

Optimizing The 4P Marketing Mix Through Importance Performance Analysis (IPA): A Case Study of Nanreku MSME

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Abstract

This research aims to analyze the level of importance and performance (Importance Performance Analysis/IPA) and optimize service quality in the 4P marketing mix (Product, Price, Place, Promotion) in the Nanreku MSME business. The research method used is quantitative descriptive with a 1–5 Likert sized questionnaire instrument. Respondents in this research were Nanreku MSME consumers who were selected using purposive sampling techniques. Data is calculated by calculating the average importance and performance scores, then entered into a Cartesian IPA diagram. The research results show that in quadrant I (Top Priority) there are attributes of product variants, price availability, and ease of ordering information via social media that need serious attention for improvement. Quadrant II (Maintain Achievement) includes product quality, taste, suitability of price to quality, product condition upon delivery, and ease of contacting admin which is in line with customer expectations so it needs to be maintained. Quadrant III (Low Priority) is dominated by promotional attributes that are considered less important by customers and whose performance is not optimal. Meanwhile, quadrant IV (Excessive) includes product presentation and delivery options that are considered excessive compared to their level of importance.

Keywords: Performance_Importance_Analysis; Marketing_mix; Customer_satisfaction; MSMEs

1. Introduction

The development of digital technology has encouraged the rapid growth of online businesses, including the micro, small and medium enterprise (MSME) sector. MSMEs in Indonesia have a significant contribution to the national economy, where according to the Ministry of Cooperatives and (SMEs, 2022), this sector contributes more than 60% to gross domestic product (GDP) and absorbs the majority of the workforce. However, amidst the increasing number of online business people, competition between MSMEs is getting tighter, so the right marketing strategy is needed to retain customers and increase competitiveness [1]

One approach that is widely used to understand consumer perceptions of marketing is the marketing mix [2] explain that the marketing mix is a set of marketing tools that a company uses to achieve marketing goals in the target market. In the MSME context, the four main elements that are relevant to study are product, price, promotion and place (4P). The choice of this indicator is in line with the characteristics of MSMEs which are simpler than large companies, so focusing on the 4Ps is considered more effective [3].

To measure the extent to which a marketing strategy meets consumer expectations, an analytical method is needed that is able to compare the level of importance (importance) and

performance (performance) [4]. One method that is widely used is Importance Performance Analysis (IPA)[5]. IPA helps organizations identify which attributes need to be prioritized for improvement and which ones need to be maintained. This method is effectively used in various research related to marketing, service quality and customer satisfaction [6].

A number of previous studies have used Importance Performance Analysis (IPA) in assessing service and marketing quality. For example, research by [6] examines service quality in educational institutions, while [3] emphasizes the use of marketing mix in the business sector in general. However, research regarding the application of IPA to the 4P marketing mix in the context of online-based MSMEs in Indonesia is still limited. Most studies focus on large companies or service quality aspects [7] not on the marketing strategies of small-scale MSMEs.

Apart from that, previous research tends to look at the marketing mix partially, without integrating consumer interests (importance) and actual performance (performance). Therefore, this research tries to fill the gap by applying IPA to the 4P marketing mix (product, price, promotion, place) in Nanreku MSMEs as a case study. This approach is expected to provide practical contributions in formulating marketing strategies based on consumer needs as well as theoretical contributions to MSME marketing literature in the digital era.

Nanreku MSMEs, as one of the online-based business actors, face the challenge of retaining consumers through quality products, competitive prices, effective promotions, and easy-to-reach distribution channels. By using the IPA approach to the 4P marketing mix, this research is expected to be able to provide an overview of the marketing attributes that consumers consider important, as well as assess the extent to which the performance of Nanreku MSMEs meets these expectations. The results of this analysis can be the basis for Nanreku to optimize its marketing strategy to better suit market needs.

2. Methodology

Types of research

This research is quantitative descriptive research with an Importance Performance Analysis (IPA) approach. This approach is used to evaluate the level of consumer satisfaction by comparing the level of importance (importance) and level of performance (performance) of the attributes in the 4P marketing mix (Product, Price, Place, Promotion).

Location and Research Objects

The research was carried out at Nanreku MSMEs which operate in the culinary sector. The research object is consumers who have used Nanreku MSME products/services.

