

## EXPLORING THE IMPACT OF MARKETING MIX ON CONSUMER PURCHASING DECISIONS AND CONSUMER SATISFACTION: CASE STUDY OF FRIED SHALLOTS IN MALANG CITY

Alisa Durrotul Fuadah<sup>1</sup>, Budi Setiawan<sup>2</sup>, Syafrial<sup>3</sup>

<sup>1,2,3</sup> Universitas Brawijaya, Indonesia

Email: Fuadah.lisa22@gmail.com, budi.fp@ub.ac.id

### ABSTRACT

*Shallots are easily damaged and require proper post-harvest handling to extend their shelf life and increase their economic value. Agro-industry can turn shallots into fried onions that are long-lasting and ready for long-term consumption. The development of a small shallot industry needs to consider consumer behavior to identify market preferences. This research uses a quantitative descriptive approach and the SEM-PLS method to analyze the factors that influence the marketing mix on purchasing decisions and satisfaction. The results show that marketing mix aspects such as product, price, promotion, people, process, and physical evidence have a positive impact on purchasing decisions and consumer satisfaction of fried shallots in Malang City. The strategy that companies can implement is to focus on improving product quality, affordable prices, effective promotions, good customer service, easy purchasing processes, and convincing physical evidence so that they can increase purchasing decisions and consumer satisfaction.*

**KEYWORDS** Marketing Mix, Consumer Purchasing Decisions, Consumer Satisfaction



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### INTRODUCTION

Horticultural commodities, such as shallots, play an important role in the Indonesian economy due to their high demand. Government support, especially through regulations such as Minister of Agriculture Regulation No. 46 of 2019, encourages the development of strategic horticultural commodities, including chili, shallots, and garlic (Putra *et al.*, 2018). Shallot production, especially in East Java province, including Malang Regency, contributes significantly to national needs fulfillment. However, shallots are prone to spoilage after harvest, thus requiring

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proper post-harvest handling to increase their economic value, one of which is processing them into fried shallots (Ibrahim dan Elihami, 2020).

The development of agro-industry to process shallots into fried shallots is a promising alternative. This activity not only helps farmers market their produce but also reduces unemployment rates in the areas surrounding the industry and enhances contributions to the national economy, especially through SMEs (Hendriyanto, 2015). The government promotes SME development due to their significant business potential, which can strengthen regional economies by optimally utilizing local resources. The industrial sector, including SMEs, plays a strategic role in driving economic growth through increased productivity and competitiveness in both local and export markets (Badan Pengawasan Keuangan dan Pembangunan, 2022).

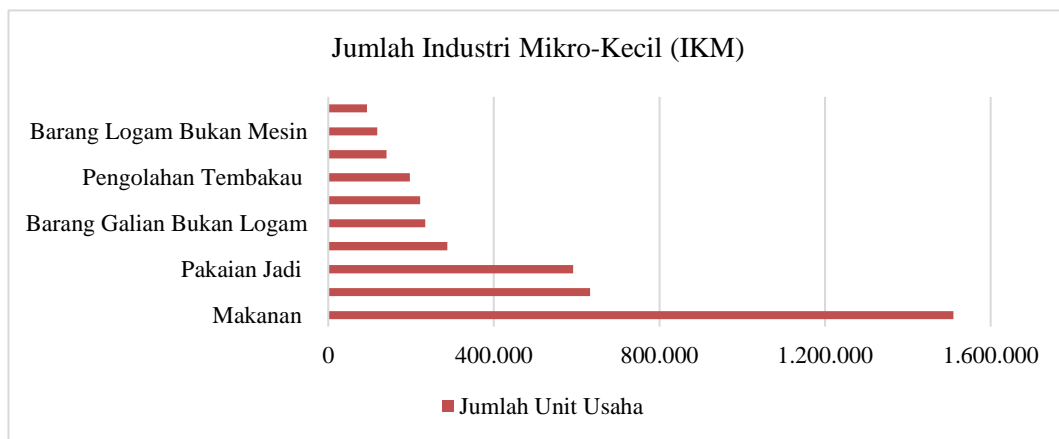


Figure 1. Number of Micro-Small Industries (MSIs)  
Source: Central Statistics Agency (2022) processed

The development of small-scale shallot industries has the potential to have a positive impact on the local economy by increasing agricultural production and empowering communities. Through small business development, the national economic structure can become more resilient and balanced, supported by supportive policies and active community participation. These small industries not only add value to agricultural commodities but also create new job opportunities at the local level.

