



How The Role of Digital Marketing and Brand Image on Food Product Purchase Decisions? An Empirical Study on Indonesian SMEs in the Digital Era

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Abstract

This empirical research aims to test and prove the effect of marketing strategy through digital marketing on purchasing decisions and the brand image variable is a mediation. Data were collected using a sampling technique where 320 respondents transacted in Indonesian SMEs. This research method is a quantitative method through path analysis and data analysis using SPSS software. The research data was obtained using a Likert scale questionnaire distributed online. Based on the results of multiple linear analysis and Sobel test, it shows that digital marketing has a positive and significant effect on purchasing decisions and brand image as a moderating variable can strengthen or increase the influence of Digital Marketing variables on purchasing decision variables.

Keywords: Digital Marketing, Brand Image, Digital era, Purchase Decision

Introduction

In this digital era, the products and services available to consumers around the world are increasingly diverse, ranging from daily needs such as food, beverages, clothing, to various services that are also widely needed to support life. According to Savitri et al. (2022) As the number of people increases, the number of providers or producers of these products and services increases, consumers are increasingly required to be selective in choosing and buying products that suit their needs. In making a purchase decision, a consumer will go through several stages, starting from searching for information about the product or service to be purchased, as well as alternatives or other choices of these products and services. According to Syazali et al.(2019) The number of choices will certainly make consumers choose brands that are better known by the public both in name and the quality of the products provided. This makes brand image or brand perception have an important role in influencing purchasing decisions

Brand image or brand image is a consumer's assessment of the brand in a market. According to Haudi et al. (2022) The image can be formed from personal experience or listening to the reputation of the product or service from the social environment and the media. Brand image or is a collection of associations about a brand that is in the mind and memory of



a consumer, there are several factors that affect the brand image, namely quality or quality, reliable and reliable products, usability of products or services, prices, and images that are already owned by consumers. the product. According to Juwaini et al. (2022) Image is a very important brand foundation for companies in displaying characteristics and reflecting the strength and essence of the brand in the formation of brand image.

Purchasing decisions are a problem-solving approach to human activities to buy goods or services in fulfilling their wants and needs which consist of the introduction of needs and desires, information search, evaluation of purchasing alternatives, purchase decisions and behavior after purchase. According to Indumathi et al. (2018);Suhartoet al. (2022) The purchase decision is the selection of two or more alternative purchasing decision options, meaning that a person can make a decision from several available alternatives or choices. This decision can lead to how the process in making the decision is carried out. Meanwhile, according to Haudi et al. (2022);Indumathi et al. (2018) the purchase decision is one of the main components of consumer behavior, which is a step by step carried out by consumers when buying goods or services.

Previous research discusses marketing strategies through digital marketing which is directed to lead consumer purchasing decisions, the results show that promotional activities through digital marketing have a good impact, digital marketing can be an important tool for marketers to create and spread positive reviews and good word of mouth. word of mouth faster, because this is what consumers need when they want to find the product or service they need. Research conducted by Khan et al. (2020); Liu et al. (2019);Melović et al. (2020) mentions that digital marketing has a positive impact on consumer purchasing decisions, especially with the retargeting technique or reintroduction of our products or services to consumers who are in the evaluation process or are about to make a purchase and are in the information search process, where A good brand image will strengthen purchasing decisions even after purchase

Method

The author conducts research based on the results to be achieved, namely applied research with the aim of knowing something. Based on the type of research, the authors use survey research methods to determine the relationship between two or more variables. The data to be used must meet two conditions, namely valid and reliable. For this reason, it is necessary to test the validity and test the reliability of the instrument. Reliability testing using the Cronbach alpha method. The tests for path analysis used in this study are: normality test, linearity test, Sobel analysis. Data were collected using a sampling technique where 320 respondents

transacted in SMEs. This research method is a quantitative method through path analysis and data analysis using SPSS software. The research data was obtained using a Likert scale questionnaire distributed online.This study uses a questionnaire method or distributes questionnaires

to objects that have characteristics that have been determined by the researcher. All questions on the questionnaire use a Likert scale which will be scored, with the following levels: 1 point for strongly disagree, 2 for disagreeing, 3 for neutral, 4 for agree, and 5 for strongly agree.

