

IMPORTANCE AND PERFORMANCE ANALYSIS OF PROMOTIONAL MIX IN INDOMARET POINT MANADO

ANALISIS KEPENTINGAN DAN KINERJA DALAM PROMOSI DI INDOMARET POINT MANADO

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Abstract: This study aims to examine if there are significant effect of importance and performance analysis of promotional in Indomaret Point Manado. This study is a quantitative research by distributing questionnaires using Likert Scale. The sample in this research is consisting of 100 respondents. The sampling was applied in this research regarding to obtain information according to customers who have purchases at Indomaret Point Manado. This research figured out consumer preference and perspective of which promotion is important to them and promotion that needs an improvement using IPA tool. With contributions of the customers of Indomaret Point Manado, the researcher answered the problem questions. There were 100 questionnaires returned, and primary data acquired were all from the questionnaires include the characteristics of customers that have participated in this research such as gender, age, education background, occupation, working period and income. Based on research results and Importance and Performance Analysis grip, researcher found that Indomaret Point Manado overall deliver not so good performance on promotion, because only five attributes in quadrant II, less than other importance attribute according to the customers.

Keywords: *Indomaret, promotional, importance and performance analysis*

Abstrak: Penelitian ini bertujuan untuk menguji apakah ada pengaruh yang signifikan antara kepentingan dan analisis kinerja promosi di Indomaret Point Manado. Penelitian ini adalah penelitian kuantitatif dengan mendistribusikan kuesioner menggunakan Skala Likert. Sampel dalam penelitian ini terdiri dari 100 responden. Pengambilan sampel yang dilakukan dalam penelitian ini bertujuan untuk memperoleh informasi berdasarkan persepsi pelanggan di Indomaret Point Manado. Penelitian ini menemukan preferensi dan perspektif konsumen mengenai promosi yang penting bagi mereka dan promosi yang perlu ditingkatkan berdasarkan metode Importance and Performance Analysis. Dengan kontribusi pelanggan Indomaret Point Manado melalui kuesioner yang dijalankan, peneliti menganalisis promosi yang dijalankan Indomaret Point Manado. Ada 100 kuesioner yang dikumpulkan sehingga menghasilkan data primer melalui pengelompokan pelanggan yang telah berpartisipasi dalam penelitian ini berdasarkan jenis kelamin, usia, latar belakang pendidikan, pekerjaan, masa kerja dan pendapatan. Berdasarkan hasil penelitian dan metode Importance and Performance Analysis, peneliti menemukan bahwa Indomaret Point Manado secara keseluruhan memberikan kinerja promosi yang tidak begitu baik, karena hanya lima atribut di kuadran II, kurang dari atribut penting lainnya menurut pelanggan.

Kata kunci: *Indomaret, promosi, analisis kepentingan dan kinerja*

Research Background

In this globalization era where technology and science increase rapidly, it makes humans also increasingly being creative in creating something new or innovating with something that already exists, for example in terms of crating business opportunity. To create a business either products or services, a company should be motivated to give their best to interest customers in terms to satisfy and fulfill the needs and wants of customers in order to survive in the global competition.

Among many types of business, a store business still preferred by seller to be their choice. Nowadays, people need a place that sells all their needs. A store business has changed the ways of interest and mindset of the customer. The rapid growth of store business providing marketer a new avenue to gain the customer.

A store business can attract the consumers who want an efficient purchase transaction to buy a product. The development of store business in Indonesia is increased dramatically as global trends. They compete with their competitors in order to attract the people's interest to buy their product and win the market. to get the people interest and win the market they need to create a brand awareness and some strategies that make it different with another competitors. Store can be ranging among all convenience store, department store, chain store, and superstore.

Type of stores spread in Indonesia is convenience store. Many companies that running in convenience store. In Manado, convenience store is for general looking for a places sell daily goods, the place is easily accessible and sell consumer daily needs, promotion is the important thing that should be notice by a company to be able to run their business well. It will be a positive impact for the company if the product they sell in their stores sold, and the consumer can be a loyal consumer in the future.

PT. Indomarco Prismatama or well known as Indomaret a mini network that provides basic needs and daily needs with a sales area of less than 200 m². The first store opened in Ancol, North Jakarta, in 1988, is managed by PT. Indomarco Prismatama. In 1997 the company developed the first franchise outlet business in Indonesia, once it has more than 230 outlets. The number of outlets by 2015 is 11,400 outlets with details of outlets is 60% self-owned and the rest franchises belonging to the community. In early 2016, the number of outlet as many as 12,100 stores.

