

The Influence of Social Media Marketing, Product Reviews, and Brand Activation on Online Purchase Decisions at E-Commerce Platforms: (Case Study on Shopee Platform Customers in Denpasar)

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Abstract: Communication technology that is developing rapidly at this time presents an increasingly varied variety of communication so that today's communication knows no boundaries, distance, space and time. This is also caused by the development of the use of the internet continues to grow which is used as a lifestyle for people to meet their needs. One of the needs that massively use the internet is the activity of buying or shopping for goods or services online, electronic commerce, which is also called e-commerce is the use of communication networks and computers to carry out business processes. This study aims to determine whether the use of Social Media Marketing, Product Review and Brand Activation can influence consumer purchasing decisions on the Shopee Platform. The population in this study is the community in Denpasar City with the determination of the sample using purposive sampling. The data analysis technique used multiple linear regression data analysis techniques. The findings of this study are Social Media Marketing, Product Review and Brand Activation have a positive and significant impact on consumer purchasing decisions on the Shopee platform.

Keywords: Social Media Marketing, Product Review, Brand Activation.

1. INTRODUCTION

Communication technology that is developing rapidly at this time presents an increasingly varied variety of communication and makes today's communication knows without boundaries, distance, space and time. This is also caused by the development of internet use continues to grow which is used as people's lifestyles to meet their needs. One of the needs that massively use the internet is the activity of buying or shopping for goods or services by online, electronic commerce, which is also called e-commerce is the use of communication networks and computers to carry out business processes (Margaretha, 2017).

From data taken from the Association of Indonesian Internet Service Providers (APJII) shows that internet use from 2013 has increased significantly to date and is expected to increase significantly. The change in marketing from conventional to online makes companies must have sufficient strategies and knowledge of technological developments. E-commerce is a new transaction medium that is certainly beneficial for many parties, both consumers and companies. By using the internet, the process of buying and selling or trading can be done by saving costs and time. In the modern era, which prioritizes convenience, it is a top priority that cannot be seconded.

The impact of social media is very real on increasing website traffic and increasing online sales (Solis, 2010). Social media has been used as one of the tools used to market products or what is also known as social media marketing. Social media

marketing is a process that encourages individuals to promote their websites, products or services through online social channels and to communicate by leveraging a much larger community who are more likely to do marketing than through traditional advertising channels (Weinberg). , 2009). Social media marketing is a form of online advertising that uses the cultural context of the social community including social networks, virtual worlds, social news sites, and social opinion sharing sites to meet the purpose of communication (Tuten, 2008). The results of previous research by Jamaludin (2015), concluded that the promotion variable through social media had a significant effect on the purchasing decision variable, this was indicated by the regression coefficient value of 0.235 or 23.5 percent.

Online Customer Reviews (OCR) or also known as electronic Word of Mouth (eWOM) is one feature that has attracted a lot of attention from academics and the public as one of the most influential factors in determining purchasing decisions for consumers. Online Customer Review is a form of electronic word of mouth (eWOM) that refers to user-generated content posted on online sites or third-party websites.

For consumers or potential customers, online customer reviews are useful to help potential consumers make purchasing decisions. Prospective consumers can be sure or will have their curiosity answered about the things they ask about the product. Social media has a fast and rapid influence in influencing consumers (Kotler, 2009). The results of product review studies that have a direct effect on purchasing decisions were also found by Andini, et al (2014), who examined students of the Faculty of Administrative Sciences, Universitas Brawijaya batch 2013 who made online purchases through Instagram social media. The result of the positive influence is 0.247.

With the increasing number of competitors and increasingly fierce competition, business people increasingly want their brands to be widely known among consumers. To introduce brands among consumers, many business people use one of the branding activities that are currently being intensively carried out by companies known as brand activation. Brand activation is increasingly being favored by the company to increase consumer emotions and give a deeper impression to consumers. Brand activation is a real step in brand evolution. Brand activation is a unique concept that captures the sympathy of consumers. This can be used as a differentiator as well as the strength of doing brand activation activities. The brand activation process for a brand cannot be done carelessly. In the brand activation process, concepts and issues that are developing among consumers are needed. Starting from concept design to execution in the field, it must be done carefully so that it can have a positive impact on the company. Brand activation is one of the efficient methods in building brand interactions. Through interactions in brand activation, consumers can understand the brand better and accept it as part of the company. Brand activation aims to increase the intimacy of the relationship between the two. Brand activation activities are very much needed along with the development of modern society. Modern society is getting smarter and can no longer be approached with one-way advertising activities.

Based on the related research, the researchers are interested in researching the existence of The Influence of Social Media Marketing, Product Reviews, and Brand Activation on Online Purchase Decisions at the Shopee Shopping Platform.

