

ANALYSIS OF THE MARKETING MIX (PRICE AND POMOTION) ON SALES GROWTH MEDIATED BY CUSTOMER SATISFACTION : A CASE STUDY AT UMKM CAKE AND BAKERY LOWAYU DUKUN GRESIK

Ahmad Ferry Zainul Haq
Faculty of Economics and Business
Islamic University of Lamongan
Lamongan, Indonesia
ferryzainulhaq@unisla.ac.id

Henny Mahmudah
Faculty of Economics and Business
Islamic University of Lamongan
Lamongan, Indonesia
hennymahmudah@unisla.ac.id

Lilik Nur Cholidah
Faculty of Economics and Business
Islamic University of Lamongan
Lamongan, Indonesia
liliknurcholidah12@unisla.ac.id

Mohammad Yaskun
Faculty of Economics and Business
Islamic University of Lamongan
Lamongan, Indonesia
m.yaskun@unisla.ac.id

Article Info	ABSTRACT
Keywords: Marketing Mix, Price, Promotion, Customer Satisfaction, Sales Growth, PLS-SEM	This study aims to investigate the influence of the marketing mix (price and promotion) on sales growth, mediated by customer satisfaction, in UMKM Cake 'n Bakery Lowayu, Dukun, Gresik. A quantitative approach was used with a sample of 150 customers. The data were collected through questionnaires and analyzed using the Partial Least Squares Structural Equation Model (PLS-SEM) technique using SmartLPS 4.0. The results reveal that price and promotion have significant direct effects on sales growth. The price variable shows a path coefficient of 0.315 (t-statistic = 3.214, $p = 0.001$), and promotion has a coefficient of 0.412 (t-statistic = 4.102, $p < 0.001$). Both also have significant indirect effects via customer satisfaction (price: 0.276, t-statistic = 3.276, $p < 0.001$; promotion: 0.325, t-statistic = 3.918, $p < 0.001$). Meanwhile, customer satisfaction has a significant direct effect (t-statistic = 5.100, $p <$

INTRODUCTION

In the increasingly competitive business environment of today, micro, small, and medium-sized enterprises (MSMEs) have become pivotal actors in economic growth, especially in emerging nations like Indonesia. MSMEs are regarded as one of the primary drivers of economic activity due to their ability to stimulate economic equity and foster social resilience across rural and urban areas (Israwati et al., 2023). They play a central role in job creation, income generation, and the establishment of an entrepreneurial culture, making them vital for achieving inclusive and sustainable economic growth. In the Indonesian context, MSMEs have demonstrated their resilience in the face of global economic turbulence, making them a cornerstone of national economic stability and recovery.

Among the numerous sectors that comprise MSMEs, the culinary sector is one of the most dynamic and competitive. The increasing consumer interest in diverse and quality culinary products has fostered an environment wherein businesses must continuously innovate to maintain their market position and secure customer loyalty (Hidayah et al., 2021). UMKM Cake 'n Bakery Lowayu, located in Dukun, Gresik, serves as an example of such a culinary enterprise. Established in 2020, this business has built its reputation by providing a variety of cakes and baked goods, ranging from traditional market cakes to custom birthday and special occasion treats. Despite its growing presence and the quality of its products, the company faces a critical challenge its sales have not scaled as anticipated due to constraints related to marketing strategies, pricing policies, and promotional efforts. This is compounded by the intensifying competitive landscape and evolving consumer behavior, making it imperative for the business to adopt robust marketing strategies.

Modern marketing theories highlight the central role of the marketing mix an interplay of pricing, promotion, product quality, and placement in creating consumer value and satisfaction (Kotler & Armstrong, 2016). Within this framework, price and promotion are two pivotal elements that shape consumer perceptions and influence purchasing decisions. The pricing strategy serves not only as a determinant of company revenue and profitability but also as a signal of the product's quality and positioning within the market (Tjiptono, 2019). Meanwhile, promotion operates as the primary channel for communicating a company's value proposition, creating awareness, and persuading potential customers (Hikmah et al., 2022). Together, pricing and promotional strategies can significantly impact sales growth, especially within highly competitive markets.

