IMPLEMENTATION OF PROMOTIONAL MIX TO INCREASE THE NUMBER OF CUSTOMERS AND HOME BUSINESS INCOME DURING PANDEMIC COVID 19

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ABSTRACT

This research is inspired by the increasing number of creative actions carried out by home business people who have to maintain their business income during the pandemic. This creativity appears, to increase the number of customers in order to increase home business income. Finally, some home businesses develop their business by promoting their products through online media, such as social media, collaboration with online distributors, giving discount, or promotion through WAG. This study aims to analyze the effect of implementing a promotional mix on increasing the number of customers and home business income during the pandemic. This research applies quantitative research. The respondents are 35 home businesses spread over 3 (three) Regencies. The data collection technique used a questionnaire sent via googleform. Data analysis using Path Analysis with SPSS ver. 22.00. The sampling technique using random sampling with exogenous variables is the promotional mix implementation (X); exogenous variable is income (Y); and the intervening variable is the number of customers (Z). The results of the study conclude that (1) the variable of the promotional mix implementation has a significant effect on increasing the number of customers as evidenced by the value of sig. 0.000; and the value of 0.447; (2) the variable number of customers has a significant effect on revenue as evidenced by the value of sig. 0.000; and the value of 0.545; (3) the implementation variable of the promotional mix has no significant effect on revenue as evidenced by the value of sig. 0.433.

Keywords: Promotional Mix; Number of customers; Income

INTRODUCTION

The economic sector is one of the sectors that is severely affected by the Covid-19 pandemic. On a macro level, the massive layoffs by large companies after the pandemic had a significant impact on the increasing number of unemployed in Indonesia. Central Bureau of
Statistics data shows that during the pandemic until February 2021, unemployment in Indonesia reached 8.75 million people (Kompas Online, 5 May 2021). This incident is almost similar to the 1998 crisis. Indonesia has also experienced an economic downturn with many layoffs. However, street vendor is a sector that eventually becomes an alternative for many business actors and employees who are affected by layoffs to survive.

Along with the industrial revolution 4.0, the Covid-19 pandemic has not resulted in the economic decline of the community, especially among Home Businesses. The industrial revolution 4.0 has changed the way humans transact, communicate, and promote business. During the pandemic, businesses that were originally run conventionally, either through direct sales or using direct intermediaries, changed to using online promotion methods. Some appeals such as social distancing, avoiding crowds, wearing masks, reducing mobility can only be overcome by going online using an application.

Lastly, Home Businesses choose online promotion, online transaction, and distribution using online application services to keep doing business, so that customers and incomes do not decrease after the pandemic with various policies implemented by the Government. Online media is also chosen as a concrete step in order to survive in a slumping economic condition due to the Covid-19 pandemic.

There are many types of home-based businesses, including (1) food businesses (lalapan, chicken rice, noodles, etc.); (2) snack business (snacks, molen, onde-onde, tofu kocok, etc.); (3) beverage business (milk, ice, etc.); (4) garment (clothes, headscarves, underwear, etc.); (5) Handycraft (craft, decoration, etc.); (6) Livestock (catfish, birds, chicken, etc.); (7) Services (printing, invitation card, etc.). This study involved about 35 home-based businesses. The research locations are spread over 8 (eight) regencies/cities in Java, covering Jember Regency, Banyuwangi Regency, Bondowoso Regency, Malang Regency, Situbondo Regency, Surabaya City; Bandung; and Sragen Regency.

"Dapur Surya", is a home-based business in Jember Regency that sells food products (consisting of Geprek Chicken, and Assorted Mie Ayam). This business, which has existed since 2016, has opened a business at Pujasera. However, after the pandemic, the 5M policies from the government caused the "Dapur Surya" business to choose opening a business at home, by doing advertising via online by joining through a GoFood account and promotion via WA, although conventional promotion is still being carried out. Almost similar to “Dapur Surya”, another “Batagor Siomay” business in Jember Regency which also adds business promotion through online by joining through a GrabFood account. This business is also one of the businesses affected by the Covid-19 policy, where after Covid-19 no longer open a business at Pujasera. This method is carried out because the number of customers and consumers decreased at the beginning of the pandemic.