This franchise business partners include: cooperatives, enterprises and individuals. Indomaret are in cities in Greater Jakarta, Sumatra, Java, Madura, Bali, Lombok, Kalimantan and Sulawesi. Indomaret target market is all the community in Indonesia. In selecting appropriate promotional mix, the financial institutions must consider the target audience, the stage of the products, life cycle, characteristics of the products, and decision stages of the products and the channel of distribution (Kotler, 2000).

THEORETICAL REVIEW

Theories

Marketing

Kotler and Keller (2010:26) defined that "marketing management" as the art and science of choosing target market and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. "Marketing management takes place when at least one party to a potential exchange think about the means achieving desired responses from parties. American Marketing Association (2012) marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Promotion

These tools are known as the marketing mix that is defined as the set of tools that a firm uses to pursue its marketing objectives in the target market (Kotler, 2000).

Advertising

"Technological advancements have pushed institutions to do viral marketing through social networking sites like my space, twitter and facebook," (Kashorda, 2002).

Sales Promotion

Foskett (1999) argues that sales promotions cannot be the sole basis for campaign because gains are often temporary and sales drop off when the deal ends so that advertisement is often used to convert the consumer who tried the product because of sales promotion into a long-term buyer.

Public Relation

Fiske and Hartley (1980) defined public relations as a form of communication management that seeks to influence the image of an organization and its products and services.

Direct Marketing

Kotler (2000) defined direct marketing as an interactive, marketing system that uses one or more advertising media to affect a measurable response and/or a transaction at any location.

Previous Research

Conceptual Framework

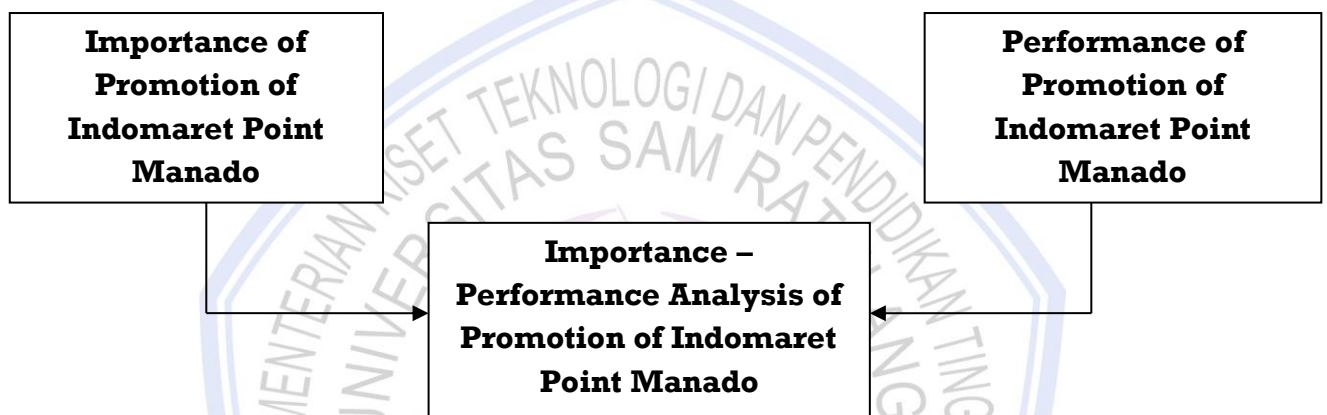


Figure 1 Conceptual Framework

Source: Theoretical Review, 2019

Type of Research

Type of this research is quantitative descriptive research. Quantitative research calls for typical research design where the focus of research is to describe, explain and predict phenomena, uses probability sampling and relies on larger sample sizes as compared to quantitative research designs (Cooper & Schindler, 2003).

Population and Sample

Population

Population is identifiable group of elements (e.g, people, products, and organization) of interest to the researcher and pertinent of the information (Hair, 2007:156), the population in the research is the customer of Indomaret Point Manado.

Sample

Sample is the subset or subgroup of population (Sekaran and Bougie, 2009:157). The sample in this research is consisting of 100 respondents the sampling method will be classification based on customer expectation.

