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# The impact of marketing mix on the decisionmaking process to purchase PT. MGD transportation services in Indonesia

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#### **ABSTRACT**

This study aims to investigate the effect of marketing mix on the decision process to purchase transportation services at PT. MGD. This study uses product, price, place, and promotion as independent variables and the decision process variable MGD's to purchase PT. transportation services the dependent variable. The authors expect that independent variables significantly influence the dependent variable. By using  $\alpha$  of 5 percent, the study found that product and place significantly impacted the purchasing decision process of PT. MGD's transportation services. While  $\alpha$  increased to 10%, all independent variables significantly impacted the dependent variable. Further research can utilize additional variables because the independent variables used in this study can only explain 53.10% of the purchasing decision process. Other variables explain 46.9 % of it.

#### **INTRODUCTION**

Companies in any line of business, including logistics and transportation companies, have one basic goal, namely creating value to meet customer needs. Companies must create goods or services so that their customers can buy and use them. In order to the company's goods and services can be purchased by customers, the company must understand its customers. Companies must understand what their customers' needs and desires are. By understanding and understanding its customers, companies can create and adapt products to suit customer needs or desires.

Customers in making decisions to use or to purchase goods or services are influenced by various things. After the stages of problem recognition, information search, alternative evaluation, the customer will make a purchasing decision. Purchasing decisions can relate to product type, product form, brand, quality, seller and so on (Firmansyah, 2018).

Companies must be able to create the right marketing strategy to achieve their goals. Marketing strategy consists of a marketing mix consisting of product, Price, place, and promotion. Companies must combine every element of the marketing mix into an integrated marketing program that will communicate and channel the value offered by the company to its customers (Kotler & Armstrong, 2021). By creating an integrated marketing strategy, companies can create a combination of the four factors of the marketing mix. Companies can make products and create strong brands as an identity for the company (Kotler & Armstrong, 2021).

According to previous research by Ulfah, Rachmi and Yuniarto (2013), products, location, promotion, staff and facilities partially have a significant influence on the decision to use outpatient services at Bina Sehat Jember Hospital. Rates and processes do not significantly influence the decision to use outpatient services at Bina Sehat Jember Hospital. According to Wijaya and Ariyanti (2018), products, location and people have a positive and significant influence on customers' savings decisions. The process has a negative and significant effect on customers' decisions to save. Prices, promotions and physical evidence do not have a significant effect on customers' decisions to save.

Anau and Bagaskoro (2016) stated that product, promotion, Process, Physical Evidence have a positive and significant influence. Price has a significant negative influence. Place and People do not have a positive and significant influence. According to Saputra (2018), product, price, place, and promotion have a significant influence on customer decisions in using the Gojek application. Product, price, place, and promotion have a significant influence on customer decisions in using the Grab application. Hajjar, Bakkareng and Afrizoni (2023) stated that product, Price and Location have a significant influence on purchasing decisions for Paberta Jaya Padang Printing Services. Promotion and Consumer Behavior do not have a significant effect on purchasing decisions for Paberta Jaya Padang Printing Services.

Satit et al. (2012) stated that price and product emerge as the most important marketing mix in influencing customer decision analysis towards travel agents. Santoso et al. (2020) found that products, Prices, Locations, promotions, people, processes and physical evidence have a significant impact on the decision to visit East Java Marine Tourism. Budiman and Asj'ari (2021) revealed that product, price, promotion, people and physical evidence variables have a significant effect on that variable, the location and process have non-significant effect.

PT. MGD is a relatively new company in the world of digital transportation platforms. It was founded in 2019. In its business, this company normally competes

with many conventional transportation companies and digital transportation companies. The data from the Indonesian Trucking Entrepreneurs Association (APTRINDO) shows that there are 1900 players in this business. There are also many other established digital transportation platform companies, such as Logisly, Logee Truck, Waresix, Kargo, Ritase, and Trukita. The presence of many competitors in its business forces PT. MGD to continue to be relevant in serving its customers and potential customers. This company required an appropriate marketing strategy to serve its customers and potential customers effectively and efficiently.

