

The Effect of Advertising Strategies for the Sale of Message Soap on the Decision Purchase in East Java

Nanik Hariyana^{1*}, Raden Andi Sularso², Diana Sulianti K Tobing³, Imam Suroso⁴

¹Student Doctoral, Faculty of Economic & Business University of Jember, Indonesia

^{2,3,4}Promotor & Ko-Promotor Faculty of Economic & Business University of Jember, Indonesia

ABSTRACT

Objective – The purpose of this study is to determine the effect of advertising of FMCG products on the decision to purchase those products, and brand loyalty, in East Java.

Methodology/Technique – This study examines the effect of television advertising on the decision to purchase and brand loyalty with respect to FMCG products. The study uses purposive sampling to gather information in the district of East Java, with a sample of 140 respondents. The study also uses SEM (Structural Equation Modelling) to measure the results.

Findings – The SEM analysis shows that product advertising has a significant effect on the decision to purchase and brand loyalty on FMCG products in East Java, which tends to increase at a rate of 5% alpha.

Novelty – This study examines the purchasing power of people in the district of East Java.

Keywords: Strategy; Advertising; Messages; Advertising Products; Lux Soap; Purchasing Decisions.

JEL Classification: M3, M31.

1. Introduction

1.1 Background

The advertising industry in Indonesia has been growing rapidly following the emergence of private television. Nowadays, almost all private television shows display various advertisements of different products. Understanding the audience of the advertisement requires an understanding of the perception of the advertisement by the general public. Those perceptions determine the success or failure of an advertisement.

Marketing strategies are formulated based on the marketing mix (marketing mix), which includes the determination of product features, pricing, communication/promotions, distribution, and services that provide consumers with better value. One of the most important components of the marketing mix for a product is communication/promotions. Promotions can stimulate consumers' interest in a product and can improve their

* Paper Info: Revised: January 11, 2018

Accepted: February 23, 2018

* Corresponding author: Nanik Hariyana

E-mail: 140830201001@students.unej.ac.id / hariyana.nanik@yahoo.com

Affiliation: Student Doctoral Faculty Economic and Business, University of Jember, Indonesia.

desire to purchase the product. Further, the sale of products involves 5 major variables: advertising (advertisements), personal sales, promotions, publicity, and marketing lang sung.

The use of product advertising typically enables vendors to have a rapid impact on consumers, and achieve relatively quick promotion of their products for purchase. FMCG's Lux Soap products are widely known and recognised by consumers in Indonesia, particularly in East Java. These items are typically sold in large quantities, which increases the company's overall profits. These products are advertised during the viewing of the show Fast-Moving Consumer Goods (FMCG). Based on the above analysis, the research problem is developed as: What effect does the content of product advertising during television shows have on the decision to purchase Lux Soap products in East Java?

2. Literature Review

2.1. Marketing Communication

Marketing is a social and managerial process in which an individual or group achieves desired outcomes by creating, offering and exchanging valuable products with others (Kotler, 2007: 8). Many experts provide a definition of marketing. For example, Stanton, in his book Umar (2005: 31), states that marketing involves a whole system of business-related activities aimed at planning, price-fixing, promoting and distributing goods or services that satisfy the needs of the buyer, both actual and potential.

2.2 Advertising

The Big Indonesian Dictionary (KBBI) defines advertising as news or messages used to encourage or persuade the general public to purchase certain goods and services offered and involves notifying the audience about the goods or services sold through the use of mass media (such as newspapers and magazines) or in a public place.

Kotler (2002) defines advertising as a form of presentation and promotion of ideas, goods or services by a non-personal links that require payment. Further, Wright (1978) argues that advertising is a marketing tool used to sell goods and to provide services and ideas through certain channels in the form of persuasive information.

2.3 FMCG

Fast Moving Consumer Goods ('FMCG') refers to the process of selling a product quickly and at a relatively low cost (Amarnath and Vijayudu, 2009). Despite the advantages of FMCG being relatively minor, FMCG generally results in sales of products in large quantities, so that the cumulative profit earned on these products is very large (Sean Brierley, 2002).

FMCG products have a relatively low shelf life as a result of high consumer demand or products with rapid deterioration. According to Sean Brierley (2002), FMCG has the following characteristics:

- a) Consumer perspectives;
- b) Frequency of purchase;
- c) Lower product prices;
- d) Limitations in the choice of similar products;
- e) Manufacturer's perspective;
- f) Strong consumer demand;
- g) Lower margin contribution; and
- h) Extensive distribution networks.

