

How Digital Payment And Social Media Marketing Affect Purchase Decisions Of Subang Culinary SME Customer, Indonesia

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Abstract.

This research is an empirical study to see the relationship between the application of digital payment media and digital marketing for small and medium enterprises, especially in the culinary sector in the city of Subang. Why is this research being carried out in Subang, because there are not many small and medium entrepreneurs in the culinary sector in the city of Subang who have implemented digital payments and digital marketing in their businesses. The data in this research uses primary data obtained from 121 questionnaires to culinary business customers who make digital payments and search for information digitally before making a purchase. From the results of data processing, it is known that digital payments have a significant effect on purchasing decisions in small and medium businesses in the culinary sector with a T-count score of 6,357, and marketing using social media also has a significant effect with a T-count value of 6,609, and together digital payments and marketing social media has a significant effect with an F count of 114,804.

Keywords: Digital payment, media social marketing, purchase decisions and SME culinary.

I. INTRODUCTION

Coronavirus pandemic require the adoption of digital payments (more specifically on-line payments), people had a strong incentive, or no option, to stay of their homes under lockdowns and other restrictions by governments [1] and during the pandemic Peer-to-peer (P2P) payments also significant increase due to the interest using mobile payments and the effect of the COVID-19 pandemic on individuals' behaviours. [2]One thing that why for entrepreneurs slide to use digital marketing is that will be cheaper and have a wider impact such as using the marketplace and marketing through social media, and also implementing payment transactions using digital money such as OVO, GOPAY, SHOPEEPAY, DANA, EMONEY, AND OTHER which of course can make it easier, faster, and also safer because there is no physical contact between the seller and the buyer, Due to its convenience and security throughout 2020, transactions using digital money have reached IDR 204.9 trillion, this proves that cashless transaction loved by the Indonesian. Digitalization and the ease access to online information render easier for business-to-business (B2B) buyers to search, compare, and order offerings and, transformed their buying processes and the overall marketing landscape [3]The role of mobile payment is determined as a new retail payment mechanism that promotes a better consumer purchase experience in an online to offline business environment [4].

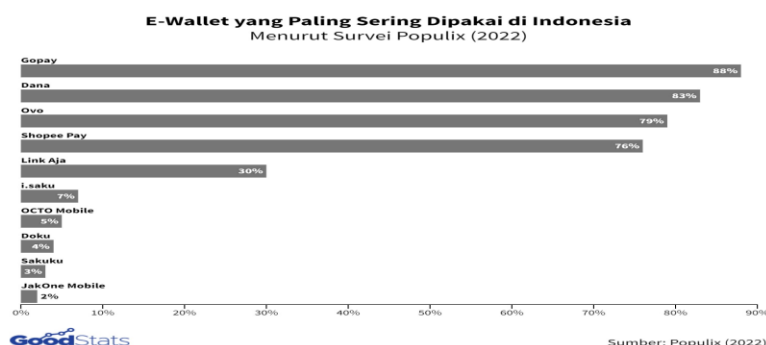


Fig 1. digital payment user Populix survey (2022)

From figure above, can be seen that the use of digital payments in Indonesia is increasing each year. For a decade, information and communication technology (ICT) changed people's lifestyles in so many ways. and also changed corporate activities, in terms of conditions financial, economic and even social

inclusion we're strongly influenced by attitudes towards technological change [5]. Mobile payment services currently has created improvement, have important functions in term of creation ecosystems ranging from regulators, financial institutions, device manufacturers, retailers to the customer himself [6]. In other research found security and privacy risk, and reliance on mobile phone and lack of perceived has relative advantage to other payment options, are critical obstacles of adoption process, other potential obstacles are fragmentation of mobile payment option consumers was lack of knowledge of functionality, old habits and also image of potential risks relating to service providers and need of social approval [7]. And it can describe the slow adoption of digital payments was subang is a small district where financial and technological inclusion level is still low, so due to ignorance raises a lot of worries.

