

THE ROLE OF DIGITAL MARKETING ON PURCHASE INTENTION AND PURCHASE DECISIONS AT KOPI SI BUDI SURAKARTA

Allousia Herlina Diventy¹⁾, Marjam Desma.Rahadhini²⁾, Rahayu Triastity³⁾

^{1,2,3)} *Economic Faculty of Universitas Slamet Riyadi Surakarta*
e-mail: ¹⁾ ventyveos@gmail.com ; ²⁾ rahadhini9@gmail.com

ABSTRACT

This research was conducted at Kopi Si Budi Surakarta and uses a survey method conducted on Kopi Si Budi's Instagram followers. The population of the research is all of Kopi Si Budi's followers. The sampling technique used probability sampling with a simple random sampling of 125 respondents. The analysis technique uses Structural Equation Modeling (SEM). The validity and reliability test uses Confirmatory Factor Analysis (CFA) and Cronbach Alpha. The result shows that social media marketing has no effect on purchase intention. E-word of mouth effect purchase intention. Social media marketing has an effect on purchasing decisions. E-word of mouth has no effect on purchasing decisions. Purchase intention effects purchasing decisions. Social media marketing has an effect on purchasing decisions through purchase intention and e-word of mouth influences purchasing decisions through purchase intention.

Keywords: social media marketing, e-word of mouth, purchase intention, and purchase decisions

1. Introduction

Social media is one of the tools in information technology used in digital marketing. One of the most popular social media is instagram. The number of instagram users in Indonesia is 60 million and is ranked third behind the United States' instagram users of 116 million (www.statista.com, 2019). Many coffee shops in Surakarta use social media to promote products, one of which is Kopi Si Budi. Kopi Si Budi uses social media instagram as a means of publication and promotion, through instagram @kopisibudi.

There were 792 interactions and 7.617 impressions that took place on the @kopisibudi instagram in 2019. Some photo uploads also contain comments from @kopisibudi instagram followers. This proves that the @kopisibudi instagram in demand by instagram users. Social media marketing carried out by a business can affect a person's thinking which will have an impact on other people's thoughts more broadly before making a purchase decision (Gunelius, 2011:144-145). The use of e-word of mouth through social media will also encourage communication from consumers who will review and comment on products being sold and make the marketing network wider, because before consumers purchase products, consumers will look for product information and will create purchase intention (Laksmi and Oktafani, 2016: 80). E-wom through social media is done by providing product reviews, providing recommendations to other consumers or just sharing experiences. On the instagram @kopisibudi there has been an e-wom, where followers invite others to visit the coffee shop and enjoy the products offered.

2. Literature Review

2.1. Social media marketing

Social media marketing is a system that allows marketers to engage, collaborate, interact and take advantage of the intelligence of the people who participate in it for marketing purposes (Tsitsi, 2013:366). Social media marketing is a form of direct or indirect marketing used to build awareness, recognition, memory and action for brands, businesses, products, people and to use tools from the social web, such as blogging, microblogging, social networking, social bookmarking, and content (Genelius, 2011:10). Social media marketing is measured with 3 dimensions, namely: entertainment, interaction and trendiness (Kim and Ko, 2012:1485).

2.2. Electronic word of mouth (e-wom)

E-wom is a negative or positive statement made by actual, potential or previous consumers regarding a product or company where this information is available to people or institutions through the internet media (Jalilvand and Samiei, 2012:465). Electronic word of mouth (e-wom) is a very important place for consumers to give their opinion and is considered more effective than traditional word of mouth (Priansa, 2017:351). According to Charo (2015:41) electronic word of mouth is a form of exchange information and knowledge online on social media. There are four elements in e-wom, namely: response, communicator, stimulus and receiver (Cheung & Thadani, 2010:340).

