# EXAMINING THE INFLUENCE OF THE MARKETING MIX (4PS) ON MANUFACTURERS' PURCHASE DECISIONS OF IMPORTED TOBACCO: A CASE STUDY OF PT HARUM TEMBAKAU INDONESIA

**Jeri Cahyadi Saputra**[1]
**Universitas Khairun, Maluku Utara, Indonesia**
jericahyadi@unkhair.ac.id

**Dudi Amarullah**[2]
**Universitas Khairun, Maluku Utara, Indonesia**
dudi.amarullah@unkhair.ac.id

**Nikita Astria**[3]
**Universitas Khairun, Maluku Utara, Indonesia**
nikita.astria@unkhair.ac.id

## Abstract

The tobacco industry is a strategic sector in Indonesia, contributing significantly to state revenue and employment absorption. Although Indonesia is known as a major tobacco producer, the demand from cigarette manufacturers for specific types of tobacco has driven imports from countries such Tiongkok, Brasil, India, Zimbabwe and Turki. PT Harum Tembakau Indonesia, a newly established company in 2024, was founded to meet this demand by supplying imported tobacco to manufacturers. In facing competition with more established firms, an effective marketing strategy becomes critically important. This study aims to analyze the influence of the marketing mix (product, price, place/distribution, and promotion) on manufacturers' purchase decisions regarding imported tobacco, with a case study on PT Harum Tembakau Indonesia. This research adopts a quantitative method using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach. The findings indicate that the variable place (distribution) has a positive and significant effect on purchase decision ($\beta = 0.296$; $p = 0.006$), while price does not show a significant influence ($\beta = 0.120$; $p = 0.391$). Interestingly, product ($\beta = -0.386$; $p = 0.019$) and promotion ($\beta = -0.310$; $p = 0.001$) exhibit negative and significant effects on purchase decision. The $R^2$ value of 0.225 suggests that the marketing mix model explains 22.5% of the variance in purchase decisions. These results have strategic implications, highlighting the need for the company to emphasize distribution reliability and to re-evaluate its product and promotion strategies to better align with the needs and expectations of manufacturers. This study is expected to serve as a reference for formulating more effective marketing strategies in the future.

**Keywords:** Ethnography, Metadata, Costing, Employee Performance

## INTRODUCTION

The tobacco industry in Indonesia is considered a strategic sector, contributing significantly to national revenue and employment. According to data from the Ministry of Finance, tobacco excise revenues exceeded IDR 200 trillion in 2023, making it one of the largest contributors to non-tax state revenue (Admin Web Bea dan Cukai, 2024; Masitoh, 2023). In addition to its fiscal role, the tobacco sector also supports millions of jobs across agriculture, distribution, and manufacturing.

In terms of raw material supply, although Indonesia is recognized as one of the largest tobacco-producing countries in the world, the demand for specific types of tobacco with unique characteristics such as aroma, texture, and nicotine content has driven cigarette manufacturers to import tobacco from countries such as Tiongkok, Brasil, India, Zimbabwe, and Turki (Siagian, 2024). Imported tobacco is perceived as complementary to domestic production and is often necessary to meet the quality standards required by certain market segments (Ahsan et al., 2020).

PT Harum Tembakau Indonesia is a newly established company that began operations in 2024, focusing primarily on the supply of imported tobacco to meet the needs of the national cigarette industry. As a new market entrant, PT Harum Tembakau Indonesia faces significant challenges in competing with well-established players. Therefore, developing an effective marketing strategy is critical to enhancing competitiveness and influencing purchasing decisions among manufacturers.

One of the strategic approaches relevant in this context is the application of the marketing mix (4Ps) framework, which includes product, price, place (distribution), and promotion. These four elements are widely recognized as playing an essential role in shaping customer perceptions, delivering value, and ultimately influencing purchasing behavior (Malelak et al., 2021). In B2B industries such as the imported tobacco supply, product quality and distribution reliability are often the most influential factors in decision-making processes (Hoffman et al., 2024).

However, as PT Harum Tembakau Indonesia is still in its early stages, the effectiveness of its marketing mix strategies has not yet been fully evaluated. Therefore, this study aims to analyze the extent to which the marketing mix influences purchasing decisions for imported tobacco products by manufacturers, using PT Harum Tembakau Indonesia as a case study. The results of this study are expected to serve as a foundation for designing more targeted and effective marketing strategies in the future.

Accordingly, the objective of this research is to analyze the influence of the marketing mix (4P) on the purchase decision of imported tobacco products by manufacturers at PT Harum Tembakau Indonesia.

## REVIEW OF LITERATURE

### Tobacco Industry and Importation in Indonesia

Indonesia is a major player in the global tobacco market, both as a consumer and a producer of tobacco. Despite being one of the largest producers of tobacco in the world, Indonesia's tobacco industry also depends on imports to meet the diverse demands of domestic manufacturers (Mulya, 2025). Imported tobacco is particularly sought after for its specific qualities, such as distinct aroma, texture, and nicotine levels, which are sometimes difficult to achieve with local varieties. The demand for imported tobacco is driven by the

need to maintain product diversity and meet consumer preferences in a competitive market (W. G. A. Wijaya et al., 2023).

As a new entrant into this market, PT Harum Tembakau Indonesia faces the challenge of differentiating itself from established suppliers. Research on new market entrants indicates that effective use of the marketing mix can be a crucial factor for success (Samuel Putta, 2023). By aligning product offerings with customer needs, offering competitive pricing, ensuring reliable distribution, and building strong promotional relationships, PT Harum Tembakau Indonesia can enhance its competitive edge in this dynamic market.

