

Analysis of Social Media Marketing and Product Review on the Marketplace Shopee on Purchase Decisions

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ABSTRACT

This study aims to analyze the influence of social media marketing and product reviews at the Shopee marketplace on purchasing decisions (survey on shopee users at Muhammadiyah Tangerang University). The research sample was 91 respondents from a total population of 959 students. The method used is quantitative. The analysis technique used is multiple linear regression analysis using SPSS version 25 software. The results of this study indicate that partially the variable social media marketing (X1) has a positive effect on purchasing decisions (Y), which is indicated by $t_{count} > t_{table}$ ($4.153 > 1.987$). The Product Review variable (X2) has a positive effect on Purchasing Decisions (Y), which is indicated by $t_{count} > t_{table}$ ($5.567 > 1.987$). The regression significance value of 0.000 is smaller than 0.05. Simultaneously the Marketing through Social Media (X1) and Product Reviews (X2) variables have a positive effect on Purchasing Decisions (Y), which is indicated by $f_{count} > f_{tabel}$ ($85.303 > 3.10$) in the multiple regression equation $Y = 4.828 + 0.358 X1 + 0.512 X2$ with a determination coefficient of 66%.

Keywords: Social Media Marketing, Product Reviews, Purchasing, Decisions.

1. INTRODUCTION

The increasing Internet penetration in Indonesia has led to a shift in marketing technology. At this time people are exploring the benefits of the internet as a medium to fulfill their needs. This also affects the online world which is changing very quickly, especially in the way consumers shop. Changes in consumer behavior are one of the drivers of changes in the marketing strategy of the company.

According to Donni Priansa (2017), the development of social media has had an impact on the way companies communicate. The emergence of web 2.0 and even web 3.0 has encouraged companies to share information more openly with their customers so that an understanding of the importance of social media marketing develops. Marketing through social media centers on the company's efforts to build content that attracts attention and encourages consumers to connect and share information with companies through existing social media networks. As social media becomes a platform that is easily accessible to anyone, it makes it easier for companies to increase brand awareness in the long term.

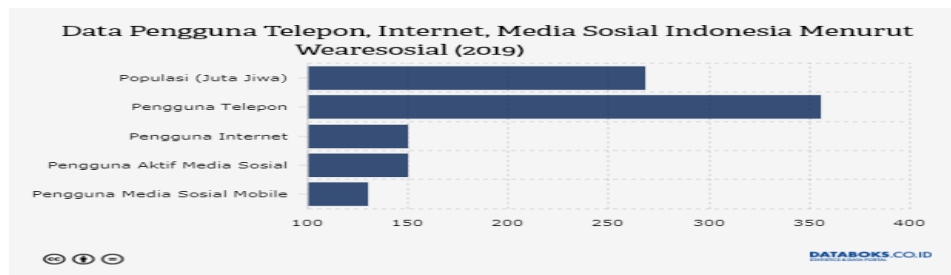


Figure 1.2 Use of Social Media in Indonesia
Source: Hootsuite Wearesosial 2019

Based on the results of Hootsuite's Wearesosial research released in January 2019, social media users in Indonesia reached 150 million or 56% of the total population. The number is up 20% from the previous survey. Meanwhile, the use of mobile social media (gadgets) reaches 130 million or about 48% of the population.

The large population, the rapid growth of internet and telephone users are potentials for the national digital economy. As a result, e-commerce, online transportation, online stores and other internet-based businesses have emerged in Indonesia. The internet continues to grow today, not only for information and communication media but the community makes it a tool to fulfill their needs, namely by buying and selling goods and services online and anyone is free to access all buying and selling activities.