In contrast to the "Shafa Collection" and "JShop" businesses in Jember Regency, which are the business of buying and selling clothes. This business has been using online advertising via Facebook since its inception in 2013. Finally, the Covid-19 pandemic do not reduce sales too drastically, because they could still communicate with customers. The owner just needs to addjoin WAG and advertises through Shopee.

The “Perspective” Design Service in Malang Regency is also one of the home-based businesses that have been affected by Covid-19. This is a service business for making wedding invitation card, pre-wedding photo design, image design. Prohibition of activities that cause crowd, such as wedding has resulted in a decreasing the revenue for the "Perspective" Design Services business. Finally, this business creates an online training service for invitation design,
photo design, with participants who are high school students and college students with online training cost that is adjusted to the student's budget. Through design training, the "Perspective" Design Service Business is able to survive during the pandemic.

Snack businesses such as tofu kocek, molen, and onde-ondé, as well as cookies are also businesses affected by the pandemic, which have had to shift from a conventional business to an online business. The snack business "Molen Jennica" is one of the businesses that started from a conventional business by selling in front of an elementary school in Jember Regency. After school was closed during the pandemic, this business turned into a home-based business with an online sales and advertising system via Facebook, Instagram and WAG. Similar to the "Molen Jennica" business, the "Fanny" business which sells tofu kocek and sempol as well as the "Hippocookies" business also adds product promotion channels via online by WAG. This effort is made so as not to lose customers.

In theory, promotion in various ways used by home businesses to survive during the pandemic is classified as a promotional mix. Home businesses implement it, with the aim of increasing the number of customers so that income will be stable even during the pandemic. According to Kotler and Keller in Kristina (2018), promotional mix is a specific guide to advertising, sales promotion, public relations, personal selling, and direct marketing that companies use to communicate customer value persuasively and create good relationships with customers. Based on this statement, the promotional mix carried out by a number of home-based businesses as respondents in this study include (1) advertising, which can be carried out through advertising product info on online media, online stores, Facebook, WAG, Instagram, etc.; (2) promotion, which can be carried out by giving discounts at certain times; (3) direct sales conducted by providing product information through personal answers to customers via WA/SMS; (4) public relations that can be carried out by providing feedback on customer complaints about the product; (5) Partner cooperation is carried out with Grab Food and GoFood.

Customers are all people who receive types of goods or services from many other people or groups of people (Supranto, 2017). The increase or decrease in the number of customers can be influenced by the company's promotional strategy. According to Laraspati (2021) in an article, there are 5 (five) simple promotional strategies to increase the number of consumers, including (1) offering a free newsletter; (2) conducting consumer opinion surveys; (3) maintain good service; (4) updating website content; (5) utilize social media. The number of customers can also affect operating income. Why? In general, the number of customers who buy a lot of the products offered will automatically increase the number of product sales so that the income of a business will also increase. However, there is a condition where even though the number of customers increases, the revenue is still constant and does not increase. This is due to certain condition, such as the current pandemic. Sometimes a business has new customer but the amount of revenue is fixed due to many restrictions.

Income is the amount charged to customer for goods and services sold (Soemarso, 2019: 54). Income can also be interpreted as an increase in the company's capital due to the sale of company products. The increase or decrease in the business income is influenced by a business promotion strategy. Prihanto (2020) in an article stated that there are 9 (nine) ways to increase business income, namely (1) determining business goals; (2) Focus on repeat customer; (3) Adding product services; (4) Sharpening the pricing strategy; (5) Offer discount and product for free; (6) Develop an effective marketing strategy; (7) Provide incentives to salespeople; (8) Adding online marketing promotion; (9) Using decoy effect.
Based on research conducted by Budiman and Marvina (2021) found that the implementation of a promotional mix in a coffee business, via website and Instagram has an effect on increasing business sales between 10-15%. Yuwono and Oktovian (2021) also found that the promotional mix strategy at the Batam “Time To Eat” Coffee Shop, which was carried out through promotion by social media account, making promo package, and e-catalogue could increase the number of customers. As the number of customers increase, sales also increase by up to 10%. Naeruz (2018) in his research concludes that an increase in the number of customers has a positive effect on the increase in cellular business revenue. Based on the result of theoretical studies and empirical studies, a research hypothesis can be drawn up which is described as follows:

