

The Influence Of Location, Product Innovation, Customer Relationship Marketing (CRM) And Competitiveness On Increasing Sales Mediated By Purchasing Decisions CV Martina Taste Bakery

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Abstract

This research aims to determine the direct influence of location, product innovation, customer relationship marketing, and competitiveness on increasing sales mediated by CV purchasing decisions. Martina bakery flavor. This type of research is a quantitative approach with a sample size of 144 respondents using a survey method by distributing questionnaires as a data collection method. The method used for analysis is SEM with the Smart PLS version 3.0 tool. The tests used are the outer model test, inner model test, and mediation test. The results of this research show that the location variables (X1), product innovation (X2), customer relationship marketing (X3), have a positive and significant effect on increasing sales (Y). Meanwhile, competitiveness (X4) has a negative and significant effect on increasing sales. It can also be concluded that the location variables (X1), product innovation (X2), customer relationship marketing (X3), and competitiveness (X4) have a positive and significant influence on purchasing decisions (Z). The variable relationship between increasing sales (Y) has a positive and significant effect on customer satisfaction (Z). In the mediation test, the location variable (X1), product innovation (X2), customer relationship marketing (X3) on increasing sales is mediated. The purchasing decision is said to be partial mediation. Variables (X2) and. The competitiveness variable (X4) on increasing sales mediated by purchasing decisions is said to be Full Mediation.

Keywords:

Location, Product Innovation, Customer Relationship Marketing (CRM), Competitiveness, Increased Sales

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Introduction

In this era of globalization, competing products in the market are so large that consumers have various choices, alternative products and services to meet their needs and choose what they want. As competition gets tougher, entrepreneurs need to use all their skills to survive in the market. Business actors will of course carry out various types of strategies to increase their sales, one of which is by looking directly at needs and determining a suitable target market. When discussing how the marketing process occurs, the discussion regarding consumer behavior cannot be separated from it. Consumer behavior is a study that focuses on how individuals who behave as consumers make decisions on how to allocate available resources, which can be in the form of: money, energy, time, and even certain efforts (Santoso & Sispradana, 2021). Various factors that influence consumer behavior can be described as: age, cultural background, social and economic conditions, even education

Appropriate and planned marketing strategies are not only implemented in large companies but also in the CV industry. Martina Rasa Bakery also applies the same strategy for good company survival by means of good branding in the minds of consumers, high quality products, and communicating the advantages of the products produced in the form of promotions to create satisfaction in the minds of consumers.

Literature review

From several journals published by Muhammad, Karuniawati, (2022), there are 3 variables, namely location, product innovation, and purchasing decisions; SM Oktaviani, (2021) there are 3 variables, namely Customer Relationship Marketing, Product Innovation and customer decisions; N Cahyaningrum, (2018) there are 4 variables, namely Product Innovation, Price, Location and repeat purchase decisions; Hidayat, (2017) there are 4 variables brand image, product innovation halah labeling and purchase decisions; From the journal above there is an update on the addition of variables so that there are 7, namely location, product innovation, customer relationship marketing, competitiveness, increasing sales and sales decisions where one of the variables is used as a mediating variable or intermediary between the independent variable and the dependent variable, and uses analytical methods PLS SEM, another interesting thing is that it is a location that has never been researched by anyone, and in one sub-district there is only 1 place that produces it. There are so many variations of CV Martina Rasa Bakery products that people from children, adults to seniors are interested in them. Products from CV Martina Rasa Bakery have a longer shelf life compared to other bakery products.

Research method

The implementation time for this research starts from October 2022 to March 2023. This research was conducted at CV. Martina Rasa Bakery

This type of research is quantitative research with a sample size of 144 respondents who are CV customers. Martina Rasa Bakery. The method used for analysis is SEM (Structural Equation Modeling) with the Smart PLS Version 3.0 tool.

Data analysis and result

The results of the study in the article contained descriptive data analysis results written in Time New Roman 12 spaces 1.15. The results of activities can be supplemented by tables, graphs (figures), and or charts. The discussion section describes the results of activities, results of data processing, interpret findings or benefits logically, linking with relevant reference sources. The number of tables and figures in each article is limited to a maximum of three (3) pieces. Tables and figures should be made in the black and white format, except if the use of black and white can reduce the meaning or information to be conveyed, colored images or tables may be used. The discussion presents each research findings/analysis of research results compared with the theory or results of previous relevant research, or with reality in the field, comments and logical analysis from researchers.

A. MEASUREMENT MODEL (OUTER MODEL)

a) Validity test

In the validity test, there are two tests that can be used in the PLS system, including:

1. *Convergent validity*

This measurement is considered sufficient if the factor loading value is above 0.7 and the Average Variance Extracted (AVE) value is above 0.5.

In the Convergent Validity test, the location variables, product innovation, customer relationship marketing, competitiveness, increased sales and purchasing decisions were declared valid because the outer loading value was >0.7 and the AVE value was >0.5 .