PT. MGD also needs to know whether the product, price, place and promotion elements have the same influence on the decision to purchase PT. MGD services. PT. MGD does not yet know the marketing mix factors that influence the decision to purchase transportation services, so this research is focused on analyzing the influence or impact of four factors product, Price, place and promotion regarding the decision to purchase PT. MGD services. PT. MGD can communicate and distribute the value offered by the company to its customers and focus its business strategy on positive factors to retain current customers and find new customers.

#### LITERATURE REVIEW

# 1. Marketing Mix

Marketing mix is a modern marketing concept that combines a combination of tactical marketing tools generate expected responds of the target market (Kotler & Armstrong, 2021). There are various alternatives to mix the four elements of marketing mix, namely product, price, place and promotion. This study view that the product has a broad meaning and consists of goods and services, as described in the next section. Services are usually referred to as service products. Schiffman and Wisenblit (2019) stated that marketing mix consists of strategies designed to reach, inform and persuade customers to buy products repeatedly.

#### 2. Product

Kotler and Armstrong (2021) defined product as anything that can be offered to the market to satisfy a want or need. Product can include not only real physical objects such as cars, clothes or cell phones. In broad definition, product includes services, events, people, places, organizations or a combination of several of the above. In the same tone Firmansyah (2018) underlines that products are anything that can be offered to consumers or customers to answer the needs or desires of these consumers or customers. Products can include anything related to tangible goods, services, events, places, organizations, ideas or a combination of these things.

Kotler and Armstrong (2021) stated hat product also means a budle of benefits given by the attributes that consist of: variety, quality, design, features, brand, packaging, and service. In this study, the authors specify product attributes as variety, quality, design, features, brand name and service.

# 3. Price

In a narrow perspective price is the amount of money charged for goods or services (Kotler & Armstrong, 2021). In a broad sense, price means the accumulation of all the

value that customers provide to obtain benefits from the goods or services. Historically, price has been one of the main factors determining buyers' choices.

Price is the only element in the marketing mix that contributes to company revenue. Other elements account for the costs of the financial structure. Price is also one of the most flexible elements, unlike product features and channel commitments, price can be changed quickly. Price has a direct impact on company profits, a small change in price can have a big impact on the company's profit percentage.

Firmansyah (2018) empashized that price as a crucial factor that determines a company's success. because price determines how much income the company earns which will ultimately determine the company's profits from sales of its products, whether goods or services. According to Kotler et al. (2022), customers do not see price as the original price but based on price perceptions, price's psychological dimensions consist of: price reference; price and quality persception; and suffix price. Based on previous arguments, the authors specify that psychological dimensions of price consist of price reference, price and quality perception, and suffix price.

#### 4. Place

Place refers to how producers makes the products available for target customers at the right place, at the right time, with the right quantity and type (Kotler & Amstrong). As cited by Satit et al. (2012), Neil (1984) defined place as a channel, distribution or intermediation. In short, place is a mechanism for the flow of goods and services from factories or service providers to their users.

Peter and Donnelly (2008) in research by Satit, Tat, Rasli, Chin and Sukati, (2012) determining appropriate distribution channels will influence other variables in the marketing mix, therefore efficient distribution channels are needed because it is difficult to change the channels because it requires quite a lot of time and money. According to Kotler and Armstrong (2021) place includes company activities that make products available to targeted customers consisting of: Channels, Coverage, Location, Inventory, Transportation, Logistics. Based on several opinions from several experts regarding place, the author decided to use the characteristic dimensions of place for this research, namely channels, area coverage, location and inventory.

#### 5. Promotion

Promotion is a communication to deliver information about a product (Simamora, 2021). This practice aims to introduce a company, persuade, modif, and shape market behavior, including remind people about the product. Kotler and Armstrong (2021) stated that promotion or marketing communication consists of a combination of advertising, public relations, personal selling, sales promotion and direct marketing tools that companies use to connect with customers persuasively, communicate customer value and build relationships. with customers. More specifically, it consists of various types of tools: advertising, personal selling, sales promotion, public relations, direct and digital marketing. In this study, the authors use advertising, personal selling, sales promotion, and direct and digital marketing as the components of promotion.

