

## Product Development and Social Media Create Purchase Decisions (A Survey on Wedding Planner Service Customers at Casturia Photography Bandung)

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### Abstract

*During a pandemic like the one we are facing today, wedding services must adjust their services to the regulations stipulated by the government and be able to communicate these service products. Product development and social media are the marketing strategies applied by Casturia photography to influence the purchase decision process of its clients. This study was aimed at studying the effect of product development and social media on purchase decisions. The research method used in this study was quantitative with multiple linear regression analysis tools. The sample of this research was 96 clients of Casturia photography. The results showed that there was a positive and significant effect of product development and social media on purchase decisions either partially or simultaneously.*

### Keywords

*Product development; social media; purchase decision*



## I. Introduction

When a pandemic like what is happening now has changed the people's behavior in making purchase decisions, the people's behavior in celebrating weddings have changed too as the consequence of the many restrictions imposed by the government. Casturia photography as a wedding organizer must improve or develop its services to meet pandemic conditions. The services offered by Casturia photography have been developed to meet the needs and desires of the clients therefore they can attract their clients in the process of purchase decision. Clients' purchase decisions are activities that are directly related to obtaining, consuming, and disposing of products and services, including the decision processes that come before and after these actions. In services that take time (holidays, travel, wedding guides, etc.), decisions are an important part of consumer behavior. (JF Engel, RD Blackwell, and PW Miniard in (Khuong & Duyen, 2016). Purchase decision is a client's decision as an act of ownership of two or more alternative options dealing with the process, method, act of purchasing, considering other factors about what to buy, when to buy, where to buy and how to pay (Sumarwan in (Sujani, 2017)

Social media is becoming an effective two-way communication tool these days where people tend to always stay at home. Casturia photography employs social media to communicate its services as an innovation. In making purchase decisions, clients will go through several steps as stated by Philip Kotler in (Foster, 2017) including the information search and alternative evaluation steps. This means that clients are offered with several options that will become their consideration when making purchase decisions therefore companies must think of the right strategy to introduce the products to be offered in the market so that they can influence clients to buy the products or services offered by the company. The strategy can be done by compiling and creating or developing new products or new services offered to the clients.

Product or service innovation is the ability of the company to improve product designs, features, or specifications based on customer desires or increase the value of products or services by creating new products or services (Lahindah et al., 2018). Innovation is something new but it has several levels associated with this type of innovation, which is divided into incremental, radical, and revolutionary. An incremental innovation is an innovation that takes small steps in the innovation process. A radical innovation is the one that changes almost everything about a particular product, process, or organization, whilst a revolutionary innovation is the one that discovers new breakthroughs that did not exist before (Ginting & Sembiring, 2018).

Casturia photography communicates its innovative products through Instagram, Whatsapp, and Facebook with young people as its target market. Furthermore, today it is very important to consider the characteristics of the current generation - Millennials. They are the main social media audience who are not easily influenced by social media as 48 percent claimed that social media never influences their buying decisions. Millennials tend to consume any content from multiple platforms through different devices usually heavily influenced by what their peers think. Hence for marketers, it is important to understand how this demographic consumes information and secondly, how to convey appropriate and attractive marketing messages to them (Johnson W in (Stankevich, 2017).

Social media is an example of a relatively recent development of information technology (Marbun et al, 2020). Communication through social media promises a comfortable state of communication, where someone who cannot compose words can be someone who is very poetic, with a very relaxed appearance and state, someone can carry out communication activities with others, lecturers, or someone when we communicate with it must take care of all things, appearance and style of language, but communicating through social media do not have to pay attention to it, sit back with a cup of coffee and use casual clothes a person can carry out communication activities (Marlina, 2020).

Social media refers to activities, practices, and behaviors among a community of people who gather online to share information, knowledge and opinions using conversational media (web-based applications), (Jashari & Rrustemi, 2016) explaining that reviews, photos, and videos using social media will affect a client's motivation to buy a product. 61.5% of the people are motivated from peer reviews, 51% of whom are motivated from product photos/videos, while the remaining 38.5% are motivated from the comments given by consumers. Social Media can be defined as a group of Internet-based applications that are built on the ideological and technological foundations of the Web and that enable the creation and exchange of user-generated content (Voramontri & Klieb, 2019). Social media will influence consumers from information seeking to purchase behavior (Mangold & Faulds, in (Sudirjo, 2021). McKinsey found that because the communication has changed from one direction - marketers to consumers - to two-way communication - marketers to consumers and consumers to marketers - marketers require a systematic way to meet the consumers' demand and manage word of mouth promotion (Court et al in (Stankevich, 2017). This study was aimed at analyzing the effect of product development and social media on purchase decisions.