Moreover, an increasing body of literature highlights the role of customer satisfaction as a vital mediator between marketing strategies and sales performance. According to Kotler and Keller (2016), customer satisfaction is a measure of how well a product or service meets or exceeds consumer expectations. High levels of satisfaction have been associated with repeat purchases, positive word-of-mouth recommendations, and long-term loyalty all of which are critical for sustaining sales growth in competitive environments (Hidayah et al., 2021). Understanding the mediating role of customer satisfaction allows businesses to better design marketing strategies that not only attract new customers but also foster long-term relationships.

In this context, the present study aims to investigate the impact of price and promotion as key components of the marketing mix, as well as their direct and indirect effects (mediated by customer satisfaction) on sales growth within the specific case of UMKM Cake 'n Bakery Lowayu, Dukun, Gresik. By applying the Partial Least Squares Structural Equation Modeling (PLS-SEM) method, this research provides a comprehensive examination of the interplay between pricing, promotion, customer satisfaction, and sales growth, thereby offering valuable insights for both academic researchers and practitioners in the MSME sector.

Ultimately, this research is expected to shed light on the crucial role of aligning pricing and promotional strategies with customer satisfaction to foster sustainable sales growth. The findings of this study can aid UMKM Cake 'n Bakery Lowayu and other similar businesses in formulating marketing policies that optimize their competitive positioning, contribute to long-term economic viability, and support the overall growth of the MSME sector in Indonesia.

RESEARCH METHODS

This study applies a descriptive quantitative approach using primary data collected via questionnaires administered to customers of UMKM Cake 'n Bakery Lowayu, Dukun, Gresik. The population comprises approximately 375 customers between January - April 2025. A purposive sampling technique was used, selecting only customers who had made at least two purchases, yielding a sample of 194 respondents calculated using the Slovin formula (5% error rate).

The data collected were analyzed using Partial Least Squares–Structural Equation Modeling (PLS–SEM) to assess the direct and indirect effects of price and promotion on sales growth, mediated by customer satisfaction. The indicators for price, promotion, customer satisfaction, and sales growth were tested for reliability and validity, followed by path coefficient and mediation analysis.

RESULTS AND DISCUSSION

Validity Test

The convergent validity test is used to assess the measurement of latent variables in this study. According to Ghazali (2021), indicators must have an outer loading value > 0.7 for confirmation, while those between 0.6–0.7 can still be considered valid for exploratory research if the average variance extracted (AVE) is > 0.5 .

Table 1. Convergent Validity Test

Variabel	Indicator	Outer Loading	AVE	Information
Price (X1)	1	0.878	0.814	VALID
	2	0.911		
	3	0.918		
	4	0.903		
Promotion (X2)	1	0.863	0.761	VALID
	2	0.867		
	3	0.873		
	4	0.885		
Customer Satisfaction (Z)	1	0.903	0.782	VALID
	2	0.898		
	3	0.851		
Sales Growth (Y)	1	0.891	0.781	VALID
	2	0.907		
	3	0.893		
	4	0.871		
	5	0.855		

Source: SmartPLS Processed Data (2025)

Based on Table 1, it can be concluded that all indicators have an outer loading value > 0.7 , indicating that the measurement model has satisfied the convergent validity requirements.