| Toko Online | Pengunjung Web Bulanan | Ranking AppStore | Ranking PlayStore | Twitter | Instagram | Facebook | Jumlah Karyawan |
|-------------|------------------------|------------------|-------------------|---------|-----------|------------|-----------------|
| 1 Tokopedia | 140,414,500 | #2 | #2 | 205,070 | 1,263,800 | 6,135,250 | 3,144 |
| 2 Shopee | 90,705,300 | #1 | #1 | 85,440 | 2,616,800 | 14,804,290 | 3,017 |
| 3 Bukalapak | 89,765,800 | #4 | #4 | 168,260 | 832,460 | 2,425,880 | 2,696 |
| 4 Lazada | 49,620,200 | #3 | #3 | 369,840 | 1,332,780 | 28,413,580 | 2,289 |
| 5 Blibli | 38,453,000 | #6 | #6 | 485,030 | 822,130 | 8,349,810 | 1,372 |

Figure 1.3 Most popular Mobile Shopping Apps
Source: Solutech.id

Based on data released by iPrice, there are 3 marketplaces with the largest visitors in 2019, namely, Tokopedia, Shopee and Bukalapak. Shopee is a marketplace from Singapore which was founded in Indonesia by Forrest Li in 2015. In 2019 the total Shopee visitors reached 90,000,000 visitors/month. To be able to rank 2 (two) with the largest visitors in Indonesia, Shopee has a marketing strategy that can attract the attention of both sellers and buyers. For consumers or potential customers, online customer reviews are useful to help potential consumers make decisions. Potential consumers can become more confident, or their curiosity will be answered about the things they have questions about a product. Social media has a strong and fast influence in influencing consumers. This is in accordance with the opinion of Kotler, et al (2003), that consumer purchases are influenced by cultural, social, personal and psychological characteristics.

Based on the background described above, henceforth the author takes the title "The Influence of Marketing Strategy Through Social Media and Product Reviews in Shopee Marketplace on Purchase Decisions".

Formulation of the problem

The identification of problems in this study are:

There is a change in people's lifestyles from offline shopping to online shopping.

The ease of online transactions compared to direct transactions.

Consumers are more interested in choosing and buying a product by looking at reviews from other consumers.

There are competitors with similar industries that make consumers compare the desired product through reviews.

Consumer behavior tends to be different in making a purchase decision.

Consumers try to make decisions in meeting needs and looking for benefits from the product.

Research purposes

Based on the formulation of the problem above, the objectives of this study are:

To find out how much influence social media marketing has on purchasing decisions for students at Muhammadiyah University of Tangerang.

To find out how much influence product review has on purchasing decisions for students at Muhammadiyah University of Tangerang.

To find out how much influence social media marketing and product reviews have on decisions purchases on the shopee marketplace for Tangerang Muhammadiyah University Students.

2. LITERATURE REVIEW

Social Media Marketing

According to Donni Priansa (2017), in conducting social media marketing, companies must be able to monitor and respond to conversations, both positive and negative regarding brands. Companies must be able to deliver and influence discussions in a consistent way. Social media marketing also enables companies to achieve a better understanding of customer needs in order to build relationships more effectively and efficiently.

Gunelius, 2011 (in Lubiana and Fauzi, 2018) states that the main indicators of marketing through social media are:

- Relationship building, Ability to build customer relationships actively.
- Brand building, through social media is perfectly presented to increase brand recognition and memory and increase brand loyalty.
- Publicity, through social media by providing outlets (stores) so that companies can share important information and modify negative perceptions.
- Promotion, through marketing through social media by providing exclusive discounts and opportunities for the audience to make people feel valued and to meet short-term goals.
- Market research, using tools from the social web to learn about customer behavior, learn about consumer wants and needs, and learn about competitors.

Product Review

Review is part of Electronic Word of Mouth (eWOM), which is a direct opinion from someone and not an advertisement. Review is one of several factors that determine a person's purchase decision. Lovelock and Wright, 2007 (in Donni Priansa, 2017: 339) state that word of mouth can be in the form of comments or recommendations distributed by customers based on the experience they receive, having a strong influence on decision making by other

parties.

Ali Hasan, 2010 (in Donni Priansa, 2017:339) states several important reasons that make word of mouth marketing a powerful source of information in influencing purchasing decisions, which are as follows:

- Is an independent and honest source of information.
- Providing benefits to those who ask with direct experience about the product through the experience of friends or relatives.
- Produce informal advertising media.
- Can be started from a single source that relies on the power of influencers and social networks, can spread quickly and widely to others.
- Not limited by space or other constraints, such as social ties, time, or others.