**The Marketing Mix (4Ps) and Its Role in B2B Purchase Decisions**

The Marketing Mix, consisting of Product, Price, Place, and Promotion (4Ps), is a foundational concept in marketing theory. It refers to the set of tactical tools that companies use to influence consumer behavior and shape customer satisfaction (Kotler & Keller, 2016). The 4Ps are particularly influential in Business-to-Business (B2B) environments, where purchasing decisions are often more complex, rational, and driven by long-term considerations (Hoffman et al., 2024).

1. Product (Quality, Variety, and Brand Image): In B2B markets, the product is typically defined by its quality, specifications, and reliability (Zhao, 2024). For instance, in the tobacco industry, manufacturers often prioritize consistency and premium quality in the raw materials they purchase, as these characteristics directly impact the final product's quality. Imported tobacco, which is often used to complement domestic varieties, must meet the specific needs of the manufacturer in terms of texture, nicotine levels, and aroma. Therefore, product characteristics are a crucial factor in shaping purchase decisions (Zia, 2017).
   $H_1$: The Effect of Product on Purchase Decision
2. Price (Cost and Value Perception): Price is one of the most significant factors influencing purchase decisions, particularly in cost-sensitive industries like tobacco. However, in B2B contexts, price is often considered alongside other factors such as product quality, service, and reliability (Hinterhuber et al., 2021). Research by (Battaglia et al., 2015) indicates that firms do not solely base their decisions on the lowest price but also on the perceived value proposition offered by the supplier. As such, in the tobacco sector, manufacturers balance price considerations with the quality of the imported tobacco to maintain product standards while optimizing cost efficiency.
   $H_2$: The Effect of Price on Purchase Decision
3. Place (Distribution and Accessibility): The distribution channel is crucial in B2B purchase decisions, particularly for industries reliant on the timely and efficient delivery of raw materials. In the tobacco industry, suppliers like PT Harum Tembakau Indonesia must ensure that imported tobacco is reliably sourced and distributed to manufacturers. Effective distribution channels ensure that tobacco is delivered in the necessary quantities and on time, without compromising quality (Shen et al., 2022). The reliability of distribution and logistical support can strongly influence the purchase decisions of tobacco manufacturers (Varela Zuniga, 2022).
   $H_3$: The Effect of Place on Purchase Decision
4. Promotion (Brand Communication and Relationship Building): Promotion in B2B markets often focuses on relationship-building and the long-term value a supplier can offer (Koponen & Julkunen, 2022). In the context of tobacco imports, promotional strategies

may include product demonstrations, direct communication, and offering incentives to manufacturers based on bulk purchasing or long-term agreements. Effective promotion helps create brand awareness and trust, leading to stronger partnerships. According to (Jang et al., 2022), in a B2B environment, promotional activities that emphasize quality, customer service, and strategic partnerships are crucial for influencing purchasing decisions.

$H_4$: The Effect of Promotion on Purchase Decision

**B2B Purchasing Decisions in the Tobacco Industry**

In B2B contexts, purchasing decisions are often influenced by a combination of functional and emotional factors. According to (Ćorić, 2021), B2B purchasing decisions tend to be more rational and deliberate than those in consumer markets. Factors such as product performance, supplier reliability, and cost-effectiveness dominate the decision-making process. However, emotional and relational factors, including trust in the supplier and the quality of service, are also significant (Paparoidamis et al., 2019). In the context of PT Harum Tembakau Indonesia, fostering trust through reliable distribution, high-quality tobacco, and clear communication in promotional efforts could be essential in influencing purchase decisions.

The marketing mix plays a vital role in shaping the purchasing decisions of tobacco manufacturers. By carefully managing the 4Ps product quality, competitive pricing, efficient distribution, and effective promotional strategies PT Harum Tembakau Indonesia can increase its likelihood of success in the competitive tobacco import market. As the industry continues to evolve, further research is needed to explore how these factors interact within specific market contexts and how new entrants can leverage these elements for sustained growth.

## RESEARCH METHOD

In order to examine the influence of the Marketing Mix (4Ps) on the purchase decisions of tobacco manufacturers, this study employs a conceptual model that integrates the key variables of product, price, place, and promotion. The model is designed to identify the relationships between these marketing mix elements and their direct impact on manufacturers' decisions to purchase imported tobacco from PT Harum Tembakau Indonesia. This model serves as the foundation for the analysis using Structural Equation Modeling - Partial Least Squares (SEM-PLS), which enables the exploration of causal relationships among the variables and provides insights into the factors that most significantly affect purchase decisions.