2.3. Purchase intention

Purchase intention is defined as an attitude of consumers who are happy with this object by paying money or by sacrifice (Schiffman and Kanuk, 2010:36). Purchase intention is something that appears after receiving stimulation from the product seen, then there is a desire to buy and own (Kotler and Armstrong, 2012:185). Meanwhile, Kinnear and Taylor (2010:153) suggest purchase intention, namely a component of consumer behavior in consuming before deciding to buy a product. The aspects of purchase intention are: aspects of interest, aspects of desire, aspects of belief (Lucas and Britt, 2012:101).

2.4. Purchase decisions

Purchase decisions is a decision stage where consumers actually purchase a product (Tjiptono, 2012:193). Purchasing decision behavior refers to the final purchasing behavior of consumers, both individuals and households who buy products for personal consumption. (Kotler and Armstrong, 2014:158). The stages in purchasing decision process are: problem recognition, information search, evaluation of alternatives, purchase decisions, post-purchase behavior (Kotler and Keller, 2012: 227).

2.5. Hypothesis

1. The influence of social media marketing (X_1) on purchase intention (Z)

Social media marketing is a form of direct or indirect marketing that is used to build awareness, recognition, memory, and action for brands, businesses, products, people, or other entities (Gunelius, 2011:10). Research by Arief and Millianyani (2016) states that social media marketing has a significant effect on purchase intention.

H₁: There is an effect of social media marketing on purchase intention

2. The effect of electronic word of mouth (X_2) on purchase intention (Z)
Electronic word of mouth is a negative or positive statement made by actual, potential or previous consumers about a product or company where this information is available to people or institutions through the internet (Jalilvand and Samiei, 2012:465). Research by Laksmi and Oktafani (2016) states that electronic word of mouth has a significant effect on purchase intention.
H₂: There is an effect of electronic word of mouth on purchase intention
3. The influence of social media marketing (X_1) on purchasing decisions (Y)
Social media marketing is a system that allows marketers to engage, collaborate, interact and take advantage of the intelligence of the people who participate in it for marketing purposes (Tsitsi, 2013:366). Mileva and Fauzi's research (2018) states that social media marketing has a significant effect on purchasing decisions.
H₃: There is an influence of social media marketing on purchasing decisions.
4. The effect of electronic word of mouth (X_2) on purchase decisions (Y)
Electronic word of mouth is a positive or negative statement made by potential customers and actual customers about a product or company via the internet (Malik, et al. 2013:119). Utami and Saputri's research (2016) states that electronic word of mouth has a significant effect on purchase decisions.
H₄: There is an effect of electronic word of mouth on purchase decisions
5. The effect of purchase intention (Z) on purchase decisions (Y)
Purchase intention is something that arises after receiving stimulation from the product he sees, then the desire to buy and own it appears (Kotler and Armstrong, 2012:185). Putri, Kumadji and Sunarti's research (2016) states that purchase intention has a significant effect on purchase decisions.
H₅: There is an effect of purchase intention on purchase decisions
6. The influence of social media marketing (X_1) on purchase decisions (Y) through purchase intention (Y)
Social media marketing is a marketing strategy that is used by people in the form of online networks (As'ad and Alhadid, 2014:316). Research of Putri, Kumadji and Sunarti (2016) states that social media marketing has a significant effect on purchase decisions through purchase intention.
H₆: There is an influence of social media marketing on purchase decisions through purchase intention
7. Effect of electronic word of mouth (X_2) on purchase decisions (Y) through purchase intention (Z)
According to Charo (2015:41), the form of online information and knowledge exchange on social media is known as electronic word of mouth (e-wom). The research of Lutfiyatillah, Millatina, Mujahidah and Herianingrum (2020) states that electronic word of mouth has a significant effect on purchase intention and has an impact on purchase decisions.
H₇: There is an effect of electronic word of mouth on purchase decisions through purchase intention

3. Research Methods

This research was conducted on Kopi Si Budi's followers to determine the effect of social media marketing and e-wom on purchase decisions through purchase intention. The population of this study were all active followers of Kopi Si Budi's instagram in Surakarta. Total population of 2,556 followers (data until June 2020). Sampling using simple random sampling, taking random samples without

paying attention to the strata in the population (Sugiyono, 2013:118). In this study, the number of indicators was 25 from 4 latent variables so that the minimum sample size was: (Ferdinand, 2014: 54)

$$\text{Sample} = \text{number of indicators (25)} \times 5 \text{ (minimum requirement)} = 125$$

The number of samples is at least 125 respondents. Retrieval of data by distributing questionnaires in the google form to active followers of Kopi Si Budi's instagram by sending direct messages to respondents.

