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# Understanding Relationship between Personality Types, Marketing-mix Factors, and Purchasing Decisions

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**Abstract**

As one of well-known fashion cities in Indonesia, Bandung has growing numbers of fashion distribution store. These stores, known as distro, have become one of the growth drivers of fashion industry in Bandung. This paper aims to provide understanding on how Bandung distro customers with different personality types evaluate marketing mix factors and how it impacts their purchasing behavior. The customer data was collected by using two types of questionnaires. One questionnaire was used to gather data on distro customers' personality type, while the other used to measure the customers' assessment of marketing mix factors and the impacts on their purchasing decisions. Discriminant and multiple regression analysis method were then used to analyze the data. The result shows that customer personality profiles relate to their assessment of marketing mix factors and that it impacts their purchasing decisions. The result of this research can be used as a consideration in understanding distro customers' behaviors in Bandung so that distro managers and entrepreneurs can formulate effective marketing strategy. Further, as previous studies usually limited themselves only to measurement and comparison of marketing mix factors, this study gives a deeper understanding on customer behavior as it explains not only on how distro customers with different personality types assessed marketing mix factors, but also its impacts on their purchasing decisions.

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## 1. Introduction

Bandung is known as one of fashion cities in Indonesia. Based on data from previous studies, fashion industry contributed IDR45,803,769,843,- or 43.71% of the total GDP of Bandung in 2009. One of main revenue contributors from Bandung fashion industry is Distribution Store. Distribution Store, more commonly known by its acronym "Distro", is a small-scale fashion store dedicated for the young generation. At its early development stage in 1997, there were only 5-7 distro outlets in Bandung. However, the number of distros in Bandung grew significantly as in 2009 there were 480 distro outlets (NN, 2012).

Because of its rapid development, the competition among distros in Bandung is getting more intense. Thus, to survive from the competition, the distro entrepreneurs must provide added-value in their products that would make their products different from the competitors'. By doing so, the entrepreneurs could create customers' interests and increase the marketability of their products

The above objective can be achieved through good understanding of target market. By knowing its customers, distros can provide products that would match their target market's needs. Therefore, distros must understand the characteristics of their target market and how they behave. From those data, effective marketing strategy can be formulated so that attractive products can be offered to their customers.

One way to understand their customer characteristics is by gaining understanding on their customers' personalities. By knowing the persons' personality, their lifestyle patterns can be explained; behaviors and consumption choices can be predicted (Tsu Wee, 2004). In order to further deepen the understanding of targeted customers, customer knowledges in assesing marketing mix factors should also be obtained. By knowing the results of consumers' assessment of marketing mix factors, appropriate marketing strategies can be developed using marketing mix concept as one of the most fundamental concepts in marketing management for attracting consumers and achieving marketing objectives (Akrani, 2010).

Thus, this study will discuss personality types of Bandung distro consumers and the results of their assessments on marketing mix factors based on their personality types. Further, the study will discuss the impacts of those two variables on the customers' purchasing decision. Therefore, the research questions of this study are as follow:

**RQ1**   What are the personality types of Bandung distro customers?
**RQ2**   How are the results of marketing mix factor assessments conducted by Bandung distro customers with different personality type?
**RQ3**   Does personality type influence Bandung distro customers' assessment of marketing mix factors?
**RQ4**   Does the assessment of marketing mix factors influence Bandung distro consumers' purchasing decision?
**RQ5**   Do Bandung distro customers' personality types influence their purchasing decision?

To answer the research questions, this paper is organized into five sections: the first section consists of introduction and research questions; the second explains theoritical background; the third explains the methodology used in the paper; the fourth explains result summary and discussion, and the fifth explains explains the conclusions of this paper and their implications.

## 2. Literature Review

Engel, *et al.* (1995) stated that the purchasing decision process refers to the consistent and prudent measures taken to meet the needs, while Schiffman and Kanuk (2007) said that the decision as the selection to the two or more alternative choices, in other words the availability of more than one option was a must in decision making. Kötler (1995) argued that a purchasing decision mainly determined by the

customers' personal trait and evaluation process, along with stimuli from the external environment. Thus, according to Kotler, studying these factors are very important to form an effective marketing strategy.

In marketing management, marketing mix is the most fundamental concept that must be understood in order to make an effective marketing strategy. In previous researches, it is stated that marketing mix factors such as product, price, place and promotion have significant impact to purchasing decisions (Andotra & Pooja, 2007; Lembang, 2010). The customers' evaluation of marketing mix factors is considered as evaluation process that will influence purchasing decision (Kötler, 1995).

On the other hand, there also exists customer's personal trait that determined the evaluation process and purchasing decision. Previous research stated that personal trait is one of the factors that determined the way of person process the information from the environment (Barkhi & Wallace, 2007; Siddiqui, 2011; Tsu Wee, 2004). Furthermore, Barkhi and Wallace (2007) stated that customer's personality type is one of the factors that influenced the process of decisions making.

