

# Analysis of marketing mix on customer satisfaction in traditional market

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# ANALYSIS OF MARKETING MIX ON CUSTOMER SATISFACTION IN TRADITIONAL MARKET

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*Abstract.* Mix is a tool that can be used to provide services to consumers. It is very common, making a business to make an effect that suits your current needs, so that consumers are happy and comfortable. Consumer satisfaction is one of the main keys to success. The purpose of this study was to design a mix consisting of: product, price, location, and promotion of consumer satisfaction, both simultaneously and privately. The research location in the traditional market town of Malang, using a quantitative method the number of samples is 30 people. Multiple linear data analysis techniques. Data analysis includes testing validity and reliability. Based on the results of the feasibility test the independent variables have a significant influence on the variables of product, price, place and promotion, positive significance to customer satisfaction. A positive and significant product mix on customer satisfaction. Positive and significant price mix on consumer satisfaction. The location mix is positive and significant to customer satisfaction. Promotion mix is positive and significant to customer satisfaction. Promotion variables are variables that have a dominant influence, therefore traditional markets in Malang have increased promotion through visual media, both by way of and face-to-face.

**Keywords:** product, price, place, promotion and satisfaction

## 1. INTRODUCTION

The increasing influence of the times has made every businessman to do research and development so that he is always on a comfortable path. In addition, business actors need to create breakthroughs and strategic innovations to continue to increase revenue. In this case, businesses need to understand the level of customer satisfaction. To get maximum results, the business actor must provide value for satisfaction with the products offered at competitive prices and quality products. Along with the increasing number of business actors competing to meet the needs and desires of consumers, the business players need to pay attention to is how to create uniqueness in terms of products offered, and can provide satisfaction to consumers. When customer satisfaction has been fulfilled, there is a continuous and repeated transaction. Consumers feel getting added value from a price that has been paid. Price is concerned with the price consumers will be willing to pay for need satisfaction, and the amount the enterprise will be willing to receive to provide the need satisfactions (George, 2014:91).

Business actors must be able to analyze customer satisfaction, while consumers determine whether or not the quality of a product. The main thing that must be prioritized by business actors is customer satisfaction, in order to get the trust of product quality from consumers. Business actors must know something that is considered important in product quality, so as to be able to satisfy consumers.

Marketing mix in marketing is widely used by businesses as a competitive strategy. Marketing mix is a series of marketing variables that can be controlled by the company, which are used to achieve goals in marketing. The research objectives are to analyze the influence of 4 marketing mix: product, price, location, and promotion on consumer satisfaction, both simultaneously and privately. (Arnett and Witman, 2014:328) highlighted that effective promotion is consequently for the marketing success of product since there is a need to reach consumers.

## 2. MATERIAL AND METHODS

### 2.1. Material

Marketing mix or marketing mix is a combination of four variables consisting of: product, prices, promotional activities, and distribution systems (Dharmmesta, 2007). A marketing strategy requires decisions about the specific customers the organisation aims to attract. The marketing mix is described as the basic input that aims to target and develop specific customer segment to appeal to by way of appropriate positioning in a better way (Font & Mc Cabe, 2017:2).

The four elements of the marketing mix are interconnected and influence each other, resulting in a marketing policy that leads to effective service and customer satisfaction. So, the marketing mix has variables that support one another, then the business actors are combined to get the desired response. The conceptual framework of the majority is how the relationship between the independent variables is: product ( $x_1$ ), price ( $x_2$ ), location ( $x_3$ ), and promotion ( $x_4$ ) to the dependent variable, namely customer satisfaction ( $y$ ). According to (Prihatminingtyas, 2016) traditional markets have great potential to be developed because of that, we need to rebuild public awareness to shop in traditional markets in the city of Malang. In traditional markets various products are sold for sale to consumers. According to (Prihatminingtyas 2016). Market traders are grouped into 3 groups, namely, traders of vegetables, fruits and basic needs, each group is led by the head of the group. Furthermore, according to (Prihatminingtyas 2017). Communication in the traditional market is always coordinating with traditional market leaders to get an agreement with market management.