Data Collection Method

Primary data

Sekaran and Bougie (2009:67), primary data refer to information obtained first-hand by researcher on the variables of interest for the specific purpose of the study.

Secondary Data

Sekaran and Bougie (2009:98), secondary data refer to information gathered from sources that already exist. Secondary data collected for some purpose other than the problem at hand taken from books, journals, and relevant literature from library and internet.

Data Analysis Method

Validity and Reliability Test

There are 100 questionnaires will be answer by consumer of Indomaret Point Manado that can be a respondent of promotion of Indomaret Point Manado and will be test with using validity and reliability test with the SPSS application. Validity is a characteristic of measurement concerned with the extent that a test measures what the researcher actually aim to measure.

Importance and Performance Analysis

Matrilla and James (1977) first proposed IPA as a useful tool to provide management insights to identify company strengths and weaknesses for improving company performance. IPA is a simple and useful method for simultaneously considering the strengths and weaknesses of a business when evaluating or defining a strategy (Linda & To, 2010).

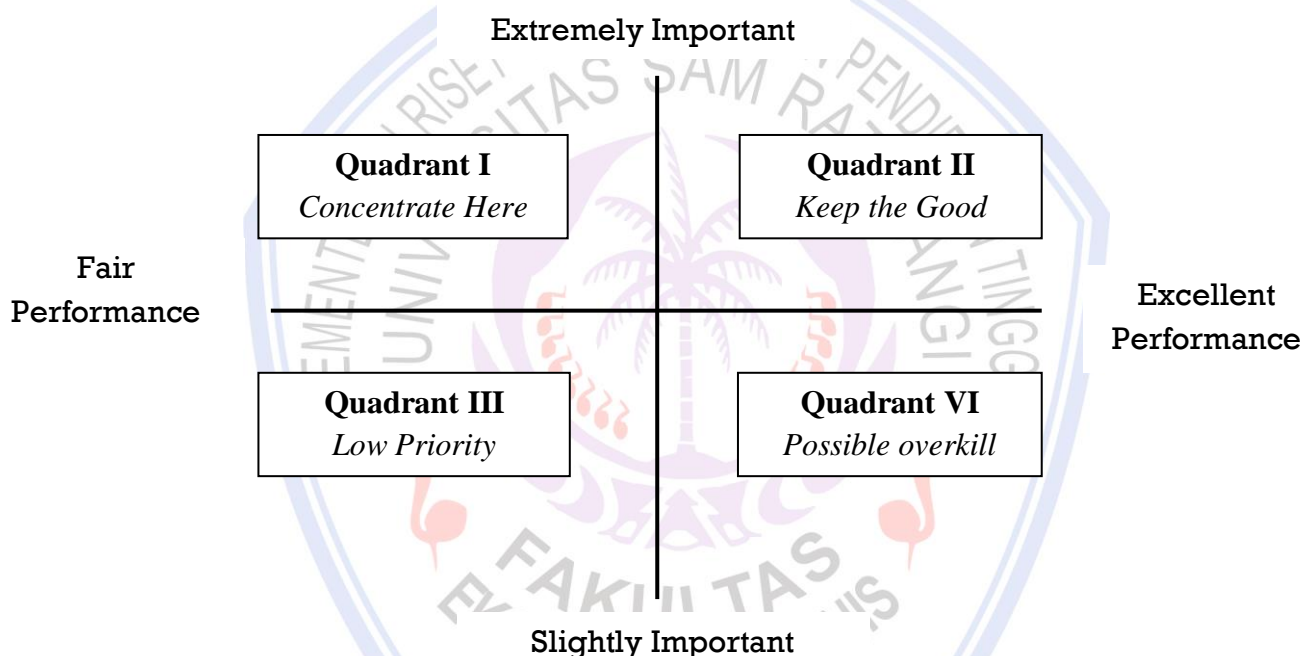


Figure 2 Importance-Performance Grid

Source: Adapted from Martila and James, 1997

RESULT AND DISCUSSION

Result

Characteristic of Respondents

This research uses reliable questionnaire which are distributed to 100 respondents as the source of primary data. The characteristic of 100 respondents are classified based on gender, age, educational background, occupation, working period, income.