3.1. Instrument Test

The results of the validity test on social media marketing (X_1) 7 items, electronic word of mouth (X_2) 8 items, purchase intention (Z) 5 items, and purchase decisions (Y) 5 items using confirmatory factor analysis (CFA) shows the value estimate $> 0,50$ so that all items are valid. Reliability test results show that the value of cronbach alpha (0,877; 0,863; 0,864; 0,796) $> 0,60$. So that all the variable instruments of social media marketing, electronic word of mouth, purchase intention and purchase decisions are reliable.

3.2. Good of Fit Index (GFI)

Observations on the full model analysis show that the model meets the fit criteria. This is indicated by the value that meets the eligibility criteria for the full model as in the following table:

Table 1. Good of Fit Index

Goodness of Fit Index	Cut off value	Before modification	After modification	Model evaluation
Chi-square	It is expected to be less than the table value	581,078	204,907	Good fit
Probability	$\geq 0,05$	0,000	0,743	Good fit
RMSEA	$\leq 0,08$	0,096	0,000	Good fit
GFI	$\geq 0,90$	0,735	0,890	Marjinal
AGFI	$\geq 0,90$	0,680	0,837	Marjinal
CMIN/DF	$\leq 2,00$	2,152	0,936	Good fit
TLI	$\geq 0,95$	0,834	1,009	Good fit
CFI	$\geq 0,95$	0,850	1,000	Good fit

Source: Primary data processed, 2020

4. Result and Discussions

The structural model shows the chi-square value of the full model is 204,907. The values of RMSEA, CMIN / DF, TLI, and CFI show good fit, while the values of GFI and AGFI show marginal, so the model deserves to be analyzed to the next stage.

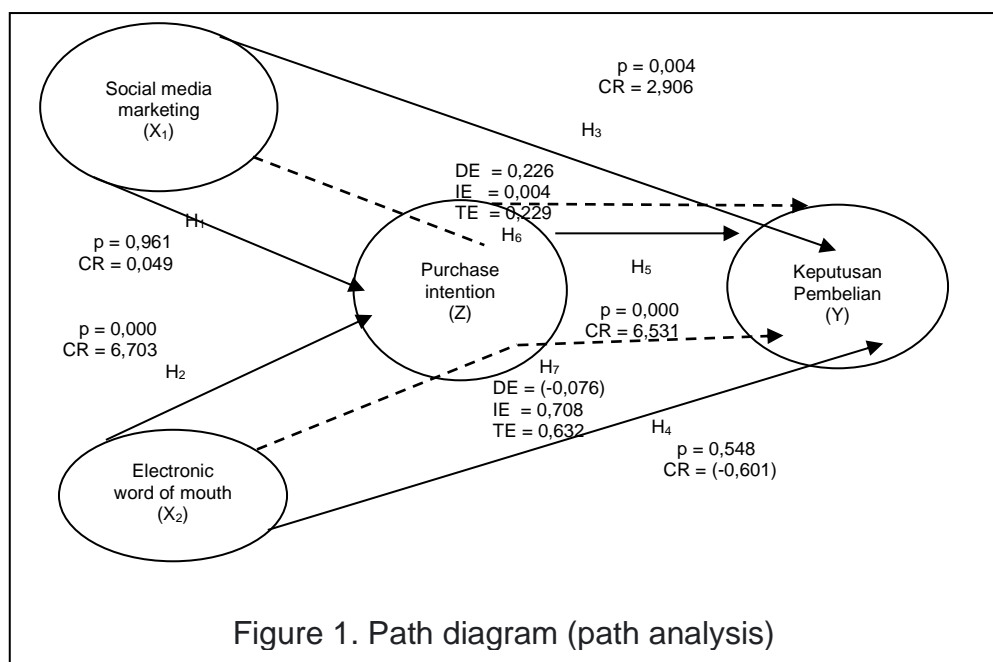


Figure 1. Path diagram (path analysis)

4.1. Hypothesis test

Hypothesis testing is done by analyzing the critical ratio (CR) value and the probability (p) value of the data processing results compared with the required statistical values, there is $CR > 1,96$ and $p < 0,05$.