# 6. Service Purchasing Decision Making Process

Schiffman and Wisenblit (2019) define customer decision making process as a process that consists of three parts: (1) input (marketing mix factors: product, promotion, price

and place), socio-cultural (reference group, family, social class, culture), and (2) communication (advertising, promotional agents, messages, social media, word of mouth promotion, suggestions and recommendations), and (3) process (needs due to problems, types of decisions, information search, evaluation of purchasing alternatives.

Other variable that work in the process is psychological factors, such motivation, personality type, perception and attitude. Learning comes from knowledge. The output are the decision (purchasing or not purchasing), post purchase evaluation which generate repurchase or no repurchase decisions. Repeat purchases indicates the presence of trust and loyalty.

Kotler and Armstrong (2021) stated that purchasing process begins long before the purchase decision and will remains long after the purchase. Marketing personnel need to focus on all stages of decision making and not just focus on purchasing decisions regarding the possibility of failure in all stages of decision making that end with the decision not to buy. Firmansyah (2018) emphasized that in decision making, customers focus for their need and satisfaction. They see that producer's offer as a solution solve their problems.

Kotler et al. (2022) warned that in the business sphere, there are slightly different stages of purchasing decision making. Each of these stages may not be completely passed through each decision making process. Full statges of purchasing decision process consists of eight stepa as follows: problem recognition, need description, product specification, supplier search, proposal solicitation, supplier selection, contract negotiation and performance review. Based on research context, in this study, the authors focus on problem recognition, product specification, supplier search, proposal solicitation, supplier selection, sontract negotiation, and performance review.

#### 7. Framework

From the research framework of the model and based on reflections on the literature of several previous researchers, the model is translated into the following hypothesis, which will be analyzed in this research:

Figure 1
The research framework

Product

Price

PT MGD Service Purchasing Decision
Making Process

Place

Promotion

- a) H1: Product has a positive influence on the decision process for purchasing PT. MGD transportation services.
- b) H2: Price has a positive influence on the decision process for purchasing PT. MGD transportation services.

- c) H3: Place has a positive influence on the decision process for purchasing PT. MGD transportation services.
- d) H4: Promotion has a positive influence on the decision process for purchasing PT. MGD transportation services.

# **METHODS**

The object of this research is PT. MGD, a digital transportation platform company that focuses on the pharmaceutical, health and consumer-health industries. This research aims to determine the influence of marketing mix variables on the decision process for purchasing PT. MGD transportation services. The independent variables in this research are product, price, place and promotion. The dependent variable in this research is the decision process to purchase PT. MGD transportation services. This research design refers to the research design of Cooper and Schindler (2014).

The dependent variable in this research is the decision process for purchasing PT. MGD transportation services. The purchasing process by buyers within the business scope consists of several stages, namely: Problem Recognition, product Specifications, Supplier Search, Solicitation Proposal, Supplier Selection, Contract Negotiation and Performance Review

The following is a description of each independent variable based on the discussion on the theoretical basis:

- 1. Product: consists of variety, quality, design, features, brand name and service.
- 2. Price: consists of price reference, price and quality perception; and suffix price
- 3. Place: consists of channels, coverage, locations, inventory, transportation and logistics.
- 4. Promotion: consists of advertising, personal selling, sales promotion, public relations, and direct and digital.

This research uses census to recruit respondent by which they take the data from all existing populations, as suggested by Sekaran and Bougie (2016). This method was chosen because the customer population of PT. MGD is not too large, which consist of 82 companies and later all of the active customers of PT. MGD will be given a questionnaire by researcher. This research sampling method uses a non-probability sampling method because elements of the population do not have an inherent chance of being selected as sample subjects because the sample is an active customer of PT. MGD. The technique used is judgment sampling because the sample is considered to be in the right position to provide the required information (Sekaran & Bougie, 2016). The Likert scale is used to express agreement with the statements proposed by the researcher. In creating a Likert scale, the following 5 point scale can be used (Sekaran & Bougie, 2016): (1= Strongly disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly agree)

Validity testing is carried out so that the data obtained matches what we want to find. A research instrument is said to be valid if the research instrument can measure the things it should measure, Darwin et al, (2021). Reliability testing is used to ensure the consistency of the test measuring instrument produces the same answers from respondents from time to time. Darwin et al, (2021). In this research, the author used reliability test calculations using the Cronbach Alpha method. According to Sugiyono (2017) in Wahyuni (2018).

