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## **ANALYSIS COMPARISON OF THE 7P'S ELEMMENTS OR CONSUMER PURCHASING DECISION BETWEEN AQUA AND AKE MINERAL WATER IN MANADO**

### *ANALISIS PERBANDINGAN 7P'S ELEMMENTS ATAU KEPUTUSAN PEMBELIAN KONSUMEN ANTARA AIR MINERAL AQUA DAN AKE DI MANADO*

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#### **ABSTRACT**

*The speedy changing on the economic aspect, especially at the marketing concept, the products or services recognition to used by the majority of businessmen for creating each good or service that can be really accepted by almost all customers in the marketplace. The study aims to determine the significant difference for the concept of: 1) product; 2) price; 3) place; 4) promotion; 5) people; 6) physical evidence concept; 7) process; 8) 7Ps and 9) Consumer Purchasing Decision between Aqua and Ake mineral water products purchasing in Manado. The result show 1) There is any significant difference for product, price, place, people, and 7Ps Customer Purchase Decision Concept between Aqua and Ake mineral water products purchasing in Manado; and 2) There is no significant difference for promotion and physical evidence factor between Aqua and Ake mineral water products purchasing in Manado.*

*Keywords: 4Ps, 7Ps, Product, Price, Place (Distribution), Promotion, People, Physical Evidence, Process, Customer Purchase Decision*

#### **ABSTRAK**

*Perubahan yang cepat pada aspek ekonomi, terutama pada konsep pemasaran, pengakuan akan produk atau jasa yang digunakan oleh sebagian besar pengusaha untuk membuat setiap barang atau jasa yang dapat benar-benar diterima oleh hampir semua pelanggan di pasar. Studi ini bertujuan untuk mengetahui perbedaan yang signifikan untuk konsep: 1) produk; 2) harga; 3) tempat; 4) promosi; 5) orang; 6) Konsep bukti fisik; 7) proses; 8) 7Ps dan 9) Pembelian Konsumen Keputusan antara Aqua dan Ake produk air mineral pembelian di Manado. Hasil penelitian menunjukkan 1) Ada perbedaan yang signifikan untuk produk, harga, tempat, orang, dan 7Ps Pembelian Pelanggan Keputusan Konsep antara Aqua dan Ake mineral produk air pembelian di Manado; dan 2) Tidak ada perbedaan yang signifikan untuk promosi dan faktor bukti fisik antara Aqua dan Ake produk air mineral pembelian di Manado.*

*Kata kunci: 4P, 7Ps, Produk, Price, Place (Distribusi), Promotion, People, Physical Evidence, Process, Pembelian Pelanggan Keputusan*

## 1. INTRODUCTION

Regardless with the speedy changing on the economic aspect, especially at the marketing concept, there is one model of products or services recognition that is still used by the majority of businessmen for creating each good or service that can be really accepted by almost all customers in the marketplace, which are Product, Price, Place (Distribution) and Promotion (The Classical Marketing Mix or 4Ps). Due the constant changing in the global economic, the application of those elements in The Classical Marketing Mix could not give the maximum contribution for fulfilling vision and missions from many companies in the marketplace, either manufacturing company or service company. To overcome this obstacle, there are three additional elements which are People, Physical Evidence and Process (extended marketing mix).

Accordingly, there is one industry that can be influenced by the ideal acknowledgement from common customers for 7Ps, which is the food and beverage industry. Autonomously, there is one sub-business in this given industry that has direct influence for all human activities in the society, either regular activities or accidental ones, which is business that is focused on providing healthy mineral water for people, especially for Aqua and Ake products in Manado.

Until now, Aqua has become one trusted branded for mineral water products in Indonesia, regarding with the tight rivalry among this company with other competitors. This competition is been happened in many of its cities and regions and can be seen from the varied products of mineral water that can be easily found in every location, specifically at the Capital City of North Sulawesi Province, the Manado City. There is also one local brand that is set for providing the same product concept, just like Aqua. This brand itself is called as "Ake" and has been quite familiar for some people in this city, because of its availability that is quite similar with the best branded product, Aqua.

Additionally, this new brand can deliver the similar sensation, compared with Aqua. So, this condition has made customers in the Manado City to have more thoughts before deciding to purchase any bottle of mineral water in the store or the mall, regarding with the similarity or the same satisfaction that can experienced when drinking the available mineral water. Thus, this factual condition can be evaluated by measuring 7Ps elements and following acceptance for both products in this city market.

