

## Analysis of SWOT Marketing Strategies and 7P Influence on Purchasing Decision

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**Abstract.** This study builds on finding out how high the demand for traditionally packaged traditional herbal drinks on purchasing decisions using SWOT analysis and the 7P model. The 7P model consists of product, price, place, people, process, physical evidence, promotion. To find out the potential of herbal medicine with a 7P and Analysis. This study uses a dependent and independent variable to determine the steps of the purchasing decision. then in the 7P model analysis, X1 variables influence purchasing decisions because  $F_{count} = 49.707 > F_{table} = 2.11$ . For variables X2, X3, X4, X5 does not have an effect because this beverage product is still relatively new and better marketing must be done so that consumers understand and can provide purchasing decisions that meet the expectations of producers, then in the SWOT analysis the value (X, Y) i.e. (-2, 3) which means that analyzing decisions requires a high level of loyalty towards the next research for the better result. In the future, how to sell Jamu might be maximized using online methods that are already available on websites and online stores.

**Keyword:** 7P, SWOT Analysis, Herb

### a. Introduction

A product in the form of goods or services always has its advantages. The business concept to make a product more competitive in the market requires communication between customers and consumers. In this case, producers need to provide specifications for the products produced to get to consumers by getting feedback. According to Kotler and Armstrong, 1997: 48 [1] it is said that in marketing there are tools that must be implemented so that the product can be beneficial for customers, and customers will repurchase by understanding the mechanisms that can be controlled namely: physical products, market pricing, ways of distributing to consumers and promotional techniques so that products can be favored that are useful for repurchase activities to produce a response in the target market. From marketing, the tools used help influence customers and respond. In marketing, it is known as the marketing mix, which has activities with four main aspects, namely: product, price, place, and promotion [2]. In 4P these aspects are further developed into 7P as a complement to weaknesses owned by the 4P model

The term marketing mix was first used by Neil Borden (1964), who was inspired by the idea of James Cullington (1948) in [3]. The idea was that a business executive acted as a 'mixer of ingredients.' Borden had 12 aspects of marketing. Lists that are too long must be simplified to make marketing mix theory easier to learn, so Jerome McCarthy (1968) popularized four main aspects, namely Product, Price, Place, and Promotion, which eventually became widely known as the 4P model [4]. Experts on specific weaknesses so they are looking for solutions to perfect the model. The models that developed afterward are 7P Service Marketing Mix (Booms & Bitner, 1981) and holistic marketing mix marketing models (Kotler and Armstrong (1997) in [5]. The 4P model actually contains the Product

component, Place, Price, and Promotion, popularized by Jerome McCarthy (1968), are still looking for the most popular ones up to the this era and as the basis for all marketing lines even though they have been refined to 7P proposed by Booms and Bitner (1981) for the addition of People, Process, and Physical Evidence. Based on the explanation above, the 7P model will be applied to the marketing of Jamu products, especially in the Kediri region. So far, the marketing method that the author uses has not found the expected effectiveness, so that the sales results have not been able to reach the target from all marketing lines. For this reason, a SWOT analysis is needed to support the author in running the 7P model [6].

In [7] necessary information, knowledge of the customer's character is needed, which the author targets as well as the number of target markets that are targeted by the business. According to [8], there will be considerations about making products that will be produced to suit the target market better. In this case [9], a product of a product or service must not be needed by the customer, so knowledge about the product is indeed required, or there must be no information about the character of the customer. After the product is conceptualized about the level of product needs, an analysis of similar competitors is made, so that the customer can reach the strategy in marketing these products and consumed at all times. To find out the potential of herbal medicine with a 7P and Analysis. In this case, the use of field information is also essential because it relates to product delivery facilities and infrastructure, government regulations about these products, and price uncertainties, which over time fluctuate raw material prices, production costs, and price mismatches with the purchasing ability of customers [10]. For product problems, the majority of herbal products have been widely recognized by people through cultural promotion, in a study conducted by (Fibri & Frost, 2019), it was said that the majority of foreign people like traditional Indonesian food and drinks that are hygienic, which shows significant modernization effects on perception of products from customers [11].

