

## Analysis of Variables Affecting on JCO's Consumer Decision

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**Abstract:** JCO is a restaurant and franchise specializing in donuts, frozen yogurt, and coffee. JCO Donuts & Coffee is owned and managed by Johnny Andrean Group, inspired by Dunkin Donut. The restaurant produces different shapes and flavors, with a particular focus on the quality of basic ingredients and the production process. With this product, JCO has attracted many customers. This research conducted what variables influence purchasing decisions. For this reason, variables in the marketing mix are determined, namely product, price, place, and promotion which are thought to influence purchasing decisions. This study uses primary data, using a questionnaire. The respondents of this study were JCO customers, who were randomly assigned to 250 respondents. The analytical tool used is multiple regression by first testing the validity and reliability of the data. The results of the study indicate that the product, price, place, and promotion have positive and significant influence, both partially and simultaneously on purchasing decisions.

**Keywords:** Purchase decision, product, price, place, and promotion

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### 1. Introduction

Donuts is one form of bread because the ingredients are the same as bread, it has been known by the people of Indonesia since Dunkin Donut entered Indonesia. Dunkin Donuts is a multinational company that is famous in America, with many branches throughout the world, including Indonesia, generally by franchising. This culinary product is loved by various groups, children, adults, teenagers, and even parents. This product is like a snack. Dunkin Donuts inspired the Indonesian people to make similar products, which is the JCO donut which was founded in 2005, by Johnny Andrean. He makes restaurants and franchises specializing in donuts, frozen yogurt, and coffee. JCO Donuts & Coffee owned and managed by Johnny Andrean Group. Johnny decided to develop his donut without a franchise from the US. He took the initiative to produce different shapes and flavors, with a particular focus on the quality of basic ingredients and the production process. The shop was developed with the concept of an open kitchen, so consumers can see a variety of donut-making attractions. And now JCO donuts are spread throughout Indonesia. Dunkin donuts and JCO, play in each market segment, although JCO's donut products and prices can rival American donuts.

For this reason, JCO needs to pay close attention to consumer behavior and aspects that affect its product marketing efforts, such as location, price, and promotion. In the marketing concept, one of the company's activities is to have to know the needs and desires of consumers or targets to provide customer satisfaction by customer expectations, so they can have advantages compared to other companies. Consumer purchasing decisions are generally based on emotional considerations of products, prices, places and promotions, and consumer behavior. Consumer purchasing decisions are actions chosen by the consumer for the available product choices. Purchasing decisions also affect how lifestyle developments are influenced by the many types of food products that can be enjoyed in purchasing JCO products. Products, prices, places, and promotions become variables that have a role to determine consumer tastes to create purchasing decisions for JCO products. Products, prices, places, and promotions are known as the marketing mix. Thus, this research was conducted to find out how the influence of products, prices, places, and promotions on purchasing decisions.

The benefits of this research certainly provide many benefits for JCO, because this research can find out how the judgment and opinions of consumers on JCO products, prices, places, and promotions influence purchasing decisions. From this research, JCO can develop its marketing strategy, for good results for JCO, especially in maintaining and advancing its business so that the public is increasingly interested.

### 2. Review literature

In (Kotler & Keller, 2012) marketing is an organizational function and a series of processes to create, communicate, and provide value to customers and to manage customer relationships in ways that benefit the organization and stakeholders. Marketing is a process where companies can create value for customers and build strong customer relationships to capture the value of consumers in return or reciprocity.

Marketing of goods and services besides paying attention to the product, price, place, and promotion of the company also needs to pay attention to the characteristics of consumers so that the expected products are by the wants and needs of consumers (Kotler & Armstrong, 2018). Marketing is also a function of a business to know unmet needs and wants, identifying and measuring the size of its market needs.

According to (Kotler, 2000) Marketing is a process in which some individuals and groups have the same needs met in a place (market) aims to meet the needs, desires by creating, and offering freely and openly the products offered and valued with other parties.

According to (Kotler, 2003) marketing strategy is part of the environment consisting of physical and social stimuli. Not only that the application of marketing strategies also involves the placement of various stimuli in the consumer environment to influence sympathy and cognition.

According to (Kotler, 2012) to win the tighter competition, business actors are demanded to continue to create a competitive advantage in winning marketing competition where each company is demanded to be able to display superior products so that they can meet the tastes of consumers who are dynamic or vary.