### Research Objectives

The objectives of this research are:

1. To determine the significant difference 7Ps concept between Aqua and Ake mineral water products purchasing in Manado.
2. To determine the significant difference the Customer Purchase Decision concept between Aqua and Ake mineral water products purchasing in Manado.

### Theoretical Framework

#### Marketing

According to Alhroot (2007), as quoted from Beckman et al., it can be defined that marketing as the process in a society by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange and physical distribution of such goods and services. Morris (2010), as noted from Smith and Taylor, notified that the marketing mix is defined as a theoretical framework which helps marketing managers to

structure approaches to achieve marketing tasks that satisfy consumers' needs and wants. According to Zeithaml *et al.* idea, as noted in Oja (2009), it can be stated that the components of the traditional marketing mix; product, price, place and promotion, differ in some extent by nature when applied to services resulting from the special features and process character of services. In Oja (2009), Zeithaml et al. stated that deriving from the special features of services, three service specific elements which are; people, processes and physical evidence, are added into the traditional marketing mix. The expanded marketing mix components, people, physical evidence and processes, offer cues for customers especially when they have little on which to judge the actual quality of service.

### **Consumer Behavior**

According to Kotler and Keller, as stated in Kokoi (2011), it can be noted that: A consumer's behavior is affected by three different factors: cultural, social and personal factors. Furthermore, there are many different kinds of factors under each of these three categories.

### **Consumer Decision-Making**

In Kokoi (2011), Kotler & Keller found out that: An important part of understanding consumer behavior is to know how consumers make purchasing decisions. The consumer decision-making process begins when a consumer realizes he or she wants to make a purchase to satisfy a need. The decision-making process thus starts with problem recognition which is followed by four other stages: information search, evaluation of alternatives, the actual purchase decision and post-purchase behavior.

### **Previous Research**

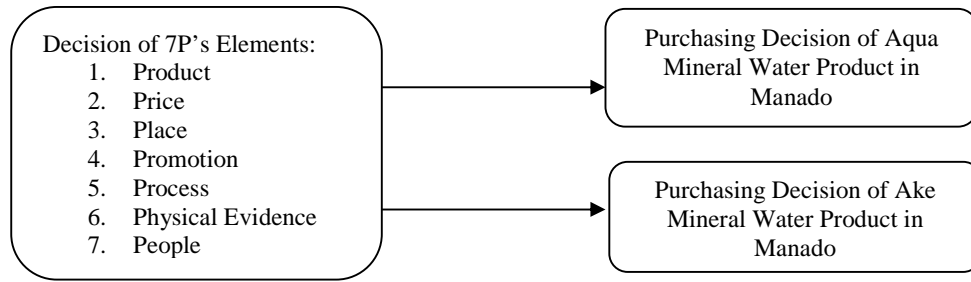
Hager Sarah and Waller, Karin (2008) found that pricing as a marketing mix tool seems to be hard to standardize when internationalizing. Laura Oja (2009) identified the interacting elements affecting the environmental sustainability of service, and it can be used to when promoting environmentally sustainable ski center. Moreover, the framework is common enough, that it can be utilized in service marketing in general. Yu Cui and Zhang Ting (2009) found that two American fast food companies which are McDonald's and KFC authors both of them emphasized on the specific Chinese culture when carry out the most marketing strategies of different aspects. Isa Kokoi (2011) found that no major differences in the purchasing behavior of women age from 20 to 35 and 40 to 60 were discoverable during the research. Therefore, it would be recommendable to study further the differences of even younger women compared to older women.

### **Research Hypothesis**

There are nine hypotheses in this research that can be tested, regarding of the problems and objectives, which are:

1. 7Ps: H<sub>8</sub>: There is no significant difference for 7Ps concept between Aqua and Ake mineral water products purchasing in Manado.
2. Customer Purchase Decision: H<sub>9</sub>: There is no significant difference for Customer Purchase Decision concept between Aqua and Ake mineral water products purchasing in Manado.