## **b. Literatur Review**

### **1. SWOT Analysis**

SWOT is a method for planning business strategies that are based on the results of evaluations of the strengths, weaknesses, opportunities, and threats in a business project in all business scales. The SWOT acronym is formed through these four evaluative aspects. In its application, the usual SWOT analysis is made with tables that explain the contents of each element such as what is the strength of this business will be presented in the strengths table, exposure of these business weaknesses in the weaknesses table, then what are the possible opportunities for business projects in the opportunities table, and various potential threats and must be anticipated in the table threats. Furthermore, in its application how all aspects of strength (strengths) can reach opportunities based on opportunities that have been formulated, how the solution will be aspects of weaknesses (weaknesses) that inhibit the benefits of opportunities (opportunities), then how so that elements of strength can fight various threats that have been formulated, and how to overcome weaknesses (weakness) that are able to grow real threats or create new risks. The results of this analysis are in the form of a SWOT matrix image. Indirectly in this process, specific goals in running a business can be exposed and can know what things are essential if they have to be projected further and what things are not necessary.

Albert Humphrey [4] was the originator of the SWOT technique, which at that time was the project leader of a study at Stanford University in the 1960s and 1970s using data from Fortune 500 companies. According to Freddy Rangkuti [12], the SWOT analysis identified various factors that can formulate the objectives of a company systematically based on the relationship between internal elements, namely strengths and weaknesses, external components, namely opportunities and threats. In this case, the author analyzes the Herb products regarding these internal and external elements. In marketing in the research journal [7] said that marketing in carrying out marketing activities that are still not broad on marketing, a principle that is inherent in the community not to benefit the product must be replaced with an innovative policy, because the majority customer focus on the opportunity of the product when circulated in the market. Therefore a marketing dimension is

needed to know the character of customers who like quality products. So, in the study of the author, developing a perspective from previous research, an effort to be analyzed, namely traditional herbal drinks, from the herbal medicine must be able to be created innovative value, giving new thinking to customers, that what used to be herbal drinks were considered unable to compete with modern drinks, so now the author wants to analyze so that herbal drinks become innovative. In the application of very many fields using SWOT analysis, such as factories that are related to waste, also use it (Anna Beloborodkoa et al 2015) [13]. Herbal medicine has a market in its era, and nowadays, it is starting to rarely be hygienic, which shows a significant effect of modernization on the perception of products from customers.

According to herbalist sellers, the authors want to disseminate information about modern herbal medicine without leaving traditional culture. Herbal medicine has new market potential because it is more focused on the current young generation, and physical appearance factors must also support marketing activities [14]. Marketing activities cannot be separated from the distribution of products. Then a product must arrive at the hands of customers according to the expectations to be achieved [8].

## 2. 7P Method

In conducting marketing activities, having skills is needed, because in this case, related to how the product can reach customers if the ways in marketing are not done creatively [15]. So far, marketing-related models are known as 7P. This 7P model is a marketing mix model based on seven marketing elements beginning with the letter 'P,' which is a refinement of the 4P concept that is very popular and fundamental to its use in the marketing world. According to [16], consumers and producers have differences in the use of promotional tools, people, and physical evidence. Next about each component in 7P:

### a. Product

Products are the main component in the 7P model, as well as the 4P model that explains how product or service specifications are offered. The product developed to become an entrepreneurial idea is Herb, which is a traditional herbal drink with classy packaging and quality raw materials to benefit customers if consumed according to the recommended dosage

### b. Price

The pricing strategy is very diverse and is a critical review of the 7P model [16]. Pricing is related to the basics that are not simple. Scopes such as selling pricing strategies, giving discounts, and all things related to transactions. The price that the author will wear for selling herbal beverage products is around Rp. 5,000 until Rp. 15,000, - / bottle. Because judging by the varied raw materials.