**H1:** Promotional Mix has a significant effect on Increasing the Number of Home Business Customers during the Pandemic

In theory, the Promotional Mix is a specific guide to advertising, sales promotion, public relation, personal selling, and direct marketing that companies use to communicate customer value persuasively and build customer relationships (Kotler and Keller in Kristina, 2018). The results of several studies and findings from Nour, et.al (2014); Cahyani, et al (2018); Abayomi and Bayode (2012); and Kristina (2018) conclude that the promotional mix strategy has an effect on increasing the number of customers.

**H2:** Increasing the Number of Customers has a significant effect on Home Business Income during the Pandemic

The number of customers is one of the important factors to increase the amount of income of a business. Research by Jen Yang and Lee (2016) conclude that with an increase in the number of customers, the amount of operating income also increases.

**H3:** Promotional Mix has a significant effect on Home Business Income during the Pandemic

The implementation of the promotional mix strategy carried out by several home-based businesses has an impact on increasing the amount of business income. Research by Yuwono and Oktovian (2021); Budiman and Marvina (2021); Rafidah (2019) and Kusumowardhani (2021) that the existence of a promotional mix strategy has an effect on increasing the number of customers, thus increasing the amount of income.

**RESEARCH METHODS**

Online based home businesses are very popular post-pandemic. Opening an online business for a home-based business is one way to survive during the pandemic by expanding the promotional network. This study attempts to provide a description of the promotional mix

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**Figure 1. Research Hypothesis**

*Source: researcher primary data, 2021*
strategy implementation carried out by home businesses during the pandemic and its effect on increasing the number of customers and income for home businesses. The number of respondents is 35 home-businesses spread over 3 (three) regencies. They are Jember Regency; Banyuwangi Regency; and Malang Regency. The data collection technique used a questionnaire distributed online via google form. The sampling technique used random sampling. The exogenous promotional mix (X) variable is measured based on the home-based business promotional mix strategy during the pandemic. The income endogenous variable (Y) is measured based on the increase in revenue after carrying out the promotional mix strategy. The intervening variable number of customers (Z) is measured based on the increase in the number of customers after carrying out the promotional mix strategy. Data analysis using path analysis.

Formulation:

\[ Y = \beta_1 X_1 + \beta_2 X_2 \]

\[ Y = \beta_1 X_1 + \beta_2 X_2 + \beta_1 Z_1 \]

which means:

\( Y \) = Dependent variable

\( Z \) = Intervening Variable

\( X \) = Independent variable

\( \beta \) = Constant

Before using path analysis, the data obtained will be tested for validity and reliability using SPSS ver. 22.00. Validity test using product moment correlation with data criteria. It is declared valid if the value of \( r > 0.30 \) (Sarwono, 2014). The reliability test uses Cronbach’s alpha value with criteria, if the value of \( > 0.60 \) then the data is declared reliable (Sarwono, 2014). After that, the data was tested for normality. The data is declared fulfilling the assumption of normality if the data spreads along the normal line. The result of the hypothesis test will test that there is a significant effect between the variables being tested. The research hypothesis will be accepted. It means that there is an influence between the variables being tested, if the value of sig. = 0.000.

RESULT ANALYSIS

This research is inspired by the many creativities carried out by home business people who have to survive during the pandemic. The creativity appears in an effort to increase the number of customers in order to increase business revenue. Finally, most entrepreneurs develop their business by promoting products through online media, such as social media, collaboration with online distributor, giving discount, or promotion through WAG. There are some of the online promotional media used by home businesses to deliver products to customers:

![Promotional Media Usage](image)
Based on Figure 2, Home Business respondents use more than 1 (one) online promotion media to introduce their products to customers. The online promotion media most chosen by Home Business respondents is via WhatsApp Group or WAG (64.7%), the reason for using it is because WAG is very easy and almost all customers have smartphones, so WAG is very much chosen. The second media is Facebook (55.9%), then Instagram (44.1%), Go Jek (17.60%), Grab (8.8%) and the last one is Telegram (8.8%) the reason is because Many customers are familiar with using these applications, so Home Business owners can easily promote their products. While the Home Businesses who became respondents in this study consisted of 7 types of businesses including (1) food businesses (lalapan, chicken rice, noodles, etc.) as many as 5 businesses (14.3%); (2) snack business (snack, molen, onde-onde, tofu kocok, etc.) as many as 10 businesses (28.5%); (3) beverage businesses (milk, ice, etc.) as many as 3 businesses (8.5%); (4) garments (clothes, headscarves, underwear, etc.) as many as 7 businesses (20%); (5) Handycraft (craft, decoration, etc.) as much as 2 businesses (5.7%); (6) Livestock (catfish, bird, chicken, etc.) as many as 6 businesses (17.3%); (7) Services (printing, invitation, etc.) as many as 2 businesses (5.7%) which are described as follows:

![Figure 3. Types of Home Business](source)

Description:
(A) food business (lalapan, chicken rice, noodles, etc.);
(B) snack business (snack, molen, onde-onde, tofu kocok, etc.);
(C) beverage business (milk, ice, etc.);
(D) garment (clothes, headscarves, underwear, etc.);
(E) Handycraft (craft, decoration, etc.);
(F) Livestock (catfish, bird, chicken, etc.);
(G) Services (printing, invitation, etc.).

This study seeks to explain the increase and decrease of the number of customers and the income of Home Businesses during the pandemic from the beginning of the March 2020 pandemic to September 2021 or approximately for 3 (three) semesters.

**Number of customers**
Based on the results of respondents' answers, in semester 1 (one) or the beginning of the pandemic, or around March - September 2020, of 35 respondents, 88.2% or around 31 Home Business respondents had a decrease in the number of customers. In semester 2 (two) of the pandemic period or in September 2020 - March 2021, 67.6% or around 24 Home Business respondents had a decrease in the number of customers. And in semester 3 (three) of the pandemic period or in March – September 2021, 50% or 18 Home Business respondents had a decrease in the number of customers. If it is analyzed from the number of Home Business respondents who have decreased the number of customers, the number of customers is getting smaller every semester, namely in semester 1 (one) there are 31 Home Businesses, in semester 2 (two) it becomes 24 Home Business and in semester 3 (three) it becomes 18 Home Business.

Figure 4. Condition of the Number of Home Business Customers for 3 (three) semesters of the Pandemic

Source: researcher's primary data, 2021

Household Businesses that do not have a decrease in the number of customers were Household Businesses which opened livestock, snacks, printing and payment services for credit, electricity and water bills. The decrease in the number of customers was due to several factors such as the many restrictions during the pandemic such as the Implementation of Community Activity Restrictions (PPKM); restrictions on selling hours; product distribution restrictions; limitation of meeting time with customers to restrictions on crowds. The number of customer rejections ranges from 10-30%; 30-50%; 50-70%; 70-90% which is explained as follows:
Based on Figure 5, information can be obtained that the percentage of Home Business customers has decreased between 10% to 90%. The percentage range is there are 15 (fifteen) Home Businesses had a decrease in the number of customers by 10% - 30%; there are 10 (ten) Home Businesses had a decrease in the number of customers by 30% - 50%; there are 6 (six) Home Businesses had a decrease in the number of customers by 50% - 70%; and there are 4 (four) Home Businesses had a decrease in the number of customers by 70% - 90%

**Income**

The result of Home Business respondents' answers to revenue level during the pandemic will also be explained for 3 (three) semesters. Based on the answers from 35 respondents, in semester 1 (one) or the beginning of the pandemic, or around March - September 2020, 76.5% or around 27 Home Business respondents had a decrease in income. In semester 2 (two) of the pandemic or in September 2020 – March 2021, Home Business respondents had a decrease in income by 70.6% or around 24 respondents. And in semester 3 (three) of the pandemic or in March – September 2021, 52.9% or around 19 Home Business respondents had a decrease in income. If analyzed from the income earned, the income of the Home Business respondents who have a decrease in income is getting smaller in each semester, namely 76.5% (27 Home Businesses) then to 70.6% (24 Home Businesses) and in the 3rd semester to 52.9 % (19 Home Businesses).
Figure 6. Home Business Income Conditions for 3 (three) semesters of the Pandemic  
Source: researcher's primary data, 2021