The role of small-scale shallot industries in strengthening the agricultural supply chain is crucial for reducing post-harvest losses and being the main driver of economic growth in the region. By involving local farmers, small industries can optimize production and become drivers of the local economy. Training programs, guidance, and marketing support for small industry players can also enhance the sustainability and empowerment of the local community.

The development of small-scale shallot industries should consider consumer behavior in product selection. Understanding consumer preferences, needs, and trends can be a key strategy to improve the competitiveness and sustainability of these small industries. By involving consumers in product development, small

industries can create products that better meet market needs and build strong relationships between industry players and consumers.

Fried shallots are one of the complementary foods favored by the general public, especially in Malang City, which has promising market opportunities due to changing consumption patterns towards convenient foods. However, the fried shallot industry faces increasingly fierce market competition due to the involvement of numerous SMEs in production. In facing this competition, fried shallot SMEs need to focus on product differentiation, quality improvement, and deep understanding of consumer desires. This challenge raises research issues, namely the influence of product, place, price, promotion, people, process, and physical evidence on purchasing decisions and consumer satisfaction in fried shallot SMEs. This research is limited to consumers who purchase or consume fried shallots and reside in Malang, with the aim of analyzing the influence of these factors on purchasing decisions and consumer satisfaction.

## **Theory Foundation**

### ***Marketing Management***

Marketing Management is the process of managing profitable customer relationships with the aim of attracting new customers, retaining existing ones, and enhancing satisfaction. In the tourism business, increasing competition requires unique marketing planning and execution. Marketing management involves selecting target markets and building profitable relationships with them. The main goal of companies in marketing management is to be more effective than their competitors by creating, delivering, and communicating better customer value. The marketing concept differs from the selling concept, focusing on understanding market needs and providing desired satisfaction, whereas the selling concept emphasizes sales and promotion. Marketing management aims to find the right products or services for consumers, not vice versa. Companies that implement marketing management usually perform better because they can meet consumer needs effectively.

### ***Marketing Strategy***

Marketing strategy is a comprehensive plan that directs a company's marketing activities to achieve predetermined goals. According to Putri et al. (2020), marketing strategy encompasses a series of objectives, recommendations, policies, and rules that face a dynamic environment and competition. Olivier (2006) explains that marketing strategy involves determining target markets and related marketing mixes. The target market refers to the group of customers that the company wants to attract, while the marketing mix consists of variables arranged to satisfy that group.

The importance of marketing strategy for the survival of a company cannot be underestimated. This strategy helps companies achieve goals effectively and efficiently, as well as face various challenges both internally and externally. Baker (2012) states that strategy is a large-scale plan with a future orientation that helps companies adapt to market competition conditions. Environmental and internal analysis of the company forms the basis for determining marketing strategy, where

the company must consider the strengths, weaknesses, opportunities, and threats it faces.

The development of marketing strategy must consider five main interconnected elements, according to Tjiptono (2012). First, market selection based on perceptions of product production functions, resource limitations, and company experience. Second, product planning, which includes specifications, product line formation, and offer design. Third, pricing that reflects product value. Fourth, distribution systems so that products can reach end consumers. Fifth, marketing communication through various methods such as advertising, personal selling, sales promotion, direct marketing, and public relations.

### ***Marketing Mix***

The marketing mix, also known as the marketing mix, is a combination of various interconnected variables in marketing. It consists of product, price, promotion, and distribution. All these elements interact and influence each other, with the aim of creating effective marketing policies to satisfy consumer needs. The marketing environment is divided into micro and macro, which include the company, suppliers, consumers, as well as external factors such as demographics, economics, and culture. Marketing is a series of activities aimed at meeting needs, beginning before the product is produced. The marketing mix becomes an important instrument in achieving the company's marketing objectives. This concept has evolved since the 1960s and is still relevant in today's business world, even forming the foundation for business strategies. Throughout its history, the marketing mix has evolved with the addition of elements such as people, physical evidence, and processes for service marketing.

