

# PRODUCT, PRICE, PROMOTION AND PLACE ANALYSIS IN THE ESTIMATION OF PRE-PACKED SAMBAL PURCHASE DECISIONS: A RESEARCH STUDY ON SAMBAL SUTIL KENDIL IN SURABAYA

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**Abstract-**This research is aimed at researching and analyzing product variables, prices, promotions and places of the promotional mix that affect, both partially and simultaneously, on the purchasing decision of packaged chili sauce products, with a research study on sambal Sutil Kendil in Surabaya. Statistical analysis using multiple linear regression methods treated using the SPSS 23.0 program. Samples were performed with saturated or census sampling models. Data collection was carried out using questionnaires which used the Likert scale. The questionnaire was distributed in the form of a google form to 113 respondents who were consumers of the Sutil Kendil micro-business. Respondents are domiciled in the geographical area of Greater Surabaya, East Java Province, Central Java Province, Yogyakarta Special Region, Banten Province and the Special Capital Region of Jakarta. The results of this study prove that products, prices, promotions and places have a partial or individual effect, as well as simultaneously or jointly, on the purchase decision of packaged chili sauce products. Variabel place becomes the dominant variable that influences purchasing decisions. The coefficient of determination gives the result that the purchase decision can be explained by the variables of product, price, promotion and place by 68.9%, while 31.1% comes from other variables that are not included in this study.

**Keywords:** *Marketing Mix, Marketing Mix, Purchase Decisions, 4P's*

## 1. Introduction

The processed food industry has proven to be able to survive in various economic conditions, one of which is the production of packaged chili sauce. Sutil Kendil is a packaged sambal MSME that was established in Surabaya during the 2020 pandemic by producing 5 variants of sambal as a food accompaniment or cooking seasoning. Competition for product variations and chili sauce prices to the future, made researchers conduct a pre-survey so that 33% of respondents chose based on taste, 19% of respondents chose because of variants, 19% chose because of brand, 14% chose because of chili sauce color, 10% chose based on label information, and 5% chose products because of packaging. In addition, Sutil Kendil products still do not have a PIRT license and are more likely to trade online. Based on these phenomena and problems, it encourages researchers to further identify factors that influence simultaneously and partially on the decision to purchase packaged sauce that refers to Products, Prices, Promotions and Places.

## **2. Literature Review**

### **2.1 Previous Research**

Research by Gikonyo, M. W. (2020) found that product quality, product reliability, perceived value, information labels, brands (Products), price discounts, free samples, product bonuses (Price), sales promotion, publicity and social media (Promotions), distribution channels, physical points of sale, safety and comfort when shopping (Place) have an impact on consumers' purchasing decisions. Research by Farida, N., & Saidah, S. (2017) found that the choice of sambal product variations has an influence on purchasing decisions (Products). Research by Siswoyo, S. P. (2018) explains the significance of brand influence and promotion on the desire to buy chili sauce, while product quality does not show the influence of buying interest.

### **2.2 Theoretical Foundations**

#### **2.2.1 Purchasing Decisions**

According to Kotler & Keller (2016, 198-200) started that in the process of making purchase decisions, consumers will form preferences over several brand choices, then form an intention to buy certain products.

#### **2.2.2 Product**

According to Kotler & Keller (2016) describes a product as anything that can be offered to the market with the aim of forming an interest, to be owned, or consumed in an effort to meet what consumers need.

#### **2.2.3 Price**

Price in the definition of Kotler & Armstrong (2016) is described as an amount of money exchanged for a product or service.

#### **2.2.4 Promotion**

Promotion is one of the main means of corporate communication with consumers, as well as a stepping stone for other marketing steps (Santoso, *et al.*, 2021).

#### **2.2.5 Place**

According to Kotler & Keller (2016) it is concluded that Place (Distribution) is a process or location where a company decides on a place to distribute or sell a product or service.

## **3. Research Framework**

### **3.1 Analysis Models**

This research uses quantitative analysis methods through the following multiple linear regression analysis models:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

### 3.2 Hypothesis

**H1:** There can be simultaneous significant (joint) influence of the Product ( $X_1$ ), Price ( $X_2$ ), Promotion ( $X_3$ ), Place ( $X_4$ ) on the Purchase Decision ( $Y$ )

## 4. Research Methods

### 4.1 Types of Research, Samples, and Data Collection

Research is quantitative. The research population is consumers of Sutil Kendil chili sauce in Surabaya, Malang, Sidoarjo, Semarang, DKI Jakarta, Bekasi Tangerang a total of 113. The sample uses the census technique, which is the entire population. Primary data sources were obtained using questionnaires. Secondary data sources from book and journal references as writing references. Measurement with research instruments Likert scale 1-5.

