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Designing market strategy for Indonesian dining house in Industrial 4.0 era

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Abstract. Dining house is one of food industry that has great potential income. They serving food and beverage and getting paid by consumers. Looks simple but in reality it is more complex because there will be a lot of competitor with a same type. RM. Berkah is at this condition. The competitors being growth more and in other side RM. Berkah had decreased income (2017). Facing this problem they have to determine the taste of consumers and design the strategy to make continuous improvement. One of method that could capture this is marketing mix. It is a set of combination buying decision factors like physical evidence, price, promotion, product, people, place, and process (7Ps). The 7Ps will be observed in the survey of consumers. Then to obtain the real significant factors from 7Ps, the data will be analyzed by F and t testing. Finally, the result will be used as guidelines to design the final marketing mix strategy.

1. Introduction

As the development of technology, nowadays it is easier to create product or service. For food and beverage industry, based on ministry of industry, the progressing of them during 2016-2017 was 8.5%. It is a positive growth and hopefully it could growth more in several years ahead.

One of food industry is a dining house. It is known well of a homemade taste. They typically based on Indonesian taste and called as Rumah Makan (RM) Minang, Padang, Tegal,etc. They generally located around employee and students, offered their product with the lower price. At the beginning, they had great opportunities, potential income and low competition. Then, as time goes by, because of the low barrier entrance of this industry, the competitor is increasing. The new player almost builds their own like the pioneer. At the ends all of them will have problem of their positioning. Thus, they should determine the factors of consumer buying decision of their dining house so they could sustain and making progressing of their dinning house.

Based on above problems, it is necessary to develop strategy especially in marketing. Marketing mix generally used as a tool of management organization to analyze the global competitive environment [1]. It is also can be used to student in order to understand the marketing activities of organizations [6]. It described of product, price, place, process, promotion, people and physical evidence which influence the customer choice especially of repeating purchasing [2]. Furthermore, it has significant positive of relationship for customers' satisfaction [4]. But, for industrial 4.0, it shows that currently the changing of technology makes the change of it [3]. Therefore, in this study the marketing mix will focus for Indonesian dining house in industrial 4.0.

2. Method

Based on Kotler and Kaller (2000), marketing mix is a part of the controllable marketing element to conduct a response from the target market. It is determine of product, promotion, price, place, physical evidence and process (7Ps).

To determine the significant factor of 7Ps, the author conducts survey by questionnaire tools. The object of this research was RM. Berkah consumers. The sample size for this survey will

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conduct by using Slovin theory. The questionnaire distributed by random sample of its consumers.For n is a sample size for consumers; N is a population for respondents; e is a level of precision (5% margin of error). The sample size shows like below:

$n = N / (1+N.(e)^2)$

$n = 210 / (1+210.(0,05)^2)$

$n = 137,704918 \approx 137$

The profile of respondents is like below:

Table 1. Profile of Respondents

Variable	Category	Percentage (%)
Gender	Female	56 %
	Male	44 %
Age	17 - 25 Yr	42%
	26 - 35 Yr	14%
	36 - 50 Yr	44%
Occupation	Worker	86%
	Student	7%
	House Wife	7%

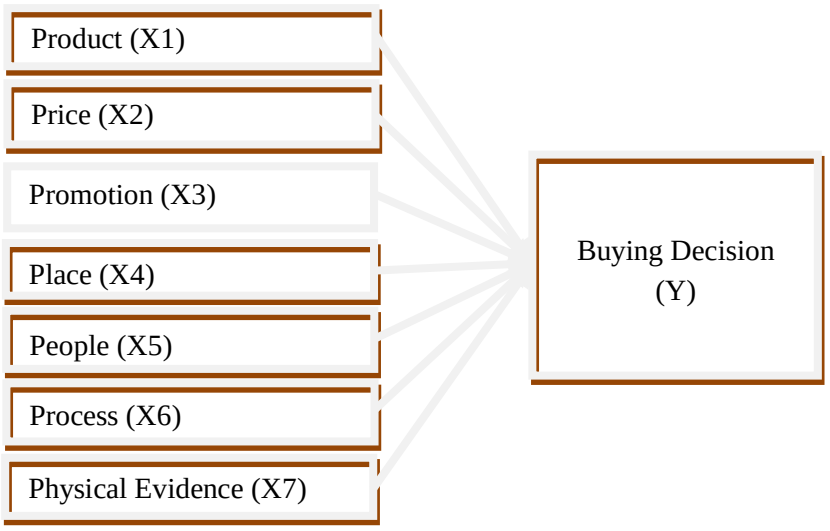


Figure1. Conceptual Framework

For RM. Berkah, Products are all kind of food and beverage that offered by RM. Berkah to the consumers in order to satisfy the needs of consumer. The foods are home cooking. Price is a consideration for consumers, whether it is appropriate or not with the satisfaction experienced. RM Berkah offering a price from Rp. 15,000 to Rp. 20,000. Promotion is a variety of activities carried out by the company to showcase the quality of product and service. RM Berkah uses personal selling and words of mouth as their promotion. Place, is a variety of activities that make products affordable to target consumers. The Berkah RM is located at JL. Punak Medan. People are the employees who are directly or indirectly involved in the service of the consumers. In RM

the workers are members of their own family. Process showing the services during the purchase of goods for consumers. Physical Evidence is the characteristic or the visible aspect of the RM. Berkah. Buying Decision is an action from the consumer to buy or not to buy.