# 1. Effect of Independent Variables on Dependent Variables processing with SPSS

In the classical assumption test, there are 3 tests, namely the normal test, heteroscedasticity test and multicollinearity test to be fulfilled as requirements for hypothesis testing with regression. In hypothesis testing, 3 tests are carried out, namely the F test, t test and coefficient of determination test. (Juliandi et al, 2013)

# a. Model Significance Test (F)

According to Sugiyono (2017) in Wahyuni (2018) the F test is used to determine the level of significance simultaneously or completely the influence of the independent variable on the dependent variable. The formulation of the hypothesis to test significance is as follows:

Ho: 
$$\beta 1 = \beta 2 = \beta 3 = \beta 4 = 0$$

Ha: There is at least one value  $\beta i \neq 0$ , i = 1,2,3,4

Hypothesis acceptance/rejection criteria: (a) Reject H0 if the value of Fcount > Ftable or if Sig F <  $\alpha$  (0.05) means that the regression model is significant and suitable for use in research. (b) Not reject H0 if the value of Fcount < Ftable or if Sig F >  $\alpha$ (0.05) means that the regression model is not significant and is not suitable for use in research.

# **b.** Partial Significance Test (t)

According to Sugiyono (2017) in Wahyuni (2018) the test is used to measure how far the influence of the independent variable has on each dependent variable individually. The significance level used is 5%. The formulation of the hypothesis to test significance is as follows:

Ho: 
$$\beta 1 = \beta 2 = \beta 3 = \beta 4 = 0$$

Ha: 
$$\beta 1 \neq 0$$
;  $\beta 2 \neq 0$ ;  $\beta 3 \neq 0$ ;  $\beta 4 \neq 0$ 

The criteria for acceptance/rejection of the hypothesis or decision making are: (a) The probability that  $\beta i \leq \alpha$  (0.05) or tcount > t table means H0i (i = 1,2,3,4) is rejected, which means the independent variable has a positive/negative influence on the dependent variable. (b) The probability that  $\beta i > \alpha$  (0.05) or tcount < t table means H0i (i = 1,2,3,4) is not rejected, which means the independent variable has a positive/negative but not significant influence on the dependent variable.

# c. Determination Coefficient Test (R<sup>2</sup>)

The coefficient of determination test is used to measure how well the regression model is estimated between the independent variable and the dependent variable and is measured in the form of %. The % figure outside the coefficient of determination shows the influence of other independent variables outside the research that influence the dependent variable. The decision-making criteria are as follows: (a) If  $R^2 = 0$ , it means that the variation in changes that occur in the dependent variable is not influenced by the independent variable. (b) If  $R^2 = 1$  (100%), then it means that the variations in

changes that occur in the dependent variable are entirely influenced by the independent variable.

#### RESULTS AND DISCUSSION

#### 1. Result

After carrying out validity tests on the product, price, place and promotion variables, all indicators were declared valid because they were greater than the r table value (0.361). Because all variable indicators are declared valid, the questionnaire on this variable can be used to take further samples. After carrying out a reliability test on all variables, all variables were declared reliable because the Cronbach's Alpha value was greater than 0.6. Because all variables are declared reliable, the questionnaire on this variable can be used to take samples in the next process.

Collected respondent data resulted in a total of 70 respondents from 70 companies who filled out the questionnaire. The total number of active PT. MGD customer companies is 82 units. All data that has been collected is subjected to a classical assumption test to determine the correlation between the data taken. The classical assumption test is used as a condition to proceed to the multiple linear regression test. Classical assumption tests generally consist of normality tests, autocorrelation tests, multicollinearity tests, heteroscedasticity autocorrelation test was not carried out in this study because the autocorrelation test is more suitable for taking annual serial data, whereas this study takes snapshot data at that time only.

Asymp value. Sig (2-tailed) 0.075 is greater than the research  $\alpha$ , which is 5%, so it can be concluded that the data has a normal distribution. The tolerance value is close to 1 and the VIF value is still below 10, so it can be concluded that there is no multicollinearity in the data from the research questionnaire. all variables have a Sig value. above  $> \alpha$  (5%.) So it is concluded that heteroscedasticity does not occur.

