purchasing power of the market. Products can also mean everything that can be offered to satisfy needs and wants. According to Lupiyoadi (2006), states that the product is the whole concept of the object or process that provides a number of value to the consumer benefits. Noteworthy in the product is the consumer not only buy the physical of the product but buy the benefits and value of the product called "the offer".

##### **ii. Price**

Price decisions are very significant in determining the value or benefits that can be given to the customer and play an important role in the picture of product quality in addition to determining the profitability of the company through the profit per unit sold. According to Sunyoto and Susanti (2015) argue that "pricing activities play an important role in the marketing mix process, because the pricing is directly related to the revenue received by the company. The pricing decision is also so important in determining how much a service is valued by the consumer and also in the image building process. pricing also gives a certain perception of quality. "

iii. Promotion

An important marketing responsibility is to plan and coordinate integrated promotional strategies and select the most effective strategies. Promotion by Kotler, 2000; in Weenas, 2013 is a marketing venture that provides short-term intensive efforts to encourage the desire to try or buy a product or service. All promotional activities aim to influence buying behavior, but the main promotional objectives are to notify, persuade and remind.

iv. Place

Place in service is a combination of location and decision on distribution channel, in this case related to how to deliver services to consumers and where the location is strategic. Marketing variables include marketing channels, market coverage, grouping, location, availability, and transportation. According Hurriyati (2005), states "The choice of place or location requires proper consideration of several factors, namely:

- Access, for example, location easily accessible
- Visibility, such as a location that can be seen clearly from the curb
- Traffic, where there are two things to consider that the number of people passing by can provide a great opportunity impulsebuying and traffic density and congestion can also be a barrier
- Spacious and secure parking area
- Expansion, there is sufficient space for future expansion
- Environment, ie the surrounding area that supports the services offered
- Competition, ie the location of competitors
- Government regulation

v. People

In relation to service marketing, 'people' functioning as a service provider greatly affects the quality of services provided primarily in terms of the service delivery system. This 'person' decision means dealing with selection, training, motivation, and human resource management. To achieve the best quality then employees must be trained to realize the importance of their work is to give consumers satisfaction and meet their needs.

According to Lumpiyoadi (2008) assessment is measured by: desired service (what the customer wants that service must exist) and adequate service (minimum level of service must be accepted by consumers) and suggests there are four criteria or role of the people in influencing the consumer :

- contractor, people here interact directly with consumers in frequent frequencies and greatly affect consumer decisions to buy
- modifiers, they do not directly affect the consumer but are quite often associated with the consumer
- influencers, they affect consumers in the decision to buy.tetapi not directly contact with consumers
- isolated, people do not directly participate in marketing mix and also do not often meet with consumer, for example: cashier, customer service, credit analysis

vi. Process

Process is a combination of all activities, generally consisting of procedures, work schedules, mechanisms, activities, and routines where services are generated and delivered to consumers. Marketing people should avoid sudden planning and decision making, and should have good ideas and concepts in playing a role on regular rules. According to Yazid (2008) states that the process is all the procedure is a system of presentation or service operation. The main object of service marketing is identifying the needs and wants of the market. Therefore services should be designed to meet those needs. Service designs include the design of the service process and how the services are delivered. Ultimately the process reflects how all elements of the marketing mix are coordinated to ensure the quality and consistency of services provided to marketing consumers are coordinated to ensure the quality and consistency of services provided to consumers.

*2.5 Consumer Decision in Taking Credit*

According to Schiffman, Kanuk (2004, on Kuncoro & Adithya, 2010) the consumer's decision to take credit is the election of two or more alternative credit decision choices, meaning that one can make decisions, alternatives must be available. So based on the above opinion, consumer decision in taking credit is a process done by consumer when taking credit, then consumer choose one alternative from existing alternative.

Factors influencing customer decisions in taking credit are:

1. Internal Factors

- Personal Factors (Kotler, 2005: 211), is one of the factors that influence consumer decisions. These characteristics include age, and stage of life cycle, occupation, economic situation, lifestyle, income.
- Psychological Factors (Kotler, 2005: 213), where these psychological variables can be distinguished into motivation, perception, learning, beliefs and attitudes.

