

MARKETING MIX AND PURCHASING BEHAVIOR FOR JAPANESE MOTORCYCLE BRAND IN INDONESIA

Dr. Ety Susilowati, MMA

International Business Management, Faculty of Economics and Business,
Budi Luhur University, Indonesia

Andre Aghata Rezaldy Moeladib

International Business Management, Faculty of Economics and Business,
Budi Luhur University, Indonesia

Abstract

The increasing population in Indonesia leads to increasing demand for motorcycles as one of transportation means. Ease of operation and affordable prices cause motorcycles as a very popular transportation means in Indonesia, especially in big cities. This is because of the traffic density and the people's desire to arrive at their destination quickly. One of the Japanese brands, Honda Beat is the highest selling motorcycle brand in Indonesia based on the data from The Indonesian Motorcycle Industry Association. In this study, we investigate the relationship of marketing mix with consumer purchasing behavior of this specific brand. A judgmental sampling was applied to 100 consumers in Greater Jakarta. Multiple linear regression was employed to analyze the data. The results indicated that promotions have the highest influence on consumer purchasing behaviors of the brand (coeff. = 0.503), then followed by products (coeff. = 0.320), and price perceptions (coeff. = 0.224). This study contributes to the marketing literature by adding a new empirical evidence on how marketing mix can generate perception and preference of brand personality, especially in motorcycle brands. The findings of this study will assist managers of motorcycle brand to maximize specific factors from marketing mix analysis to increase consumer purchasing behavior. Finally, in terms of the method employed in marketing studies, this study contributes to the literature by adding a new combination of a quantitative study of multiple linear regression and personal opinion of consumers.

Keywords: *Marketing mix, Purchasing behavior, Transportation, Multiple linear regression*

JEL Classification

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1. Introduction

Fast growing motorcycle industry in Indonesia nowadays is related to the increasing population of motorcycle users in Indonesia, followed by many motorcycle manufacturers with different brands who join the market and many different types of the motorcycles itself. Along with the existed competitive market in this matter, motorcycle brands will need to analyze their market and gain advantage by making companies have something more over competitors. To fulfill market demands, several moves are created by companies from creating aggressive marketing strategies and inventing innovative technology in order to create a brand image on consumer. Rapid development in the technology along with the continuous emergence of new innovative products in a relatively short time requires companies to strive in product development so they will not be left behind by the products of each competitor. In order to face the competition, each company shall be able to define the needs of customers carefully in designing products that fits the desires and expectations of consumers. One of the motorcycle companies in Indonesia is PT Astra Honda Motor (AHM). PT Astra Honda Motor (AHM) is a synergy of technology advantages and marketing network in Indonesia, a development collaboration between Honda Motor Company Limited, Japan, and PT Astra International Tbk, Indonesia. One of the products produced by both companies is a motorcycle with the Honda Beat brand. National

data indicated that this brand has the highest motorcycle sales in Indonesia. In 2014, the brand was managed to be in first position in the top ten list of best-selling motorcycles with a sales record of 2,062,745 units sold which was equal to 26.08 % of the market share for all motorcycles sales in Indonesia. Next, the percentage was increased to 27.96 % in 2015 and 30.59 % in 2016 (Indonesian Motorcycle Industry Association, 2017). Due to the high consumer interest and market share of this brand in succession over the past few years, therefore in this study, we examine the effect of marketing mix on purchasing behavior of this brand.

Previous literature studies have analyzed the effect of marketing mix on purchasing behavior (Gupta, 1988; Pungnirund 2013; Setiawan, 2014; Astuti et al., 2015; Mihaela, 2015; Wongleedee, 2015; Indumathi & Dawood, 2016; Minnema, 2017). In this study, we analyze the relationship of product, price perceptions, place, and promotion on purchasing behavior of Honda Beat. The results will be important alternatives for companies to maintain and to create their marketing strategies. This study contributes to the literature of marketing and purchasing behavior by adding an empirical evidence on how marketing mix can generate perception and preference of brand personality of motorcycle. The second section of this study will evidence the prior literatures on the marketing mix, purchasing behavior and how each of the components relates to purchasing behavior. The third section will signify the method employed in this study, the results and the managerial implications of the findings. Latter, the paper concludes the findings and provide recommendation for further study.