#### a. Model Significance Test (F)

The first test carried out is the F test, in the F test the indicator used is the sig value which is below  $\alpha$  5%.

Table 1. Model Significance Test Result

<u>F</u>	Sig.
18.417	0.000

Based on Table 1, the Sig value in the F test is  $0 < \alpha$  (5%) so reject Ho, which means the regression model can be used in this research.

# **b.** Partial Significance Test (t)

The t test is used to determine whether each independent variable has an effect on the dependent variable. In this t test, the indicator used is an error rate or α of 5% so that the sig value of the independent variable which is below  $\alpha$  of 5% can be concluded to have an influence on the dependent variable.

Table 2
Partial Significance Test Result

Model	<b>Unstandardized</b>		Sig/2
	Coefficients B		<u> </u>
Product	0.625	0.000	0
Price	0.352	0.117	0.059
Place	0.335	0.098	0.0049
Promotion	0.248	0.145	0.073

# Hypothesis Test 1

- a. Ho1:  $\beta 1 = 0$  which means there is no product influence on the PT. MGD Transportation Services Purchasing Decision Process
- b. Ha1:  $\beta$ 1 > 0 which means there is an influence of the product on the PT. MGD Transportation Services Purchasing Decision Process

From the calculation results, we get a sig value of 0.000/2, namely = 0 which is smaller than  $\alpha$  (5%). And the positive  $\beta$ 1 value is 0.625, so it can be concluded that Ho is rejected and the product variable has a positive and significant influence on the PT. MGD Transportation Services Purchasing Decision Process.

# Hypothesis Test 2

- a. Ho2:  $\beta 2 = 0$  which means there is no influence of price on the PT. MGD Transportation Services Purchasing Decision Process
- b. Ha2:  $\beta$ 2 > 0 which means there is an influence of price on the PT. MGD Transportation Services Purchasing Decision Process

From the calculation results, the sig value is 0.117/2, namely = 0.059 which is greater than  $\alpha$  (5%). And the positive  $\beta 2$  value is 0.352 so it can be concluded that Ho is accepted and the price variable has an influence but is not significant on the PT. MGD Transportation Services Purchasing Decision Process. However, if the  $\alpha$  used is 10% then the price variable has a positive and significant influence on the PT. MGD Transportation Services Purchasing Decision Process

# Hypothesis Test 3

- a. Ho3:  $\beta$ 3 = 0 which means there is no influence of place on the PT. MGD Transportation Services Purchasing Decision Process
- b. Ha3:  $\beta$ 3 > 0 which means there is an influence of place on the PT. MGD Transportation Services Purchasing Decision Process

From the calculation results, we get a sig value of 0.098/2, namely = 0.0049 which is smaller than  $\alpha$  (5%). And the positive  $\beta 3$  value is 0.335, so it can be concluded that Ho is rejected and the place variable has a positive and significant influence on the PT. MGD Transportation Services Purchasing Decision Process.

# Hypothesis Test 4

- a. Ho4:  $\beta$ 4 = 0 which means there is no influence of promotion on the PT. MGD Transportation Services Purchasing Decision Process
- b. Ha4:  $\beta$ 4 > 0, which means there is an influence of promotion on the PT. MGD Transportation Services Purchasing Decision Process

From the calculation results, the sig value is 0.145/2, namely = 0.073 which is greater than  $\alpha$  (5%). And the positive  $\beta4$  value is 0.248, so it can be concluded that Ho is accepted and the promotion variable has an influence but is not significant on the PT. MGD Transportation Services Purchasing Decision Process. However, if the  $\alpha$  used is 10% then the promotion variable has a positive and significant influence on the PT. MGD Transportation Services Purchasing Decision Process

# c. Coefficient of Determination (R<sup>2</sup>)

The coefficient of determination is used to measure how well the regression model is estimated between the independent variable and the dependent variable. The R<sup>2</sup> value shows how much influence the independent variables in this research have on the dependent variable.