### 2.2 Methods

The location of this research is in the traditional market of Malang City. This study uses a quantitative approach. The population used is consumers in the traditional market of Malang. Determination of samples using the Slovin formula obtained a sample of 30 people. Data obtained from questionnaires, interviews, documentation and observation. The collected data is calculated using a score. The data that has been collected is then tested using a measuring instrument of validity and reliability. According to (Arikunto 2006) validity is a measure that shows a valid instrument has high validity. Conversely, instruments that are less valid means having low validity. While a reliable instrument is an instrument that when used several times

to measure the same object, will produce the same data (Sugiyono, 2009). The research variables consisting of independent variables are: product ( $x_1$ ), price ( $x_2$ ), location ( $x_3$ ), promotion ( $x_4$ ) and dependent variable namely customer satisfaction ( $y$ ). The regression equation in this study is to find out how much influence the independent variables are product ( $x_1$ ), price ( $x_2$ ), location ( $x_3$ ), and promotion ( $x_4$ ). Regarding consumer satisfaction ( $y$ ), the formula is as follows:

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + \varepsilon$$

### 3. RESULT AND DISCUSSION

Research location in the traditional market of Malang city. In accordance with the development of the city of Malang 2013-2018 embodies the city of Malang as a city of quality education, with an increase in economic growth supported by tourism support sectors, industry, trade and services in order to create a city that is safe, comfortable, productive and sustainable. The position of the city of Malang is in the south of the provincial capital of East Java with the following limits:

1. West of Batu city. 2. South of Malang Regency. 3. East of Malang Regency. 4. North of Malang Regency. The area of Malang is 110.06 km<sup>2</sup> which consists of 5 sub-districts, first Kedungkandang sub-district is the most extensive area with an area of 39.89 km<sup>2</sup> with a percentage of the city area of 36.24%. Then the second largest area is the Lowokwaru condition which is 22.6 km<sup>2</sup> with a percentage of the city area of 20.53%. While Klojen sub-district is the smallest district with an area of 8.02%. Distribution of respondent characteristics based on age in table 3.1. Age of respondents between 17 and 27 at this age the workforce is still strong, to compete in traditional markets.

Table 3.1. Distribution of Characteristics of Respondents by Age

Respondents Characteristics	Categories	Total	Percentage
Age/Year	17 – 27	15	50,00
	28 - 38	6	20,00
	39- 49	4	13,33
	50 -60	5	16,67
Educational Background	Elementary school	8	26,67
	Middle school	5	16,67
	High school	2	6,66
	Diploma	14	46,67
	Bachelor degree	1	3,33

Source: processed data, 2018

Distribution of respondent characteristics based on education level in table 3.2. Respondents had as 14 Diploma education levels, while 8 elementary school students showed that to work in traditional markets does not require education. Even though education is only elementary but has the ability to knowledge, skills, and have good attitude skills and willing to work hard will earn income.

Product variables on consumer satisfaction are measured by 6 question items. After testing the validity shows the lowest correlation value of 0.682.

Variable price of the correlation value lowest of 0.715 <sup>12</sup> the location variable of the lowest correlation value is 0.783. Promotion variable the lowest correlation value is 0.816. Consumer satisfaction is the lowest correlation value of 0.824, meaning that all statement items above 0.203 are eligible and declared valid.

Tabel 3.3 Reliability Test

Variable	Number of Questions	Cronbach's Alpha	Information
Product ( $x_1$ )	6	0,725	Reliable
Price ( $x_2$ )	6	0,847	Reliable
Location ( $x_3$ )	6	0,931	Reliable
Promotion ( $x_4$ )	6	0,758	Reliable
Consumer satisfaction (y)	6	0,936	Reliable

Source: SPSS Processed Data, 2018

The reliability test results presented in table 3.3 show that there is no Cronbach Alpha coefficient that is less than 0.60. So that the instrument is reliable to use.

