

# Mixed Marketing Strategy On Coffee Consumer Satisfaction At *Cafe De Tropodo Sidoarjo*

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**Article History: Received: July 25, 2021; Accepted: Agustus 28, 2021**

## ABSTRACT

Coffee is currently experiencing a rapid development. This condition is indicated by the existence of café or coffee shop in almost every location. It will create increasingly fierce competitions among coffee business owners, with various strategies that will be applied to win the competition. Mixed marketing is one strategy that is often applied to run the business in order to win the competition. The mixed marketing is a part of marketing that is used by a company so that the target can be achieved properly. The purpose of this study was to analyze the effect of mixed marketing strategy on coffee consumer satisfaction at Cafe De Tropodo Sidoarjo. The number of respondents in this study were 75 cafe visitors, who were selected by chance (accidental sampling), and the data obtained were analyzed using SEM PLS 6.0. The results showed that the 7 P's mixed marketing (product, price, place, promotion, people, physical evidence, and process) had a significant positive effect on coffee consumer satisfaction in Sidoarjo.

**Keywords:** Mixed Marketing, Satisfaction

## 1. INTRODUCTION

Coffee is an essential commodity in the world. If viewed from the trade value, coffee is a major foreign exchange contributor in many developing countries. Wibowo (2012) said that generally, for large-scale coffee processing companies, the export market is open. Thus, with fluctuations in raw materials for coffee beans, there are relatively no significant problems. On the one hand, in East Java, people's coffee plantations, Arabica and Robusta, have vast areas. At the same time, the number of household-scale coffee processing industries is also not so large. Therefore, there is a need for downstream coffee in East Java to benefit coffee farmers so that it can meet the demands of this increasingly diverse market.

The low per capita consumption is an opportunity for small, medium, and prominent coffee business actors to fill this opportunity. The existence of increasingly fierce competition forces business people in the coffee sector to improve their services and product quality and satisfy



their customers . Based on initial observations, at De Tropodo Cafe the products are still limited and not many are familiar with it. The marketing is still limited around locations in the Sidoarjo area; even many are not familiar with the product and its location. Based on these conditions, it is necessary to find information among the consumers. This information can be used as materials to evaluate and improve the strategies that exist in De Tropodo Cafe. Through the mixed marketing approach, this condition has the aim of knowing the mixed marketing strategy that affects consumer satisfaction, as satisfied consumers will have a strong impression and trust in the products of the cafe.

Tjiptono (2008) said that maintaining survival in developing its business with the primary customer needs requires quality service. Therefore, it is essential in addition to the existence of the company. Rachmawati's (2011) marketing strategy can support product marketing. Sastra, Zulaiha, and Misrania (2019) stated that sales would increase if applying the right marketing strategy. According to Amofah & Gyamfi (2016), the marketing concept is a management process for identifying, anticipating, providing needs, and benefiting customers. Furthermore, according to Kotler and Keller (2013), marketing is a social managerial process of what a person or group needs and wants through demands and exchanges of products and values.

Hermawan (2015) stated that consumer satisfaction is influenced by prices and products, which affects loyalty. Safitri, Suharno, Fariyanti (2017) said that the mixed marketing variable significantly affects customer satisfaction and loyalty of oil palm seeds. Wahab, Abu Hassab, Shahid, Maon (2015) argued that the 4P mix marketing (product, price, place, promotion) has a close relationship. According to Alma (2013). This study aims to analyze the effect of a mixed marketing strategy on coffee consumer satisfaction at *Cafe de Tropodo* Sidoarjo.

## 2. RESEARCH METHODS

The research was conducted in July – September 2020 at the *de Tropodo* coffee cafe, Sidoarjo city. The sampling technique used in this study is non-probability sampling, namely accidental sampling. Sugiyono (2016) stated that random sampling is a sampling technique based on chance. That is any consumer who coincidentally meets a researcher can be used as a sample. The number of respondents in this study was 75 cafe visitors, and the data obtained were analyzed using SEM PLS 6.0.

## 3. RESULTS AND DISCUSSION

**Table 1.** The Study Result Based on Data Processing Using Warp PLS 6.0



Hypothesis	Path	Path Coefficient	P values	The effect size for Path Coefficient	Sig.
H1	Products Satisfaction	0.239	0.009	0.189	p>0.05 Significant (H1 accepted)
H2	Price Satisfaction	0.209	0.046	0.134	p<0.05 Significant (H2 accepted)
H3	Place Satisfaction	0.291	0.018	0.210	p<0.05 Significant (H3 accepted)
H4	Promotion Satisfaction	0.126	0.019	0.095	p<0.05 Significant (H4 accepted)
H5	People Satisfaction	0.018	0.047	0.008	p<0.05 Significant (H5 accepted)
H6	Physical evidence Satisfaction	0.416	0.007	0.267	p<0.05 Significant (H6 accepted)
H7	Process Satisfaction	0.027	0.042	0.016	p<0.05 Significant (H7 accepted)

## Product

The product is based on the results of the WarpPLS 6.0 analysis. The product factor has a significant positive effect on consumer satisfaction (Y) with a path coefficient value of 0.293, where the p-value = 0.009, smaller than = 0.05. This coffee product is formed from three factors of quality, taste, and variety. An attractive appearance will provide a sense of satisfaction to consumers and the taste and aroma of the coffee itself. Stoyanov (2015) stated that communicating socially and being environmentally responsible are very profitable long-term investments.