Discriminant Validity

The discriminant validity test aims to confirm that each construct is distinct from others. According to Ghazali (2021), this can be verified when an indicator's outer loading is higher on its associated construct compared to any other. Table 2 presents the results :

Tabel 2. Cross Loading

Indicator	Price (X1)	Promotion (X2)	Customer Satisfaction (Z)	Sales Growth (Y)
X1.1	0.878	0.701	0.674	0.685
X1.2	0.911	0.788	0.703	0.752
X1.3	0.918	0.746	0.724	0.729
X1.4	0.903	0.755	0.647	0.687
X2.1	0.715	0.863	0.662	0.743
X2.2	0.764	0.867	0.669	0.749
X2.3	0.692	0.873	0.638	0.723
X2.4	0.720	0.885	0.704	0.747
Y1	0.703	0.710	0.792	0.891
Y2	0.685	0.775	0.805	0.907
Y3	0.695	0.770	0.800	0.893
Y4	0.685	0.756	0.718	0.871
Y5	0.730	0.740	0.768	0.855
Z1	0.733	0.687	0.903	0.775
Z2	0.667	0.694	0.898	0.789
Z3	0.621	0.653	0.851	0.770

Source: SmartPLS Processed Data (2025)

Based on the results of table 2. All indicators have higher loadings within their respective constructs compared to other latent variables, indicating satisfactory discriminant validity.

Reliability Test

In the reliability test, there are several tests that can be used in the use of the PLS system, including the following:

Tabel 3. Reliability Test

Variabel	Cornbach's Alpha	Composite Reliability	Information
Price (X1)	0.924	0.946	RELIABEL
Promotion (X2)	0.860	0.915	
Customer Satisfaction (Z)	0.930	0.947	
Sales Growth (Y)	0.895	0.927	

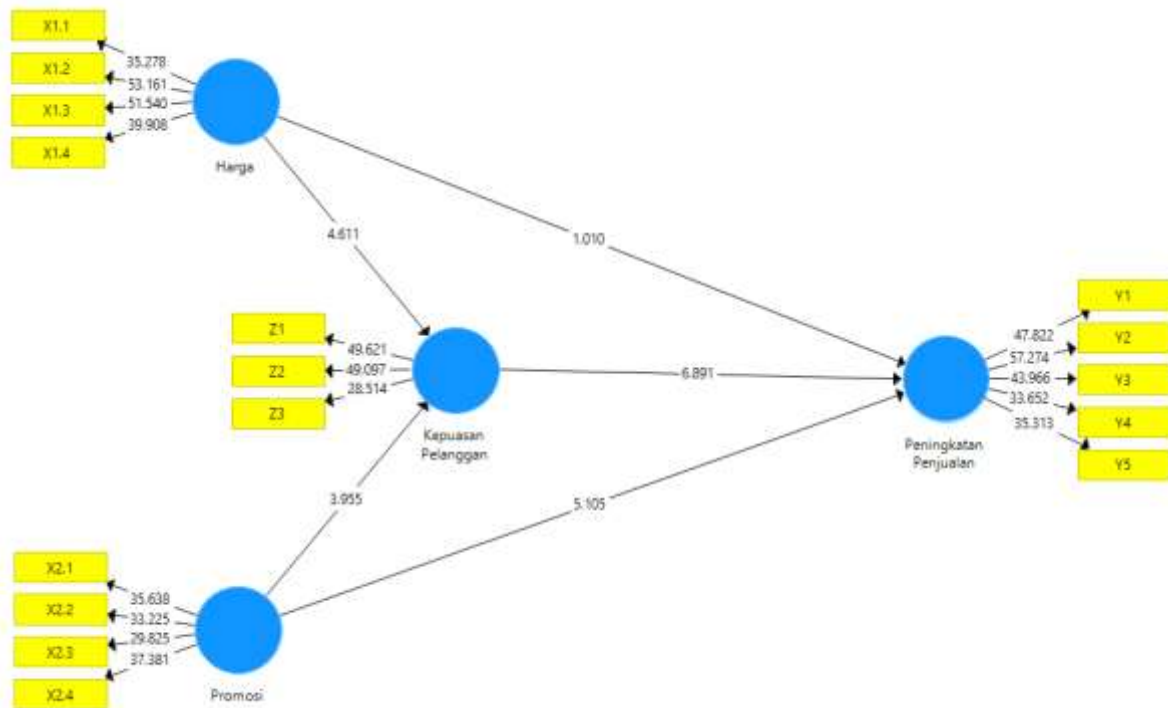
Source: SmartPLS Processed Data (2025)