### **Marketing Mix**

There has been a lot of research on marketing mix related to purchasing behavior (Nguyen, Thu, Phan, & Vu, 2015) which they investigated the impact of marketing mix elements on the food purchasing behavior of supermarkets consumers in Vietnam by used 222 participants to give empirical evidence on marketing theory and ultimately impacted purchasing decisions. Likewise (Ulfah, 2013), conducting marketing mix research and purchasing decisions on hospital services in Jember, with a sample of 80 respondents. His marketing mix related to competitive advantage has been carried out by (Chumaidiyah, 2014) where the result shows that the elements of the marketing mix strategy can increase the competitive advantage. Marketing mix variables most dominant in improving employee purchasing decisions (Abidin & Yulianto, 2017) (Sipayung & Sinaga, 2017). Also (Arief Adi Satria, 2017) researching the effect of variable marketing mix on purchasing interest. Attractive products, attractive prices, pleasant locations, and promotions that stimulate consumers, will enhance purchasing decisions. Because it is related to purchasing decisions, then the product, price, location, and promotion are as consumer tastes of a product offering. The next can be said marketing is also the taste of consumers (Gusti Putu Endra Suantara, Made Artana, 2014). The marketing mix is widely used by marketers known as 4P: product, price, place, and promotion (Kotler & Keller, 2012).

Products are part of all values and objects and concepts that will provide several uses for consumers as mentioned in (Rachmawati, Teknologi, & Semarang, 2011) and (Selim Ahmed and Md. Habibur Rahman, 2015). Of course, the details of each product must be very carefully considered, not only on the physical basis, as well as the value and loyalty of the product (Efie Puspita Dewi Safitri, 2016).

In everyday life, it can be felt that a product produced with good quality, which is appropriate and the product is beneficial to society. One of the most effective ways to introduce the product is to hold promotions. Promotion is persuasive communication, inviting, pressing, persuading, and convincing (Kotler & Armstrong, 2018). (Isaac Oladepo and Samuel Abimbola, 2015) see the effect of promotion on purchasing decisions. Products that are promoted with a good brand will drive the decision to buy. So persuasive communication itself provide planned information in the hope of getting or stimulating the consumer to provide a response or action. Promotions provide various benefits for the concession or the manufacturer. The advantage of a promotion for consumers themselves to get low prices can find out new products. The advantage for the producers themselves is being able to provide or enhance the brand itself.

Price is one of the marketing factors that play an important role in the evaluation of a product to be offered as in research by (Rachmawati et al., 2011) and (Selim Ahmed and Md. Habibur Rahman, 2015). The definition of price determines the amount to be used to obtain various combinations of a product that accompanies it. Price is also the thing that will make the buyer influential in making decisions.

The place is a factor that is shown for various activities carried out by producers to form products that are produced and can be obtained and available to consumers (Rachmawati et al., 2011) (Selim Ahmed and Md. Habibur Rahman, 2015). At a time and place that suits the consumer, too. Producers want to pay attention to aspects related to the distribution of goods consisting of channel systems, outreach, places, supplies, and transportation.

### **Purchasing decision**

Purchasing decisions in (Ulfah, 2013) (Kotler & Keller, 2012) is a problem-solving activity carried out by an individual in determining alternative behaviors of two or more that are deemed appropriate with consumer activity in purchasing through the decision-making process. Then in the opinion of the experts revealed that the things consumers do in the decision-making process include the introduction of problems, evaluating

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alternatives, finding solutions, and deciding each choice they have chosen. Five stages of decision making that have been identified include problem recognition, search, evaluation, alternatives, choices, and post-acquisition evaluation.

Purchasing decisions are when consumers decide their real decisions which are a set of organized decisions. In purchasing decisions there are six purchasing decisions according to (Kotler & Keller, 2012) which consists Product choices, in this case, the company must focus its attention on people who intend to buy a product and alternatives they consider Brand choice, consumers must determine the choice to buy a product to be purchased. In this case, the company must pay attention to consumers to choose a brand. In the case of distribution, determining the distribution of a product to be decided to be bought must certainly be decided by consumers such as how to determine the price and affordable place, how to stock the goods, and pay attention to the convenience of purchasing, the amount of purchase, consumers will choose the quality of the product purchased in this case the company must prepare a large selection of goods according to consumer desires. When purchasing, when consumers choose the time of purchase between one another varies due to suitability to the needs, benefits, perceived, and reasons for the purchase. Payment methods, consumers can choose the method of payment for the purchase of a product that is using payment in cash, credit cards, debit cards, and other financial development cards.