### c. Promotion

Promotion is closely related to strategic steps in sales, such as how ads are right for a product, how the sales model is right on target, and so on. The strategy is to market the product to the hands of consumers and get feedback that is as expected, which is to do promotions by relying on social media, electronic media, and mass media and door to door, to be more effective [17].

### d. Place

Not far from the promotion, the place here means the right distribution location. This factor is significant and conservative for certain environments. Transportation is also a consideration in distribution. In marketing herbal medicine, the author uses strategic places such as the school area, campus, and open outlets, and entrust shops that can potentially market herbal medicine.

### e. People

People here are human resources. It should be noted the relationship between consumers and companies to be maintained properly with consumers without knowing the formal strategy in the company. The author here always prioritizes service that is friendly and always prioritizes the establishment of a peaceful impression in the transaction [18].

### f. Process

Business processes cover all aspects of the business itself. Not far from human resources, commitment as a businessman and workers for a business needs to be patented so that the business flow can run as expected [19].

g. Physical Evidence

Physical evidence becomes important, especially in the present era. Although digitalization is increasingly prevalent, sales through social media are very prevalent, but the existence of valid company buildings and locations greatly influences marketing, in this case, to convince customers to buy Herb product [20].

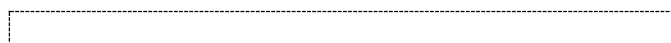
**c. Research Method**

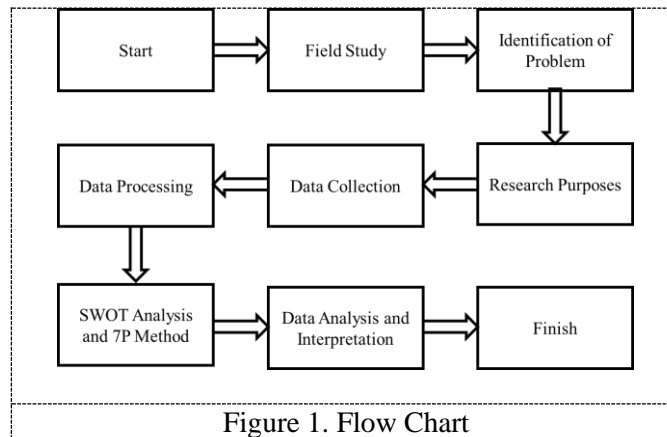
Product purchase decisions, each person has a role, namely as the originator of ideas, influencers, decision-makers, buyers, and users. Of the 30 respondents who filled out the questionnaire. The explanation of concepts and operational research variables are as follows. Then door to door, to be more effective.

Table 1. Research Variables and Operational Definition of Variables.

Research Variables	<p>The independent variable is given the symbol X , namely 7P marketing. In variable X, the questionnaire is used to provide answers, with a Likert scale, there are four scales:</p> <p>1 = Not satisfied                  2 = Quite satisfied                  3 = Satisfied                  4 = Very satisfied</p> <hr/> <p>The dependent variable is given the symbol Y (Purchase decisions), which is a purchase decision</p>
Operational Definition of Variables	<p>Product</p> <ul style="list-style-type: none"> <li>• Quality herbal medicine (X1.1)</li> <li>• Innovation (X1.2)</li> </ul> <hr/> <p>Price</p> <ul style="list-style-type: none"> <li>• Prices according to product (X2.1)</li> <li>• Not changing (X2.2)</li> </ul> <hr/> <p>Promotion</p> <ul style="list-style-type: none"> <li>• Online media (X3.1)</li> <li>• Holiday promos (X3.2)</li> </ul> <hr/> <p>Place</p> <ul style="list-style-type: none"> <li>• Close to the city (X4.1)</li> <li>• Close to residence (X4.2)</li> </ul> <hr/> <p>People</p> <ul style="list-style-type: none"> <li>• Good service (X5.1)</li> <li>• Good communication (X5.2)</li> </ul> <hr/> <p>Process</p> <ul style="list-style-type: none"> <li>• Good Service Hours (X6.1)</li> <li>• Fast order process (X6.2)</li> </ul> <hr/> <p>Physical Evidence</p> <ul style="list-style-type: none"> <li>• Attractive product conditions (X7.1)</li> <li>• Proof of payment exists (X7.2)</li> </ul>