Description of digital payments user (e.g., credit card, debit card, or mobile/internet banking) mostly between ages 25–40, with higher education levels, formal employment, and they who live in urban areas with Internet access. In addition, the likelihood of paying with digital instruments higher for people in the top quintiles of per capita household spending and those living in areas with a high presence of financial institutions [8].



Fig 2. Social media User Source Databoks (2022)

Social media changed interaction type process of buyers and sellers, and increase involvement through social media may raised positive results for sales people utilize it in facilitating customer behaviors [9]. The study confirms that brand trust mediates the relationship between only two features of social media marketing (interactivity and informativeness) and consumer purchase decisions. The results indicated that social media app represent main platforms for fast-food brands to attain their desired marketing objectives, for instance building brand trust and affecting consumers purchase decision [10]. that social media is very influential on consumer buying interest [11]. Social media can be in the form of websites or applications that can be downloaded to smartphones. The ease of access to information facilitates the dissemination of information to millions of internet user [12]. understanding of marketing [13].E-Business platforms affecting purchase and re-purchase behaviors of online trading users, and it also can be used to assess purchasing behaviors and repeating purchases of online consumers through 3 types of E-businesses: E-commerce, M-commerce, and S-commerce [14]. 77% of B2B buyers observe three or more digital content before contacting a seller. Therefore, influencing today's B2B buyer-directed purchasing processes requires digital resources that effectively help buyers advance along their purchase process [15].According to this background, we developed 3 hypotheses, H1 digital payment has an effect on culinary MSME customer purchasing decisions, H2 social media marketing has an effect on culinary MSME customer purchasing decisions, H3 digital payments and social media marketing have an effect on purchasing decisions on culinary MSME customers in subang city.

II. METHODS

This research is an empirical research, the analysis used in this study is a quantitative analysis using regression consisting of two exogenous variables and one endogenous variable, exogenous variables consisting of digital payments and social media marketing, and purchasing decisions as endogenous variables to be able to see the effect his. The unit of analysis in the researcher is the customers of small and medium businesses in the culinary sector in the city of Subang.Primary data in this study were obtained by

distributing questionnaires to 121 respondents with criteria according to the planned unit of analysis. By using an interval scale of 1-7. The primary data is then processed using the SPSS 22 program to test the validity and reliability. And then proceed with testing the classical assumptions and hypothesis testing. Digital payment variables are represented by the dimensions of trust (reliability, reputation for honesty, not abused, trusted) convenience (not complicated, easy to understand, usable, faster), security (sense of security, guarantee), while digital marketing variables are represented by websites (ease of searching for information, complete information), SEO (search and good, speed of access to information,

PPC advertising (possibility of purchasing based on keywords, the attractiveness of delivering internet advertisements), Affiliate marketing and strategic partnerships (partnerships with other organizations/companies, partners with websites), online PR (publicity frequency, the attractiveness of delivering information to influence product confidence, the accuracy of consumer understanding), social networks (advertising systems on social networks, content available on social media), email marketing (an important tool in digital marketing activities, attractiveness of information), customer relationship management (maintaining relationships with, building cooperation), while the purchasing decision variables are represented by product choice (product advantages, product benefits, product selection), brand choice (interest, habits, price suitability), dealer choice (ease of obtaining products, services, product availability), purchase amount (purchase amount, purchase decision for inventory), purchase timing (accordance with needs, perceived benefits, reasons for purchase), payment method.

