

THE EFFECT OF DIGITAL MARKETING AND INFLUENCERS ON THE PURCHASE INTENTION OF FOOD AND BEVERAGE PRODUCTS FROM SMEs IN GENERATION Z

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Abstract

The In connection with the difficulties experienced by SMEs, especially in marketing difficulties, it is necessary to conduct research in connection with testing the phenomenon of SMEs, especially in the city of Palangka Raya, Central Kalimantan, Indonesia on the influence between the dimensions of digital marketing and influencers on consumer purchase intentions. Therefore, the purpose of this study is to identify the extent to which digital marketing (social media marketing) and influencers influence consumer purchase intentions.

This study uses quantitative research methods to test research hypotheses on SMEs of food and beverage products. For this purpose, data was collected through questionnaires from 162 generation Z respondents in Palangka Raya city, and then the research hypotheses were tested using Smart PLS general statistical software.

The results of this study reveal that digital marketing significantly affects customer purchase intention with some support from relevant previous research results. Likewise, influencers significantly positively influence the purchase intention of consumers from generation Z.

Keywords: Digital Marketing, Influencer, Purchase Intention, Generation Z, SMEs

INTRODUCTION

Modern, practical, and relevant solutions for marketing communications have been widely offered by the marketing industry today. These tools provide successful communication with multiple stakeholders, especially customers, regarding marketing offers and campaigns (Alshurideh et al., 2017; Alzoubi et al., 2020). The widespread use of the internet has resulted in entertainment and a reduction in the amount of time spent shopping. It has also changed the current business environment (Kannan & Li, 2017).

Along with the development of marketing activities, there is also a new idea known as "Digital Marketing". It has drastically changed the marketing landscape for many businesses and has replaced traditional marketing communications and is used as the most effective way to reach customers, especially in the era of online shopping (Leo et al., 2021; Wang, 2020). Companies today are interested in improving their capabilities by focusing on customers' purchase intent to accept and use modern marketing tools that encourage these companies to integrate and implement digital marketing strategies and focus on the use of online platforms such as social media (Tariq et al., 2022).

According to Kotler & Keller, (2016) a public figure is someone who influences purchasing decisions, namely by helping to define or explain specifications and providing information about evaluating alternatives to a product. Social media influencer marketing is a form of social media marketing that involves product placement and endorsement from influencers. Influencers successfully shape consumer perceptions of products or services by posting videos, content or images on their social media channels (Aggad & Ahmad, 2021). In particular, influencer marketing

has become an important marketing communications tool as it offers engagement with a large number of potential buyers in a short timeframe at a lower cost than traditional marketing (Evans et al., 2017).

SMEs development is part of national development that must be implemented in an integrated and sustainable manner, so that industrial development can provide great benefits to society. The processing industry has a significant role in the Indonesian economy. In 2022 in Central Kalimantan Province, the processing industry contributed 15.55 percent of the total Gross Regional Domestic Product (GRDP) at Current Prices (ADHB). During the period 2018-2022 the role of the processing industry in the economy in Central Kalimantan continued to decline. Although, in 2020 to 2021 the role of the processing industry sector had increased (BPS Central Kalimantan, 2022). In line with the primary needs of the community for the provision of clothing, food and shelter, there are around 9.1 thousand SMEs businesses / companies operating in the Food Industry group (KBLI 10) or 39.9%. In developing micro and small industry businesses, there are various difficulties or obstacles. Of the total 23.9 thousand SMEs businesses/enterprises, 66.77 percent experienced difficulties, while businesses that stated that they did not experience difficulties in running a business were only 33.23 percent (BPS Central Kalimantan, 2022). The types of difficulties experienced include raw material difficulties for 8.0 thousand businesses, capital difficulties for 6.6 thousand businesses, and marketing difficulties for 5.7 thousand businesses (BPS Central Kalimantan, 2022).

