The effect of the marketing mix on purchase decisions and customer satisfaction

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ABSTRACT

Purchasing decisions and customer satisfaction are what determine marketing. This study aimed to analyze the effect of marketing mix variables of price, place, and promotion on purchase decisions and customer satisfaction at SDS Nusantara of Batam City. The research method used was quantitative method with data collected using questionnaires distributed directly to 150 respondents and using accidental sampling. The data processing analysis used in this research was SemPLS 3.2.9 application. The results of this study found that the price, place and promotion variables had a positive and significant effect, then the price, place and promotion variables also had significant and positive effect on customer satisfaction, finally the purchase decision had a positive and significant effect on customer satisfaction.

INTRODUCTION

In general, the term marketing is familiar in the business world, such as in office companies, online or offline shop businesses, and many others, and where there is a target market that you want to achieve in order to create a good marketing strategy to compete and survive. In addition to the fact that this business sector is marketable, the large number of primary school educational institutions, both private and public, creates intense competition (Appel et al., 2020; Dwivedi et al., 2021; Lockett & Lockett, 2018). To address this issue, every educational institution, particularly elementary schools, must develop an effective marketing strategy to entice prospective students’ parents to enroll in the appropriate school (Li & Hung, 2009; Tah & Knutes-Nyqvist, 2022; Uchendu et al., 2015).
In Indonesia, formal education is divided into three levels: primary education, secondary education, and higher education. Basic education is the most important phase of a child’s education because children who are entrusted to elementary school do not yet have knowledge or experience, and it is also where children are first taught to be brave, speak up, and be responsible for themselves (Kusumo et al., 2022; Munro, 2013; Wahyudi & Che Noh, 2019). Whereas in primary school, children are taught to read, count, and train students’ psychometrics. Students, parents, and the community all use educational services in the world of education. The marketing mix, which includes the product, promotional price, location, process, physical evidence, people, references, family, institutional image, and culture, influences the decision to choose a school (Asiah et al., 2022; Iskandar et al., 2021; Wati & Satrio, 2015).

Furthermore, marketing mix as a marketing tool used to achieve company targets or goals, which means that there are variables or elements in the marketing mix that companies use to attract potential buyers to use the services or products offered by the company so that the company’s target market or goals are implemented (Ellitian, 2021; Sohrabi et al., 2017). The first marketing mix variable examined in this study is price, which includes the match between service rates and affordability or suitability for the services you want to get. So, when companies or institutions set prices for consumers, they can guarantee the quality of the products or services offered, ensuring that customers are satisfied with what is being offered (Jindo et al., 2020).

The company has decided on a strategic location for offering products or services to consumers. A convenient location supports the company’s buying and selling process, makes it easy to find school locations, provides a sense of security for students attending school, and provides supporting facilities at school locations such as parking lots and seating for parents when picking up her child (Marendra, 2018). Promotion is one of the variables, particularly in the marketing mix for industry in marketing products and services. Promotional activities are not only used to communicate between consumers and industry, but can also influence consumers to carry out purchasing activities that meet their needs and desire (Al Badi, 2018; Jaya et al., 2020; Karsono & Salma, 2023; Putra et al., 2020).

Customers’ purchase decisions are expected to result in customer satisfaction with the products and services they have purchased. Because customer satisfaction is felt when the results perceived or obtained meet or exceed the customer’s expectations. The company’s customer satisfaction is capable of eliciting a positive response from customers. This can benefit the company because it creates a favorable image in the customers’ eyes. If parents or the community are interested in enrolling their children at SDS Nusantara for various reasons such as price, location, and promotions offered by the school, they will buy it; however, if the price, location, and promotions do not meet the criteria, they will not register their child. After they register their children, the school must meet the expectations of the people or the community so that they feel satisfied and decide to buy back or advise others about SDS Nusantara.

The marketing concept that has been used so far needs to be redefined. This is the marketing era of 2030, which will play an important role on the Indonesian marketing stage and is related to Sustainable Development Goals (SDGs), generation Z, and metaverse technology. The interaction of these three issues will be the driving force for a new era of marketing in 2030 (Kartajaya, 2022). This aspect needs attention in the field of education (Galiano-Coronil et al., 2023). Social marketing interventions are effective in solving social problems and the deadline for achieving the SDGs is approaching, it is important to see the extent of the contribution of the marketing sector in achieving the SDGs by 2030 (Delvaux & Van den Broeck, 2023).