2. *Discriminant Validity*

Discriminant Validity it can be said to be good if the cross loading value for each variable is > 0.7 . In this test the variables of price perception, product quality, service quality, customer relationship management, trust, increased sales and customer loyalty are declared valid because the cross loading value is > 0.7

b) Reliability Test

In the validity test, there are two tests that can be used in the PLS system, including:

1. Composite reliability (Cr)

Indicators used to measure variables with reliable values greater than 0.7

2. Cronbach's Alpha

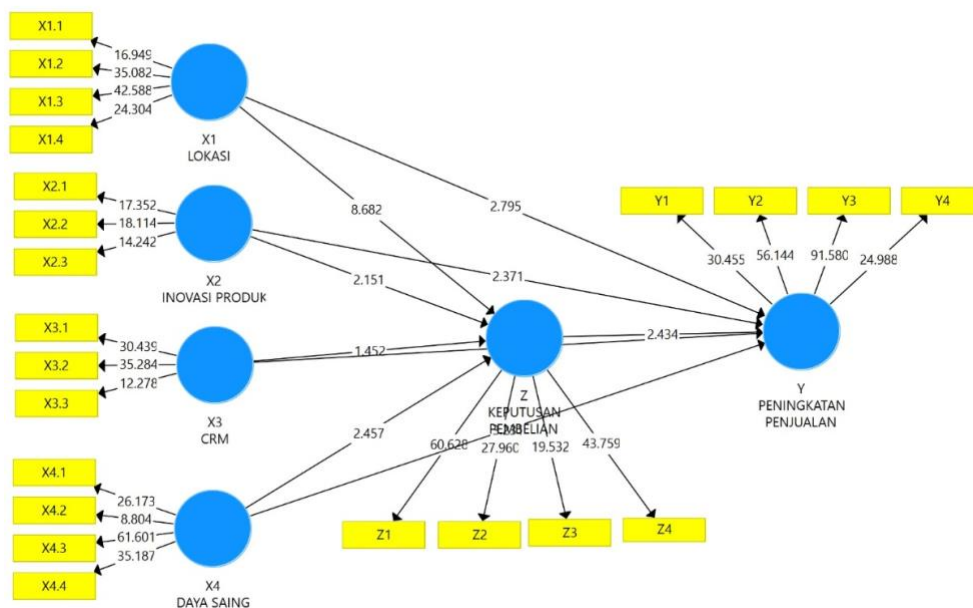
It is said to be reliable if the value obtained is greater than 0.7

In the composite reliability and Cronbach's alpha tests, the variables of location, product innovation, customer relationship marketing, competitiveness, increased sales and purchasing decisions were declared reliable because the values obtained were > 0.7

B. STRUCTURAL MODEL (INNER MODEL)

Inner models are used to estimate causal relationships between latent variables

Figure 1.
Structural Model



Source: Smart PLS Version 3.0 processed (2023)

This model is also used to view and analyze existing values. In the inner model I use the R-Square test, with the results:

a) R-Square

Based on the research results, it can be concluded that the R-Square value The joint influence of X1, the influence of all exogenous constructs X1, X2, X3 and X4 on Y is strong.

C. MEDIATION TEST

According to Sekaran, Uma (2013:69) the mediation test functions to mediate between the independent variable and the dependent variable which also leads to the mediating variable.

In the mediation test there are 3 groupings, namely Non Mediation if the relationship between exogenous and endogenous variables is positive and the mediating variable is negative. Full Mediation if the exogenous and endogenous variables are negative and the mediating variable is positive. Partial Mediation if the exogenous, endogenous and mediating variables are known to be positive. It can also be seen if the P Value of the Specific Indirect Effect > 0.05 is negative and vice versa.

In the Path Coefficient test, location variables, product innovation, customer relationship marketing, competitiveness and increased sales show a significant positive relationship because the coefficient value is > 0.000 and the P value is < 0.05 . while the location variables, product innovation, competitiveness, on purchasing decisions show significant positive results. The customer relationship marketing variable on purchasing decisions shows significant negative results. Meanwhile, the variable customer loyalty towards increasing sales shows significant positive results.

In the Specific Indirect Effect test, the mediating effect of purchasing decisions on the relationship between location variables and increased sales shows the results of partial mediation. The mediating effect of purchasing decisions on the relationship between product quality and service quality on increasing sales shows a partial mediation relationship. Meanwhile, the influence of product innovation, customer relationship marketing, competitiveness shows a full mediation relationship.

Conclusion

1. The relationship between location and increased sales has a positive and significant effect. So hypothesis 1 is accepted
2. The relationship between product innovation and increased sales has a positive and significant effect. So hypothesis 2 is accepted.
3. The relationship between customer relationship marketing and increasing sales has a positive and significant effect. So hypothesis 3 is accepted.
4. The relationship between competitiveness and increased sales has a negative and significant effect. So hypothesis 4 is rejected.
5. The relationship between location and purchasing decisions has a positive and significant effect. So hypothesis 5 is accepted.

6. The relationship between product innovation and purchasing decisions has a positive and significant effect. So hypothesis 6 is accepted.
7. The relationship between customer relationship management and purchasing decisions has a positive and significant effect. So hypothesis 7 is accepted
8. The relationship between competitiveness and purchasing decisions has a positive and significant effect. So hypothesis 9 is accepted.
9. The relationship between purchasing decisions and increasing sales has a positive and significant effect. So hypothesis 11 is accepted.
10. The mediating relationship between purchasing decisions on location and increasing sales has a positive and significant effect. So hypothesis 10 is accepted and can be said to be partial mediation.
11. The mediating relationship between purchasing decisions on product innovation and increasing sales has a positive and significant effect. So hypothesis 11 is accepted and can be said to be partial mediation.
12. The mediating relationship between purchasing decisions in customer relationship marketing and increasing sales has a positive and significant effect. So hypothesis 12 is accepted and can be said to be partial mediation.
13. The mediating relationship between purchasing decisions on competitiveness and increasing sales has a negative and significant effect. So hypothesis 13 is rejected and it can be said to be full mediation.
14. The mediating relationship between purchasing decisions and increasing sales has a positive and significant effect. So hypothesis 14 is accepted and can be said to be partial mediation.

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