Based on Table 3, the reliability test was conducted using the Composite Reliability value, where the acceptable threshold is greater than 0.7. The results indicate that all variables Price (0.946), Promotion (0.915), Customer Satisfaction (0.947), and Sales Growth (0.927) have Composite Reliability values exceeding the required limit. Similarly, the Cronbach's Alpha values for all variables (Price: 0.924, Promotion: 0.860, Customer Satisfaction: 0.930, and Sales Growth: 0.895) are also above 0.7. This confirms that the indicators used in this study reliably measure their respective latent variables.

Model Structural (Inner Model)

An inner model is a model structure used to estimate the cause and effect relationship between latent variables.

Figure 1. Structural Models



Source: SmartPLS Processed Data (2025)

R-Square

The R-Square value measures the ability of the model to explain the variance of its endogenous variables. According to Ghazali (2006) as cited in Dzikirulloh et al. (2022), R-Square values above 0.67 are strong, above 0.33 are moderate, and above 0.19 are weak.

Table 4. R-Square Value

Variabel	R-Square
Customer Satisfaction (Y)	0.634
Sales Growth (Z)	0.845

Source: SmartPLS Processed Data (2025)

Based on Table 4, the R-Square value for Customer Satisfaction is 0.634, indicating that 63.4% of the variance in customer satisfaction is explained by the independent variables (price and promotion). Meanwhile, the R-Square value for Sales Growth is 0.845, suggesting that 84.5% of the variance in sales growth is accounted for by price, promotion, and customer satisfaction. These results imply that the proposed model has a strong ability to explain sales growth and a moderate-to-strong ability for customer satisfaction.

Mediation Test Path Coefficients

Path Coefficients is tested using PLS Bootstrapping by looking at the t-statistical value of independent variables against dependent variables. The results of the path coefficients, namely, the value of the mediation test of this research can be seen in the table below:

Table 5. Path Coefficients

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P-Values
Price (X1) → Customer Satisfaction (Z)	0.405	0.401	0.088	4.611	0.000
Price (X1) → Sales Growth (Y)	0.280	0.276	0.083	3.377	0.001
Customer Satisfaction (Z) → Sales Growth (Y)	0.534	0.531	0.078	6.891	0.000
Promotion (X2) → Customer Satisfaction (Z)	0.431	0.435	0.109	3.955	0.000
Promotion (X2) → Sales Growth (Y)	0.617	0.622	0.085	7.275	0.000

Source: SmartPLS Processed Data (2025)

Based on Table 5, the direct effects of Price and Promotion on Customer Satisfaction are significant, with coefficients of 0.405 and 0.431, respectively (both p-values < 0.001). Similarly, both Price and Promotion have significant direct effects on Sales Growth (0.280 and 0.617), while Customer Satisfaction also shows a significant direct effect on Sales Growth (0.534, p < 0.001). These results confirm that price and promotion play critical roles in enhancing both customer satisfaction and sales growth.

Specific Indirect Effect

Specific Indirect Effect was tested to use PLS Boothstrapping by looking at the t-statistics of independent variables against dependent variables. The results of the specific indirect effect, namely, the value of the mediation test of this study can be seen in the table below:

Table 6. Spesific Indirect Effect

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P-Values
Price (X1) → Customer Satisfaction (Z) → Sales Growth (Y)	0.216	0.214	0.059	3.699	0.000
Promotion (X2) → Customer Satisfaction (Z) → Sales Growth (Y)	0.230	0.230	0.062	3.772	0.000

Source: SmartPLS Processed Data (2025)

Based on Table 6, the specific indirect effects of Price and Promotion on Sales Growth through Customer Satisfaction are significant (0.216 and 0.230, p < 0.001). This confirms that customer satisfaction acts as a significant mediator for both price and promotion in impacting sales growth..

