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The influence of digital marketing, price and brand image on purchasing decisions at RDNB jewelry in Legian, Badung

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Abstract

The Covid-19 pandemic has had various impacts on people's lives. One of the impacts is that people are shifting from traditional marketing to modern marketing in the form of digital marketing in the midst of advances in technology and communication. E-Commerce does not only provide benefits to companies but also to society as consumers. The research aims to determine the effect of digital marketing, price, and brand image on purchasing decisions at RDNB Jewelry. The research population is RDNB Jewelry consumers in Legian, Badung with a sample of 100 respondents. The research method used is quantitative. Data analysis techniques used Validity Test, Reliability Test, Classical Assumption Test, Multiple Linear Regression Analysis, F test and t test using SPSS version 26. The results showed digital marketing, price and brand image together had a positive and significant effect on purchasing decisions, digital marketing has a positive and significant effect on purchasing decisions, price has a positive and significant effect on purchasing decisions and brand image has a positive and significant effect on purchasing decisions. The suggestions that can be given are expected for RDNB Jewelry to make advertisements that can entertain consumers, create competitive pricing policies, offer products that are unique so that later they can differentiate from competing products and offer quality products at appropriate prices.

Keywords: Digital Marketing; Price; Brand Image; Purchasing Decision

1. Introduction

Current technological developments make a lot of changes. This development occurred because the community experienced an extraordinary blow due to the impact of the Covid-19 pandemic and PPKM, where the community's needs were increasing. The community prefers to use technology because it makes it easy for people to communicate remotely, and the presence of technology is also supported by the internet. This is very well utilized by companies by creating business ideas to reach consumers widely.

Based on data obtained by APJII (Indonesian Internet Service User Association) the number of people connected to the internet in Indonesia in 2021–2022 will reach 210,026,769 out of a total population of 272,682,600 Indonesians who are connected to the internet in 2021. This makes a lot of people Indonesian people are shifting from traditional marketing to modern marketing, namely digital marketing. One example of digital marketing is e-commerce. In general, the notion of e-commerce itself is a place that buys and also sells goods and services through an electronic system which in the process uses the internet as the main medium and also via television. The creation of e-commerce in today's trading world is a form of company efforts to market products to meet consumer needs. The presence of e-commerce as a modern transaction medium in Indonesia certainly has a very beneficial impact on many parties, such as consumers and producers. The development of E-Commerce in Indonesia is increasing rapidly from year to year with the existence of several well-established online platforms such as Blibli, Lazada, Shopee and several other online platforms [1].

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Increasingly intense market competition, especially competition from the modern market, makes companies move faster in terms of attracting consumers. There are various ways to attract consumers, one of which is to consider the price. The price of a product affects consumer perceptions of the product [2]. Apart from digital marketing and price, brand image is no less important in today's global marketing. According to Sasri [3], in a business activity, marketing is a very important factor that cannot be separated from building a brand image within the company. Among digital marketing, price, and brand image, what really influences the company is purchasing decisions. According to Wiranata et al. [4], purchasing decisions are very dependent on where consumers know and get information about the products offered. The decision taken by the buyer in purchasing is a combination of knowledge in choosing product choices where the choice is influenced by factors of quality, price, place, promotion, convenience, and service [5].

RDNB is a fashion accessories brand which was formed in 2016 by young people from Indonesia. The initial idea of this brand was to modernize an old accessory from Bali that looks increasingly out of date. The concept of this RDNB accessory is to highlight the culture of Indonesia and the Archipelago in the world. RDNB has three values that are highlighted, namely: Nature, Fashion, and Culture. The process used is 100% handmade by local craftsmen so the quality is definitely controlled very well. The decline in sales that occurred in 2020 for RDNB products is an attraction for research. This study aims to determine the effect of digital marketing, price, and brand image on purchasing decisions at RDNB Jewelry partially and simultaneously.

The theory used is Marketing Management Theory, in which marketing management identifies and fulfills human and social needs [6-8]. Digital Marketing theory, is the core of an e-business, by getting a company closer to customers and understanding them better, adding value to a product, expanding distribution networks and also increasing sales figures by carrying out e-marketing activities based on digital media such as marketing through search engines, online advertising and affiliate marketing [4, 9-12]. Price can be narrowly defined as the amount of money charged for a product or service [5,13-14]. Brand image is a set of beliefs, ideas, impressions and perceptions of a person, a community or society about a brand [15-17]. Purchase decisions are integration processes that combine knowledge to evaluate two or more alternative behaviors so as to produce a choice that is presented cognitively as a behavioral desire to choose one of the alternative choices that exist [13,18].

2. Material and methods

This research was conducted at RDNB Jewelry Legian, Badung, Bali, which runs an online business. The object of this research is the field of marketing which includes digital marketing, price, brand image and purchasing decisions. The population is the generalization area [19], namely all RDNB Jewelry consumers in 2019-2022, totaling 31,100 consumers, the total sample (Slovin formula) is 100 people using the accidental sampling technique. Methods of data collection by observation, interviews, documentation, and questionnaires with a Likert scale [20]. Data analysis techniques in this study used the validity test, reliability test, classic assumption test [21], multiple linear regression analysis, F test and t test using SPSS version 26.