The F and t testing is used to analyzed the hypothesis. It can be shown like below:

H1: Marketing mix (7Ps) simultaneously has significant influence on consumer buying decision of RM. Berkah

H2: 7Ps has significant partially influence on consumer buying decision of RM. Berkah.

3. Result

3.1. Scale Validity and Reliability

Table 2. Validity

Product	Pearson Correlation	1	.177*	.077	.327**	.252**	.209*	.039	.402**
	Sig. (2-tailed)		.038	.372	.000	.003	.014	.650	.000
	N	137	137	137	137	137	137	137	137
Price	Pearson Correlation	.177*	1	-.065	.093	.001	-.007	.114	.427**
	Sig. (2-tailed)	.038		.450	.277	.987	.937	.187	.000
	N	137	137	137	137	137	137	137	137
Promotion	Pearson Correlation	.077	-.065	1	.216*	.045	.097	.211*	.151*
	Sig. (2-tailed)	.372	.450		.011	.603	.258	.013	.100
	N	137	137	137	137	137	137	137	137
People	Pearson Correlation	.327**	.093	.216*	1	.402**	.444**	.162	.281**
	Sig. (2-tailed)	.000	.277	.011		.000	.000	.058	.001
	N	137	137	137	137	137	137	137	137
Place	Pearson Correlation	.252**	.001	.045	.402**	1	.277**	.182*	.143*
	Sig. (2-tailed)	.003	.987	.603	.000		.001	.033	.231
	N	137	137	137	137	137	137	137	137
Process	Pearson Correlation	.209*	-.007	.097	.444**	.277**	1	.192*	.239**
	Sig. (2-tailed)	.014	.937	.258	.000	.001		.025	.005
	N	137	137	137	137	137	137	137	137
Physical Evidence	Pearson Correlation	.039	.114	.211*	.162	.182*	.192*	1	.153*
	Sig. (2-tailed)	.650	.187	.013	.058	.033	.025		.122
	N	137	137	137	137	137	137	137	137
Buying Decision	Pearson Correlation	.402**	.427**	.141	.281**	.103	.239**	.133	1
	Sig. (2-tailed)	.000	.000	.100	.001	.231	.005	.122	
	N	137	137	137	137	137	137	137	137

*. Correlation is significant at the 0.05 level (2-tailed).

Table 3. Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.685	7

A valid instrument has high validity. The high and low validity of the instrument shows the extent to which the collected data does not deviate from the description of the intended validity. The data is valid if the $r_{calculation} > r_{table}$. For n=137 (df = n- 2, 137-2 = 135) and the significance is 0.05 (5%), r table = 0.1678 . Table 1, it shows the data of 7Ps are valid (*). Reliability shows that an instrument can be trusted enough to be used as a data collection tool because the instrument is good.and reliable (Cronbach's Alpha > 0.6). Table 1, it shows the data of 7Ps are reliable (0.685).

3.2. Hypnoses Analyzed

Table 4. F-testing

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	402.389	7	57.484	9.697	.000[b]
	Residual	764.721	129	5.928		
	Total	1167.109	136			

For the F testing (ANOVA), the hypothesis will be accepted if $F_{calculation} > F_{table}$ and if $\alpha < 0.05$. From Table 2, it shows F calculation is 9.697. The number of F table with n=137 and α 5% is 2.17, so $F_{(9.967)} > F_{(2.17)}$. For the significant, the $\alpha < 0.05$. Thus, H1 is accepted.

Table 5. t-testing

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.223	4.924		-.655	.514
	Product	.347	.095	.282	3.634	.000
	Price	1.044	.205	.375	5.079	.000
	Promotion	.163	.112	.109	1.452	.149
	People	.132	.141	.083	.937	.350
	Place	-.089	.138	-.051	-.641	.523
	Process	.274	.153	.145	1.789	.076
	Physical Evidence	.046	.144	.024	.321	.749

For the t-testing, the hypothesis will be accepted if $t_{calculation} > t_{table}$ and if $\alpha < 0.05$. The number of t_{table} with n=137 and α 5% is 1.65675. From Table 3, it shows only product and price that have significant influence of buying decision as individually.

4. Discussion

From the result, the factors that have significant influence of buying decision are product and price. From the profile respondent survey, it shows the consumers are dominance from the worker then follows by house wife and students. Accordance to the result, the marketing mix could be conducting in two strategies, such as:

-Special catering worker & housewife



Catering that serves a complete package of rice box with affordable prices.
The product: White rice, optional free side dish, beans orek, fried spring rolls, crackers, bananas, mineral water, minimum order 2 days before the event.
The price: Rp. 20,000 - 25,000
The promotion:
-Making the consumers as marketing
-Diligently offers to the women's community
- Taking advantage of online media like Go food etc.

Figure 2. Catering for worker and Housewife

-Special catering (rantangan) for students



Catering that could be serving as daily or weekly.
The Package: The main dishes are from processed meat, fish, shrimp or chicken. Vegetables that can be included in the menu are eggplant, carrots, cabbage, mushrooms, grains, other vegetables.
The price: Rp. 15.000/daily; Rp 40.000/monthly
The Promotion:
-Making consumers as marketing
- Diligently offers the programs to the student community
- Taking advantage of online media like Instagram
- Establish cooperation with boarding houses of students.

Figure 3. Catering for Students

5. Conclusion

From this research, the 7Ps of marketing mix simultaneously have significant influence on consumers buying decision. Then, as individually, it shows the buying decision factors are product, price. Guided from the result, dining house competence and segmentation marketing, the strategies applied into two parts. First, for the worker segmentation, it called catering special worker. Second, for the student segmentation, it called *rantangan* in weekly or monthly.

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