

PREDICTING THE INFLUENCE OF INTEGRATED MARKETING COMMUNICATION ON INTENTION TO BUY ORGANIC PRODUCT: AN EMPIRICAL STUDY

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Abstract

Purpose of Study: The aim of this research is to predict the effect of Integrated Marketing Communication (IMC) tools (advertising, direct marketing, sales promotion, and personal selling) on consumers' intention to purchase organic products in the specific supermarket in Indonesia.

Methodology: The primary data was collected by using questionnaires that were given to consumers in a supermarket. Sample size involved 128 consumers. The data was assessed through reliability and validity analysis before hypothesis testing analysis.

Result: The results showed only direct marketing have positive significant on intention to buy the organic product.

Implications/Applications: Integrated Marketing Communication provides an information to the purchasing policy of organic product

Keywords: *Integrated Marketing Communication, Intention to Buy, Organic Product.*

INTRODUCTION

Not many consumers consume organic products whereas beneficial to the health of consumers, consumers may have less information about organic products. Organic plants are considered not environmentally destructive, and healthier than non-organic foods (Tobler et al., 2011). A study shows that there is a significant influence in sales promotion, personal selling, public relations, advertising, and direct marketing to purchase decisions (Suh, 2008). In relating with organic products, another study found that consumers' attitude in Greek toward consumption of organic products were significantly positive (Chrysohoidis and Krystallis, 2005). Furthermore, some consumers are concerned about the safety of non-organic products (Lobb et al., 2007). Information from the media about organic products is perceived to be very poor in Indonesia, especially middle-upper income consumers have not had much information about organic products. External factors that consumers consider are the consistency of availability of organic products, more expensive prices, affects consumer choice in purchasing food products.

One study's findings suggest that purchasing experience is identified as an important factor influencing the intention of purchasing organic food in Belgium (Verbeke and Vackier, 2005). Another study found demographic characteristics affecting the behavior of purchasing composed organic products. Moreover, the majority of supermarkets have more value if they sell organic food (Lee et al., 2000). However, the market and consumption of organic products are still limited compared to non-organic food, demand for various organic products does not increase. However, limited research on organic foods that are promoted in an integrated manner since managing communication tools is one of the key aspects of having successful goods (Ghali and Hamli, 2015). Thus, the objectives of the research are to assess the relationship between:

(1) advertisement and intention, (2) public relation and intention, (3) personal selling and intention, (4) promotion and intention and (5) direct marketing and intention of purchasing organic products.

LITERATURE REVIEW

Integrated Marketing Communication (IMC)

IMC is defined as coordinated communication and uses various marketing promotion tools in order to achieve the objectives of a marketing campaign. Integrated marketing communications is a strategic marketing management approach because of the effectiveness of marketing integration as a means of communication including advertising, public relations, sales

promotion, personal selling and direct marketing (Vantamay, 2010). Furthermore, the integration optimizes the impact of communication on customers' target. Integrated marketing communications as one element from the marketing mix by providing interesting information, and alerting customers about products and organizations whose purpose is to have a deep influence forming a belief in consumer behavior in purchasing (Bakhshandeh et al., 2015; Etzel et al., 2007). It can be stated that the integrated marketing communication aims to motivate and change the attitude of customers to be interested in the benefits of the product or service brand. The success of integrated communications marketing is achieved with using multiple communication tools through each integrated marketing component whether products, prices, places, distribution channels including advertising, sales promotion, personal selling, and public relations.

The Relationship between Variables

1. The relationship between advertising and intention to buy creating an ethical impact of advertisement perceived by consumers plays an important role in motivating developing purchasing intentions because they believe the product is related to the green environment (Patel and Chugan, 2015). The theory hierarchy effect of marketing communication model, there are six stages of the viewing of a product's advertising objective to buy the product (Lavidge and Steiner, 1961). The advertiser's job is to encourage customers to have awareness, knowledge, wants, references, and purchases. Customers see ads every day, but will only remember favored brands using either electronic media such as the internet, online sales, television, radio or print media such as newspapers, billboard, magazines, catalogues, etc. Consumers will easily move to competing brands if they do not get the information they want. After searching for information, consumers will certainly buy the product. The advertiser's job is to attract interest in the products offered.

Advertisers can encourage potential customers to intend to buy by delivering a product sample (Buzzel, 2004). Experience in the buying process affects repurchase intentions if it is certain the benefits of the product are in line with consumer expectations. The importance of producers makes new ways to increase purchases by offering through modern technology such as online purchases that minimize operational costs (Meidan, 1996). There are two types of advertising that are high-the-line advertising and low-the-line advertising (Kotler and Armstrong, 2008; Selomo and Govender, 2016). High-the-line ads contain a variety of communication channels including television commercials, radio, posters, magazines, and newspapers. While under-the-line advertising is a big part of advertising organization activities including leaflets, pamphlets, manual guides that are used to increase sales and are advertisements that are not visible. Manufacturers may use advertisements in both the short and long term, in the long term it is expected that consumers have the intention of repurchasing.