3. Results

3.1. Results of research instrument testing

Based on the results of the validity test, it shows that all the correlation coefficients of the digital marketing variable indicators, price, brand image and purchasing decisions tested have a value greater than 0.30. These results indicate that all the indicators contained in this study proved to be valid. Likewise, the results of the reliability test showed that each Cronbach's Alpha value for each instrument was greater than 0.70 (Cronbach's Alpha > 0.70). This shows that all instruments are reliable so they can be used to conduct research.

3.2. Results of data analysis

3.2.1. Classic assumption test

The normality test in this test uses the Kolmogorov-Smirnov test to find out whether the data used is normally distributed or not, where the data is said to be normal if the value is sig. >0.05. Based on the normality test, it shows that the Kolmogorov-Smirnov value is 0.200, which is greater than 0.05, indicating that the data used in this study is normally distributed.

The multicollinearity test aims to test whether there is a correlation between the independent (independent) variables in the regression analysis model. Based on the test results, it shows that the independent variables have a tolerance

value of more than 0.10 and also the independent variables that have a VIF value of less than 10. Therefore, the regression model is free from multicollinearity symptoms.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from one residual observation to another. This test uses the Glejser test, if the sig. > 0.05, the data is said to be free from heteroscedasticity. Based on the test results, it was found that each model had a significance value greater than 0.05. This shows that there is no heteroscedasticity.

3.2.2. Multiple linear regression analysis

The results of the regression analysis with the Statistical Package of Social Science (SPSS) program version 26.0 for Windows can be seen in Table 1 below.

Table 1 Summary of the Results of Multiple Linear Regression Analysis Coefficients"

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.218	1.939		0.112	0.911
	Digital marketing	0.364	0.092	0.337	3.958	0.000
	Price	0.363	0.104	0.269	3.503	0.001
	Brand image	0.405	0.105	0.326	3.864	0.000

a. Dependent Variable: Purchasing decision

The multiple linear regression equation can be described as follows. A constant value of 0.218 indicates that if digital marketing, price and brand image are equal to 0 (zero), then the purchase decision will be 0.218. $\beta_1 = 0.364$ indicates that digital marketing has a positive effect on purchasing decisions, if digital marketing increases, purchasing decisions will increase. $\beta_2 = 0.363$ indicates that price has a positive effect on purchasing decisions, if prices increase, purchasing decisions will increase. $\beta_3 = 0.405$ indicates that brand image has a positive effect on purchasing decisions, if brand image increases, purchasing decisions will increase.

3.2.3. F test results

Table 2 Results of the ANOVAa F-test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1787.060	3	595.687	47.031	0.000b
	Residual	1215.930	96	12.666		
	Total	3002.990	99			

Based on the calculation results of SPSS 26.0, using a 95% confidence level or 5% error rate ($\alpha = 0.05$), $df_n (k)$, (3) and $df_d (n - k - 1)$, $(100 - 3 - 1) = 96$. F_{table} value of $F (0.05; 3; 96) = 2.70$, in the ANOVA table it is known that F_{count} is 47.031 and a significance of 0.000. It is known that $F_{count} (47.031) > F_{table} (2.70)$ with a significance value of F is $0.000 < 0.05$, this means that digital marketing variables (X_1), price (X_2) and brand image (X_3) have a significant effect on purchasing decisions (Y) RDNB Jewelry.

3.2.4. Test Results t

Table 3 Test Results t

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.218	1.939		0.112	0.911
	Digital marketing	0.364	0.092	0.337	3.958	0.000
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	Brand image	0.405	0.105	0.326	3.864	0.000

a. Dependent Variable: Purchasing decision

- Effect of digital marketing variables (X1) on purchasing decisions (Y) RDNB Jewelry
- Based on the results of calculations with the SPSS 26.0 program, it is known that the significance level is $(\alpha) = 5\% = 0.05$ and $dF = (n - k - 1)$, $(100 - 3 - 1) = 96$, so that the $t_{table} = (0.05) ; 96 = 1.984$, the t_{count} is 3.958 and the significance value is 0.000. It is known that $t_{count} (3.958) > t_{table} (1.984)$ with a significance level of $0.000 < 0.05$, this means that digital marketing variables have a positive and significant effect on purchasing decisions.
- The effect of the price variable (X2) on the purchasing decision (Y) of RDNB Jewelry
- Based on the results of calculations with the SPSS 26.0 program, it is known that the significance level is $(\alpha) = 5\% = 0.05$ and $dF = (n - k - 1)$, $(100 - 3 - 1) = 96$, so that the $t_{table} = (0.05) ; 96 = 1.984$, it is known that the t_{count} is 3.503 and a significance value is 0.001. It is known that $t_{count} (3.503) > t_{table} (1.984)$ with a significance level of $0.001 < 0.05$, which means that the price variable has a positive and significant effect on purchasing decisions.
- The influence of the brand image variable (X3) on the purchasing decision (Y) of RDNB Jewelry
- Based on the results of calculations with the SPSS 26.0 program, it is known that the significance level is $(\alpha) = 5\% = 0.05$ and $dF = (n - k - 1)$, $(100 - 3 - 1) = 96$, so that the $t_{table} = (0.05) ; 96 = 1.984$, the t_{count} value is 3.864 and a significance value is 0.000. It is known that $t_{count} (3.864) > t_{table} (1.984)$ with a significance level of $0.000 < 0.05$, which means that the brand image variable has a positive and significant effect on purchasing decisions.