Sanjaya et al., (2021) state that the marketing mix is a strategy of product, pricing, distribution, and promotion by channeling it to the target market. McCharty in the early 1960s, as cited in Syarifuddin *et al.*, (2022), states that the marketing mix can be grouped into four major categories known as the 4Ps, namely product, price, place, promotion. Nazari, Emami (2013) and Uzeme and Ohen (2015), as cited in Hendrayani et al., (2021), add back 3Ps which are participants, physical evidence, and process to the original 4P for the application of marketing mix concept in services. Pogorelova, Yakhneeva & Anna (2016) and Kotler, Keller, Brady, Goodman, Hansen (2019), as cited in Hendrayani *et al.*, (2021), state that the marketing mix consists of 7Ps (product, price, place, promotion, people, process & physical evidence).

### ***Consumer Behavior***

Understanding consumer behavior is important for companies so that marketing activities can run effectively and efficiently, thus achieving the expected goals. According to Kotler dan Armstrong (2018), consumer behavior is the study of the behavior or ways of individuals, groups, and organizations in selecting, purchasing, using, and utilizing goods, services, ideas, or experiences with the aim of satisfying their needs and desires. Consumer behavior is a dynamic process that includes the behavior of individual consumers, groups, and members of society that continually undergo changes (Firmansyah, 2018). According to Solihin (2021), consumer

behavior is the activities, actions, and psychological processes that drive a person to perform those actions before purchasing, during purchasing, using, spending on products or services, and evaluating those products or services. Based on these definitions, it can be said that consumer behavior is the process, actions, and activities of an individual in seeking, choosing, purchasing, and evaluating products (goods or services) with the aim of fulfilling their needs and desires.

According to Nugraha *et al.*, (2021), there are at least two reasons why consumer behavior needs to be studied. First, it is important to learn what consumers need and want, as consumers are the central focus of marketing attention. When marketers can target consumers accordingly, the costs incurred for promotions will be easier and more targeted. Second, the development of trade today has led to more products being offered than there is existing demand. This oversupply can be caused by, among other things, poor product quality, not meeting consumer desires and needs, or sometimes consumers are unaware of the existence of the product (Firmansyah, 2018).

### ***Purchase Decision***

Consumer purchase decision is an action taken by consumers to buy a product. Each manufacturer implements various strategies to persuade consumers to decide to purchase their products. According to Kotler (2018), purchase decision is the action of consumers to buy or not buy a product. Among the various factors influencing consumers in purchasing a product or service, consumers usually consider quality, price, and products that are well-known to the public. Purchase decision is a component of consumer behavior, where consumer behavior is the study of how individuals or groups determine, buy, consume, and what products, ideas, or experiences are to satisfy consumer needs.

Kotler dan Keller (2016) explain that "In the evaluation stage, consumers form preferences among brands in the choice and may also form an intention to buy the most preferred brand". This statement can be interpreted as in the evaluation stage consumers form brand preferences in the selection and may also form an intention to buy the most preferred brand.

According to Schiffman & Wisenbilt (2000:437) as cited in (Marolla, 2013), purchase decision is: "The selection of an option from two or alternative choice". The meaning of this statement is that an individual's decision has two options and chooses one from several existing alternatives. According to (Kotler dan Armstrong, 2018), purchase decision is a stage in buyer decision making. The decision-making process where consumers actually make a purchase.

### ***Customer Satisfaction***

Customer satisfaction theory is a multidimensional and extensive idea, where many different variables can directly influence customer satisfaction and customer loyalty throughout the customer lifecycle (brand name, sales force, product or service quality, after-sales service) (Jap, (2013) as cited in Shokouhyar *et al.*, (2020)). Therefore, to make customers satisfied, it is important for companies to put many different factors into perspective and consider continuous evaluation and

improvement of their various service activities such as handling customer inquiries and complaints and meeting customer expectations (Shokouhyar et al., 2020).

According to Handi Irawan (2002:3) as cited in Triongko *et al.*, (2022), "Customer satisfaction is the result of the accumulation of consumers or customers in using products or services. Therefore, each transaction or new experience will influence customer satisfaction. Thus, customer satisfaction has a time dimension due to accumulation. Therefore, anyone involved in customer satisfaction issues is involved in long-term affairs. Efforts to satisfy customers are long-term experiences that have no end limits.