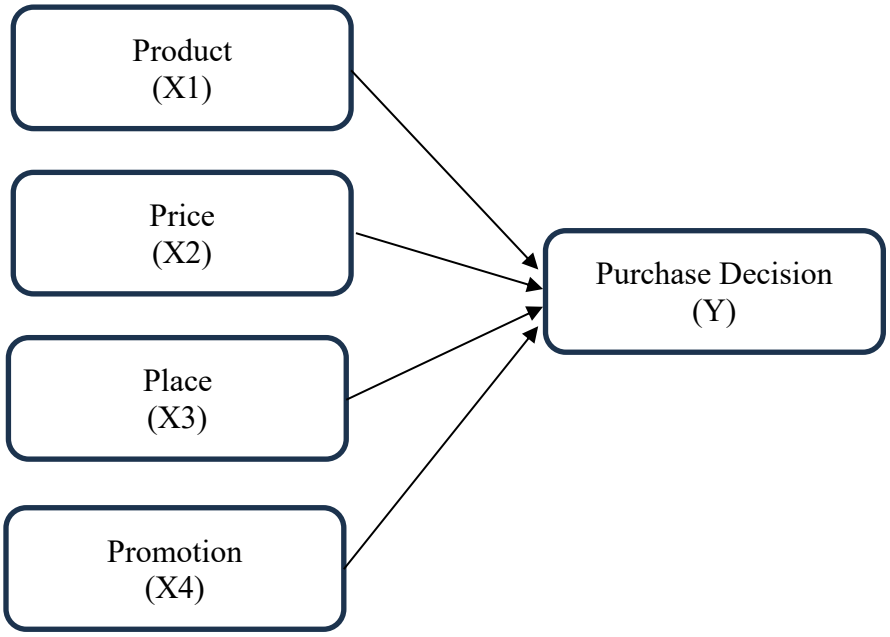


**Figure 1.**
**Research Model**

This study employs a quantitative approach with an explanatory research design, aiming to explain the influence of independent variables, namely the marketing mix (4Ps), on the dependent variable, which is the purchase decision of imported tobacco products by cigarette manufacturers, in a case study of PT Harum Tembakau Indonesia.

The data analysis method used is Structural Equation Modeling – Partial Least Squares (SEM-PLS). This technique is selected due to its capability to examine complex causal relationships among latent variables, its non-requirement of normal data distribution, and its suitability for studies with relatively small to medium sample sizes. The analysis was conducted using SmartPLS version 4 software.

The population in this study consists of all cigarette manufacturers who are or have the potential to become customers of PT Harum Tembakau Indonesia. The sampling technique used is purposive sampling, with respondents selected based on their direct involvement in the decision-making process regarding the procurement of tobacco raw materials, such as owners, managers, sales and marketing personnel, and operating officers.

Following the guidelines by (Hair et al., 2019), the minimum sample size for SEM-PLS should be ten times the highest number of indicators in a single construct. In this study, the purchase decision variable contains six indicators, indicating a minimum required sample size of 60 respondents. However, to enhance the reliability and predictive power of the model, the target sample size for this research was set at 70 to 100 respondents.

The research instrument used is a closed-ended questionnaire, developed based on indicators for each variable and measured using a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). Data analysis was carried out in several stages, including outer model evaluation (to assess indicator validity and reliability), inner model evaluation (to analyze $R^2$ values and path coefficients), and significance testing through bootstrapping to examine the direct effects of each variable on purchase decision.

To provide a clear framework for this study, the operational definitions of each variable are outlined in Table 1. These definitions serve to translate abstract theoretical concepts into measurable indicators, which form the basis for data collection and analysis. Each variable, both independent and dependent, is defined based on relevant literature, and its corresponding indicators are adapted to suit the context of imported tobacco purchasing decisions by cigarette manufacturers. The table includes the dimensions, indicators, and measurement scales used to assess each construct in this research.

**Table 1.**
**Operational Definition of Variables**

| Variabels | Indicators | Code | Questionnaire Items |
|---|---|---|---|
| Product (X1) | 1. Product Quality | X1.1 | 1. The imported tobacco offered has high quality and meets the cigarette industry's standards.<br>2. The quality of the imported tobacco supports optimal cigarette production outcomes. |
| | 2. Product Variants/Types | X1.2 | 1. The company provides a variety of imported tobacco variants according to our needs and preferences.<br>2. The available tobacco variants help us meet the demands of different product segments. |
| | 3. Product Suitability for Production Needs | X1.3 | 1. The imported tobacco products from this company meet the specifications required in our production process.<br>2. The available imported tobacco products support the smooth operation of our production activities. |
| | 4. Product Quality Consistency | X1.4 | 1. The quality of the imported tobacco we receive is consistently maintained across every shipment by the company.<br>2. Consistent quality of imported tobacco strengthens our trust in the company. |
| | 5. Product Packaging and Handling | X1.5 | 1. The packaging of the imported tobacco facilitates easy storage and usage of the product.<br>2. Proper handling during distribution ensures that the quality of the tobacco remains intact. |
| Price (X2) | 1. Price Affordability | X2.1 | 1. The imported tobacco offered is affordable for our company.<br>2. The price of the imported tobacco fits within our company's purchasing budget. |

| | | | |
|---|---|---|---|
| | 2. Price-Quality Appropriateness | X2.2 | 1. The price offered is appropriate for the quality of imported tobacco we receive.<br>2. We find the price and quality balance of the imported tobacco to be satisfactory. |
| | 3. Flexibility in Price Offers | X2.3 | 1. The company provides flexible pricing based on our purchase volume.<br>2. The company offers price adjustments depending on the scale of our orders. |
| | 4. Price Transparency | X2.4 | 1. The pricing structure offered is clear and transparent without hidden costs.<br>2. We are informed in advance of all costs involved in the purchase. |
| | 5. Price Competitiveness | X2.5 | 1. The price of imported tobacco from this company is more competitive compared to other suppliers.<br>2. The company's pricing gives us a competitive advantage in our production cost structure. |
| Place (X3) | 1. Ease of Product Access | X3.1 | 1. Imported tobacco products are easy to access and order through the company's distribution system.<br>2. The company's ordering process for imported tobacco is straightforward and efficient. |
| | 2. Delivery Speed and Accuracy | X3.2 | 1. The company consistently delivers products on the promised schedule.<br>2. Deliveries are accurate and match the quantities and specifications we ordered. |
| | 3. Product Availability in Warehouse | X3.3 | 1. Imported tobacco products are readily available when we need them at PT Harum Tembakau Indonesia.<br>2. We rarely experience stock shortages when ordering imported tobacco from the company. |
| | 4. Distribution Reach | X3.4 | 1. The company has an extensive distribution network that reaches our factory locations.<br>2. The company's distribution system ensures timely access to imported tobacco across regions. |
| | 5. Logistics Partner Reliability | X3.5 | 1. The company partners with reliable and experienced logistics providers. |