In connection with the difficulties experienced by MSEs, especially in marketing difficulties, it is necessary to conduct research in connection with examining the phenomenon of MSEs, especially in the city of Palangka Raya, regarding the influence between the dimensions of digital marketing and influencers on consumer purchase intentions. Therefore, the purpose of this study is to identify the extent to which digital marketing (social media marketing) and influencers influence consumer purchase intentions.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Digital Marketing affects Purchase Intention

The digital marketing paradigm has resulted in drastic changes and shifts in markets around the world and increased the prevalence of customer purchase intentions and power, and this has resulted in several implementations of advanced business technologies that have been created in response to business changes (Al Khasawneh et al., 2021). A system that allows marketers to engage, communicate, and promote their entities to buyers, and is commonly known as social media marketing which also gives everyone the opportunity to participate in different marketing objectives. Social media marketing has become a form of direct and indirect marketing activities used to build brand awareness and recognition (Chikandiwa et al., 2013). Social Media Marketing Activity (SMMA) carried out by companies/brands has a positive impact on customer purchase intentions (Aji et al., 2020; Amelia Ibnu Wasiat & Bertuah, 2022). Based on this evidence, the research hypothesis is as follows:

H1: Digital marketing has a significant effect on purchase intention.

Influencers influence Purchase Intention

Social media influencer marketing is a form of social media marketing that involves product placement and endorsement from influencers. Influencers successfully shape consumer perceptions of products or services by posting videos, content or images on their social media channels (Aggad & Ahmad, 2021). The personality, content, and trustworthiness of social media influencers have a significant impact on consumer purchase intentions (Aggad & Ahmad, 2021). Influencer Marketing has a positive and significant effect on Purchase Intention (Aggad & Ahmad, 2021)

H2 : Influencers have a significant effect on purchase intention.

RESEARCH METHODS

This study uses quantitative research methods to test the research hypothesis. For this purpose, data was collected through questionnaires from 162 respondents in Palangka Raya city, and then the research hypotheses were tested using Smart PLS general statistical software. In this study, the survey questionnaire was developed based on previous relevant studies that addressed the same constructs and guided the method for implementing the research strategy. Figure. 1 shows the conceptual model of this study that represents the independent variables with the dependent variable.

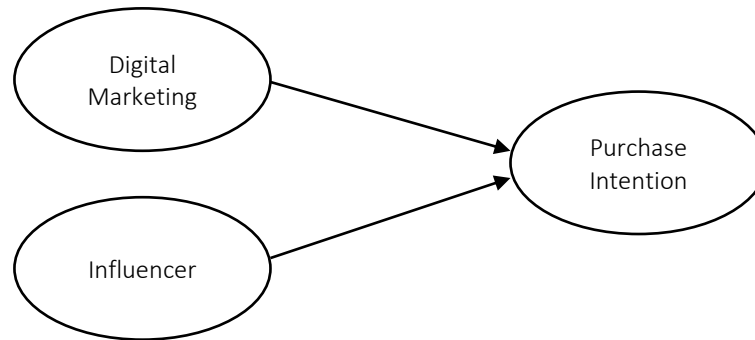


Figure 1. Conceptual Model of Research

The survey questionnaire was edited and prepared and then distributed using an online questionnaire. The online questionnaire was chosen because of the many benefits derived from this tool, such as the ease of reaching the sample due to the existence of advanced smartphones that make it easy to send the questionnaire as a link using some commonly used social media such as Whatsapp, and facilitate data collection. The questionnaire was designed through Google Form which allows synthesizing the questionnaire as a link to send it to the participants smoothly, as well as the researcher can get immediate results in real time.

The questionnaire was also divided into two sections. The first section is about respondents' demographic data such as gender, age, education level, and others. The importance of demographic data is necessary to identify the characteristics and behaviors of individuals from certain groups and to enable generalization of the accuracy of each sample to a wider target sample (Hughes et al., 2016). The second part of the questionnaire was designed to ask respondents whether or not they agreed with the effects of the digital marketing (five items) and influencer (five items) dimensions on purchase intention (five items). A five-point Likert scale ranging from 1 strongly disagree to 5 strongly agree was used to score the measurement items. The sampling technique used stratified random sampling technique by determining the generation Z group born in 1997 - 2012. Generation Z is called the natives of the digital era because they were born and grew up in the era of technological development so that they have the characteristics of liking freedom, flexible, independent, technologically proficient, critical, concerned about social issues and tend to like something instant (Ministry of Education and Culture of the Republic of Indonesia, 2024).