Although many theories have emerged regarding satisfaction, there are only two key definitions of satisfaction: specific transactional satisfaction and cumulative satisfaction. Specific transactional satisfaction can be seen in the short term, as a post-purchase evaluation at a particular encounter or service (Anderson, Fornell, and Lehmann (1994) as cited in Al-Tit, (2015)). Other aspects include satisfaction with consumption experiences, purchase decisions, a seller, and a store. This differs from cumulative satisfaction, which describes long-term evaluations and is a summary of customer experiences with the company. This can mean that overall satisfaction is seen as a function of satisfaction with several experiences or encounters with the company.

According to Kotler dan Keller (2007), customer satisfaction is the feeling of pleasure or disappointment that arises after comparing one's perceptions or impressions with performance below expectations, customers are dissatisfied. If perceived performance is below expectations, the customer will feel disappointed, if performance meets customer expectations, the customer will feel satisfied, whereas if performance exceeds expectations then customers will feel very satisfied. This satisfaction will certainly be felt after the customer consumes the product. According to Hansemark and Albinsson (2004) as cited in Shokouhyar *et al.*, (2020), overall customer satisfaction indicates attitudes towards service providers, or emotional reactions to the difference between what customers expect and what they receive.

In essence, customer satisfaction is the difference between the perceived importance of performance or results compared to consumer perceptions. Based on the above understanding, it can be concluded that customer satisfaction can be interpreted as the alignment between the performance of products and services received with the expected performance of products and services by customers.

### ***Structural Equation Modeling-Partial Least Square (SEM-PLS)***

Structural Equation Modeling (SEM) is one type of multivariate analysis tool, which is an application of statistical methods used to analyze multiple research variables simultaneously (Rahadi, 2023). According to Evi dan Rachbini (2022), SEM is a statistical technique for testing and estimating relationships between variables by integrating factor analysis and path analysis. The use of multivariate analysis falls into two groups, primarily confirmatory to test hypotheses developed from existing theories and concepts, and primarily exploratory to search for data patterns in a case where the theory is limited in describing relationships between research variables. SEM prioritizes confirmatory modeling over exploration, making it

suitable for theory testing (quantitative studies) rather than theory development (qualitative studies).

Variables that cannot be directly measured in SEM analysis are referred to as latent/construct variables and must be measured using indicators or manifest variables. Latent variables consist of two types: first, exogenous latent variables, where their values are determined by other variables outside the model (not subject to arrows). Second, endogenous latent variables, where their values are determined by other variables within the model (subject to arrows). Generally, these latent variables also have two operational or measurement construct types: reflective and formative constructs. Reflective constructs are characterized by indicators that are manifestations or reflections of the construct, where indicators in reflective constructs have similar and identical characteristics. If one indicator in a reflective construct is removed, it will not affect or alter the construct. In other words, in reflective measurement, efforts are made to maximize overlap between similar and interchangeable indicators. On the other hand, formative constructs are characterized by changes in indicators causing changes in the construct. It is clear that indicators in formative constructs are causes or builders of the construct, and each indicator has different characteristics and cannot be interchangeable. Therefore, in formative constructs, efforts are made to minimize overlap between different and complementary indicators (Rahadi, 2023).

## **RESEARCH METHOD**

### **Research Approach**

This research employs a quantitative descriptive approach. This method aims to objectively describe a situation using numbers, from data collection to interpretation and presentation of results. This approach is chosen because the data used in this research are numerical to analyze the variables of interest to the researcher. The goal of this approach is to test a theory and analyze the relationships between variables.

### **Determination of Location and Time of Research**

The research location is purposively selected considering the potential of Malang City in the development of fried shallot business. Malang City is chosen because it has climate conditions and market demand that support the growth and marketing of fried shallots. The research was conducted from December 2023 to February 2024 by distributing questionnaires to fried shallot consumers in Malang City.

### **Sampling Method**

The research utilizes a non-probability sampling approach with purposive sampling technique. This approach is chosen because not all elements can meet the predetermined criteria in the research. The research population is fried shallot consumers in Malang City who have purchased and consumed the product in the past year. The research targets a minimum of 224 respondents based on the sample size determined using the SEM-PLS method.

### **Data Collection Method**

Data are collected through online questionnaires distributed to fried shallot consumers in Malang City. The questionnaire contains closed-ended questions with answer options on a Likert scale. There are 33 indicators used in the questionnaire, covering product, place, price, promotion, people, process, physical evidence, purchase decision, and customer satisfaction variables. In addition to the questionnaire, the researcher also utilizes relevant literature reviews as references to support the research data.