### **Decision Making Process**

The process used by consumers to determine the decision to buy consists of five stages(Kotler & Armstrong, 2012), that is:

1. Introduction to the problem

Consumers must distinguish between needs and desires. At this stage marketers must be careful to determine the needs or problems that arise, and how with the existence of these problems, consumers must determine a particular product.

2. Information Search

With a strong consumer motivation on products that satisfy and at the reach of consumers who will be able to buy, consumers are looking for information. In carrying out information search is the basis for purchasing decisions obtained from various sources, for example from family, friends, neighbors, acquaintances, advertisements, salespeople, dealers, display packaging, mass media, customer assessment organizations, handling, checking, and using products.

3. Evaluation of Alternatives

Marketing needs to know the evaluation of various alternatives to evaluate selected brands in a choice arrangement. How consumers evaluate purchasing alternatives depends on the consumer and the purchasing situation. Manufacturers study buyers to find out how they evaluate brand alternatives. If they know that the evaluation process is ongoing, marketers can also take steps to influence purchasing decisions.

4. Purchasing Decision

Purchasing decisions are steps to determine purchasing decisions until consumers want to buy their products, i.e. to find out the buyers of the most preferred brands, whether there is influence from others, and what situations are not expected. So the choice and intention to buy does not always result in an actual purchase choice.

5. Post Purchase Behavior

Post-purchase behavior is a way of determining purchase decisions that consumers take for activities after purchase based on the level of consumer satisfaction that they do not feel. The relationship between consumers and the perceived performance of the product is a factor that determines whether the buyer is satisfied or not with the product of his choice.

If the product fails to meet expectations, consumers will be disappointed but if expectations are met, consumers will be satisfied and if expectations are exceeded consumers will be very satisfied. Marketers not only pay attention to the way or factors of purchase but also pay attention to their purchasing decisions to produce customer satisfaction and loyalty.

## **2. Research methods**

This study uses a questionnaire in collecting data on 250 JCO consumer respondents as a sample of the entire JCO consumer population in Bekasi. The study was conducted in Bekasi from 11 November to 14 November 2019. There are two variables of the title of this study, namely the independent variable X (consumer tastes) consisting of product, price, promotion, and place variables. While the dependent variable Y (purchase decision)

### **Research Framework**

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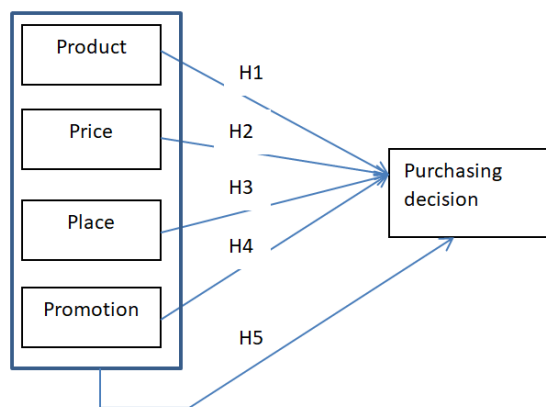


Figure 1. Research Framework

The hypotheses in the study are:

- H1 : Product has positive and significant influences on purchasing decisions.
- H2 : Price has positive and significant influences on purchasing decisions.
- H3 : Promotion has positive and significant influences on purchasing decisions.
- H4 : Place has positive and significant influences on purchasing decisions.
- H5: Product, Price, Promotion, and Place simultaneously have positive and significant influences on purchasing decisions.

The purpose of this study was to determine whether the product, price, place, and promotion have a positive and significant influence on consumer purchasing decisions as partially and simultaneously for JCO products or not.

**4.Result and discussion**

The characteristics of JCO customers in Bekasi in this study are:

Table-1 Respondent characteristics

characteristics	Respondent	Total	Percentage
<b>Gender</b>	Female	139	57,4%
	Male	111	42,6%
<b>Age</b>	20 s/d 25 year	116	46,4%
	25 s/d 30 year	16	6,4%
	30 s/d 35 year	5	2%
	35 s/d 40 year	5	2%
	40 s/d 45 year	5	2%
	>45 year	4	1,6%
	Lainnya	99	39,6%
<b>Area</b>	North Bekasi	61	24,4%
	East Bekasi	70	28%
	South Bekasi	21	8,4%
	West Bekasi	67	26,8%
	Outer Bekasi	31	12,4%
<b>Works</b>	entrepreneur	21	8,4%
	Entrepreneur	14	5,6%
	State Employee	9	3,6%
	Student	174	69,6%
	Others	32	12,8%

The typical characteristics of respondents are: female 57.4%, 46.4% aged between 20 years to 25 years, the respondent's residence is evenly distributed throughout Bekasi, and at most students are 69.6%.