Gender

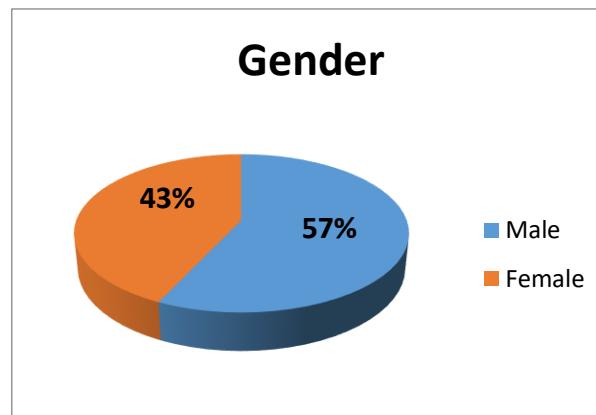


Figure 3 Gender of Respondents

Source: Data Processing (2019)

The total sample of this research is 100 respondents. Based on Figure 3, the data above showed the number of male respondent (57%) is more than female respondents (43%). It can be used as an indication that men do more purchases at Indomaret Point Manado.

Reliability and Validity Test

Reliability Test

Cavana, Delahaye, and Sekaran. 2001, Cronbach's Alpha is a reliability coefficient that indicates how well the item in a set is positively correlated to one another. This coefficient can hold a value of zero to 1. The closer the reliability coefficient gets to 1.0, the better. In general, reliabilities of less than 0.60 are considered to be poor, those in the 0.70 range are acceptable, and those over 0.80 are good. The result indicates that the Cronbach's Alpha of importance is .883, and the Table 4.4 the Cronbach's Alpha of Performance is .939. Based on the explanation before and the result that shows above, the consistency reliability of the measure used in this study can be considered as good for both importance and performance.

Validity Test

From the result it can be seen that validity of importance are advertise product in the newspaper is .629 which is more than 0.50, value of advertise products on television is .710, value of advertise products on billboard is .804, value of advertise product on websites is .746, value of advertise products on social media is .748, product discount offers is .854, value of provide free product within the time limit is .706, value of offer price packages is .683, value of offering prizes and opportunities to get cash is .826, value of provide products warranty is .689, after that value of offer products directly is .769, followed by value of sponsoring events is .858, value of greet consumers at the front entrance is .599, value of provide a photo spot in the area around the store is .645, then value of present live music or watch football together is .634, value of open a booth in the events is .856, value of offering additional payment service in consumers transaction is .707, after that value of have a mascot in offering product is .778, value of provide promotional catalogs for consumers is .817, and then the last value of provide discounts for future purchases is .512. All the indicators with its MSA correlation that already mention above one by one are more than 0.50. So, it can be concluded that all the indicators of importance are valid.

The validity of performance is advertise product in the newspaper is .740, value of advertise products in the newspaper is .786, value of advertise products in the billboard is .895, value of advertise products on websites is .847, followed by value of advertise product on social media that is .871, value of product discount offers is .914, the value of provide free products within the time limit is .934, value of offer price packages is .926, value of offering prizes and opportunities to get cash is .885, value of provide products warranty is .912, value of offer product directly is .901, value of sponsoring events is .889, the value of greet consumers at the front entrance is .906, followed by value of provide a photo spot in the area around the store is .904, after that value of present live music or watch football together is .885, value of open a booth in the events is .931, then value of offering additional payment service in consumers transaction is .917, value of have a mascot in offering product is .896,

followed by value of provide promotional catalogs for consumers is .913, and then the last is value of provide discounts for future purchases is .679. All the indicators with its MSA correlation that already mention above one by one are more than 0.50. So, it can be concluded that all the indicators of performance are valid.