2. Literature Review

2.1. Marketing Mix

A marketing mix is a group of marketing strategies created by companies to gain their specific goals on the target market. The specific goal is to increase the demand toward product and services (Amstrong et al., 2014). Furthermore, the marketing mix consists of product, price, place (distribution), and promotion (Lamb, Hair, & McDaniel, 1992; Thabhiaranrak et al., 2015). A product is a good and service combination that the company offers to the target market. Still, a product is anything that can be offered to a market for attention, acquisition, use, or consumption, which will satisfy a need of consumers (Armstrong et al., 2014). A price is the specific amount of money customers must sacrifice to obtain the product and service (Amstrong et al., 2014). The term amount of money, sometimes is associated with the term value of money. It means that the value which consumer give up is not always related to economical values. It can be in the form of time or energy in exchange for the product and service (Grewal et al., 2017). A place or distribution is an activity that leads the products available to target consumers anytime and anywhere they want to consume them (Amstrong et al., 2014; Lamb et al., 1992). Finally, a promotion is an activity which aims to communicate the benefit and the excellence of the product and service over its competitors to persuade the target consumers to create purchasing behavior (Furaji et al., 2012; Armstrong et al., 2014). The final goal of the promotion is to gain market goals, that is to create traffic in the stores and generate sales (Dunne & Richardson, 2010; Wongleede, 2015).

2.2. Purchasing Behaviour

A purchasing behavior is a process by which consumers look for, select, purchase, use, and dispose of products and services to satisfy their needs. The purchasing behavior is a set of dynamic decision-making processes that stimulate the sales of products (Indumathi and Dawood, 2016; Lamb et al., 2016). This behavior is final consumer behaviors to buy products and services for their own consumption (Amstrong et al., 2014). Moreover, this behavior is resulted from the interaction of affection, cognition, behavior and environment. The consumer will purchase the products and services if only the results of those four aspects excess their expectation.

2.3. Marketing Mix and Purchasing Behavior

The previous empirical literatures have indicated the relationship between marketing mix with consumer purchasing behavior. Gupta (1988) proved that a sales promotion affects what, when and how much of the product was purchased by consumers. Astuti et al. (2015) proved that price was the most influential marketing mix variable which affected consumer purchasing behavior of Malang apples at an Indonesian supermarket. Wongleedee (2015) revealed

that price, promotion and place were the factors which generated consumer purchasing behavior. Mihaela (2015) proved that a communication as a part of promotion strategy was a factor affected purchasing behavior. Minnema et al. (2017) also revealed that instant reward program with bonus premiums generated consumer purchasing behaviors. Indumathi (2016) revealed that product is the most important factors for the customer to generate purchase followed by quality, brand, health, environmental safety and consumer taste.

Pungnirund (2013) proved that there was a very large positive relationship between all marketing mix dimensions and consumer purchasing behavior. Setiawan (2014) proved that there was a strong relationship between all marketing mix dimensions with consumer purchasing behavior.

Based on the above analyses, the hypotheses to be tested are as follows:

H1: There is a positive relationship between products and consumer purchasing behaviors of a Japanese motorcycle brand in Indonesia partially.

H2: There is a positive relationship between price perceptions and consumer purchasing behaviors of a Japanese motorcycle brand in Indonesia partially.

H3: There is a positive relationship between places and consumer purchasing behaviors of a Japanese motorcycle brand in Indonesia partially.

H4: There is a positive relationship between promotions and consumer purchasing behaviors of a Japanese motorcycle brand in Indonesia partially.

H5: There is a positive relationship between all marketing mix dimensions and consumer purchasing behavior simultaneously.

Based on the hypotheses above, we build the conceptual framework of this study, as can be seen in Figure 1 below.



Figure 1. Conceptual framework

3. Methods

3.1. Sample and Data Collection

A five-point Likert scale was applied to 100 samples for measuring the marketing mix dimensions, where 1 = strongly disagree and 5 = strongly agree. The samples were selected according to the personal judgement of the researcher (Adams et al., 2007). The reason was the difficulties to obtain the population of Honda beat consumers in Greater Jakarta. This method was a part of purposive samplings, which was also called as judgemental sampling, which was used to determine specific criteria for the samples, especially those who were considered as experts (Priyono, 2016). The criterion employed in this study was those consumers who have purchased a Honda beat brand. The data collection was carried out through questionnaires. Data analysis was carried out by multiple linear regression analysis.

