

SOCIAL MEDIA INSTAGRAM AND PURCHASING DECISIONS

ABSTRACT

This research aims to analyze the influence of content creation, content sharing, connection, and community building on purchasing decisions. The study employs a quantitative approach with a sample size of 107 respondents. The research instrument used includes questionnaires/surveys and literature review. Data analysis is conducted using SPSS. The research findings indicate the following: 1) content creation has a positive impact on purchasing decisions; 2) content sharing does not have a significant impact or has a negative influence on purchasing decisions; 3) connection does not have a significant impact or has a negative influence on purchasing decisions; 4) community building has a positive impact on purchasing decisions. Overall, social media has superior contribution on making purchase decision for customer. The researchers seek to understand whether the content generated and shared on social media platforms has a significant influence on consumers' choices when making purchases.

Keywords: content creator, content sharing, connection, community building, purchasing decision

1. INTRODUCTION

The era of globalization has led to rapid developments in business conditions in Indonesia, and one sector that has seen significant growth is the restaurant industry. According to data from the Central Java Provincial Statistics Agency published in 2020, the total number of restaurants in Central Java increased by 13.59 percent over three years. In 2017, there were 3,149 restaurants, and this number grew to 3,790 in 2018, and 3,658 in 2019. Similarly, in the Banyumas Regency area, there was a notable increase in the restaurant business from 2017 to 2019. In 2017, there were 251 restaurants, and this number increased to 844 in 2018 and further to 913 in 2019 (BPS, 2020). The rise in the number of restaurants in Banyumas has intensified competition for customers, particularly in the ongoing pandemic era. In these challenging conditions, businesses are compelled to employ marketing strategies aimed at attracting and retaining consumers. Given the current pandemic circumstances, business operators must excel in their marketing efforts to draw in customers and boost sales. Typically, these efforts involve ramping up promotional activities through various channels like the internet, brochures, posters, banners, television, and more. Among these promotional avenues, the internet emerges as the most widely adopted medium among the Indonesian population.

According to data from the Association of Indonesian Internet Service Providers (APJII) in November 2020, 73.7% of the Indonesian population, or about 196.7 million people, were using the internet. This indicates widespread internet usage in Indonesia, with digital marketing being a commonly used tool for businesses. Digital marketing, as described by experts like Chaffey, involves using technology for marketing purposes to meet consumer needs. Social media is a key component of digital marketing and is widely used by businesses. Social media, as defined by Maoyan, is a technology network for internet-based communication and information sharing. Various social media platforms, such as Facebook, Instagram, Twitter, YouTube, and more, can be used for business promotion. Instagram, in particular, is a popular choice for sales promotion in Indonesia, with around 91.77 million users in July 2021. Instagram allows users to share photos and engage with their followers.

It's important to study how Instagram works and the effectiveness of business promotions on this platform. Effectiveness is measured by factors like the frequency of customer visits, the length of visits, the number of followers, likes, comments, and interactions between consumers and businesses (Thomas et al., 2019). Research suggests that Instagram can capture customers' attention effectively, but it may be less effective at generating interest, desire, and purchase decisions for products (Wang et al., 2021). Purchase decisions involve evaluating multiple options and selecting one, influenced by factors like emotional, social, quality, and functional values, as well as cultural, social, personal, and psychological factors (Pena-Garcia et al., 2020). The process includes recognizing the need, searching for information, evaluating alternatives, making the purchase, and assessing post-purchase satisfaction. To capture consumer interest, effective promotion, including sales promotions through social media, is essential (Lin et al., 2022; Yang et al., 2023).

Social media is a critical component of broader sales, service, communication, and marketing strategies aimed at adapting to market dynamics and consumer behaviors (Mileva and Fauzi, 2018). Currently, many businesses use social media as a primary tool for marketing their products, a practice commonly known as social media marketing. Social media marketing involves leveraging websites and online social channels to reach a larger community with a high potential for product marketing (Mileva and Fauzi, 2018).