### 4.2 Operational Variables and Definitions

**Table 4.1 Operational Definitions of Variables**

No.	Variables and Definitions	Indicators
1.	According to Kotler, P., & Keller, K. (2016), a product is something that can be offered to the market with the aim of forming an interest, owned, or used to meet the needs or desires of consumers (Santoso, A., et al., 2021).	Setioningtyas, <i>et al.</i> , (2017) states indicators that can influence purchasing decisions in the selection of food products, namely: 1. Current product (Variant) 2. Freshness and taste 3. Product Display  Angriva, S., et al. (2020) mentioned that the indicators that are the main consideration for consumers are: 1. Packaging model  Gikonyo, M. W. (2020) explained that the indicators that have an impact in purchasing decisions are: 1. Label information
2.	Definition of Kotler and Armstrong (2016) Price is an amount of value for money transacted with a product or service. Price is the value used by the customer to get a number of benefits by using or owning the goods or services. Sciffman and Kanuk (2005) explain that the perception of price will determine the value of a product and the desire to buy (Rizza Anggita et.al., 2017).	Jitkuekul, P., et al. (2020) states the indicators that can affect consumers are: 1. Reasonable price  Gikonyo, M. W. (2020) mentioned that the indicators that have an impact in purchasing decisions are: 1. Discount 2. Free sample/tester  Pham, Q., et al. (2018) explain that indicators that provide convenience in transactions are very important: 1. Ease of payment
3	Kotler and Keller (2016) explained that Promotion is a marketing step to communicate, introduce products to consumers with the aim of influencing to be able to make purchasing decisions quickly, more often or in greater quantities (Aprih Santoso et al., 2021).	Iranita, I. (2020) explains that the indicators that play an important role in promoting are: 1. Media online  Siswoyo, S. P. (2018) mentioned that the indicators of promotions that can influence purchasing decisions are: 1. Promotional content  Asnawati A. et al. (2022) mentioned that the promotion indicators that have a significant impact are 1. Word of Mouth (WOM)

		Machado, J. C., et al. (2015) explain that the following indicators become the choice of consumers: 1. Logo design
4	Place (Distribution) is a process or location where it becomes a place of distribution or selling products or services. Places can be simple buildings, beautiful buildings, virtual spaces or a distribution system / process that makes it easier for consumers. This includes employees who come into contact with service and distribution (Kotler and Keller, 2016)	Gikonyo, M. W. (2020) explains the indicators that can influence purchasing decisions: 1. Physical stores 2. Distribution channels  Pham, Q., et al. (2018) mention the convenience of the buying process affects purchasing decisions: 1. Online shopping
5	Purchasing Decision is an action taken by consumers to fulfill the desire to have a product or service after the process of forming preferences until decision making is carried out (Kotler and Keller, 2016: 198-200)	Based on Yap, C. W. S., et al. (2014), indicators of consumer purchasing decisions in the younger generation are different from indicators in the more senior generation. The indicators that give influence are as follows: 1. Role models 2. Innovation 3. Health impacts

Source: Internal processed data (2021)

The analysis model uses multiple linear regression analysis including validity and reliability testing with SPSS 23.0 software.

## 5. Results and Discussion

### 5.1 Analysis

#### 5.1.1 Descriptive Characteristics of Respondents

Respondents were dominated by women at 66 or 59.1%. A total of 6 respondents (59.1%) were aged 46-55 years. The largest jobs in the Employee / Professional Workers sector were 41 respondents (36.5%). A total of 28 respondents (22.6%) spent a budget of Rp 7.5 – 10 million per month. As many as 87 people or 75.7% of respondents consumed packaged chili sauce. Of the respondents who did not consume packaged chili sauce, 71.4% were interested in consuming packaged chili sauce.

#### 5.1.2 Descriptive Research Variables

The mean value of the product variable of 4.178 means that the respondent categorically agrees. The mean value of the price variable of 3.927 means that the respondent categorically agrees. The mean value of the promotion variable of 3,796 means that the respondent categorically agrees. The mean value of the place variable of 3.558 means that the respondent category quite agrees. The mean value of the purchasing decision variable of 3,785 means that the respondents categorically agree.