Buying Decision

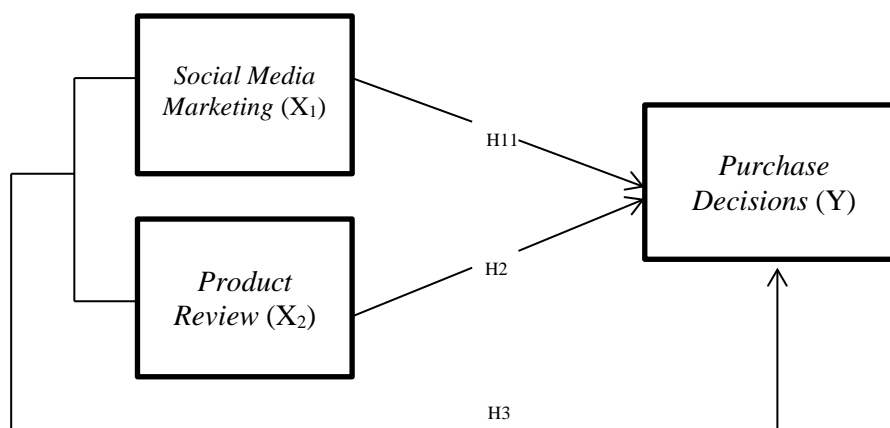
According to Priansa (2017:479), Consumer buying behavior is a series of physical or mental actions experienced by consumers when they buy certain products. Purchasing decisions are defined as the selection of two or more alternative purchasing decision options, with the other intention that consumers who want to purchase goods or services must determine their choice first through existing alternatives. the stages of the purchasing decision-making process according to Kotler and Armstrong, 2012 (in Donni Priansa, 2017):

- Problem Introduction: Purchasing decisions begin with the needs and desires of consumers, these needs can be driven by stimuli from within or from outside the consumer.
- Information Search: Seeking information, both from knowledge and from outside.
- Evaluation of Alternatives: Consumers will look for certain benefits and then look at the product attributes.
- Purchase Decision: Consumer evaluation organizes brands in the set of choices and forms purchase intentions Usually, consumers will choose the brand they like and influence factors from others.

Post Purchase Behavior

After making a purchase, consumers will feel satisfaction from the products they buy and vice versa, and it influences consumers to make repeat purchases or not.

Research Framework



HYPOTHESIS

Ha1 = There is an Influence of Social Media Marketing on Online Purchase Decisions.

Ha2 = There is an Influence of Product Review on Online Purchase Decision.

Ha3 = There is an Influence of Social Media Marketing and Product Review on Online Purchase Decisions.

3. RESEARCH METHODOLOGY

Types of research

The type of research used in this study is a type of quantitative research. This method is called the quantitative method because the research data is in the form of numbers and the analysis uses statistics. This research was conducted to determine the effect of social media marketing and product review on online purchasing decisions. The data collection technique in this study was by distributing questionnaires in the form of statements to respondents, namely students of the Muhammadiyah University of Tangerang, especially users of the Shopee online buying and selling site.

Population and Sample

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to be studied and then draw conclusions. Sugiyono (2017). The population of this study amounted to 959 people obtained from students of the Muhammadiyah University of Tangerang.

The sample is part of the number and characteristics possessed by the population. Sugiyono (2017). The sampling technique in this study used a probability sampling technique. For this reason, the sample taken is S1-Management students in semester 8 for the 2019-2020 period, Muhammadiyah University of Tangerang, especially those using the Shopee online buying and selling site. To determine the sample size, the researcher used the Slovin formula as follows:

Explanations :

$$n = \frac{N}{1 + N(e)^2}$$

n = Sample Size
N = Population Size
1 = Constanta

= Error percentations

In this study, the maximum error limit is 10%, with a total population of 959 people. Here's the calculation:

$$n = 959 / 1 + 959 \times (0,1)^2$$

$$n = 959 / 10.59$$

$$n = 91$$

Thus, the sample used in this study was 91 respondents.

