



Analysis of Marketing Mix and Creativity towards MSME Business Development in Medan City

Dian Septiana Sari^{1*}, Irawan²

¹² Universitas Pembangunan Panca Budi

DOI:

<https://doi.org/10.53697/emak.v5i4.2016>

*Correspondence: Dian Septiana Sari

Email: bunga8979@gmail.com

Received: 20-08-2024

Accepted: 20-09-2024

Published: 31-10-2024



Copyright: © 2024 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Abstract: The study aims to explore the influence of Marketing Mix and Creativity on MSME Business Development in Medan Perjuangan". The research method used is a quantitative model, using a questionnaire as a data collection tool distributed to 75 respondents. Data analysis in this study used multiple linear regression analysis with partial (ui t) and simultaneous (F test) testing. The results showed that simultaneously the marketing mix and creativity variables had a positive and significant effect on business development. The results of the study partially marketing mix and creativity have a positive and significant effect on business development. The contribution of the influence of marketing mix and creativity on business development is relatively high at 84.1%. The implications of the results of this study are able to prove that the marketing mix and creativity are very important to be able to increase the business development of MSMEs in Medan city.

Keywords: Marketing Mix, Creativity, Business Development

Introduction

Business development, especially micro, small and medium enterprises, holds an important position not only for the welfare of the people in the area itself, in many ways they predicate and stabilize the problem of social inequality. Therefore, it is hoped that MSMEs can become one of the economic sources of the community where MSMEs are able to absorb surrounding labor and reduce the unemployment rate in Indonesia. In addition, MSMEs that are able to keep up with the times will be able to compete in the market, not only domestically but even abroad can be controlled by MSMEs. Not only must they be superior regarding products but also business actors must be able to develop strategies to be able to market products by attracting the attention of consumers. To be able to attract the attention of consumers, it is necessary to carry out a marketing mix that functions to place products in their place by setting prices according to quality, and promoting products attractively (Maheshkar, 2024).

One of the factors that can help business actors to develop their business is by implementing a marketing mix in their business. The marketing mix is an important role in marketing that can connect consumers to be able to buy products or services offered by the company. The marketing mix determines the success of the company in achieving the

ultimate goal of getting the highest profit with the minimum possible capital. According to (Swastha & Irwan, 2017). The activities referred to in the marketing mix include four variables, namely 4P, namely Product, Price, Place, Promotion. Where each variable has its own role and function, but is a unit that cannot be separated from one another.

Product is anything that can be offered to the market to satisfy a need or desire, the product is the main component in marketing, with a quality product, the higher the opportunity that will be obtained, this is because the product is a complex marketing mix variable and a concept to identify what the company wants to produce. Apart from products, which greatly affect other marketing strategies such as price, where price is the amount that must be spent by consumers to benefit from owning or using a product or service, prices are said to be expensive, cheap or normal for each different individual and not necessarily the same (Branca, 2024). The third variable is place or place, place is a place where a company sets its shop in an area or area that suits its needs, the company must have a place of business so that production and marketing activities can run smoothly. Finally, promotion is one of the strategies that must be carefully designed because through promotion the company can introduce its products or services to consumers, therefore promotions must be made as attractive as possible. In addition to the marketing mix, business actors must have high creativity to develop and even create new innovations, creativity within the company must always be developed so that they are not left behind by other competitors and can dominate the market.

According to Zimmer (2018), creativity is creative ideas which are then processed through several stages to produce a product or service or business model called innovation. The secret to the success of an entrepreneur lies in the willingness to always know the needs of people by observing and paying attention to people in the environment where he is and trying to fulfill them. By continuing to do creativity and innovation, it can make entrepreneurs able to meet consumer needs by producing better products. In the Medan City area, MSMEs are growing very rapidly and are very advanced. The indication is that there are currently 32,065 MSMEs spread across 21 sub-districts. Starting from MSMEs that produce clothing, food, sandals and even household furniture. That way the competition faced is even higher. The following data is obtained based on BPS. The increasingly intense competition among MSME players, especially in Sei Kera Hilir I Village, Medan Perjuangan Subdistrict, Medan City, makes business actors must always be creative and make new innovations in order to survive and develop in the market. In other words, MSME players must also master the right marketing strategy to use.