<sup>6</sup> Table 3.4 Results of Multiple Linear Regression

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.	Collinearity Statistics		
B	Std. Error	Beta	Tolerance	VIF			
(Constant)	3.821	1.779	.164	2.151	.035	.801	1.247
product	.201	.095	.483	2.162	.034	.643	1.559
price	.362	.063	.068	5.584	.002	.948	1.053
location	.384	.037	.285	3.352	.037	.679	1.474
Promotion	.036	.112		2.961	.002		

Source: SPSS Processed Data, 2018

The regression equation is as follows:

$$y = 3.821 + 0.201x_1 + 0.362x_2 + 0.384x_3 + 0.036x_4 + \varepsilon$$

A constant of 3.821 states that if the independent variable remains the dependent variable is 3.821. The results of the variable regression  $x_1$  show that, the significant product variable on customer satisfaction is 0.201 which means that if the product variable experiences a 1 point increase, while other variables are considered fixed, the dependent variable will increase by 0.201.

The result of variable regression  $x_2$  shows that the variable price is significant to consumer satisfaction of 0.362. This means that if the price variable increases 1 point, while other variables are considered fixed, the dependent variable will increase by 0.362.

The result of variable regression  $x_3$  shows a significant location variable on consumer satisfaction of 0.384. This means that if the location variable has a 1 point increase, while other variables are considered fixed, the dependent variable has an increase of 0.384.

The results of the variable regression  $x_4$  indicate that the promotion variable is significant to customer satisfaction of 0.036. This means that if the promotion variable increases by 1 point while other variables are considered fixed, the dependent variable will increase by 0.036

3 The F test basically shows whether all independent or independent variables have a joint influence on dependent or dependent variables. To prove things. The F test 10 be conducted simultaneously. The results of simultaneous regression test or F test can be seen in table 3.5

Table 3.5 Calculated Test Results ANOVAb

Model	15 Sum of Squares	Df	Mean Square	F	Sig.
Regression	412.615	4	103.154	8.084	.001a
Residual	318.991	25	12.760		
Total	731.606	29			

Source: Processed Data, 2018

The results of hypothesis testing indicate that the Fcount value is  $8.084 > F$  table is 4.143, with a probability value of  $0.001 < \alpha = 0.05$ , the hypothesis is accepted. so that the regression model shows that together products, prices, locations and promotions affect purchasing decisions in traditional markets.

#### 4. CONCLUSION

- 14 Partially the results of the t test show that the product has a significant positive effect on customer satisfaction in the traditional market of Malang. Regression results show that t counts  $2.162 > t$  table 1.985 and the probability value is  $0.001 < \alpha = 0.05$ . This shows that in the traditional market the products offered have good and fresh quality.
- 17 Partially the results of the t test that the regression results show that the price has a significant effect on customer satisfaction in the traditional market of Malang city, which is t count  $5.584 > t$  table of 1.989 and the probability value of  $0.018 < \alpha = 0.05$ . In traditional markets prices are cheaper than modern markets, so the price of goods offered can help buyers to decide how to allocate purchasing power to suit their needs. Since the price variable is a variable that has a dominant influence, this shows that the better the price strategy offered by traders will make consumers happier, so they will want to shop at traditional markets in the city of Malang.
- Based on the results of the t-test partially that the regression results show the location variables to significant customer satisfaction, namely t count  $3.352 > t$  table of 1.985 and the probability value of  $0.008 < \alpha = 0.05$ . These results indicate that the location has a positive effect on customer satisfaction in the traditional market of Malang. The results of this study also indicate that consumers are interested in shopping if the destination for easy shopping is affordable and strategic location. A place that is easily accessible by means of 9 public transportation provides convenience for buyers to reach the place.
- Based on the results of the t-test partially that the regression results show that promotion affects consumer satisfaction, namely t count  $3.352 > t$  table at 1.985 and the probability value of  $0.012 < \alpha = 0.05$ . These results indicate that promotion has a significant positive effect on customer satisfaction in the traditional market of Malang City. Based on the respondent's data the lowest

score is found in the promotion variable. Therefore, traditional market managers need to work together to improve promotion.

##### 5. ACKNOWLEDGMENTS

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