2. METHOD

Based on the problems studied, the variables in the study are social media marketing, product reviews, brand activation and purchase decisions. The data collection used in this study was through the distribution of questionnaires using Google Form. The data that has been collected will be processed using descriptive statistical analysis techniques. Finally, the interpretation of each variable is carried out to see the suitability of the theoretical and empirical models so that conclusions can be drawn from the formulation of the research problem. The research location in this research is in Denpasar City. The population in this study is the people of Denpasar City. Determination of the sample of respondents using a non-probability sampling method with purposive sampling technique, with the following criteria consumers have a minimum age of 17 years because in that age range they are considered to have good knowledge and are able to understand every question in the questionnaire and have purchased products on the Shopee platform in the last 6 months.

The population size in this study is very large and cannot be known with certainty. Ferdinand (2002) has a sample size guideline that is seen in the number of estimated parameters. The guideline is 5-10 times the estimated number of parameters. The number of samples in this study is the number of indicators multiplied by 5 to 10. The sample size used can be calculated by 5 to 10 times the number of indicators, the indicators in this study are 14 indicators multiplied by 7 so that the sample used is 98 respondents. Data was collected through a survey using a questionnaire. The analytical technique used is multiple linear regression analysis assisted by the SPSS program.

3. RESULTS AND DISCUSSION

Characteristics of respondents in this study include name, address, occupation, age, gender, level of education. The measurement can be done through the data obtained from the returned questionnaire. Respondents of this study have the same percentage, namely female sex as much as 71.4% and male sex as much as 28.6%. Based on the age variable, respondents were dominated by the age of 25-34 years as many as 40.82%, <25 years as much as 25.52%, age 35-44 years as much as 22% and >44 years as much as 11%. Furthermore, judging from their education, most of the respondents are in undergraduate education either currently in education or have graduated, which is 63.26% percent, in second place is diploma education at 25.52%, followed by high school education, which is 11.22%. Finally, based on their occupations, most respondents are private employees at 50% percent, followed by students at 35.72%, then followed by entrepreneurs at 6.12%, students at 5% and finally civil servants at 3.

Analysis Data

Analysis of the data used in this study is multiple linear regression analysis. Based on multiple regression estimation using the SPSS program, the following results are obtained:

Table 1.1 Multiple Linear Regression

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,480	,964		,498	,619		
	TX1	,320	,068	,374	4,730	.001	,633	1,579
	TX2	,210	,096	,176	2,192	,031	,614	1,630
	TX3	,322	,071	,383	4,517	.001	,552	1,810

a. Dependent Variable: TY1

Source: Data processed, 2022

From the table above, it can be seen from the results of the regression analysis that the coefficient for the Social Media Marketing variable is 0.320, Product Review is 0.210 and Brand Activation is 0.322 with a constant of 0.480 so that the regression equation model obtained is as follows:

$$Y = 0.480 + 0.320X_1 + 0.210X_2 + 0.322X_3 + e$$

Information:

Y = Purchase Decision

X1 = Social Media Marketing

X2 = Product Review

X3 = Brand Activation

e = Observational error or nuisance (a form of other variable not examined by the researcher)

The regression equation shows the direction of influence of each independent variable Social Media Marketing, Product Review and Brand Activation on online purchasing decisions on the Shopee shopping platform. Based on this, it can be seen that the Social Media Marketing, Product Review and Brand Activation variables have a positive influence on online purchasing decisions on the Shopee shopping platform. These results still need to be reviewed with the results of further statistical tests, namely the coefficient of determination and partial effect test of each independent variable on the dependent variable.

Coefficient of Determination Test

The coefficient of determination has a function to explain the extent to which the independent variables of Social Media Marketing, Product Review and Brand Activation are capable of the dependent variable (purchase decisions) by looking at R square. The results of the coefficient of determination can be seen in the table below:

Table 1.2 Results of the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,792a	,627	,615	1.232
a. Predictors: (Constant), TX3, TX1, TX2				

Source: Data processed, 2022

The results of the regression calculation can be seen that the adjusted R square value is 0.615. This means that 61.50% of the variation in the purchase intention variable can be explained by Social Media Marketing, Product Review and Brand Activation variables, while the remaining 38.5% is explained by other variables not included in this research model.

F Test

The purpose of the F Test or Simultaneous Test is to test or confirm the hypothesis which explains that the independent variables of Social Media Marketing, Product Review and Brand Activation together have a significant influence on the dependent variable (purchase decision). With the results of the F test calculation, if the significance level is <0.05, then H0 is rejected and HA is accepted. This means that the independent independent variables of social media marketing, product review and brand activation jointly affect the dependent variable (purchase decision). If the significance value is > 0.05, then H0 is accepted and HA is rejected. This means that the independent independent variables of social media marketing, product review and brand activation together have no effect on the dependent variable (purchase decisions).

Table 1.3 Simultaneous Test Results F

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	239,786	3	79.929	52,635	,001b
	Residual	142,745	94	1,519		
	Total	382.531	97			
a. Dependent Variable: TY1						
b. Predictors: (Constant), TX3, TX1, TX2						

Source: Data processed, 2022

Based on the table above, it can be seen that the significance value is 0.000 <0.05, so it can be concluded that simultaneously, the variables of social media marketing, product review and brand activation have a simultaneous effect on the purchasing decision variables.