| | | | |
|---|---|---|---|
| | | | 2. The logistics partners consistently handle our orders efficiently and securely. |
| Promotion (X4) | 1. Marketing Communication | X4.1 | 1. The company regularly informs us about product offers and updates through effective communication channels.<br>2. The communication from the company helps us stay updated on product availability and promotions. |
| | 2. Discounts and Special Offers | X4.2 | 1. The company offers attractive pricing or special discounts for bulk purchases.<br>2. Special offers and discounts are clearly communicated and easy to access. |
| | 3. Sales Promotion | X4.3 | 1. The company frequently holds events or exhibitions to introduce new products to potential customers.<br>2. Promotional activities enhance our knowledge and interest in the company's tobacco products. |
| | 4. Loyalty or Partnership Programs | X4.4 | 1. The company has loyalty or partnership programs that benefit manufacturers who consistently make large purchases.<br>2. Participation in the loyalty program strengthens our long-term relationship with the company. |
| | 5. Use of Social Media for Promotion | X4.5 | 1. The company effectively uses digital media to inform customers about the latest products and promotions.<br>2. Social media promotions make it easier for us to access information about new offers. |
| Purchase Decision (Y) | 1. Need Recognition | Y1 | 1. We decided to purchase imported tobacco products due to the need for raw materials that meet our production standards.<br>2. The quality requirements of our production process influenced our decision to source imported tobacco |
| | 2. Consideration of Alternatives | Y2 | 1. We compared several imported tobacco suppliers before ultimately choosing products from this company.<br>2. Alternative suppliers were evaluated carefully to ensure we selected the best option. |

| | | |
|---|---|---|
| 3. Evaluation of Price and Value | Y3 | 1. The price offered by the company aligns with the quality and benefits we obtain from the imported tobacco products.<br>2. We consider both price and value in our purchasing decisions for imported tobacco. |
| 4. Influence of Promotion on Decision-Making | Y4 | 1. Attractive promotional offers influenced our decision to purchase imported tobacco products.<br>2. The company's promotional strategies positively affected our supplier choice. |
| 5. Trust in Supplier | Y5 | 1. We are confident in purchasing imported tobacco products from this company because they have proven reliable in meeting our needs.<br>2. The company's reputation for reliability strengthens our purchasing decisions. |
| 6. Product Availability | Y6 | 1. We choose imported tobacco products from this company because they consistently meet our needs on time.<br>2. The company's ability to ensure product availability supports our continuous production flow. |

Source: Data processed (2025)

## RESULT AND DISCUSSION

To better understand the demographic and professional characteristics of the respondents, Table 2 provides a detailed breakdown of their profiles. The following discussion will analyze the key attributes of the respondents, including gender, age, education, and occupation, which may offer insights into how these factors could influence their perspectives on the study's variables.

**Table 2.**
**Respondent Characteristics**

| Profiles | Frequency | Percentage (%) |
|---|---|---|
| **Gender** | | |
| Male | 68 | 88.31% |
| Female | 9 | 11.69% |
| **Age** | | |
| 17 – 25 years old | 9 | 11.69% |
| 26 – 35 years old | 14 | 18.18% |
| 36 – 45 years old | 33 | 42.86% |
| > 45 years old | 21 | 27.27% |
| **Education** | | |

| | | |
|---|---|---|
| High school | 32 | 41.56% |
| Diploma | 3 | 3.90% |
| Bachelor degree | 40 | 51.95% |
| Master degree | 2 | 2.60% |
| Doctoral degree | 0 | 0.00% |
| **Occupation** | | |
| Owener | 6 | 7.79% |
| Manajer | 11 | 14.29% |
| Sales Marketing | 34 | 44.16% |
| Operating Officer | 26 | 33.77% |

Source: Data processed (2025)

The respondents in this study were predominantly male, comprising 88.31% of the total sample, while females accounted for only 11.69%. This indicates a male-dominated respondent profile in terms of gender.

Regarding age distribution, the largest age group was those aged 36 to 45 years, representing 42.86% of the respondents. The second-largest group was individuals aged 26 to 35 years, making up 18.18% of the sample, followed by those aged over 45 years at 27.27%. The youngest group, aged 17 to 25 years, constituted 11.69% of the respondents. This suggests that the sample tends to be middle-aged, with the highest concentration of respondents being in the 36-45 age range.

In terms of educational background, the majority of respondents held a Bachelor's degree (51.95%), followed by those with a high school education (41.56%). Smaller proportions of respondents held a diploma (3.90%), a Master's degree (2.60%), and none held a Doctoral degree. This shows that most of the respondents are relatively well-educated, with a significant number holding a Bachelor’s degree.