4. RESULTS AND DISCUSSION

Validity test

A measurement instrument is said to be valid if the instrument can measure something exactly what it wants to measure (Muhidin, Sambas Ali, 2017:30).

Here are the results of the validity test:

Table 1. X1 . Validity Test Results

| Statement / Questionnaire | R Count | R Table | Result |
|------------------------------|------------|------------|--------|
| X1.1 | 0,683 | 0,361 | Valid |
| X1.2 | 0,637 | 0,361 | Valid |
| X1.3 | 0,446 | 0,361 | Valid |
| X1.4 | 0,531 | 0,361 | Valid |
| X1.5 | 0,663 | 0,361 | Valid |
| X1.6 | 0,759 | 0,361 | Valid |
| X1.7 | 0,446 | 0,361 | Valid |
| X1.8 | 0,327 | 0,361 | Valid |
| X1.9 | 0,623 | 0,361 | Valid |
| X1.10 | 0,667 | 0,361 | Valid |

Sources: Primary Data by written, 2020

Table 2. X2, Validity Test Results

| Statement/ Questionnaire | R Count | R Table | Result. |
|-----------------------------|------------|------------|---------|
| X2.1 | 0,499 | 0,361 | Valid |
| X2.2 | 0,715 | 0,361 | Valid |
| X2.3 | 0,625 | 0,361 | Valid |
| X2.4 | 0,557 | 0,361 | Valid |
| X2.5 | 0,599 | 0,361 | Valid |
| X2.6 | 0,813 | 0,361 | Valid |
| X2.7 | 0,820 | 0,361 | Valid |
| X2.8 | 0,788 | 0,361 | Valid |
| X2.9 | 0,713 | 0,361 | Valid |
| X2.10 | 0,635 | 0,361 | Valid |

Sources: Primary Data by written, 2020

Table 3. Y . Validity Test Results

| Statements | R Count | R Tabel | Result |
|------------|------------|------------|--------|
| Y.1 | 0,539 | 0,361 | Valid |
| Y.2 | 0,536 | 0,361 | Valid |
| Y.3 | 0,697 | 0,361 | Valid |
| Y.4 | 0,743 | 0,361 | Valid |
| Y.5 | 0,593 | 0,361 | Valid |
| Y.6 | 0,720 | 0,361 | Valid |
| Y.7 | 0,775 | 0,361 | Valid |
| Y.8 | 0,753 | 0,361 | Valid |
| Y.9 | 0,661 | 0,361 | Valid |
| Y.10 | 0,723 | 0,361 | Valid |

Source : Primary Data by written , 2020

The results of the validity test in this study showed that all items from each variable Social Media Marketing (X1), Product Review (X2) and Purchase Decision (Y) the value of rcount > rtable (0.361), so that all items are said to be valid.

Reliability Test

A measurement instrument is said to be reliable if the measurement is consistent and accurate (Muhidin, Sambas Ali, 2017).

Here are the results of the reliability test:

Table 4. X1 Reliability Test Results

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .786 | 10 |

Sources: Primary Data by SPSS v.25, 2020

Tabel 5. Result of Reliabiliti X₂

| Cronbch's Alpha | N of Items |
|-----------------|------------|
| .860 | 10 |

Sources: Primary Data By SPSS v.25, 2020

Table 6. Y Reliability Test Results

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .861 | 10 |

Multiple Linear Regression Test

The value of the regression coefficient illustrates that if the independent variable is estimated to increase by 1 (one) point and the value of the other independent variables is estimated to be constant or equal to 0, then the value of the dependent variable can increase or decrease according to the regression coefficient value of the independent variable.