Table 2. Results of Regression Weights

			Estimate	S.E.	C.R.	p	Sig / No sig
Z	<---	SMM	0,006	0,116	0,049	0,961	Significance
Z	<---	EWOM	0,924	0,138	6,703	0,000	No significance
Y	<---	Z	0,855	0,131	6,531	0,000	Significance
Y	<---	SMM	0,288	0,099	2,906	0,004	Significance
Y	<---	EWOM	- 0,085	0,141	- 0,601	0,548	No significance

Source: Primary data processed, 2020

Table 3. Direct Effects, Indirect Effects, Total Effects

			DE	IE	TE
Z	<---	EWOM	0,816	0,000	0,816
Z	<---	SMM	0,004	0,000	0,004
Z	<---	Y	0,000	0,000	0,000
Y	<---	EWOM	-0,076	0,708	0,632
Y	<---	SMM	0,226	0,004	0,229
Y	<---	Z	0,868	0,000	0,868

Source: Primary data processed, 2020

From the hypothesis testing, the results are discussed as follows:

1. The influence of social media marketing on purchase intention

The results showed that social media marketing has no effect on purchase intention because the CR value $0,049 < 1,96$ and the p value $0,961 > 0,05$ so that H₁ was not proven. The results of this study do not support the research of Arief and Millianyani (2016), Luthfiyatillah, Millatina, Mujahidah and

Herminingrum (2020) which concluded that social media has an effect on purchase intention. The successful concept of social media marketing can be used as an interactive marketing tool, service and building relationships with customers (Siswanto, 2013:83). Kopi Si Budi should create interesting and different Instagram social media content so that it has characteristics that followers can recognize, so that by looking at this content, consumers are interested in buying products.

2. The influence of electronic word of mouth on purchase intention

The results showed that electronic word of mouth has an effect on purchase intention because the CR value $6,703 > 1,96$ and the p value $0,000 < 0,05$, so that H_2 was proven. Purchase intention is something that arises after receiving stimulation from the product he sees, then the desire to buy and own (Kotler and Armstrong, 2012:185). The results of this study support the research of Laksmi and Oktafani (2016) which concluded that electronic word of mouth has a significant effect on purchase intention. Kopi Si Budi should be able to provide good encouragement in creating quality products and services so that consumers can provide positive comments and constructive reviews on Kopi Si Budi's instagram social media.

3. The influence of social media marketing on purchasing decisions

The results showed that social media marketing has an effect on purchasing decisions because the CR value $2,906 > 1,96$ and the p value $0,004 < 0,05$, so that H_3 was proven. The results of this study are in accordance with the theory of Tjiptono (2012:193) which states that the purchase decision is a decision stage where consumers actually purchase a product. The results of this study support the research of Mileva and Fauzi (2018) which concluded that social media marketing has a significant effect on purchasing decisions. Kopi Si Budi should be able to provide good encouragement in marketing on social media instagram so that consumers in particular are increasingly interested in content uploaded on instagram.

4. The influence of electronic word of mouth on purchasing decisions

The results showed that electronic word of mouth has no effect on purchasing decisions because the CR value $(- 0,601) < 1.96$ and the p value $0,548 > 0,05$ so that H_4 was not proven. The results of this study support research of Luthfiyatillah, Millatina, Mujahidah and Herianingrum (2020) which states that electronic word of mouth has no effect on purchasing decisions. Electronic word of mouth is an important place for consumers to provide opinions and is considered more effective than traditional word of mouth (Priansa, 2017:351). Kopi Si Budi should further increase interaction with followers on instagram social media and expand information networks. Information that contains positive reviews and comments from followers will be useful for consumers who take advantage of the e-wom communication model.