Population and Sample

The population in this research is all Nanreku MSME consumers. Because the population size is not known with certainty, sample size determination was carried out using the approach of [8], namely at least 5 times the number of indicators used in the questionnaire. So the minimum number of samples taken is 100 respondents. The sampling technique used was purposive sampling, with the criteria for respondents being consumers who had purchased the product at least twice in the last 6 months.

Data collection technique

The data used in this research is primary data, obtained through distributing questionnaires to respondents and from interviews with MSME owners. As well as secondary data, in the form of literature, journals and reports related to MSMEs. The research instrument is a questionnaire with a Likert scale of 1–5, where score 1 = very unimportant/dissatisfied and score 5 = very important/very satisfied.

Research Instrument

The instrument is prepared based on the indicators of each 4P variable, namely product, which consists of product quality, product variety, design/packaging, durability. Price which consists of suitability of price to quality, affordability, price clarity. Place (Distribution) which consists of ease of obtaining products, strategic location, distribution channels. As well as Promotion (Promotion) which consists of advertising, social media, discounts/special offers, word of mouth.

Data Analysis Techniques

Data analysis was carried out using the following steps:

1. Calculate the average score for the level of importance and performance for each indicator.
2. Calculate the gap value (discrepancy) between the level of importance and performance.
3. Plot the results into a Cartesian IPA diagram consisting of four quadrants:
 - a. Quadrant I: Concentrate here (High Importance – Low Performance).
 - b. Quadrant II: Maintain Achievement (High Importance – High Performance).
 - c. Quadrant III: Low Priority (Low Importance – Low Performance).
 - d. Quadrant IV: Excessive (Low Importance – High Performance).

To measure the level of importance and performance of the 4P marketing mix in Nanreku MSMEs, this research uses an instrument in the form of a questionnaire with a number of predetermined attributes. These attributes were compiled based on previous literature studies, especially the marketing mix concept [2] and adapted to the context of MSME culinary businesses. The following is a table of research attributes,

Table 1. Research Attributes

Indicator	Attiributes	Description
Product	A1	Product Quality
	A2	Product Conformity with the description/photo Display on social media
	A3	Product Variants
	A4	Product Presentation
	A5	Product Taste
Price	A6	Suitability of product price with quality
	A7	Availability of Price information
	A8	Prices are competitive with similar businesses
	A9	There is a price reduction/discount promotion
Promotion	A10	Promotional content on social media
	A11	Availability of promotional information
	A12	Find Out about the existence of product through promotions
	A13	Testimonials from other customer
	A14	Promotions that encourage try/buy
Place	A15	Ease of product ordering process via social media
	A16	Shipping option/expeditions service available
	A17	Accuracy of estimated product receipt time The condition of the product during delivery until it reaches costumers is good and safe
	A18	
	A19	Ease of contacting admin during ordering

3. Results and Discussion

3.1. Results

Data analysis was carried out by calculating the average value of importance (importance) and performance (performance) of each marketing mix attribute. This value is then used as a basis for mapping into a Cartesian Importance-Performance Analysis (IPA) diagram to identify attributes that are the main priority for improvement, attributes that need to be maintained, and attributes with low priority. The results of calculating the average value of importance and performance for each attribute are presented in Table 1.

Table 1. Average Importance and Performance

Attributes	Descriptions	Importance (Mean)	Performance (Mean)	Quadrant
A1	Product Quality	4,50	4,60	II
A2	Product Confirmity with the description/photo Display on social media	3,60	3,40	III
A3	Product Variants	4,40	3,20	I
A4	Product Presentation	3,20	4,30	IV
A5	Product Taste	4,60	4,55	II
A6	Suitability of product price with quality	4,30	4,20	II
A7	Availability of Price information	4,20	3,10	I
A8	Prices are competitive with similar businesses	3,70	3,50	III
A9	There is a price reduction/discount promotion	3,65	3,40	III
A10	Promotional content on social media	3,80	3,55	III
A11	Availability of promotional information	3,75	3,60	III
A12	Find Out about the existence of product through promotions of social media	3,60	3,40	III
A13	Testimonials from other customer	3,70	3,55	III
A14	Promotions that encourage try/buy	3,65	3,45	III
A15	Ease of product ordering process via social media	4,25	3,25	I
A16	Shipping option/expeditions service available	3,30	4,10	IV
A18	Accuracy of estimated product receipt time	4,40	4,50	II
A19	The condition of the product during delivery until it reaches costumers is good and safe	4,35	4,45	II

Based on the results of calculating the average score for the level of importance and performance, the marketing mix attributes of Nanreku MSMEs are mapped into a Cartesian Importance Performance Analysis (IPA) diagram. This diagram is used to identify the position of each attribute in four quadrants that describe priority repair and maintenance strategies. The mapping results can be seen in Figure 1 below.

