

Antecedents of Marketing Strategy in Palm Oil Industry Spare Parts Supplier Company (Case Study of PT. Technindo Contromatra)

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Abstract: The Palm Oil Industry is one of the important industries that supports the Indonesian economy because it brings in a lot of foreign exchange and absorbs a lot of work. One of the parties involved in the supply chain of the palm oil industry is a supplier of equipment and spare parts for palm oil processing mills. The purpose of this paper is to analyze the importance of equipment and spare parts supplier companies to add to using the appropriate marketing mix to develop their company's business. The method used in processing interview data and collecting questionnaire data. The results obtained are inputs in the form of business strategy adjustments for the company.

Keywords: Marketing Strategy, Marketing Strategy Antecedents

INTRODUCTION

The palm oil industry is one of the important pillars in the Indonesian economy, becoming the prima donna of exports that contribute significant foreign exchange and create jobs for millions of people¹. The government has taken steps to support the sustainable growth of this industry through Presidential Instruction No. 6 of 2019 concerning the National Action Plan for Sustainable Palm Oil Plantations (RAN-KSB). However, despite the industry's strategic nature, palm oil exports have declined in recent years due to export

¹ Indonesia.go.id, "Indonesia.Go.Id," *Indonesia.Go.Id*, last modified 2019, <https://www.indonesia.go.id>.



restrictions related to deforestation and declining production². One of the key factors in this industry is the purchase of oil palm fruit from farmers, which is influenced by various regulations, including the Regulation of the Minister of Agriculture of the Republic of Indonesia No. 01/2018 which regulates the maintenance cost component of oil palm processing plants. In an effort to achieve optimal processing results, efficiency, productivity, as well as quality machine maintenance and human resources are important factors in this industry.

PT. Technindo Contromatra is a Medan-based contracting company, engaged in the sale and supply of various essential equipment and spare parts in the palm oil processing industry, including Wheel Loaders, Rexroth brand Hydraulic Systems, Deutz brand Diesel Generators, and Boilers. They also offer repair services. With headquarters in Medan and branches in various locations in Sumatra and Kalimantan, PT. Technindo Contromatra has an important position in supporting the increasingly competitive palm oil industry. The products and services they offer such as Wheel Loaders, Hydraulic Systems, Power Plant Generators, and Boilers have a key role in various stages of the oil palm fruit processing process, such as transportation, pressing, power generation, and steam processing. Strategic initiatives and good support from suppliers such as PT. Technindo Contromatra has become very important in facing challenges in this industry.

Referring to Marketing Performance in PT. Technindo Contromatra in the last three years (2020 - 2023), it can be seen that it does not form a certain pattern both in terms of sales territory and in terms of product segments marketed. This shows that there is no planned implementation of marketing strategies. Referring to the literature study described in the next chapter, this also applies to other companies engaged in the Palm Oil Industry. It can be said that Suppliers in the Palm Oil industry tend to carry out personalized or exclusive marketing strategies tailored to their customers. Based on a study conducted by the author using the PoP (Publish or Perish) Application from Herzing with search keywords: Marketing Mix, Marketing Mix, Spare Parts, Spare Parts and Palm Oil, which is attached to this paper as evidence that there has been no previous paper that discusses Marketing Mix (Marketing Mix) spare parts in the Palm Oil industry.

Referring to the condition of Marketing Results carried out by PT. Technindo Contromatra and also the absence of research on marketing strategies, especially in the marketing segment of Palm Oil Mill spare parts, the author conducted research on marketing mix factors that influence purchasing

² Eddifa Rahman, "Analysis of the Decline in CPO Import Quantity in Several European Countries," *Journal of Agribusiness* 22, no. 2 (2020): 206-213.



decisions by customers in the palm oil industry, with a case study conducted at PT. Technindo Contromatra. It is expected that with the obtaining of the factors driving this purchase decision, PT. Technindo Contromatra can develop a Marketing Strategy with a structured pattern to improve company performance.

This research represents a new contribution to the literature that has never been discussed before. Some of these studies include the same variables as this study, namely factors that influence purchasing decisions. Sachio³ found that the quality of goods, affordable prices, and availability of goods influence consumers' decisions to buy parts. In addition, research by Aprillya,⁴Rodrigues et al.⁵, and Liliani⁶ also provides important insights into the relationship between various factors such as product quality, price, after-sales service, payment system, and country of origin to parts purchasing decisions. By referring to these studies, the authors can build a solid foundation for this research and make new contributions to the understanding of the factors influencing a company's marketing strategy.

This study aims to examine the effect of availability, quality, price, promotional activities, payment, and partial service on purchasing decisions at PT. Technindo Contromatra in the context of marketing Palm Oil Mill spare parts. In addition, this study also examined the influence of all these variables simultaneously on purchasing decisions. The benefit of this research is as a reference for academics who are interested in developing research on spare parts marketing in the Palm Oil Industry and as evaluation material for the management of PT. Technindo Contromatra in optimizing marketing strategies that can support the company's business development in this industry.

