

Conference Paper

Analysis of the Effect of Marketing Communication Mix on Consumers' Buying Interest of OE Bold

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ORCID:Tina Melinda: <http://orcid.org/0000-0002-2919-8300>**Abstract**

This research aimed to test the influence of Marketing Communication Mix on consumers' purchase intention of OE Bold, a cigarette product made by PT Ongkowidjojo in Malang. The variables examined were Advertising (X1), Personal Selling (X2), Sales Promotion (X3), and Mobile Marketing (X4). The analytical tool used in this study was multiple linear regression analysis. The population used in this study was the consumer of OE Bold, who made the purchase in each area of the target market of PT Ongkowidjojo (in Sampang, Pamekasan, Sumenep, and Malang) within a month. The questionnaire sample size was 188 respondents. The results were that Advertising (X1), Personal Selling (X2), and Mobile Marketing (X4) variables had a significant influence on the OE Bold consumers' purchase intention. On the other hand, the Sales Promotion (X3) variable did not have a significant influence on the OE Bold consumers' purchase intention. Based on the results, the company must retain the aspects that have been assessed well by the consumers and improve the aspects that are considered less good. In subsequent studies we expect to add other variables that have been used in previous studies.

Keywords: Advertising, Personal Selling, Sales Promotion, and Mobile Marketing.

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1. Introduction

In today's economy every company seeks to attract the attention of its prospective consumers. It is a tough and unusual challenge due to an increasingly dynamic and uncertain business competition in this era. This challenge also happens in the tobacco and cigarette industries in Indonesia. Tobacco and cigarettes are the products that have been known by the wider community as dangerous goods and their existence are still controversial among the community due to the health risks they may cause. However, according to the Law of the Republic of Indonesia No. 39 in 2008 about types of excisable goods and the Law of the Republic of Indonesia No. 15 in 2017 regarding State Budget and Expenditure, cigarettes are among the products that contribute greatly



to state acceptance through tobacco products tax. The amount of income from tobacco products tax is presented in Figure 1.

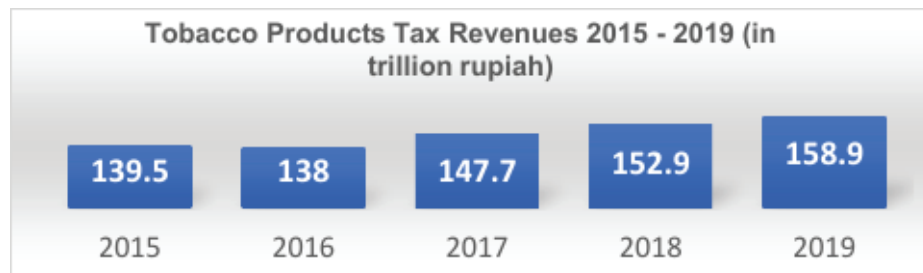


Figure 1: Tobacco products tax revenues from year 2015-2019

Figure 1 above shows that there is an increase in tobacco products tax revenues since 2015 until 2019, which has a very large influence on state acceptance. Tobacco products tax contributes an average of 96% of the total state tax revenues (Ministry of Finance, 2019), thus tobacco products tax paid by cigarette companies became the mainstay of the State.