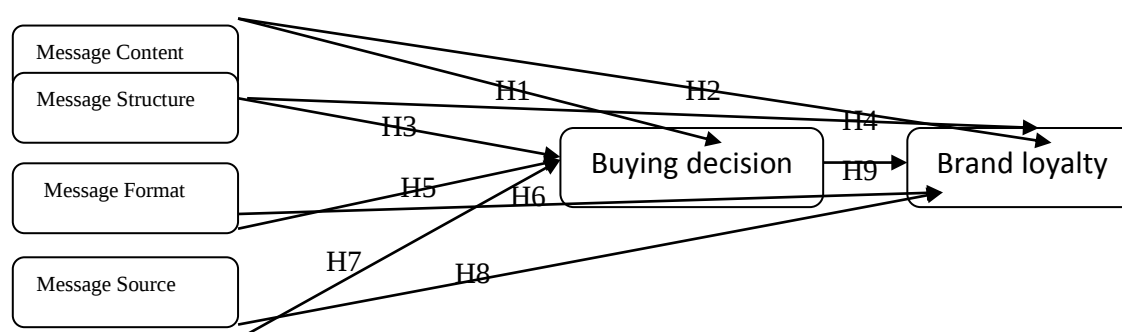
2.4 Lux Soap

Lux is one of the leading body and beauty care brands in Indonesia. Since its establishment in 1924, the Lux brand has become a market leader in several countries, including Thailand, Japan, India, Brazil, South Africa and many others. The types of products in the Lux brand line include shampoos and conditioners, liquid soaps and hair sprays. Their products are sold in over 100 countries. In 2005, the sales of Lux products totalled 1 billion Euros. The Lux brand claims to be dedicated to femininity, through the appearance and the sensation experienced when using Lux products, as well as the packaging used and the scents used in their products. The Lux brand has sought to reinforce and strengthen their dedication to the concepts of beauty and femininity in the 21st century.

3. Research Methodology

The type of research used in this study is investigative, to test the hypotheses using the dependent and independent variables. According to Umar (1999: 36) explanatory research is research that aims to analyze the relationship between one variable with other variable or to measure the effect of one variable on the others. This research uses surveys to obtain the data used to test the hypotheses.

Further, purposive sampling is used to collect the information from the 140 respondents surveyed, using the SEM method to measure the results. The results of the examination indicate that the use of advertising on television has a significant effect on the decision to purchase Lux products in East Java.



4. Results

The results of this study support the hypothesis of the research, that is, that the advertising of Lux soap products in East Java has a significant effect on consumer's decision to purchase those products. Therefore, increased advertising of these products has the ability to increase the sales of these products in East Java. Conversely, if consumer perceptions of the message content decreases, the consumer's decision to purchase those products will decrease. These findings demonstrate the benefits and advantages of using advertising strategies to generate interest in a product.

Table 4.1
Causality Hypothesis Testing Results

No.	Variables	Path Coefficient	CR	Probability	Information
1.	X 1 - Y 1	.494	5,743	0,000	Significant
2.	X 2 - Y 1	0.093	1,000	0.317	Not significant
3.	X 3 - Y 1	0.181	2,349	0.019	Significant
4.	X 4 - Y 1	0.331	2,152	0.031	Significant
5.	X 1 - Y 2	0.267	1.977	0.048	Significant
6.	X 2 - Y 2	0.353	3,120	0.002	Significant
7.	X 3 - Y 2	0.224	2,520	0.012	Significant
8.	X 4 - Y 2	0.046	2,497	0.013	Significant
9.	Y 1 - Y 2	0.331	2,152	0.031	Significant

5. Discussion

The findings in this research show that the content of product advertisements has a significant effect on consumer purchasing decisions with respect to FMCG Lux Soap sales in East Java. Based on these results, it can be concluded that the first and second hypothesis are accepted. However, the results of this research demonstrates that the structure of the advertisement does not have a significant effect on consumer purchasing decisions. Based on these results, the third hypothesis is accepted.

Further, the research findings also show that the format of product advertisements significantly influence consumer purchasing decisions. Based on these results, the fifth and sixth hypothesis are accepted. Hypothesis seven and eight are also accepted, as the findings indicate that the source of advertisement has a significant effect on consumer purchasing decisions. As a final result, the study shows that a customer's decision to purchase has a significant effect on brand loyalty, thereby supporting hypothesis nine.

6. Conclusion

Lux have been successful in building a brand image through the use of advertising. Lux would therefore benefit from continuing developing and implementing new and improved advertisements of their products.

So that consumers can understand the benefits of using Lux soaps, the brand would benefit from highlighting the benefits their products profess to provide. Another point of focus for the brand may be on developing and introducing new fragrances and colours in their products. Innovation is also a key focus of any business, and Lux should seek to continuously innovate the quality of their products, to continue improving both the brand image, and the experience of consumers when using their products, which in turn has a positive effect on the decision to purchase and brand loyalty.

References

- Emory, William C, and Donald C. Cooper. 1999. Business Research Methods, Edition V. Jakarta: Airlangga.
- Engel F. James et al. 1995. Consumer Behavior Volume 2. Jakarta: Aksara.
- Gerald, Terris J. 1998. Advertising and Sales Promotion Strategy. Addison Wesley Educational Publisher, Inc.
- Ghozali, Imam. 2005. Application of Multivariate Analysis with SPSS program. Semarang: Diponegoro University Publishing Agency.
- Gitosudarmo, Indriyo. 1999. Marketing Management. Yogyakarta: BPFE.
- Griffin (2002: 31), loyal customers have characteristics
- Hadi, Sutrisno. 1991. Grain Analysis For Instrument Questionnaire, Test and Value Scale With Basica. Yogyakarta: Andi Offset.
- Hair, J.F.J., Anderson, R.E., Tatham, R.L., Black, W.C. (1998), Multivariate Data Analysis With Readings, Englewood Cliffs, NJ: Prentice-Hall.
- Hariyana, Nanik. (2017). Advertising Strategy Of Contents Message Of Soap Lux Decision Purchase In East Java. J. Mgt, 2 (3), 89-95.
- Hariyana, Nanik. (2013). Effect Of Use Of Endorser Advertisement Of Lux Media Television Soap Products On Decision Of Purchase And Loyalty Of Brand On Lux Soap Product Consumer In Jember (Master's Thesis, Faculty of Economic & Business, University of Jember, Indonesia).