

# The Influence of Promotion Strategies through Social Media on Purchasing Decisions of Oriflame Products on Students of STIE Mikroskil Medan

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## Abstract

*This research aims to know the influence of promotion strategies of Facebook, YouTube, Twitter and Instagram on the decision to purchase Oriflame product on students of STIE – Mikroskil Medan. Population sampled in this research is students of STIE – Mikroskil Medan as many as 89 people with random sampling technique. Data analysis method which is used in this research is multiple linear regression analysis. The results of this study is Facebook, YouTube, and Instagram have positive and significant effect on purchasing decision Oriflame product. While the variable of Twitter does not have positive and significant effect decision on purchasing decision Oriflame product. Furthermore, simultaneous test results (F-tests) shows that the four independent variables (Facebook, YouTube, Twitter and Instagram) have a positive and significant effect on the decision of purchasing Oriflame product. Adjusted r square shows that Facebook, YouTube, Twitter and Instagram can explain variation on purchasing decision variable is 44.7% and the rest of 55.3% is explained by other variables which are not observed in this research.*

## Keywords

social media; facebook; youtube; twitter; instagram purchasing decision



## I. Introduction

The development of online promotions using social media, will greatly assist the process of preparing integrated communications that aim to provide information about goods or services to support online product sales. Current technological advances, which have made it easier for people to use them. Utilization of technology used to find information and the latest news, upload videos, use social media, buy and sell online, communicate via email, play online games, video calls, or interact with online communities.

Utilization of the internet that is most often used is one of them to access social media, where with the presence of social media, people can interact with each other directly or indirectly. According to one Technology Company that examined the internet speeds of countries in the world on its official website Akamai Technologies, Indonesia experienced a significant increase in the number of internet access enthusiasts

Oriflame's increasing popularity on social media will make it easier for Oriflame consultants to be able to interact with consumers in offering their products. Table 1 shows the number of Oriflame followers on social media in September.

**Table 1.** Number of Oriflame Followers on Social Media

| <b>Social media</b> | <b>Follower</b>         |
|---------------------|-------------------------|
| <i>Facebook</i>     | <i>7,5 juta Like</i>    |
| <i>YouTube</i>      | <i>9,875 Subscriber</i> |
| <i>Twitter</i>      | <i>48,400 Followers</i> |
| <i>Instagram</i>    | <i>71,600 Followers</i> |

Source: Oriflame Catalog September 2016

Based on Table 1 above, Oriflame has the most number of followers from Facebook and was followed by Instagram who got the second position. Where Facebook is the most frequently accessed social media and Instagram, which in recent years has also become increasingly popular. The process of purchasing decisions by consumers is the search for information. When consumers see a problem or need that can only be satisfied through the purchase of a product, then the consumer begins to look for the information needed to make a purchasing decision (Kolter, 2007). The role of social media that not only facilitates social interaction, but also develops into a means to help product marketing and consumer decisions in product purchases. Social media is currently also used by people as a means of finding information in making purchasing decisions. The presence of promotions through Social Medias raises its own interest for the audience who see it.

With the increase in the number of followers shows that interaction using social media is much faster and consumers become more interested in Oriflame because they follow to follow Oriflame social media accounts because they don't want to miss the latest news about Oriflame. For this reason, Oriflame innovates marketing by utilizing social media because the number of social media users is increasing from time to time, making Oriflame also, must be able to keep abreast of current social media trends. The increasing number of likers on the Oriflame Facebook Page, subscriber on YouTube Oriflame Channel, and followers on Twitter and Instagram are rated as good opportunities for Oriflame to introduce and market their products.

## II. Review of Literatures

### 2.1 Promotion Strategy

Promotion is one of the determining factors for the success of a marketing program. However quality the product is, if the customer has never heard of it or is not sure that the product will be useful for them, then they will not be interested in buying it. Social media reflects a variety of new sources of online information that are created. Factors that can influence purchasing decisions are promotional strategies through social media. Social media can be said to be a very important component of a company's marketing media.