LITERATUR REVIEW

Marketing Orientation

At its most basic marketing concept, it emphasizes the importance of satisfying market needs over time. To meet customer needs, marketing

³ Robin Sachio, "Keputusan Konsumen Dalam Pembelian Spare Part Mobil Di Toko Anugerah Motor Pada Saat Pandemi," in *Seminar Nasional Ilmu Terapan*, vol. 6, 2022, E09–E09.

⁴ ANGGI ASTRI APRILLYA, "Faktor-Faktor Yang Mempengaruhi Keputusan Pembelian Spare Part Mobil Merek Birkens Pada Cv. Remaja Motor Banjarmasin" (Universitas Islam Kalimantan MAB, 2020).

⁵ Márcio Rodrigues, Eva Šírová, and Godfrey Mugurusi, "A Supplier Selection Decision Model Using Multi-Criteria Decision Analysis in a Small Manufacturing Company," *IFAC-PapersOnLine* 55, no. 10 (2022): 2773–2778.

⁶ Nur'Anisa Liliani, "PENGARUH NEGARA ASAL, LAYANAN PURNA JUAL, HARGA DAN KUALITAS PRODUK TERHADAP KEPUTUSAN PEMBELIAN MOBIL WULING (Studi Kasus Di Wuling Arista Kalimalang)" (Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, 2021).



managers must understand about these needs and how they change. In addition, he must be able to anticipate the relative influence of various factors on market needs in order to develop predictive models useful for marketing planning. In short, market-oriented managers need knowledge of organizational buying behavior⁷.

Promotional Activities

Promotion is a set of activities with the main objective of persuading customers to buy a product, service or brand by highlighting its advantages. Advertising is known as impersonal promotion which is usually used to draw customer attention to a product or service through a selected paid medium. It is one of the core elements of the marketing mix, and is perfect for creating awareness, attracting and encouraging customers to make a purchase. It is one of the core elements of the marketing mix, and is perfect for creating awareness, attracting and encouraging customers to make a purchase. Discount coupons, value-added services, trial offers, free sample distribution, festive season offers and rebates are some of the ways promotions are carried out. Promotions help companies to increase sales because goods or services are offered at low prices. Direct marketing, advertising, personal selling, and public relations are activities involved in promotion⁸.

Price

Pricing policy, a critical component of a company's marketing strategy, plays a pivotal role in the overall success of a business. It encompasses the complex process of analyzing, determining, and monitoring prices and the associated conditions for products or services⁹. The primary objective of pricing policy is to strike a delicate balance between the company's objectives, which may include profit maximization, customer satisfaction, or growth. A fundamental decision point in pricing policy revolves around establishing a lower price cap, which must cover the production and operational costs while ensuring profitability. On the other end of the spectrum, the upper price limit is heavily influenced by market demand. Ideally, pricing policy should align with the point at which the customer's perceived value of the product or service

⁷ Michael J Baker and Stephen T Parkinson, *Organizational Buying Behaviour: Purchasing and Marketing Management Implications* (Springer, 2016).

⁸ Marc Helmold, "Pricing Strategies and Discount Policy," in *Performance Excellence in Marketing, Sales and Pricing: Leveraging Change, Lean and Innovation Management* (Springer, 2022), 133-146.

⁹ Alberto Diez-Olivan et al., "Data Fusion and Machine Learning for Industrial Prognosis: Trends and Perspectives towards Industry 4.0," *Information Fusion* 50 (2019): 92-111.



corresponds with their willingness to pay, reflecting the delicate equilibrium where pricing meets customer appreciation.

The art of pricing policy is not a one-size-fits-all approach. Instead, it involves a nuanced understanding of market dynamics, consumer behavior, and the competitive landscape. Businesses must continually assess and adapt their pricing strategies to maintain a competitive edge. Whether it's through adjusting prices based on fluctuating demand, introducing pricing tiers to cater to different customer segments, or employing dynamic pricing based on real-time data, companies must remain agile in their approach. Successful pricing policies, when aligned with customer expectations, create a win-win situation where customers receive value for their investment, and companies achieve their financial and strategic objectives, fostering long-term success in the market¹⁰.

Payment

Price, in the realm of marketing and economics, is a fundamental factor that influences consumer behavior and market dynamics. It represents the monetary value a customer is required to exchange for a product or service. A classic example can be observed in the automotive industry, where companies like Ford establish suggested retail prices for their vehicles, such as the Escape Car. However, these price tags often serve as starting points for negotiations rather than final figures. Ford dealers engage in a dynamic pricing strategy by offering discounts, trade allowances, and flexible credit terms, adapting the price to align with prevailing market conditions and the individual customer's perception of the car's value¹¹.

This process of pricing adaptation is pivotal in the context of competitive markets and changing economic circumstances¹². Companies continually assess their pricing strategies to remain competitive and meet consumer expectations. This practice highlights the dynamic nature of pricing, where companies must be flexible in response to market trends, demand fluctuations, and economic shifts. By aligning prices with the perceived value of a product, companies can better appeal to their target audience and stay competitive in a dynamic marketplace.

Moreover, pricing doesn't always require an immediate lump sum payment. In some cases, businesses offer the option for customers to pay over

¹⁰ Helmold, "Pricing Strategies and Discount Policy."