Research conducted by Iblasi et al. (2021) confirms the influence of social media on purchasing decisions at various stages, including need recognition, information seeking, evaluation of alternatives, purchase decisions, and post-purchase behavior, which promotes the use of social media in e-marketing (Randikaparsa et al., 2022). Further studies by Mileva and Achmad (2018) and Hartono, et al. (2018) indicate that content creation significantly affects purchase decisions. Content sharing, which expands business networks by sharing content online, is another variable influencing purchasing decisions (Mileva and Achmad, 2018). Mileva and Aziz (2020) similarly notes the impact of content sharing on purchase decisions. Previous studies, including those conducted by Mileva and Aziz (2018) and Hartono et al. (2019), have reported similar findings, indicating that content creation does influence purchasing decisions. However, Mileva and Aziz (2020) has produced a different result, suggesting that content creation has no impact on purchasing decisions. Interestingly, there is a research gap when it comes to the variable of content sharing. Mileva and Aziz (2018) and Aziz (2020), both assert that content sharing affects purchasing decisions. In

contrast, the study conducted by Hartono et al. (2019) concludes that content sharing has no bearing on purchasing decisions. This disparity highlights the need for further investigation to better understand the role of content sharing in consumer purchasing decisions.

The primary aim of these studies is to investigate the impact of content creator, content sharing, connection and community building on consumer purchasing decisions, specifically within the context of social media marketing. The researchers seek to understand whether the content generated and shared on social media platforms has a significant influence on consumers' choices when making purchases.

2. LITERATURE REVIEW

Purchasing decision

According to Kotler (2009) purchasing decision is an integration process that is used to combine knowledge to evaluate two or more alternative behaviors and choose one of them. Pieter and Olsen (2010) consumer decision making is an integration process that communicates knowledge to evaluate two or more behaviors alternatives and choose one of them. The result of this integration is a choice that is presented cognitively as a desire to behave (Alfalisyado and Anggara, 2023). Meanwhile, Randikaparsa (2022) state that purchasing decisions are an integrated process that is combined to evaluate two or more alternative behaviors and choose one of them.

Social media

Social media provides an opportunity to interact more closely with consumers. Social media offers a more individualized form of communication. Through social media, marketers can find out the habits of their consumers and interact personally and build deeper engagement (Mochammad et al., 2015). In this study, the observed social media is Instagram. Instagram helps many users to get insights deeper about issues from social, cultural, environmental people who are active or users other of Instagram through the lens of these users (Li and Lo, 2015). The performance of Instagram itself is like a channel social media where individuals, companies, vendors and some interesting groups can easily join, share photos and images that can be uploaded by anyone and can also be re-shared.

Content Creation

Content becomes the basis of strategy in doing social media marketing. The content created must be attractive and must represent the personality of a business so that it can be trusted by target consumers (Belance, 2017). Content strategy is a plan that contains the creation and distribution of content to customers. Businesses with a well-planned content strategy have more effective and maximum results.

Content Sharing

According to Belance (2017), Content Sharing is a way for creators to expand their audience in online media and expand the network of a business. Content that is shared significantly so that it can generate positive opportunities to get the spotlight and can attract online viewers to always watch and can increase selling output significantly. Content sharing is carried out through websites. People create various media and publish them for the purpose of sharing with others. Youtube and Instagram

are content sharing sites that are often visited by the public. Youtube provides facilities for people who want to share videos from YouTube to websites/blogs, as well as Instagram provides many facilities for its users to upload videos and photos (Li and Lo, 2015).

Connection

Connection is a relationship that exists between the sender and recipient of messages who have the same interests. The relationship that exists between the recipient and the sender of the message can generate more business (Miltgen et al., 2019). Social networking allows one to meet more people who have the same interests. Extensive networks can build relationships that can lead to more business. Honest and careful communication must be considered when doing social networking. Social networking sites are service-based sites that allow users to create profiles, view a list of available users, and invite or accept friends to join the site. Each social networking site has a different appeal. But basically, the goal is the same, namely to communicate easily and more interestingly because the explanation above can be concluded that social networking sites are web-based services which are used to socialize and communicate with other parties.

Community Building

The social web is a large online community of individuals where there is interaction between people living around the world using technology. Building a community on the internet that has the same interests can occur with the existence of social networking. Community building aims to find target consumers who have an interest in the products or services offered by interacting with one another and establishing relationships (Mochammad et al., 2015). This happens in social media which is indeed a gathering place for a community such as Facebook groups, business Instagram accounts, and business Twitter accounts are places generally used by the community to gather.