Based on the background above, the researcher limited the problem in order to avoid expanding the discussion or problems in this research in order to achieve the desired results. This allows researchers to concentrated solely on the effects of price, location, and promotion on customer satisfaction through purchasing decisions. Therefore, this research aims to see the influence of the marketing mix variables price, place and promotion on purchasing decisions and customer satisfaction at SDS Nusantara Batam.

METHOD

This research uses descriptive qualitative research design, to look at the influence of sales, sales, marketing, promotions on purchasing decisions and customer sales and to describe the factors of sales in the objects studied by the researcher. The descriptive qualitative research method which is usually used is a survey research method in the library which is usually used to collect data by using a questionnaire to 150 respondents directly in the questionnaire and also by using Structural Equality Modeling (SEM) and Partial Least Square (PLS). This research site was carried out at SDS Nusantara Tanjung Uncang, Batu Alji, Batam. This school is located in Perumahan Putera Jaya C/20-30. The data collection technique in this research uses accidental sampling.

The researcher used a descriptive qualitative research design in this study to analyze the influence of sales, marketing, marketing, promotion, purchasing decisions, and customer satisfaction, as well as to describe the sales and marketing factors of the object being studied. The descriptive qualitative research method that was commonly used in the library was a survey research method in which data was collected by using a questionnaire to 150 respondents directly in the questionnaire and also by using Structural Equality Modeling or SEM based on Paimtial Leallt Squalre (PLS). This study was conducted at SDS Nusantairal Tanjung Uncang, Batu Aji District, Batam. This school is in Putera Jaya Block C, numbers 20 and 30. The data collection technique used in this research was sampling samples.

The questionnaire for this study was distributed to students and alumni of SDS Nusantara. The total population in this research was 235 people based on this distribution, and the researchers used the Slovin formula in the sample, totaling 150 respondents. The Paimtial Leallt Squalre (PLS) method and the SmartPLS 3.0 software support tool were used to...
analyze the research model. There were two basic model evaluations in this test, namely the outer model and the inner model.

RESULTS AND DISCUSSION

Discriminant validity
Measurement of cross loading factors can reveal discriminant validity; if the correlation of the construct with the main measurement (each indicator) is greater than the size of other constructs, the variable is said to have high discriminant validity. The Table 1 illustrates the discriminant validity test. Comparing the square root of the average variance extracted (AVE) for each variable with the correlation between the variable and other variables in the model is one method for assessing discriminant validity. If the square root of AVE for each variable is greater than the correlation between the variable and other variables, the model has sufficient discriminant validity.

<table>
<thead>
<tr>
<th>Research Variable</th>
<th>AVE</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (X₁)</td>
<td>0.653</td>
<td>0.808</td>
</tr>
<tr>
<td>Place (X₂)</td>
<td>0.635</td>
<td>0.741 0.797</td>
</tr>
<tr>
<td>Promotion (X₃)</td>
<td>0.650</td>
<td>0.422 0.551 0.806</td>
</tr>
<tr>
<td>Purchase Decision (Y)</td>
<td>0.568</td>
<td>0.606 0.624 0.601 0.753</td>
</tr>
<tr>
<td>Customer Satisfaction (Z)</td>
<td>0.589</td>
<td>0.601 0.697 0.604 0.652 0.768</td>
</tr>
</tbody>
</table>

Table 1. Result of discriminant validity

All variables in the model tested met the discriminant validity criteria, which can be explained. Assessing the validity of the variables in the AVE value showed discriminant validity testing. If the AVE of each variable was greater than 0.50, the model was said to be good.

Composite reliability
The Composite Reliability (CR) value and Cronbach’s Alpha can be used for reliability testing in Partial Least Square (PLS). The Table 2 are the results of the reliability tests recapitulation.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (X₁)</td>
<td>0.944</td>
<td>0.933</td>
</tr>
<tr>
<td>Place (X₂)</td>
<td>0.940</td>
<td>0.928</td>
</tr>
<tr>
<td>Promotion (X₃)</td>
<td>0.943</td>
<td>0.932</td>
</tr>
<tr>
<td>Purchase Decision (Y)</td>
<td>0.940</td>
<td>0.931</td>
</tr>
<tr>
<td>Customer Satisfaction (Z)</td>
<td>0.953</td>
<td>0.946</td>
</tr>
</tbody>
</table>

The Composite Reliability (CR) value was > 0.7, and the Cronbach’s Alpha value was > 0.6, indicating that the test was reliable. The composite reliability and Cronbach’s alpha output resulted for the variables price, place, promotion, purchasing decisions, and customer satisfaction were all greater than 0.70. As a result, it was possible to explain why all variables were reliable. As a result of the validity and reliability tests performed on indicators on five variables, it was concluded that all instruments used passed the validity and reliability tests.