¹¹ Bruno Jullien, Alessandro Pavan, and Marc Rysman, "Two-Sided Markets, Pricing, and Network Effects," in *Handbook of Industrial Organization*, vol. 4 (Elsevier, 2021), 485-592.

¹² Jude Ndubuisi Edeh, Divine Ndubuisi Obodoechi, and Encarnación Ramos-Hidalgo, "Effects of Innovation Strategies on Export Performance: New Empirical Evidence from Developing Market Firms," *Technological Forecasting and Social Change* 158 (2020): 120167.



time, either through installment plans or credit arrangements¹³. This approach recognizes the importance of affordability and convenience for consumers. By allowing flexibility in payment, companies can attract a wider range of customers and adapt to varying financial capabilities. Ultimately, the concept of pricing goes beyond the mere assignment of a numerical value; it's a dynamic process that must consider market conditions, consumer perceptions, and affordability to effectively drive sales and maintain competitiveness in today's business landscape.

Purchasing Decision

Marketing is a dynamic and multifaceted discipline that revolves around a strategic approach to stimulate demand and facilitate the sale of goods and services¹⁴. It begins with a deep understanding of the market, including the identification of a target audience. The first step is to segment the market, enabling businesses to tailor their marketing efforts to specific demographics or customer profiles. By recognizing the unique needs and preferences of their target audience, companies can craft more compelling advertising messages and offers¹⁵. This audience-focused approach is at the heart of successful marketing campaigns. Advertising plays a central role in marketing, serving as a powerful tool to convey a product's attributes and benefits to the intended audience¹⁶. Through well-designed and executed advertising campaigns, businesses can create brand recognition and generate interest in their offerings. It's not just about showcasing a product's features; effective marketing also involves tapping into emotional and psychological triggers to resonate with consumers on a personal level. Whether it's through memorable storytelling, humor, or heartfelt messages, the art of advertising is in connecting with people and leaving a lasting impression¹⁷.

Moreover, marketing extends beyond traditional advertising and encompasses a broad spectrum of activities. These activities include participation in trade shows and public events, which offer a hands-on

¹³ Mohammed El Hazzouri et al., "Vulnerable Consumer Experiences of (Dis) Empowerment with Consumer Protection Regulations," *Journal of Consumer Affairs* (n.d.).

¹⁴ Rituparna Basu et al., "Marketing Analytics: The Bridge between Customer Psychology and Marketing Decision-making," *Psychology & Marketing* (2023).

¹⁵ Omar Merlo et al., "Exploring the Changing Role of Brand Archetypes in Customer-Brand Relationships: Why Try to Be a Hero When Your Brand Can Be More?," *Business Horizons* 66, no. 5 (2023): 615–629.

¹⁶ V Aslihan Nasir et al., "Segmenting Consumers Based on Social Media Advertising Perceptions: How Does Purchase Intention Differ across Segments?," *Telematics and informatics* 64 (2021): 101687.

¹⁷ Isabelle Aimé, "The Dynamic Construction of Brand Storytelling," *Journal of Strategic Marketing* (2021): 1–20.



opportunity to engage with potential customers and showcase products or services¹⁸. Additionally, marketing decisions influence pricing, distribution, and product design, each of which can significantly impact a product's success in the market¹⁹. The overarching goal of marketing is not merely to make a sale but also to establish a brand's presence, foster loyalty, and create a positive brand image that resonates with customers, ultimately leading to long-term success in a competitive business environment.

RESEARCH METHODS

This research is focused on the analysis of the Marketing Mix of PT. Technindo Contromatra in the context of marketing Palm Oil Mill spare parts. Research is quantitative descriptive with the aim of uncovering factors that influence purchasing decisions by customers, providing evaluation for company management. The sample consisted of 90 companies managing Palm Oil in Indonesia, selected based on the Slovin formula, from a total population of 827 companies. Research variables include Customer Buying Interest as an independent variable, and dependent variables which include Availability, Quality, Promotion, Price, Payment, and Service.

The importance of the validity and reliability of the questionnaire was emphasized in this study. The questionnaire should reflect the objectives of the study and provide accurate results. Therefore, before dissemination to respondents, validity and reliability testing is carried out. Content validity is used to ensure the questions in the questionnaire reflect the desired construct, and validity testing uses Pearson Product Moment correlation with valid criteria if r count is greater than r table. Reliability testing is carried out using the internal consistency method, with a good Cronbach Alpha value if it is more than 0.60. The test results show that this questionnaire is valid and reliable.

Furthermore, data analysis was carried out using the Structural Equation Model (SEM) method using the Partial Least Square (PLS) approach. PLS was chosen because it is suitable for more prediction-oriented research and allows testing of formative and reflective models. The results of the SEM analysis showed a significant relationship between latent variables, which supports the hypothesis in this study. Thus, the structural model built on the conceptual

¹⁸ Shan Shan Lu, Ruwen Tian, and Dickson K W Chiu, "Why Do People Not Attend Public Library Programs in the Current Digital Age? A Mix Method Study in Hong Kong," *Library Hi Tech* (2023).