Therefore, this study aims to explore the impacts of personality both to marketing mix factors and purchasing decisions, and the impacts of marketing mix factors itself to purchasing decision.
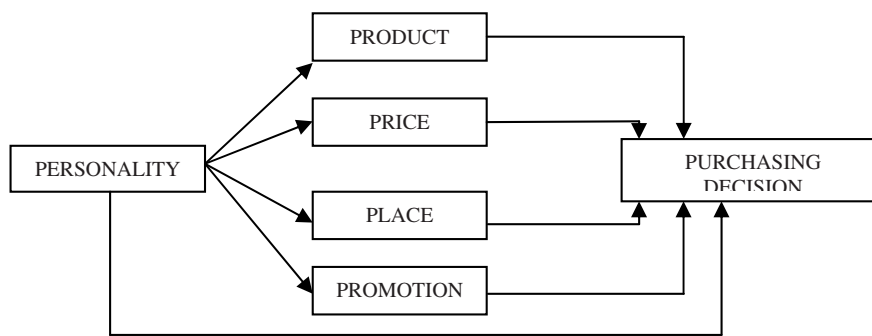


Fig. 1. Theoretical Framework

## 3. Research Design and Methodology

In order to evaluate the proposed theoritical framework (Fig.1), this study uses survey with random sampling method to gather data from the sample. There are two tools in this study. Both questionnaires used a seven Likert-type scale ranging from "strongly not important" to "strongly important" or from "strongly not disagree" to "strongly agree". The first questionaire, developed from Kötler's work (1995), is used to measure the assessment of customers on marketing mix factors and purchasing decisions. Product is defined as the article in which a manufacturer desires to sell in the open market. Price is defined as the valuation of the product mentioned by the seller on the product. Place refers to the delivery of goods at the right time and at the right place to consumers. Promotion is defined as the persuasive communication about the product offered by the manufacturer to the prospect. And finally, purchasing decisions is defined as a stage where customers meet a choice to make a purchase or not, which is measured by indicators of stability in a product, habit of buying the product, giving recommendations to others, make repeat purchases (Kötler, 1995). This questionnaire has 29 item with the items validity from 0.322 until 0.698, using Pearson Correlation analysis, and the reliabity of this questionnaire is 0.914, based on Cronbach's Alpha measurement method.

The second tool is MBTI personality test that categorizes people personality into one of 16 personality types. These categories are based on four features of personality, each consisting of two opposite

preferences. According to the theory, all people have an innate preference that determines how they will behave in all situations (Pittenger, 1993). The four dimensions are: (1) Extroversion (E) vs Introversion (I). This dimension reflects the perceptual orientation of the individual. (2) Sensing (S) vs Intuition (N). People with a sensing preference rely on things that can be perceived and are considered to be oriented toward real things. (3) Thinking (T) vs Feeling (F). A preference for thinking indicates the use of logic and rational processes to make deductions and decide upon action. (4) Judgment (J) vs Perception (P). The judgment-perception preferences were invented by Briggs and Myers to indicate whether rational or irrational judgments that is dominant when a person is interacting with the environment (Pittenger, 1993; CAPT, 2012). The study used the MBTI personality test. The reason to use this tools was because MBTI put emphasis on "why" different personality behave differently when they are presented with different sources of information that presented in various way (Barkhi & Wallace, 2007). This MBTI personality test have 94 items with the items validity from 0.341 until 0.605, based on Pearson Correlation analysis, and the reliabity of this questionnaire is 0.962, based on Cronbach's Alpha measurement method. From validity measurement data, it can be concluded that the questionnaire and the MBTI test used in this study have a good validity because all the items Pearson Correlation is above 0.3 and have a good reliability because the Cronbach Alpha of the tools is above 0.7.

This study have large population and unknown number of population. Hair stated that the ideal sample size which plays an important role in the estimation and interpretation of the results is dependent on the number of research variables multiplied by 15 to 20 (Hair, *et al.*, 1998). Thus, the minimum sample size for this study having 5 independent variables is 100 people.

In total, 364 people participated in this study. The gender of the participants is distributed with 119 of female participants and 245 of male participants. The profile of the participants are as follow: 69.20 % of the participants is between 20-24 years old, 48.10 % of participants have undergraduate degree, and 32,70 % of the participants have income per month above IDR3.000.0000.

The collected data were then analyzed using determinant and multiple regression analysis. To conduct such analysis, this study use statistics software: IBM SPSS Statistic 20. The methods used to analyze how customers with different personality type conduct assessment of marketing mix factors. The study will then continue by analyzing how the relation and personality type itself influence the customers' purchasing decision.

## 4. Findings and Discussion

The survey identified 13 types of personality: ESTJ, ESFJ, ESFP, ENTJ, ENTP, ENFJ, ENFP, ISTJ, ISFJ, ISFP, INTP, INFJ, and INFP. The different personality type that occurs among participants reflects the differences on how each participant conduct evaluation process of marketing mix factors of Bandung Distro. Among the thirteen personality types identified, this study thre are three personality types which have become the majority types of personality among the participants: ENFJ, ESFJ, and INFJ.