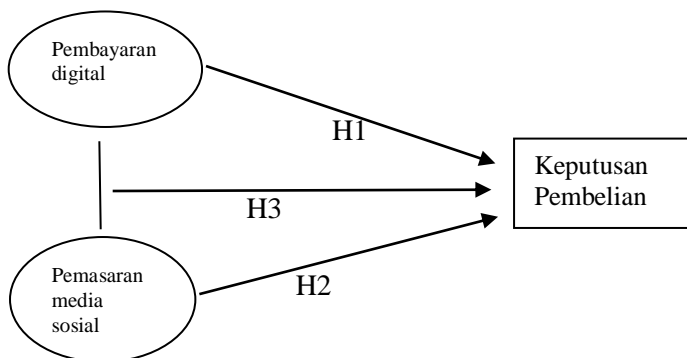


Fig 3. Research model

III. RESULT AND DISCUSSION

From the questionnaire result of 121 respondents, there were 61 respondents aged 15-25 years, 47 respondents aged 26-35 years, 11 respondents aged 36-45 and 2 respondents aged 46-55 years. For occupation distribution can be seen 49 student respondents, 3 civil servants, 36 private employees, 17 respondents are self-employed and 16 respondents work in other fields. Statistical significance The likelihood that a finding or statistical relationship in a sample's results is due to random factors rather than to the existence of an actual relationship in the entire population [16]. Hypothesis Testing Assuming that the fitted model is a reasonably good approximation of reality, we have to develop suitable criteria to find out whether the estimates obtained in, say, are in accord with the expectations of the theory that is being tested [17].

Digital Payment

Overall, digital payment variables with 10 indicators can be categorized as good with a total score of 7,186 (score range 6,395 – 7,431 for the good category), from all indicators contained in digital variables, the short time of digital payment transaction indicator gets the highest score of 91%, it can be assumed that digital users are very happy with the short time in processing digital payment in the transactions, while digital payment indicators can be misused to get a score the lowest with a score of 73%, so it can be assumed that digital payment users are still worried about misuse of digital payment media. In previous study show digital payments have not been able to change consumer buying behavior completely in large numbers, but the main finding in this study there is enhancement on the percentage of digital payment usage to the online market, due to the many conveniences provided in OVO smart applications [18]. In other research we found perceived mobile payment usefulness positively impacts consumption intention sustainability, and have a

chain-mediated effect on the relationship between perceived mobile payment risk and sustainable consumption behavior [19].

Media Social Marketing

Overall social media marketing variables with 17 indicators can be categorized as good criteria with a score of 12,281 (score range 10,872 – 12,634 for the good category, of all the indicators contained in digital media marketing variables, the attractive content indicator on social media gets the highest score with a score of 89%, so that it can be assumed that customers are more interested in wanting to see information on social media with interesting content and can change customer perceptions and opinions of marketed food products, while indicators of complete information on the food and drinks provided and indicators of advertising content delivery paid on social media gets the lowest score with a score of 83%, it can be assumed that customers feel the information displayed on social media is not enough, maybe this is due to the limited time for content on social media, and paid advertisements are not interesting information for customers and information seekers, in line with the previous research that show marketing managers found that social media marketing medium has become an important marketing tool to reach emerging younger generation consumers. and also cyber world play an big role in modern marketing, aid marketers to reach customers faster and more efficiently [20]. An in other result found that it was found that the effect of entertainment on purchase decision is insignificant [10].

Purchase Decision

Overall, the purchasing decision variables from the 9 indicators used are in the unfavorable category with a score of 6,671 (with a range of 6,483 - 8,038 for the unfavorable category). The indicator that there are many digital payment media gets the highest score with a score of 89%, this illustrates that small and medium business customers in the culinary sector in the city of Subang really hope that there are many choices of digital payment media, and the digital payment indicator has become a habit of getting the lowest score with a score 84%, this further strengthens the assumption that the use of digital payments is still very little used by customers of small and medium businesses in the culinary sector in the city of Subang

		Coefficients ^a		Standardized Coefficients Beta	t	Sig.
Model		Unstandardized Coefficients				
		B	Std. Error			
1	(Constant)	8.226	2.001		4.110	.000
	PEMBAYARAN DIGITAL (X1)	-.081	.041	-.230	-1.997	.048
	DIGITAL MARKETING (X2)	-.007	.022	-.038	-.332	.741

a. Dependent Variable: Abs_RES

Table 1. Coefficients table

Output results with a significance value (Sig) on the Digital Payment Variable of 0.048 < 0.05, and a significance value of the Digital Marketing Variable of 0.741 > 0.05,

