Effect Digital Marketing and Product Quality to Purchasing Decision

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Abstract

The rapid advance in information and communication technologies development has greatly facilitated the development of digital media. This can be seen from the various applications of information technology used in promoting products and services of organizations to the enhancing sales then. This study aims to determine marketing analysis through digital media, the quality of traditional cake products toward consumers' purchasing decisions at the trisna cartoon cake shop in Prabumulih City. The design of this study is a survey with this research method using a quantitative which is intended to formulate problems related to various questions about independent variables. The data collection is conducted at the Cartoon Cake Cake Shop kota Prabumulih which is taken as many as 50 who were regular customers. The validation processes should have been completed using a representative sample, demonstrating adequate reliability and validity to be able to measure the level of answers from respondents. The research findings show that there is relationship between digital media and product quality on purchasing decisions. In addition, the finding shows that digital media and product quality simultaneously have an influence on purchase decisions, digital media, and product quality. This can explain purchase decisions, is influenced, or explained by other variables that were not studied in this study.

Keywords

digital marketing, product quality, customer decision SMEs, Prabumulih

1. Introduction

The use of information technology (IT) in an organization can increase work effectiveness and efficiency (Antoni, Fikari, Akbar, & Jie, 2018; Rahmawati, Antoni, & Kurniawan, 2021). This can be seen by the number of organizations using IT to integrate work both vertically and horizontally, helping organization in obtaining competitive information, presenting information in a useful form and to send information to other parties or to other locations. One example of the use of IT in a organization is to support the process of buying and selling online a product to the consumers. This online transaction is considered effective among the community, consumers without leaving the house, simply operating a gadget that can access various internet media (Fathimah, 2019). Then, impressed in choosing tastes, prices, and other kinds. Consumers only prepare money paid by a bank transfer system or Cash on Delivery. To improve the traditional and online buying and selling process requires one technique such as digital marketing that can reach entire level of customers. According to Chaffey and Ellis-Chadwick (2019) digital marketing is defined as the process of applying digitalization to the market using innovations such as blogs, feeds, podcasts, and social networks, which contribute to a marketing and obtain profits and maintain the number of customers. Digital marketing is marketing that has a wide scope related to online media, websites, email, and wireless media and carries out the processing of online customer information and can be used in conjunction with traditional media in

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providing data and offering services and products to consumers (Chaffey, 2009). In addition, a great and appropriate marketing strategy is needed to attract consumer demand. Determining the strategy of marketing is important so that buying interest arises, so that customers can buy what is being marketed. Consumers have an interest in buying because of a sense of trust, interest and ability to purchase products.

This study aims to investigate the relationship between digital marketing and product quality to purchasing decisions for food products of small and medium enterprises (SMEs). This is because the traditional food produced by SMEs has begun to be displaced and even very difficult to find, even though numerous people want to re-taste the traditional foods and cakes created by SMEs in the tampah cake. This research is very important to be carried out to help the development of SMEs in Indonesia, especially in Prabumulih City. Based on research conducted Rahmanawati et al (2021) reveals that Indonesian SMEs contribute greatly to gross domestic product (GDP). Indonesian SMEs contributed up to Rp 8,573.9 trillion to Indonesia's GDP (on the basis of prevailing prices) in 2018. Indonesia's GDP in 2018 amounted to Rp 14,838.3 trillion, then the contribution of SMEs reached 57.8% of GDP. In addition, SMEs employ 116,978,631 people or reaching 97% of the total Indonesian workforce (SMEs and Large Units). Until now, Indonesian SMEs are 64,194,057 units or 99.99% of the total business units in Indonesia. Recognizing that the digital market is the main source of competitive advantage and a cost-effective way for SMEs to reach customers globally and compete with their partners globally, the Government of Indonesia, especially the city of Prabumulih, acts actively in helping SMEs with the expansion, growth, and welfare of their businesses through the development of various policies and programs to improve the economic environment for SMEs.

In addition, it was also added that the level of business competition is getting higher, making numerous traditional SMEs cake business attempt to present more innovative creations. The existence of marketing through digital media as a modern transaction medium in Indonesia certainly has a very beneficial impact on many parties such as consumers and producers. The development of electronic commerce in Indonesia is getting faster from year to year with the existence of several well-established online platforms such as Blibli, Lazada, Shopee and several other online platforms (Priyono, Moin, & Putri, 2020).

