THE IMPACT OF SOCIAL MEDIA MARKETING ON PURCHASE INTENTION

Charles Makmur Sianturi¹*, Vera A. R. Pasaribu², Romindo M. Pasaribu³, Juara Simanjuntak⁴

¹Department of Public and Business Administration, Universitas HKBP Nommensen, Medan 20117, Indonesia
²Department of Public Administration, Universitas HKBP Nommensen, Medan 20117, Indonesia
³Department of Management, Universitas HKBP Nommensen, Medan 20117, Indonesia
⁴*E-mail: charlessianturi@uhn.ac.id; veraasihnariris@gmail.com; romindo.pasaribu@uhn.ac.id; juara_juntak@yahoo.co.id

Abstract
Marketing through social media has been one of trends in recent years in marketing science and practices. Shifting from conventional marketing tools, marketers have capitalized various tools and means to attract the intention of new customers or to maintain the current customers. The purpose of this study is to identify the effect of social media marketing on intention to purchase, based on the fact that concept is raising attention of practitioners and researchers. The object of this study is customers who follow at least one type of social media application in Medan, Indonesia. The data were collected through self-administers questionnaire with 152 respondents. The data is tested with correlation analysis by using SPSS versi 15.0. Hasil penelitian menunjukkan bahwa pemasaran media sosial berkorelasi positif dengan niat untuk membeli ketika pemasaran media sosial (1) berisi informasi yang relevan (2) menawarkan manfaat yang relevan (3) sebanding dengan produk lain. Hasil penelitian ini mengusulkan beberapa strategi bagi praktisi pemasaran

Keywords: Social Media, Purchase, Intention, Marketing Strategy

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INTRODUCTION

Consumer purchase intention is very important for marketers when formulating marketing strategy in general. Understanding consumer is very important when manager want to introduce new product. Marketing development strategies are based on assessment whether enough consumers will buy the product to justify its development.

In many ways marketing managers often using consumers' stated purchase intentions as one of main inputs to forecast futures sales and to determine what actions had to be taken that will impact consumers' purchasing behavior. Marketing managers also use purchase intentions as a leading indicator of demand of product in the future, and to assess how their marketing actions will impact those future sales (Morwitz, 2014). Although managers are often relay on purchase intentions to measure sales or to assess demand in the future, and it is correlated to actual purchase, managers also known that consumer intention to purchase is not a perfect predictors of future consumer behavior (Namias, 1959).

In the past the study on purchase intention is based on conventional means such as marketing research and traditional promotion mix. Social media is a recent phenomena, and already used as part of marketing strategy (Ananda, et.al., 2016). Since marketers have adopted social media of promotion it is necessary to understand how promotion through social media affects consumers purchase intention.

Taking the fact that understanding the importance of consumers purchase intention, managers have deployed various means to enhanced the intention including media social marketing. Social media marketing has tremendous effects in marketing in many ways and methods. Social media has revolutionized the way entrepreneurs (Abernethy, 2012) have changed the power of the structure in market place (Constantinides, 2014). A particular part of social media in marketing is promotion through social media application such as face book, Twitters, Instagram, You Tube, and their kinds.

The context of the research is chosen as Indonesia, particularly Medan as the third biggest city in Indonesia. This country, by common prediction has more than 52 million active mobile users in 2014 and predicted to reach around 96 million by the end of 2018 (GlobalStat, 2018). According to kompas.com (February 2018), quoted from APJII, reported that 50 % or 143 of 262 million people have connected to internet in 2017. Around 72.41 % are urban community as a mean for business, entertainment, transportation and communication for private and companies. The majority of users are users (49.52 %) aged between 19 to 34 years old. Given these information, Indonesia is eligible as a valid platform to study the social media marketing in relation to consumer purchase intention.

LITERATURE REVIEW

In consumer behavior, perceptions and attitudes are two of the four psycho-processes that will determine consumer purchasing decisions for a product. Companies determine purchasing decisions to become consumers' choices, the more the goals and objectives to be achieved by the organization or company that will organize
an activity are also developing. The ease of doing business today as a result of technological advances is an opportunity to increase sales because sales transactions can be carried out more easily so as to maximize profits. In relation to consumer behavior, among the factors that influence online purchases are attitudes and perceptions.

Consumer purchase intention can be defined as the willingness of a customer to buy a certain product or a certain service at a period of time. Purchase intention is a prolog to buying decision and effected by many factors. Purchase intention is a dependent variable that depends on several external and internal factors (Hsu et.al. 2014). The recent mean used by managers to enhanced consumer purchase intention is social media which is known as social media marketing or internet marketing, and others called it social network. (Michaledioue, et.al., 2011). Managers used internet marketing in many various method and purposes such as marketing research, media research and promotion. One of utilizations of social media for marketing is promotion.