3. MATERIAL AND METHODS

This research is characterized as quantitative research, focusing on the collection and analysis of numerical data to draw conclusions and make inferences. The study was conducted specifically in Banyumas, a location likely chosen for its relevance to the research topic. To gather insights, the research involved 107 samples, representing a substantial group of individuals for statistical analysis. The data collected from these samples was then analyzed using regression analyses conducted with the software SPSS (Statistical Package for the Social Sciences), a commonly used tool for statistical research. This approach allowed the researchers to investigate relationships and patterns within the data and draw meaningful conclusions regarding the variables under study.

4. RESULTS AND DISCUSSION

This study incorporates four independent variables: content creation (X1), content sharing (X2), connection (X3), and community building (X4), all of which are factors under investigation. The primary focus is on their influence on the dependent variable, which in this case is the purchasing decision (Y). To gain insights into the relationships between these variables, multiple regression analysis was employed. The findings and

their statistical calculations are detailed in the results table. This table likely summarizes the outcomes of the analysis, revealing the extent to which each independent variable impacts the dependent variable, offering valuable insights into the factors affecting purchasing decisions

Table 1. Regression Analysis Output

No	Independent Variables	Regression Coefficient	tcount	t table	
1	Content Creation (X1)	0.469	2,105	1.986	Significant
2	Content Sharing (X2)	-0.051	-0,215	1.986	Insignificant
3	Connection(X3)	0.223	1,174	1.986	Insignificant
4	Community Building (X4)	1.000	4,102	1.986	Significant
Constant		= 0,497			
Adjusted R2		= 0,613			
Fcount		= 38,639			

In the context of this study, the significance of the regression test is determined by the t-count, with a threshold of t-count > 1.96 indicating statistical significance. It's important to note that whether the symbol is negative or positive doesn't signify a high or low effect but rather the direction of the effect, as clarified by Hair et al. in 2017. Referring to Table 1, the multiple regression equations are formulated to explain the relationships between the variables and their impacts on the dependent variable. These equations are instrumental in understanding how the independent variables (such as content creation, content sharing, connection, and community building) influence the purchasing decision, shedding light on the direction and significance of these effects.

$$Y = 0.497 + 0.469X1 - 0.051X2 + 0.223X3 + 1.000X4 + e$$

The relationship between the content creation variable and purchasing decisions was analyzed in this study. The significance value for this relationship is 0.000, and the t-value (represented as *h*) is 2.105. When assessing the significance level, we typically use a threshold of 0.05 to determine statistical significance. In this case, the significance value of 0.038 is less than 0.05, indicating statistical significance. Furthermore, we compare the t-value of 2.105 to a critical value, typically denoted as 1.986. If the t-value is greater than this critical value, it suggests that our null hypothesis (H0) can be rejected in favor of the alternative hypothesis (H1). In simpler terms, when the t-value (2.105) exceeds the critical value (1.986), it signifies that there is a statistically significant relationship between the content creation variable and purchasing decisions. Moreover, since the t-value is positive, it indicates that the content creation variable has a positive effect on purchasing decisions, suggesting that when content creation increases, it tends to lead to more favorable purchasing decisions.

In this study, the relationship between the content sharing variable and purchasing decisions was examined. The significance value for this

relationship is 0.831, and the t-count value is -0.215. Typically, we use a significance level denoted as α , with a common threshold of 0.05, to determine statistical significance. In this case, the significance value of 0.831 is greater than 0.05, indicating that it's not statistically significant. Furthermore, when we compare the t-count value of -0.215 to a critical value (often represented as *ttabel*), which in your case is 1.986, we can determine whether to accept or reject the null hypothesis (H0) and the alternative hypothesis (H2). In this scenario, since the t-count value (-0.215) is less than the critical value (1.986), it means that we accept H0 and reject H1. In simpler terms, the content sharing variable doesn't have a statistically significant effect on purchasing decisions, suggesting that changes in content sharing are not associated with notable changes in purchasing decisions.