### 2.2 Decision-Making

The complicated decision making process often involves several decisions. Marketers must pay attention that consumers make decisions regarding non-buying behavior (Sulianta, 2015). As social media became more popular, marketers began using applications to analyze networks within communities to identify who was influential in spreading word of mouth about certain products (J, M, 2010).

### **2.3 Social Media**

Businesses offered on social networks will spread quickly, and people who are connected will see the product. If consumers are interested in the products being sold, then consumers will easily contact and not hesitate to do business because they know your credibility. (Tjiptono, 2015)

Social media in the real world is connecting with people or colleagues, friends, and using that media to meet new people. In cyberspace, the principle is the same, but the power of technology provides another advantage, namely users are no longer obstructed by place and space. Users can view people's profiles and send e-mails anytime and from any computer. In fact, sometimes, communicating through cyberspace feels more comfortable and complete than communicating face to face. Overall adults tend to use social media for personal reasons and not work. (Khairifa, 2019)

### **2.4 Facebook**

Facebook is very useful for marketing employees because it provides a number of services for interacting with customers, for example through groups, and fanpage pages. Promotion can also be done by encouraging social networking users to take pictures with their products and post photos on Facebook. (Zarrella, 2010).

### **2.5 YouTube**

YouTube video sharing accounts (<https://m.youtube.com>) can be developed by growing the number of likes, views and subscriber. New web technology makes it easy for everyone to create and disseminate their own content through posts on blogs, tweets or YouTube videos that can be produced and viewed by millions of people for free. (Zarrella, 2010).

### **2.6 Twitter**

Most companies use Twitter to answer customer questions directly or interact with product users. Companies can use Twitter to make report events, promote new posts on blogs, or connect readers with links that contain important news. (Zarrella, 2010).

### **2.7 Instagram**

Instagram launched in 2010, Instagram can be used to share photos to almost all other social networks. Instagram is an internet-based service as well as a social network for sharing stories via digital images. Gadgets users often use this network to directly share their shots. Not infrequently people use it as a means of selling online.

### **2.8 Social Media Marketing**

Social media marketing or often called social media marketing is a form of direct or indirect marketing that is used to build awareness, recognition, recall and action for brands, businesses, products, people, or other bodies and is carried out using tools from the social Web , such as sharing blogging, microblogging, social networking, social bookmarking, and content. (Puntoadi, 2011).

### III. Research Methods

#### 3.1 Types of Research

This research used associative research type that is research that connects two or more variables which in this study is the influence of promotion strategies through social media (X), promotion through social media using sub-variables namely promotion through Facebook, YouTube, Twitter, and Instagram which are influential on the purchase decision for Oriflame (Y) products. The object of research chosen by the researcher was the Oriflame Company (PT. Orindo Alam Ayu) Medan branch office.

The population of this research is the students of STIE Mikroskil Medan Business Management Study Program Class of 2013, totaling 115 students. The number of samples of this study were 89 people. The sampling technique used is the Random Sampling technique, where each sampling unit in the population has the same opportunity to be selected into the sample. Data collection methods used were questionnaire / questionnaire, and literature study.

#### 3.2 Definition of Variable Operations

**Table 2.** Definition of Variable Operationalization

| Research variable                  | Sub Variabel  | Variable Definition  | Indicator  | Scale of Measurement |
|------------------------------------|---|--|--|----------------------|
| Promotion through Social Media (X) | Promotion through Facebook (X <sub>1</sub> )  | Promotions that use Facebook as a medium. By sharing advertisements, status updates, and images to the Oriflame Fanspage Facebook page.                        | 1. Advertising<br>2. Status Update<br>3. Picture                   | Likert Scale         |
|                                    | Promotion through YouTube (X <sub>2</sub> )   | Promotions that use YouTube as a medium. By sharing videos and determining keyword search on YouTube pages.  | 1. Video<br>2. Search  | Likert Scale         |
|                                    | (X <sub>3</sub> )   | Promotions that use Twitter as a medium. By sharing advertisements, status updates, and making interesting hashtags for Twitter pages.                         | 1. Advertising<br>2. Status Update<br>3. Hashtags                  | Likert Scale         |
|                                    | Promotion through Instagram (X <sub>4</sub> )   | Promotions that use Instagram as a medium. By sharing images, and making interesting hashtags on Instagram pages.  | 1. Picture<br>2. Hashtags  | Likert Scale         |
| Purchase Decision (Y)              | 1. There is a necessary<br>2. Alternative solution<br>3. Alternative evaluation<br>4. Purchase decision<br>5. Post purchase use | The complicated decision making process often involves several decisions. A decision involves a choice between two or more alternative actions (or behaviors). | 1. Interested in information<br>2. Information search<br>3. Action | Likert Scale         |