## 2. External Factors

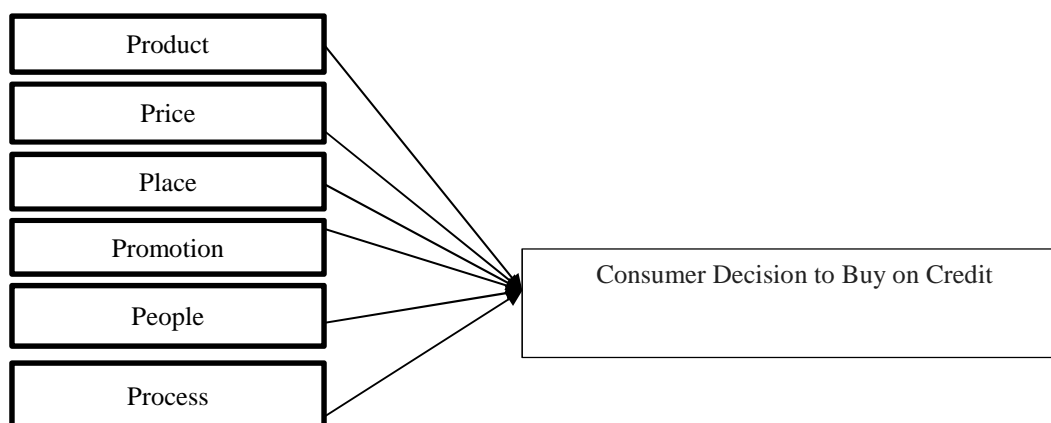
- Social Factors, Family is the most important customer or consumer organization in society and family members become the most influential primary reference group.
- Factors Location, Service and Procedures Credit, the right location will greatly affect the number of consumers of a company, for example an easily accessible location will encourage consumers to come to perform transactions such as taking credit. Good service and excellent accompanied by facilities and infrastructure that support will attract consumers to continue to come to carry out transactions and will be one factor that will encourage prospective customers. Credit procedures applied will greatly affect the customer's decision to take credit.

Based on the above description, the need to think about the factors that influence consumer decisions in taking credit. Because the person who takes or not a credit will be adjusted to the income of work and the economic environment of someone who will take credit in a company.

## 3. Conceptual Framework and Hypothesis

### 3.1 Conceptual Research Framework

In the following figure will show dimensions that affect customer interest in PT. Fifgroup Spektra Medan Branch as reference in giving strategic recommendation to maintain and develop PT. Fifgroup Spektra Medan Branch. There are six main dimensions that are the main pillars of the Marketing Mix Strategy, namely Product, Price, Place, Promotion, People, And Process.



**Figure 1. Conceptual Framework**

### 3.2 Hypothesis

#### Hypothesis

The hypothesis formula for the problem described in the previous chapter is as follows:

H: Product, Price, Place, Promotion, People, and Process simultaneously have a significant effect on consumer decision to buy goods on credit at PT. Fifgroup Spektra Medan Branch

H1: Product has a positive and significant effect to consumer decision to buy goods on credit at PT.Fifgroup Spektra Medan Branch

H2: Price has a positive and significant influence on consumer's decision to buy goods on credit at PT.Fifgroup Spektra Medan Branch

H3: Place has a positive and significant influence on consumer's decision to buy goods on credit at PT.Fifgroup Spektra Medan Branch

H4: Promotion has a positive and significant effect on consumer's decision to buy goods on credit at PT.Fifgroup Spektra Medan Branch

H5: People have a positive and significant influence on consumer's decision to buy goods on credit at PT.Fifgroup Spektra Medan Branch

H6: The process of positive and significant influence on consumer decisions to buy goods on credit at PT.Fifgroup Spektra Medan Branch

## 4. Methods

### 4.1 Types of research

This research method is included in the category of quantitative research. In quantitative research, the

relationship between the variables in the problem to be solved is causal so that there are independent variables and dependent variables. This study aims to obtain information how strong independent variables affect the dependent variable (Sinulingga, 2014).

#### *4.2 Population and Sample*

The population in this study are customers who use credit facilities at PT. Fifgroup Spektra Branch Medan which amounted to 1738 people. This amount is taken from the consumer repeat orders included in the criteria RO 1 and RO 2 in 2016. These criteria are loyal customers who have good impact on the company by making current payments, while RO 3 and RO 4 are consumers whose payments are not smooth or overdue > 30 day even company blacklist.

Sampling technique in this research Method Proportionate Stratified Random Sampling. This technique is used when the population has members or elements that are not homogeneous and stratified proportionally (Sugiono, 2015). To determine who will be made as respondents of each strata done randomly or randomly.