Regarding occupation, the largest group was sales and marketing personnel (44.16%), followed by operating officers (33.77%). A smaller proportion of respondents were owners (7.79%) and managers (14.29%). This suggests that the sample is largely composed of individuals working in operational or sales-related roles within the company.

**Model**

The testing phase of the measurement model encompasses the assessment of Convergent Validity, Discriminant Validity, and Composite Reliability. The results of the PLS analysis can be utilized to evaluate the research hypotheses provided that all indicators within the PLS model satisfy the criteria for convergent validity, discriminant validity, and composite reliability. Prior to obtaining the outer model results, the PLS model must be estimated through the application of algorithm procedures.

The following section presents the results of the SEM-PLS model estimation after the application of the algorithm technique:

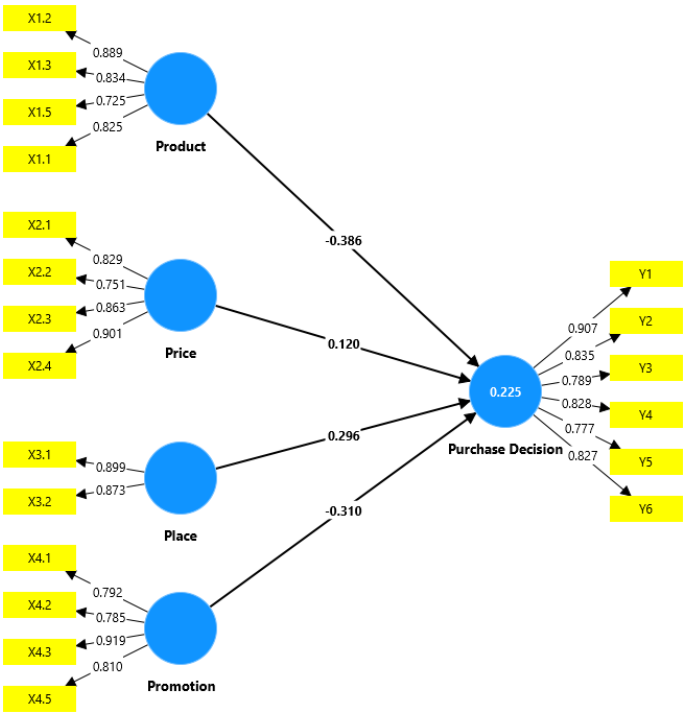


**Figure 2.**
**SEM-PLS algorithm model estimation results**

Based on the processed data, the estimated results of the SEM-PLS algorithm model are illustrated in Figure 2.

To evaluate the measurement model in this study, several key criteria were used, including outer loadings, Average Variance Extracted (AVE), Cronbach's Alpha, and Composite Reliability (CR). These indicators assess the convergent validity and internal consistency of the latent constructs used in the model. The table 3 Below are the observed HTMT values between key constructs:

**Table 3.**
**Results of Convergent Validity and Reliability**

| Items | Loadings | AVE | Cronbach's alpha | Composite reliability |
|---|---|---|---|---|
| **Product** | | | | |
| X1.1 | 0.825 | 0.673 | 0.856 | 0.959 |
| X1.2 | 0.889 | | | |
| X1.4 | 0.834 | | | |
| X1.5 | 0.725 | | | |
| **Price** | | | | |
| X2.1 | 0.829 | 0.702 | 0.858 | 0.868 |
| X2.2 | 0.751 | | | |
| X2.3 | 0.863 | | | |
| X2.4 | 0.901 | | | |
| **Place** | | | | |
| X3.1 | 0.899 | 0.785 | 0.727 | 0.733 |
| X3.2 | 0.873 | | | |

| | | | | |
|---|---|---|---|---|
| **Promotion** | | | | |
| X4.1 | 0.792 | 0.686 | 0.846 | 0.868 |
| X4.2 | 0.785 | | | |
| X4.3 | 0.919 | | | |
| X4.5 | 0.810 | | | |
| **Purchase Decision** | | | | |
| Y1 | 0.907 | 0.686 | 0.910 | 0.942 |
| Y2 | 0.835 | | | |
| Y3 | 0.789 | | | |
| Y4 | 0.828 | | | |
| Y5 | 0.777 | | | |
| Y6 | 0.827 | | | |

Source: Data processed (2025)

**Outer Loadings**

According to (Hair et al., 2019), individual item loadings should exceed 0.70 to demonstrate adequate convergent validity. In this study, all indicator loadings surpassed this threshold, indicating that each item strongly reflects its respective construct. For example, item loadings for the construct "Product" ranged from 0.725 to 0.889, and for "Purchase Decision" from 0.777 to 0.907. This suggests a high degree of correlation between the observed items and their underlying latent variables.

**Average Variance Extracted (AVE)**

The AVE values for all constructs exceeded the minimum acceptable threshold of 0.50, with values ranging from 0.673 to 0.785. This indicates that more than 50% of the variance in the observed variables is captured by the latent construct, supporting convergent validity (Hair et al., 2019).

**Cronbach's Alpha**

All constructs showed Cronbach's Alpha values greater than 0.70, ranging from 0.727 to 0.910, which reflects high internal consistency among the items. This means that the items used to measure each construct are reliable and consistently represent the same underlying concept (Nunnally & Bernstein, 1994).

**Composite Reliability (CR)**

Composite reliability values were also above the recommended threshold of 0.70 for all constructs, ranging from 0.733 to 0.959. This further confirms the reliability of the measurement model and the internal consistency of each construct.