5. The influence of purchase intention on purchasing decisions

The results showed that purchase intentions has an effect purchasing decisions because the CR value $6,531 > 1,96$ and the p value $0,000 < 0,05$ so that H_5 was proven. Purchasing decisions are decisions taken by consumers to purchase products through the stages before making a purchase. The results of this study support the research of Putri, Kumadji and Sunarti (2016) which concluded that purchase intention has a significant effect on purchasing decisions. Kopi Si Budi should be able to provide good encouragement in marketing products through the instagram media used.

6. The influence of social media marketing on purchasing decisions through purchase intention

The results showed that social media marketing has an effect on purchasing decisions through purchase intention because it has $TE > (DE \times IE)$ or $0,229 > 0,000904$ so that H_6 is proven. Social media marketing is a marketing strategy that is used in the form of online networking. The results of this study support the research of Putri, Kumadji and Sunarti (2016) which states that social media marketing has a significant effect on purchasing decisions through purchase intention. Kopi Si Budi should increase the marketing carried out on instagram accounts aimed at followers or other instagram users.

7. The influence of electronic word of mouth on purchasing decisions through purchase intention

The results showed that electronic word of mouth has an effect on purchasing decisions through purchase intention because the value of $TE > (DE \times IE)$ or $0,632 > (- 0,053)$ so that H_7 is proven. The results of this study are in accordance with Charo's (2015:41) theory that the form of exchange of information and knowledge online on social media is called electronic word of mouth (e-wom). The results of this study support the research of Lutfiyatillah, Millatina, Mujahidah and Herianingrum (2020) that electronic word of mouth has a significant effect on purchase interest and has an impact on purchasing decisions. Kopi Si Budi should increase the interaction carried out on Kopi Si Budi's instagram account so that information or positive reviews on Instagram provided by consumers who have made a purchase can generate interest in buying.

5. Conclusions and Suggestions

The results show that there is no influence of social media marketing on purchase intention, there is an influence of electronic word of mouth on purchase intention, there is an influence of social media marketing on purchasing decisions, there is no influence of electronic word of mouth on purchasing decisions, there is an influence of purchase intention on purchasing decisions, there is the influence of social media marketing on purchasing decisions through purchase intention, and there is an influence of electronic word of mouth on purchasing decisions through purchase intention.

Kopi Si Budi should pay attention to social media marketing factors because social media marketing carried out through instagram has no effect on buying interest. Kopi Si Budi must be more creative and innovative in marketing through social media in order to generate consumer buying interest. Kopi Si Budi should pay attention to the electronic word of mouth factor because e-wom has no effect on purchasing decisions. E-wom that occurs on instagram @kopisibudi is still low, so Kopi Si Budi must improve its quality and improve its instagram management. Kopi Si Budi should make new progress in developing marketing methods on social media and innovating coffee products and improving the concept of selling its products with interesting and unique concepts than other coffee shops, in order to encourage consumers to decide to buy Kopi Si Budi's products.