H₁: There is a positive and significant relationship between advertising and intention to buy

2. The relationship between sales promotion and intention to buy
Sales promotion tools involve a variety of coupons, gifts, discounts, charity engagements, sponsorships, etc (Kotler and Armstrong, 2008; Trámpuz and Ibáñez, 2018). The main objective in sales promotion is to attract new customers, increase market share in selected market segments, to lower costs, win competition with similar manufacturers. Sales promotion as an activity to encourage purchases and is an essential element of marketing planning. (Adebisi, 2006) mentions as a marketing effort that serves to inform the product to consumers to buy or continue to buy the products. While (Cole, 2011) states that sales promotion is a way that is used in guiding customers from a state that is less aware of the benefits of organic products to be conscious in order to consume. It is a way of communicating with individuals, groups or organizations to directly or indirectly facilitate the exchange of information and persuade consumers to accept the organic products on offer.

H₂: There is a positive and significant relationship between promotion and intention to buy

3. The relationship between personal selling and intention to buy
Personal selling is a mean of communication between salesmen and prospective customers or customers with the intention of forming, persuading or reminding them or serving consumers appropriately (Adebisi, 2006). Person selling is an important element in ensuring the satisfaction of purchase and post-purchase in establishing a long term relationship between buyers and sellers based on understanding and trust. Personal selling can be done face-to-face or through technology via the internet and e-mail (Brassington and Pettit, 2000). Research technology over the last 30 years has changed the way consumers when interacting with the organization by telephone, correspondence. The producer has integrated customer data in order to understand the needs and provide satisfaction for the customer as the satisfaction of the customers certainly intend to buy back the products or services offered.

H₃: There is a positive and significant relationship between personal selling and intention to buy

4. The relationship between direct marketing and intention to buy

Direct marketing is an interactive marketing system, using one or more media advertising to achieve a measurable response in shaping the basis for creating and developing a direct relationship between the seller and the customer. Direct marketing through product offerings through price lists, correspondence (Lee, 2002). Direct marketing through the telephone is very effective to affect the purchase intentions, especially information about products directly received by consumers can affect the purchase intentions. Direct marketing affects the sales performance of commercial banks (Kotler and Keller, 2012). Direct marketing can be defined as to include (1) differentiating direct marketing from other types of marketing by selling (2) focusing on the development of theory and testing on direct marketing as a particular area of marketing (3) direct marketing more effectively as directly to various audiences as well called as an interactive marketing system that uses one or more ad media to measure sales at every level (Muhanji and Ngari, 2015). Intentions are assumed to control motivational factors affecting behaviors that show how a person believes and intends to try the product on offer (Kotler and Armstrong, 2008).

H₄: There is a positive and significant relationship between direct marketing and intention to buy

RESEARCH METHOD

Sample

The survey was distributed to customers inside a supermarket “Lotte Mart” in Jakarta during March 2017. Purposive sampling was applied to select respondents with the main criteria that they have ever bought an organic product. The questionnaire was given to respondents when they agreed to participate. The sample size involved 128 respondents.

Instrument

A questionnaire for this study was developed by researchers based on previous studies on IMC and intention to buy. All variables are measured by using a Likert scale. The research variables consist of 5 independent variables (1) advertising (2) sales promotion (3) personal selling (4) public relations (5) direct marketing and the dependent variable is the intention of purchasing organic products. To provide construct validity, all indicators were assessed through factor analysis with KMO should have a value exceeding the minimum value of 0.60 (Ajzen, 1991).

Operational variable, (1). Advertising (ads organic food using leaflets, ads of organic foods less emphasize content, ads of organic foods many benefits to consumers, ads informing organic food are rarely found in malls, ads of organic foods are often found in magazines). (2). Sales promotion (Buying organic foods seldom offer discounts, buying organic foods seldom offer gifts, buying organic food is rarely provided samples, buying less organic food is offered a coupon). (3). Personal selling (have good communications skill with the customer, is aware of his competitor's product, is very much social and cooperative) (4). Direct Marketing (various kinds of organic foods have a price list, organic foods are offered using online media, organic foods are more expensive than non-organic) dependent variable Intention to buy (I intend to buy organic food, I inform organic food, because it is healthier to friends, I find out where to buy organic food). The questioner was adopted from several research (Hair et al., 2006).

Method of Data Analysis

Multiple regression was applied to examine the research hypothesis. This type of analysis was applied since the research variables include several independent variables and one dependent variable. This type of analysis also requires data with an interval scale type.

RESULTS AND DISCUSSION

After validity and reliability test are met, using factor analysis for validity test by looking at Kaiser-Meyer-Olkin above 0.60 is valid, while reliability test result above Cronbach alpha is above 0.80. Taking the research data is a convenience that is store customer has equal opportunity and accumulated equal to 128 respondents consisted of 50 male respondents and 78 female respondents. Age of respondents between 24-47 years, income between 4 million to 7 million amounted to 85 respondents and between 7 million - 10 million amounted to 43 respondents. The results showed that the intention of purchasing organic food is strongly influenced by sales promotion and direct selling. This study examines the effect of integrated marketing communications on organic food products in Lotte Mart Central Jakarta which is tested is advertising, sales promotion, personal selling, and direct marketing. Advertising and intent to buy organic products have no effect. Sales the promotion also has no effects towards the intention of purchasing organic products. Moreover, personal selling also does not affect purchase intentions. On the other hand, only direct marketing affects the intention of purchasing

organic products.