Hypothesis Test

The results of the hypothesis testing reveal that all proposed relationships are statistically significant ($p\text{-value} < 0.05$). Specifically, H1, which examined the effect of Price (X1) on Customer Satisfaction (Z), is supported with a t-statistic of 4.611 and a $p\text{-value} < 0.001$, indicating that well-aligned pricing strategies can significantly enhance customer satisfaction. Similarly, H2, which tested the effect of Promotion (X2) on Customer Satisfaction (Z), is confirmed with a t-statistic of 3.955 ($p < 0.001$), suggesting that attractive and well-targeted promotional efforts have a significant and positive influence on customer satisfaction.

Moreover, H3, assessing the effect of Customer Satisfaction (Z) on Sales Growth (Y), is supported with a t-statistic of 6.891 and $p\text{-value} < 0.001$, highlighting that higher levels of customer satisfaction translate into stronger sales growth. The direct effects of Price and Promotion on Sales Growth are also confirmed. H4 ($t = 3.377$, $p = 0.001$) and H5 ($t = 7.275$, $p < 0.001$) indicate that both pricing and promotional strategies have a significant direct impact on sales growth.

Finally, the mediation analyses reveal that Customer Satisfaction serves as a significant mediator for both pricing and promotional strategies. H6 (Price $\rightarrow$ Customer Satisfaction $\rightarrow$ Sales Growth) is confirmed with a t-statistic of 3.699 and $p\text{-value} < 0.001$, while H7 (Promotion $\rightarrow$ Customer Satisfaction $\rightarrow$ Sales Growth) is confirmed with a t-statistic of 3.772 and $p\text{-value} < 0.001$. These results emphasize the pivotal role of customer satisfaction in converting pricing and promotional efforts into long-term sales growth.

DISCUSSION

The findings of this study underscore the central role that pricing and promotion play in boosting sales growth within the context of UMKM Cake 'n Bakery Lowayu. The results clearly demonstrate that both pricing and promotional strategies have significant direct effects, aligning with prior studies (Kotler & Armstrong, 2021; Hidayah et al., 2021) that highlight the importance of aligning marketing strategies with consumer perceptions and expectations.

More critically, this study highlights the mediating role of customer satisfaction, confirming that satisfaction operates as a vital link between marketing efforts and sales outcomes. The significant indirect effects imply that pricing and promotion strategies are most effective when combined with a strong focus on creating a rewarding customer experience. In this regard, pricing is not just about setting competitive rates, and promotion is not just about visibility both must be approached as a means of generating trust, loyalty, and satisfaction among customers.

These insights hold profound practical implications for UMKM Cake 'n Bakery Lowayu. In an increasingly competitive marketplace, the ability to design pricing and promotional strategies that foster deeper connections with customers can be a critical differentiator. By prioritizing customer satisfaction as an outcome of pricing and promotional activities, the business can build long term relationships that drive repeat sales, word of mouth referrals, and sustained growth.

CONCLUSION AND RECOMMENDATION

This study confirms that pricing and promotion have a significant and positive impact on sales growth, both directly and indirectly through customer satisfaction. The results highlight the critical role of customer satisfaction as a mediator, suggesting that pricing and promotional strategies must be aligned with customer needs and perceptions to optimize sales performance. In this regard, UMKM Cake 'n Bakery Lowayu is encouraged to focus not only on competitive pricing and attractive promotions but also on creating a highly satisfying customer experience as a core component of its marketing approach.

ADVANCED RESEARCH

Future studies may consider incorporating additional variables such as service quality, brand image, or digital marketing to deepen understanding of factors affecting sales growth in UMKM businesses. Expanding the scope to different industries or applying longitudinal designs can also provide more comprehensive insights and further validate the findings of this research.