Meanwhile, product quality is one of the most aspects that influence consumers' purchasing decisions (Hartono, 2022). Product quality is the ability of a product to demonstrate its use and is one of the factors that a marketer relies on in marketing a product (Armstrong, Adam, Denize, & Kotler, 2014). Product quality is one of the things that is very meaningful to be observed by the industry, because the quality of this product will distinguish similar products offered by one industry from other industries. The comparison of the quality of the products produced is what will give increase to consumers' assumptions about the products offered so that the conclusion is to influence potential consumers to carry out the purchase of products or services.

Numerous of the research findings that examine the influence of digital marketing, as well as product quality on purchasing decisions still create different discoveries. For example, Magdalena and Marbun (2022), Redjeki and Affandi (2021), Mewoh, Tampi, and Mukuan (2019), Harto, Pratiwi, Utomo, and Rahmawati (2019) state that digital marketing has a positive and significant effect on purchasing decisions and product quality against purchasing decisions. Unlike the findings of research have been conducted by Rachmawati, Kana, and Anggarrini (2021), Muslimah, Hamid, and Aqsa (2021), Candra, Sari, and Ismail (2019) reveal that there is no significant influence between digital marketing and purchasing decisions. Previous studies on product quality on purchasing decisions are conducted by Pardede and Haryadi (2017), Wiguna, Agustina, and Trarintya (2022), and Setiagraha, Wahab, Shihab, and Susetyo (2021) state that product quality has a positive and significant effect on purchasing decisions. Meanwhile, the results of different studies obtained from the research of Rawung, Oroh, and Sumarauw (2015), and Alam, Hamid, and Sapar (2022) states that product quality has a positive and insignificant effect on purchasing decisions.

Based on the description above, this research aims to investigate the influence of digital marketing, and product quality on consumer purchasing decisions in SMEs in Prabumulih City. A conceptual framework is hypothesized based on the digital marketing, product quality and purchasing decisions. The proposed framework is validated and tested with the survey data collected in Prabumulih city using IBM statistic SPSS 19. The study reveals that digital marketing has a positive effect on purchasing decisions and Product quality is an important factor in marketing products so that they attract attention by consumers. In what follows, we first review the existing studies for investigating the relationship between digital marketing and purchasing decision and product quality and purchasing decision. We then present the research methodology followed by a comprehensive analysis of data collected, leading to the validation and testing of the proposed hypothesize. Finally, we present a discussion of the research findings and their implications.

2. Literature Review

A. Digital Marketing and purchasing decision

Digital marketing according to Chaffey (2009) is defined as the process of applying digital to the market using innovations such as blogs, feeds, podcasts, and social networks, which contribute to a marketing and gain profits and maintain the number...
of subscribers. According to Redjeki and Affandi (2021) the process of digital development is very significantly influential; this can be seen from Asian marketers who moved from traditional marketing to technological media which is considered to play a more important role. According to Sanjaya (2009), Digital Marketing is defined as marketing activities involving media such as e-mail, websites, blogs, and others. Digital Marketing Indicators (E-Commerce). There are six indicators in E-commerce according to Mewoh et al. (2019) yes it is: 1). Products, 2). Place, 3). Ways of Reception, 4). Payments, 5). Shipping, 6). Customer Services. The explanation explains that products are types of products that can be marketed, for example fashion, food, beverages, household appliances, electronics, and others. Place is interpreted with four in question is that the internet must be dominated and hosted, so it is better known. Furthermore, cara receives which has a definition of the method applied, namely by using sms media, e-mail, chat, and shopping applications. Payment is metode in payment transactions is by interbank transfer, debit, credit and other payments. Metode Delivery is a local delivery courier is one of the ways of shipping products that are considered very practical for those who are hindered by distance. Customer service is a form of service to customers who experience various difficulties, both how to order, how to pay, to several other complaints. There have been several previous studies that have shown that there is a connection between digital marketing and consumers' purchasing decisions, one example of previous research is Elbahar and Syahputra (2021) In a study entitled the influence of digital marketing on purchasing decisions at Kadatun Koffb shows that digital marketing has a significant influence on purchasing decisions with the results of the coesfience test of digital marketing determination of purchasing decisions of 45.6%.