The problem examined in this study is the decline in customer buying interest during the Covid 19 pandemic which is marked by a decrease in income obtained by the Ayam Penyet Mbak Dewi business actor, this is thought to be because the menus served have not changed or there is no new menu creation and the room provided is not attractive and uncomfortable, besides that the room provided is only a small room so that it hinders the running of buying and selling activities during the Covid-19 pandemic which requires consumers to keep their distance from other customers. In addition, the lack of promotion makes customer reach only limited to students and local school children, even though if

you look at this business, it is able to grow even bigger if you take advantage of technology that has spread such as utilizing partners such as Gojek, Grab and Shopee where this needs to be considered again for business actors.

Methodology

This research was conducted at Samosir Tourism Village in North Sumatra, Indonesia. This research was conducted from March 2024 to July 2024. The population in this study were MSMEs in Medan city totaling 300. The sample in this study which was used as the object of observation in this study was MSME respondents, 75 samples were determined, which were felt to be sufficient to represent the population. The data analysis technique used is multiple linear regression analysis.

Table 1. Operational and Indicator Variables

| NO | Variables | Operational Definition | Indicator | Scale |
|----|--------------------------|--|---|--------|
| 1 | Business Development (Y) | The process by which small businesses socialize themselves to the needs of the market so that there is an improvement in the quality of the business being run. | <ul style="list-style-type: none"> • Business capital • Sales turnover • Business profit • Labor | Likert |
| 2 | Marketing Mix (X1) | This strategy is related to determining how the company presents product offerings accompanied by other supporting strategies in the form of pricing strategies, promotions, and distribution channel strategies, in certain market segments that are its target market. | <ul style="list-style-type: none"> • Products • Price • Distribution • Promotion | Likert |
| 3 | Creativity (X2) | The ability to develop ideas and find new ways of solving problems and seizing opportunities. | <ul style="list-style-type: none"> • Have great curiosity • Frequently ask weighty questions • Able to express opinions spontaneously and not be shy • Have their own opinions and can express them • Not easily influenced by others • Has a strong imagination, able to propose thoughts, ideas for solving problems that are different from others | Likert |

Data Analysis

Data analysis using multiple Linear Regression, namely an analysis that examines the influence of psychological, situational and social factors on purchasing decisions, using the following formulation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Description:

Y Business Development (*Dependent Variable*)

X = Marketing Mix (*Independent Variable*)

X₂ = Creativity (*Independent Variable*)

α Constant

β Multiple Regression Coefficient

ϵ Error Term

Hypothesis testing using partial test analysis (t test) and simultaneous analysis (F test).

Result and Discussion

Multiple Linear Regression Analysis

The multiple linear regression equation can be seen from the coefficient B value in the following model:

Table 2. Multiple Linear Regression Test Results

| Model | Unstandardized Coefficients | | Standardized Coefficients |
|------------------|-----------------------------|------------|---------------------------|
| | B | Std. Error | Beta |
| 1 (Constant) | 4.714 | 1.441 | |
| Bauran Pemasaran | .391 | .055 | .459 |
| Kreativitas | .375 | .045 | .540 |

a. Dependent Variable: Pengembangan Usaha

Source: Data processed, 2024

From the calculation using SPSS, the following results are obtained:

a 4.714

b 0.391

b₂ 0.375

So the multiple linear regression equation for 3 predictors (product quality, price and service quality) is :

$$Y = 4.714 + 0.391X_1 + 0.375X_2$$

The regression coefficient value $X_1 = 4.714$ shows that if the marketing mix increases by 100%, it will result in an increase in business development in Medan MSMEs by 47.14%. The regression coefficient value $X_1 = 0.391$ shows that creativity has increased by 100% with the provision of a good marketing mix to customers according to customer expectations, it will result in an increase in business development in MSMEs in Medan by 39.1%. The regression coefficient value $X_2 = 0.375$ shows that creativity has increased by 100% provided that the determination of good creativity given to customers according to

customer expectations will result in an increase in business development in Medan MSMEs by 37.5%.