References

- Arief, Giri Maulana. dan M. Heppy. 2016. "Pengaruh Sosial Media Marketing Melalui Instagram Terhadap Minat Beli Konsumen Sugar Tribe". *Jurnal Manajemen Bisnis*. Vol 5, No 3, Desember, hlm. 2581-2587. Universitas Telkom. Bandung.
- As'ad H. dan Alhadid A. 2014. "The impact of Social Media Marketing on Brand Equity: An Emprical Study on Mobile Service Provider in Jordan". Science Private University, Amman Jorddan. *Review of Integrative Business and Economics Research*. Vol 3, No 1, p. 315-326.
- Charo, N. 2015. "Determining the Impact of E-wom on Brand Image ang Purchase Intention Through Adoption of Online Opinions". *International Journal Of Humanities and Management Sciences*. Vol 3, No 1. p 41-46.
- Ferdinand, A. 2014. *Structural Equation Modeling Dalam Penelitian Manajemen: Aplikasi Model-Model Rumit Dalam Penelitian Untuk Skripsi, Tesis, dan Disertasi Doktor*. UNDIP. Semarang.
- Gunelius, Susan. 2011. *30-Minute Social Media Marketing*. McGraw-Hill Companies. United States.
- Jalilvand, Mohammad R. and Samiei, Neda. 2012. "The Effect of Electronic Word of Mouth on Brand Image And Purchase Intention An Empirical Study In The Automobile Industry In Iran". *Marketing Intelligence & Planning*, Vol 30 No.4, p. 460-476.
- Kotler, Philip dan Amstrong. G. 2012. *Dasar-Dasar Pemasaran*. Jilid I (Alih Bahasa:Alexander Sindoro dan Benyamin Molan). Prenhalindo. Jakarta.
- _____. 2014. *Principles of Marketing*. 12 Edition.Jilid 1(Alih Bahasa: Bob Sabran). Erlangga. Jakarta.
- Laksmi, Aditya dan Oktavani, Farah . 2016. "Pengaruh E-Wom Terhadap Minat Beli Followers Instagram Pada Warunk Upnormal". *Jurnal Computech & Bisnis*. Vol 10, No 2, Desember, hlm. 78-88. Universitas Telkom. Bandung.
- Luthfiyatillah, Millatina, Mujahidah dan Herianingrum. 2020. "Efektivitas Media Instagram dan E-WOM (*Electronic Word of Mouth*) Terhadap Minat Beli Serta Keputusan Pembelian". *Jurnal Penelitian IPTEK*, Vol 5, Januari, hlm. 101-115.
- Malik, M. E., Ghafoor, M. M.,Iqbal,H. K., Ali, Q., Hunbal, H., Noman, M., & Ahmad, B. 2013. "Impact of Brand Image and Advertisement on Consumer Buying Behaviour". *World Applied Sciences Journal*, Vol 1, No 23, p. 117- 122.
- Mileva, Lubiana dan Fauzi, Achmad. 2018. "Pengaruh Sosial Media Marketing Terhadap Keputusan Pemelian Konsumen". *Jurnal Administrasi Bisnis* , Vol 58, No 1, Mei, hlm. 190-199. Universitas Brawijaya. Malang.
- Peter dan Olson, C. 2013. *Perilaku Konsumen dan Strategi Pemasaran* (Terjemahan: Diah Tantri). Salemba Empat. Jakarta.
- Putri, dkk. 2016. "Pengaruh Word of Mouth terhadap Minat beli serta Dampaknya Pada Keputusan Pembelian (Survei pada Konsumen Legipait *Coffeeshop* Malang)". *Jurnal Administrasi Bisnis*, Vol 34, No 1, Mei, hlm. 86-95. Universitas Brawijaya. Malang.
- Putri, Citra Sugianto. 2016. "Pengaruh Media Sosial Terhadap Keputusan Pembelian Konsumen Cherie Melalui Minat Beli". *Jurnal Manajemen*, Vol 1, No 5, Desember, hlm. 595- 603. Universitas Ciputra.Jakarta.
- Priansa, Doni. 2017. *Komunikasi Pemasaran Terpadu pada Era Media Sosial*. Pustaka Setya. Bandung.
- Schiffman, Leon G, dan Kanuk, L. L. 2010. *Perilaku Konsumen*. Indeks. Jakarta.
- Siswanto, Tito. 2013. "Optimalisasi Media Sosial Sebagai Media Pemasaran Usaha Kecil". *Jurnal Liquidity*. Vol. 1, Januari, hlm. 80-86.

- Sugiyono. 2010. *Metode Penelitian Kuantitatif Kualitatif dan R & D*. Alfabeta. Bandung.
- Tjiptono, Fandi. 2012. *Strategi Pemasaran*. Banyu Media. Yogyakarta.
- Tsitsi, Sarah. 2013. "The Adoption of Social Media Marketing in South African Banks". *European Journal Bussiness Review*. Vol 25, p. 280-385.