## **II. Review of Literature**

### **2.1 The relationship between product development and purchase decisions**

Some studies showing the relationship between product development and purchase decisions are the study conducted by (Lahindah et al., 2018) which examined consumer

decisions for food (culinary) in Bandung demonstrating that food products with innovation and service quality play a significant impact on purchase decisions. Product innovation that was delivered incrementally had a partial influence on purchase decisions, based on the results of a study conducted (Ginting & Sembiring, 2018) in the woven fabric industry in Karo. The results of study conducted (Hatta et al., 2018) showed that product innovation and promotion variables did not affect the purchase decision variables on Sangkuriang Lapis Bogor products. Based on the analysis, it can be concluded that consumers use all five steps in their decision-making process in products that are purchased rarely or occasionally with high involvement, while Consumer behavior towards goods or services will be with low involvement in decision making if the product is used daily or low-cost products (Qazzafi, 2019). Thus, from previous studies taken as empirical studies, the following hypotheses can be applied:

H1: There is an effect of product development on purchase decisions

## 2.2 The Relationship between social media and purchase decisions

The studies that have been conducted on the relationship between social media and purchase decisions among others were conducted (Sudirjo, 2021) who examined the purchase decisions of consumers of fashion products in Semarang showed the results that social media had a significant influence on purchase decisions. A very high percentage of internet users are looking for information dealing with purchases on the internet. Electronic, entertainment and travel equipment are the most searched purchases, according to a study held by (Yogesh & Yesha, 2014), (Hutter et al., 2013) who analyzed the influence of social media activities of the brand and the involvement of social media participants on the consumers' purchase decision process. Our findings revealed that engagement with Facebook fan page has a positive effect on consumer brand awareness, WOM (word of mouth) activity and purchase intention. Therefore, from the previous studies referred as empirical studies, the following hypotheses can be used:

H2: There is an influence of social media on purchase decisions

H3: There is an effect of product development and social media on purchase decisions simultaneously.

## III. Research Method

This research method is a quantitative method with the analytical method used as a descriptive verification method, the data collection technique was done by distributing closed question questionnaires to respondents. The sample using the Slovin formula with a confidence level of 90% obtained a sample of 96 people. The samples used were the customers drawn by simple random, the analytical tool used in the study was multiple linear regression.

## IV. Result and Discussion

The profile of the respondent can be seen in table 1

**Table 1.** The Profile of the Respondents

Description	Frequency	%
<b>Gender :</b>		
Male	55	57%
Female	41	43%
Total	96	100%

<b>Age :</b>		
< 20 years	5	5,2%
21 – 30 years	69	71,9%
31 – 40 years	19	19,8%
> 40 years	3	3,1%
Total	96	100%
<b>Profession</b>		
Students	15	15,6%
State worker	16	16,7%
Private workers	30	31,3%
Entrepreneur	22	22,9%
Others	13	13,5%
Total	96	100%

The Respondents are dominated by men, with 97% of whom were under 40 years, the dominant profession was private workers.

The results of the validity test with a significant rate of 5% is as follows:

**Table 2. Validity Test Result**

Variable	No of Item	r Count	r Table 5% (96)	Status
X1	1	0,383	0,1671	Valid
	2	0,679	0,1671	Valid
	3	0,7	0,1671	Valid
	4	0,727	0,1671	Valid
	5	0,616	0,1671	Valid
	6	0,732	0,1671	Valid
	7	0,675	0,1671	Valid
X2	8	0,755	0,1671	Valid
	9	0,787	0,1671	Valid
	10	0,747	0,1671	Valid
	11	0,79	0,1671	Valid
	12	0,708	0,1671	Valid
	13	0,793	0,1671	Valid
	14	0,795	0,1671	Valid
Y	15	0,721	0,1671	Valid
	16	0,801	0,1671	Valid
	17	0,782	0,1671	Valid
	18	0,79	0,1671	Valid
	19	0,765	0,1671	Valid
	20	0,813	0,1671	Valid
	21	0,723	0,1671	Valid

Referring to table 2 above, the data is valid where r count is greater than r table. The results of the reliability test are as follows:

**Table 3. Reliability Test Result**

No.	Description	No of Item	Cronbach's Alpha
1.	Product development	7	.846
2.	Social media	7	.903
3.	Purchase Decision	7	.909

Referring to the results of the reliability test above, it shows that all instruments in this study are reliable, as Cronbach's Alpha > 0.60.