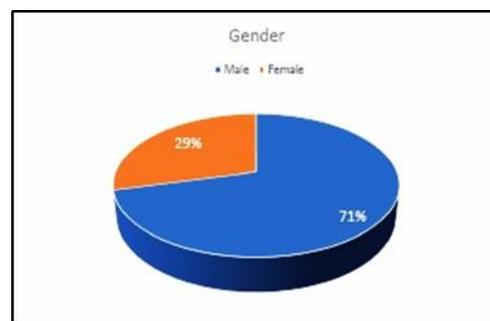
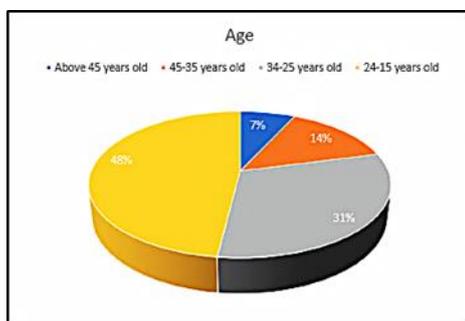
3.2. Measures

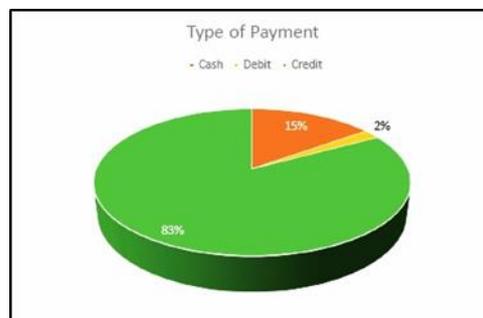
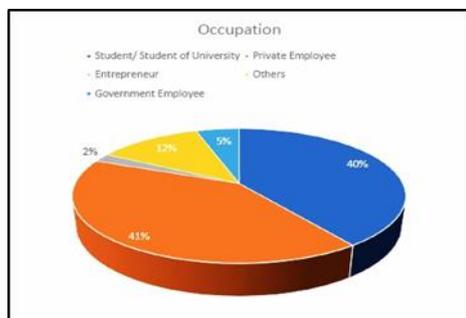
A product was measured through varieties, qualities, designs, features, brand names, packages, and services. A price perceptions was measured through list prices, discounts, allowances, payment periods, and credit terms. A place was measured through channels, coverages, locations, inventories, transportations, and logistics. A promotion was measured through advertisings, personal sellings, sales promotions, and public relations. Finally, a consumer purchasing behavior was measured through product choices, brand choices, dealer choices, purchase amounts, purchase timings, and payment methods (Appendix A.1) (Amstrong et al., 2014).

4. Results

4.1. Descriptive Results

From the descriptive statistics, it could be inferred that most of the consumers of a Honda beat brand were those in the age range of 15 until 24 years old (48 %). Then, it was followed by consumers between 34 until 25 years old (31 %), between 35 until 45 years old (14 %), and above 45 years old (7 %) (Figure 1). This indicated that this brand enthusiast was mostly teenagers. Moreover, most of the consumers were male (71 %) while females were only 29 % (Figure 2). The private employees and university students purchased more of these brands (41% and 40%, respectively) than other types of jobs that included government employees (5%), entrepreneurs (2%), and others (12%) (Figure 3). Most of the consumers purchased the brand through credits (83 %) (Figure 4).





4.2. Model Evaluation

The evaluation of validity model by employing product moment correlation pearson indicated that all dimensions used to explain the variables were valid and significant at alpha 0.05 (appendix A.1). Similarly, the reliability test results indicated that all variables were reliable (Cronbach's Alpha > 0.06) (Table 1).

Table 1. Reliability test results

No	Variables	Cronbach's Alpha	Status
1	X1	0.829	Reliable
2	X2	0.768	Reliable
3	X3	0.887	Reliable
4	X4	0.800	Reliable
5	X5	0.896	Reliable

Source: processed data

4.3. Hypothesis Testing and Discussion

Results of data processing using by employing SPSS version 23 indicated that product and promotion variables significantly influenced consumer purchasing behavior at alpha 0.05. While the variable of price perceptions were significant at alpha 0.1 (Table 2).

Table 2. Multiple regression results

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	β	Std.error	β		
(Constant)	0.004	5.390		0.001	0.999
Product	0.320	0.094	0.314	3.396	0.001
Price perceptions	0.224	0.128	0.147	1.758	0.082
Place	0.137	0.105	0.127	1.306	0.195
Promotion	0.503	0.156	0.304	3.224	0.002
R ² = 0.498		Adj. R ² = 0.477			

Source: processed data

From table 1 it could be inferred that the variable that had the highest influence to consumer purchasing behavior was promotions (coeff. = 0.503), followed by products (coeff. = 0.320) and price perceptions (coeff. = 0.224). While places were not significantly influenced consumer purchasing behavior. The ability of independent variables to explain consumer purchasing behavior was 49.8%, while the rest was explained by other factors which were not included in the model. Simultaneously, all four variables had effects on consumer purchasing behavior of the brand as evidenced by significant F-value at alpha 0.05 (Table 3).