The Importance and Performance Analysis of Promotional Mix

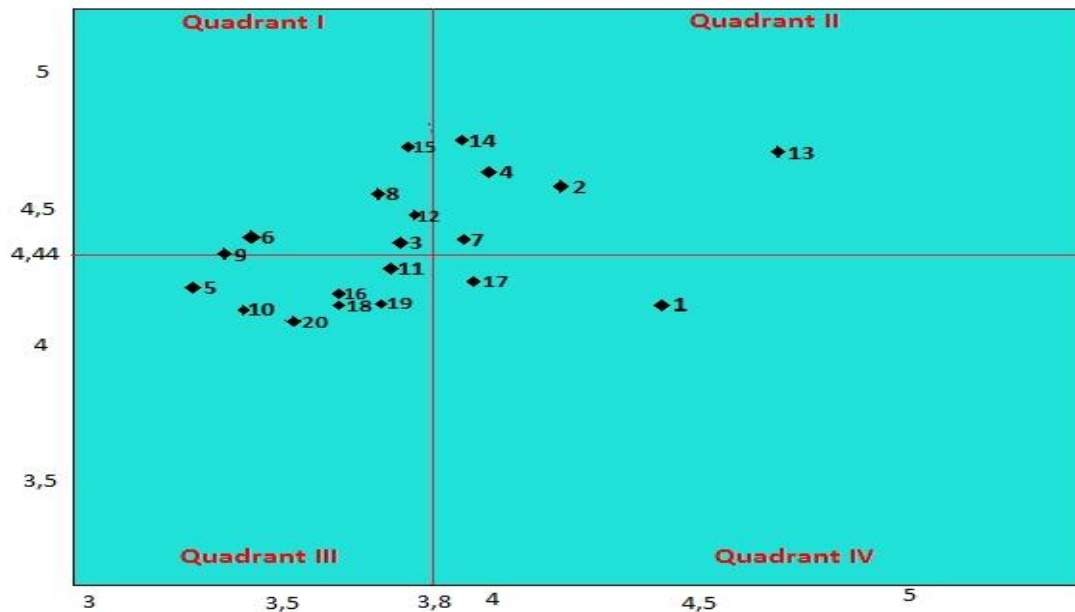


Figure 4 Data Processing 2019

Source: Data Processing (2019)

The attributes are spread over 4 quadrant, quadrant I, quadrant II, quadrant III, and quadrant IV. Advertise on billboard, Product discount offers, Offer price packages, Offering prizes and opportunities to get cash, Sponsoring events, Present live music or watch football together are plotted around in quadrant I labeled “Concentrate Here” that marked a high importance by the customers however the performance doesn’t meet the expectation of customers.

Quadrant II that labeled “Keep Up The Good Work” has the most attributes plotted. Advertise products on television, Advertise on on websites, provide free product within the time limit, Greet consumers at the front entrance, Provide a photo spot in the area around the store are spread over the area of quadrant II. The customers perceived that attributes in this quadrant are important and company afford a good performance in delivering those promotions.

Quadrant III indicates a low importance and low performance, labeled “Low Priority”. Attributes located in the area of quadrant III which are Advertise on social media, provide product warranty, Offer product directly, Open a booth in the events, Have a mascot in offering products, Provide promotional catalogs for consumers, Provide discounts for future purchases, have a low performance level compared to others but it is not a problem because customers attached low level of importance to the attributes in this quadrant.

Quadrant IV indicates a low importance but the performance is in the high level. Advertise products in the newspaper, offering additional payment service in consumers transaction are around quadrant IV means those attributes have a high performance level however it is have a low importance level according to customers.

Discussion

Importance and Performance analysis is an uncomplicated tool to evaluate compensation program in order to promotion and help company improve a more their promotion in accordance with consumer needs.

This research figured out consumer preference and perspective of which service quality is important to them and which service quality that needs an improvement using IPA tool. With contributions of the customers of Indomaret Point Manado, the researcher answered the problem questions. There were 100 questionnaires

returned, and primary data acquired were all from the questionnaires include the characteristics of customers that have participated in this research such as gender, age, education background, occupation, working period and income.

The result interpreted in tables and IPA matrix. The tables showed Importance's mean values of each attributes and Performance's mean value of the same attributes. The mean values of Importance and Performance used to determine the meeting point in the matrix as Importance represented by Y axis and Performance represented by X axis. The meeting point of Y and X of each attribute then determined where to place the attribute among 4 quadrants in IPA matrix. Indomaret Point Manado overall deliver not so good performance on promotion, because only five attributes in quadrant II, less than other importance attribute according to the customers.

Quadrant I implied a high importance level and low performance level. Advertise on billboard, Product discount offers, Offer price packages, Offering prizes and opportunities to get cash, Sponsoring events, Present live music or watch football together are placed in this quadrant. Indomaret Point Manado should give special attentions in this attributes. The company need to improve their promotions for the customers based on the importance things according to customers.