The relationship between the connection variable and purchasing decisions was examined in the study. The significance value for this relationship is 0.143, and the t-value (*h*) is 1.174. To assess significance, we typically use a significance level (often denoted as α), with a common threshold of 0.05, to determine statistical significance. In this instance, the significance value of 0.143 is greater than 0.05, indicating a lack of statistical significance. Additionally, when we compare the t-value (1.174) to a critical value (1.986), we can determine whether to accept or reject the null hypothesis (H0) and the alternative hypothesis (H3). In this case, because the t-value is less than the critical value, we accept H0 and reject H1. In simpler terms, the "connection" variable does not have a statistically significant influence on purchasing decisions, suggesting that changes in this variable are not associated with significant changes in purchasing decisions.

The analysis of the relationship between the community building variable and purchasing decisions in this study indicates a highly significant finding. The significance value for this relationship is 0.000, and the t-count value is 4.102. Typically, a significance level denoted as α , with a common threshold of 0.05, is used to determine statistical significance. In this instance, the significance value of 0.000 is much less than 0.05, indicating very strong statistical significance. Furthermore, when we compare the t-count value (4.102) to a critical value (often represented as *ttabel*), which in your case is 1.986, we can determine whether to accept or reject the null hypothesis (H0) and the alternative hypothesis (H4). In this case, since the t-count value (4.102) significantly exceeds the critical value (1.986), it means that H0 is rejected, and H1 is accepted. In simpler terms, the community building variable has a positive and highly statistically significant effect on purchasing decisions. This suggests that when community building efforts increase, they tend to lead to more favorable purchasing decisions.

5. CONCLUSION

The conclusion of this study is that, in the context of this research, the variables content creation and community building have a significant and positive impact on purchasing decisions. In other words, when efforts are made to create content (46.9%) and build a community (100%), they tend to lead to more favorable purchasing

decisions. On the other hand, the variables content sharing and connection do not have a significant impact on purchasing decisions. This suggests that changes in content sharing or connections are not strongly associated with significant changes in purchasing decisions. This study provides valuable insights into the factors influencing consumer purchasing decisions in the context of social media marketing.

6. SUGGESTION

In light of the study's findings, stakeholders such as businesses and marketers should consider prioritizing content creation and community building in their social media marketing strategies. These aspects have shown a significant and positive influence on purchasing decisions. Therefore, it is advisable to invest resources and efforts in these areas to encourage more favorable consumer choices. Content creators should continue to focus on producing engaging and relevant content that resonates with their target audience, while community managers should nurture a sense of community on social media platforms to enhance their impact on purchasing decisions. **Future research in this field could explore moderating factors that might affect the relationship between content creation, community building, and purchasing decisions. Factors like product type, consumer demographics, and cultural context could be investigated to provide a more nuanced understanding. Longitudinal studies tracking the evolving impact of social media variables on purchasing decisions over time could yield valuable insights. Additionally, conducting comparative analyses to assess the effectiveness of social media marketing in comparison to traditional methods can shed light on the evolving landscape of consumer behavior.**

7. REGULATION CONCERN

The Personal Data Protection Law, or Act No. 27 of 2022 (UU PDP), is a significant advancement in this respect. There are still uncertainties, however, surrounding its execution, particularly with regard to the legal classification of data breaches. Despite this, the law provides a broad provision stating that individuals whose data has been compromised have the right to take legal action against the data processor and seek compensation. It is not yet clear whether this law aligns with the European Union's General Data Protection Regulation (GDPR) approach, which is mainly civil and allows individuals to assert their rights in civil court. The GDPR, which took effect in May 2018, is a comprehensive data privacy law that has significant implications worldwide. It sets stringent requirements and threatens substantial penalties for non-compliance. The UU PDP does not measure up to the GDPR concerning penal measures for intentionally unlawful data processing and failure to adhere to directions from supervisory authorities. These aspects of the law require clarification to evaluate its overall effectiveness and scope. Additionally, the UU PDP has expressed reservations regarding the practicality of implementing the required authority (namely, the Personal Data Protection Authority/PDPA), putting forth the notion of intensive governmental supervision and prioritization. Nevertheless, Indonesia highly values the privacy of personal data, which aligns with the GDPR.

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