		Coefficients ^a		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
Model		Unstandardized Coefficients					Tolerance	VIF
		B	Std. Error					
1	(Constant)	6.933	3.210		2.160	.033		
	Pembayaran Digital (X1)	.414	.065	.441	6.357	.000	.598	1.672
	Digital Marketing (X2)	.233	.035	.458	6.609	.000	.598	1.672

a. Dependent Variable: KEPUTUSAN PEMBELIAN (Y)

Table 2. Multiple Regression Test Results

Form the table can be seen the independent variables are considered constant, average purchase decision is 6.933, The Digital Payment regression coefficient is 0.414 The Digital Marketing regression coefficient of 0.233

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.933	3.210		2.160	.033		
	PEMBAYARAN DIGITAL (X1)	.414	.065	.441	6.357	.000	.598	1.672
	DIGITAL MARKETING (X2)	.233	.035	.458	6.609	.000	.598	1.672

a. Dependent Variable: KEPUTUSAN PEMBELIAN (Y)

Table 3. Partial test

The results of testing the Digital Payment hypothesis based on table 4.17 show that $t \text{ count} > t \text{ table}$, namely $6.357 > 1.9803$ with a significance level of $0.00 < 0.05$, which means the hypothesis is accepted. The results of testing the Digital Marketing hypothesis based on table 4.17 show that $t \text{ count} > t \text{ table}$, namely $6.609 > 1.9803$ with a significance level of $0.00 < 0.05$, which means the hypothesis is accepted

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2885.150	2	1442.575	114.804	.000 ^b
	Residual	1482.734	118	12.566		
	Total	4367.884	120			

a. Dependent Variable: KEPUTUSAN PEMBELIAN (Y)

b. Predictors: (Constant), DIGITAL MARKETING (X2), PEMBAYARAN DIGITAL (X1)

Table 4. simultan test

The calculated F value of 114.804 is greater than the F table which is equal to 3.072, with a significance level of 0.000 lower than α of 0.05. So it can be concluded that the variables of Digital Payment and Digital Marketing simultaneously influence purchasing decisions.

Model Summary^b

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813 ^a	.661	.655	3.545

Table 5. Determination Coefficient Test (R2)

65.5% of the variation in purchasing decisions is influenced by two variables, namely Digital Payments and Digital Marketing, while the remaining 24.5% is explained/influenced by other variables that are not in this study.

IV. CONCLUSION

It can be seen from the result that digital payment transaction are quicker get the highest score 771 (18%), and digital payment transaction cannot be misuse gain the lowest score 618 (73%). And overall the digital payment variable is included in the good category with an overall score of 7,186 where the range 6,395 – 7,431 can be categorized as good In the digital marketing variable, it can be seen that interesting content on social media marketing can change perceptions and opinions about products with the highest score 752 (89%) delivering paid advertising content on attractive social media marketing gain the lowest rating with a score of 700 (83%). And overall social media variables fall into the good category with a total score of 12,281 where the range 10,872 – 12, can be categorized as good. In the purchase decision variable, the indicator is that there are many choices of digital payment media, gain the highest score 755 (89%) and

transaction using digital payments have become a habit, gain the lowest score 709 (84%). And overall the purchase decision variable is in the unfavorable category with a score of 6671, the range 6,483 – 8,038 can be categorized as good. T count 6.357 > T table 1.9803, can be concluded that digital payments have a significant effect on partial purchasing decisions, H1 accepted, and on the social media variable, T count 6.609 > T table 1.9803 can be concluded that social media has a significant effect on partial purchasing decisions, H2 accepted. and simultaneously F count 114,804 > F table 3,072, so that digital payments and social media together have a simultaneous effect on purchasing decisions, H3 accepted.

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