In summary, the results confirm that all constructs meet the requirements for convergent validity and reliability. The high loadings, AVE, Cronbach's Alpha, and Composite Reliability values suggest that the measurement instruments used in this study are both valid and reliable. Therefore, the constructs are deemed appropriate for inclusion in the structural model analysis.

Futhermore, to assess discriminant validity between latent constructs, this study employed the Heterotrait-Monotrait Ratio (HTMT) of correlations, which is considered a more reliable criterion compared to the traditional Fornell-Larcker and cross-loading methods (Henseler et al., 2015).

According to (Henseler et al., 2015), discriminant validity is established when the HTMT value between two constructs is below 0.90 for conceptually distinct constructs, and below 0.85 for constructs that are more conceptually similar. Values above 0.90 indicate a potential lack of discriminant validity, meaning that two constructs may not be empirically distinct.

Based on the HTMT values presented in Table 3, all correlations between constructs are well below the threshold of 0.85, suggesting that each construct in the model demonstrates sufficient discriminant validity. Below are the observed HTMT values between key constructs:

**Table 4.**
**Discriminant validity results (HTMT)**

| Constructs | (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|---|
| (1) Place | - | - | - | - | - |
| (2) Cprice | 0.333 | - | - | - | - |
| (3) Product | 0.506 | 0.204 | - | - | - |
| (4) Promotion | 0.224 | 0.095 | 0.315 | - | - |
| (5) Purchase Decision | 0.275 | 0.121 | 0.154 | 0.254 | - |

Source: Data processed (2025)

All values are significantly below the threshold of 0.85, which confirms that there is no significant overlap between the constructs, and each construct is measuring a distinct concept.

The results of the HTMT analysis support the discriminant validity of the measurement model. This ensures that each latent variable: Product, Price, Place, Promotion, and Purchase Decision captures a unique dimension within the marketing mix framework and consumer decision-making process.

**Table 5.**
**Direct Effect Results**

| Hypothesis | Path Coefficients | T statistics | P values | $R^2$ |
|---|---|---|---|---|
| Place -> Purchase Decision | 0.296 | 2.827 | 0.006 | 0.225 |
| Price -> Purchase Decision | 0.120 | 0.861 | 0.391 | |
| Produk -> Purchase Decision | -0.386 | 2.390 | 0.019 | |
| Promotion -> Purchase Decision | -0.310 | 3.277 | 0.001 | |

Source: Data processed (2025)

This study employed the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach to examine the influence of the marketing mix elements (4Ps) product, price, place, and promotion on the purchase decisions of tobacco import products by manufacturers, using PT Harum Tembakau Indonesia as a case study. The interpretation of each path coefficient is as follows:

1. **Place → Purchase Decision**
   The path coefficient of 0.296, with a t-statistic of 2.827 and a p-value of 0.006, indicates that place (distribution channels) has a positive and significant influence on purchase

decisions. This finding suggests that the more reliable and efficient the distribution system offered by the company, the more likely manufacturers are to purchase tobacco import products. This aligns with (Chaudhari & Patil, 2021), who emphasized that in B2B markets, distribution reliability is a crucial determinant of purchase behavior.

2. **Price → Purchase Decision**
   The path coefficient of 0.120, t-statistic of 0.861, and p-value of 0.391 indicate that price does not have a statistically significant effect on purchase decisions. Although price is typically a key component in the marketing mix, this result shows that in the context of B2B transactions involving tobacco imports, price is not the dominant factor. Manufacturers appear to prioritize other attributes such as product quality or distribution reliability over pricing considerations.
3. **Product → Purchase Decision**
   The path coefficient of -0.386, with a t-statistic of 2.390 and p-value of 0.019, shows that product has a negative and significant effect on purchase decisions. This suggests that the perceived quality or characteristics of the tobacco import products offered by PT Harum Tembakau Indonesia do not yet meet the expectations of manufacturers, thereby negatively influencing their purchasing decisions. This finding is consistent with Utami et al., (2024), who noted that negative perceptions of product attributes can reduce buyer interest, even if pricing and promotion strategies are favorable.
4. **Promotion → Purchase Decision**
   The path coefficient of -0.310, with a t-statistic of 3.277 and p-value of 0.001, indicates that promotion also has a negative and significant effect on purchase decisions. This result implies that the current promotional strategies implemented by the company may be ineffective or irrelevant in reaching the B2B market. Overly generic or mismatched promotional efforts can reduce trust and hinder purchase intention among manufacturers. This is supported by (Sahem, 2023), who argued that in B2B marketing, poorly targeted promotions may harm rather than enhance communication effectiveness.

**The Effect of Place on Purchase Decision**

The results of the study indicate that the place variable has a positive and significant effect on the purchase decision of imported tobacco products by manufacturers, with a path coefficient of 0.296 and a p-value of 0.006. These findings confirm that the distribution aspect plays a critical role in the purchase decision-making process in the business-to-business (B2B) context. Distribution reliability, ease of access to products, and efficiency in delivery add value for manufacturers in selecting suppliers.

This finding is in line with the research by (N. Q. Wijaya et al., 2024), which states that the distribution factor significantly influences purchase decisions, especially when the product being offered is an essential raw material for production continuity. In industries such as tobacco, where supply continuity is crucial, distribution becomes a key element in the marketing mix.

