

The Impact of Social Media Marketing on Consumer Purchase Decisions

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ABSTRACT

The purpose of this study is to determine the impact of social media marketing on consumer purchasing decisions for Indonesian rail transportation service users who operate in a monopoly market. Explanatory research with a quantitative approach was used in this study. This study utilized five variables: content creation, content sharing, connecting, community building, and purchase decision structure. The data were gathered through the distribution of online questionnaires (e-questionnaires) to PT. Kereta Api Indonesia Instagram followers. Descriptive analysis and multiple linear regression analysis were used to analyze the data. The study found that the variables of Content Creation, Content Sharing, Connecting, and Community Building had a simultaneous and significant impact on the Purchase Decision Structure. Then, each variable of Content Creation, Content Sharing, Connecting, and Community Building has a partial and yet significant impact on the Purchase Decision Structure.

Keywords: *Social Media Marketing, Purchase Decision.*

1. INTRODUCTION

The development of social media and its application in marketing has a significant impact on business structure, organizational model changes, and the dynamics of the company's marketing. [1,2] According to [3], social media is a collection of internet-based applications based on the ideology and foundations of web 2.0 technology. As marketers begin to understand consumer purchasing behavior and increase their understanding of consumer feelings toward a particular brand or product, social media has become a component of market intelligence [4]. This opportunity can assist marketers in developing consumer communication, adjusting marketing messages, and maintaining a brand presence in the online marketplace [5].

While social media has been proven to be useful in business for learning what customers and the general public think about a company's products and services [6, 7], not all customers are comfortable with the technique [8]. When customers are uncomfortable, they are more likely to form bad perceptions that influence their purchasing decisions, resulting in a loss of consumer confidence in the company's products and a deterioration of the customer-company relationship. [9,10,11] This is

a particular source of concern in gaining better knowledge and researching social media marketing.

This research aims to see how social media marketing can influence consumer purchase decisions for the positive outcome. The customers of PT. Kereta Api Indonesia, a state-owned transportation company in Indonesia, is the subject of this study. The company's services provide the research with its uniqueness. Unlike other modes of transportation, such as airplanes or other types of land transportation, such as buses, rail transportation services in Indonesia are controlled by a single firm with no market competition.

1.1. Social Media Marketing

According to [12], social media marketing is direct or indirect marketing that uses web-based tools to build awareness, recognition, memory, and action for brands, businesses, products, people, or other entities. Similar to blogging, microblogging, social networking, social bookmarking, and content sharing, social media marketing is a process that encourages individuals to promote their websites, products, or services through online social channels and to communicate by leveraging a much larger community who are more likely to do

marketing than through traditional advertising channels [13]. Social media marketing is a type of online advertising that uses the cultural context of social communities such as social networks, virtual worlds, social news sites, and social opinion sharing sites to achieve communication goals [14].

According to [12], four variables are used to determine the success of social media marketing:

1) Content Creation

Engaging content is the foundation of any social media marketing strategy. The content created must be appealing and represent the personality of a company in order for target consumers to trust it.

2) Content Sharing

Sharing content with social communities can help a company's network, and online audience grow. Depending on the type of content shared, sharing can result in indirect and direct sales.

3) Connecting

Social networking sites allow the company to meet more people who share their interests. Extensive networks can help to foster relationships that can lead to increased business. When engaging in social networking, it is critical to maintaining open and honest communication.

4) Community Building

The social web is a large online community of people who use technology to interact with people worldwide. With social networking, it is possible to create a community of people who share similar interests on the internet.

1.2. Purchase Decision

Purchasing decisions are processes in which consumers evaluate various choices and select one or more based on specific considerations [15]. According to [16], purchasing decisions are an evaluation process in which prospective consumers combine their knowledge of two or more alternative products and choose one of them. According to [17], consumer decision-making integrates knowledge to evaluate and choose one of two or more alternative behaviors. This integration process yields a choice, which is presented cognitively as a desire to behave. The purchase decision is defined as a consumer's subjective judgment that is reflected after the general decision to purchase a product or service [18, 19, 20 and 21].