### **Data Analysis Method**

Data analysis is conducted using descriptive and quantitative methods. Descriptive analysis is used to describe the general condition of the research location, respondent characteristics, and the results of quantitative data analysis according to the research objectives. Meanwhile, quantitative analysis is performed using the Structural Equation Modeling-Partial Least Square (SEM-PLS) method with the WarpPLS approach.

### **Hypothesis Testing**

This research tests hypotheses regarding the relationship between exogenous latent variables (product, place, price, promotion, people, process, physical evidence) and endogenous latent variables (purchase decision, customer satisfaction). Hypotheses are tested using SEM-PLS analysis, with p-value < 0.10 categorized as weakly significant, p-value < 0.05 as significant, and p-value < 0.01 as highly significant. The hypotheses tested include the influence of exogenous latent variables on purchase decisions and purchase satisfaction.

## **RESULT AND DISCUSSION**

### **Respondent Characteristics**

Respondent characteristics include age and gender, level of education, occupation, and income, which are used to identify diversity within the respondent population. This information is obtained from primary data through questionnaires.

Based on Age and Gender Respondents are divided based on age and gender to understand the diversity of perspectives. The majority of respondents are aged 17-25 years, predominantly female (110 respondents), followed by the 26-35 age group. The 36-45 age group has the fewest respondents. The age range of 17-25 years is dominated by teenagers who tend to seek practical and affordable snacks, such as fried shallots.

Based on Level of Education The majority of respondents have a bachelor's degree, indicating a correlation between higher income and a tendency to regularly purchase products like fried shallots. Higher levels of education are often associated with busy lifestyles and awareness of the added value of food products.

Based on Occupation The majority of respondents are students, who tend to seek quick solutions in preparing food due to busy schedules. Fried shallots become a popular choice because they are convenient and suitable as snacks or food accompaniments in the college social environment.



Based on Income Respondents with incomes ranging from Rp. 1,000,000 to Rp. 3,000,000 dominate, indicating a preference for affordable yet value-added food. Fried shallots become an attractive choice because they are relatively affordable yet provide additional flavor and quality to dishes. Income in the range of Rp. 1,000,000 to Rp. 3,000,000 becomes the meeting point between the need for affordable, convenient food with added value in dishes, aligning with the preferences of respondents in this category.

### **Descriptive Analysis**

Descriptive analysis in this study is used to analyze data by describing or depicting the collected data. This analysis can determine the distribution of response scores from respondents to independent and dependent variables, as well as understand the magnitude of indicator or variable values. The independent variables in this study are product, price, place, promotion, people, process, and physical evidence. The dependent variables in this study are purchase decision and customer satisfaction. The distribution of respondent responses to each independent and dependent variable can be seen from the mean (average) of the variable. The measurement of variables on each indicator is measured using a Likert scale with 5 levels of scores (1) Strongly disagree; (2) Disagree; (3) Neutral and unsure; (4) Agree; (5) Strongly agree, with the interval range for average scores as follows:

<b>Score</b>	<b>Description</b>
1.00 – 1.50	Very low
1.51 – 2.50	Low
2.51 – 3.50	Moderate
3.51 – 4.50	High/Good
≤ 4.51	Very high/Excellent

Source: Solimun et al., (2017)

#### ***Descriptive Statistics of Product Variable***

The product variable consists of 3 indicators, namely quality impression, compliance with specification, and safe for consumption. The average product variable (X1) in this study is 3.99, indicating a high category. The highest average value is found in the safe for consumption indicator (X1.3) with a value of 4.13. This indicates that the safety and hygiene of fried shallots are crucial factors in product assessment. Consumers are increasingly aware of the importance of choosing food processed with high safety standards to avoid the risk of exposure to toxic chemicals. Producers who prioritize safety and hygiene in the production process will gain strong trust and support from consumers.

#### ***Descriptive Statistics of Price Variable***

The price variable consists of 3 indicators, namely competitive price, price according to quality, and price keeps the product desirable. The average price variable (X2) in this study is 3.81, indicating a high category. The highest average value is found in the price keeps the product desirable indicator (X2.3) with a value of

4.01. Affordable prices make fried shallots products remain desirable to consumers without sacrificing food quality or safety.