Tabel 7. The Multiple Regression Equation Result

| Unstandardized | | Standardized | | Model | T | Sig. |
|----------------|------------|--------------|--------------|-------|---|------------|
| Coefficients | Std. Error | Coefficients | Beta | | | |
| 4.828 | 2.891 | 1 | (Constant) | | | 1.670 .098 |
| .358 | .086 | | Sosial_Media | .373 | | 4.153 .000 |
| | | | _Marketing | | | |
| .512 | .092 | | Product_Revi | .500 | | 5.567 .000 |
| | | | ew | | | |

a. Dependent Variable:
Purchase Decision

Sources: Primary Data by SPSS v.25, 2020

From this table, the multiple regression equation model can be written as follows:

$$Y = a + bX_1 + bX_2 + e$$

$$Y = 4.828 + 0.358 X_1 + 0.512 X_2 + e$$

From the multiple linear regression equation above, the constant value is 4.828. This

means that if the Purchase Decision variable (Y) is not influenced by the Social Media Marketing (X1) and Product Review (X2) variables, then the average amount of the consumer's Purchase Decision will be worth 4,828.

The regression coefficient for the Social Media Marketing variable (X1) is positive, indicating that there is a unidirectional relationship between Social Media Marketing (X1) with Purchase Decision (Y). The regression coefficient of 0.358 means that for every 1 (one) increase in the Social Media Marketing variable (X1), the Purchase Decision (Y) will increase by 0.358.

The regression coefficient for the Product Review variable (X2) is positive, indicating that there is a unidirectional relationship between Product Review (X2) and Purchase Decision (Y). The regression coefficient of 0.512 means that for every increase of 1 (one) point in the Product Review variable (X2), the Purchase Decision (Y) will increase by 0.512.

Multiple Linear Correlation Test

Table 8. Multiple Correlation Test Results

| Model | Change Statistics | | | | | | | |
|-------|-------------------|-------------------|----------------------------|-----------------|----------|-----|-----|------|
| | R | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. |
| 1 | .812 ^a | .660 | 2.772 | .660 | 85.303 | 2 | 88 | .000 |

b. Dependent Variable: Purchase Decision
 Sources: Primary Data by SPSS v.25, 2020

Multiple correlation analysis aims to determine the level of strength of the relationship between two Independent Variables (X) and Dependent Variables (Y) together. Based on table 2. it can be seen that the correlation coefficient of Social Media Marketing and Product Review variables on Purchase Decisions is 0.812. Based on the guidelines for the level of closeness of the X variable to the Y variable, the correlation value is in the range of "0.80 - 0.100", it can be concluded that the level of the relationship between the Social Media Marketing (X1) and Product variables

Review (X2) of the Purchase Decision (Y) the interpretation is included in the "Very Strong" category.

Coefficient of Determination Test (R2)

Table 9. Coefficient of Determination Test Results (R2)

| Model | R | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|-------------------|----------------------------|
| 1 | .812 ^a | .660 | 2.772 |

a. Predictors: (Constant), Product_Review, Social_Media_Marketing
 Sources: Primary Data by SPSS v.25, 2020

Based on table 3. the coefficient of determination obtained is 0.660, this number when multiplied by 100% becomes 66%. That is, the contribution given by the Social Media Marketing and Product Review variables to the Purchase Decision is 66%, while the remaining 34% is determined by other variables not examined by the author.

T Test (Partial)

Table 10. T-Test Results (Partial)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|--------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.828 | 2.891 | | 1.670 | .098 |
| | Pemasaran_Melalui_Sosial_Media | .358 | .086 | .373 | 4.153 | .000 |
| | Review_Produk | .512 | .092 | .500 | 5.567 | .000 |

a. Dependent Variable: Purchase Decision

Sources: Primary Data by SPSS v.25, 2020

To determine the effect of the independent variable partially on the dependent variable, the T test is used. If $t_{count} > t_{table}$ and $p < 0.005$, then H_a accepted, H_0 is rejected, and vice versa. From the value of t_{count} above, it shows that:

Variable Marketing Through social media (X1) t_{count} value of $4.153 > 1.987$ (t_{table}), with a probability of 0.000. Because the probability value of sig. t is less than 5% ($0.000 < 0.05$), then partially the variable Marketing Through social media (X1) has a positive and significant effect on the Purchasing Decision variable (Y). Thus, the hypothesis which states that there is a positive and significant influence on the Marketing Through social media (X1) variable on the Purchase Decision (Y) variable is accepted.