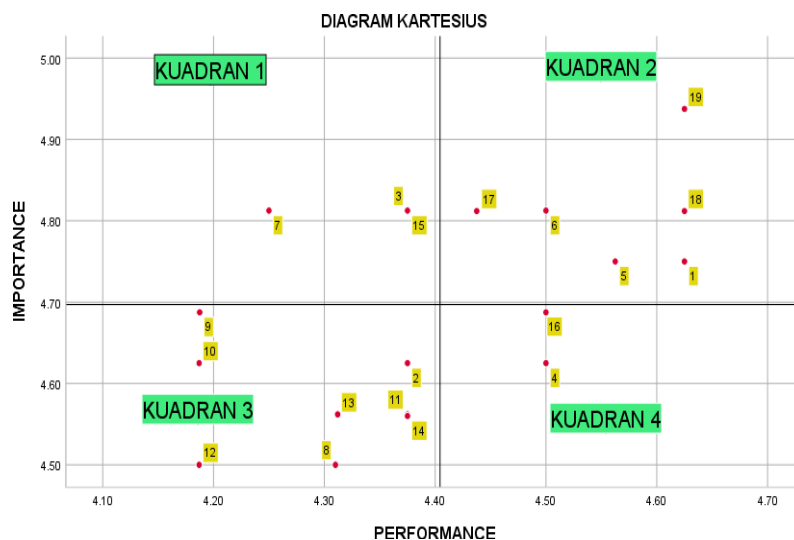


Figure 1. Cartesian diagram

Source: SPSS data processing result, 2025

As seen in Figure 1, four quadrants can be identified which describe the position of each attribute of the Nanreku MSME marketing mix.

Quadrant I (Top Priority/Concentrate Here)

This quadrant reflects attributes that are considered very important by consumers, but the level of performance is still low, causing relatively low customer satisfaction. Thus, the attributes in this quadrant are the main priority for improvement. There are three attributes included in this category, namely product variants (A3), availability of price information (A7), and ease of the product ordering process via social media (A15). These results show that consumers demand a wider variety of products, transparency in price information, and an online ordering system that is easier and more efficient.

Quadrant II (Maintain Achievement/Keep up the Good Work)

This quadrant contains attributes that are considered important by consumers and at the same time their performance is in line with expectations. In other words, consumers are satisfied with the attributes in this quadrant so they need to be maintained by MSME management. Attributes that fall into this category include product quality (A1), product taste (A5), suitability of price to quality (A6), product condition during delivery (A18), and ease of contacting admin (A19). This indicates that the core aspects of Nanreku's products and services have succeeded in meeting consumer expectations.

Quadrant III (Low Priority)

Attributes in this quadrant are considered to have a relatively low level of importance for consumers, and at the same time their performance is not outstanding. Thus, even if these attributes are not the main focus of improvement, management can still pay attention to their development in stages. Attributes included in this quadrant include product suitability with descriptions/photos on social media (A2), competitive prices with similar businesses (A8), price/discount promotions (A9), promotional content on social media (A10), availability of promotional information (A11), product existence through promotions on social media (A12), customer testimonials (A13), and promotions that encourage purchases (A14).

Quadrant IV (Excessive/Possible Overkill)

This quadrant shows attributes that consumers consider less important, but whose performance is relatively high. This condition has the potential to cause waste of resources because management focuses too much on aspects that are not that important to consumers. Attributes included in this quadrant are product presentation (A4) and availability of shipping options or expedition services (A16). This indicates that although management pays great attention to product appearance and the variety of delivery options, consumers do not really prioritize these two aspects.

Overall, the mapping results show that Nanreku MSME management needs to prioritize increasing product variant innovation, price transparency, and the effectiveness of online ordering services. On the other hand, aspects of product quality, taste, prices commensurate with quality, and safe delivery services need to continue to be maintained.

Strategy Summary

To facilitate strategy formulation, a summary of attribute positions and recommended actions is shown in Table 2.