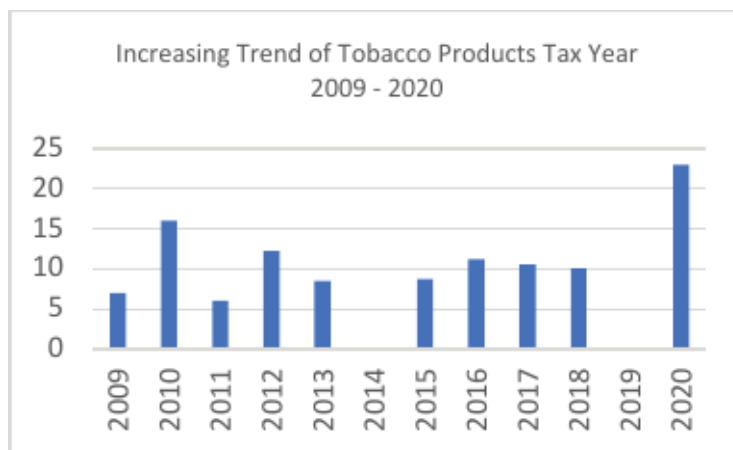


Figure 2: Tobacco Products Tax increasing trend year 2009-2020

Almost every year tobacco products tax was increased by the government. The highest increase was in the year 2020, and the second highest was a hike in the year 2010. The differences in the increase between 2010 and 2020 reached 70%, which can be seen in Figure 2 above. In addition, the government also raised the cigarette retail selling price by 35% compared with the year 2019. This increase aimed to control the negative impact of cigarette consumption, especially its impact on public health. A very high tobacco products tax rate increase in 2020 is burdensome for cigarette companies. To avoid financial losses, cigarette companies must raise the price of their cigarette products. However, they cannot set the price too high, fearing that the buying

power of consumers might decrease which then results in a decrease in the sales turnover of company products and the government state revenues as well.

Other than the government, cigarette companies will also experience a decline in the company's turnover by 15 – 20% [1]. In line with that, it is predicted that other impacts will be felt by the community, such as the reduction of tobacco farmers, clove farmers and labor working in cigarette companies. Certainly there will be labor efficiency to reduce the costs that will be incurred by the company with a tax increase as well as decreasing sales turnover.

PT. Ongkowidjojo Industrial and Trade Company or shortly named PT Ongkowidjojo, is an industry that is engaged in cigarette manufacturing. The company is located at Jalan Kolonel Sugiono 28/80 in the city of Malang. The company produces two types of cigarettes, namely the SKT (handmade rolled cigarettes) and SKM (machine rolled cigarettes). The SKT products consist of OEM 10 and OES 12. Meanwhile, the SKM products consist of OEL 12, OEB 12, Kayumas, SM Bold, O Bold and OE Bold. In this research the author will examine in particular the brand of OE Bold, because the brand has received a very good response in the community, thanks to the various promotional strategies conducted by the company. Nevertheless, the author wants to know more deeply about which strategies are the most effective to increase the sales of the company products. In this study the author chose four main communication modes that are relevant to the program of Marketing Division of PT Ongkowidjojo, namely Advertising, Personal Selling, Sales Promotion and Mobile Marketing. These four variables were chosen because these four variables best fit the target market of OE Bold products and most support the sales growth of OE Bold products.

TABLE 1: OE Bold Product Sales Data

OE BOLD	PERIOD 2019		PERIOD 2020			
	NOV	DEC	JAN	FEB	MAR	APR
	65	249	592	1,774	3.033	8.242

OE Bold products which is manufactured by PT. Ongkowidjojo showed extreme increased sales from month to month in a relatively short time since the launch of the product in November 2019. Surely the increase is also influenced by advertising, sales promotion, personal selling and mobile marketing activities that have been applied by the company. Table 1 displayed the increase in sale volume of OE Bold products from November 2019 to April 2020. The increase in the early years of 2020 reached more than 50%.

There are several competitors that have the same pattern of promotion strategies as OE Bold product, namely Ziga, Penamas, Pundimas, ON Bold, Gudang Baru, Origin, Armour and Grendel Mild. Similar actions from competitors forcing the company to take careful selections in implementing promotional strategies that most significantly affect the buying interest of consumers. The purpose of this selection is so that the company can streamline the promotional budget to reduce costs as low as possible. Because of the tight competition in the cigarette industry and the needs to select the promotion strategies done by the company, the author wants to examine the influence of advertising, personal selling, sales promotion and mobile marketing on the consumers' buying interest of OE Bold products at PT. Ongkowidjojo.