Table 3
Coefficient of Determination Test Results

R	$\mathbb{R}^2$	Adjusted R Square
0.729	0.531	0.502

From the test results, it was found that the R<sup>2</sup> value was 0.531, this means that 53.1% of the decision process for purchasing PT. MGD transportation services was influenced by product, price, place and promotion variables. As much as 46.9% of the decision process for purchasing PT. MGD transportation services is influenced by other variables outside this research.

# 2. Discussion

# a. Analysis of Product Variable on the Decision Process for Purchasing PT. MGD Transportation Services

The product variable in this study, which has 6 indicators, received an average value of 3.66, which means that the majority of respondents agree that PT. MGD's products influence the decision process for purchasing transportation services. The results of the t test also show the same thing, namely that the product has a positive and significant effect on the decision process for purchasing PT. MGD transportation services.

The results of the t test for the product variable with a value of 0 with an  $\alpha$  level (5%) show that the results have an influence on the decision process for purchasing PT. MGD transportation services. Even if it is reduced further to 1%, the results still have an influence on the decision process for purchasing PT. MGD transportation services. The Unstandardized Coefficients B value is also positive, indicating that the increasing quality of PT. MGD's products will increase the influence on the decision process for purchasing PT. MGD's transportation services.

The strength of PT. MGD in terms of product variables is from indicators related to good service from PT. MGD with a value of 4.03. This is in line with the business carried out by PT. MGD, namely in the service sector which prioritizes service. Even though service is something PT. MGD is already strong at, this service can still be

improved because the average value of this indicator reaches 4.03 from a maximum value of 5.

The points that can be improved by PT. MGD are in terms of ease of use in the PT. MGD application design with a value of 3.20. Respondents even on average categorized this indicator in the neutral scale range. PT. MGD as a digital transportation platform needs to rejuvenate and evaluate the UI/UX of the system or application being built. As one of the customer touch points, PT. MGD needs to employ UI/UX related specialists to improve the application/system so that PT. MGD customers can easily use the PT. MGD application.

In conclusion, the product variable has a positive and significant influence on the decision process for purchasing transportation services. This is in accordance with previous research which states that the product variable has a positive and significant influence on the purchase or use of services. (Budiman & Asjari, 2019; Ulfah, Rachmi & Yuniarinto, 2013; Wijaya & Ariyanti, 2018; Anau & Bagasworo, 2018; Saputra, 2018; Satit, Tat, Rasli, Chin & Sukati, 2012; Santoso, Shintawati & Aliffianto, 2020; Hajjar, Bakkareng & Afrizoni, 2023)

# b. Analysis of Price Variables on the Decision Process for Purchasing PT. MGD Transportation Services

The price variable in this study, which has 3 indicators, gets an average value of 3.8, which means that the majority of respondents agree that the price of PT. MGD influences the decision process for purchasing transportation services. The results of the t test also show that price has an influence but is not significant on the decision process for purchasing PT. MGD transportation services.

The results of the t test for the price variable with a value of 0.059 with an  $\alpha$  level (5%) show that the results have an influence but are not significant on the decision process for purchasing PT. MGD transportation services. However, if the acceptable error rate ( $\alpha$ ) used is 10% then the price variable has a positive and significant influence on the PT. MGD Transportation Services Purchasing Decision Process

The strength possessed by PT. MGD in terms of the price variable is the indicator of suitability of the bill to the nominal price previously agreed with a value of 4.17. However, this factor can still be improved because the average value of this indicator reaches 4.17 from a maximum value of 5. PT. MGD as a digital transportation platform has many suppliers for transportation and the rates can also change according to conditions in the field. However, PT. MGD remains committed to providing tariffs according to previously agreed prices. When PT. MGD customers collaborate with PT. MGD, expenses for transportation activities can be more controlled.

The point that can be improved from PT. MGD is in terms of competitive rates with a value of 3.47. PT. MGD as a digital transportation platform indeed sources trucks from conventional transportation companies. So if customers compare the rates from PT. MGD with their transportation vendors, PT. MGD's rates seem uncompetitive compared to other transportation companies. PT. MGD can carry out analysis related to supply chain models so that savings can be made and shipping rates can be further reduced.