**The Effect of Price on Purchase Decision**

The price variable in this study did not show a significant effect on the purchase decision, with a path coefficient of 0.120 and a p-value of 0.391. This finding suggests that price is not a primary factor considered by manufacturers when making decisions about purchasing imported tobacco. In the B2B context, particularly in the raw materials industry like tobacco, quality and supply reliability are often prioritized over price (Adesanya et al.,

2020). Manufacturers are generally willing to pay a higher price as long as the product meets the required technical specifications and quality standards needed in their production processes.

**The Effect of Product on Purchase Decision**

The results indicate that the product variable has a negative and significant effect on the purchase decision, with a path coefficient of -0.386 and a p-value of 0.019. This finding is particularly interesting as it contrasts with most previous studies that suggest product quality is a major factor in purchase decisions. The result implies that there may be a mismatch between the specifications of the imported tobacco products offered by PT Harum Tembakau Indonesia and the needs and preferences of manufacturers.

Research by (Aziz et al., 2025) suggests that negative perceptions of product quality or a mismatch between the product and consumer needs can lead to a decline in purchase interest. In this context, PT Harum Tembakau Indonesia needs to evaluate its product portfolio and strengthen quality control.

**The Effect of Promotion on Purchase Decision**

The promotion variable also showed a negative and significant effect on the purchase decision, with a path coefficient of -0.310 and a p-value of 0.001. This indicates that the company's promotional strategies have not been effective in attracting manufacturers' interest. In B2B marketing, promotional forms such as personal approaches, relational marketing, exclusive offers, and after-sales service tend to have more impact than conventional promotions such as advertisements or discounts.

(Kučinskas, 2024) state that promotions that are not aligned with consumer characteristics can negatively affect perceptions and purchase decisions. Therefore, companies need to tailor their promotional strategies to the specific needs of manufacturers, including providing technical information and product trials.

**Simultaneous Analysis of the Marketing Mix on Purchase Decisions**

Simultaneously, the research model, which includes the variables of product, price, place, and promotion, explains 22.5% of the variability in purchase decisions ($R^2 = 0.225$). This value indicates that other factors, beyond the 4Ps of the marketing mix, influence purchase decisions. These factors may include company reputation, long-term business relationships, customer service quality, as well as external elements such as import regulations and global market conditions.

These findings provide valuable insights for PT Harum Tembakau Indonesia, suggesting that the company should focus on enhancing product quality, improving promotional effectiveness, and strengthening a reliable distribution system as key strategies to attract the attention of cigarette manufacturers in Indonesia.

## CONCLUSION

Based on the results of the Structural Equation Modeling analysis using the Partial Least Squares (SEM-PLS) approach, the following conclusions can be drawn:

1. Place has a positive and significant effect on purchase decisions, indicating that effective and efficient distribution is a strategic priority in the marketing of imported tobacco.
2. Price does not have a significant effect on purchase decisions, suggesting that in the B2B context, manufacturers prioritize product quality and supply reliability over price.

3. Product has a negative and significant effect on purchase decisions, indicating a need for improvement in product quality and alignment with manufacturers' needs.
4. Promotion also has a negative and significant effect, highlighting the need for a more adaptive and relational promotional approach to be implemented in the company's marketing communication strategy.
5. Simultaneously, the variables in the marketing mix (4Ps) explain 22.5% of the variance in purchase decisions, suggesting that there are other factors outside of the marketing mix that also influence purchase decisions.

Thus, this research provides practical contributions to PT Harum Tembakau Indonesia in formulating more relevant marketing strategies and can serve as a reference for the development of the imported tobacco business in the future.

## REFERENCES

Adesanya, A., Yang, B., Bin Iqdara, F. W., & Yang, Y. (2020). Improving sustainability performance through supplier relationship management in the tobacco industry. *Supply Chain Management*, *25*, 413–426. https://doi.org/https://doi.org/10.1108/SCM-01-2018-0034

Admin Web Bea dan Cukai. (2024). *Tutup Tahun, Capaian Penerimaan Bea Cukai 2023 Tembus Rp286,2 Triliun*. https://www.beacukai.go.id/berita/-tutup-tahun-capaian-penerimaan-bea-cukai-2023-tembus-rp286-2-triliun.html?utm_source=chatgpt.com

Ahsan, A., Wiyono, N. H., Veruswati, M., Adani, N., Kusuma, D., & Amalia, N. (2020). Comparison of tobacco import and tobacco control in five countries: Lessons learned for Indonesia. *Globalization and Health*, *16*(1). https://doi.org/10.1186/s12992-020-00595-y

Aziz, G. Al, Astuti, H. J., Haryanto, T., & Bagis, F. (2025). The Effect of Product Quality, Brand Image, E-Word of Mouth, Free Shipping Promo, and Online Customer Rating on Purchasing Decisions for Nocturn.Co Online Products. *International Journal of Business and Applied Economics*, *4*(1), 385–398. https://doi.org/10.55927/ijbae.v4i1.13466

Battaglia, D., Schimith, C. D., Marciano, M. A., Bittencourt, S. A. M., Diesel, L., Borchardt, M., & Pereira, G. M. (2015). Value added elements according to buyer companies in a B2B context. *BAR - Brazilian Administration Review*, *12*(3), 229–249. https://doi.org/10.1590/1807-7692bar2015150005

Chaudhari, C., & Patil, V. (2021). Assessment of influence of distribution channels on buying behaviour of industrial customers. *Turkish Online Journal of Qualitative Inquiry (TOJQI)*, *12*, 5215–5225.