***Descriptive Statistics of Place Variable***

The place variable consists of 6 indicators, namely time-saving, delivery on-time, reliability of delivery service, trust delivery staff, convenience outlet locations, and strategic location and easily accessible. The average place variable (X3) in this study is 3.09, indicating a moderate category. The highest average value is found in the strategic location and easily accessible indicator (X3.6) with a value of 3.34. Strategic location and easy access are key factors in maintaining the popularity of fried shallots products in the market.

***Descriptive Statistics of Promotion Variable***

The promotion variable consists of 3 indicators, namely advertising exposure, persuasive of advertising, and giving discount. The average promotion variable (X4) in this study is 3.94, indicating a high category. The highest average value is found in the advertising exposure indicator (X4.1) with a value of 4.13. Strategic advertising exposure plays a vital role in promoting fried shallots products.

***Descriptive Statistics of People Variable***

The people variable consists of 3 indicators, namely good service, good communication, and product knowledge of employees. The average people variable (X5) in this study is 3.13, indicating a moderate category. The highest average value is found in the product knowledge of employees indicator (X5.3) with a value of 3.17. Strategic product knowledge from employees regarding the purchase of fried shallots is a crucial aspect in ensuring a satisfying shopping experience for consumers.

***Descriptive Statistics of Process Variable***

The process variable consists of 3 indicators, namely good service hour, fast order process, and service process. The average process variable (X6) in this study is 3.08, indicating a moderate category. The highest average value is found in the service process indicator (X6.3) with a value of 3.21. Efficient and high-quality service processes in purchasing fried shallots are important factors in creating a satisfying shopping experience for consumers.

***Descriptive Statistics of Physical Evidence Variable***

The physical evidence variable consists of 3 indicators, namely attractive product conditions, proof of payment exist, and cleanliness and neatness outlets. The average physical evidence variable (X7) in this study is 3.01, indicating a moderate category. The highest average value is found in the cleanliness and neatness outlets indicator (X7.3) with a value of 3.05. The cleanliness and tidiness of physical outlets play an important role in creating a positive impression and building consumer trust in purchasing fried shallots.

***Descriptive Statistics of Purchase Decision Variable***

The purchase decision variable consists of 5 indicators, namely product selection, brand selection, store selection, method of purchase, and purchase intention. The average purchase decision variable (Y1) in this study is 3.82, indicating a high category. The highest average value is found in the purchase intention indicator (Y1.5) with a value of 3.93. High purchase intentions indicate that consumers tend to choose to consistently purchase fried shallots in the future.

### ***Descriptive Statistics of Customer Satisfaction Variable***

The customer satisfaction variable consists of 3 indicators, namely satisfaction with product quality, satisfaction with price, and satisfaction with service. The average customer satisfaction variable (Y2) in this study is 3.78, indicating a high category. The highest average value is found in the satisfaction with product quality indicator (Y2.1) with a value of 3.91. Consumer satisfaction with the quality of fried shallots products is a key factor in influencing purchase decisions and consumer loyalty.

Through this descriptive analysis, it can be concluded that fried shallots products have high quality and competitive prices, but there are certain aspects of service and physical store that still need to be improved to increase consumer satisfaction and purchase decisions.

### **Measurement Model Evaluation**

The evaluation of the measurement model is an important stage in research aimed at testing the validity and reliability of the instruments used. This stage consists of evaluating the measurement model (outer model) and evaluating the structural model (inner model). In this study, measurement is done using reflective indicators on research variables to ensure their validity and reliability. Evaluation is carried out by testing convergent, discriminant validity, and composite reliability.

The evaluation results indicate that all indicators in the product, place, price, promotion, people, process, physical evidence, purchase decision, and satisfaction variables meet the convergent validity criteria with factor loadings above 0.70. Additionally, composite reliability (Composite Reliability), Cronbach Alpha, and Average Variance Extracted (AVE) also meet the standards with values above 0.7, 0.5, and 0.6, respectively.

Furthermore, structural model evaluation is conducted to analyze the relationships between latent variables. The analysis results show high R-square ( $R^2$ ) values, indicating that the model can explain a large variation in endogenous variables. The Q-square ( $Q^2$ ) values also indicate a good level of predictive relevance.