R – square
There were two dependent variables in this structural model: purchase decision (Z) and customer satisfaction (Y). Table 3 shows the determination coefficient (R2) for each dependent variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-square</th>
<th>R-square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Decision (Y)</td>
<td>0.954</td>
<td>0.953</td>
</tr>
<tr>
<td>Customer Satisfaction (Z)</td>
<td>0.868</td>
<td>0.865</td>
</tr>
</tbody>
</table>
According to Table 1.3, the model of the impact of price, location, and promotion on purchasing decisions had an R-square value of 0.954, indicating that the variability of the purchasing decision variable can be explained by the variability of the price and place variables. Place and promotion accounted for 95.4 percent of the variance, with the remaining 4.6 percent explained by variables other than those studied. Furthermore, the model of the influence of price, place, promotion, and purchasing decisions on customer satisfaction yielded an R-square value of 0.868, indicating that the variability of the price and place variables can explain the variability of the customer satisfaction variable. Place, promotion, and purchasing decisions accounted for 86.8 percent of the total, with other variables other than those studied accounting for 13.2 percent.

Q - square
Q-square analysis was used to determine whether the observed values were correctly reconstructed and whether the model had predictive relevance. To assess how well the model produced observation values as well as estimated parameters, Q-square must be calculated as follows:

\[ Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \]
\[ = 1 - (1 - 0.954)(1 - 0.868) \]
\[ = 1 - (0.046)(0.132) \]
\[ = 1 - 0.006 \]
\[ = 0.994 \]

Q2 value had value with range of 0 < Q2 < 1, where the closer it is to one, the more accurate the model. The outcomes of these calculations obtained Q2 value was 0.994 as a result, it can be concluded that the model has good predictive relevance.

Result of Goodness of Fit (GoF) Test
Table 4 shows that the average value of R Square is 0.911, and the average value of communality is 0.619, so the Goodness of Fit calculation yields the following results (Formula 1).

<table>
<thead>
<tr>
<th></th>
<th>Average Variance Extracted (AVE)</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 (Price)</td>
<td>0.653</td>
<td></td>
</tr>
<tr>
<td>X2 (Place)</td>
<td>0.635</td>
<td></td>
</tr>
<tr>
<td>X3 (Promotion)</td>
<td>0.650</td>
<td></td>
</tr>
<tr>
<td>Y (Customer Satisfaction)</td>
<td>0.568</td>
<td>0.954</td>
</tr>
<tr>
<td>Z (Purchase Decision)</td>
<td>0.589</td>
<td>0.868</td>
</tr>
<tr>
<td>Average</td>
<td>0.619</td>
<td>0.911</td>
</tr>
</tbody>
</table>

\[ GoF = \sqrt{CommunalitY \times R^2} \]

\[ = \sqrt{0.619 \times 0.911} = 0.751 \]

Based on the above Goodness of Fit (GoF) calculation results, a GoF value of 0.751 was obtained, implying that the model that can be used in this research had a relatively high suitability for the research model.

Results of Direct Effect Test
The relationship between variable x and the purchasing decision variable z is shown by 0.318 x1, 0.578 x2, and 0.151 x3, and the value is positive, indicating that the 3P variable has an influence on purchasing decisions, for the R square value between variables x and z of 0.868, then the R square value between price, place, and promotion and purchasing decisions has an effect on customer satisfaction of 0.954 (Figure 1).
The effect of price on purchase decisions

The results of table 1.3 show a positive path coefficient of 0.318 with a t-statistic of 5.782 (t-statistic > 1.96) and a p value of 0.000 < 0.050, proving hypothesis 1 (H1). The findings can be interpreted to mean that the better consumers’ price perception, the more purchasing decisions they will make. Previous research has found that the price variable has a significant impact on purchasing decisions (Oktavianus, 2022). If the income of the respondents’ data answers is Rp. 2,600,000-4,000,000, then the selling price at SDS Nusantara is in line with the economic situation of the parents there, so they decide to enroll their child.
The effect of place on purchase decisions