¹⁹ Ahmad Ibrahim Aljumah, Mohammed T Nuseir, and Md Mahmudul Alam, "Traditional Marketing Analytics, Big Data Analytics and Big Data System Quality and the Success of New Product Development," *Business Process Management Journal* 27, no. 4 (2021): 1108-1125.



framework and theory underlying the study is in accordance with the results of data analysis.

RESULTS AND ANALYSIS

Results of Partial Least Square (PLS) Data Analysis

Table 1. Validity Test

| Variable | Item Code | Validity | | |
|--------------|----------------|----------------|------------|------------|
| | | r calculate | r table | Conclusion |
| Availability | Availability_1 | 0.946 | 0.2396 | VALID |
| | Availability_2 | 0.983 | 0.2396 | VALID |
| | Availability_3 | 0.956 | 0.2396 | VALID |
| | Availability_4 | 0.968 | 0.2396 | VALID |
| Quality | Quality_1 | 0.981 | 0.2396 | VALID |
| | Quality_2 | 0.938 | 0.2396 | VALID |
| | Quality_3 | 0.913 | 0.2396 | VALID |
| | Quality_4 | 0.924 | 0.2396 | VALID |
| Promotion | Promotion_1 | 0.956 | 0.2396 | VALID |
| | Promotion_2 | 0.972 | 0.2396 | VALID |
| | Promotion_3 | 0.960 | 0.2396 | VALID |
| | Promotion_4 | 0.976 | 0.2396 | VALID |
| Price | Price_1 | 0.981 | 0.2396 | VALID |
| | Price_2 | 0.938 | 0.2396 | VALID |
| | Price_3 | 0.913 | 0.2396 | VALID |
| | Price_4 | 0.924 | 0.2396 | VALID |
| Payment | Payment_1 | 0.904 | 0.2396 | VALID |
| | Payment_2 | 0.971 | 0.2396 | VALID |
| | Payment_3 | 0.852 | 0.2396 | VALID |
| | Payment_4 | 0.894 | 0.2396 | VALID |
| Service_1 | Service_1 | 0.927 | 0.2396 | VALID |
| | Service_2 | 0.942 | 0.2396 | VALID |
| | Service_3 | 0.986 | 0.2396 | VALID |
| | Service_4 | 0.945 | 0.2396 | VALID |

Source : Data processed by Researchers (2023)

The level of validity of the questionnaire is measured based on the validity coefficient which in this case uses the corrected item-total correlation coefficient. A statement is said to be valid and can measure the research variable in question if the value of the validity coefficient is more than or equal to the



table. By looking at the table above, all statement indicators of all these variables are declared valid because all $r_{Calculate} > r_{table}$.

Table 2 Reliability Test Results

| Reliability Statistics | | |
|------------------------|--|------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .953 | .952 | 24 |

Table 3 Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|----------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Availability_1 | 87,4674 | 191,746 | 0,776 | 0,949 |
| Availability_2 | 87,5435 | 191,064 | 0,778 | 0,949 |
| Availability_3 | 87,5326 | 190,427 | 0,767 | 0,949 |
| Availability_4 | 87,4565 | 192,844 | 0,725 | 0,950 |
| Quality_1 | 86,9783 | 202,109 | 0,523 | 0,952 |
| Quality_2 | 87,0326 | 201,087 | 0,551 | 0,952 |
| Quality_3 | 87,0000 | 201,209 | 0,578 | 0,952 |
| Quality_4 | 87,0000 | 202,967 | 0,490 | 0,952 |
| Promosi_1 | 87,7174 | 189,238 | 0,758 | 0,950 |
| Promosi_2 | 87,7500 | 187,618 | 0,795 | 0,949 |
| Promosi_3 | 87,7826 | 187,842 | 0,770 | 0,949 |
| Promosi_4 | 87,8696 | 187,016 | 0,797 | 0,949 |
| Harga_1 | 87,2935 | 199,396 | 0,617 | 0,951 |
| Harga_2 | 87,3587 | 200,496 | 0,570 | 0,952 |
| Harga_3 | 87,2717 | 199,299 | 0,642 | 0,951 |
| Harga_4 | 87,3043 | 199,467 | 0,598 | 0,951 |
| Payment_1 | 86,9674 | 199,900 | 0,614 | 0,951 |
| Payment_2 | 87,0217 | 198,197 | 0,657 | 0,951 |
| Payment_3 | 87,0435 | 200,965 | 0,529 | 0,952 |
| Payment_4 | 86,9674 | 199,131 | 0,602 | 0,951 |
| Service_1 | 87,1413 | 199,309 | 0,649 | 0,951 |
| Service_2 | 87,0978 | 199,210 | 0,639 | 0,951 |
| Service_3 | 87,1739 | 197,354 | 0,698 | 0,950 |
| Service_4 | 87,2283 | 198,859 | 0,642 | 0,951 |

Source : Data Processing Results (2023)

Based on table 3 Cronbach's Alpha value is 0.953, the results can be concluded that all research instruments can be declared reliable / reliable and can be used for further analysis. This means that these questionnaires have consistent results when measured in different times and models or designs.

Convergent Validity Testing



From the results of full structural model testing with the help of SmartPLS 3 software obtained the following results.