1.1. Integrated Marketing Communication (IMC)

According to the American Marketing Association (in Kotler & Keller, Marketing Management Global Edition, 2016) the definition of Integrated Marketing Communication (IMC) is a planning process designed to ensure that all brand information is accepted by consumers or prospects for a product, service or organization relevant to the consumer from time to time [2]. There are eight main modes of communication, namely Advertising, Sales Promotion, Public Relation and Publicity, Events and Experiences, Online and Social Media Marketing, Mobile Marketing, Direct and Database Marketing and Personal Selling. Researcher selected four variables from eight variables because these four variables best fit the target market of OE Bold products and are the variable that most support the sales growth of OE Bold products. Variables that were not selected because they are not in accordance with the target market set by the company.

1.2. Advertising

Advertising is a way of cost saving to deliver messages to consumers and educate consumers about existing products [2]. With the demo, the advertisement must have a clear and unique concept before the consumer is known. Good advertising can provide maximum results, because it already has the target market which has been established and already in accordance with the market culture. Advertising is the only channel that makes a company stand out, which can produce a huge impact on consumers [9]. In order for ads to be delivered to consumers there are a few things that companies need to be aware of in ad creation, among others [3]:

1. Informing is advertising that provides information to consumers about new products and also about the benefits of products that exist in the company
2. Persuading is an action to persuade consumers to try out products that are currently advertised
3. Reminding is about companies to remind back of their products and make the brand of the product remains fresh in the memory of consumers
4. Adding Value is an added value resulting from an advertisement that has been run by a company
5. Assisting is an effort from the company that is useful as a communication between the company and consumers

1.2.1. Personal Selling

Personal selling is a direct contact process between the buyer and the seller to achieve a planned goal. In the process, sellers can make buy and sell transactions and can build relationship communication with consumers for the long term. In addition, there are important aspects in personal selling include:

1. Prospecting is a sales process whereby the seller performs a qualified customer identification in order to continue to make an impact in the later days [4]:
2. Preapproach is a step in a sales process where salespeople learn as much as possible about the customer before making a sales visit
3. Approach is the seller meeting and interaction with the buyer to build a long term relationship
4. Presentation is the seller providing information about the product to be offered to the buyer
5. Handling objection is the seller to do analysis about related products that already used by consumers, the analysis can be in the form of clarification, investigation and overcoming consumer objections
6. Closing is the seller giving a closing greeting on the visit and managed to get the customer
7. Follow up is the last step in sales where the seller performs a follow up from the visit process and ensures customer satisfaction

Personal Selling is a two-way communication that assists in increasing sales and assists companies in determining what the consumer wants. Personal selling emerges transactions, customer satisfaction of products and prolonged relationship. The companies will also get responses on products that have been produced [5].

1.2.2. Sales Promotion

Sales promotion is a key element in marketing, consisting of incentive tools for short-term and designed to accelerate product purchases [2]. Sales promotion works directly instead of affecting attitudes or consciousness. In sales promotion there are several variations depending on needs, requests and situations. One of the purposes of a sales promotion is to elicit a direct impact on the purchase behavior of the firm's consumers [10]. Sales promotion also makes consumers to visit the store and causes consumers' curiosity. The indicators in the sales promotion include [2]:

1. Frequency represents the number of promotions taken at a given time using certain media
2. Quality is the benchmark about how well the promotion that has been done
3. Quantity is the amount of promotion that has been made
4. Time is the length of the promotion made by the company
5. Accuracy is a necessary factor to achieve the target of the company's desires

1.2.3. Mobile Marketing

Mobile marketing is a special form of online marketing that puts communication on mobile phones and consumer mobiles [2]. Mobile Marketing includes text messages, online marketing and social media. Mobile Marketing ranks third in the U.S. Digital Marketing Communication 2016 with a percentage of 25.5%. There are three characteristics of mobile marketing:

1. Timely: Timeliness can give information about the existence of consumers
2. Influential: Information obtained can reach and affect the consumer
3. Pervasive: Types of consumers who cares about the mobile phone

1.2.4. Consumer buying interest

Buying interest is a way to focus on something with a sense of pleasure on an item, which then arising wishes and beliefs if the product has benefits, therefore by making payment or exchange of money then the individual can get the item [6]. Buying interest is a process in which the process makes the consumer to sincerely sacrifice, and create a sense of consumer satisfaction about the quality of the product so consumers will plan a purchase and make payments of a product from the company. There are several stages of buying interest, among others [2]:

1. Attention: The initial stage of the assessment process of a product according to the needs of prospective customers and customers can also learn about the product
2. Interest: Potential customers start to be interested in buying products or services offered
3. Desire: Prospective customers to discuss the products offered and at this stage prospective customers have already started to be interested in the products offered
4. Action: Prospective customers already had high stability to buy the products offered

2. Methods

2.1. Types of research

The type of research used in this study is explanatory research, which is a study describing the position of variables studied and explained about the relationship between one variable and the other variables and conducted hypotheses that have been formulated previously [7]. This study explains the influence of advertising, sales promotion, personal selling and mobile marketing to the consumers' buying interest.

2.2. Population and samples

The population used in this study was the consumers of OE Bold product which is produced by PT. Ongkowidjojo in Malang, who made the purchases in each area of target market of PT. Ongkowidjojo (Sampang, Pamekasan, Sumenep and Malang) within a month with an unknown amount of people. The samples taken in the study consisted

of the selection of respondents by performing non-probability and purposive sampling methods.

2.3. Data Retrieval Methods

There are two data sources used in this study, that are primary data sources and secondary data sources. The primary data sources were obtained from the distribution of questionnaire on the consumer of OE Bold products, while the secondary data source were obtained from the internal of PT. Ongkowidjojo and the journals from either the internet or from the existing books. The data retrieval technique used in this study is by distributing questionnaire which consists questions to consumers of OE Bold products. Researcher was not present directly as data was adequately collected through the recharging of the questionnaire by the respondents involved. The result of data retrieval was then processed using SPSS 24.

2.4. Research instruments

The research instrument is one of the tools used to measure the natural and social phenomena observed [8]. This phenomenon can be referred to as research variables. By distributing the questionnaire as a data retrieval technique, the main instrument in this research is a poll or questionnaire aimed at the consumer of OE Bold products that make purchases on the target market area of PT. Ongkowidjojo. The questionnaire was measured using a likert scale.

3. Results

This study conducted some data analysis and obtained results that can support this research. The Validity Test shows if each variable does not exceed 0.05. Validity Test is conducted to determine and measure the validity of a questionnaire. Validity Test uses the Pearson Correlation Test, where the questionnaire will be said to be valid if the resulting significance value is below the number 0.05. With this calculation, a variable is said to be reliable if the questions give a Cronbach Alpha value > 0.6 . In this study the Reliability Test yields a Cronbach Alpha of 0.958. So the end result is all the variables in this study are reliable, because the Cronbach Alpha results are greater than 0.6. From the calculations in SPSS 24, we get the following linear regression equation:

$$Y = 3,101 + 0,131(X_1) + 0,156(X_2) - 0,019(X_3) + 0,209(X_4) + \varepsilon$$

From this equation, it can be seen if the independent variable which has a positive value on the dependent variable means that the independent variable has the influence of the dependent variable. A constant of 3,101; which means that if Advertising (X 1), Personal Selling (X2), Sales Promotion (X 3), dan Mobile Marketing (X4) value is 0, the consumer buying interest (Y) value is 3.10.

Furthermore, the analysis using the F test results obtained is 0,000, which is smaller than 0.05. So it can be said if the model is suitable for use in this study. In addition, the results of the T test show that if hypothesis 1, hypothesis 2, and hypothesis 4 can be accepted because the resulting significance is 0.05, while hypothesis 3 cannot be accepted due to the significance value of 0.423.

