The Influence of Social Media Marketing and Price on Purchase Decisions Through Brand Image as An Intervening Variable (Samsung Smartphone)

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Abstract

Currently, Indonesia has several companies that have marketed their goods or services through social media. One of the companies that use social media to inform their products is the Samsung company that uses Instagram accounts to inform their newest products. Samsung is the most popular smartphone manufacturer in Asia and the world. But there are many other competitors who are trying to shift Samsung's power. The method used in this research is using quantitative research methods with descriptive and causal research types. The population used in this study, namely the Indonesian people who use Samsung smartphones with a sample of 120 respondents. Sampling used in this study, namely the purposive sampling method. The data analysis technique used the Structural Equation Modeling (SEM) method with the help of SmartPLS software. The results of the descriptive analysis show that Social Media Marketing, Price and Purchase Decisions are in good category while Brand Image is in very good category. From the results of the hypothesis that Social media marketing has an effect on Brand Image, Price has an effect on Brand Image, Social media marketing has no effect on Purchase Decisions, Price has an effect on Purchase Decisions, Brand Image has an effect on Purchase Decisions, Social media marketing has an effect on Purchase Decisions through Brand Image, Price has an effect on Purchase Decision through Brand Image, Social media marketing and Price has an effect on Purchase Decision through Brand Image.

I. Introduction

Technology and information are currently developing rapidly. This is what makes human needs grow and more and more of their needs. In this way, companies compete with each other to create a product and service to meet the needs of their consumers and also to meet the demands of an increasingly complex market (consumer). According to (Erlitna & Soesanto, 2018) needs are basic requirements of human life. At this time in Indonesia already has several companies that have marketed their goods or services through social media, the more companies that use social media, especially e-commerce, the more business competition is getting tougher, including in marketing activities. Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions (Dianto in Asmuni et al, 2020). According to Tjiptono in Marlizar (2020) marketing performance is a function that has the greatest contact with the external environment, even though the company only has limited control over the company's environment. In the world of marketing, consumers are assets that must

be maintained and maintained their existence in order to remain consistent with the products we produce (Romdonny and Rosmadi, 2019).

Companies that use social media to inform their products is the Samsung company which uses its social media inform its newest products and provide information related smartphone at Samsung. In today's modern era, smartphones have become a necessity in life. Starting from small children, teenagers, even parents, they are no strangers to smartphones. (Source: gametech.pens.ac.id). Samsung is the smartphone in Asia and the world. But there are many other competitors who are trying to displace Samsung's power. The competition is very strong especially in Asia, where a number of new mobile phone manufacturers are struggling in their respective local markets, hoping to attract customers with good devices, but at affordable prices (Source: id.techinasia.com).

According to (Armstrong et al., 2016) social media marketing is an online activity and programs designed to engage customers or potential customers directly or indirectly by raising awareness, enhancing image, or generating sales of products and services. According to (Kotler & Keller, 2016) price is the only element in the marketing mix that generates revenue; the other elements represent costs. Price also communicates the company's or its brand's intended value position of the product.

According to (Ruhamak & Rahayu, 2016) brand image is the consumer's understanding of the brand as a whole and the view of a brand, brand image is also not only giving a name but introducing a product that is in the consumer's memory in the form of a product's perception. Thus, in a company must have brand image so that consumers are interested in doing the buying process.

Purchasing decisions according to (Kotler & Keller, 2016) are a stage in the process of making purchasing decisions where consumers actually buy. Decision making is an individual activity that is directly involved in obtaining and using the goods offered by the company.

As previously discussed, this Samsung product is good at utilizing social media products smartphone newest. However, the prices given by competitors for smartphone are much more affordable than Samsung products of the same type and type. This is certainly a consideration for consumers in making purchasing decisions on smartphones Samsung. With this, Samsung continues to provide and improve its brand image in the eyes of the public and consumers to buy smartphones Samsung

Based on the description of the background of the problem described above, a study will be conducted with the title "The Effect of Social Media Marketing and Price on Purchase Decisions through Brand Image as an Intervening Variable (Smartphone Samsung)".

II. Review of Literature

2.1 Social Media Marketing

According to (Chaffey & Ellis-Chadwick, 2019) the notion of social media is monitoring and facilitating customer-to-customer interaction and participation across the web to encourage positive engagement with companies and their brands. Interactions may occur on company sites, social networks, and other third-party sites. It is also said that companies participate in and advertise on social networks and communities to reach and engage their audience.