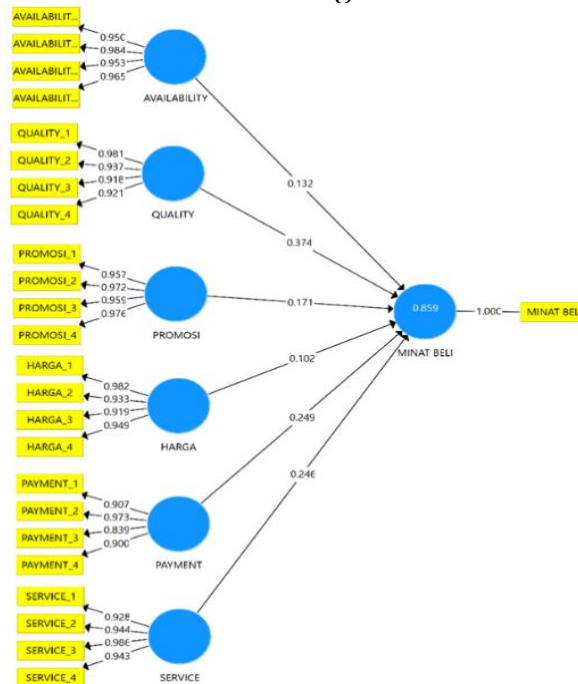


Figure 1 Full Structural Model
 Source : Data Processing Results (2023)

Based on the picture above, it can be seen that each research variable is measured by several indicators, Availability is measured by 4 indicators, Quality is measured by 4 indicators, Promotion is measured by 4 indicators, Price is measured by 4 indicators, Payment is measured by 4 indicators and Service is measured by 4 indicators.

From the test results, it can be seen that all indicators that have a loading factor of > 0.5 are valid.

The loading factor is a large correlation between the indicator and its latent construct. In many social studies, the measurement of a construct is very often done indirectly through its indicators. Indicators with high loading factors have a higher contribution to explaining their latent constructs. Indicators with low loading factors have a weak contribution to explaining their latent constructs. However, for the development stage of the measurement scale, the loading factor value of at least 0.7 is considered qualified. The value of the loading factor based on the results in this SEM is as follows:

Table Error! No text of specified style in document. Factor loading value results

| | Availabili ty | Pric e | Buying Interest | Payme nt | Promotio n | Qualit y | Servic e |
|--|------------------|-----------|--------------------|-------------|---------------|-------------|-------------|
|--|------------------|-----------|--------------------|-------------|---------------|-------------|-------------|



| | | | | | | | |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
| Availability_1 | 0,950 | | | | | | |
| Availability_2 | 0,984 | | | | | | |
| Availability_3 | 0,953 | | | | | | |
| Availability_4 | 0,965 | | | | | | |
| Price_1 | | 0,982 | | | | | |
| Price_2 | | 0,933 | | | | | |
| Price_3 | | 0,919 | | | | | |
| Price_4 | | 0,949 | | | | | |
| Buying interest | | | 1,000 | | | | |
| Payment_1 | | | | 0,907 | | | |
| Payment_2 | | | | 0,973 | | | |
| Payment_3 | | | | 0,839 | | | |
| Payment_4 | | | | 0,900 | | | |
| Promotion_1 | | | | | 0,957 | | |
| Promotion_2 | | | | | 0,972 | | |
| Promotion_3 | | | | | 0,959 | | |
| Promotion_4 | | | | | 0,976 | | |
| Quality_1 | | | | | | 0,981 | |
| Quality_2 | | | | | | 0,937 | |
| Quality_3 | | | | | | 0,918 | |
| Quality_4 | | | | | | 0,921 | |
| Service_1 | | | | | | | 0,928 |
| Service_2 | | | | | | | 0,944 |
| Service_3 | | | | | | | 0,986 |
| Service_4 | | | | | | | 0,943 |

Source : Data Processing Results (2023)

Table 4 shows that all loading factors have a value of more than 0.7, meaning that the indicator has met the criteria. If the value is less than 0.7 then it can be stated that the data does not meet convergent validity.

Judging from the value of the loading factor in the Availability variable, the Availability_2 indicator has the highest loading factor (0.984) so that Availability_2 is the strongest indicator in measuring the Availability variable while the Availability_3 indicator has the lowest loading factor (0.950) so that Availability_3 is the weakest indicator in measuring Availability variable.

Judging from the value of the loading factor in the Quality variable, the Quality_1 indicator has the highest loading factor (0.981) so that Quality_1 is the strongest indicator in measuring the Quality variable while the Quality_3



indicator has the lowest loading factor (0.918) so that Quality_3 is the weakest indicator in measuring the Quality variable.

Judging from the value of the loading factor in the Promotion variable, the Promosi_4 indicator has the highest loading factor (0.976) so that Promosi_4 is the strongest indicator in measuring the Promotion variable while the Promosi_1 indicator has the lowest loading factor (0.957) so that Promosi_1 merupakan the weakest indicator in measuring the Promotion variable.

Judging from the value of the loading factor in the Price variable, the Harga_1 indicator has the highest loading factor (0.982) so that Harga_1 is the strongest indicator in measuring the Price variable while the Harga_3 indicator has the lowest loading factor (0.919) so that Harga_3 is the weakest indicator in measuring the Price variable.