#### *4.3 Sources of Research Data*

- a. Primary data, ie data obtained by researchers directly from the main source by way of survey using questionnaires, interviews and direct observations by researchers.
- b. Secondary Data, ie data sourced from reports that have been made by others. The results of reports that have been made by other parties can still be used for a different study.

#### *4.4 Data Collection Technique Research*

- Interview, conducting interviews with the authorities at PT. Fifgroup Spektra Medan Branch
- Questionnaire, which is to share the written question to the respondent or the sample that has been determined in this study who became the resource person to get the answer as Primary data to be analyzed to get the conclusion in this research.
- Documentation data that is all written data sourced from the company, such as company profile, vision, mission, annual report and so forth.

## **5. Result and Discussion**

### *5.1 Validity Test*

Measurement of validity and reliability in this study using the help of SPSS version 22. Testing the validity using two-sided test with a significant level of 0.05, with criteria: if r count is greater than the critical then the item question is declared valid. R value of table using significance 0.005 with side test and the amount of data (n) = 30 is 0.361

### *5.2 Reliability Test*

According to Sinulingga (2014), Reliability is a measuring tool with respect to degree of consistency and data stability resulting from the data collection process using the instrument. The way used to test the reliability of the questionnaire is to use Cronbach Alpha Coefficient Formula. If the result of the Cronbach Alpha coefficient calculation of the obtained data is the same or above the critical r value of the number of samples used, it can be said that the data is reliable.

### *5.3 Normality Test*

Normality test data aims to test whether in the regression model, independent variables and dependent variables both have a normal distribution or not. A good regression model is to have normal or near-normal data distribution (Ghozali, 2011). The residual normality can be used graph histogram and PP Plot. How to make a decision with PP Plot is:

1. If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression line method meets the assumption of normality.
2. If the data spreads far from the diagonal line or does not follow the direction of the diagonal line, then the regression model does not meet the assumption of normality.

#### 5.4 Multicollinearity Test

Table 3. Result of multicollinearity test

Model	Collinearity Statistics	
	Tolerance	VIF
Product	,987	1,013
Price	,910	1,099
Place	,946	1,057
Promotion	,785	1,274
People	,818	1,223
Process	,861	1,162

Table 3 shows the Regression 1 can be seen that between independent variables do not occur multicollinearity. This can be seen from tolerance values that have values > 0.1 and VIF < 10. So it can be concluded that there is no multicollinearity problem between variables in this regression model.

#### 5.5 Heterocedasticity Test

Based on the scatterplot graph it is seen that the points spread randomly above and below the number 0 on the Y axis. It can be concluded that there is no heteroscedicity in the regression model.

#### 5.6 Test Simultaneously (Test F)

Tabel 4. Hypothesis Testing Results simultaneously

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	11,988	6	1,998	4,250	,001 <sup>b</sup>
Residual	41,368	88	,470		
Total	53,355	94			

shows that the independent variables of product, price, place, promotion, people, and process have highly significant effect on consumer's decision to use financing services of PT. Fifgroup Spektra Medan Branch. The level of influence of these six variables can be used as a guideline for Spektra as an effort to improve consumer's decision to do credit by always considering every indicator of product, price, place, promotion, people, and process that need to improve consumer's decision to use financing services of PT. Fifgroup Spektra Medan Branch.

#### 5.7 Test Parsial (t test)

Table 5. Partial Test Results / Test t

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,611	,888		1,814	,073
Product	-,122	,133	-,087	-,919	,360
Price	,064	,096	,065	,665	,508
Place	-,034	,093	-,036	-,371	,712
Promotion	,228	,114	,212	2,005	,048
People	,190	,087	,226	2,181	,032
Process	,240	,111	,218	2,159	,034

- The sig t value for the product (0.360) is greater than the alpha (0.05). Based on the results obtained then H1 is rejected for product and H0 accepted.
- The sig t value for the price (0.508) is greater than the alpha (0.05). Based on the results obtained then H1 is rejected for price and H0 is accepted.
- The sig t value for place (0.712) is greater than alpha (0.05). Based on the results obtained then H1 is



rejected for place and H0 is accepted.

- The sig t value for promotion (0.48) is smaller than alpha (0.05). Based on the results obtained then H4 accepted for promotion and H0 rejected.
- The sig t value for people (0.32) is smaller than alpha (0.05). Based on the results obtained then H5 accepted for people and H0 rejected.
- The sig t value for the process (0.34) is smaller than the alpha (0.05). Based on the results obtained then H5 accepted for process and H0 rejected.

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