This study uses 162 respondents with age in the Generation Z category. The analytical tool used is SmartPLS 3.0 with statistical requirements for the outer model indicator value > 0.6, for hypothesis testing the t-statistic value > 1.96 and the p-value < 0.05. Table 1 presents the measurement items and their sources while designing the research instrument.

Table 1. Research instruments

Variabel	Item	Deskripsi	Sumber
Digital Marketing	DM1	The digital marketing helps me in searching right product while shopping online	Sivasankaran (2017),
	DM2	Digital marketing provides me quality information	
	DM3	Detail information is available in E-media while online shopping	
	DM4	It's easy to do comparison with other product on website while shopping online	
	DM5	Opinion exchange with others is possible through brand social networking site	(De Pelsmacker et al., 2018)
Influencer	IN1	They produce specific contents that correspond to my interests	Fernandes (2018)
	IN2	Their contents are highly unique	Casaló et al. (2020)
	IN3	They have an attractive personality	(Gunnarsson et al., 2018)
	IN4	Their statements online about their feelings, emotions, and experiences are always accurate	Blau (2011)
	IN5	They completely sincere when they reveal online with their own feelings and experiences	
Purchase Intention	PI1	In the future I would intend to become online shopper	Laksamana (2018), Gabriel & Kolapo (2015)
	PI2	My intention to become online shopper is positive and enthusiastic	
	PI3	I am capable to be online shopper over many purchase activities	
	PI4	I have a great intention to replace the traditional shopping pattern with the E-shopping	
	PI5	While browsing a product, I plan to conduct the purchase process online	

RESULTS AND DISCUSSION

The demographic characteristics of the 162 respondents are as follows: 46.3% are female and the remaining 53.7% are male. The education level of the respondents was 80.2% high school or college level, 19.8% had a Bachelor / S1. The profession / occupation of the respondents, 96.3% are still students, 1.9% are private employees / entrepreneurs. This study also wants to see the behavior of respondents towards the use of social media and other digital technologies such as Facebook, Instagram, e-commerce (Tokopedia, Shopee) and food delivery service applications in viewing / searching / shopping for food and beverages in the city of Palangka Raya, and the results of the characteristics are as many as 36% have used food delivery service applications (Gojek, Grab), 30% have used Instagram, 17% have used e-commerce (Tokopedia, Shopee and others), 10% have used Facebook, and 6% have used social media or other digital technology. The duration of time respondents use social media or other digital technology is as follows, 53.1% of the time duration is 30 minutes - 2 hours, 25.3% of the time duration is 2 hours - 4 hours and 21% more than 4 hours and only 0.6% stated that they never use social media or other digital technology. The number of influencers who review food/beverage products in Palangka Raya city followed by respondents is as follows, 29% of respondents follow 2-4 influencers, 27.2% of respondents follow 2-4 influencers.

Table 2. Construct Reliability and Validity

Item	Outer Loadings	Scale Reliability
DM1	0.702	0,795
DM2	0.769	
DM3	0.803	
DM4	0.768	
DM5	0.663	
IN1	0.840	0,866
IN2	0.817	
IN3	0.846	
IN4	0.766	
IN5	0.753	
PI1	0.832	0,863
PI2	0.856	
PI3	0.827	
PI4	0.713	
PI5	0.785	