In conclusion, the price variable has an influence but is not significant on the decision process for purchasing transportation services. This is in accordance with previous research which states that the price variable has an influence but is not significant on purchasing or using services. This can be seen in the following studies. Research by Ulfah, Rachmi and Yuniarto (2013) on the decision to use outpatient

services at Bina Sehat Hospital Jember; and research by Wijaya and Ariyanti, (2018) on customer decisions to deposit at PT. Bank Mayapada Internasional Tbk A. Yani Pekanbaru Branch.

# c. Analysis of the Place Variable on the Decision Process for Purchasing PT. MGD Transportation Services

The place variable in this study, which has 4 indicators, gets an average value of 4.08, which means that the majority of respondents agree that the place of PT. MGD influences the decision process for purchasing transportation services. The results of the t test also show the same thing, namely that place has a positive and significant effect on the decision process for purchasing PT. MGD transportation services.

The results of the t test for the place variable with a value of 0.0049 show that at the  $\alpha$  level (5%) the results have an influence on the decision process for purchasing PT. MGD transportation services. The Unstandardized Coefficients B value is also positive, indicating that the increasing quality of PT. MGD's place will increase the influence on the decision process for purchasing PT. MGD's transportation services.

The strength of PT. MGD in terms of the place variable is the indicator related to the choice of ordering channels with a value of 4.27. This is in line with the business carried out by PT. MGD, namely in the service sector which prioritizes service. One form of service is giving customers choices to freely make transactions through anything. Even though service is something that PT. MGD is already strong at, this ordering channel can still be improved because the average value of this indicator reaches 4.27 from a maximum value of 5.

The point that PT. MGD can improve is in terms of the pool location which is far from the place where the goods are picked up. PT. MGD with a score of 3.20. The location for picking up goods and the location of the vehicle pool are related, if the vehicle pool is in a remote location, when there is a sudden demand for units, the company will not be able to fulfill customer orders.

In conclusion, the place variable has a positive and significant influence on the decision process for purchasing transportation services. This is in accordance with previous research which states that the place variable has a positive and significant influence on purchasing or using services. Ulfah, Rachmi and Yuniarto (2013); place influences the decision to use WO services at the Royal Plaza Surabaya wedding exhibition; The same thing can also be found in research by Wijaya and Ariyanti, (2018) on customers' decisions to deposit at PT. Bank Mayapada Internasional Tbk A. Yani Pekanbaru Branch; Saputra, (2018) on customer decisions in using online transportation applications; Hajjar, Bakkareng and Afrizoni (2023) on the decision to use services in the decision to purchase Paberta Jaya Padang printing services; Santoso, Shintawati and Aliffianto (2020) place has a positive and significant influence on the decision to visit marine tourism in East Jaya.

# d. Analysis of the Promotion Variable on the Decision Process for Purchasing PT. MGD Transportation Services

The promotion variable in this study, which has 4 indicators, gets an average value of 3.65, which means that the majority of respondents agree that products from PT. MGD influence the decision process for purchasing transportation services. The results of the t test show that with  $\alpha$  (5%) the promotion variable has an influence but is not significant on the decision process for purchasing PT. MGD transportation services. However, if the acceptable error rate ( $\alpha$ ) used is 10% then the promotion variable has a

positive and significant influence on the PT. MGD Transportation Services Purchasing Decision Process

The results of the t test for the promotion variable with a value of 0.073 show that with an  $\alpha$  level (5%) the results of the promotion variable have an influence but are not significant on the decision process for purchasing PT. MGD transportation services.

The strength of PT. MGD in terms of the promotion variable is the indicator of the employee's ability to offer PT. MGD products attractively with a value of 3.83. This is in line with the business carried out by PT. MGD, namely in the service sector which prioritizes service. Even though service is something PT. MGD is already strong at, this service can still be improved further because the average value of this indicator reaches 3.83 from a maximum value of 5.

The points that can be improved from PT. MGD are in terms of PT. MGD advertising with a value of 3.37. Respondents even on average categorized this indicator in the neutral scale range. PT. MGD as a digital transportation platform needs to carry out advertising activities that can reach its target market well. The advertisements referred to here do not need to be distributed to mass media but can be targeted to certain sections.