Judging from the value of the loading factor in the Payment variable, the Payment_2 indicator has the highest loading factor (0.973) so that Payment_2 is the strongest indicator in measuring the Payment variable while the Payment_3 indicator has the lowest loading factor (0.839) so that Payment_3 is the weakest indicator in measuring the Payment variable.

Judging from the value of the loading factor in the Service variable, the Service_3 indicator has the highest loading factor (0.986) so that Service_3 is the strongest indicator in measuring the Service variable while the Service_1 indicator has the lowest loading factor (0.928) so that Service_1 is the weakest indicator in measuring the Service variable.

The Average Variant Extracted (AVE) method is used to evaluate discriminant validity for each latent construct and variable. The minimum value that is considered to have met the requirements in the validity test is at least 0.50. The Average Variant Extracted (AVE) values based on the results in this SEM are as follows:

Table 5 Values Average Variant Extracted (AVE)

| | Average Variance Extracted (AVE) |
|-----------------|----------------------------------|
| Quality | 0,928 |
| Price | 0,896 |
| Buying Interest | 1,000 |
| Payment | 0,821 |
| Promotion | 0,933 |
| Quality | 0,883 |
| Service | 0,903 |

Source: Data Processing Results, 2023



In table 5 of Avarage Variant Extracted (AVE), all variables have AVE values > 0.5. So it can be said that the measurement model is valid and has met the requirements in the validity test.

Discriminant Validity Test

Table 6 Results of Fornell Larcker Critieration Values

| | Quality | Price | Buying interest | Payment | Promotion | Quality | Service |
|-----------------|---------|-------|-----------------|---------|-----------|---------|---------|
| Quality | 0,963 | | | | | | |
| Price | 0,415 | 0,946 | | | | | |
| Buying interest | 0,676 | 0,59 | 1 | | | | |
| Payment | 0,439 | 0,437 | 0,675 | 0,906 | | | |
| Promotion | 0,71 | 0,425 | 0,686 | 0,482 | 0,966 | | |
| Quality | 0,394 | 0,439 | 0,688 | 0,329 | 0,335 | 0,94 | |
| Service | 0,506 | 0,36 | 0,681 | 0,482 | 0,543 | 0,318 | 0,95 |

Source : Data Processing Results, 2023

In table 6 of the Fornell Larcker Critieration, it can be explained that the highest value by having a value above 0.7 can be declared to meet the criteria for discriminant validity.

Table 7 Cross Loading Value Results

| | Quality | Price | Buying interest | Payment | Promotion | Quality | Service |
|-----------------|---------|-------|-----------------|---------|-----------|---------|---------|
| Quality_1 | 0,95 | 0,365 | 0,691 | 0,462 | 0,703 | 0,416 | 0,501 |
| Quality_2 | 0,984 | 0,417 | 0,669 | 0,42 | 0,704 | 0,389 | 0,476 |
| Quality_3 | 0,953 | 0,429 | 0,642 | 0,437 | 0,673 | 0,348 | 0,522 |
| Quality_4 | 0,965 | 0,386 | 0,594 | 0,366 | 0,65 | 0,361 | 0,448 |
| Harga_1 | 0,398 | 0,982 | 0,564 | 0,431 | 0,399 | 0,427 | 0,311 |
| Harga_2 | 0,346 | 0,933 | 0,528 | 0,38 | 0,362 | 0,416 | 0,324 |
| Harga_3 | 0,416 | 0,919 | 0,602 | 0,43 | 0,447 | 0,425 | 0,403 |
| Harga_4 | 0,405 | 0,949 | 0,532 | 0,407 | 0,394 | 0,39 | 0,317 |
| Buying interest | 0,676 | 0,59 | 1 | 0,675 | 0,686 | 0,688 | 0,681 |
| Payment_1 | 0,448 | 0,387 | 0,595 | 0,907 | 0,453 | 0,272 | 0,434 |
| Payment_2 | 0,446 | 0,454 | 0,636 | 0,973 | 0,483 | 0,266 | 0,47 |
| Payment_3 | 0,326 | 0,313 | 0,541 | 0,839 | 0,377 | 0,314 | 0,401 |
| Payment_4 | 0,369 | 0,416 | 0,664 | 0,9 | 0,431 | 0,341 | 0,441 |
| Promosi_1 | 0,635 | 0,368 | 0,653 | 0,491 | 0,957 | 0,319 | 0,529 |
| Promosi_2 | 0,688 | 0,446 | 0,664 | 0,487 | 0,972 | 0,319 | 0,524 |
| Promosi_3 | 0,691 | 0,397 | 0,662 | 0,455 | 0,959 | 0,331 | 0,504 |
| Promosi_4 | 0,727 | 0,432 | 0,673 | 0,431 | 0,976 | 0,325 | 0,541 |



| | | | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|-------|
| Quality_1 | 0,343 | 0,408 | 0,652 | 0,311 | 0,292 | 0,981 | 0,266 |
| Quality_2 | 0,358 | 0,439 | 0,645 | 0,313 | 0,325 | 0,937 | 0,343 |
| Quality_3 | 0,423 | 0,415 | 0,682 | 0,33 | 0,347 | 0,918 | 0,371 |
| Quality_4 | 0,352 | 0,385 | 0,6 | 0,278 | 0,292 | 0,921 | 0,205 |
| Service_1 | 0,525 | 0,323 | 0,634 | 0,391 | 0,53 | 0,294 | 0,928 |
| Service_2 | 0,421 | 0,356 | 0,66 | 0,471 | 0,479 | 0,332 | 0,944 |
| Service_3 | 0,522 | 0,37 | 0,67 | 0,488 | 0,551 | 0,297 | 0,986 |
| Service_4 | 0,457 | 0,317 | 0,623 | 0,482 | 0,504 | 0,286 | 0,943 |