**Conceptual Framework**



**Figure 1. Theoretical Frameworks**  
*Sources: Literature reviews, 2015*

**2. RESEARCH METHOD**

**Type of Research**

Type of this research is practical research that compares Aqua and Ake mineral water for the best performance.

**Place and Time of Research**

The study was conducted in Manado between Mei – August 2012.

**Population and Sample**

The population in this research is all people in Manado those purchase Aqua and Ake Mineral Water products. The sample of this research is people in Manado that purchase Aqua and Ake Mineral Water products, which are limited into 100 respondents who purchase Aqua and Ake.

**Data Collection Method**

In this research there are primary data and secondary data that are used to make an appropriate result. Primary data in this research collect through Self-Administered Surveys. In this method, the researcher contributes 100 questionnaires and let the respondents answer all question in questionnaire on their own. Secondary data in this research is collect by browsing information in library and internet.

**Data Analysis Method**

**Validity and Reliability Test**

Toward questionnaire design conducted is to perform validity and reliability test and to prove the truth of hypothesis and to know the relation rate between variable Y and variable X<sub>1</sub> & X<sub>2</sub>. From the result of research’s analysis conducted that questionnaire design with Pearson correlation coefficient more than 0.3 indicates valid, alpha coefficient on approximately 0.6000 – 0.7999, so questionnaire design indicates reliable.

**Independent Sample T-Test**

A t-test is any statistical hypothesis test in which the test statistic follows a Student's t distribution, if the null hypothesis is supported. It is most commonly applied when the test

statistic would follow a normal distribution if the value of a scaling term in the test statistic were known. When the scaling term is unknown and is replaced by an estimate based on the data, the test statistic (under certain conditions) follows a Student's t distribution.

### 3. RESULTS AND DISCUSSION

#### Result Reliability Test

In this second sub-section, the reliability level from the result of this current research will be tested, systematically. The reliability test in this research uses Alpha Cronbach. If Alpha is less than 0.6 then it is unreliable. The interpretation of Alpha Cronbach (Sekaran, 2003; 311) is:

1. < 0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable.
2. 0.7 indicates that the data is acceptable.
3. 0.8 indicates good internal consistency or consider that the data resulted is reliable.

**Table 1.**  
**Reliability Testing Data for the Customer Purchase Decision of Aqua Product**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.929	8

*Source: Processed Data, 2015*

Based on the given values at table 1, in this research, it is shown that a value of Alpha Cronbach is 0.929, which is above the acceptance limit of 0.6; therefore, the research instrument for relationships among Product, Price, Place, Promotion, People, Physical Evidence and Process with the Customer Purchase Decision for Aqua product is reliable.

**Table 2.**  
**Reliability Testing Data for the Customer Purchase Decision of Ake Product**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.987	8

*Source: Processed Data, 2015*

Based on the given values at table 2, in this research, it is shown that a value of Alpha Cronbach is 0.987, which is above the acceptance limit of 0.6; therefore, the research instrument for relationships among Product, Price, Place, Promotion, People, Physical Evidence and Process with the Customer Purchase Decision for Ake product is reliable.

**Validity Test**

This third sub-section will be useful to determine if the validity level from this current research is valid or not. This testing can be conducted by comparing correlation index in Pearson Product Moment with significance level of 5%, it can be seen valid or not a research instrument. If probability of correlation is less than 0.05 (5%) then the research instrument is stated as valid. From all results in Table 3, it can be seen that value of correlation index for relationships among Product, Price, Place, Promotion, People, Physical Evidence and Process with the Customer Purchase Decision for Aqua product are greater than 0.3 (0.569, 0.409, 0.744, 0.339, 1.000, 0.809, 0.424, 0.626, 0.790, 0.806, 0.446, 0.359, 0.488, 0.866, 0.772 and 0.470) and below the significance level of 5%; therefore, the data is considered as valid.

From all results in Table 4 , it can be seen that value of correlation index for relationships among Product, Price, Place, Promotion, People, Physical Evidence and Process with the Customer Purchase Decision for Ake product are greater than 0.3 (0.946, 0.881, 0.820, 0.961, 0.924, 0.949, 0.902, 0.954, 1.000, 0.923, 0.886, 0.894, 0.892, 0.832, 0.854 and 0.929) and below the significance level of 5%; therefore, the data is considered as valid.

