

The Role of Digital Marketing and Social Media in Improving Purchasing Decisions on Agricultural Production Facilities Products

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Abstract

Purchasing decisions are an important thing that every company needs to pay attention to. Once consumers decide to buy goods or services, a product is a positive thing for the company. This research aims to examine the influence of digital marketing and social media on purchasing decisions for agricultural production products at CV. Damar Batur Archipelago. This research uses quantitative methods. Data was collected through a survey by distributing questionnaires to 98 respondents. The data obtained is then processed to test the hypothesis using software. Quantitative data analysis shows that digital marketing and social media have a significant positive influence on purchasing decisions. Brand Image has a significant positive effect on purchasing decisions.

Keywords

Digital marketing; social media; buying decision; agricultural products.



I. Introduction

The agricultural product facilities business is one of the supporting activities for agricultural cultivation. Without these facilities, the smooth running of agricultural cultivation efforts can be disrupted. Agricultural product facilities are facilities and infrastructure that function as road access between agricultural land and trading centers with the aim of facilitating farmers in making sales as well as land connectivity that connects each agricultural area. The means of agricultural products in Indonesia has experienced significant changes in recent years, but faces increasingly complex challenges. Therefore, along with technological advances and shifts in consumer behavior, producers of agricultural products need to adopt effective marketing strategies to influence customer purchasing decisions. One of the appropriate and effective strategies to influence customer decisions today is the use of the internet.

CV. Damar Batur Nusantara is a business entity engaged in the field of agricultural product facilities located on Jalan Lumajang-Jember, Gadungan, Kasiyan, Puger District, Jember Regency, East Java. CV Damar Batur Nusantara provides various types of fertilizers, pesticides and agricultural tools for food crops, horticulture and plantations. CV. Damar Batur Nusantara has 60 brands of agricultural products that are ready to meet the needs of farmers with guaranteed lowest prices because they come directly from the producers. Based on the report on sales in 2023, CV's total sales or offline and online sales turnover can be seen. During the last 6 months of 2023, Damar Batur Nusantara has experienced fluctuations, but in a more positive direction, where during the last 6 months there has been a lot of increase. The target every month is IDR 3,000,000,000. Turnover for June was IDR 1,200,000,000, which is 40% of the targeted turnover. Turnover in July increased to IDR 1,550,000,000, which is an increase of 52% from the targeted turnover. Turnover in August decreased to IDR 1,450,000,000, which is down 48% from the

targeted turnover. Turnover in September experienced a significant increase, namely IDR 2,100,000,000, which is an increase of 70% from the targeted turnover. In October, it increased to IDR 2,250,000, which is 75% of the targeted turnover. In November, it increased again to IDR 2,665,000,000, which was an increase of 83% of the targeted turnover. This is what causes the need for this research to be carried out because of fluctuations in sales results at CV. Damar Batur Archipelago.

The purchasing decisions made by consumers will greatly benefit the product or service provider. A purchasing decision is a series of processes that begin with the consumer recognizing the problem, looking for information about a particular product or brand and evaluating the product or brand as to how well each alternative can solve the problem, which then leads to a series of processes leading to a purchasing decision (Tjiptono 2011). Many factors can increase the decision to purchase products or services from a company. These factors include digital marketing and social media.

Digital Marketing is an activity in the field of marketing that utilizes platforms on the internet to reach target consumers. Apart from that, Digital Marketing is also defined as marketing products or services via the internet or is called online marketing, e-marketing, or e-commerce (Kartajaya 2014). Currently, with technological developments, many companies are utilizing digital marketing to improve the purchasing process by consumers. Research from (Khoernnikmah and Widarko 2018), (Qomariah and Zaman 2020), (Hamdani and Mawardi 2018), (Rahmi and Yogya 2015), (Putra 2014), (Diansyah and Nurmalasari 2017), (Prasetyo et al. 2016), (Jamaludin 2015), (A. M. Dewi 2018) which states that digital marketing has an impact on purchasing decisions. Research (Dewi et al. 2022) states that digital marketing does not have a significant positive effect on customer decisions.

According to Kietzmann et al. (2011), social media is a group of internet-based applications that allow users to create and exchange user-generated content. In addition, social media also facilitates interaction and collaboration between users, allowing the formation of online communities that share certain interests and goals. Currently, business people are also utilizing social media to streamline their business so that consumer purchasing decisions also increase. Research by: (Mileva and DH 2018), (Nurgayatri 2016), (Putri 2016) which states that social media has an impact on purchasing decisions.