In conclusion, the promotion variable has an influence but is not significant on the decision process for purchasing transportation services. This is in accordance with previous research which states that the promotion variable has an influence but is not significant, for example in research by Wijaya and Ariyanti, (2018) on customers' decisions to deposit at PT. Bank Mayapada Internasional Tbk A. Yani Pekanbaru Branch; Hajjar, Bakkareng and Afrizoni (2023) on the decision to use services in the decision to purchase Paberta Jaya Padang printing services; Satit, Tat, Rasli, Chin and Sukati, (2012) on decision making regarding travel agents in Palembang.

# **MANAGERIAL IMPLICATION**

The management implication of the research results based on the results of statistical tests that have been carried out is that PT. MGD needs to improve factors related to product and place because the product and place variables based on this research have a significant influence on the decision process for purchasing transportation services at PT. MGD. PT. MGD needs to improve the factor of good service to its customers and potential customers because this is the most influential factor in the product variable. This is in line with PT. MGD's own business model, namely transportation services. In the service industry and B2B type, service to company customers is the main thing to win the competition. The services provided to customers can be done by dividing PT. MGD customers into several groups based on sales value or profit margin. By dividing customer groups like this, PT. MGD can create different service strategies for each customer group. For customers who have the highest sales and profit values, service can be focused on how to continue to explore potential and retain these customers. For customers who have small sales and profit values, PT. MGD can look for strategies and programs so that these customers are willing to contribute more purchases to PT. MGD. PT. MGD can also carry out regular training for the marketing and sales team so that the service standards provided to its customers are in accordance with the standards held by PT. MGD.

From the product side, there are still things that PT. MGD can improve, namely the design for ease of use of the PT. MGD application. PT. MGD is a digital transportation platform so it requires an easy experience from the customer side in using the platform owned by PT. MGD. PT. MGD needs to equip the ranks of product

management employees down to system developers with knowledge and application related to UI/UX. The design ease of using this application is also the front guard or image of PT. MGD itself in the eyes of its customers. The majority of PT. MGD customers work in the supply chain, logistics and transportation sectors, requiring ease and comfort in using the application because PT. MGD customers usually coordinate supply chain and logistics processes all day. So, if the application design is changed to be better in terms of use and design, it will make things easier for PT. MGD customers and increase sales of PT. MGD services itself.

The next variable that influences the decision process for purchasing PT. MGD transportation services is place. Based on the discussion above, PT. MGD's application design is considered less easy to use, but there are other things that PT. MGD does that have an impact on the decision process for purchasing transportation services, this is the large number of ordering channel options, for example via instant message applications, telephone, website and application. This aims to ensure that all PT. MGD customers and potential customers can easily carry out transaction and monitoring processes through the media they control. PT. MGD can create a strategy to develop each media to obtain almost the same minimum standard of experience. For example, using automatic chatbot features so that customers get the same benefits and services. For example, PT. MGD wants to direct all its customers to only use the application or website for transaction processing, then PT. MGD needs to encourage its customers by providing outreach regarding the benefits of using the application or website and providing additional incentives.

The place gets a fairly low value because of the distance of the PT. MGD pool to the good's pickup location. On the other hand, the customers are spread across many far-flung places amid that lack of of the number of vendors to support products' delivery and the spread location of the vendors's pool.

The vehicles in the pool are not always ready at the location. The may be in a task of picking up or delivering goods, so they are not stay in the pool. To solve this problem, PT. MGD needs to increase the number of partners and work together with partners to create strategic location points close to the goods pickup location so that vehicles that have finished delivering goods do not need to return to the pool but can wait at these strategic points. Managerial implications refer to the practical use of the information and/or observations made for making practical decisions--e.g., whether to go ahead with a venture, how much to invest, which distribution system to use, or how to allocate the firm's budget among items such as research and development, advertising and promotion, and market research.

#### **CONCLUSION**

Product has a positive and significant influence on the decision process for purchasing PT. MGD transportation services. Price has an influence but is not significant on the decision process for purchasing PT. MGD transportation services. Place has a positive and significant influence on the decision process for purchasing PT. MGD transportation services. Promotion has an influence but is not significant on the decision process for purchasing PT. MGD transportation services.

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