Many experts have defined social media marketing according to the purpose of their researches. Ranging from technological view to a simple purpose of research. Safko and Blake (2009) define social media as” activities, practices, and behaviors among community of people who gather online to share information, knowledge, and opinions using conservational media”. Based on network application Kaplan and Haenlein (2010) define social media as “a group of internet based applications that build on the ideological and technological foundation of Web 2.0, and allow the creation and exchange of user generated content”. In a broader term Sinclaire and Vogus (2011) cite O’Reilly (2005) stated that “social media is a broad term that describe software tools that create user generate content that can be shared”. Social media marketing as an effective use of time and resources provide companies and marketers better communications grounds with customers beyond conventional or traditional methods (Jackson, 2011).

Practically speaking social media marketing is marketing practices through network that available on internet. Social media marketing provided an interactive toll between sellers and buyers and other marketing activities through a chosen platform.

Actually, social media marketing is still growth phase to marketers and requires special attention and strategy implication to achieve its marketing objectives. Different from traditional method of marketing, social media marketing not only involved information technology but also reshaped the whole relationship between consumers and marketers and the pattern of all interaction between them. Through social media marketers can choose a specific target in the market segment and sent a specific information to that target. By the same token consumers are able to pick social media marketing according to their needs and want, therefore social media marketing has to adopt to what the customers looking for by using social media marketing.

The main reason consumers to use social media in marketing is get the reliable information in relation to product or service the consumers needed before making buying decision. Relevant information about product and consumer needs will increase
purchase intention. There is a tendency that marketers provide so many information that may burdened consumers. In many cases marketers often promoted the benefit of the product or service to consumers through social media. As long as offered benefits are relevant to consumers needs, therefore, purchase intention is also affected. When benefits of product overstated will affect the trust of the consumers. Another reason to increase purchase intention is product or service comparison. Consumers often compared one product another before making buying decision. Thus;

H1: Purchase intention of consumers is correlated positively with relevant information that available on social media.
H2: Purchase intention of consumers is correlated positively with relevant benefit posted on social media
H3: Purchase intention of consumers is correlated positively with product comparison through social media.

METHOD

Data was collected through an administered of a structured questionnaire. The number of questionnaire distributed were 210, returned questionnaire is 180 and usable questionnaire is 152 and used as sample research. Three filter questions were employed to make sure the legibility that the respondents qualified to be included in the research. One question asked whether the respondent was using social media more the twice in a week. Second question asked whether respondent followed at least one brand on social media. The third question asked whether respondent ever looking for a product or service on social media. If the answers to these three questions were positive, then the respondent was given the questionnaire. Sample consisted of 68 % female and 32% male. The average age of the sample was 24 and about 72 % of them are undergraduate student or has undergraduate level of education, and 28% were professional employees.

The questionnaire was developed to measure purchase intention, reason to follow social media and type of information they are looking on social media. The questionnaire was self administered with three elements under purchase intention, two elements related to relevant information, two elements for relevant benefit, and two elements for comparable product. Interval Likert Scale was employed for measurement of all elements.

RESULTS AND DISCUSSION

The hypothesized correlations were tested using Bivariate Pearson Correlation Analysis to find coefficient correlations with test significance two-tailed. Based on the analysis purchase intention has a positive correlation with relevant information, relevant benefit, and comparison with in respective order. The correlation results were displayed in Table 1 and Table 2 displayed descriptive statistics of variables. All independent variables are positively correlated with dependent variable (relevant information .298,p<0.05) (relevant benefit.083,p>0.05) (comparison .066, p>0.05), but relevant information has significant correlation at the 0.01 level.
Table 1. Results of the Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>RI</th>
<th>RB</th>
<th>CP</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI</td>
<td>Pearson Correlations</td>
<td>.298**</td>
<td>.083</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.311</td>
</tr>
<tr>
<td>N</td>
<td>152</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

Where:
1. PI = Purchase intention
2. RI = Relevant Information
3. RB = Relevant Benefit
4. CP = Comparison

Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI</td>
<td>4.71</td>
<td>.469</td>
<td>.220</td>
</tr>
<tr>
<td>RI</td>
<td>4.58</td>
<td>.495</td>
<td>.245</td>
</tr>
<tr>
<td>RB</td>
<td>4.62</td>
<td>.501</td>
<td>.251</td>
</tr>
<tr>
<td>CP</td>
<td>4.64</td>
<td>.507</td>
<td>.257</td>
</tr>
<tr>
<td>N=152</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Where:
1. PI = Purchase intention
2. RI = Relevant Information
3. RB = Relevant Benefit
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Discussion