Data : Data Processing Results (2023)

In table 7 Cross Loading Value explains if the result of each indicator is higher in the variable, it can be stated that the data meets the discriminant validity requirements. Based on the results, it can be obtained that each question indicator on the variable has a greater value than other variables, so the data is valid.

Model Conformity Test (Goodness of Fit)

The following R-Square values are based on the results in SEM shown in the table and figure, which are as follows:

Table 8 R-square Results

| Variable | R Square | R Square Adjusted |
|-----------------|----------|-------------------|
| BUYING INTEREST | 0,859 | 0,849 |

Source: Data Processing Results, 2023

From table 8 of the Model Conformity Test, it can be seen that the results of the r-square variable of buying interest are 0.859 (85.9%), buying interest can be explained by an independent variable of 85.9%, the rest is explained by other variables that are not studied in this study.

Fitness models contribute to checking the efficiency of fashion. This step is based on testing the fitness model of the model by assessing the fit index of the CMIN/Df, RMSEA, GFI, AGFI, SRMR, TLI, NFI, PNFI, IFI, PGFI, and PCFI models. Table 9 shows the receiving ranges of all model indices.

Table 9 Criteria range of the model fit indices

| Model Fit Indices | Accepted Values |
|-------------------|-----------------|
| CMIN/DF | between 2 and 5 |
| RMSEA | Rated > 0.10 |
| GFI | Rated > 0.90 |
| AGFI | in 0.90 |
| SRMR | Less than 0.05 |
| TLI | Rated > 0.90 |
| NFI | Rated > 0.90 |
| YOUTH | Rated > 0.90 |



| | |
|------|-------------------|
| PNFI | Rated > 0.05 |
| PCFI | Rated > 0.05 |
| PGFI | Greater than 0.05 |

Table 10. Model Fit Summary

| | Saturated Model | Estimated Model |
|------------|-----------------|-----------------|
| SRMR | 0.041 | 0.041 |
| d_ULS | 0.551 | 0.551 |
| d_G | 1.782 | 1.782 |
| Chi-Square | 708.670 | 708.670 |
| NFI | 0.816 | 0.816 |

Source : Data Processing Results (2023)

From the results of the Fitness Model, it can be seen that:

- 1) The SRMR value is good, because it has a value of 0.041 which is below the threshold value of 0.05
- 2) NFI is already good because it is worth 0.816 which is almost close to the threshold value of 0.9

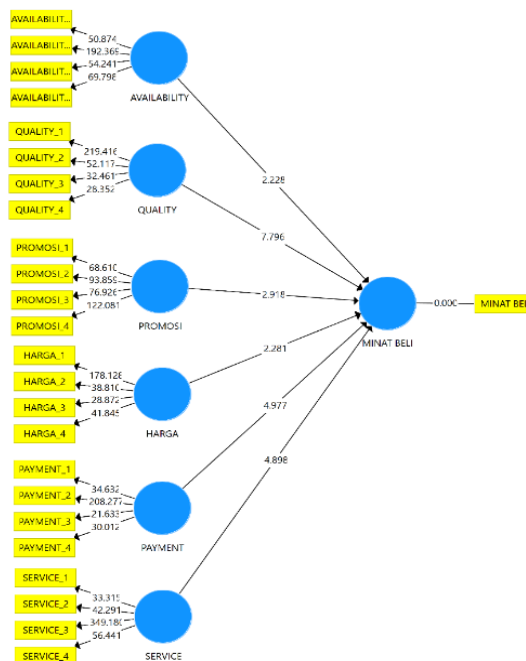


Figure 2 Inner Diagram or Path Analysis Model

Q-Square Testing

Table 11. Table Q2

| | SSO | SSE | Q ² (=1-SSE/SSO) |
|--|-----|-----|-----------------------------|
|--|-----|-----|-----------------------------|



| | | | |
|-----------------|---------|---------|-------|
| Availability | 368.000 | 55.812 | 0.848 |
| Price | 368.000 | 74.562 | 0.797 |
| Buying Interest | 92.000 | | 1.000 |
| Payment | 368.000 | 116.611 | 0.683 |
| Promotion | 368.000 | 52.339 | 0.858 |
| Quality | 368.000 | 81.841 | 0.778 |
| Service | 368.000 | 69.670 | 0.811 |

Source : Data Processing Results (2023)

Based on the calculation above, a Q2 value of 0.541 is obtained. Since the value of Q2 is greater than 0, it can be concluded that the model has predictive relevance. More details as seen in table 4. Promotion had the highest Q2 value (0.858), followed by Availability (0.848), Service (0.811), Price (0.797), Quality (0.778) and, finally Payment (0.683). These results provide clear support for the predictive relevance of models regarding endogenous latent variables. A Q2 value of all latent variables greater than zero indicates that the model has predictive relevance for a particular construct²⁰.