Table 2. Summary of Attribute Positions and Strategy Implications

Quadrant	Attributes	Strategy Recommendations
I	Product variants (A3), Price information (A7), Orders via social media (A15)	Top priority for immediate repair
II	Product quality (A1), Product taste (A5), Price to quality (A6), Delivery conditions (A18), Ease of communication (A19)	Maintained with service according to admin consistency
III	A2, A8, A9, A10, A11, A12, A13, A14	Low priority, can be fixed gradually
IV	Product presentation (A4), Delivery options (A16)	It needs resource efficiency because it is considered excessive

3.2. Discussion

The results of research using the Importance-Performance Analysis (IPA) method at Nanreku MSMEs show that not all 4P marketing mix attributes have performance that matches their level of importance to consumers. There are attributes that are the main priority for improvement, attributes that need to be maintained, attributes that are low priority, and attributes that are considered to have excessive performance.

Quadrant I: Main Improvement Priorities

The attributes included in this quadrant are product variants (A3), availability of price information (A7), and ease of ordering via social media (A15). This condition shows that even though consumers consider these attributes to be important, the performance of MSMEs is still not optimal. This is in line with the findings of [9] which shows that product variety and accessibility of price information are factors important factors that influence consumer loyalty to culinary MSMEs. Apart from that, research by [10] emphasized that the ease of the ordering process via digital platforms plays a significant role in increasing customer satisfaction. Thus, Nanreku needs to increase menu

variety, provide transparent price information, and improve the online ordering system to make it more efficient.

Quadrant II: Attributes that need to be maintained

The attributes of product quality (A1), taste (A5), suitability of price to quality (A6), product condition during delivery (A18), and ease of communication with admin (A19) are considered very important by consumers and their performance meets expectations. This is consistent with the study by [2] which emphasizes that quality and taste are the main factors in the mix of food and beverage products. This finding is also supported by research by [11] which found that positive perceptions of product quality and logistics services encourage customer satisfaction and loyalty in online-based food businesses. Therefore, Nanreku needs to maintain consistency in these aspects of quality and service.

Quadrant III: Low Priority

Attributes such as promotions, customer testimonials, and competitive prices (A2, A8–A14) are in quadrant III which shows a low level of importance with also low performance. Nanreku consumers seem to focus more on the quality and taste of the product rather than the promotions carried out. This is in line with [12] study which states that consumers in the adult segment prioritize taste and quality compared to promotional factors. Therefore, improvements in this aspect are still important, but can be done gradually without having to be a top priority.

Quadrant IV: Overperformance

Product presentation (A4) and delivery options (A16) are included in quadrant IV, namely attributes whose performance is high even though their level of importance is low. This indicates the possibility of less efficient resource allocation. These findings are in line with [13] which shows that visual perception of food is more influential in young age groups than in older age groups. Considering that the majority of Nanreku consumers come from the age group of 40 years and above, excessive attention to visual aspects is unlikely to have a significant impact on satisfaction. Thus, efficiency can be achieved in this aspect without reducing consumer satisfaction.

Overall, the results of this research strengthen previous literature that culinary MSME consumer satisfaction is determined more by the quality, taste and reliability of core services than promotional and visual factors. However, the integration of digital services such as ease of ordering and openness of price information is a major challenge that must be addressed immediately so that MSMEs remain competitive in the digital era.

4. Conclusion

This research aims to analyze the level of importance and performance of the marketing mix (4P) in Nanreku MSMEs using the Importance Performance Analysis (IPA) method. The research results show that there are differences in customer perceptions towards marketing attributes, where some aspects are in line with consumer expectations, while others still need improvement.

In particular, this research found that product variety, transparency of price information, and ease of online ordering are important factors that need to be improved immediately. On the other hand, product quality, taste, suitability of price to quality, and reliability of delivery services have met customer expectations and must be maintained. On the other hand, promotional strategies are considered not to be a top priority for consumers,

while product presentation attributes and delivery options show excessive performance compared to their level of importance.

These findings confirm that proper marketing mix management can increase the competitiveness of MSMEs, especially through focusing on attributes that really influence customer satisfaction. The contribution of this research lies in mapping MSME marketing strategies based on IPA analysis which can be used as a reference for similar business actors to allocate resources more effectively.

For further research, it is recommended that the scope of respondents be expanded, covering more diverse age segments and consumer backgrounds, so that understanding of customer preferences can be more comprehensive. In addition, integration with other analysis methods, such as the Customer Satisfaction Index (CSI) or Structural Equation Modeling (SEM), can provide a more in-depth picture of the relationship between marketing attributes and levels of customer satisfaction and loyalty.

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