#### 4.1 Classic Assumption Test

Normality test, multicollinearity test, heteroscedasticity test, correlation test have been carried out with the following results:

**Table 4. Test Result Normality**

		Unstandardized Residual
N		96
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.52354365
	Most Extreme Differences	
	Absolute	.068
	Positive	.038
	Negative	-.068
Test Statistic		.068
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

Table 4 shows that the value of Kolmogorov Smirnov is 0.200 with a significance value of 0.200. Because the significance value resulted from Kolmogorov Smirnov is more than or 5% (real level of research significance) that is ( $0.200 > 0.05$ ), it can be inferred that  $H_0$  is accepted or the residual data is normally distributed, in other words the regression model is feasible to use because it meets the normality assumptions.

**Table 5. Inter-correlation analysis**

		Correlations		
		Y	X1	X2
Pearson Correlation	Y	1.000	.631	.676
	X1	.631	1.000	.738
	X2	.676	.738	1.000
Sig. (1-tailed)	Y	.	.000	.000
	X1	.000	.	.000
	X2	.000	.000	.
N	Y	96	96	96
	X1	96	96	96
	X2	96	96	96

Because the value of 0.738 is less than 0.8, the symptom of multicollinearity is not detected.

**Table 6. Multicollinearity Test Standard Error**

		Coefficients <sup>a</sup>			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	7.081	1.919		3.689	.000
	X1	.282	.107	.289	2.645	.010
	X2	.444	.105	.463	4.236	.000

In Table 6, it can be noticed that the standard error value is less than one, that X1 = 0.107 and X2 = 0.105. Therefore it can be said that the standard error value is low and multicollinearity is not detected.

**Table 7. Confidence Interval**

Coefficients <sup>a</sup>						
95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
3.269	10.892					
.070	.494	.631	.264	.195	.455	2.199
.236	.653	.676	.402	.312	.455	2.199

a. Dependent Variable: Y

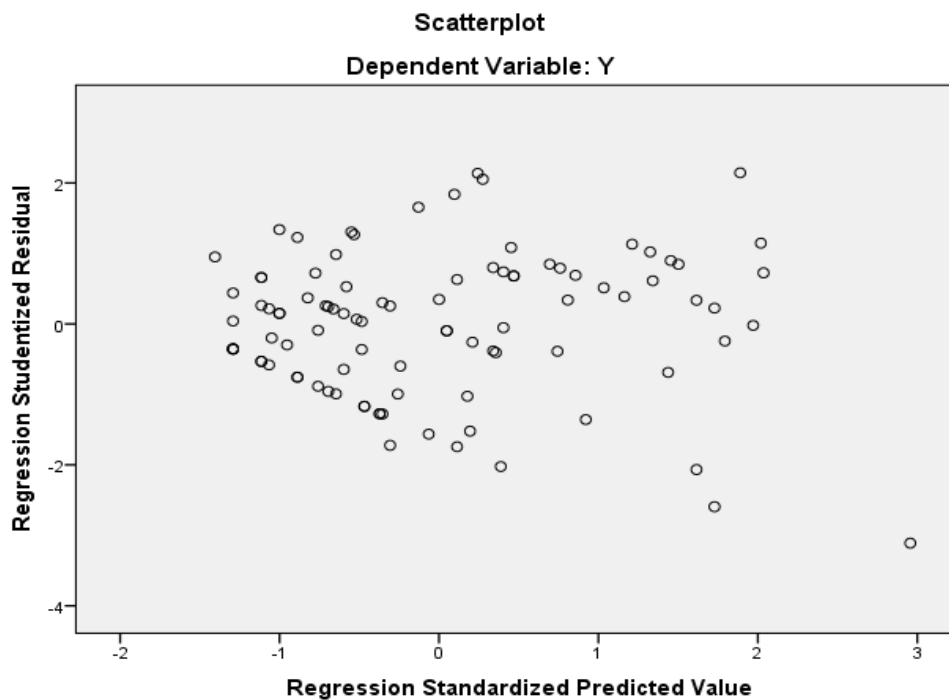
Table 7 shows the value of a narrow range that is in X1 the range is from 0.070 to 0.494. While in X2 it ranges from 0.236 to 0.653. Because the range is narrow, multicollinearity is not detected.