2.2 Price

According to (Kotler & Keller, 2016) price is the only element in the marketing mix

that generates revenue; the other elements represent costs. Price also communicates the company's or its brand's intended value position of the product.

2.3 Purchasing Decision

Purchasing decision according to (Kotler & Armstrong, 2018) is a stage in the process of making a purchase decision where consumers actually buy. Decision making is an individual activity that is directly involved in obtaining and using the goods offered by the company.

2.4 Brand Image

According to (Ruhamak & Rahayu, 2016) brand image is a consumer's understanding of the brand as a whole as well as views about a brand, brand image also not only gives a name but introduces a product that is in the minds of consumers in the form of a product's perception. Thus, in a company must have brand image so that consumers are interested in doing the buying process.

2.5 Framework of Thought
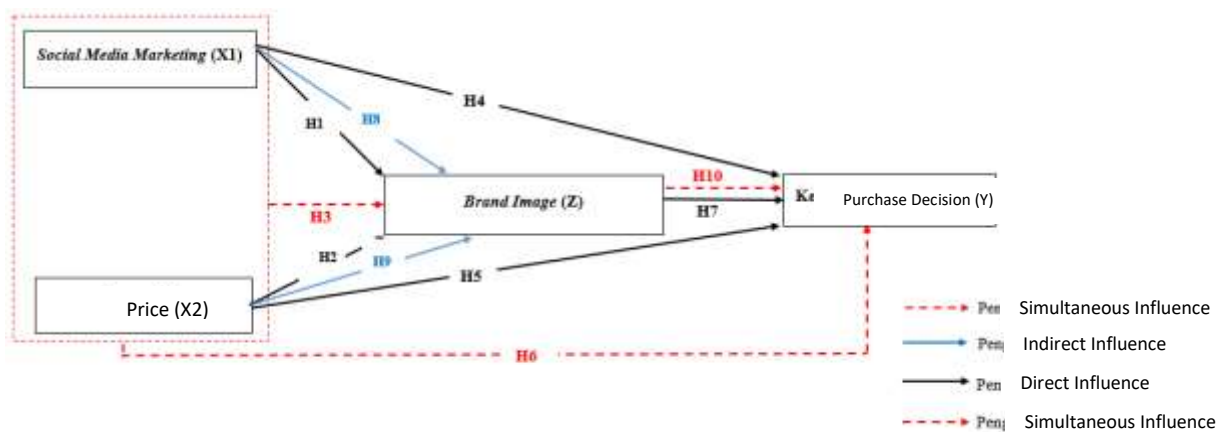
Source: Processed Researcher Data, 2022
Figure 1. *Framework of Thought Direct and Simultaneous Influence*

III. Research Method

The method in this research is using quantitative research methods. Quantitative research method is a research method that uses the philosophical foundation of positivism, where the philosophy of positivism is used to conduct research on certain populations and samples, this study uses research instruments to collect data, data analysis in research is quantitative or statistical, in order to test the hypotheses that have been set previously (Sugiyono, 2018). The research that the author uses in this study, namely through a quantitative approach with descriptive and causal types of research. The population used in this study, namely the Indonesian people who use smartphones Samsung. The sampling technique in this research is purposive sampling.

IV. Result and Discussion

4.1 Descriptive Analysis

From the results of descriptive analysis, Social media marketing as measured by the seven statements is in the good category with a percentage of 80.69%. The price variable as measured by the four statements is in the good category with the percentage result of 80.06%.variable Brand Image as measured by the six statements is in the good category with a percentage result of 84.3%. The Purchase Decision Variable as measured by the nine statements is in the good category with a percentage yield of 79.86%.