## IV. Discussion

### 4.1 Test of Validity and Reliability

The results of the validity test in this study produce the variables used in this study have a correlation value  $r_{count} > r_{table}$ , then declared valid. This reliability testing was carried out with the Alpha Crobach test. Variables are said to be reliable if the Alpha Crobach  $r$  value  $> 0.6$ .

### 4.2 Test of Classic Assumption

There are three types of classical assumption tests, namely the normality test, the multicollinearity test, and the heteroscedasticity test. Normality test is done by statistical methods with the One Sample Kolmogorov Smirnov test, the significance value is greater than 0.05, then the residual value is normally distributed.

Multicollinearity test is used to test whether there is a correlation between independent variables. The results obtained are VIF values smaller than 10 and tolerance greater than 0.1. It was concluded that there was no multicollinearity between independent variables.

To detect the presence or absence of heteroskedacity, it can be seen from the Scatterplot graph if there are no clear patterns and points that spread above and below the number 0 on the Y axis then there is no heterokedasticity. Heteroscedasticity test with the Glejser test statistical method, the significance value is greater than 0.05, then heteroscedasticity does not occur in the regression model.

### 4.3 Multiple Linear Regression Analysis

Hypothesis testing in this study uses Multiple Linear Regression Analysis to find out how much influence the independent variables, namely Facebook, YouTube, Twitter and Instagram on the dependent variable, namely the Decision to Purchase.

**Table 3.** Results of Multiple Linear Regression Analysis

|       |            | Coefficients <sup>a</sup>   |      |                           |       |      |
|-------|------------|-----------------------------|------|---------------------------|-------|------|
|       |            | Unstandardized Coefficients |      | Standardized Coefficients | t     | Sig. |
| Model | B          | Std. Error                  | Beta |                           |       |      |
| 1     | (Constant) | .581                        | .369 |                           | 1.576 | .119 |
|       | Facebook   | .279                        | .124 | .241                      | 2.240 | .028 |
|       | Youtube    | .306                        | .148 | .260                      | 2.071 | .040 |
|       | Twitter    | .055                        | .094 | .063                      | .584  | .560 |
|       | Instagram  | .226                        | .098 | .252                      | 2.303 | .024 |

a. Dependent Variable: Purchase Decision

Based on table 3 above, then the multiple linear regression equation in research are:

Purchasing Decision = 0.581 + 0.279 Facebook + 0.306 YouTube + 0.055 Twitter + 0.226 Instagram. The interpretation of the multiple linear regression equation above is as follows:

1. A constant value of 0.581 shows a positive sign which means that if the variables Facebook, YouTube, Twitter, and Instagram are considered zero, then the purchase decision for Oriflame products is 0.581 units.

2. The value of the regression coefficient for the Facebook variable shows a positive value that is equal to 0.279, which means that if the Facebook variable increases by one unit, the purchasing decision will increase by 0.279 with other variables considered constant.
3. The value of the regression coefficient for the YouTube variable shows a positive value that is equal to 0.306, which means that if the YouTube variable increases by one unit, the purchasing decision will increase by 0.306 with other variables considered constant.
4. The value of the regression coefficient for the Twitter variable shows a positive value that is equal to 0.055, which means that if the Twitter variable increases by one unit, the purchasing decision will increase by 0.055 with other variables considered constant.
5. The value of the regression coefficient for the Instagram variable shows a positive value that is equal to 0.226, which means that if the Instagram variable increases by one unit, the purchasing decision will increase by 0.226 with other variables considered constant.