Hypothesis testing

Hypothesis testing in this study using multiple linear regression test model by looking at the results of the t test. Tests are carried out by comparing the significance level of whether it is smaller than the 5% error rate. If the significance level of each hypothesis is less than or equal to 5% then the hypothesis is accepted while if the significance level of each hypothesis is greater than 5% then the hypothesis is rejected. An explanation of each hypothesis can be seen in the table below.

Table 1.4 Hypothesis Test Results

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,480	,964		,498	,619		
	TX1	,320	,068	,374	4,730	,001	,633	1,579
	TX2	,210	,096	,176	2,192	,031	,614	1,630
	TX3	,322	,071	,383	4,517	,001	,552	1,810
a. Dependent Variable: TY1								

Source: Data processed, 2022

Use of Social Media Marketing, Product Review and Brand Activation has positive significant effect on purchasing decisions at the Shopee platform.

The test results of the influence of Social Media Marketing, Product Review and Brand Activation together have a significant influence on the dependent variable (purchase decision). With the results of the F test calculation seen from the significance level < 0.05 , then H_0 is rejected and H_A is accepted. This means that the independent variables of social media marketing, product review and brand activation jointly affect to the dependent variable (purchase decision).

Use of Social Media Marketing has positive significant effect on purchasing decisions at the Shopee platform.

The results of the test of the influence of Social Media Marketing on purchasing decisions on the Shopee platform, shows a t-count value of 4.730 and a p-value (sig) of 0.001 which is below an alpha of 0.05 ($0.001 < 0.05$), which means that Social Media Marketing has a positive and significant effect on purchasing decisions at the Shopee platform. The beta value in the unstandardized coefficient of the Social Media Marketing variable shows a number of 0.320, which means that if Social Media Marketing is increased by one unit then purchasing decisions on the Shopee platform will increase by 32.00%. The results of this study are in line with Lubiana Mileva and Achmad Fauzi (2018) who say that social media marketing has an influence on purchasing decisions where social media marketing is a forum for promotion and communication through social media by utilizing a much larger community that has a greater chance of doing business. marketing rather than through traditional advertising channels. Maulana and Millianyani (2015) found that social media marketing through Instagram has an effect on consumer buying interest.

Use of Product Reviews positive significant effect on purchasing decisions at the Shopee platform.

The results of the test of the influence of Product Review on purchasing decisions at the Shopee platform, shows a t-count value of 2.192 and a p value (sig) of 0.031 which is below an alpha of 0.05 ($0.031 < 0.05$), which means that product reviews have a positive and significant effect on purchasing decisions at the Shopee platform. The beta value in the unstandardized coefficient of the product review variable shows a number of 0.210, which means that if the product review variable is increased by one unit thenon purchasing decisions on the Shopee platform will increase by 21.00%. The results of this study are in line with Megawati's research (2018) which shows that online customer reviews of purchased products have a positive and significant effect on purchasing decisions. Another study by Lestari (2020) found that online customer reviews have a positive and significant effect on purchasing decisions in the marketplace. Ramadhana, et al (2022) found that the online customer review variable has a significant effect on purchasing decisions with a significant value of $0.000 < 0.05$, which means that the online custom review variable has a significant positive effect on purchasing decisions. Online customer review is one of the basic references for purchasing decisions made by respondents when shopping online on the marketplace. When there are many positive reviews of a product, most of the respondents are aware and confident to buy the product.

Brand Activation positive significant effect on purchasing decisions at the Shopee platform

The results of the test of the influence of Brand Activation on purchasing decisions on the Shopee platform, shows a t-count value of 4.517 and a p value (sig) of 0.001 which is below an alpha of 0.05 ($0.001 < 0.05$), which means that Brand Activation has a positive and significant effect on purchasing decisions at the Shopee platform. The beta value in the unstandardized coefficient of the Brand Activation variable shows a number of 0.322, which means that if the Brand Activation variable is increased by one unit the non-purchasing decisions on the Shopee platform will increase by 32.2%. The results of this study are supported by previous research where in Prianka's research (2020) the most widely used factors are Sense, Feel and Relate to increase engagement and brands related to brand activation so that they can influence purchasing decisions. Likewise, from research by Fajri (2018) in research conducted related to purchasing decisions, it was found that brand activation has a positive and significant effect on purchasing decisions.

Implications of Research Results

The results in this study show that Social Media Marketing, Product Review and Brand Activation have a positive and significant influence on purchasing decisions on the Shopee platform. The results of this study are expected to provide a reference for the Shopee platform and also technology-based platforms that can consider and develop their business by considering marketing strategies on social media, product reviews and brand activation. This can be relevant to current conditions along with changes in consumer behavior who make purchases online a lot. With the existence of social media marketing, product reviews and brand activation that affect purchasing decisions,

Research Limitations

Some research limitations that can be drawn from this study are as follows:

- 1) The scope and sample of this research is very limited, only taking respondents who have shopped online in the Denpasar area.
- 2) Considering that this research was conducted at a certain point in time, individual attitudes towards the environment cannot be measured and can change at any time.

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