B. Product quality and purchasing decision

According to Hoe and Mansori (2018) product quality is everything that can be offered to the market to obtain attention, demand, use or consumption that can meet needs including physical objects, services, places, ideas or ideas of product service quality to consumers need to be conducted by the organization, this is directed so that the products received are in accordance with what is expected by customers whose ends consumers will feel loyal to the product that produced by the company.

Once customers have a need for a product, consumers will look for a product that can satisfy their needs, and after they know the quality of the product, they will tend to repurchase the same product if they get satisfaction with the product they bought or change brands if they do not get satisfaction with the products.

Conceptually, product quality is the subjective understanding of the producer of something offered as an effort to achieve organizational goals through the fulfillment of consumer needs and desires, in accordance with the competence and capacity of the organization and the purchasing power of the market (Armstrong et al., 2014).

From the description above, it can be concluded that products are everything that producers can offer to be noticed, requested, sought after, purchased, used, or consumed by the market as a fulfillment of the needs or desires of the market, both in the form of goods and services. Product Quality can be measured through product quality, product quality, product design, warranty offered, trademark, packaging, properties, and characteristics.

The relationship between product quality and purchasing decisions can be seen from several previous studies. One of the previous studies is Hartono (2022) in a study entitled the Influence of Product Quality, Brand Image and Promotion on Financing Decision with Customer Interest as Mediating Variable proved that product quality, has a positive and significant effect on and consumer decisions. Therefore, it is recommended that SMEs prepare customer education measures regarding the benefits or benefits obtained if they decide to buy a product.

Hoe and Mansori (2018) show that the proposed conceptual model consisting of different dimensions of product quality as an independent variable with customer satisfaction. The eight dimensions of Garvin Product Quality in Performance, Features, Reliability, Suitability, Durability, Serviceability, Aesthetics, and Perceived Quality are the dimensions of Product Quality that affect Customer Satisfaction impacting Loyalty. The results provide insights to understand the dimensions of Product Quality that influence consumer decisions and higher satisfaction leads to higher customer loyalty in the engineering industry in Malaysia.

A comprehensive review of the related literature led to the identification of three perspectives including digital marketing, product quality and purchasing decision, that can be utilized for evaluating the relationship among digital marketing and purchasing decision and product quality and purchasing decision. Product quality consists of Performance, Features, Reliability, Suitability, Durability, Serviceability, Aesthetics, and Perceived Quality and digital marketing consists of Products, Place, Ways of Reception, Payments, Shipping, Customer Services.

3. Methods

This study utilizes a quantitative approach with a limited case study method. This research is conducted on several SMEs engaged in the culinary or food sector. Questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to the respondent to answer (Bryman & Bell, 2007). Then, with this questionnaire, the author...
A. Respondent Profile
Based on the processing of statistical data includes several characteristics, namely gender, age, education, and income, the most respondents were men, namely 22 respondents (44%) while female respondents are 28 or 56%. Based on the age of the respondents, the most are between the ages of < 20 years, namely 23 people or 46%, followed by the age of respondents 20 - 50 years, namely as many as 15 people or 30%, then the age of > 50 as many as 12 people or 24%, based on the age of the dominant respondents, namely the age range of < 20 years. Based on the type of work, the most are owned by private employees, namely 11 people or 38%, followed by civil servants 11 people or 22%, students / students 6 people or 12%, and IRT 9 people or 18% and the last self-employed amounted to 5 people or 10%, based on the work of the more dominant respondents, namely private employees. In addition, from 50 respondents, who earned < Of Rp. 2,000,000 as many as 11 respondents with a percentage rate of 22%, income between Rp.2,000,000 – Rp. 3,000,000 as many as 8 respondents or 16%, income > Rp.3,000,000 – Rp. 4,000,000 as many as 11 respondents or 22% and this shows that the level of income is above Rp. 4,000,000, - as many as 20 respondents or 40%, more because the average income of customers of the SMEs in Prabumulih City has reached more than 3,000,000 per month. (Table 1)

B. Findings
Based on the results of the regression test on the digital marketing variable, product quality and buying decisions obtained Y values as follows:

\[ Y = 29,364 + 0,788 \times X_1 + 0,583 \times X_2 + e \]
Table 1. Multiple Regression Test Results