In the process of data processing is done using descriptive analysis and inferential analysis. Hypothesis testing with multiple linear regression analysis is because this study has the purpose of revealing the causality relationship between the variables and independent variables with SPSS 16 for windows to make it easier to obtain the right counting.





#### d. Result and Discussion

The strategy is a goal that will be achieved by a company, as well as providing a useful and essential allocation of resources to achieve these [21]. The strategy used in analyzing Herb with SWOT Analysis (Strength, Weakness, Opportunity, Threat). The SWOT analysis prioritizes SWOT factors based on the perceptions of customers who have used the product concerned. From the 30 respondents who the authors fill out the questionnaire with the Likert scale, the answers are most sought to be attached to the picture below.

Table 2. Strength

No.	Internal Factor Strength	Score				Value
		1	2	3	4	
1	Local business license			v		3
2	There are outlets in Kediri			v		3
3	Online order service			v		3
4	Delivery service is available with a minimum purchase		v			2
5	The existence of mass, marketplace, online			v		3
6	Event participation		v			2
7	Human resource can mix herbal medicine according to manufacturer expectations			v		3
<b>Total Value</b>						<b>19</b>

Table 3. Weakness

No.	Internal Factor Weakness	Score				Value
		1	2	3	4	
1	There is no consumer protection act			v		3
2	Cost allocation is still mixed			v		3
3	In complete facilities		v			2
4	Internet access is not stable yet		v			2
5	The use of social media has not been maximized		v			2
6	The performance of marketing Human Resource needs to be improved	v				1
<b>Total Value</b>						<b>13</b>
<b>Strength - Weakness</b>						<b>6</b>

Table 4. Opportunities

No.	External Opportunity	Score				Value
		1	2	3	4	
1	Related Institution Support			v		3
2	Given a loan of capital from the department			v		3
3	Internet facilities from the local government				v	4
4	Collaboration with farmers of local herbal medicine seeds			v		3
5	The caption of drinking herbal culture today			v		3
Total Value						16

Table 5. Threat

No.	External Threat	Score				Value
		1	2	3	4	
1	Issuance of old business permit			v		3
2	The lack of recycled herbal medicine waste				v	4
3	Society began to leave herbal medicine			v		3
4	The public wants a western culture in terms of beverage consumption			v		3
5	The existence of herbal medicine made from chemicals				v	4
6	Decreases medicinal nursery land				v	3
Total Value						20
Opportunity – Threat						-4

Table 6. SWOT Total Analysis

Strength	19	Strength -	X	6	X	3
Weakness	13	Weakness				
Opportunities	16	Opportunities -	Y	-4	Y	-2
Threat	20	Threat				