Hypothesis Test

Partial Test (t Test)

Partial tests basically show how far the influence of each independent variable Marketing mix (X1), Creativity (X2) on the dependent variable Business development (Y).

Table 3. Result of t test

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 4.714 | 1.441 | | 3.272 | .002 |
| Bauran Pemasaran | .391 | .055 | .459 | 7.136 | .000 |
| Kreativitas | .375 | .045 | .540 | 8.391 | .000 |

Source: Data processed, 2024

The following is a discussion of the partial test results between the marketing mix, creativity and service quality on MSME business development in Medan.

1. The influence of marketing mix on business development:

The t-test results show that the tcount for the Marketing Mix variable (X1) is 7.136, with a ttable value of 2.188, it is known that the tcount > ttable value and a significant value of 0.000 < 0.05, so Ho is rejected and Ha is accepted. So it can be concluded that there is a positive and significant influence of the marketing mix (X1) on business development (Y).

2. The Effect of Creativity on Business Development.

The t-test results show that the tcount for the Creativity variable (X2) is 8.391, with a ttable value of 2.188, it is known that the tcount > ttable value and a significant value of 0.000 < 0.05, so Ho is rejected and Ha is accepted. So it can be concluded that there is a positive and significant effect of Creativity (X2) on Business Development (Y).

Simultaneous Test (F/Anova Test)

After partial testing (t-test), then determine simultaneous / simultaneous testing or called the F-test. In this F-test, it aims to test simultaneously the effect of marketing mix variables (X1) and creativity (X2) on the dependent variable Business development (Y). The results of testing the research hypothesis simultaneously are as follows:

Table 4. F-test results

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|---------|-------------------|
| 1 Regression | 563.386 | 2 | 281.693 | 196.376 | .000 ^a |
| Residual | 103.281 | 72 | 1.434 | | |
| Total | 666.667 | 74 | | | |

a. Predictors: (Constant), Kreativitas, Bauran

Source: Data processed, 2024

Based on the table above, it can be concluded that the marketing mix (X1), creativity (X2) and service quality (X3) simultaneously affect business development (Y) because F_{hitung} 196.379 is greater than F_{table} 2.73.

Determination Test (R^2)

The coefficient of determination (R^2) essentially measures how far the model's ability to explain the variation in the dependent variable. The coefficient of determination test (R^2) can be seen in table 4 below:

Table 5. Determination Test Results

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .919 ^a | .845 | .841 | 1.19769 |

a. Predictors: (Constant), Kreativitas, Bauran Pemasaran

b. Dependent Variable: Pengembangan Usaha

Source: Data processed, 2024

Based on the table above, it can be concluded that the coefficient of determination (R^2) is 0.841 or 84.1%. The magnitude of the coefficient of determination shows that the independent variables consisting of marketing mix and creativity are able to explain the dependent variable, namely business development by 84.1%, while the remaining 15.9% is explained by other variables not included in this research model.

Discussion

Based on the results of the research and the results of data testing that the researchers have conducted, a discussion of the hypotheses that the researchers have formulated earlier in this study will be explained. This discussion is carried out to see the accuracy or inaccuracy of the previously formulated hypotheses. Discussion of the hypothesis that has been proposed

Hypothesis H1

The results of this study indicate that the marketing mix has a positive and significant influence on the business development of Medan MSMEs. The conclusion shows that the proposed H1 hypothesis is tested and can be accepted. The positive direction results indicate that if the marketing mix increases, business development will increase, and vice versa if the marketing mix decreases, the level of business development will decrease. The results of this study are in line with research by M. Trihudiyatmanto (2021) showing that the marketing mix strategy, quality of human resources, entrepreneurial characteristics and accounting knowledge have a positive and significant effect on business development in Wonosobo Regency.