According to [22], purchasing decisions have a seven-component structure that includes :

1) Product Type Selection

Consumers have the option of purchasing a product or spending their money elsewhere. The company should concentrate its efforts on people interested in purchasing the product and other alternatives they are considering.

2) Decisions about product form

This decision is related to what customers learn about the products they purchase. In this case, the train service is in line with what customers expect.

3) Brand-related decisions

Consumers must choose which brand to purchase because each brand has unique characteristics.

4) Decision about the seller

Consumers must decide where they will purchase the product, whether via the train's online application, other online applications that also offer train ticket purchasing services, or other channels.

5) Decision on product quantity

Consumers can choose the number of products they wish to purchase. Companies must be able to prepare a large number of products to meet the various needs of buyers.

6) Decision about the time of purchase

The availability of money owned by consumers is closely related to purchasing an item. Companies must understand the factors that influence consumer purchasing decisions to manage the timing of production and marketing activities.

7) Decision on the payment method

Consumers must decide whether to pay in cash or installments for the purchased product. The company must be aware of the buyer's preference for the payment method.

1.3. Hypothesis

H1 : Social media marketing, which includes content creation, content sharing, connecting, and community building, has a significant concurrent effect on the Purchase Decision Structure variable.

H2 : The variable Content Creation has a significant partial effect on the variable Purchase Decision Structure.

H3 : The variable Content Sharing has a significant partial effect on the variable Purchase Decision Structure.

H4 : The connecting variable has a marginally significant effect on the Purchase Decision Structure.

H5 : The variable Community Building has a significant partial effect on Purchase Decision Structure.

2. METHODS

This was an explanatory study with a quantitative approach. The study was carried out by distributing random questionnaires to 41 respondents via the internet. In this study, the sample collection technique is non-probability sampling with a purposive sampling method, which is a sampling technique that is used if certain criteria are met. According to [23], determining a sample size greater than 30 but less than 500 is an appropriate and reasonable amount for general research. The questionnaire results were analyzed using multiple linear regression via the SPSS application for the statistical method.

3. RESULTS AND DISCUSSION

3.1. Respondent Characteristics

completed surveys that were then analyzed. According to the questionnaire results, most respondents were 58.5 percent female and 41.5 percent male. According to age, the majority of respondents were between the ages of 17 and 35, with 87.8 percent of those between the ages of 26 and 35 accounting for as many as 12.2 percent of those between the ages of 26 and 40. With a presentation of 80.5 percent, the most recent education held by the majority of respondents was undergraduate. The master's degree is only 7.3 percent, while the high school level is 12.2 percent.

3.2. Statistical Test Result

Table 1 shows the results of the F test on the Purchase Decision Structure variables of Content Creation, Content Sharing, Connecting, and Community Building with a significance level of 5% or equivalent to 0.05, a significance value of F 0.05, i.e., sig. F of 0.000 was obtained. As a result, the variables of Content Creation, Content Sharing, Connecting, and Community Building significantly affects the Purchase Decision Structure when combined.

Table 1 F Test Result

| Anova | | | | | |
|--------------|----------------|-----|-------------|--------|-------|
| Model | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 Regression | 251.390 | 4 | 62.847 | 32.611 | .000b |
| Residual | 213.920 | 111 | 1.927 | | |
| Total | 465.310 | 115 | | | |

a. Dependent Variable : Y

b. Predictors : (Constant), X4, X1, X2, X3

The findings of this study are illustrated in Table 2, which concludes the structure of consumer purchasing decisions for PT. Kereta Api Indonesia services were influenced by Content Creation, Content Sharing, Connecting, and Community Building with a 52.4

percent contribution, as measured by the Adjusted R Square value. Meanwhile, the rest is influenced by factors outside of this study. As a result, the findings of this study indicate that all variables from Social Media Marketing have a significant effect on the Purchase Decision Structure when considered together. This means that PT. Kereta Api Indonesia's Social Media Marketing is already good, and if the company gets closer to consumers, it can improve Social Media Marketing even more, which can improve the Consumer Purchase Decision Structure for PT. Kereta Api Indonesia's products and services.