**Table 3.**  
**Validity Testing Data for the Customer Purchase Decision of Aqua Product**

**Correlations**

		Product_Aqua	Price_Aqua	Place_Aqua	Promotion_Aqua	People_Aqua	Physical_Evidence_Aqua	Process_Aqua	Customer_Purchase_Decision_Aqua
Product_Aqua	Pearson Correlation	1	.569**	.569**	.409**	.744**	.339**	1.000**	.809**
	Sig. (1-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
Price_Aqua	Pearson Correlation	.569**	1	1.000**	.424**	.626**	.790**	.569**	.806**
	Sig. (1-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
Place_Aqua	Pearson Correlation	.569**	1.000**	1	.424**	.626**	.790**	.569**	.806**
	Sig. (1-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
Promotion_Aqua	Pearson Correlation	.409**	.424**	.424**	1	.446**	.359**	.409**	.470**
	Sig. (1-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
People_Aqua	Pearson Correlation	.744**	.626**	.626**	.446**	1	.488**	.744**	.866**
	Sig. (1-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	100	100	100	100	100	100	100	100
Physical_Evidence_Aqua	Pearson Correlation	.339**	.790**	.790**	.359**	.488**	1	.339**	.772**
	Sig. (1-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	100	100	100	100	100	100	100	100
Process_Aqua	Pearson Correlation	1.000**	.569**	.569**	.409**	.744**	.339**	1	.809**
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	100	100	100	100	100	100	100	100
Customer_Purchase_Decision_Aqua	Pearson Correlation	.809**	.806**	.806**	.470**	.866**	.772**	.809**	1
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	100	100	100	100	100	100	100	100

\*\* Correlation is significant at the 0.01 level (1-tailed).

Source: Processed Data, 2015

**Table 4.**  
**Validity Testing Data for the Customer Purchase Decision of Ake Product**

		Correlations							
		Product_Ake	Price_Ake	Place_Ake	Promotion_Ake	People_Ake	Physical_Evidence_Ake	Process_Ake	Customer_Purchase_Decision_Ake
Product_Ake	Pearson Correlation	1	.946*	.881*	.820*	.820*	.961*	.946*	.924*
	Sig. (1-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
Price_Ake	Pearson Correlation	.946*	1	.949*	.902*	.902*	.954*	1.000*	.923*
	Sig. (1-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
Place_Ake	Pearson Correlation	.881*	.949*	1	.886*	.886*	.894*	.949*	.892*
	Sig. (1-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
Promotion_Ake	Pearson Correlation	.820*	.902*	.886*	1	1.000*	.832*	.902*	.854*
	Sig. (1-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
People_Ake	Pearson Correlation	.820*	.902*	.886*	1.000*	1	.832*	.902*	.854*
	Sig. (1-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	100	100	100	100	100	100	100	100
Physical_Evidence_Ake	Pearson Correlation	.961*	.954*	.894*	.832*	.832*	1	.954*	.929*
	Sig. (1-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	100	100	100	100	100	100	100	100
Process_Ake	Pearson Correlation	.946*	1.000*	.949*	.902*	.902*	.954*	1	.923*
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	100	100	100	100	100	100	100	100
Customer_Purchase_Decision_Ake	Pearson Correlation	.924*	.923*	.892*	.854*	.854*	.929*	.923*	1
	Sig. (1-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	100	100	100	100	100	100	100	100

\*\* . Correlation is significant at the 0.01 level (1-tailed).

Source: Processed Data, 2015

**T-Test**

**Perception of 7Ps Concept between Aqua Products Customers and Ake Products Customers in Manado**

**Table 5.**  
**Independent Samples for the Perception of 7Ps Concept for mineral water products between Aqua Products Customers and Ake Products Customers in Manado**

		Seven_Ps_Common	
		Equal variances assumed	Equal variances not assumed
t-test for Quality of Means	T	8.573	8.573
	Df	198	196.894
	Sig. (2-tailed)	0.000	0.000
	Mean Difference	0.71524	0.71524
	Std. Error Difference	0.08343	0.08343
	95% Confidence Interval of the Difference		
		Lower	0.55072
	Upper	0.87975	0.87975

Source: Processed Data, 2015

Table 5, at point 8, shows that the significance value (1-tailed) is 0.043, which is higher than (0.05). It means that the assumption that will be utilized is "Equal variances assumed". Later on, Table 4.14 shows that the significance value (2-tailed) that is 0.000, which is lower than (0.05). It can be assured that: (1) the group of Aqua products customers does not give the more dominant for the perception of 7Ps Concept for mineral water products, compared with the

group of Ake products Customers and (2) There is no significant difference in 7Ps Concept between Aqua products customers and Ake products in Manado.