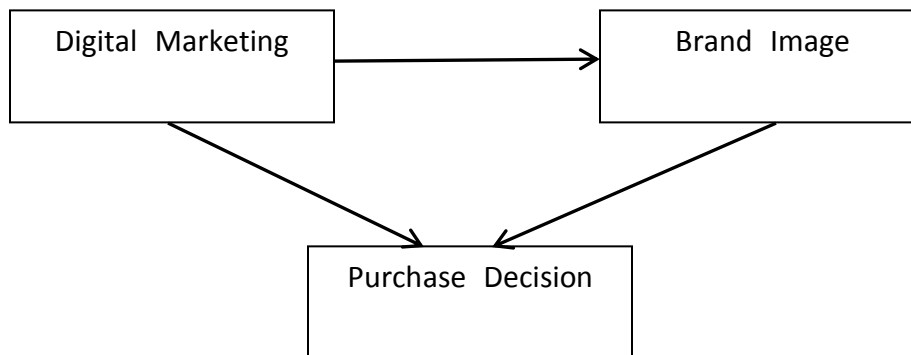


Fig 1. Research Model

Based on the conceptual explanation above as the basis for research, the conceptual model of the research can be described as follows:

Hypothesis

- H1: Digital Marketing has a positive effect on purchasing decisions
- H2: Digital Marketing has a positive effect on brand image
- H3: Brand image has a positive effect on purchasing decisions
- H4 : Digital marketing has a positive effect on purchasing decisions mediated by brand image

Results and Discussion

Validity test

The validity test used in this study used factor analysis. An item is considered valid if the adequacy of the sample so that the validity requirements are met $KMO > 0.5$ and the resulting loading factor (component matrix) meets the test rules, namely > 0.4 which states that the results of the sample are valid.

The Digital Marketing variable has a KMO value of 0.675, the Brand image variable has a KMO of 0.754 and the Purchase Decision variable has a KMO of 0.832. All question indicator items are declared valid because the output display on the validity test shows that all variables have a KMO value > 0.5 , which means that all samples in this study are considered sufficient. All indicators of loading factor value variables > 0.4 . Thus it can be concluded that all indicators are declared valid



Reliability Test

Reliability is the extent to which the measurement results can be trusted and when tested again on the same subject, if the results of the Cronbach Alpha coefficient > 60% significance level or 0.6 then the questionnaire is reliable. If the results of the Cronbach Alpha coefficient < 60% significance level or 0.6 then the questionnaire is not reliable. Digital Marketing variable has Cronbach's Alpha value of 0.645, Brand image variable has Cronbach's Alpha 0.754 and Purchase Decision variable has Cronbach's Alpha 0.785 is declared reliable because Cronbach's alpha > 0.6. This shows that the three variables can be said to be reliable or reliable

Hypothesis Test (t Test)

The t test is done by looking at the t count with a significance level of less than 0.05% or 5%. If the significant level is < 0.05 then H_a is accepted and H_o is rejected, if the significant level is > 0.05 then H_a is rejected and H_o is accepted

The structural equation of model 1 is as follows

$$Y_1 = \beta_1 X_1 + \beta_2 X_2 + e$$

$$\text{Purchase decision} = 0,543 * \text{Digital Marketing} + 0,325 * \text{Brand image} + e$$

The structural equation of model 2 is as follows

$$Y_2 = \beta_1 X_1 + \beta_2 X_2 + e$$

$$\text{Purchase decision} = 0,654 * \text{Brand image} + e$$

Relationship of Digital Marketing to Purchase decision

Based on the results of SPSS analysis, the p value is $0.001 < 0.050$ and the beta value is 0.543 so it can be concluded that Digital Marketing has a significant and positive effect on purchase decisions, this result is in line with the results of research by Khan et al. (2020); Liu et al. (2019); Melović et al. (2020) that Digital Marketing has a significant and positive effect on purchase decisions. An increase in Digital Marketing variables will encourage an increase in purchase decision variables.

The results of this study are in accordance with the results of research (Ialuyan et al., 2019) which concludes that promotional activities through marketing have an influence on purchasing decisions and get high appreciation from consumers because the information obtained is easy to understand thanks to interesting content, consumers can interact with what we say on social media. Digital visual involvement influences purchase intention. Mihardjo et al. (2019); Olson et al. (2021); Rathnayaka, U. (2018) also get the same results, that the positive influence in the application of digital marketing on purchasing decisions, with the highest influence obtained in purchases via the Website, is indicated by good judgments from consumers. Research conducted by Rathnayaka, U. (2018) using multiple linear regression analysis, shows that digital marketing variables have a positive and significant effect on purchasing decisions, the higher the activity and effort in digital marketing activities, the purchasing decisions will increase. Mihardjo et al. (2019); Olson et al. (2021); Rathnayaka, U. (2018) in their research concluded that digital marketing, especially in emarketing, has a very positive impact on consumer purchasing



decisions. Online digital communication has a positive effect on customer purchasing decisions and is effective in promoting brands and products through websites and social media platforms