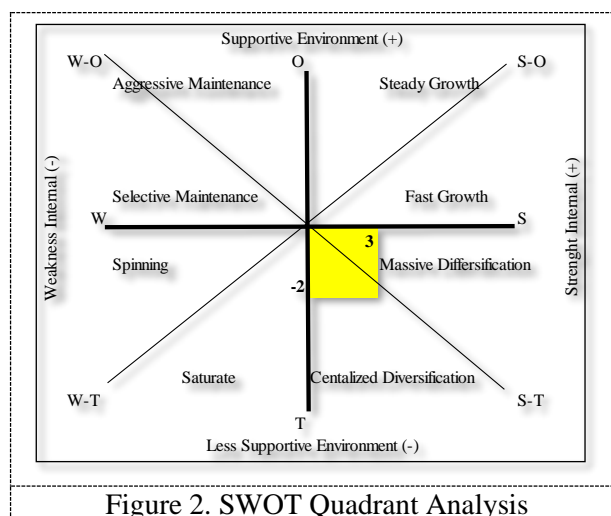


Figure 2. SWOT Quadrant Analysis

From the figure and the tables above, it is a SWOT Analysis in which matrix data is obtained from a survey of customers who have purchased Jamu beverage products. From this analysis obtained the difference in Strength with Weakness of 6, while the difference in Opportunities with Threats was -4. After the value difference is made, the location of Herb product is included in the quadrant I, II, III, or IV categories. From the results of the SWOT analysis above, the results obtained (X, Y) in quadrant II, assuming a Differentiation strategy. In the SWOT II quadrant strategy, it prioritizes customer loyalty rather than profit. Because at this stage, it is necessary to build customer perceptions about the superiority of quality, product design, technology, distribution methods, raw materials used, and how to service when there are bookings both offline and online. In this case, the profits obtained can be obtained by creating different products from similar competitors so that customers respond better. The analysis was carried out to determine the effect of 4P on the purchasing decisions of Herb, as follows:

1. Test Prerequisites
  - a. Test Validity, using  $\alpha = 0.05$ , the data is said to be valid if  $R_{count} > R_{table}$ .
  - b. Reliability Test, if the Cronbach Alpha coefficient value is  $> 0.6$ , it is said to be reliable.
2. Test of Classical Assumption
  - a. Multicollinearity test serves to determine the existence of a relationship between regression variables in the regression model.
  - b. The heteroscedasticity test serves to test the regression model whether there is an inequality of variants of residuals in one observation to another observation.
  - c. The functions of autocorrelation test for independent variables to another else
  - d. Multiple Linear Regression Analysis serves to determine the relationship between the dependent variable and the independent variable :  $Y = 0.962 + 0,435X1 - 0,251X2 + 0,046X3 + 0,17X4 - 0,41X5 + 1,21X6 + 0,549X7$
3. Hypothesis Test
 

Hypothesis test, to test the influence of F that show together.

Table 7. Test - F

Model	Sum of square	Df	Mean Square	F	Sig.
Regression	21,664	7	0,381	49,707	0,000
Residual	5,795	92	0,235		
Total	27,71	99			

<sup>1</sup>Data processing using SPSS 16 for Windows Software

Conclusion:  $F_{count} = 49.707 > F_{table} = 2.11$ , then  $H_0$  is rejected on variables X1, X2, X3, X4, X5, X6, and X7 influencing the purchasing decision.

### Conclusion

In the SWOT analysis for Herb beverage products, it is included in the second awareness, assuming a differentiation strategy. In the SWOT analysis II quadrant strategy, it prioritizes customer loyalty rather than profit. Because at this stage, it is necessary to build customer perceptions about the superiority of quality, product design, technology, distribution methods, raw materials used and ways of service when there are orders both offline and online, then in the 7P model analysis, X1 variables influence purchasing decisions because  $F_{count} = 49.707 > F_{table} = 2.11$ . For variables X2, X3, X4, X5 does not have an effect because this beverage product is still relatively new and better marketing must be done so that consumers understand and can provide purchasing decisions that meet the expectations of producers, then in the SWOT analysis the value (X, Y) i.e. (-2, 3) which means that analyzing decisions requires a high level of loyalty towards the next research for the better result. The commitment that has been achieved needs to be maintained, then the future hopes for the development of the sale of this product can be done by using e-commerce websites with a broad market reach, for the use of social media may still not be wide-reaching because the resources that users have not been

able to manage optimally. The use of e-commerce as a future step and method of payment can be made online with the reference of stores providing barcodes as the first step in carrying out the digital era in the context of payment for this product. In the future, how to sell Jamu might be maximizing online use methods that are already available on websites and online stores.

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