4.2 Measurement Model (Outter Model)
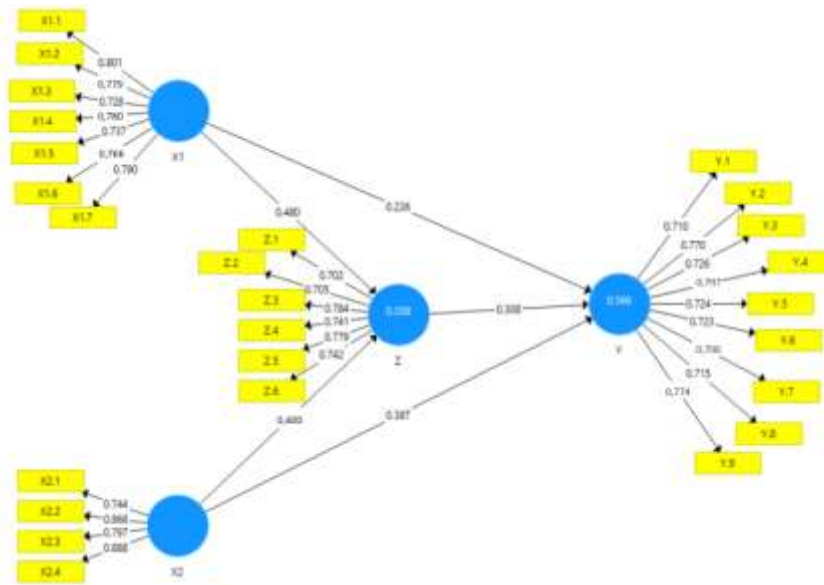
Source: Processed Researcher Data, 2022
***Figure 3.** Path Diagram Full Outer Model*

a. Validity Test

Validity according to (Sugiyono, 2019) shows the degree of accuracy between the data that actually occurs on the object and the data collected by researcher.

Table 1. Average Variance Extracted Value (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand Image (Z)	0,838	0,848	0,881	0,552
Price (X2)	0,844	0,858	0,895	0,683
Purchase Decision (Y)	0,881	0,883	0,904	0,512
Social media marketing (X1)	0,839	0,855	0,879	0,512

Source: Processed Researcher Data, 2022

The table above shows that all indicators can be declared valid because seen from the AVE value of all variables more than 0.5.

b. Reliability Test

According to (Malhotra, 2010) in testing refers to repeated measurements with characteristics that will produce consistent results. The following are the results of the reliability test using the SmartPLS software, which are as follows:

Table 2. Reliability Test Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Social media marketing (X1)	0,839	0,850	0,879	0,512
Price (X2)	0,844	0,855	0,896	0,683
Purchase Decision (Y)	0,881	0,883	0,904	0,512
Brand Image (Z)	0,838	0,848	0,881	0,552

Source: Researcher Data, 2022

Based on the reliability test above, the number in each variable is > 0.7 of the specified Cronbach's Alpha value, it can be concluded that the results have a high reliability value.

4.3 Structural Model (Inner Model)
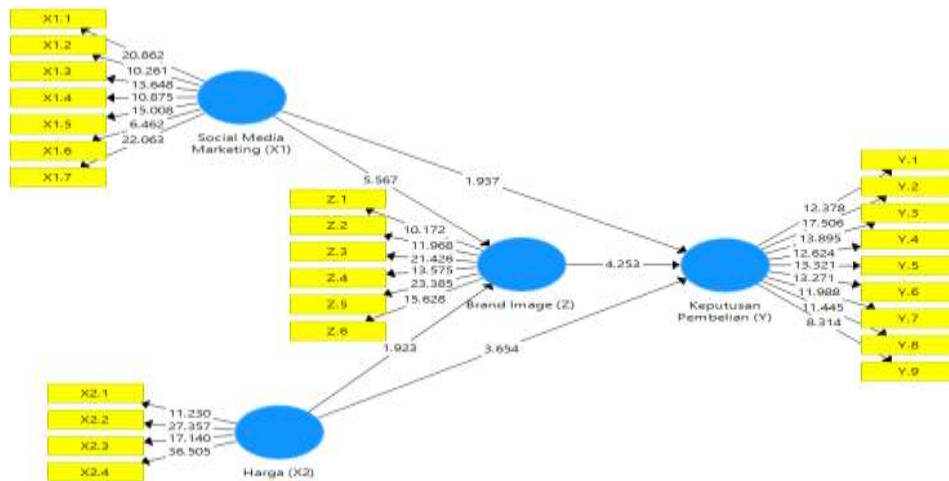
Source: Processed Researcher Data 2022
Figure 4. Full Path Structural Model

a. R-Square

Based on the results of testing with SmartPLS, obtained R-Square:

Table 3. *R-Square Value*

	R Square	R Square Adjusted
Brand Image (Z)	0,652	0,641
Purchase Decision (Y)	0,668	0,657

Based on the results of the *R-Square* it can be seen that the variables Z and Y have a moderate relationship.