Based on the report on sales in 2023, the total sales or offline and online sales turnover of CV can be seen. Damar Batur Nusantara during the last 6 months in 2023, experienced fluctuations and there were still inconsistencies in terms of research results, so this research aims to examine the influence of digital marketing and social media on purchasing decisions for agricultural production facilities products at CV. Damar Batur Archipelago.

II. Review of Literature

2.1 Buying decision

Consumer behavior can be defined as a study of the dynamics of individual and group involvement by taking into account psychological factors, sociological factors, socio-psychological factors, anthropological factors and economic factors in carrying out decision-making processes and actions in searching for information related to products and services, making purchases, using them, spend them, make repeat purchases, and discard these products and services to satisfy their needs and desires (P. Kotler and Keller 2016). A purchasing decision is a series of processes that begin with the consumer recognizing the problem, looking for information about a particular product or brand and evaluating the

product or brand as to how well each alternative can solve the problem, which then leads to a series of processes leading to a purchasing decision (Tjiptono 2011). Customer decisions are closely related to purchasing products or services. Consumers carry out careful evaluations to choose products or brands that are considered to best suit their needs and preferences.

2.2 Digital Marketing

Digital Marketing is an activity in the field of marketing that utilizes platforms on the internet to reach target consumers. Apart from that, Digital Marketing is also defined as marketing products or services via the internet or is called online marketing, e-marketing, or e-commerce (Kartajaya 2014). Digital Marketing activities are utilized by business people so that the application of internet media in the market increases. Digital Marketing is marketing using digital technology. The role of Digital Marketing has become important according to the development of digital technology and developing plans to attract customers and direct them to a combination of electronic and conventional communication. According to (Kotler and Keller 2016), digital marketing involves the use of digital tools such as the internet, computers, cellphones, and social media to create, communicate, and provide value to customers. This includes activities such as online marketing, digital advertising, content marketing, and social media marketing.

2.3 Social Media

According to Kietzmann et al. (2011), social media is a group of internet-based applications that allow users to create and exchange user-generated content. In addition, social media also facilitates interaction and collaboration between users, allowing the formation of online communities that share certain interests and goals. Then (Kaplan and Haenlein 2010) defined social media as a group of internet-based applications that build on the basics of Web 2.0 ideology and technology. Social media allows users to create and share self-created content, as well as interact with other users. Social media allows users to create, share, and participate in content generated by other users. This provides space for social interaction, sharing information, and influencing public opinion.

III. Research Method

The method used in this research is descriptive and verification methods with a quantitative approach. According to (Sugiyono 2017), the descriptive method is a problem formulation relating to questions regarding the existence of independent variables, whether only on one variable or more. Meanwhile, the verification method is a research method through proof to test the hypothesis resulting from descriptive research using statistical calculations so that proof results are obtained that show the hypothesis is rejected or accepted. The variables in this research consist of independent variables, namely digital marketing (X1) and social media (X2), while the dependent variable is purchasing decisions (Y). Indicators for digital marketing variables are: accessibility, interactivity, trust, informativeness. Indicators for social media variables are: convenience, trust, quality of information. Indicators for purchasing decision variables are: buying stability, deciding to buy, buying because of need, buying because of recommendations. The population in this research are customers at CV Damar Batur Nusantara. According to (Ferdinand 2016) multivariate research requires a sample of at least 5 times the number of parameter variables to be analyzed. The research wants to examine 2 independent variables, 1 dependent variable and 1 intervening variable with a total of 14 indicators. Based on this,

the number of respondents taken was 98 respondents from 14 times 7 = 98 respondents. The analytical methods used are descriptive analysis, measuring instrument testing and research hypothesis testing.

IV. Result and Discussion

4.1 Description of Research Respondents

Based on the research results, it is known that the most customers based on gender in this study were male respondents with a percentage of 85.7%, while female respondents had a percentage of 14.3%. This is in accordance with CV's business field. Agricultural Batur Damar is an agricultural medicine. Based on the age of the respondents, data was obtained on customers with an age range of 26-35 years as many as 12 people or 12.2%, an age range of 36-45 years as many as 27 people or 27.6%, an age range of 36-45 years as many as 42 people or 42, 9%, and the age range of 45 years and over was 17 people or 17.3%. This shows that CV customers. Damar Batur Nusanatara is dominated by people of productive age who have high work enthusiasm and quite modern knowledge in terms of the use of digital marketing and social media.

