The Impact of 7p's (Marketing Mix) on Student Parents' Decision at School for Disable Students with Special Needs

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Abstract: The purpose of this study is to analyze the influence of 7P's marketing mix (product, price, place, promotion, people, physical evidence, and process) on student parents' decision at school for disable students with special needs. The type of this research is library and field research. This study uses a sample of 670 respondents. For data collection techniques, observation, documentation, interviews, and questionnaire are used. SPSS for Windows version 19.0 is used for statistic calculation. The result shows that the entire marketing mix variable has positive correlation with student parent's decision. Only product, price, place, and processes have positive and significant influence on student parent's decision when choosing the school for their disable children with special needs. The other marketing mix variables do not have significant influence to student parent's decision. The study suggests that the schools should improve their accreditation, increase the tuition fees, maximize school security, and do some innovation, especially in providing and developing information technology.

Keywords: Product, Price, Place, Promotion, People, Physical evidence, Process and Parent decision

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I. Introduction

Currently education industry in Indonesia is facing a very tense competition, especially the education industry managed by private sectors. Competition will be even tighter for the education business that is not common, such as SLB, "Sekolah Luar Biasa", a special school which is established with the purpose to help disable student with special needs. SLB is school for student with special characteristics which are different from student in general due to mental, emotional, or physical disabilities. Heward (2003) said that one type of school offered to students with special needs is a school with special needs.

Similar to the goods and business services, one of the strategies to win the market is by applying good marketing techniques. Marketing in this context is not a product as usual, but rather a service or service orientation (Rudd & Mills, 2008). When applying the concept of marketing mix smoothly, the marketing process can be done smoothly. Marketing mix tools are classified into four broad groups, called the four P's of marketing: product, price, place, and promotion (Kotler, 2003). In order to deliver on its value proposition, the firm must first create a need satisfying market offering (product). It must determine how much it will charge for the offer (price) and how it will make the offer available to the target customers (place). It must communicate with target customer about the offers and persuade them to offer its merits (promotion). McCarthy (1971) stated that marketing mix strategy is the elements of marketing mix (product, price, place, and promotion) used by a company to fulfill the needs and wants of the target customers which are integrated, interrelated, and equally important. Marketing literature suggests that all parts of the marketing mix (product, price, promotion, and place) (4Ps) are equally important as a deficiency in any one can mean a failure. James & Phillips (1995) suggest an additional 3P's in service marketing, beside 4P's in the conventional marketing mix, so that there are seven components for marketing mix, shortened to 7P's, which is the product, price, place, promotion, people, physical evidence, and process.

SLB is a school aiming to assist students who have physical or mental abnormalities. This type of special education includes SLB-A for sight impairment (blind) students, SLB-B for hearing impairment students (deaf), (SLB-C) for students with mental retardation, SLB-D for students with physical impairment, SLB-E for students with behavioral aberrations and SLB-G for the student with the combination of abnormalities. There are also special SLB for autistic children (Government Regulation No. 17 Year 2010 Article 129 paragraph (3)). The focus of this research is only student parents who send their children to study at SLB in Lampung Province. The number of SLB students with special needs during the last five years has been decreased with the average by 2.2% per year. The decreasing number of students is obviously not a good thing because the small number of students will cause SLB revenue to decrease either and it certainly affects the financial of SLB itself in the future. Therefore, it is necessary to increase the number of students of SLB. The role of parents in determining

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the best school, specially SLB with special needs for their children, is so important. The strategy that can be used to increase the number of students in SLB is by convincing the student parent to send their children study in the existing SLB by using marketing mix strategy.

Based on the background that has been described, the title of this paper is the influence of 7p's (marketing mix) on student parent's decision at school for disable student with special needs (study in SLB Lampung province)

The research problem in this study is to find out if there's any significant influence partially and s imultaneously of product, place, price, promotion, people, physical evidence, and process on student parent's decision at school for disable student with special needs. The objective of the study is to analyze the influence of product, place, price, promotion, people, physical evidence, and process on student parent's decision at school for disable student with special needs partially and simultaneously.

II. Material and Methods

The marketing mix is a tactical and controllable tool for marketing consisting of product, price, distribution and promotion or better known as 4P (Kotler & Amstrong, 2003). The concept of marketing mix was first introduced by McCarthy (1960) and James & Phillips (1995). The concept of marketing mix (4P) is not applicable only to goods stuff, but also to the services industry. Especially for educational services, Zeithaml & Bitner (2003) stated that in addition to 4P (product, price, place, and promotion) there is 3P's additional complement from the existing marketing mix; people, physical evidence and process. This study adopts the previous research conducted by Deebhijarn (2016) which shows that marketing mix has a significant impact on customer purchase decision. The 'purchase' variable is replaced with student's parent decision since parents are the decision maker when choosing the right school for their kids.