### 5.1.3 Validity and Reliability of Instruments

#### 1. Validity Test

**Table 5.1 Instrument Validity Test**

Variable	Items	Coefficient of Validity (r Calculate)	Criteria (r Table)	Information
Products (X <sub>1</sub> )	X <sub>1.1</sub>	0.490	0.1937	Valid
	X <sub>1.2</sub>	0.521	0.1937	Valid
	X <sub>1.3</sub>	0.651	0.1937	Valid
	X <sub>1.4</sub>	0.687	0.1937	Valid
	X <sub>1.5</sub>	0.681	0.1937	Valid
Price (X <sub>2</sub> )	X <sub>2.1</sub>	0.508	0.1937	Valid
	X <sub>2.2</sub>	0.671	0.1937	Valid
	X <sub>2.3</sub>	0.733	0.1937	Valid
	X <sub>2.4</sub>	0.680	0.1937	Valid
Promotions (X <sub>3</sub> )	X <sub>3.1</sub>	0.799	0.1937	Valid
	X <sub>3.2</sub>	0.836	0.1937	Valid
	X <sub>3.3</sub>	0.593	0.1937	Valid
	X <sub>3.4</sub>	0.682	0.1937	Valid
Places (X <sub>4</sub> )	X <sub>4.1</sub>	0.785	0.1937	Valid
	X <sub>4.2</sub>	0.618	0.1937	Valid
	X <sub>4.3</sub>	0.795	0.1937	Valid
Purchasing Decision (Y)	Y <sub>1</sub>	0.788	0.1937	Valid
	Y <sub>2</sub>	0.780	0.1937	Valid
	Y <sub>3</sub>	0.464	0.1937	Valid

The value of the correlation coefficient of each item has a total score (r) ≥ r table (0.1937) so that all indicators are declared valid.

#### 2. Reliability Test

**Table 5.2 Instrument Reliability Test**

Variable	Coefficient of Validity (Cronbach's Alpha)	Criterion	Information
Products (X <sub>1</sub> )	0.733	0.6	Reliable
Price (X <sub>2</sub> )	0.753	0.6	Reliable
Promotions (X <sub>3</sub> )	0.792	0.6	Reliable
Places (X <sub>4</sub> )	0.795	0.6	Reliable
Purchasing Decision (Y)	0.769	0.6	Reliable

Cronbach's Alpha value for each variable is greater than 0.6 so the entire variable is declared reliable.

### 5.1.4 Multiple Linear Regression Test

#### 1. Multiple Regression Model Estimation

**Table 5.3 Regression Model Estimates**

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	0.351	0.843		0.417
	Product	0.109	0.042	0.159	2.609
	Price	0.188	0.056	0.246	3.372
	Promotion	0.175	0.052	0.263	3.356
	Place	0.292	0.060	0.353	4.862

a. Dependent Variable: Purchasing decisions

The regression equation from the estimation results of multiple linear regression analysis is:

$$\hat{Y} = 0.351 + 0.109 X_1 + 0.188 X_2 + 0.175 X_3 + 0.292 X_4$$

Constant value ( $\alpha$ ) with a value of 0.351 (positive). The value of the product variable regression coefficient is 0.109 (positive). The value of the price variable regression coefficient is 0.188 (positive). The value of the regression coefficient of the Promotion variable is 0.175 (positive). The value of the Regression coefficient of the Place variable is 0.292 (positive) and is the most dominant variable for purchasing decisions among other independent variables.

## 2. Goodness of Fit (F Test)

**Table 5.4 Test F**

ANOVA <sup>a</sup>						
	Type	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	324.721	4	81.180	63.021	.000 <sup>b</sup>
	Residual	139.120	108	1.288		
	Total	463.841	112			
a. Dependent Variable: Purchasing decisions						
b. Predictors: (Constant), Place, Product, Price, Promotion						

Simultaneous hypothesis testing yields a calculated F value of 63,021 with a p value of 0.000. The test results explain the p value (0.000) < the level of significance (=0.05) then reject  $H_0\alpha = H_1$  fulfilled. Therefore, there is a simultaneous significant influence (together) of Product ( $X_1$ ), Price ( $X_2$ ), Promotion ( $X_3$ ), and Place ( $X_4$ ) on the Purchase Decision (Y).