The observation in the Lotte Mart showed that sales promotion organic products are rarely given such as discounts, gifts, food samples, and coupon. For that to be improved is sales promotion such as discount, coupons, gifts, and samples of organic food in order to purchase consumer intention increases. While direct marketing also needs to be improved through price list information with online media, prices need to be adjusted so that Lotte Mart consumers are more intent on shopping for organic products such as black rice, brown rice, organic vegetables and ready-to-eat foods offered to consumers. Organic foods are healthier, reducing family expenditure.

Managerial implications for managers by knowing the results of this study will devise appropriate strategies for selling organic products. For the peasant community is expected by the number of consumers because it already has awareness for healthy farmers can develop organic farming. The limitations of the study are the respondents who used very little for future research to be expanded. Respondents are not selected who have already used organic products but the withdrawal of data using convenience. Future research is expected to test organic rice and organic vegetables. For future research, the respondents expanded by the number of 500 respondents.

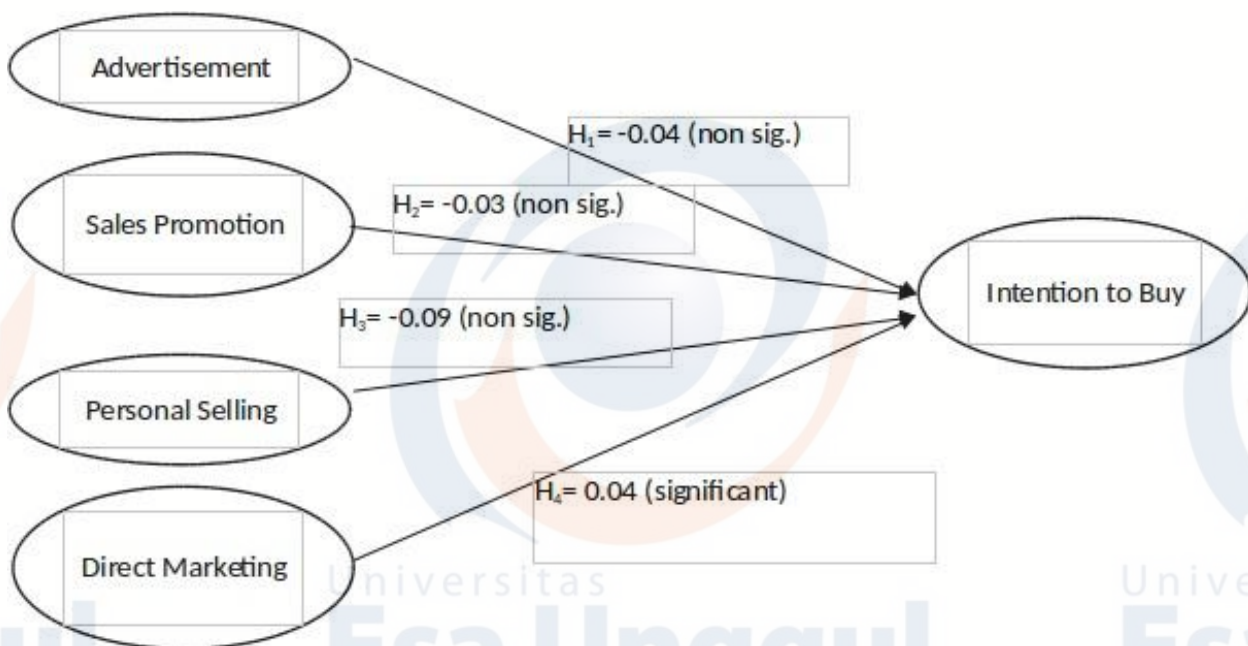


Figure 1: Research Model

CONCLUSION

The results of this study show that only direct marketing as an element of IMC that significantly affects the intention to buy organic products. This research also contains a number of limitations that provide directions for future research. First, this research used non-probability sampling which purposive sampling may limit the ability to generalize the research finding. Second, this research used a specific organic product (rice) as an object to test the research hypothesis. Therefore, this research cannot be generalized into other organic products.

Although consumers are less informed of organic products through advertising, sales promotion and personal selling because it is rarely organic products advertised either through electronic media or print media. Whereas organic producers never give gifts and give discounts. For personal selling, it is also rarely found that organic products are offered through face-to-face.

Managerial implications: The results showed that of the four variables of integrated marketing communication i.e. advertising, personal selling, sales promotion only direct marketing that has an influence on the intention of purchasing organic products for that producers can produce organic increase promotion through direct marketing because by increasing direct marketing then the purchase intention also increased.

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