Ćorić, D. S. (2021). Factors Influencing Organisational Buying Decisions in the Manufacturing Industry: Are Products and Services Procurement Different? *Zagreb International Review of Economics and Business*, *24*(1), 99–111. https://doi.org/10.2478/zireb-2021-0005

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to Use and How to Report the Results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Hinterhuber, A., Snelgrove, T. C., & Stensson, B. I. (2021). Value first, then price: the new paradigm of B2B buying and selling. *Journal of Revenue and Pricing Management*, *20*(4), 403–409. https://doi.org/10.1057/s41272-021-00304-3

Hoffman, K. D., Hutt, M., & Speh, T. (2024). *Business Marketing Management: B2B 13th Edition* (13th ed.). Cengage.

Jang, S., Bae, J., & Kim, K. H. (2022). The effect of B2B service experience on repurchase intention: Focus on roles of organizational agility and customer knowledge sharing. *Journal of Global Scholars of Marketing Science*, *32*(4). https://doi.org/https://doi.org/10.1080/21639159.2022.2105245

Koponen, J. P., & Julkunen, S. M. (2022). Development of long-term B2B customer relationships: the role of self-disclosure and relational cost/benefit evaluation. *European Journal of Marketing*, *56*(13), 194–235. https://doi.org/10.1108/EJM-07-2020-0492

Kučinskas, G. (2024). Promotion Hurts Brand Personality and Consumer Responses. *International Journal of Business & Management Studies*, *05*(05), 97–106. https://doi.org/10.56734/ijbms.v5n5a10

Malelak, S. L., Setiawan, B., & Maulidah, S. (2021). The Analysis of Marketing Mix on Consumer Loyalty: Empirical Study of Customer Satisfaction of Local Product. *International Journal of Business, Technology and Organizational Behavior (IJBTOB)*, *1*. https://doi.org/https://doi.org/10.52218/ijbtob.v1i3.88

Masitoh, S. (2023). *Kemenkeu Revisi Target Penerimaan Cukai Hasil Tembakau Jadi Rp 230,4 Triliun di 2024*. Konton.Co.Id. https://nasional.kontan.co.id/news/kemenkeu-revisi-target-penerimaan-cukai-hasil-tembakau-jadi-rp-2304-triliun-di-2024?utm_source=chatgpt.com

Mulya, A. (2025). *Tobacco Industry in Indonesia: Opportunities, Regulations, and Market Insights*. Investinasia. https://investinasia.id/blog/tobacco-industry-in-indonesia/?utm_source=chatgpt.com

Nunnally, J. C., & Bernstein, I. H. (1994). *The Assessment of Reliability. Psychometric Theory* (Vol. 3).

Paparoidamis, N. G., Katsikeas, C. S., & Chumpitaz, R. (2019). The role of supplier performance in building customer trust and loyalty: A cross-country examination. *Industrial Marketing Management*, *78*, 183–197. https://doi.org/10.1016/j.indmarman.2017.02.005

Sahem, M. S. (2023). A Study on the Efficiency of Marketing Communications in Business-To-Business Markets. *International Journal for Multidisciplinary Research (IJFMR)*, *6*. www.ijfmr.com

Samuel Putta, S. (2023). The Impact of Marketing Mix on the Competitive Advantage in Small and Medium Scale Enterprises. In *Quest Journals Journal of Research in Business and Management* (Vol. 11, Issue 3). www.questjournals.org

Shen, X., Zhang, Y., Tang, Y., Qin, Y., Liu, N., & Yi, Z. (2022). A study on the impact of digital tobacco logistics on tobacco supply chain performance: taking the tobacco

industry in Guangxi as an example. *Industrial Management & Data Systems*, *122*, 1416–1452. https://doi.org/https://doi.org/10.1108/IMDS-05-2021-0270

Siagian, V. J. (2024). *Buku Outlook Komoditas Perkebunan Tembakau* (A. Astrid & R. K. Putra, Eds.). Pusat Data dan Sistem Informasi Pertanian Sekretariat Jenderal Kementerian Pertanian.

Utami, R. N., Muslikh, & Oktavia, D. (2024). The Effect of Product Quality, Price Perception on Purchasing Decisions with Purchase Intention as Mediating. *Marketing and Business Strategy*, *1*(2), 80–92. https://doi.org/10.58777/mbs.v1i2.228

Varela Zuniga, R. A. (2022). Supply Chain Resilience in the Tobacco Industry in Honduras. *International Journal of Innovation in Management, Economics and Social Sciences*, *2*(3), 103–119. https://doi.org/10.52547/ijimes.2.3.103

Wijaya, N. Q., Budiyanto, B., & Wati, K. E. (2024). The Impact of Product Quality, Price and Distribution Channels on Purchasing Decisions: A Case Study of Keris Center in Aeng Tong-Tong, Sumenep. *Journal of Madani Society*, *3*(2), 81–87. https://doi.org/10.56225/jmsc.v3i2.375

Wijaya, W. G. A., Widayanti, S., & Fitriana, N. H. I. (2023). Analysis of East Java Tobacco Competitiveness in the International Market Article Information Media Trend. *MediaTrend*, *18*(1), 2023–2133. https://doi.org/10.21107/mediatrend.v17i1.18933

Zhao, Y. (2024). Product quality, brand reputation and marketing strategies: Basis for enhanced marketing management framework. *International Journal of Research Studies in Management*, *12*(8). https://doi.org/10.5861/ijrsm.2024.1205

Zia, M. (2017). *Impact of Product Attributes on Purchase Decision: A Study of Processed Food Consumer in India*. https://www.researchgate.net/publication/319502479