The availability of service contacts is also one of the considerations for consumers in making product selections and purchasing decisions. It is different if consumption is due to the lifestyle of a consumer (Sudirman et al., 2021). Millennials are interested in several products today, not only because of the benefits they provide, but also related to the current lifestyle that is becoming a trend among them, for example, the penchant for certain people to work or just hang out in coffee shops (Halim et al., 2021). Lifestyle becomes a stimulus for consumers to interact and act in making a purchase decision based on their hobbies, interests and environment to show the existence of their social status (Marpaung et al., 2021).

The choice of product or service that is the final decision of consumers cannot be separated from the role of a producer in marketing their products (Murdiyanto et al., 2022). Techniques or strategies in offering goods or services can affect consumer considerations and consumer perceptions of the product itself so that they decide to buy, postpone or cancel their purchase plans (Sinaga et al., 2021). The decision certainly has the basis of consumer rationality in determining their choice (Nana Triapnita Nainggolan, Munandar et al., 2020).

The presence of social media influences and changes people's lifestyles. From the beginning as a device that facilitates interaction without boundaries of space and time, social media transforms the values, attitudes, and behaviors of various individuals, groups and organizations. This can be seen from marketing trends and shopping techniques, especially in the Covid-19 era which has spread since 2020. People who used to prefer to visit shops that provide products and services directly switched to virtual shops which, among other things, were based on social media.

In the process, business actors are required to conduct an analysis of the applied social media marketing performance (Purba et al., 2021). Aspects that are measured include the reach of the audience, whether there is an increase in the number of audiences this week compared to last week. Then, how many positive comments circulated on social media over the past month with the use of brand hashtags in their social media posts.

Social media, furthermore, makes it possible to organize targeted search circles (Simamora and Yusmalinda, 2021). For example, when we advertise officially on Instagram, the provider can arrange for the ad to be seen by people who are located close to the producer. Instagram in real time detects people who are looking for keywords related to the producer's business, so that the audience that the ad reaches is right on target (Lie et al., 2021).

CONCLUSION

The purpose of this study was to investigate the effect of social media marketing on purchase intention from the perspective of the consumers. The results of this study contributed significantly to marketing practices and experts since social media marketing has growing so rapidly for building better relationship between marketers and consumers. Social media marketing has emerged as an effective tool for marketers and
consumers. Nowadays, social media marketing has been risen not only as an effective media communication between companies and their markets but also between the consumers. Sharing marketing information among consumers may be one of the most important roles of social media marketing.

The results of this study shows that availability of relevant information on social media is the most significant drivers of purchase intention followed by offering relevant benefit of the content, and comparison among the product that promoted on the social media marketing. By this revelation, companies that want to adopt an effective social media campaigns should concern the type, quality and the range of information they sent to the consumers, and make consumers more likely to purchase. Social media marketing looks like information department store, such as place where to go should consumer needs for something or want to know for almost everything. This might imply that consumers are asking more variety, and different creative reason for dealing with the availability of information on social media. Therefore, marketers have to keep themselves about what consumers are interested in, and how they dealing with it.

Relevant benefit is the second important dimension affecting purchase intention. Marketers may need to conduct researches to understand the benefit consumers look for in a product through social media. Since consumers not always available for try and error activities, it is necessary to understand the segmentation of consumers based on benefit sought. In the time of economy rationale, hedonistic benefit may be not mostly consumers looking for from a product or service. But social media marketers also need to take consideration the effects of exaggerating benefits on consumer purchase intention. Overly exaggerating of benefit will deter purchase intention and consumer will lost the trust on the company.

The third factor that effect purchase intention is comparability of product and service through social media marketing. Competition among provider has been a tool for consumers to make reliable comparison among available products in the market. Basically, comparison activities are looking for product and service which offer a better value to consumers. Therefore, purchase intention should be higher if social media marketing enabling consumer to make comparison of values that available through social media marketing.

This research is one of preliminary works on the effect of social media marketing on purchase intention. Further researches are required to conduct to acquire deeper understanding the effects of different type of social media marketing on purchase intention and should able to identify the factors that affecting customer purchase intention (Younus, et.al., 2015). As one of new marketing tools, social media is dynamic and progressive utilized by marketers and consumers. The effectiveness of social media marketing or its limitation should define to make it to be a useful mean for marketing in the future.
REFERENCES


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