The results showed that the broader the marketing strategy that is on target, it can increase the development of MSMEs. Although in reality there are still many MSME owners in Medan Perjuangan who have not expanded their marketing reach. MSMEs in Medan Perjuangan Sub-district have mostly utilized the use of social media well, such as offering their products so that it is hoped that they will be increasingly recognized by the

wider community and increase business development and sales. Examples of MSMEs in Medan Perjuangan that have promoted on social media and succeeded in their business.

Hypothesis H2

The results of this study indicate that creativity has a positive and significant influence on the business development of Medan MSMEs. The conclusion shows that the proposed H2 hypothesis is tested and acceptable. High or low creativity has an important role in business development. Creativity has indicators, namely, affordability of creativity, creativity according to ability or competitiveness, compatibility of creativity with the marketing mix, and compatibility of creativity with benefits. If the creativity set by MSMEs is not in accordance with the creativity assessment indicators, the level of business development will decrease. And vice versa, if the creativity set by MSMEs is in accordance with the achievement of the indicator value on creativity, it will increase business development. The results of this study are in line with the research of Muhammad Tahrir & Meftahudin (2019) which states that this study shows that there is a positive and significant influence between business capital, creativity and competitiveness on business development.

Creativity includes being open to experience, paying attention to seeing things in unusual ways, persistence, accepting and reconciling contradictions, tolerance for the obscure, independence in decision making, thinking and action, requiring and assuming autonomy, self-confidence, not being subject to group standards and control, willing to take calculated risks, perseverance, sensitivity to problems, fluency, ability to create many ideas, flexible originality, responsiveness to feelings, openness to phenomena that are not yet clear, motivation, free from fear of failure, thinking in imagination, selective and innovation include: analyzing opportunities, what to do to satisfy opportunities, simple and purposeful starting small

Hypothesis H3

The results of this study indicate that the marketing mix, creativity and service quality have a positive and significant influence together on the business development of Medan MSMEs. The hypothesis in this study H0 is rejected and Ha is accepted, which means that the marketing mix, creativity and service quality have a significant effect simultaneously or together on the business development of Medan MSMEs, so the conclusion shows that the proposed H3 hypothesis is tested and can be accepted. The positive current results indicate that if the marketing mix and creativity increase, business development will increase, and vice versa if the marketing mix and creativity decrease, the level of business development will decrease. The results of this study are also in accordance with the objectives of the research conducted, namely to analyze and find out whether the marketing mix, creativity and service quality *simultaneously* have a positive and significant effect on the business development of Medan MSMEs, and have answered the problem formulation at point 4, namely: "Do marketing mix and creativity *simultaneously* have a positive and significant effect on the business development of Medan MSMEs, so that how to improve the business development of Medan MSMEs through marketing mix and creativity has been answered.

Conclusion

The conclusions from the results of the study prove that simultaneously the marketing mix variables and creativity have a positive and significant effect on business development. The results of the study partially marketing mix and creativity have a positive and significant effect on business development. The contribution of the influence of marketing mix and creativity on business development is relatively high at 84.1%. The implications of the results of this study are able to prove that the marketing mix and creativity are very important to be able to improve the business development of MSMEs in Medan city. Researchers provide suggestions for further researchers, this research can be a reference in conducting research, especially in the field of MSMEs and can add independent variables that are not in this study.