The declining income is due to several factors, such as the declining number of customers; the existence of many restrictions during the pandemic such as the Implementation of Community Activity Restriction (PPKM); limitation of the number of selling hours; product distribution restriction; restriction on meeting time with customers to restriction on crowd. The amount of decline in income ranges from 10-30%; 30-50%; 50-70%; 70-90% which is described as follows:

Figure 7. Percentage of Decrease in Home Business Income  
Source: researcher's primary data, 2021

Based on Figure 7, information can be obtained, that the percentage decline in Home Business income is between 10% to 90%. The percentage range is that there are 15 Home Businesses had a decrease in income by 10% - 30%; there are 8 Home Businesses had a decrease in income by 30% - 50%; there are 7 Home Businesses had a decrease in income by 50% - 70%; and there are 5 Home Businesses had a decrease in income by 70% - 90%. In an effort to overcome these problems, Home Businesses finally started to open online channels. As a result, in semester 2 (two) and semester 3 (three) of the pandemic, the number of customers began to
see an increase. With the increasing number of customers, it is hoped it will also increase the income of a Home Business.

RESULT ANALYSIS

Path analysis in this study using SPSS ver 22.00. The answers of respondents who have entered the research data are then tabulated. After the data is tabulated, the data is tested for validity and reliability. Then, the data is tested for normality. After that, data analysis was carried out using path analysis.

Based on the respondents' answers results that have been quantified, the results of the data validity test show the product moment correlation value ranges from 0.341 to 0.712. It means the data is valid. The results of the reliability test showed cronbach's alpha value = 0.944; 0.894; and 0.925. It means the data is reliable. The data obtained follow the assumption of normality, because the data distribution follows the normal line. The results of hypothesis testing are explained as follows:

Figure 8. Research Hypothesis Test Results

Source: researcher's primary data, 2021

The results of hypothesis testing from the implementation of the promotional mix on increasing the number of customers and home-based business income during the pandemic are explained as follows:

1. The implementation of the promotional mix has a significant effect on increasing the number of Home Business customers during the pandemic. It is proved by the value of Sig. = 0.000; and = 0.447.
2. An increase in the number of customers has a significant effect on the income of a Home Business during the pandemic. It is proved by the value of Sig. = 0.000; and = 0.970.
3. The implementation of the promotional mix has no significant effect on the income of the Home Business during the pandemic. It is proved by the value of Sig. = 0.433.

INTERPRETATION

Based on the results of the study, the discussion is explained as follows:

1. The Effect of Promotional Mix (X) Implementation on Increasing the Number of Home Business Customers (Z)

According to research by Nour, et.al, (2014) concluded that the promotional mix has an effect on increasing the number of consumers. The results of this study indicate the implementation of the promotional mix has a significant effect on increasing the number of Home Business customers during the pandemic as evidenced by the value of Sig. = 0.000; and = 0.447. Several conditions that cause the implementation of the promotional mix to affect the
increase in the number of customers can be seen from the respondents' answers that after the respondents implemented the elements of the promotional mix consisting of (1) the use of social media including promotion continuously via WAG, Facebook, Go Jek, Instagram, Grab; (2) provide services to customers quickly, both online and offline/directly; (3) provide discounts at certain times; (4) play an active role in community social activities, there is a gradual increase in the number of customers buying the promoted Home Business product. The results of this study support the findings of previous studies, namely Abayomi and Bayode (2012) and Kristina (2018) which concluded that the promotional mix strategy had a significant effect on increasing the number of consumers.

2. The Effect of Increasing the Number of Customers (Z) on Income (Y) Home Business

Customers are all people who receive types of goods or services from many other people or groups of people (Supranto, 2017). The increase or decrease in the number of customers can be influenced by the company's promotional strategy. According to Laraspati (2021) in an article, he wrote that there are 5 (five) simple promotional strategies to increase the number of consumers, including (1) offering a free newsletter; (2) conducting consumer opinion survey; (3) maintain good service; (4) updating website content; (5) utilize social media. The result of this study indicate that an increase in the number of customers has a significant effect on Home Business income during the pandemic as evidenced by the value of Sig. = 0.000; and = 0.545. The result of the study support Jen Yang and Lee findings (2016) who found that an increase in the number of customers will have an impact on income is due to product diversification from Home Businesses that offer new product and product innovation.

