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The Effect of Marketing Mix 7P and Buying Decision Process on Foreign's People Buying Decision's Behaviour towards Travelling Domestically in Indonesia

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ABSTRACT

We all know that Covid 19 was declared as a public health emergency of international concern on 30 January 2020, and a pandemic on 11 March 2020 by the world health organization or WHO. And it has been paralyzing lots of industries around the world for more than 2 years. Among industries around the world that has been devastatingly affected by it, the tourism industry is hit the hardest. As international travel restrictions have been imposed by many countries. And because of this situation caused a major shift in the attributes selections of people's buying decisions process, especially on some crucial things like the price, product, etc before traveling domestically post-pandemic. This paper is a conceptual paper developing a research framework based on the result of previous studies. The study is aiming at conducting research to understand the effect of marketing mix 7P and buying decision process on foreign people's buying decision behaviour towards traveling domestically in Indonesia. Thus, this research is expected to be useful for all businesses in the travel or leisure industry. The limitation is in the lack of empirical data, and it should be suggested as a future research.

Keywords: Marketing Mix 7P, Buying Decision, Buying Behaviour, Traveling Domestically, Indonesia

INTRODUCTION

As We all know that Covid 19 was declared as a public health emergency of international concern on 30 January by the World Health Organization or WHO. And it has been paralyzing lots of industries around the world. And it has been paralyzing most business industries around the world. According to Official Gazette of Statistics in Indonesia on February 1, 2021 the number of foreign tourist visits to Indonesia in 2020 experienced a sharp decline of 88.08 percent compared to Indonesia in December 2019. Meanwhile during 2020, the number of foreign tourist visits in the same period in 2019 which amounted to 16.11 million visits.

Whereas, according to The Ministry of Investment in Indonesia predicted that Indonesian tourism may grow rapidly, since the industry is aimed to be the nation's top foreign exchange earner. Its role towards the national economy is strengthened. The government itself is ambitious to be a world-class sustainable tourist destination. The government was not just simply saying this, according to data in 2014, there were 9.4 million overseas tourists came to Indonesia. By 2017, the number has climbed to over 14 million and continues to grow like what happened around April 2022, it was stated that the number of foreign tourists visiting Indonesia through the main entrance reached 111.06 thousand visits, which is a very sharp increase of 499.01 percent to the previous month, the number of foreign tourists visiting in April increased by 172.27 percent.

With such a big number, the foreign exchange earnings are automatically increasing. It also leads to new job opportunities for local workers and businesses. Also could boost the revenue of the economy, develops the infrastructures of a country, and so on and so forth. And these data were predicted to lead a good thing again in the near future.

Tourism industry was known as fact to be one of the industries that hit the hardest by the pandemic, mainly because international travel restrictions have been imposed by many countries. And because of this situation the writer believes that this could cause a major shift in the attributes selections in terms of people's buying decisions behaviour before traveling domestically in Indonesia especially foreigners post-covid 19.

1. LITERATURE REVIEW

1.1 Marketing Mix (7p)

The initial studies on marketing mix were conducted by Harvard University in 1929 (Jersey, 1991) while the management paradigm of marketing mix was dominated the market since 1940. The marketing mix refers to the tactics (or marketing activities) that we have to satisfy customer needs and position our offering clearly in the mind of the customer. It involves the 7Ps; Product, Price, Place and Promotion (McCarthy, 1960) and an additional three elements that help us meet the challenges of marketing services, People, Process and Physical Evidence (Booms & Bitner, 1982).

And these are some of the theories and explanations of each P's according to some experts that are going to be shown in this conceptual paper :

- Products are all things that can be offered to the market to attract attention, acquisition, use, or consumption that can satisfy a desire or need (Armstrong & Kotler, 2003). Product is anything that can be offered to the market to get attention, owned and used, or consumed, For instance, supplying products with a credible brand and attractive package increase the sale in addition to the satisfaction of customers. (Mostaani, 2005).

- Price is the measurement used in exchange for the buyer and seller's acquisition of goods and services (Yoyaada & Kodrat, 2017). Meanwhile according to Davis in 1997 price and other costs of service sector show the management of various costs endured by customers in achieving the advantages from generating the services.
- Place can be interpreted as marketing activities that seek to facilitate and facilitate the delivery of goods and services from producers to consumers so that their use is appropriate to what is needed (type, quantity, price, place and when needed) (Tjiptono, 2008). Meanwhile place according to David in 1997 Place is the managerial decisions on where customers should be provided with services and it may include electronic/physical distribution channels.
- Promotion the value and importance of it for service organization is in the benefits achieved from buying their services. In many cases, promotional methods are similar for services and products. (Davis, 1997). Meanwhile for Kotler in 2009 is a variety of ways to inform, persuade, and remind consumers directly or indirectly about a product being sold.
- People are all actors who play an essential role in presenting services to affect buyer's perception. Elements of people are employees of companies, consumers, and other consumers (Yoyaada & Kodrat, 2017).
- Process are all the actual procedures, mechanisms, and activities flow used to deliver services (Kotler, 2009).
- Physical Evidence is a real thing that also influences the consumer's decision to buy and use the product or service (Kotler, 2009).