Additionally, Goodness of Fit is also evaluated using several criteria such as Average Path Coefficient (APC), Average R-squared (ARS), and Tenenhaus GoF. The evaluation results show that the model has good predictive power with values meeting the significance criteria and indicating good model quality. Overall, the evaluation results of the measurement model and structural model indicate that the instruments used are valid and reliable, and the model can explain the relationships between variables well.

### **Hypothesis Testing**

The influence of the variables product (X1), place (X2), price (X3), promotion (X4), people (X5), process (X6), and physical evidence (X7) on purchase decision (Y1) and customer satisfaction (Y2) has been tested in this study. The results of the testing indicate that The variable product (X1) has a positive and significant influence on purchase decision (Y1), with a path coefficient value of 0.14 and a p-value of 0.017. Quality and innovative products can enhance consumer trust and affect purchasing decisions.

The variable price (X2) also has a positive and significant influence on purchase decision (Y1), with a path coefficient value of 0.125 and a p-value of 0.028. Reasonable prices that match the product value can influence consumer purchasing decisions. The variable place (X3) does not have a significant influence on purchase decision (Y1), possibly because fried shallots are available in many places, and location is not a major factor in purchasing decisions. The variable people (X4) has a positive and significant influence on purchase decision (Y1), with a path coefficient value of 0.168 and a p-value of 0.005. Positive interaction between consumers and sellers can influence purchasing decisions.

The variables promotion (X5) and process (X6) have a positive and significant influence on purchase decision (Y1), with path coefficient values of 0.281 and 0.248, respectively, and p-values <0.001 for both. Effective promotion and smooth purchasing processes can enhance consumer purchasing decisions. The variable physical evidence (X7) has a positive and significant influence on purchase decision (Y1), with a path coefficient value of 0.111 and a p-value of 0.045. The physical quality of products and the appearance of sales locations can influence purchasing decisions.

Additionally, the testing also indicates that the variable product (X1) has a positive and significant influence on customer satisfaction (Y2), with a path coefficient value of 0.322 and a p-value <0.001. Quality products can enhance customer satisfaction. The variable price (X2) also has a positive and significant influence on customer satisfaction (Y2), with a path coefficient value of 0.209 and a p-value <0.001. Prices that match the product value can enhance customer satisfaction. The variable place (X3) has a positive and significant influence on customer satisfaction (Y2), with a path coefficient value of 0.136 and a p-value of 0.019. Product availability in easily accessible locations can enhance customer satisfaction. The variable people (X4) does not have a significant influence on customer satisfaction (Y2), possibly because purchasing decisions are more influenced by other factors such as price and product quality.

The variable promotion (X5) has a positive and significant influence on customer satisfaction (Y2), with a path coefficient value of 0.27 and a p-value <0.001. Effective promotions can enhance customer satisfaction. The variable process (X6) has a positive and significant influence on customer satisfaction (Y2), with a path coefficient value of 0.122 and a p-value of 0.032. Smooth purchasing processes can enhance customer satisfaction. The variable physical evidence (X7) does not have a significant influence on customer satisfaction (Y2), possibly because consumers pay more attention to other aspects such as product quality and price.

Overall, the variables product, price, place, promotion, process, and physical evidence have a positive and significant influence on purchase decision and customer satisfaction in the purchase of fried shallots. A good integration of these factors can enhance consumer purchasing experience and influence their decisions to choose fried shallot products.

## CONCLUSION

In this study, it was found that factors such as product, price, promotion, people, process, and physical evidence have a significant positive impact on the

purchase decision of fried shallots in Malang City. This indicates that improving product quality, affordability, effective promotion, good customer service, easy purchasing process, and convincing physical evidence can increase the likelihood of consumers purchasing fried shallots.

Furthermore, product quality, affordability, strategic location, effective promotion, and smooth purchasing process also have a significant positive impact on customer satisfaction in purchasing fried shallots. Therefore, it is recommended for fried shallot business operators to continuously improve and optimize every element of the marketing mix to ensure a satisfying purchasing experience for customers, ultimately strengthening long-term relationships with customers.

As a suggestion for future research, it is recommended for researchers to further develop this study by considering and exploring other variables related to marketing aspects and consumer behavior in more depth. This can help enhance understanding of the factors influencing the sales volume of fried shallots and assist business operators in addressing the challenges they face.

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