### 4.1. ENFJ

ENFJ person is described as sociable, warm, empathetic, loyal, responsive and responsible person. The people who have ENFJ personality type, are oriented primarily to the outer world of people and things, prefer to perceive the world as possibilities, meanings and relationships, rely more on hunches or insights rather than on the five senses, make decisions based more on personal or social values, subjective beliefs, and usually seeks closure, and are more orderly and planned in behaviour (Pittenger, 1993; CAPT, 2012). On the evaluation of marketing mix factors, the majority of ENTJ person considered

discount on the price factor and style on the product factor as the most important factors when they did an evaluation process in purchasing decision.

### 4.2. ESFJ

ESFJ person is described as warmhearted, conscientious, loyal, and cooperative person. The people who have ESFJ personality type are primarily oriented to the outer world of people and things, prefer to perceive the world as possibilities, meanings and relationships, rely mostly on the five senses to observe facts or happenings, makes decisions based more on personal or social values, subjective beliefs, and usually seeks closure, more orderly and planned in behaviour (Pittenger, 1993; CAPT, 2012). On the evaluation of marketing mix factors, the majority of ESFJ people considered pricing strategy producer applied on the price factor as the most important factors when they did an evaluation process in order to make purchasing decision.

### 4.3. INFJ

INFJ person is described by the depth of concentration, grasp of possibilities, warmth and sympathy he/she has. The people who have INFJ personality type are more oriented toward the inner world of concepts and ideas, prefer to perceive the world as possibilities, meanings and relationships, rely more on hunches or insights rather than on the five senses, make decisions based more on personal or social values, subjective beliefs, and usually seeks closure, more orderly and planned in behaviour (Pittenger, 1993; CAPT, 2012). On the evaluation of marketing mix factors, the majority of INFJ customers considered pricing strategy and the credit purchase on the price factor as the most important factors when they did an evaluation process in order to make purchasing decision on distro products.
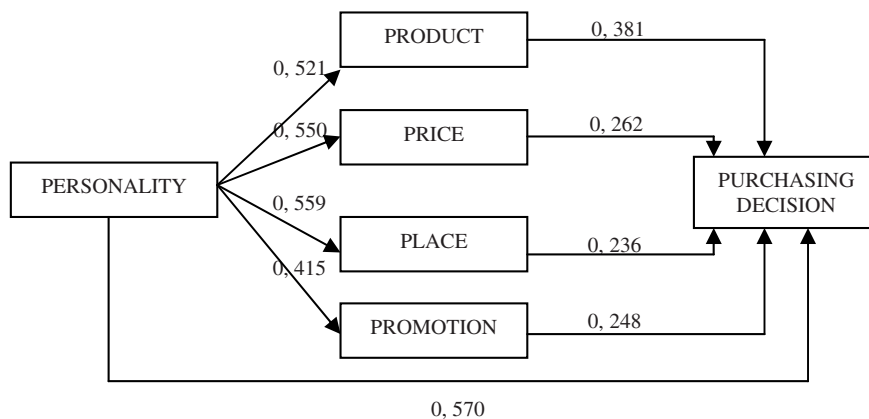


Fig. 2. Path Diagram Model

Further, through deeper analysis using multiple regression and path diagram, it can be calculated that personality has positive influence on the product factor in marketing mix as much as 52.1%, on price factor 55%, on place factor 55.9%, and on promotion factor as much as 41.7%. On the other hand, regarding purchasing decision, the personality has positive influence as much as 57%, the product factor 38.1%, the price factor 26.2 %, the place factor 23.6%, and the promotion 24.8 %. The description of the

impact of personality both to marketing mix factors and purchasing decision, and the impact of marketing mix factors towards purchasing decision is shown in the Figure 2.

## 5. Conclusion and Implications

There are 13 personality types of customers identified in the survey: ESTJ, ESFJ, ESFP, ENTJ, ENTP, ENFJ, ENFP, ISTJ, ISFJ, ISFP, INTP, INFJ, and INFP. The study explains the impacts of personality type on the evaluation of marketing mix factors and purchasing decision for three major personality types found in the study: ENFJ customers considered discount (price) and style (product) as the most important factors in purchasing decision, while ESFJ customers considered pricing strategy (price) and INFJ customers considered pricing strategy and credit purchase (price). Using multiple regression and path diagram analysis, it can be concluded that personality type has positive influence on marketing mix factors and purchasing decision. Also, marketing mix factors has positive influence on customers' purchasing decision. By understanding this relationship, following things can be predicted: the customers' behavior patterns, customers' preferences, and their way of thinking and doing evaluation process to the information from the environment. Hopefully, by knowing this, distro managers and entrepreneurs can formulate effective marketing strategy to develop their market share.

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