Table 2 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | .735a | .540 | .524 | 138.824 |

a. Predictors : (Constant), X4, X1, X2, X3

b. Dependent Variable : Y

The findings of this study support [12] assertion that social media marketing impacts purchasing decisions by allowing the public to provide online reviews that can influence people's thinking when making purchasing decisions for a product or service. Furthermore, the findings of this study back up [24] claim that Social Media Marketing has a significant impact on purchasing decisions. There are several differences between this study and the previous one, including the fact that in this study, Social Media Marketing is used as a concept with variables such as Content Creation, Content Sharing, Connecting, and Community Building. Regression analysis result show by Table 3

Table 3 Regression Analysis Result

| Model | Unstandardized coefficients | | Standardized Coefficients | t | Sig. |
|---------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constants) | 2.442 | .943 | | 2.589 | .011 |
| X1 | .392 | .118 | .282 | 2.332 | .001 |
| X2 | .320 | .106 | .232 | 3.020 | .003 |
| X3 | .292 | .109 | .248 | 2.676 | .009 |
| X4 | .237 | .107 | .180 | 2.218 | .029 |

3.3. Content Creation

Table 3 shows that Content Creation has a significant and positive effect on the Purchase Decision Structure, with a regression coefficient value of 0.392. This means that as the Purchase Decision Structure variable rises, so will the Content Creation variable. The Partial Test (t-test) results with a significance level of 5% or equivalent to 0.05 revealed the significance value of t (0.001) 0.05 with a t-value of 3.332. The result also concluded that the respondents that answered agree on the Content Creation variable are the majority. The exciting content provided

by PT. Kereta Api Indonesia's Instagram is sufficient to make the findings of this study significant.

3.4. Content Sharing

According to the Multiple Linear Analysis Test result in table 3, Content Sharing has a significant and positive effect on the Purchase Decision Structure, with a regression coefficient value of 0.320. This means that as the Purchase Decision Structure variable rises, so will the content Sharing variable. The partial test (t-test) results with a significance level of 5% or equivalent to 0.05 showed a significance value of $t(0.003) 0.05$ with a tcount value of 3.020. Furthermore, it was discovered that respondents with answers agreeing on the Content Sharing variable were in the majority. The content sharing is carried out by PT. Kereta Api Indonesia's Instagram by providing images that attract the attention of online viewers and strengthen brand awareness, resulting in significant results in this study.

3.5. Connecting

The results in table 3 show that Connecting has a significant and positive effect on the Purchase Decision Structure, with a regression coefficient value of 0.292. This means that as the Connecting variable rises, so will the Purchase Decision Structure variable. The partial test results (t-test) with a significance level of 5% or 0.05 revealed the significance value of $t(0.009) 0.05$ with a t-count value of 2.676. It also discovered that respondents who agreed on the Connecting variable were in the majority. It was demonstrated that PT. Kereta Api Indonesia has used Instagram to meet more people with similar interests, and the relationship between online viewers and one another causes the Connecting variable results to be significant.

3.6. Community Building

Table 3 also shows that Community Building has a significant and positive effect on the Purchase Decision Structure, with a regression coefficient value of 0.237.

This means that if the Community Building variable rises, the Purchase Decision Structure variable may also rise. The partial test results (t-test) with a significance level of 5% or 0.05 revealed a significance value of $t(0.029) 0.05$ with a tcount value of 2.218. It was discovered that respondents who agreed on the Community Building variable were the majority. The influence of online viewers on one another and the fulfillment of the physical needs of online viewers through the existence of Community Building contribute to the significance of the findings in this study.

4. CONCLUSIONS

From this research, it can be concluded that all four variables impact consumer purchase decisions, especially on train service users in Indonesia. Further researchers can expand this research by increasing the number of respondents to ensure more accurate results, examining other variables that can influence consumer purchasing decisions, and examining other more interesting research objects.

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