1.2 Buying Decision Process

It is vital to know the consumer buying decision process. The consumer buying decision process are the decision-making processes begin by the consumer to buy the goods or services in exchange of money in the market before, during and after the purchase of goods or services (Lumen, n.d.).It helps the seller/marketer for selling its goods or services in the market. If the marketer successful to understand the consumer behavior according to the consumer buying decision process towards the goods or services, then it may successful for selling its goods or services alongside with what's According to Kotler (2012: 89) in the decision-making process to purchase a product, consumers usually go through the following stages: need control, information retrieval, evaluation, alternatives, purchasing decisions and selling behavior.

The consumer buying decision process consists of five stages Problem recognition, Information search, Evaluation of alternatives, Purchase decision, and post-purchase behavior. It shows that how a consumer start thinks before to buy a product

1.3 Buying Decision Behaviour

Buying decision behaviour is a broadly study field. Buying decision behaviour is the study for explaining the consumer why, what, when and how buy a product or a brand (Kumar, John, & Senith, 2014). Meanwhile according to Engel, Et Al in 1989 Those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts.

Buying decision behaviour is a behaviour towards purchasing of goods or services that every person wants to satisfy its needs. The understanding of consumer behaviour towards decision

making is important for marketer. It could help the company predict its future buying references and opportunities.

2. CONCEPTUAL FRAMEWORK

2.1 Research Questions

Based on all of the arguments according to some citation in the literature review section, this study aims to investigate the following research questions :

Research Question 1 :

Do marketing mix (7p) for instance, Product, Price, Place and Promotion along with People, Process and Physical Evidence have a significant effect on foreign's people buying decision's behaviour towards travelling domestically in Indonesia?

Research Question 2 :

Do for instance, buying decision process for instance, control, information retrieval, evaluation, alternatives, purchasing decisions and selling behavior have a significant effect on foreign's people buying decision's behaviour towards travelling domestically in Indonesia?

Research Question 3 :

Do marketing mix (7p) and buying decision process have a significant effect on foreign's people buying decision behaviour towards travelling domestically in Indonesia?

2.2 Research hypothesis and framework

Some of these independent variabel (independent variabel) will be investigated throughout the process regarding on their effects on foreign's people buying decision behaviour (dependent variabel) towards travelling domestically in Indonesia. The hypothesis of this study are as follows:

H1. Product has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

H2. Price has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

H3. Place has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

H4. Promotion has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

H5. People has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

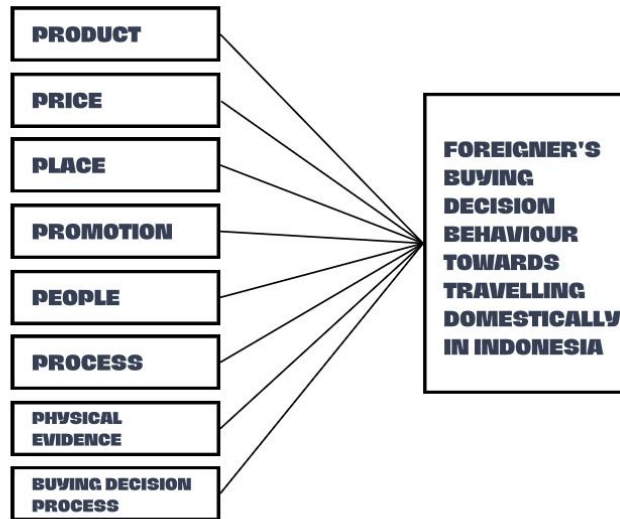
H6. Process has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

H7. Physical Evidence has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

H8. Buying Decision Process has significant effect on foreigner's buying Decisions Behaviour towards Travelling Domestically in Indonesia

The framework of this study is as follows :

Table 1: Conceptual framework



Sources : Author

3. METHOD

This paper is a conceptual paper developing a research framework based on the result of some previous studies and citations. The methodology that used for this paper consists of internet search, journal search, book and evaluations of some previous literature. Regarded from previous studies which has the same amount of forms to this research supports the validity of this framework and hypothesis. In terms of population, the population in this study will be all foreign that traveled domestically to Indonesia, at least two times in their life to any city or province for the last 3 years. The sample group contained all foreign travelers from Europe, Americans, Asians, and others. Non Probability sampling or Purposive Sampling will be the base of this research. And the Data Analyzing Tools probably going to be SPSS. Aside from that, the limitation of this research and future research are highly in need of more suggestion and direction.

CONCLUSION

This conceptual paper is successfully being a helpful guidance tapi those who are willing to do another future research in terms of marketing mix 7p, buying decision process, and foreign's people buying decision behaviour towards travelling domestically in Indonesia. The author believe that this paper will be very useful To help improve services and treatments for small and big companies in the travelling industry. This conceptual paper will also help new researchers on developing new variables and results and help them contribute more to the society of travellers and travelling company Expands everyone's knowledge base and helps everyone foster their critical thinking on foreign To analyze services marketing mix (7ps) influences and buying decision process of foreign people's buying decision behaviour on travelling domestically in Indonesia To analyze services marketing mix (7ps) influences and buying decision process of foreign people's buying decision behaviour on travelling domestically in Indonesia During and Post Covid-19.

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