b. ypothesis Testing

Table 4. Summary of Hypothesis Test Results

Hi Hypothesis	Influence	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
1	X1 -> Z	0,478	0,478	0,091	5,245	0,000
2	X2 -> Z	0,195	0,204	0,105	1,988	0,031
3	X1 -> X2 -> Z	0,090	0,095	0,051	1,981	0,041
4	X1 -> Y	0,235	0,243	0,126	1,878	0,041
5	X2 -> Y	0,387	0,381	0,105	3,868	0,000
6	X1 -> X2 -> Y	0,180	0,172	0,053	3,570	0,000
7	Z -> Y	0,311	0,313	0,077	4,431	0,000
8	X1 -> Z -> Y	0,148	0,153	0,051	2,905	0,002
9	X2 -> Z -> Y	0,060	0,063	0,034	1,976	0,034
10	X1 -> X2 -> Z -> Y	0,148	0,029	0,016	1,974	0,045

1. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.478 shows the direction of the relationship between Social media marketing (X1) and Brand Image (Z), which is positive or unidirectional, meaning that if Social media marketing (X1) increases then Brand Image (Z) will increase, and vice versa. The effect of Social media marketing (X1) on Brand Image (Z) is significant with t table 1.96 and T-Statistic 5.245 > t table, and p value < alpha 5% (0.000 < 0.05). So H1 is accepted, which means **Social media marketing (X1) has a significant effect on Brand Image (Z)**. This is supported by research by (Anizir & Wahyuni, 2017) showing that the correlation value generated is positive, meaning that it describes the direction of the relationship between social media marketing and brand image , which is a one-way relationship.

2. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.195 shows the direction of the relationship between Price (X2) and Brand Image (Z), which is positive or in the same direction, meaning that if the Price (X2) increases, the Brand Image (Z) will increase, and vice versa. The effect of Price (X2) on Brand Image (Z) is significant with t table 1.96 and T-Statistic 1.988 > t table, and p value < alpha 5% (0.031 < 0.05). So H2 is accepted which means **Price (X2) has a significant effect on Brand Image (Z)**. Also supported by research by (Leksono & Herwin, 2017) it can be concluded that price has a positive effect on brand image. In addition, research conducted by (Armayani & Jatra, 2019) where the price has a significant positive effect on brand image products smartphone Samsung. Thus, the

better the price offered by Samsung smartphone products to consumers, the better the brand image products will be smartphone Samsung

3. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.090 shows the direction of the relationship between Social media marketing (X1) and Price (X2) on Brand Image (Z), which is positive or in the same direction, meaning that if Social media marketing (X1) and Price (X2) increase, the Brand Image (Z) will increase, and vice versa. The influence between Social media marketing (X1) and price (X2) on Brand Image (Z) is significant with t table 1.96 and T-Statistic 1.981 > t table, and p value < alpha 5% (0.041 < 0.05). So H3 is accepted which means **Social media marketing (X1) and Price (X2) has a significant effect on Brand Image (Z)**.

4. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.230 shows the direction of the relationship between Social media marketing (X1) and Purchase Decision (Y), which is positive or unidirectional, meaning that if Social media marketing (X1) increases then the Purchase Decision (Y) will increase, and vice versa. The effect of Social media marketing (X1) on Purchase Decision (Y) is significant with t table 1.96 and T-Statistic 1.878 > t table, and p value < alpha 5% (0.041 < 0.05). So H4 is accepted, which means that **Social media marketing (X1) has no significant effect on Purchase Decisions (Y)**. Based on the results of research conducted by (Muftihaturrahmah, 2021) that social media marketing has a positive partial and simultaneous effect on purchasing decisions. With the existence of social media marketing , this can build consumer awareness and action so that a decision is made to purchase Yotta drinks in Makassar. However, it is different from the research conducted by (Masruroh et al., 2019) which found different results, namely social media marketing on customer purchase decisions or purchasing decisions does not have a direct effect and the coefficient is positive.

5. From the results of the study, the path coefficient value from the original sample estimate (beta), which is positive at 0.387 shows the direction of the relationship between Price (X2) and Purchase Decision (Y), which is positive or unidirectional, meaning that if the Price (X2) increases, the Purchase Decision (Y) will increase, and vice versa. The effect of Price (X2) on Purchase Decision (Y) is significant with t table 1.96 and T-Statistic 3.868 > t table, and p value < alpha 5% (0.000 < 0.05). So H5 is accepted which means **Price (X2) has a significant effect on Purchase Decision (Y)**. The results of this study are also supported by previous research conducted by (Rahmadani, 2018) that the price variable has a positive and significant effect on purchasing decisions at Tokopedia. (Rahmadani, 2018) argue that price has a very important role in the decision-making process besides that the high and low of a product is always a consideration before making the purchase process to buy a product or use a service offered by the company.

6. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.180 shows the direction of the relationship between Social media marketing (X1) and Price (X2) on Purchase Decisions (Y), which is positive or unidirectional, meaning that if Social media marketing (X1) and Price (X2) increase, the Purchase Decision (Y) will increase, and vice versa. The influence between Social media marketing (X1) and Price (X2) on Purchase Decisions (Y) is significant with t table 1.96 and T-Statistic 3,570 > t table, and p value < alpha 5% (0.000 < 0.05). So H6 is accepted, which means that **Social media marketing (X1) and Price (X2) have a significant effect on Purchase Decisions (Y)**.

7. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.311 shows the direction of the relationship between Brand Image (Z) and Purchase Decision (Y), which is positive or unidirectional, meaning that if Brand Image (Z) increases then the Decision Purchases (Y) will increase, and vice versa. The effect of Brand Image (Z) on Purchase Decision (Y) is significant with t table 1.96 and T-Statistic 4.413 > t table, and p value < alpha 5% (0.000 < 0.05). So H7 is accepted which means **Brand Image (Z) has a significant effect on Purchase Decision (Y)**. It is also supported by according to Temporal et al., (2002) which explains that one of the most basic things in a brand is because consumers will definitely choose a strong brand, the stronger the brand image, the consumer will choose the product or service, especially if the product or service is more popular than other products or services on the market. This happens because the brand can provide a clear choice, there is an emotional bond that exists in the identity of the consumer, avoids consumers from being confused, and feels safe when using the product or java. Through the brand, consumers feel there is something that can be trusted. In addition, brands can make it easier for consumers to choose through the existence of a brand.

8. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.148 shows the direction of the relationship between Social media marketing (X1) and Purchase Decision (Y) through Brand Image (Z), which is positive or unidirectional, meaning that if Social media marketing (X1) and Purchase Decision (Y) increase, the Brand Image (Z) will increase, and vice versa. The effect of Social media marketing (X1) on Purchase Decision (Y) through Brand Image (Z) is significant with t table 1.96 and T-Statistic 2.905 > t table, and p value < alpha 5% (0.002 < 0, 05). So H8 is accepted, which means that **Social media marketing (X1) has a significant effect on Purchase Decisions (Y) through Brand Image (Z)**.

9. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.060 shows the direction of the relationship between Price (X2) and Purchase Decision (Y) through Brand Image (Z), which is positive or unidirectional, meaning that if Price (X2) and Purchase Decision (Y) increases, the Brand Image (Z) will increase, and vice versa. The effect of Price (X2) on Purchase Decision (Y) through Brand Image (Z) is significant with t table 1.96 and T-Statistic 1.976 > t table, and p value < alpha 5% (0.034 < 0.05) . So H9 is accepted which means **Price (X2) has a significant effect on Purchase Decision (Y) through Brand Image (Z)**. According to (Armayani & Jatra, 2019) Price significantly mediates the influence of brand image on purchasing decisions on smartphone Samsung. The price owned by smartphone able to strengthen brand image products smartphone towards purchasing decisions for Samsung smartphone products in Denpasar City. Also supported by research by (Yasmine, 2021) The price variable has a positive and significant influence on purchasing decisions through brand image.

10. From the research results, the path coefficient value from the original sample estimate (beta), which is positive at 0.148 shows the direction of the relationship between Social media marketing (X1) and Price (X2) on Purchase Decisions (Y) through Brand Image (Z), which is positive or negative. unidirectional, meaning that if Social media marketing (X1), Price (X2) and Purchase Decision (Y) increase then Brand Image (Z) will increase, and vice versa. The effect of Social media marketing (X1) on Purchase Decision (Y) through Brand Image (Z) is significant with t table 1.96 and T-Statistic 1.974 > t table, and p value < alpha 5% (0.041 < 0, 05). So H10 is accepted, which means that **Social media marketing (X1) has a significant effect on Purchase Decisions (Y) through Brand Image (Z)**.

V. Conclusion

Based on the results of research and discussion on the influence of social media marketing (X1) and price (X2) on purchasing decisions (Y) through Brand Image (Z) as an intervening variable, the following conclusions are:
1. Samsung's smartphone social media marketing is in the good category.
2. The price smartphone is in the good category.
3. The decision to purchase smartphone is in the good category.
4. smartphone brand image is in the good category.

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