Meanwhile, Cain (2014) noted that the positive influence of coffee drinking habits on various aspects of health, such as psychoactive responses, neurological (Alzheimer's and Parkinson's), and metabolic disorders (diabetes, gallstones, liver cirrhosis), and liver function.

### **Price**

Product factors are based on the results of the WarpPLS 6.0 analysis. Product factors significantly affect consumer satisfaction (Y) with a path coefficient value of 0.209, where p-value = 0.046, which is smaller than = 0.05. Harith, Ting, and Zakaria (2014) said that respondents also believe that appearance, brand, and price are correlated with each other to convey the right message. Furthermore, Mat Saad, Hasnah Hassan, Mei Shya (2015) believed that with customer orientation as a mediator, the relationship between IM (Internal Marketing) and EM (External Marketing) product activities, pricing activities, promotional activities, and distribution activities would run effectively.

### **The place**

The product factor is based on the results of the WarpPLS 6.0 analysis. The product factor has a significant positive effect on consumer satisfaction (Y) with a path coefficient value of 0.291, where the p-value = 0.018, which is smaller than = 0.05. Guo (2013) said that network marketing has direct communication between consumers and companies. Hassan (2015) argued a significant variation between rural and urban products where television advertising can improve the buying process. Barusman (2014) said that the place variable has a significant influence on consumer satisfaction.

### **Promotion**

Product factors are based on the results of the WarpPLS 6.0 analysis. Product factors have a significant positive effect on consumer satisfaction (Y) with a path coefficient value of 0.126, where p-value = 0.019, which is smaller than = 0.05. Rehman and Ibrahim (2011) said that in brand marketing communication, a product is not possible without promotion to sell products in this competitive global market. Golding and Peattie (2005) that an approach that combines commercial and social marketing orientation can maintain fair trade by contributing to social and economic goals. Andorfer and Liebe (2012) applied a social psychological approach that focuses primarily on consumer attitudes. The monetary policy focuses on consumer desires or a sociological approach that relies on consumer identity. Kour Ubeja (2014) suggested that a mixed marketing promotion strategy provides a more meaningful way to identify and understand various customer segments. Vlahovic, Jelocnik, Potrebic (2012) concluded that most of the respondents (94%) are aware of promotional activities for coffee, and producers are working with vendors to create and possibly implement components of this mix marketing in the best way.

### **Person**

Product factors are based on the results of the WarpPLS 6.0 analysis. Product factors significantly affect consumer satisfaction (Y) with a path coefficient value of 0.018, where p-value = 0.049, which is smaller than = 0.05. Hewlett and Wadsworth (2012) showed a relationship between demographics, health-related and lifestyle variables in tea and coffee consumption patterns. Mihic, Radjenovic, and Supic (2013) stated that physiological needs are parts of social motives, namely the need to consider status and honor.

### **Physical Evidence**

The product factor is based on the results of the WarpPLS 6.0 analysis. The product factor has a significant positive effect on consumer satisfaction (Y) with a path coefficient value of 0.416, where the p-value = 0.007, smaller than = 0.05. Raheem, Nawaz, Vishnu, and Imamuddin (2014) stated that packaging materials directly impact consumer purchasing decisions. Sekeroglu (2012) Turkey has many traditional foods and drinks, some herbal coffee Traditionally, they were evaluated for mineral composition as there were sixteen different minerals. They are aimed at the product and the most valuable raw materials (Staudt, Schroll, 1999).

### **Process**

Product factors are based on the results of the WarpPLS 6.0 analysis. Product factors significantly affect consumer satisfaction (Y) with a path coefficient value of 0.027, where p-value = 0.042, which is smaller than = 0.05. Alejandra, Perez, and Viana (2012), Using value chain analysis, it was found that Colombia and Vietnam produce different types of coffee, and both countries have implemented various strategies to be more competitive in domestic and foreign markets through product differentiation. Guo (2013) said that integrating marketing entities with a better marketing network can provide a realistic basis for developing a company's marketing strategy. Tariq Khan (2014) stated that the concept of mix marketing has two essential benefits, one's competitive strength in the marketing mix against other benefits. Also, the mix marketing is helping to reveal another dimension of marketing manager's jobs. Matzler, Bailom, Von Den Eichen, and Kohler (2013) explained the company's task is to find new ways and generate added value for customers. Furthermore, Zeithaml and Bitnen (2009) stated that the process is a way to produce products that meet consumer expectations.

The results of this study are expected to provide a positive theoretical contribution in terms of the 7P mixed marketing. Furthermore, this research can provide practical implications in addition to the mixed marketing. Coffee is also an attractive commodity to be developed. This is in line with the increasing number of coffee lovers. Therefore, processed coffee products need to be introduced to consumers to make them know the products better. In addition to that, coffee business owners can expand their knowledge about how to influence consumer behavior in



consuming coffee. It can encourage the business owners to design and implement appropriate strategies so that sales volume can be increased.

#### 4. CONCLUSION

Based on the study results, it can be concluded that the 7 P's mix marketing (products, prices, places, promotions, people, physical evidence, and processes) has a significant positive effect on coffee consumer satisfaction in Sidoarjo.

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