III. Marketing Mix Component

1. Product

The meaning of the product is everything that can be offered on the market to be noticed, obtained, and used for consumption which may satisfy the desire or need (Burnett, 2003). Lockhart (2005) defines educational services as any product, service, or school attribute that provides benefits to education service customers, both internally and externally. As well as product of goods, special needs schools are products in the form of educational services that have to continuously innovate in order to have excellence and uniqueness that will attract parents to send their children to school (Seng & Ping, 2016). On the basis of these studies the first hypothesis in this paper is as follows:

H₁: There is a positive influence of product on the student parent's decision

2. Price

Price is the only element of service in the marketing mix that generates revenue while other marketing mix components incur costs. It is everything include into exchange for acquiring goods or services (Lamb & McDaniel, 2001). The Education and Training Center of the Ministry of National Education (Pusdiklat Depdiknas) defines the cost of education is in the tuition fee. The cost of education is the amount of rupiah from all resources (input) in the form of goods, sacrifices, and money spent on all educational activities. Price is one component in determining a person in deciding to make a purchase (Satit et al., 2012). Based on the above description, the second hypothesis in this study is:

H₂: There is a positive influence of price on the purchase decision

3. Place

Distribution channels are a series of interdependent organizations and are not involved in the process of making products or services ready for consumption (Kotler, 2000). Distribution (also known as the place of a variable in the marketing mix or the 4 P's) involves the product from the manufacturer to the ultimate consumer. In the education industry, the physical school enters into the category of places. Lockhart (2005) adds that the distribution channels in educational services refer not only to where educational services products can be delivered but also the delivery of such educational services. These education services include the physical environment of schools, such as buildings, land, classrooms, equipment, and other types. Strategic location is needed, including the availability of transportation, if one's product wants to be bought by the consumer (Rizal et al., 2017). A location is also a place of business that greatly affects consumers desire to come and shop (Jones, 2007). Moreover, the location can be a consumer consideration in making purchase decisions (Suprianto et al., 2014). Furthermore Rizal et al., (2017) explained that product location may encourage consumers intentions in purchasing products. On the basis of these reasons the third hypothesis in this study is:

H₃: There is a positive influence of place on student parent's decision

4. Promotion

The essence of promotion is a form of marketing communication, which is a marketing activity to disseminate information, influence, persuade and remind target markets about the organization and its products to be willing to accept, buy and be loyal to the products offered by the organization (Kotler, 2003). Promotion is persuasive communication between a business and target customer to communicate the benefits of the product and to build demand for the product as well (Dunne et al., 2010). The ultimate goal of promotion is to affect buyer's behavior. Kotler et al., (2002) defined promotion as the activities a company performs in order to communicate to its existing and potential customers.

According to Lockhart (2005), the promotion of education includes activities and materials used by schools to reach school audiences, building awareness of the school's internal environment and creating awareness of the school's efforts to fulfill people's wishes and expectations. The promotions could influence the consumer's decision to buy (Nguyen et al., 2015). From the above description, the fourth hypothesis proposed is: H_4 : There is a positive influence of promotion on student parent's decision

5. People

People are actors who play a role in the process of delivering services that affect buyer's perception (Zeithaml & Bitner, 2000). They include employees and customers in the service environment. They are part of human resources in an organization where human resources (HR) is a source of knowledge, skills, abilities accumulated in members of the organization (Hanafi, 2007).

People or personnel appear to be central to create store shopping experience through interaction with targeted customers (Kerin et al., 1992). Empirical evidence proves that consumer buying decision is influenced by employee knowledge, friendliness and support (Baker et al., 1994; Baker et al., 2002; Sharma & Stafford, 2000). Hu and Jasper (2006) stressed that helpful and supportive staffs create perceived service quality which consequently leads to consumers purchase intention. Hence the following fifth hypothesis has been formulated:

H₅: There is a positive influence of people's role on student parent's decision

6. Physical Evidence

Physical evidence is the thing that significantly affects the customer's decision to buy and use the products offered (Dunne et al., 2010). In education industry, physical evidence of education is the building of school along with all facilities and infrastructure contained in it. Store atmosphere (environment) drives pleasure, time and money spent and number of items purchased (Donovan et al., 1994; Sherman et al., 1997; Berman and Evans 2013). So the sixth hypothesis is formulated as follows:

H₆: There is a positive influence of physical evidence on student parent's decision

7. Process

Zeithaml & Bitner (2000) said that the process constitutes all the real procedures, mechanisms, and flow of activities used to deliver services from producers to consumers. Meanwhile, Dune et al. (2010) stated that the process takes place beyond the consumer's view. The process occurs because of the support of employees and the management team who manage the entire process in order to run smoothly. From the above understanding, the seventh hypothesis is formulated as follows:

H₇: There is a positive influence of process on student parent's decision

Conceptual Framework

Based on previous data and research that have been proposed, the framework developed can be seen in the following figure:

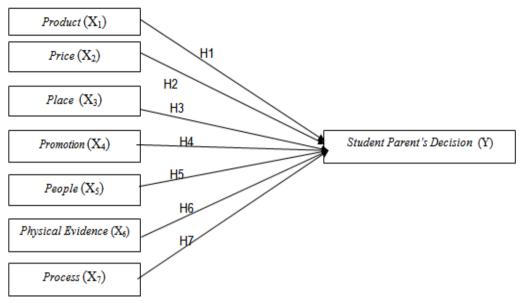


Figure. 1: Conceptual Framework

Procedure Methodology

This paper uses library research by collecting data from the literature, books and other media related to research and field research by directly visit the object of research by observation, interview and documentation. The design of this research is descriptive research, which is done to analyze the value variable, either one variable or more that connects with another.

In determining the number of samples, the Slovin formula is used (Umar, 2005). A total of 670 respondents were selected from students' parents who made decisions of sending their children to study at school for disable student with special needs. Nonprobability sampling method is used in this research by using accidental sampling technique.

Prior to further analysis, a validity test is used to measure the validity or invalidity of a questionnaire. Validity means the ability of the data collection instrument to measure the variables that are designed to measure. Questionnaires will be valid if the question is able to uncover something that will be measured by the questionnaire. In testing the validity, we use SPSS for Windows version 19.0 and if a measuring tool has a significant correlation between the score of the item to the total score then the scoring tool is valid (Sekaran, 2003). All instruments of the seven variables stated are "valid" and can be used in the research analysis.

The reliability of the tool refers to the possibility of obtaining the same results if the measurement is re-evaluated under the availability of similar circumstances and by using the same tool of measurement (Hair et al., 2006). Cronbach's Alpha has been used to determine the degree of reliability of the tool. The Cronbach's Alpha above 0.6 is considered acceptable for most research objectives (Allen & Bennett, 2012). The reliability value is 0.70 of the seven item variables greater than the standard loading factor. So it can be concluded that the results of this questionnaire are reliable and feasible to be used for research.

IV. Results

A multiple regression coefficients analysis is used to analyze the influence of product (x_1) , price (x_2) , place (x_3) , promotion (x_4) , people (x_5) , physical evidence (x_6) , and process (x_7) on student parent's decision. A multiple regression formula used in this study is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \epsilon_t$$

1. Description of Respondents by Gender

Characteristics of respondents by gender are shown in the table below:

Table 1: Respondent by Gender Categories, 2018

Tubic 1. Respondent by Gender Categories, 2010				
Gender	Frequency	Percentage (%)		
Male	230	34%		
Female	440	66%		
Total	670	100%		

Source: Data research (2018)

The table above shows that female respondents are 440 person (66%) more than men which are only 230 person (34%).

2. Description of Respondents Based on Education Level

If the characteristics of respondents are differentiated by education level, it can be shown in table 4.2 as follows:

Table 2
Respondent by Education Level, 2018

_	1105pondent of 2000001011 20 (01) 2010					
	No	Level of Education	Frequency	Percentage (%)		
	1	< High School	140	21%		
	2	≥ High School	530	79%		
-		Total	670	100%		

Source: Data research (2018)

If differentiated by level of education, most of the respondents were high school graduates, 79% (530 persons), while those who were not graduated from high school are 21% (140 persons).

3. Multiple Regression Analysis

For the first step, bivariate correlation is calculated to analyze the proposed relations between variables. The Pearson's correlation coefficients confirm significant positive associations between the predictors and the dependent variable. A multiple regression is done to establish the correlation between independent and dependent variables and the influence of marketing mix on student parent's decision. The results are tabulated and discussed under this section.

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.990ª	.980	.977	.53372

a. Predictors: (Constant), product, price, place, promotion, people, physical evidence, process

From tabel 3 of model summary, it is said that 98% of the total variance in the dependent variable (student parent's decision) can be explained by combined independent variables (product, price, place, promotion, people, physical evidence, and process).