The relationship between brand image and purchase decision

Based on the results of SPSS analysis, the p value is $0.001 < 0.050$ and the beta value is 0.325, so it can be concluded that brand image has a significant and positive effect on purchase decisions, this result is in line with the results of research by Savitri et al. (2022); Syazali et al. (2019) that brand image has a significant and positive effect on purchase decisions. An increase in the brand image variable will encourage an increase in the purchase decision variable. Research conducted by Tamanna et al. (2021); Wijayaa et al. (2021) show that brand image has an influence on purchasing decisions, a positive brand image will produce positive consequences such as: 1. Increasing understanding of aspects of consumer behavior in making purchasing decisions; 2. Enriching consumption orientation towards things that are more symbolic than product functions; 3. Increase consumer confidence in products, enhance sustainable competitive advantage. According to Savitri et al. (2022); Syazali et al. (2019); Tamanna et al. (2021); Wijayaa et al. (2021) that Brand Image has an influence on purchasing decisions, consumers prefer brands that are certain in quality and image compared to other brands that are not yet clear because through brand image, consumers can recognize a product, evaluate its quality, and reduce purchase risk. Wijaya et al. (2021) states that if brand image is something that

has an influence on purchasing decisions, with digital marketing, consumers can create and read good reviews, comment directly on our products and services, this can help other consumers determine their purchasing decisions when going shopping.

Relationship of Digital Marketing to brand image

Based on the results of SPSS analysis, the p value was $0.001 < 0.050$ and the beta value was 0.654, so it was concluded that Digital Marketing has a significant and positive effect on brand image, this result is in line with the results of research by Adam et al. (2020); Agmeka et al. (2019); Daud et al. (2022); Dumitriu et al. (2019) that Digital Marketing has a significant and positive effect on brand image. Increasing the Digital Marketing variable will encourage an increase in the brand image variable.

In the influence of marketing strategy through digital marketing on Brand Image, Haudi et al. (2022) explained that the application of digital marketing has a good impact on brand image, because digital marketing activities provide information about the company to the company's consumers, as well as the brand image being well perceived by consumers, as evidenced by the dominance of customers with increased repurchase rates and products are increasingly recognized for its taste and distinctiveness. Likewise in the research conducted by Haudi et al. (2022); Indumathi et al. (2018); Juwaini et al. (2022) explains that there is an influence from digital marketing on brand image, as evidenced by consumer perceptions of better value than before. Research by Khan et al. (2020); Liu et al. (2019); Melović et al. (2020) concluded that the use of marketing strategies through digital channels can have a good impact by increasing the m



arket share of a brand. Digital marketing has a key role in creating a brand image because in modern times, advertising has changed from traditional media to digital.

Digital Marketing on Brand-Mediated Purchase Decisions

Based on the results of the Sobel test, a z-value of $6.653 > 1.96$ was obtained with a significance level of 5%, it can be seen that the influence of digital marketing on purchasing decisions is mediated by brand image with an indirect effect of 6.543. There are several studies that also support the positive results of this study, namely the research conducted by Haudi et al. (2022); Indumathi et al. (2018); Juwaini et al. (2022) prove that digital marketing has a significant effect on consumer purchasing decisions because there is electronic word of mouth which affects consumer trust. Juwaini et al. (2022) explained that marketing strategies through digital marketing and brand image affect consumer purchasing decisions. Haudi et al. (2022); Indumathi et al. (2018) results in a conclusion which states that the majority of consumers have switched to digital communication, making running a marketing strategy through digital marketing a positive impact on consumer purchasing decisions.

Conclusion

This study reveals that marketing strategies through digital marketing influence purchasing decisions where brand image as a moderating variable strengthens or increases this influence. The strength of this research is that this research is used to help marketing managers measure the effectiveness of digital marketing in attracting consumers to make purchases and explore other factors that can improve brand strategy. It can also help future researchers who focus on digital marketing and consumer behavior because many researchers have analyzed digital communication and social media. Future researchers can also include many variables in a long-term research approach to uncover other factors that influence purchasing decisions

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