4.2 Validity Test and Reliability Test Results

Validity Test is used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions in the questionnaire are able to reveal something that the questionnaire will measure (Imam Ghozali 2016). Based on the research results, it is known that all statement items for the digital marketing (X1), social media (X2), customer decision (Y) variables have a value of $r_{count} > r_{table}$, so it can be said that all statement items are valid. A significant correlation shows that the indicator can really be used to measure the variable to be measured. The reliability test is to prove the accuracy, consistency and precision of the instrument in measuring the construct (Ghozali and Latan 2015). A questionnaire can be said to be reliable if the Cronbach's Alpha value is ≥ 0.70 . Based on the calculation results, Cronbach's Alpha has exceeded the rule of thumb, namely 0.7, which means that each variable construct is reliable or meets the reliability requirements.

4.3 Direct Influence Coefficient

Meanwhile, to measure the level of significance of a variable using the t-value, that is, if the t-statistics value is greater than the t-value, it means it is not significant. The results of the direct influence hypothesis test in this research are presented in Table 1, below.

Table 1. Results of Path Coefficients

Variable	Path Coefficient	T-statistics	P values	Description	Results
Digital Marketing → Buying Decision	0.234	2.357	0.020	Significant	H3 Accepted
Social → Buying Decision	0.271	2.770	0.007	Significant	H4 Accepted

4.4 The Influence of Digital Marketing on Purchasing Decisions

Based on the hypothesis, the better the use of Digital Marketing, the more influence it will have on purchasing decisions. After testing and data analysis, the results were obtained which stated that Digital Marketing had a significant positive effect on purchasing decisions for agricultural production products at CV. Damar Batur Nusantara is proven correct or H1 is accepted. This is due to the existence of aspects related to Digital Marketing which have a positive impact on purchasing decisions. This is also supported by the results of descriptive analysis which states that in general respondents agree or provide positive responses to aspects of Digital Marketing in production facilities products. agriculture at CV Damar Batur Nusantara. Based on the results of testing the Social Media hypothesis on purchasing decisions, the path coefficient value was 0.234 and the t-statistics was 2.357 with a p-value <0.05 , so H0 was rejected and H1 was accepted, thus indicating that there is a significant positive influence of Digital Marketing (X1) on purchasing decisions (Y). The results of this research are in accordance with supporting theories. In this research there are significant similarities in results with previous research conducted by Khoziyah and Lubis (2021), and Saputra and Ardani (2020) which stated that Digital Marketing has a positive and significant effect on purchasing decisions.. However, this is not in line with research conducted by (Dewi et al. 2022) which states that digital marketing does not have a significant positive effect on purchasing decisions.

4.5 The Influence of Social Media on Purchasing Decisions

Based on the hypothesis, the better the use of Social Media, the more influence it will have on purchasing decisions. After testing and analyzing the data, the results were obtained which stated that Social Media had a significant positive effect on Customer Decisions for agricultural production products at CV. Damar Batur Nusantara is proven correct or H2 is accepted. This is due to aspects related to Social Media which have a positive impact on purchasing decisions. This is also supported by the results of descriptive analysis which states that in general respondents agreed or gave positive responses to the Social Media aspects of agricultural production products at CV Damar Batur Nusantara. Based on the results of testing the social media hypothesis on purchasing decisions, the path coefficient value was 0.271 and the t-statistics was 2.770 with a p-value <0.05 , so H0 was rejected and H2 was accepted, indicating that there is a significant positive influence of Social Media (X2) on purchasing decisions (Y). The results of this research are in accordance with supporting theories. In this research there are significant similarities in results with previous research conducted by (Mileva and DH 2018), (Nurgayatri 2016), (Putri 2016) that social media has a positive and significant effect on buying decision.

V. Conclusion

1. Digital Marketing has a significant positive effect on purchasing decisions. These results successfully strengthen previous research which stated that digital marketing had a significant positive effect on purchasing decisions.
2. Social media has a significant positive effect on purchasing decisions. These results successfully strengthen previous research which stated that social media has a significant positive effect on purchasing decisions.

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