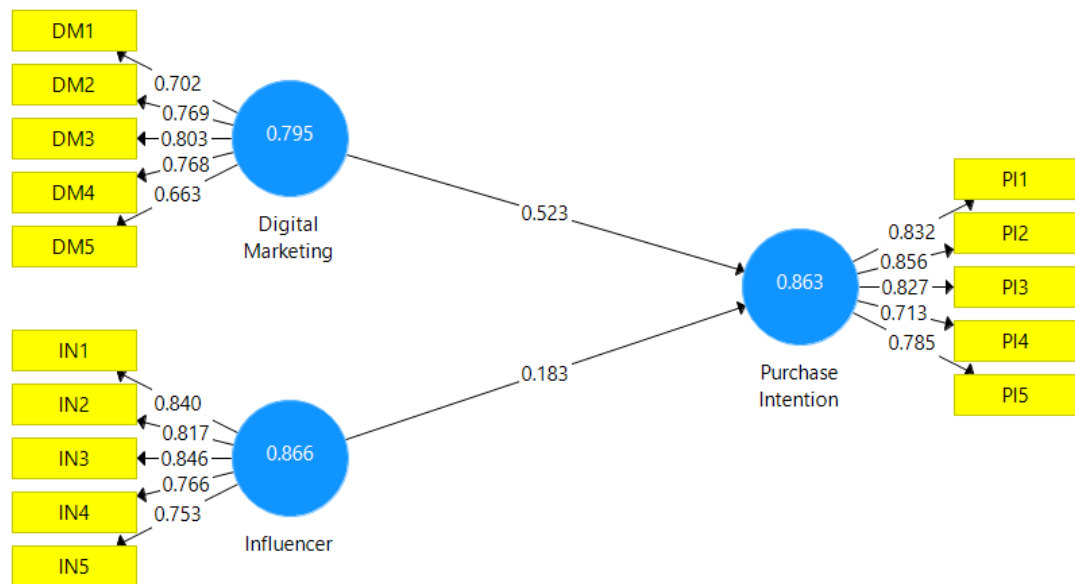


Figure 2. Path Coefficient Diagram and Direct Effect Hypothesis Testing

The path coefficient test in this study examines the relationship between the Digital Marketing, Influencer and Purchase Intention variables. From the test results according to the rule of thumb of structural model testing, where the relationship between variables that is considered to have a significant influence is the t-statistic value > 1.96 at $\alpha = 0.05$. These results will be used to test the proposed research hypothesis. Table 3. below displays the results of testing the relationship between variables and the hypotheses associated with the relationship.

Table 3. Results of the Direct Effect Hypothesis Test

Hypothesis	Variabel	Original Sample	Sample Mean	T Statistics	P Values	Result
H1	Digital Marketing -> Purchase Intention	0.523	0.528	7.597	0.000	accepted
H2	Influencer -> Purchase Intention	0.183	0.184	2.065	0.039	accepted

Table 3 shows that all hypotheses can be proven empirically or can be accepted. Based on this table, the direct effect hypothesis testing analysis can be carried out as follows.

H1 : Digital marketing has a significant effect on purchase intention.

The results of testing Digital Marketing on Purchase Intention show that the t-statistic value is 7.597 which is greater than the T-table value of 1.96 with a P value of 0.000 which is smaller than the 0.05 significance level. These results indicate a significant influence between these variables. While the path coefficient value of the relationship between the variables is 0.523 which indicates a significant and positive influence between Digital Marketing and Purchase Intention. This shows that the better the level of Digital Marketing activity, the more Purchase Intention will increase significantly.

H2 : Influencers have a significant effect on purchase intention.

The results of testing Influencers on Purchase Intention show that the t-statistic value is 2.065 which is greater than the T-table value of 1.96 with a P value of 0.039 which is smaller than the 0.05 significance level. These results indicate a significant influence between these variables. While the path coefficient value of the relationship between the variables is 0.183 which indicates a significant and positive influence between Influencer and Purchase Intention. This shows that the better the level of Influencer activity, the more Purchase Intention will increase significantly.

CONCLUSION

The results of this study reveal that digital marketing significantly affects customer purchase intentions with some support from previous relevant research results. In the current study, the digital marketing dimension has a significant and positive influence on purchase intention. This shows that the better the level of Digital Marketing activities, the more Purchase Intention will increase significantly. Therefore, this concept becomes very important because advanced technological devices have become part of customers' lives such as computers, smartphones, tablets, social media and other digital technologies. Especially for generation Z, a generation known as a character who is less focused than millennials, but more versatile; more individual, more global, more open-minded, faster to enter the workforce, more entrepreneurial, and of course more technology-friendly.

Likewise, influencers significantly have a positive effect on the purchase intention of consumers from generation Z. This indicates that the greater the influence of influencers, the greater the influence of influencers. This indicates that the greater the influence of influencers for consumers, the higher the purchase intention of generation Z consumers.

Thus, it is recommended for businesses to continue to improve the application of digital marketing concepts in every line of business and company operations as well as collaborate and synergize with popular influencers, this is considered effective for increasing awareness and attracting consumer buying interest in the generation Z target market.

Suggestions for further research development to deepen the analysis of the impact of the variables that have been identified, expand the scope by involving additional variables that can affect purchase intention, such as economic factors, brand trust, and consumer experience.

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