#### 4.4 Hypothesis Test

##### a. Simultaneous Hypothesis Test (Test F)

The F test is used to indicate whether all independent variables included in the regression model have a joint influence on the dependent variable. If the value of Fcount is greater than Ftable then together all the independent variables affect the dependent variable.

**Table 4.** Simultaneous Hypothesis Tests (F-Test)  
ANOVA<sup>b</sup>

| Model |            | Sum of Squares | df | Mean Square | F      | Sig.              |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1     | Regression | 20.633         | 4  | 5.158       | 18.815 | .000 <sup>a</sup> |
|       | Residual   | 23.030         | 84 | .274        |        |                   |
|       | Total      | 43.663         | 88 |             |        |                   |

a. Predictors: (Constant), linstagram, Twitter, Facebook, Youtube

b. Dependent Variable: Purchase Decision

Based on the simultaneous test results presented in table 4 it can be concluded that the three independent variables namely Facebook, YouTube, Twitter and Instagram simultaneously influence the purchase decision variable. With a value of Fcount = 18.815 > Ftable = 2.71 and a significance of 0.000 < 0.05. That way the hypothesis H0 is rejected and H1 is accepted. This means, together Facebook, YouTube, Twitter, and Instagram influence on purchasing decisions for Oriflame products.

##### b. Partial Hypothesis Test (t Test)

The statistical test t is used to determine the effect of the independent variables individually affecting the dependent variable. If the value of t is greater than t table then individually the independent variable influences the dependent variable.

**Table 5.** Partial Hypothesis Test (Uji-t)  
Coefficients<sup>a</sup>

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
|       |            | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant) | .581                        | .369       |                           | 1.576 | .119 |
|       | Facebook   | .279                        | .124       | .241                      | 2.240 | .028 |

|           |      |      |      |       |      |
|-----------|------|------|------|-------|------|
| Youtube   | .306 | .148 | .260 | 2.071 | .040 |
| Twitter   | .055 | .094 | .063 | .584  | .560 |
| Instagram | .226 | .098 | .252 | 2.303 | .024 |

a. Dependent Variable: Purchase Decision

Based on the partial test results in table 5. It is seen that the test results for each independent variable are as follows:

1. Test results for Facebook variables show the value of  $t = 2,240 > t_{table} = 1,982$  with a significant value of  $0.028 < 0.05$ . Then the hypothesis  $H_0$  is rejected and  $H_a$  is accepted, meaning that Facebook significantly influences the purchase decision.
2. The test results for the YouTube variable show the value of  $t = 2.071 > t_{table} = 1.982$  with a significant value of  $0.040 < 0.05$ . Then the hypothesis  $H_0$  is rejected and  $H_a$  is accepted, meaning that YouTube significantly influences the purchase decision.
3. The test results for the Twitter variable show the value of  $t = 0.584 < t_{table} = 1.982$  with a significant value of  $0.560 > 0.05$ . Then the hypothesis  $H_0$  is accepted and  $H_a$  is rejected, meaning that Twitter does not significantly influence the purchase decision.
4. The test results for the Instagram variable shows the value of  $t = 2,303 > t_{table} = 1,982$  with a significant value of  $0.024 < 0.05$ . Then the hypothesis  $H_0$  is rejected and  $H_a$  is accepted, meaning that Instagram significantly influences the purchase decision

#### 4.5 Coefficient of Determination

The coefficient of determination test ( $R_2$ ) is used to measure how far the model's ability to explain variations in the dependent variable.

**Table 6.** Results Coefficient of Determination  
Model Summary<sup>b</sup>

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .687 <sup>a</sup> | .473     | .447              | .52361                     |

a. Predictors: (Constant), Instagram, Facebook, Twitter, Youtube

b. Dependent Variable: Purchase Decision

Based on the results of the regression calculation, it can be seen that the coefficient of determination (adjusted  $R_2$ ) obtained is 0.447. This means that the contribution of the influence of the variables Facebook, YouTube, Twitter and Instagram on purchasing decisions is 44.7%, while the remaining 55.3% is influenced by other variables not examined in this study such as prices, products and others.