3. Effect of Promotional Mix (X) Implementation on Home Business Income (Y)

In theory, promotion in various ways used by home businesses to survive during the pandemic is included in the promotion mix. Home businesses implement it, with the aim of increasing the number of customers during the pandemic. The results of this study indicate that the application of the promotion mix has no significant effect on Home Business income during the pandemic as evidenced by the Sig value. = 0.433. Some of the causes of the promotion mix implementation not having a significant effect on the income of the home business, they are(1) after the implementation of the promotion mix, the home business had an increase in the number of customers, but not necessarily an increase in the amount of income. This could be due to the high cost of the promotional mix so that the existing income needs being increased to strengthen the promotion mix strategy; (2) The application of the promotion mix does not directly affect the income of the household business, because there are many factors, such as an increase in the number of customers. With the increasing the number of customers, and the assumption that the operational costs of promotional mix activities are fixed, Home Business's income will increase.

CONCLUSION

Based on the results of research and discussion, it can be concluded:

1. The implementation of the promotional mix has a significant effect on increasing the number of Home Business customers during the pandemic. It is proved by the value of Sig. = 0.000; and = 0.447. Several conditions that cause the implementation of the promotional
mix to have an effect on increasing the number of customers can be seen from the respondents' answers that after the respondents implemented the elements of the promotional mix consisting of (1) use of social media continuously including promotions via WAG, Facebook, Go Jek, Instagram, Grab; (2) provide services to customers quickly, both online and offline/directly; (3) provide discount at certain times; (4) play an active role in community social activities, there is a gradual increase in the number of customers buying the promoted Home Business product.

2. The increase in the number of customers has a significant effect on the income of the Home Business during the pandemic. It is proved by the value of Sig. = 0.000; and = 0.970. The influence caused by an increase in the number will have an impact on increasing income is due to the presence of product from Home Businesses that offer new product and product innovation. So that the number of customers is increasing and also income.

3. The implementation of the promotional mix has no significant effect on the income of the Home Business during the pandemic. It is proved by the value of Sig. = 0.433. Some of the causes that the implementation of the promotional mix does not have a significant effect on the income of the home business include (1) after implementing the promotional mix, the Home Business has an additional number of customers, however, it does not necessarily increase the amount of income. This can happen because of the high cost of the promotional mix so that the existing income needs to be added to strengthen the promotional mix strategy; (2) The implementation of the promotional mix does not directly affect the income of the Home Business because there is the influence of other factors, namely an increase in the number of customers. With the increase the number of customers, and the assumption that the operational costs for promotional mix activities are fixed, the income of the Home Business will increase.

**IMPLICATIONS**

Based on the research results, implications of this research are as follows:

1. **Theoretical Implications**
   a. This study concludes that there is an effect of implementation promotional mix carried out on the number of customers and income home businesses. Based on the results of this study, it can be interpreted that the existence of a home business must still exist to survive during pandemic by using alternative promotions both conventionally and online. Not only 1 (one) promotion line, but you may do a combination of promotions. The results of this study strengthen the findings of several previous researchers including Nour, et.al, (2014), Jen Yang and Lee (2016), and Kristina (2018);
   b. During the pandemic, there are 3 (three) semesters of the research period. In semester 1 (one), the home-based business experienced a drastic decrease in the number of customers and income. The implementation of online promotions began in semester 2 (two), as a result, the number of customers and revenues began to creep up slightly. In semester 3 (three) there was also an increase in the number of customers and operating income. This means that the promotional mix needs to be developed and combined with other variables that have an effect on increasing the number of customers and the income of the home business.

2. **Practical Implications**
a. The results of the study are expected to be able to provide several alternative home business to improve online business promotion strategies to increase the number of customers and business income during the pandemic.

b. Through the results of this study, it is hoped that home business owners will be able to implement several alternative online promotions for home business that are run in the hope of increasing the number of customers and income home business.

REFERENCES