## 3. Partial Test (t-test)

**Table 5.5 Estimated t test**

Coefficients <sup>a</sup>						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.351	.843		.417	.678
	Product	.109	.042	.159	2.609	.010
	Price	.188	.056	.246	3.372	.001
	Promotion	.175	.052	.263	3.356	.001
	Place	.292	.060	.353	4.862	.000
a. Dependent Variable: Purchasing decisions						

The results show that all independent variables have a significance value smaller than 0.05 so that obtained:

1. There is a partial significant influence of the Product ( $X_1$ ) on the Purchase Decision (Y).
2. There is a partial significant influence of the Price ( $X_2$ ) on the Purchase Decision (Y).
3. There is a partial significant influence of the Promotion ( $X_3$ ) on the Purchase Decision (Y)
4. There is a partial significant influence of the Place variable ( $X_4$ ) on the Purchase Decision (Y).

### 5.1.5 Correlation Coefficient (R) and Coefficient of Determination ( $R^2$ )

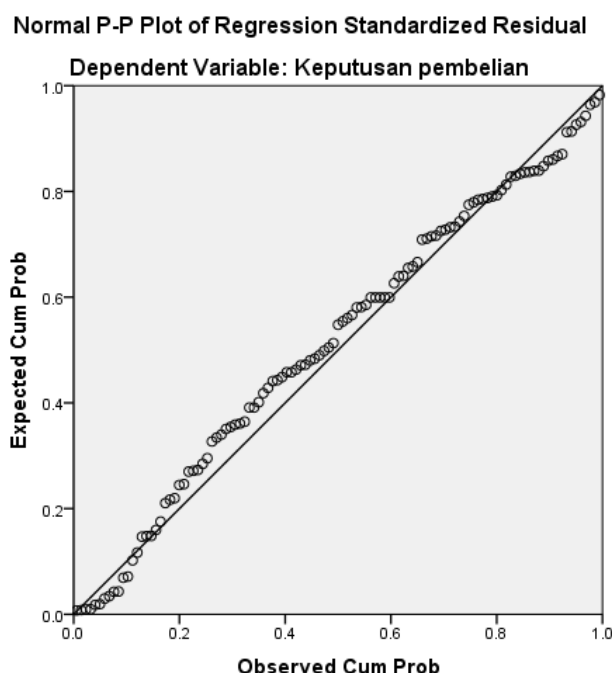
**Table 5.6 Coefficient of Determination**

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.837	0.700	0.689	1.13497

The value of R is 0.837 then the relationship between independent and dependent variables is said to be quite close because it is close to 1. The value ( $\text{Adjusted } R^2$ ) is 0.689. This means that the Purchasing Decision (Y) variable can be explained by Product ( $X_1$ ), Price ( $X_2$ ), Promotion ( $X_3$ ), and Place ( $X_4$ ) of 68.90%, the remaining 31.10% is a contribution from other variables not discussed in this study.

### 5.1.6 Test Classical Assumptions

#### 1. Normality Test



**Figure 5.1 Normality Test via Probability Plot**

The probability plot results explain that the residual points spread around the diagonal line, which means that the residual is normally distributed.

#### 2. Multicollinearity Test

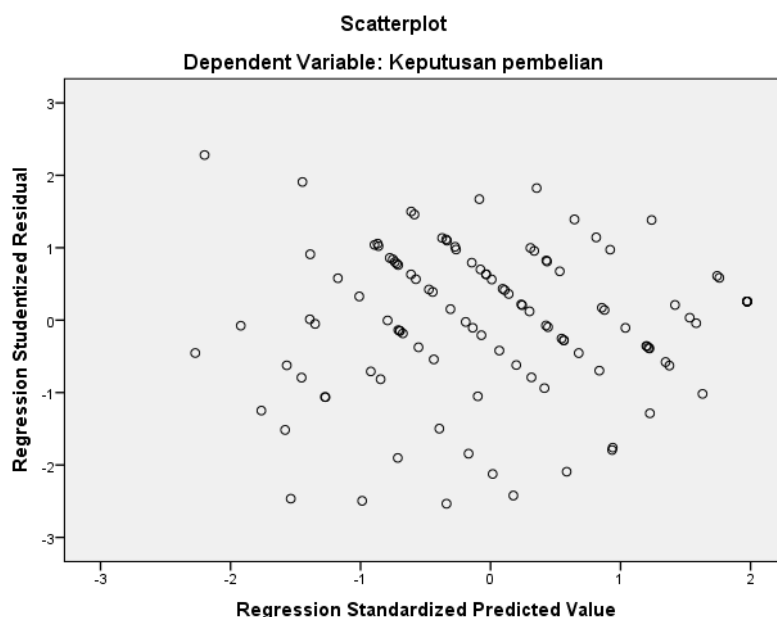
**Table 5. 7 Variance Inflation Factor (VIF) and Tolerance**

Coefficients <sup>a</sup>			
Type		Collinearity Statistics	
		Tolerance	VIFs
1	(Constant)		
	Product	0.752	1.330
	Price	0.521	1.918
	Promotion	0.453	2.206
	Place	0.527	1.896

a. Dependent Variable: Purchasing decisions

The results show that all free variables produce tolerance values  $> 0.1$  and  $VIF < 10$ , which explains the fulfillment of the assumption of non-multicollinearity.