<table>
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<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
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<td>B</td>
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<tr>
<td>1</td>
<td>(Constant)</td>
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<td></td>
<td>Pemasaran Digital (X₁)</td>
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<td>Product Quality (X₂)</td>
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Based on the results of the equation values and Table 1 above, which reveal that multiple regression test results, it can be explained that the regression can be explained as follows:

- The value of the constant = 29.364 with a positive sign which is the value of the constant where it is interpreted that if the independent variables namely digital marketing and product quality are assumed with a constant value, then the dependent variable, namely the purchase decision, will increase by 29.364.
- The value of the regression coefficient X₁ of 0.788 means that for every increase of 1 score of the digital marketing variable (X₁) will increase the purchase decision score (Y) by 0.788.
- The value of the X₂ regression coefficient of 0.583 means that for every increase of 1 product quality variable score (X₂) will increase the purchase decision score (Y) by 0.583.

From the results of the multiple regression coefficients that have been described in the luarain above, hypothesis testing will be carried out partially or simultaneously.

1. The Effect of Digital Marketing on Purchasing Decisions

Based on the results of the Known t Test for the influence of the variable X₁ on Y is the calculated t value of 2.555 > the table t value of 1.986. Based on the analysis of the influence of the independent variable of digital marketing (X₁) on the dependent variable of the purchase decision has a positive effect, with a significance of 0.006 < 0.05. means that there is an influence of digital marketing on the H₁ purchase decision.

Digital marketing is a core of e-business with the closer an industry is to customers and understands it better, increases the value of a product, expands distribution networks and also increases sales figures by carrying out digital marketing activities sourced from digital media such as marketing through search engines, online advertising and affiliate marketing (Chaffey & Ellis-Chadwick, 2019).

The results of this study are in line with research conducted by Magdalena and Marbun (2022), Al-azzam and Al-Mizeed (2021) and Purwanto (2022) reveal that digital marketing has a positive effect on purchasing decisions. In contrast to the research results of Candra et al. (2019), Rachmawati et al. (2021), and Muslimah et al. (2021) state that there is no significant influence between digital marketing and purchasing decisions.

2. The Effect of Product Quality on Purchasing Decisions

Based on the results of the t test, it shows that the influence of variable X₂ on Y is a calculated t value of 3.595 > the table t value is 1.986. Based on the analysis of the influence of the independent variable product quality (X₂) on the dependent variable of the purchase decision (Y) has a positive effect, with a significance of 0.007 < 0.05. means that there is an influence of product quality on the purchase decision of H₂ received.

Product quality is an important factor in marketing products so that they attract attention by consumers. Good product quality by consumers will create purchasing decisions when consumers choose products to meet their needs (Anis, 2015).

Prior studies on product quality on purchasing decisions was carried out by Setiagraha et al. (2021), Najmudin, Andari, and Harnaji (2021), Ayu, Broto, and Siregar (2022), Gaffar, Hendrayati, and Bahtiar (2019) and Musa, Haeruddin, and Haeruddin (2018) stated that product quality had a positive and significant effect on purchasing decisions. Meanwhile, the results of different studies obtained from the research of Rawung et al. (2015), Sonatasia, Onsardi, and Arini (2020), Rawung et al. (2015) stated that product quality has a positive and insignificant effect on purchasing decisions.

5. Conclusion

Based on the results of the analysis that has been carried out to determine the influence of marketing through digital media on purchasing decisions, the following conclusions were obtained:

- Digital marketing (X₁) partially affects the Purchasing Decision at the SMEs. This can be seen from the significance value of 0.006 < 0.050 and a t-count that is greater than the t-table (2.555 > 1.986).
Product Quality (X2) partially affects the Purchasing Decision at the SMEs. This can be seen from the significance value of 0.007 < 0.050 and a t-count that is greater than the t-table (3.595 > 1.986). Digital marketing (X1) and Product Quality (X2), simultaneously affect purchasing decisions (Y), this can be seen from the significance value of 0.001 < 0.050 and the F-count value which is greater than the F-table.

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Biographies

Aidil Fitrisyah is currently Student of Bina Darma University in Palembang, South Sumatera, Indonesia. In Previously He was Bachelor of Mechanical Engineering Sriwijaya University of South Sumatera Indonesia. Currently he is employee of PT Truba Jaga Cita group of Truba Jaya Engineering as Project Control Engineer. He takes Marketing Management as his Study Program. His main research on analysis impression Digital Marketing and Product Quality related to Consument decision

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