F-Square testing

Table 12. Line coefficient and f2

| PATH | Path Coefli ent | f | |
|------------------------------------|-----------------|-------|--------|
| Availabil ity ---> Buying Interest | 0,132 | 0,055 | Small |
| Price ---> Buying Interest | 0,102 | 0,049 | Small |
| Payment ---> Buying Interest | 0,249 | 0,283 | Keep |
| Promos---> Buying Interest | 0,171 | 0,089 | Small |
| Qual ity ---> Buying Interest | 0,374 | 0,736 | Big |
| Service ---> Buying Interest | 0,246 | 0,265 | Middle |

Source : Data Processing Results (2023)

- 1) An f2 value of 0.055 indicates that Availability has little effect on Purchase Interest
- 2) An f2 value of 0.049 indicates that Price has little effect on Buying Interest
- 3) An f2 value of 0.283 indicates that Payment has a close influence on Political Brand Awareness
- 4) An f2 value of 0.089 indicates that the Promotion has little effect on Buying Interest.

²⁰ Natália Costa et al., "Student's Entrepreneurial Intention in Higher Education at ISLA-Instituto Politécnico de Gestão e Tecnologia," *Procedia Computer Science* 204 (2022): 825-835.



- 5) An f_2 value of 0.739 indicates that Quality has a great influence on Buying Interest.
- 6) An f_2 value of 0.265 indicates that the Service has a close influence on Buying Interest.

Test the hypothesis

Table 13. Hypothesis Test Results

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values |
|-------------------------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| Quality -> Buying Interest | 0,132 | 0,127 | 0,059 | 2,228 | 0,026 |
| Price -> Buying Interest | 0,102 | 0,099 | 0,045 | 2,281 | 0,023 |
| Payment -> Buy Interest | 0,249 | 0,251 | 0,050 | 4,977 | 0,000 |
| -> Buying Interest Promotions | 0,171 | 0,177 | 0,059 | 2,918 | 0,004 |
| Quality -> Buying Interest | 0,374 | 0,378 | 0,048 | 7,796 | 0,000 |
| Service -> Buying Interest | 0,246 | 0,242 | 0,050 | 4,898 | 0,000 |

Source : Data Processing Results (2023)

Table 14. ANOVA Table for Research Model

| ANOVA | | | | | | |
|-------|------------|----------------|----|-------------|--------|---------|
| Model | | Sum of Squares | df | Mean Square | F | Itself. |
| 1 | Regression | 42.834 | 6 | 7.139 | 85.199 | .000b |
| | Residual | 7.122 | 85 | .084 | | |
| | Total | 49.957 | 91 | | | |

a. Dependent Variable: BUYING INTEREST

b. Predictors: (Constant), Service, Quality, Price, Payment, Quality, Promotion
Based on the results of the hypothesis test in this study, it shows that:

- 1) There was a significant positive effect of availability on buying interest, with t-statistic P values < 0.05.
- 2) There is a significant positive effect of price on buying interest, with the result of t-statistic P values < 0.05.
- 3) There is a significant positive effect of payments on buying interest, with the results of t-statistic P values < 0.05.
- 4) There was a significant positive influence of promotion on buying interest, with the result of t-statistic P values < 0.05.
- 5) There is a significant positive influence of quality on buying interest, with the results of t-statistic P values < 0.05.



- 6) There is a significant positive effect of service on buying interest, with the results of t-statistic P values < 0.05 .

Based on the SPSS Output table above, it can be seen that the calculated F Value is 85.99. Because the F value is calculated $85.99 > F$ table 2.20, then as a basis for decision making in the F test it can be concluded that the hypothesis is accepted or in other words that Quality (X1), Quality (X2), Promotion (X3), Price (X4), Payment (X5) and Service (X6) simultaneously affect Buying Interest (Y).

CONCLUSION

The results of the study "Antecedents of Marketing Strategy in Palm Oil Industry Spare Parts Supplier Companies (Case Study of PT. Technindo Contromatra)" revealed some important findings. First, respondents who participated in this study came from various companies in the area where the palm oil industry operates, providing a good diversity of representation. SEM analysis shows that factors such as quality, promotion, price, availability, payment system, and after-sales service partially and simultaneously have a positive and significant effect on the buying interest of PT. Technindo Contromatra. In line analysis, the quality of parts has the most significant direct influence on customer buying interest, followed by after-sales service and payment systems. Therefore, this study provides recommendations to PT. Technindo Contromatra to maintain product quality, improve after-sales service, and improve payment systems. In addition, the study also suggests that the study can be extended to potential or new customers to deepen understanding of the factors that influence buying interest. Finally, the study identified that availability and price variables have less influence, so companies can consider improvements in terms of promotions and availability of goods when ordered as well as improvements in the bundling system associated with the service team.

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