REFERENCES

- Andriyanto, L., Syamsiar, S., & Widowati, I. (2019). Pengaruh strategi pemasaran terhadap peningkatan penjualan. *Jurnal Agribisnis*, 20(1), 26-38.
- Aryati, R., Baharuddin, A., & Arifin, S. (2022). Pengaruh bauran pemasaran terhadap penjualan produk. *Mirai Journal*, 7(3), 576-588.
- Asyorori, M., & Andani, W. (2023). Analisis regresi variabel mediasi dengan metode kausal step. *Buletin Ilmiah Matematika, Statistika, dan Terapannya*, 12(1), 59-68.
- Bauran, A. F. (n.d.). Analisis faktor-faktor pemasaran terhadap keputusan pembelian pada rumah makan Podomoro. *Jurnal EMBA*, 9(2), 110-121.
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (4th ed.). SAGE Publications.
- Dewi Sanjaya, I., & Martono, S. (2012). Analisis manajemen strategi pemasaran. *Management Analysis Journal*, 1(2), 120-128.
- Hidayah, I., Ariefiantoro, T., Nugroho, D. W. P. S., & Suryawardana, E. (2021). Analisis strategi bauran pemasaran dalam meningkatkan volume penjualan (Studi kasus pada Pudanis di Kaliwungu). *Jurnal Solusi*, 19(1), 76.
- Hikmah, A., Sriyanti, D., Rijal, S., Said, M. I., & Supatminingsih, T. (2022). Pengaruh bauran pemasaran terhadap volume penjualan (Studi kasus Yotta Milk di Kota Makassar). *Indonesian Journal of Social Studies and Humanities*, 2(1), 12-24.
- Kalogiannidis, S., & Mavratzas, S. (2020). Strategi pemasaran untuk produk lokal di pasar global. *International Journal of Business and Economics*, 15(3), 78-90.
- Kotler, P., & Armstrong, G. (2016). *Principles of Marketing* (16th ed.). Pearson Education.
- Meilda, Y., Hamdani, I., & Triwoelandari, R. (2022). Pengaruh bauran pemasaran terhadap kepuasan pelanggan (Studi kasus Al-Amin Islamic Store Laladon Bogor). *El-Mal: Jurnal Kajian Ekonomi dan Bisnis Islam*, 5(2), 274-290.
- Nabilla, S. B., Silcyljeova, M., & Reitty, L. S. (2021). Analisis strategi bauran pemasaran terhadap penjualan ikan kering pada UMKM Toko 48 Pasar Bersehati Manado. *Jurnal EMBA*, 9(3), 1530-1538.
- Nelfianti, F. (2021). Analisis bauran pemasaran produk plat stainless steel. *Jurnal Pemasaran dan Manajemen Strategis*, 1, 88-92.
- Ramadhan, R. H., & Susila, I. (2024). Kepuasan pelanggan: Studi pada pengguna layanan Telkomsel di Kota Surakarta. *Jurnal Pemasaran dan Manajemen*, 17(2), 1791-1808.
- Sari, I., Anindita, R., & Setyowati, P. (2018). Pengaruh bauran pemasaran terhadap kepuasan pelanggan berubah menjadi loyalitas pelanggan pada Coldplay Juice Soji. *Habitat*, 29(2), 57-64.
- Septiani, R., & Nurhadi. (2020). Peran mediasi kepuasan pelanggan pada pengaruh e-service quality, persepsi harga, dan promosi penjualan terhadap loyalitas pelanggan. *Jurnal Fokus*, 10(2), 249-268.
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.
- Tjiptono, F. (2019). *Strategi Pemasaran* (5th ed.). Andi Publisher.
- Sofiah, Murni, Sri Ramadhani, Nur Ahmadi, and Bi Rahmani. 2023. "Jurnal Riset Ekonomi Dan Bisnis and Place) Terhadap Keputusan Pembelian Pada Usaha Mikro Kecil Menengah (Umkm) Analysis of the Influence of the 4p Marketing Mix (Product , Price , Promotion , Place) on Purchasing Decisions in Msme." *Jurnal Riset*, 16(2):122-41