Product Review Variable (X2) t_{count} value of $5.567 > 1.987$ (t_{table}), with a probability of 0.000. Because the probability value of sig. t is less than 5% ($0.000 < 0.05$), then partially the Product Review variable (X2) has a positive and significant effect on the Purchase Decision variable (Y). Thus the hypothesis which states that there is a positive and significant effect of the Product Review variable (X2) on the Purchase Decision variable (Y) is accepted.

5. CONCLUSION

Marketing Through social media (X1) has a positive and significant effect on Purchase Decisions (Y). This is intended based on the calculation of the T test, with a value of $t_{count} > t_{table}$ ($4.153 > 1.987$) with a significance value of $0.000 < 0.05$. So, H_a is accepted, and H_0 is rejected, which means that there is a positive and significant influence on Marketing Through social media on Purchase Decisions on the Shopee Marketplace.

Product Review (X2) has a positive and significant effect on Purchase Decision (Y). This is intended based on the calculation of the T test, with a value of $t_{count} > t_{table}$ ($5.567 > 1.987$) with a significance value of $0.000 < 0.05$. So, H_a is accepted, and H_0 is rejected, which means that there is a positive and significant influence on Product Reviews on Purchase Decisions on the Shopee Marketplace.

Marketing Through social media (X1) and Product Review (X2) together (simultaneously) have a positive and significant effect on Purchase Decisions (Y). based on the value of the coefficient of determination (R^2) of 66%, and the results of the calculation of the hypothesis F the value of F_{count} is 85.303 greater than F_{table} with a significance value of 5% (0.05) and the result is 3.10 then $F_{count} > F_{table}$ ($85.303 > 3,10$), and significance value $<$ value probability ($0.000 < 0.05$), then the hypothesis H_a is accepted, and H_0 is rejected. It can be concluded that Marketing Through social media and Product

Reviews together (simultaneously) has a positive and significant effect on Purchase Decisions.

6. LIMITATIONS

This research is inseparable from limitations and weaknesses both in terms of references and reference sources used by researchers. This research has been studied from several theories and has been tried as much as possible. This study has several limitations, including:

Research time is approximately 3 months (May to August 2020)

The tool used is only SPSS

There are limitations in using questionnaires, sometimes the answers given by respondents do not describe the actual situation. This study only uses a sample of 91 respondents, so that the analysis is still weak.

7. RECOMENDATION

Based on the results of the research, discussion and conclusions obtained, and based on the results of the answers to the questionnaire from the respondents there are several indicators of statements with answers below 3 points, the suggestions that can be given based on these points are as follows:

1. For Companies, Sellers and Prospective Buyers

a. Indicators of Marketing Variables Through social media

1) Share Shopee

Shopee provides better innovation, especially in terms of online shopping and improves the quality of sellers (sellers) and sellers always update based on what customers need and want so that customers are more confident and believe that Shopee is the best choice in terms of shopping for online products.

2) For Shopee Sellers

The seller must improve the quality of the product so that the buyer feels satisfied with the product purchased and makes repeat purchases.

b. Product Review Variable Indicator

1) Share Shopee

Shopee requires all buyers to review products that have been received so that other potential buyers can see.

2) For Shopee Buyers

Buyers must be smart in choosing products that are really of good quality by looking at reviews from previous buyers, so they don't feel disappointed when the goods arrive.

c. Purchasing Decision Variable Indicator

Both Shopee, sellers and buyers, before making a purchase transaction are expected to have made the best purchase decision with all available alternatives so that it can be useful for all.

2. For Academics

For future research, it is expected to expand the scope of the research area by taking samples in one city/region or one Indonesia in order to see whether the variables of Marketing Through social media and Product Reviews on the Shopee Marketplace really have a significant effect on Purchase Decisions.

3. For Writers

With this research is expected to be useful for other authors who want to research the field of marketing management and can be used as a reference or learning reference for students who need.

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