This was showed by a positive path coefficient of 0.151, a t-statistic of 4.114 (t-statistic > 1.96) and a p value of 0.000 < 0.050, proving hypothesis 3 (H3). The findings can be interpreted to mean that the better the consumer’s perception of the available options, the higher their customer satisfaction. According to previous research, identifying place variables on customer satisfaction had a significant influence, with the results stating that variable x and variable y had a significant influence (Nisa, 2020). Given that the respondents were pleased with the facilities and the SDS Nusantara Building, it can be assumed that SDS Nusantara could provide good premises or facilities.

The effect of price on customer satisfaction

This was showed by a positive path coefficient of 0.255, a t-statistic of 7.968 (t-statistic > 1.96) and a p value of 0.000 < 0.050, proving hypothesis 4 (H4). The findings can be interpreted to mean that the better consumers’ price perception, the higher their customer satisfaction. Previous research by Aisyah et al (2022) found that price has a significant impact on customer satisfaction. So, if the SDS Nusantara school has implemented prices that are in line with customer expectations, they will be pleased.

The effect of promotions on customer satisfaction

This was showed by a positive path coefficient of 0.335, a t-statistic of 6.817 (t-statistic > 1.96) and a p value of 0.000 < 0.050, proving hypothesis 5 (H5). The findings can be interpreted to mean that the better the consumer’s perception of the promotion, the higher the level of customer satisfaction. According to previous research, identifying place variables on customer satisfaction had a significant influence, with the results stating that variable x and variable y had a significant influence (Nisa, 2020). Given that the respondents were pleased with the facilities and the SDS Nusantara Building, it can be assumed that SDS Nusantara could provide good premises or facilities.

The effect of promotions on purchase decisions

This was showed by a positive path coefficient of 0.151, a t-statistic of 4.114 (t-statistic > 1.96) and a p value of 0.000 < 0.050, proving hypothesis 2 (H2). The findings can be interpreted to mean that the more purchasing decisions would be made. Previous research also indicated that this location variable had a significant and widely accepted influence on purchasing decisions (Pramisti, 2022). Looking at the responses, we can see that they see a large school parking area. It can be assumed that if the school had a large parking area, when parents wanted to bring their children, they felt safe, it was not complicated, and students could exercise freely.

The effect of purchase decisions on customer satisfaction

This was showed by a positive path coefficient of 0.407, a t-statistic of 6.774 (t-statistic > 1.96) and a p value of 0.000 < 0.050, indicating that hypothesis 7 (H7) can be proven. The findings can be interpreted to mean that the higher the level of purchasing decisions, the higher the level of customer satisfaction. Earlier research found that purchasing decisions had a significant impact on customer satisfaction (Nurakhmawati et al., 2022). According to the data responses of the respondents, parents have decided to enroll their next child at SDS Nusantara Batam.

CONCLUSION

This research provides an illustration that (1) Price is proven to have a positive and significant effect on purchase decisions; (2) Place has a positive and significant effect on purchasing decisions; (3) Promotion is proven to have a positive and significant effect on purchase decisions; (4) Place has a positive and significant effect on customer satisfaction; (5) Place is proven to have a positive and significant effect on customer satisfaction; (6) Promotion has a significant effect on customer satisfaction; (7) Purchase decision is proven to have an effect on customer satisfaction. So, based on the hypothesis testing results, it can be concluded that the variables x1, x2, and x3 promotion had a positive and significant influence on purchasing decisions at SDS Nusantara Batam, and that the variable customer satisfaction also had a positive and significant influence on purchase decisions, price, place, and promotion.

Based on the research findings and conclusions, the following suggestion can be given: SDS Nusantara must keep and improve prices, locations, and promotions. In terms of price, it is better to keep it and adjust it to the economic conditions
of the community as time passes. For the SDS Nusantara site, it can improve school facilities and conditions, increasing the confidence of parents or the surrounding community that their children are entrusted to a safe school, and then it can be more effective for promotion. Because technological advancements have advanced, schools can also use other social media and rely on activities that make the school known outside of the area.

REFERENCES


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Sinaga and Husda (The effect of the marketing mix ...)

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