Based on the results of partial testing for Facebook variables showed the value of  $t = 2.240 > t_{table} = 1.988$  with a significant value of  $0.028 > 0.05$ . Then the Facebook variable has a significant positive and significant influence on purchasing decisions. The results of this study are in line with research findings (Hutagalung, 2010), (Nurgiyantoro, 2014) and (Andreani, 2013) who state that Facebook has a positive and significant effect on purchasing decisions. The results of this study are consistent with Kotler's theory, where the developing digital world is not only a means of communication, but connects one individual to another that is not limited by distance and time constraints and shares ideas about product innovation. Communication and sharing of ideas can be established through social media, such as Facebook. (Keller, 2012)

Based on the results of partial testing for YouTube variables show the value of  $t = 2.071 > t_{table} = 1.988$  with a significant value of  $0.040 < 0.05$ . Then the YouTube variable has a positive and significant effect on purchasing decisions. The results of this study are in line with the results of Singgih Nurgiyantoro's research which states that YouTube has a positive and significant effect on purchasing decisions. The results of this study are consistent with Kotler's theory, where the developing digital world is not only a means of communication, but connects one individual to another that is not limited by distance and time constraints and shares ideas about product innovation. Communication and sharing of ideas can be established through social media, such as YouTube.

Based on the results of partial testing for Twitter variables showed the value of  $t = 0.584 < t_{table} = 1.988$  with a significant value of  $0.560 > 0.05$ . Then the Twitter variable does not have a positive and significant effect on purchasing decisions. The results of this study are not in line with the research results of Singgih Nurgiyantoro, and Grace Andreani who state that Twitter has a positive and significant effect on purchasing decisions. The results of this study are not in accordance with the theory said by Kotler, where the digital world that is developing today is not only a means of communication, but connects one individual with other individuals who are not limited by distance and time constraints and share ideas about product innovation. Communication and sharing of ideas can be established through social media, such as Twitter.

Based on the partial test results for the Instagram variable shows the value of  $t = 2.303 > t_{table} = 1.988$  with a significant value of  $0.024 > 0.05$ . Then the Instagram variable has a positive and significant effect on purchasing decisions. The results of this study are consistent with Kotler's theory, where the developing digital world is not only a means of communication, but connects one individual to another that is not limited by distance and time constraints and shares ideas about product innovation. Communication and sharing of ideas can be established through social media, such as Instagram.

Based on the results of simultaneous tests conducted in this study indicate that the variables Facebook, YouTube, Twitter, and Instagram simultaneously influence the purchase decision. With a value of  $F_{count} = 18.815 > F_{table} = 2.71$  and a significant value of  $0.000 < 0.05$ . This means, together - Facebook, YouTube, Twitter and Instagram influence on purchasing decisions for Oriflame products. The results of this study are consistent with Kotler's theory, where the developing digital world is not only a means of communication, but connects one individual to another that is not limited by distance and time constraints and shares ideas about product innovation (crowd sourcing) . Communication and sharing of ideas can be established through social media, such as Facebook, YouTube and Instagram.

## V. Conclusion

Based on the results of research and discussion, the following conclusions can be drawn:

1. Based on the results of the partial test (t test) shows that promotion through social media consisting of promotions through Facebook, YouTube, and Instagram partially has a positive and significant effect on purchasing decisions of Oriflame products on students of the Management Study Program of STIE Mikroskil Medan. Whereas promotion through Twitter has no positive and significant effect. This means that the purchase decision for oriflame products is more influenced by the variables Facebook, YouTube and Instagram.
2. Based on the results of Simultaneous Test (Test F) that has been carried out in this study shows that the variables of Facebook, YouTube, Twitter, and Instagram simultaneously

- have a positive and significant effect on the decision to purchase oriflame products on students of Management Study Program STIE Mikroskil Medan.
3. Based on the results of testing the coefficient of determination obtained R-Square of 0.447 which shows that the independent variables consisting of Facebook, YouTube, Twitter and Instagram affect the dependent variable namely the purchase decision of 44.7%, while the rest of 55.3% is influenced by other variables that are not researched in this study such as prices, products and others

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