**Table 8. Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	X1	X2
1	1	2.982	1.000	.00	.00	.00
	2	.012	15.558	1.00	.11	.15
	3	.006	23.246	.00	.89	.85

a. Dependent Variable: Y

Table 8 shows that from the eigenvalue and condition index above, it can be inferred that multicollinearity symptoms occur in the regression model. In the table above, the eigenvalue is  $0.006 < 0.01$  and the condition index is 23,246, which is lower than 30.



*Figure 1. Heteroscedasticity Test Results*

Figure 1 shows that the dots do not form a certain pattern or there is no clear pattern and the points spread above and below the number 0 on the Y axis, hence there is no heteroscedasticity.

#### 4.2 Multiple Linear Regression Analysis

The following shows the estimation results of the regression equation model that shows the effect of product development and social media on purchase decisions. Based on the results of calculations using the SPSS version 24.0 program, the following results were obtained:

**Table 9.** Summary of Multiple Regression analysis

Variabel	Regression Coefficient	t-count	Sig
Constant	7,081		
X1	0,282	2,645	0,01
X2	0,444	4,236	0
F hitung	45,618		0
R Square	0,495		

The regression equation formula in this analysis or study is as follows:

$$Y = 7,081 + 0,282X_1 + 0,444X_2 + \varepsilon$$

Seen from the mark on the regression coefficient (parameter) in the multiple linear regression equation above, the regression coefficient variable shows to be positive,

meaning that the influence of the independent variable on the dependent variable is unidirectional. The positive mark on the regression coefficient also means that if the independent variable increases, then the dependent variable will also increase.

### 4.3 The Results of Coefficient of Determination

The percentage of the independent variables can explain the dependent variable which can be seen from the value of the coefficient of determination that has been adjusted (Adjusted R Square). The results of the calculations by using SPSS version 24. Obtained the following results:

**Table 10.** The Results of Coefficient of Determination

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.916 <sup>a</sup>	.839	.803	2.771	2.131

a. Predictors: (Constant), Product Development X1, Social Media X2

b. Dependent Variable: Purchase Decision Y

Based on Table 10, the coefficient of determination is 0.839, meaning that the magnitude of the influence of product development and social media on purchase decisions is 83.9% and the remaining 16.1% is affected by other factors not included in the study.

### 4.4 Hypothesis Test Results

#### a. Results of Partial Hypothesis Testing (t-test)

The t test is employed to determine whether the effect of each independent variable on the dependent variable is significant or not.

Partial hypothesis testing is presented in table 11 as follows:

**Table 11.** Partial Test Result (t-Test)

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.402	1.612		1.490	.140
	Product Development	.219	.094	.180	2.343	.021
	Social Media	.700	.074	.722	9.397	.000

a. Dependent Variable: Purchase Decision

The results of partial hypothesis testing above for each independent variable can be translated as follows:

#### 1. The Effect of Product Development on Purchase Decisions

The results of the t test for the product development variable show a significance value of  $0.021 < 0.05$  and t count of 2.343, which means it is greater than the t-table value (1.66123) so at an error rate of 5% it can be inferred that H1 is accepted,



## 2. The Influence of Social Media on Purchase Decisions

The results of the t-test for social media variables reveal a significance value of 0.000 < 0.05 and t-count of 9.397, which means that it is greater than the value of t-table (1.66123) then at an error rate of 5% it can be drawn that H2 is accepted.

### b. Simultaneous Hypothesis Testing (f-Test)

The purpose of the F-test is to determine the effect of the independent variables (Product Development and Social Media) simultaneously on the dependent variable (Purchase Decision).

**Table 12.** Simulataneous Test Results  
ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1796.336	2	898.168	134.746	.000 <sup>b</sup>
	Residual	619.903	93	6.666		
	Total	2416.240	95			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Social Media, Product Development.

Referring to table 12 above, the results of the F-test show that simultaneously there is a positive and significant influence between product development and social media on purchase decisions. This can be seen from the calculated F-value of 134,746 which is greater than the F-value of 3.09 shown in the table.

## V. Conclusion

The results showed that there was a positive influence on product development on purchase decisions with a significance value of 0.021 < 0.05 and t-count of 2.343, there was a positive impact of social media on purchase decisions with a significant value of 0.000 < 0.05 and t-count of 9.397. The calculated F-value of 134,746 becomes a test statistic that will be compared to the F-value from the table where in table F for  $\alpha = 0.05$ , which is 3.09. Because the F-count 134,746 obtained is greater than the F table (3.09) and the statistical test results at a significance level of 0.05 with a value of 0.000, it meets the hypothesis testing criteria.

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