Table 4 ANOVA^b

Mode	el	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	803.372	7	114.767	402.890	.000ª
	Residual	16.807	662	.285		
	Total	820.179	669			

a. Predictors: (Constant), Product, Price, Place, Promotion, People, Physical evidence, Process

b. Dependent Variable: Parent purchasing decision

The ANOVA on table 4 above shows that, the model fits the data as p-value is less than 0.05 (Sig. = .000). Furthermore, the null hypothesis (H_0) that there is no significant influence of marketing mix on student parent's decision at school for disable student with special needs is rejected and the alternative hypothesis (H_A) that there is significant influence of marketing mix on student parent's decision at school for disable student with special needs is accepted instead.

	Unstandardized Coeffic		d Coefficients	Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.768	1.110		2.493	.016
	Product	.367	.043	.071	2.544	.028
	Price	.424	.113	.419	3.737	.000
	Place	.247	.119	.209	2.070	.043
	Promotion	.279	.178	.155	1.006	.319
	People	.021	.023	.018	.930	.356
	physical evidence	.019	.104	.020	.184	.854
	Process	.157	.072	.164	2.163	.035

Table 5
Coefficients^a

Table 5 shows that regression model can be analyzed based on coefficients value. The model of multiple linear regression equation based on the above table is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \epsilon_t$$

 $Y = 2,778 + 0,367X_1(Product) + 0,424X_2(Price) + 0,247X_3(Place) + 0,179X_4(Promotion) + 0,021X_5(People) + 0,019X_6(Physical Evidence) + 0,157X_7(Process) + \varepsilon_t$

V. Discussion

Based on the above information can be concluded that the value of regression coefficient X_2 is greater than the value of the other regression coefficient, it shows that the contribution of variable (X_2) Price is bigger than other variables. This means that price is the first component that becomes a consideration for parents to send their children special needs school. Furthermore, the material in consideration in sequence seen from the coefficient value ranges from the largest to the smallest, namely the variable product, place, promotion, process, people and physical evidence.

The findings as summarized in table 5 show that only product, price, place and process have significantly and positively influenced student parent's decision. As shown in table 5, price (β = .424, p < .05) is the strongest determinant variable that significantly influenced student parent's decision, followed by product (β = .367, p < .05), place (β = .247, p < .05) and process (β = .157, p < .05) respectively.

Only H_1 (product), H_2 (price), H_3 (place) and H_7 (process) are accepted for the hypothesis. These indicate that product, price, and place have positive and significant influence on student parent's decision. The other hypotheses, H_4 (promotion), H_5 (people), and H_6 (physical evidence), are rejected.

Based on multiple regression analysis, the findings revealed that among the 7Ps tested only product, price, place, and process stood out as the most important marketing mix to affect student parents' decision. Both price and product emerged as two strongest predictors. Product and price that have positive and significant influence on student parent's decision support another study (Satit et al., 2012). Meanwhile place and process that have positive and significant influence on student parent's decision are in line with the study conducted by Nguyen et al., (2015).

VI. Conclusions

From the result of this study, it can be concluded that all the marketing mix variables; product, price, place, promotion, people, physical evidence and process has positive relationship with student parent's decision. More specifically, only variables of product, price, place and process have positive and significant impact on student parent's decision. The results also show that price is the most important factor that affects student parent's decision.

It is recommended for SLB schools to do more effort to improve accreditation in order to compete with other outstanding schools and it is better also for SLB to pay attention and maximize the usefulness of facilities and infrastructure, for example for learning and extracurricular activities. This will certainly be able to help improve the child's intellectual and success in learning.

It is preferably for tuition fee to be increased by making comparisons with prices set by competitors. Prior to raising, it is better the accreditation of schools to be improved first, adding and completing equipment from existing facilities and infrastructure. By doing so, the student parents will not be disappointed with their children future by choosing this school.

a. Dependent Variable: Student parent's decision

The research also recommends schools to maximizing the performance of security posts. Considering that the school environment location is so wide and in the sub area of the city, so there needs to be an active security officer in order to maintain the safety and comfort of all school residents in SLB.

Schools also need innovations in information and technology, specifically in internet connection. Considering the advance of internet, schools need to make internet connection available in schools and need to create a website. So, it is expected that student parent will easily get the information about the schools from the website. Furthermore, the future registration of new students and the delivery of information are not done manually anymore but can be accessed through the website.

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