Quadrant II implied a conformity of importance and performance where both have a high values thus this quadrant labeled "Keep Up the Good Work". Quadrant II has the most attributes, they are Advertise products on television, Advertise on on websites, Provide free product within the time limit, Greet consumers at the front entrance, Provide a photo spot in the area around the store. Indomaret Point Manado succeeded to match consumer expectation with a good performance.

Quadrant III which are Advertise on social media, provide product warranty, Offer product directly, Open a booth in the events, Have a mascot in offering products, Provide promotional catalogs for consumers, Provide discounts for future purchases are perceived to be not important to customers. Those things have a low performance but it doesn't matter because customer's perceived it is not really important.

Quadrant IV implied a low importance meanwhile the performance shown is high. There are 2 attributes that plotted in this quadrant, which are Advertise products in the newspaper and Offering additional payment service in consumer transaction. Those attributes are not really importance but in the reality, blue bird taxi provides high performance more than consumer's expectation.

CONCLUSION AND RECOMMENDATION

Conclusion

There are twenty attributes used in this research to generate customers perspective and the attributes are Advertise products in the newspaper, advertise products on television, advertise products on billboard, advertise products on websites, advertise products on social media, product discount offers, provide free products within the time limit, offer price packages, offering prizes and opportunities to get cash, provide product warranty, offer product directly, sponsoring events, greet consumers at the front entrance, provide a photo spot in the area around the store, present live music or watch football together, open a booth in the events, offering additional payment service in consumers transaction, have a mascot in offering product, provide promotional catalogs for consumers, provide discounts for future purchases. Respondents were asked how importance are those attributes and how the performance of the same attributes delivered by the company. The conclusions bellow drawn using IPA tools to link the importance and performance value.

In quadrant I which are Advertise on billboard, Product discount offers, Offer price packages, Offering prizes and opportunities to get cash, Sponsoring events, Present live music or watch football are important promotions to customers, however the company in this case Indomaret Point Manado is deliver a deficient performance.

In quadrant II which are Advertise products on television, Advertise on on websites, provide free product within the time limit, Greet consumers at the front entrance, Provide a photo spot in the area around the store are important to customers and at the same time company deliver a good performance.

In quadrant III which are Advertise on social media, provide product warranty, Offer product directly, Open a booth in the events, Have a mascot in offering products, Provide promotional catalogs for consumers, Provide discounts for future purchases are perceived to be not important to customers assessed to low priority when the importance and performance values are in low level.

The last, in quadrant IV which are Advertise products in the newspaper and Offering additional payment service in consumers transaction are unimportant to customers however the company deliver a good performance to customers.

Based on the explanation above, customers perceived of the attributes to measure the promotions of Indomaret Point Manado mostly are important, it shows in quadrant I and quadrant II, however the performance of those attributes are less than what customers expected, based on the data the performance is less than what customers expected, it shown in quadrant I which is the attributes there are important for customer but unfortunately the attributes there have low performance.

Recommendation

The researcher provided recommendations addressed to the company to improve the promotions from the overall result. The recommendations are listed as follows.

The company has to pay attention to these six promotions to improve the performance of Advertise on billboard, Product discount offers, Offer price packages, Offering prizes and opportunities to get cash, Sponsoring events, Present live music or watch football. For example, advertise their products on many billboards, because the more often the consumer see Indomaret Point Manado products, they will be more interested in shopping at Indomaret Point Manado, more product discount. The consumers should feel satisfied when they are shopping at Indomaret Point Manado.

The company only has to keep it's usual performance for Advertise products on television, Advertise on on websites, Provide free product within the time limit, Greet consumers at the front entrance, Provide a photo spot in the area around the store. Company can improve those promotions to the consumers in order to make them satisfied and be loyal consumers in order to achieve the company's goals.

There are Advertise on social media, provide product warranty, Offer product directly, Open a booth in the events, Have a mascot in offering products, Provide promotional catalogs for consumers, Provide discounts for future purchases in quadrant III. It means that the attribute have low priority in Indomaret Point Manado. The attributes in this quadrant are not important to customer so Indomaret Point Manado should not give more attention to this attributes.

For the attributes that are in quadrant IV which are Advertise products in the newspaper and Offering additional payment service in consumers transaction. It is good if company delivered a good performance on it but these attributes are not important to customers as much as the attributes in quadrant I, so company should realize that the attribute in quadrant I should have high performance than the attributes in quadrant IV which are not so important in customer's perceived.

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