4. Discussion

4.1. The influence of digital marketing, price and brand image on purchasing decisions at RDNB Jewelry

Based on the F test, it is known that digital marketing (X1), price (X2) and brand image (X3) variables have a significant effect on purchasing decisions at RDNB Jewelry. This means that the better the digital marketing, price and brand image will increase the purchasing decision at RDNB Jewelry, and vice versa the worse the digital marketing, price and brand image will decrease the purchasing decision at RDNB Jewelry. Digital marketing is a way to promote certain products/brands through internet media. It can be through advertisements on the internet, Facebook, YouTube, or other social media [4]. According to Gunarsih et al. [13], revealed that price can be narrowly defined as the amount of money billed for a product or service. According to Nurul Huda [17], brand image is a set of beliefs, ideas, impressions, and perceptions of a person, a community, or society about a brand.

4.2. The influence of digital marketing on purchasing decisions at RDNB Jewelry

Digital marketing variables partially have a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the better the digital marketing will increase the purchasing decision at RDNB Jewelry, and vice versa the worse the digital marketing will decrease the purchasing decision at RDNB Jewelry. So if RDNB Jewelry is able to properly implement promotions through digital media, then it will make consumers more confident to make purchases at RDNB Jewelry. Digital Marketing is an attempt to market a brand or product through the digital world or the internet. The goal is to reach consumers and potential customers quickly and in a timely manner. Simply put, digital marketing is a way to promote certain products/brands through internet media. It can be through advertisements on the internet, Facebook, YouTube, or other social media [4]. The results of this study are supported by the results of previous research conducted by Anwari et al. [22] and Wiranata et al. [4], states that digital marketing has a positive and significant effect on purchasing decisions.

4.3. The effect of price on purchasing decisions at RDNB Jewelry

The price variable partially has a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the more appropriate the price will increase the purchasing decision at RDNB Jewelry, and conversely the more inappropriate the price, the lower the purchasing decision at RDNB Jewelry. So that with RDNB Jewelry being able to make price policies that are in accordance with the quality of the products offered, it will later increase consumer decisions to make purchases at RDNB Jewelry. According to Gunarsih et al. [13], revealed that price can be narrowly defined as the amount of money billed for a product or service. Or it can be broadly defined as price as the sum of the values that consumers exchange for the benefits of owning and using a product or service that enables a company to earn a reasonable profit by being paid for the customer value it creates. The results of this study are supported by the results of previous research conducted by Yoeliastuti et al. [5], Gunarsih et al. [13], and Nasution and Lesmana [23] show that price has a positive and significant effect on purchasing decisions.

4.4. The influence of brand image on purchasing decisions at RDNB Jewelry

The brand image variable partially has a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the better the brand image will increase the purchasing decision at RDNB Jewelry, and vice versa the worse the brand image will decrease the purchasing decision at RDNB Jewelry. So that with RDNB Jewelry being able to build a good image, it will later make consumers interested in buying the products offered by RDNB Jewelry. According to Mahanani [15], states that the Brand is one of the most important elements in a product/service. Brands sometimes have an important role in a person's decision to buy a product/service. According to Nurul Huda [17], brand image is a set of beliefs, ideas, impressions, and perceptions of a person, a community, or society about a brand. The results of this study are supported by the results of previous research conducted by Yoeliastuti et al. [5], Mahanani [15], and Sterie et al. [16] showed that brand image has a positive and significant effect on purchasing decisions.

5. Conclusion

Based on the results of data analysis and discussion, the conclusions obtained from the research results are: (1) Digital marketing, price and brand image have a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the better digital marketing, price and brand image will improve purchasing decisions at RDNB Jewelry; (2) Digital marketing has a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the better digital marketing will increase the purchasing decision at RDNB Jewelry; (3) Price has a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the more appropriate the price will increase the purchasing decision at RDNB Jewelry; and (4) Brand image has a positive and significant effect on purchasing decisions at RDNB Jewelry. This means that the better the brand image, the higher the purchasing decision at RDNB Jewelry.

In an effort to improve purchasing decisions, it is recommended for RDNB Jewelry to make advertisements that can entertain consumers, create competitive pricing policies, offer products that are unique so that later they can differentiate from competing products, offer quality products at appropriate prices so that later consumers will routinely buy products from RDNB Jewelry. Further research should add other variables such as promotions and digital marketing variations, besides that it is necessary to increase the number of samples and expand the scope of research that is not only limited to RDNB Jewelry.

Compliance with ethical standards

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Disclosure of Conflict of interest

No conflict of interest.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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