References

- Alifuddin. (2017). *Basics of Management*. Bandung: Alfabeta.
- Allison, Michael & Kaye, Jude. (2017). *Strategic Planning for Nonprofit Organizations*. Jakarta: Yayasan Pustaka obor Indonesia
- Alma, Buchari. (2015). *Marketing Management and Service Marketing*. Bandung: Alfabeta
- Alma, Buchari. (2018). *Marketing Management and Service Marketing*. Bandung: Alfabeta
- Branca, G. (2024). Flatmates: The First Italian Influencer Marketing Agency Founded and Managed by Content Creators. *Micro and Macro Marketing*, 639-656.
- Chandra, Christian. (2016). *The Role of Perceived Benefits, Perceived Convenience, Product Features, Motivation and Trust in Purchasing Decisions (Study on E-Money Users in Indonesia)*.
- Desky, Nur Nazmah. (2019). *Marketing Strategy Analysis in the Development of Micro, Small and Medium Enterprises (MSMEs) Case Study at Cozy Coffee & Kitchen Medan*. Thesis. University of North Sumatra.
- Irawan, I. (2020). Financial Planning and Cost Management as an Effort to Increase the Income of Business Actors in Timbang Jaya Village, Bahorok District, Langkat, North Sumatra. *Ihsan: Journal of Community Service*, 2(2), 278-289.
- Irawan, I., & Irawan, A. (2022). Business Bookkeeping Realizing MSMEs Upgrading (Collaboration of Indonesian and Malaysian MSMEs). *Journal of Academician Community Service*, 1(3), 14-22.
- Ma'sum Abdul and Gunawan. (2019). Coffee Shop as a Third Space for High School Students in Kragan District, Rembang Regency. *Solidarity*. Vol 8, No. 532-544.
- Maheshkar, C. (2024). The Pedagogy Mix: Teaching Marketing Effectively In Business/Management Education. *Journal of Applied Research in Higher Education*, 1001-1014.
- Mansyur, Alif Muhammad. (2021). *The Effect of Business Capital, Quality of Human Resources and Marketing Mix on the Development of MSMEs (Case Study of MSMEs in Kendal Village, Gondang District, Tulungagung Regency)*. Thesis. Tulungagung State Religious Institute.

- Murtini. (2021). Analysis of business development through the dimensions of creativity and motivation Case studies on MSMEs in Sugihwaras District, Bojonegoro Regency. Journal. Wijaya Putra University Surabaya
- Nasution, Arina Irna. (2017). The Effect of Creativity and Entrepreneurial Skills on Business Success in Culinary Businesses in Mega Mas Medan Complex. Thesis. University of North Sumatra.
- Purnawati Endang. (2020). The Effect of Entrepreneurial Characteristics, Business Capital, Marketing Strategy on the Development of MSMEs in Dayaan and Kalilondo Villages, Salatiga. Journal. STIE AMA Salatiga.
- Sudrartono Tiris & Saepudin Dani. (2020). The Effect of Marketing Mix Strategy on the Development of MSMEs at the Bandung Regency Small and Medium Enterprises Cooperative Office. Journal. Politeknik Piksi Ganesha Bandung.
- Tahrim Muhammad & Meftahudin. (2018). Analysis of the Effect of Business Capital, Creativity and Competitiveness on the Development of MSMEs (Case Study on Welding Workshops in Wonosobo Regency). Journal. Al- Quran University of Science.
- Sari, D. S., & Irawan, I. (2021). Empowering community in creating business opportunities in Pahlawan Village, Batu Bara Regency. *Journal of Community Service and Empowerment*, 2(2), 83-88.
- Samrin, S., Irawan, M., & Se, M. (2019). Analysis of Blue Ocean Strategy for Craft Industry in Tanjung Balai City. *Journal of Management*, 11(1), 93-100.
- Siregar, M. (2021). Financial Planning Strategies in the Covid 19 Pandemic Era for Umkm Kain Ulos in Pahlawan Village, Batu Bara Regency. *IHSAN: Journal of Community Service*, 2(1), 123-130.