### 3. Heteroskedasticity Test



**Figure 5.2 Heteroskedasticity Detection via Scatter Plot**

The results of the Scatter plot can be seen random dispersal of the residual points above and below 0 on the Y axis indicating the fulfillment of the assumption of non-heteroskedasticity.

### 4. Linearity Test

**Table 5. 8 Linearity Test**

Variable	F Count	P value (Sig.)	Information
X1 → Y	126.720	0.000	Linear
X2 → Y	220.395	0.000	Linear
X3 → Y	242.103	0.000	Linear
X4 → Y	247.730	0.000	Linear

The results show that the overall relationship of free (exogenous) variables with bound variables (endogenous) shows the result of p value < level of significance ( $\alpha=5\%$ ) which can be concluded that the relationship between variables is linear.

## 5.2 Discussion

### 5.2.1 Product Variables Influence Purchasing Decisions

The product t test ( $X_1$ ) explains that there is a partial influence of the product on the Purchase Decision (Y). The better the quality of packaged chili products offered by Sutil Kendil, the better product purchasing decisions.

### 5.2.2 Price Variables Influence Purchasing Decisions

The results of the t test on Price ( $X_2$ ) explain that there is a partial influence of the price on the Purchase Decision (Y). The better and more reasonable the price offer determined for Sutil Kendil packaged sauce, the more it will improve product purchasing decision making.



### **5.2.3 Promotional Variables Influence Purchasing Decisions**

The results of the t test on the Promotion ( $X_3$ ) show that there is a partial influence of the promotion on the Purchase Decision (Y). It means that the more appropriate and attractive the promotion is carried out, the more it will increase product purchase decision making.

### **5.2.4 Variables Where to Influence Purchasing Decisions**

Place t test results ( $X_4$ ) show a partial influence of the place on the Purchase Decision (Y). The better and more precise the location of the place of sale of Sutil Kendil packaged chili sauce, the more it will increase product purchase decision making.

## **5.3 Managerial Implications**

Taste indicators on product quality are the main choice of consumers in influencing purchasing decisions that need to be maintained. It can be improved through consistent and stable flavors as the main concern. The fair price indicator on the price variable to be the consumer's main choice in purchasing decisions needs to be considered. Companies can upgrade through other programs such as discounts or bundling sales then followed up with electronic payments. The main influence also results from the ease of distribution channels, therefore, companies can increase cooperation in the distribution of distribution and delivery of goods offline and online.

## **6. Conclusions and Suggestions**

### **6.1 Conclusion**

The conclusion that can be drawn is that the H1 hypothesis is fulfilled, namely the influence of product, price, promotion, and place variables on purchasing decisions simultaneously and significantly. The results of the t test also showed a partial significant relationship of the four variables in the purchasing decision variable of packaged chili sauce.

### **6.2 Suggestion**

#### **6.2.1 For Companies**

1. Management is expected to maintain product quality by providing consumer feedback, periodic surveys, and new innovations.
2. Reasonable prices can be maintained along with the innovation of special offers and increasing e-payment cooperation as a solution of ease of payment options.
3. The company's management is expected to improve product existence communication through social media and develop loyalty programs.
4. Management is expected to increase distribution cooperation in physical and online stores so that products are easily available to potential consumers and strengthened by the cooperation of trusted courier companies.
5. Management is expected to develop research on understanding consumer characteristics and their influence through direct interviews.

### 6.2.2 For Readers

1. This research can be used as a source of information for readers who want to start a business, both food and other products.
2. It is recommended for readers to do small research steps using this research foundation so that the business to be built becomes more targeted.
3. For other types of businesses, readers can consider conducting research on indicators or variables in accordance with the specifications of the business being run.

### 6.2.3 For Researchers

1. Researchers can then consider the development of research with social, cultural, personal, and psychological variables.
2. Researchers are then expected to use other analytical methods such as SEM-PLS in order to determine the influence of indicators on each variable.
3. Researchers are advised to complete the analysis data not only with questionnaire instruments, but also with interview instruments with respondents, or Forum Group Discussions to get more accurate data.

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