Table 3. F-test results

Model	Sum of squares	df	Mean square	F	Sig.
Regression	1604.967	4	401.242	23.562	0.000
Residual	1617.783	95	17.029		
Total	3222.750	99			

Source: processed data

5. Discussions

The results of multiple linear regression prove that four of the five hypotheses are supported in positive ways. Products significantly influence consumer purchasing behavior. This finding clearly supports Pungnirund (2013), Setiawan (2014), Indumathi (2016). Good variety, quality, design, features, brand name, packaging, and services are offered to the consumers. Most of the consumers of this brand are those with the range of 15 to 24 years of age. The range can be classified as teenage groups. Some characteristics of teenage buyers, according to Kretschmer (1925) are easily influenced by the product, easily affected by advertising, and consumeristic. Based on the results of interviews obtained information that the product components which are favored by this type of customers are the easiest to find the location of services and spare parts, followed by the ease to recognize the brand, and attractive brand designs. The implication for managers are the reinforcement of these dimensions will greatly affect the company's sales.

Price perceptions also strongly influence consumer purchasing behavior. This finding supports Pungnirund (2013), Setiawan (2014), Astuti et al. (2015), Wongleedee (2015), Indumathi (2016). Since most of the consumers of this brand are private employees and university students, therefore price perceptions are very important dimensions to be considered before they make a purchase. In addition, based on the type of payments, most of the consumers purchase this brand through credits. Therefore, price perceptions are important variables for consumers. The implication for managers is that price-fixing of the brand should be done carefully to anticipate a decrease in the quantity of purchases. Lastly, promotions strongly influence consumer purchasing behavior. This finding supports Gupta (1998), Wongleede (2015), Mihaela (2015), Minnema et al. (2017), Pungnirund (2013), Setiawan (2014), Indumathi (2016). The aggressive, intense, and targeted promotions will greatly influence consumer purchasing behavior. Good promotional quality will greatly help the process of introducing the product and its features to the market. The reason for the popularity of this brand in the community is the main dimension of promotion. In addition, the use of attractive ads also influences the success of the promotion. The managerial implication from the marketing strategy side is that the more consumers use this brand and have positive usage responses, it will indirectly become an effective promotional tool for the company as this brand will become more popular.

5.1. Conclusion

The strength of capital and profit generated by Islamic banking significantly influences the expansion of financing. Therefore, the Islamic bank structure which under supervised from the conventional bank as the parent's company should be separated. The objectives of segregated Islamic Bank from the parent's company that also as conventional bank are:

- Eliminating dependency of Islamic Bank capital from conventional;
- avoid violations of Shari'ah compliance because the source of capital comes from a conventional bank which can not be guaranteed halal;
- Providing flexibility of sharia banks in running their business to accelerate the expansion of its business.

Nevertheless, the policy intervention from government very urgent to implement this corporate action because of the status of the conventional bank is state own company. Determine of public policy should be base on the need of the Muslim community in term doing their thought in totality (kaffah) and the Islamic bank existence not only for giving beneficiaries to the Moslem but also for all community because of the Sharia principles presence to provide the advantage to all people (rahmatanlilalamin). Nevertheless, the high level of problem financing also resulted in lower public trust on Islamic Bank because of the impact is decreasing the profit. The profit for the company has a role in empowering the Islamic Bank to increase the business thus the Islamic Bank needs the professional team to manage the operation also the consciousness of the community either that debts must be pay off. There are 3 (three) aspects that must be improved by Islamic banks to be able to compete are the quality of human capital, a simple organization and a qualified information technology (IT).

Besides, the tight banking competition in Indonesia requires all banks to be able to run their activities efficiently. This condition causes banks to apply the principle of prudence and carefully in channeling their financing to segments that have good prospects for the future. The selection of prospect segment main is to avoid rising problematic financing that will lead to high capital needs of a bank to cover the bad debt, if The bad debt in bank increases will undoubtedly be coupled with policies to reduce the supply of financing. There is an alternative for Islamic banks to improve competitiveness by increasing the scale of their business through mergers so that competitiveness and profitability ability can enhance (Nugroho et al., 2017).

Results give us confidence that it is socially beneficial to change legislation and attract non-residents to establish private foundations in a country to address their business and wealth succession issues.

5.2. Recommendation

The dependence of Islamic banks is related to the increase of capital to the parent company; namely conventional banks become a challenge for the government to be able to take decisions related to the planned merger of Islamic banks under state-owned banks. The policy should also consider that the contribution of Islamic banking with its Sharia principles can provide benefits to the community.

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