Result of Asymp. Sig. For the Normality Test is $0.496 > 0.05$ so it can be said that the residue has a normal distribution and the results of the regression model can be used in decision-making. The next test is Multicholnearity Test, where the result is that no variables with a VIF value > 10 , thus it can be said that there is no correlation between free variables. The next test is to test the same variant of the residual research. This Heteroscedasticity Test uses the Glejser Test, where the significant value of each independent variable has a value > 0.05 . So it can be said that the residue of the regression model does not have heteroscedasticity. The last test was the Autocorrelation Test. With the Durbin-Watson value of the study at 1,818 it can be said that there is no autocorrelation because the Durbin-Watson value is between DU and (4-DU).

4. Discussion

From the results that have been calculated using SPSS, it is known that advertising, personal selling and mobile marketing has an influence on the consumers' buying interest of OE Bold product. It can be seen in Test T, in which the significance value is less than 0.05. In addition, it can also be seen from multiple linear regression equations where positive value indicates the influence of the variable. Conversely, if there is negative value, there is no influence from the variable.

OE Bold product is the latest product of PT. Ongkowidjojo, where it began to be sold in the market at the end of 2019. This product requires more promotion in order to be recognized by the wider community. PT Ongkowidjojo has created a wide range of advertisements about OE Bold product, where every advertisement helps to increase the interest of consumers to buy OE Bold products. The company must also know the existing market situation, such as environmental conditions regarding the COVID-19

pandemic. Advertisement that contains COVID-19 prevention information and COVID-19 health protocol information, including the government's appeal that prevents the people from homecoming, had been displayed among the regular advertising of the product. Based on the already acquired questionnaire respondents, it can be seen that the consumers of OE Bold product are between 31 years old to 40 years old, thus the company should provide informative and persuasive advertising so that consumers do not feel bored with the monotonous OE Bold product ads. Good ads will certainly help in increasing the sales volume of OE Bold product.

Besides advertising, other forms of promotion used is personal selling. Since this product is a new product, consumers should also try the product to know the taste. To acquire new consumers, there is a need to approach consumers and provide information about OE Bold product. Such information can be transferred to consumers by taste sampling and oral introduction of the OE Bold product. The most important thing for the salespeople team to have is a public speaking skill.

The next form is sales promotion. In this research, sales promotion does not indicate any influence to the consumers' buying interest. Doesn't mean that this variable is not important for the company, but other forms of promotion are more suitable in helping to increase sales volume. The absence of influence does not mean that sales promotion cannot be developed, but the usage is not optimized and still not in accordance with the target market. But researcher still incorporate this variable in managerial implications so that the variable can be used with more leverage.

Next up is mobile marketing. Mobile marketing becomes one of the new promotional means by involving various social media. If viewed from statistical analysis, it can be known that the consumer type is a person who cares about the phone that is currently used. This also means that the consumers of OE Bold products are the people who can spend their time opening social media on their mobile phones. By utilizing this habit, the company can easily convey messages to its consumers. Mobile marketing of OE Bold product must remain in use and follow the trends that are currently running.

5. Conclusion

Based on the data analysis that has been done in this research from the dissemination of the questionnaire, it can be concluded that:

1. Advertising significantly affects the consumers' buying interest of OE Bold product. Thus the first hypothesis about advertising affects the consumers' buying interest is acceptable
2. Personal Selling also significantly affects the consumers' buying interest of OE Bold product. Thus the second hypothesis about personal selling affects the consumers' buying interest is also acceptable
3. Sales Promotion has no significant effect on the consumers' buying interest of OE Bold product. Thus the third hypothesis about sales promotion affects the consumers' buying interest of OE Bold product is not acceptable
4. Mobile Marketing significantly affects the consumers' buying interest of OE Bold product. Thus the fourth hypothesis about mobile marketing affects the consumers' buying interest of consumers is acceptable.

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