**Perception of Customer Purchase Decision Concept between Aqua Products Customers and Ake Products Customers in Manado**

**Table 6.**  
**Independent Samples for the Perception of Customer Purchase Decision for mineral water products between Aqua Products Customers and Ake Products Customers in Manado**

		Customer Purchase Decision Common	
		Equal variances assumed	Equal variances not assumed
t-test for Quality of Means	T	3.233	3.233
	Df	198	195.084
	Sig. (2-tailed)	0.001	0.001
	Mean Difference	0.27000	0.27000
	Std. Error Difference	0.08352	0.08352
	95% Confidence Interval of the Difference		
	Lower	0.10530	0.10528
	Upper	0.43470	0.43472

Source: Processed Data, 2015

Table 6, at point 9, shows that the significance value (1-tailed) is 0.056, which is higher than (0.05). It means that the assumption that will be utilized is “Equal variances assumed”. Later on, Table 4.15 shows that the significance value (2-tailed) that is 0.001, which is lower than (0.05). It can be assured that: (1) the group of Aqua products customers does not give the more dominant for the perception of Customer Purchase Decision Concept for mineral water products, compared with the group of Ake products Customers and (2) There is no significant difference in Customer Purchase Decision Concept between Aqua products customers and Ake products in Manado.

**Discussion**

Result Comparison for Product Factor, Price Factor, Place Factor, Promotion Factor, People Factor, Physical Evidence Factor, Process Factor, 7Ps Concept and the Customer Purchase Decision between Aqua and Ake Customers in Manado

1. Result Comparison for 7Ps Concept between Aqua and Ake Customers in Manado  
 Related with the description in seven previous sub-points, it is explained about the similarity on the perception among customers of Aqua mineral water products and customers of Ake mineral water Products for Product, Price, Place, Promotion, People, Physical Evidence and Process factors. On the contrary, one partial concept that covers those seven factors, which is 7Ps, has been differently acknowledged by people in Manado City. This situation is related with the idea that Aqua has been known by many people in Indonesia, including in Manado City, as brand of qualified mineral water products and its management parties have a lot of experience in this business field. Inopportunely, Ake, as one local brand for mineral water in this city, does not have the equivalent standards and experience, when compared with Aqua Management team in Manado. Of course, the proper practice of management and marketing also plays the important role for both companies in surviving in the marketplace here.
2. Result Comparison for the Customer Purchase Decision between Aqua and Ake Customers in Manado



Regardless with the importance of Product, Price, Place, Promotion, People, Physical Evidence and Process in encouraging people in Manado City to purchase mineral water products from Aqua or Ake, it is recognizable that the final decision from people who here become one important aspect for the decision to buy Aqua or Ake products as the mineral water products for decreasing their thirsty. Additionally, many people in Manado City usually purchase mineral water products after doing important activities, including physical activities for healthy matters. So, brands of the products will not important, just the fresh sensation after drinking the mineral water.

#### **4. CONCLUSION AND RECOMMENDATION**

##### **Conclusions**

There are nine findings that are found from the overall result in this research, which are listed as follow:

1. There is any significant difference for 7Ps Concept between Aqua and Ake mineral water products purchasing in Manado.
2. There is no significant difference for Customer Purchase Decision Concept between Aqua and Ake mineral water products purchasing in Manado.

##### **Recommendations**

There are three important recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. The management officers from Aqua and Ake Mineral Water product in the Manado City must be aware with common customers' concern about 7Ps Concept, its following factors (Product, Price, Place, Promotion, People, Physical Evidence and Process) and the Customer Purchase Decision, because it can directly or indirectly impact the total sales from each branded product.
2. Both companies management must also evaluate additional factors that can influence the established idea from the majority people in this city about each product acceptance, including the Customer Purchase Decision concept. It is essential to ensure the continuity of each company in the Manado City. All results in this research can be useful in supporting or even completing any later study with the identical concept.

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