**Reliability test**

**Tabel 2 Cronbach Alpha**

Variables	Cronbach's Alpha	N of items
Purchase Decision (Y)	0,956	15
Product (X1)	0,864	3
Price (X2)	0,863	3
Promotion (X3)	0,840	3
Location (X4)	0,843	3

From the table above it can be seen that if Cronbach's Alpha is greater than 0.60 then the results of the questionnaire that have been distributed are declared valid or in other words can be trusted.

**Validity test****Table 3 Pearson Correlation**

Variables	Item Questionnaire	Pearson correlation
Product perception	Q1	0,572
	Q2	0,625
	Q3	0,586
Price perception	W1	0,682
	W2	0,650
	W3	0,629
Promotion perception	R1	0,556
	R2	0,589
	R3	0,663
Location Perception	T1	0,588
	T2	0,496
	T3	0,668
Purchase Decision Perception	Y1	0,783
	Y2	0,673
	Y3	0,709
	Y4	0,697
	Y5	0,720
	Y6	0,740
	Y7	0,842
	Y8	0,823
	Y9	0,861
	Y10	0,798
	Y11	0,861
	Y12	0,820
	Y13	0,839
	Y14	0,836
	Y15	0,821

Judging from the table above it can be understood that Q represents of product, W represents price, R represents a promotion, and T represents the place or location; of each of these variables having 3 statements tested as indicators. While Y is a variable that represents purchasing decisions where Y has 15 statements tested. In this study, all indicators declared valid because the person correlation is greater than 0,05.

**Regression Analysis and t-test****Table 4 Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.135	1.087		1.044	.297
	Product	2.511	.118	.591	21.260	.000
	Price	1.678	.150	.332	11.155	.000
	Promotion	.301	.128	.068	2.349	.020

	Location	.263	.112	.062	2.346	.020
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From the significant values in table 4, it can be seen that the product, price, promotion, and location have a positive impact on purchasing decisions. Looking at the value of  $\beta$ , the product has a major contribution to the purchasing decision, because the value of the coefficient  $\beta$  is the largest. Furthermore, price is a variable that contributes second to purchasing decisions. While promotion and location have a small  $\beta$  value, meaning that the contribution to the purchasing decision is small. Most consumers to buy JCO donuts look more at the product and the price. However, the four marketing mix variables have a positive and significant influence on purchasing decisions, because they have a significance level of less than 0.05. So the sales of JCO products have been well-valued by consumers regarding the product, price, promotion, and location.

#### F-test

**Table 5. Anova**

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29554.666	4	7388.666	768.066	.000 <sup>b</sup>
	Residual	2356.858	245	9.620		
	Total	31911.524	249			

Source: Primary data processed 2019

To see in table 5 states if F count > F table then it means Ho is rejected, meaning that there is a significant influence of product perception, price, promotion, and place as simultaneously on the purchasing decision of JCO food products.

This study discusses consumer tastes that influence JCO consumer purchasing decisions. The consumer tastes variables studied were limited to product, price, promotion, and location. In the study of consumers, tastes affect both partially and simultaneously JCO consumer purchasing decisions. Based on the results of the above hypothesis test, it shows that consumer tastes have a significant influence on consumer purchasing decisions.

#### 5. Conclusions

Based on the analysis that has been discussed regarding the Analysis of Consumer Taste of the Purchasing Decision of JCO Food Products in Bekasi, the following conclusions can be drawn:

1. From the results of research that has been tested that product has a positive and significant influence on purchasing decisions at JCO
2. The results of research that have been discussed that the price has a positive and significant impact on purchasing decisions
3. From the results of the test that has been done, it can be concluded that the promotion has a significant and positive influence on the purchasing decision of JCO products in Bekasi
4. The results of research for the place has a positive and significant influence on purchasing decisions
5. As simultaneously a product, price, place, and promotion have a positive and significant influence on purchasing decisions.

#### Recommendations

Based on the analysis and results of this research, the authors provide suggestions as follows:

JCO restaurant must keep its customers loyal, by continuing to maintain product quality and make prices more attractive with attractive product variations. Also, the company should increase promotion and reorganize existing locations to make it more fun and interesting so that customers are comfortable at JCO's restaurant.

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