Soedirman Economics Education Journal



Affiliation: ^aUniversitas Nahdlatul Ulama Purwokerto ^bUniversitas Jenderal Soedirman

Contact: hendro.sukoco@unupurwokerto.ac.id

DOI: 10.32424/seej.v5i2.10096

Article History:

Received: 22 August 2023 Revision: 10 October 2023 Accepted: 12 October 2023 Published: 25 October 2023 Analysis The Effect of Social Media Advertising on Students' Purchasing Decisions (Study on UNU Purwokerto)

*Hendro Sukoco^a, Herdian Farisi^a, Ade Yuliana^a and Aldila Krisnaresanti^b

Abstract:

Social media is the main choice for producers and sellers to massively market their products and services, one of which is by using advertisements provided by social media. The use of advertisements on social media is appropriate because producers or sellers can customize the desired target market in detail both from age, gender, location, hobbies, and others based on the social media user profile. This study will examine the extent to which social media advertising will be able to influence purchasing decisions for a product or service for consumers, especially among students. This research was carried out from August-October 2023 with a survey research type, carried out by distributing questionnaires and conducting short interviews with 54 students from several study programs at Universitas Nahdlatul Ulama Purwokerto. The results showed that the existence of product or service advertisements on social media had a positive effect on consumers in making purchasing decisions for a product or service. Consumers feel that advertisements on social media help in making purchasing decisions for a product or service. Result from this research can be used by sellers to encourage the motivation of producers or sellers to further optimize the use of social media advertising as one of the marketing media to support the marketing of their products or services.

Keywords: Social media advertising, purchasing decisions, social media marketing

Introduction

Social media has grown popularity among Indonesians as a means of communication, information sharing, and brand promotion in recent years. Social media is becoming one of the most effective alternative media for producers or sellers to influence customers to buy a product or service in the commercial environment since the onset of the Covid-19 pandemic in the world (Alalwan, 2018). Companies can increase their market reach, promote their goods and services, and develop relationships with their customers by using social media (Krisnaresanti et al., 2022). However, there are inherent difficulties in influencing customer purchase decisions through social media. How companies can make sure their communications are successful and reach the proper target market is one of the primary issues. In addition, companies must make sure that their messaging doesn't come out as intrusive or bothersome to customers. The effectiveness of social media advertising in influencing customer purchasing decisions is also still up for dispute. As a result, this study will analyze how social media advertising affects UNU Purwokerto students' purchase decisions. This research is needed to be carried out to find out to what extent advertising on social media has an influence on a person's decision process to buy a product or service, especially for students who are currently a generation that has been exposed to technology from an early age.

The Technology Acceptance Model (TAM) is the fundamental theory utilized in this study. This model is employed to comprehend the elements that affect users' acceptance of technology. (Sukoco et al., 2022). In this study, TAM will be used to analyze the factors that can influence consumers, especially students, to make purchasing decisions for products or services that have been promoted through social media advertisements. There have been limited studies concerning about social media advertising to consumer purchase decision, has been a lot of research discussing social media, both the benefits and how to use social media for marketing, but not much has been discussed about the influence of social media advertising, which is currently widely used by companies to market their products.

The potential of this research is to provide a better understanding of how social media advertising affects purchasing decisions, especially among college students. The main problem to be studied is how much social media advertising can influence students to buy goods or services. The specific objectives of this study are to determine how much influence social media advertising has on the purchasing decisions of UNU Purwokerto students and to find out what factors influence student purchasing decisions. The novelty of this research is the use of the Technology Acceptance Model (TAM) as the basic theory in measuring the influence of social media advertising on student purchasing decisions. The contribution of this research to science is to provide a better understanding of how social media advertising affects student purchasing decisions and several factors that are thought to influence student purchasing decisions, especially from existing social media advertisements.

Previous research on the influence of social media technology on purchasing decisions was conducted by Rauniar et al (2014) who conducted research on perceptions of Facebook usage where it was found that social media influenced consumer purchasing decisions. This is also confirmed by the research of Sukoco et al (2022) where social media marketing is widely carried out by MSMEs (UMKM) in Indonesia which is increasingly being carried out during the covid-19 pandemic and is currently the choice

of sellers to market their products. The existence of targeted advertising features on social media is interesting because social media has a high number of users, where the profile or user data is used by social media managers as one of the data for placing the right advertisements both in terms of consumers and producers or sellers.

Literature Review

PURCHASE DECISION

Purchasing decision is an action taken by consumers to buy a product and the decision-making process that determines purchasing activities (Tjiptono, 2015). Meanwhile, according to Kottler and Keller (2016: 192) purchasing decisions are purchasing decisions of individual end consumers and households who buy goods and services for personal consumers. According to Kottler and Keller (2016: 235) there are 5 consumer purchasing decision processes.

The first stage in a purchasing decision is when the consumer recognizes a problem or need encountered in his life. Consumers will feel between the real situation faced and the situation they want. At the second stage is information search. At this stage, consumers who already know the needs and problems they face try to find products or services that are expected to solve problems or meet their needs. Consumers will look for various information related to the product or service. Information can be obtained from internal and external consumers. Internal information can be obtained from memory or previous use, external information can be obtained from other people's experiences or info from various media. After finding enough information, consumers will enter the stage of evaluating the information that has been obtained. All existing information will be the basis for consumer considerations in order to sort out the products or services that are considered the most appropriate for consumption and other alternative choices. In buying decision stage, consumer behavior to actually purchase a product or service. At this stage, consumers can also decide not to make a purchase for various reasons.

After purchasing a product or service, consumers will feel satisfaction or dissatisfaction. Consumers who are satisfied with the product or service will have a greater chance of repurchasing or recommending the use of the product or service to other potential customers. One of the ways consumers purchasing decisions are currently influenced is through marketing via social media. This method of marketing has been carried out by many companies or sellers because they feel they are very close to consumers. This is in line with research conducted by (Shanmugam & Chlarence, 2018), which stated that consumer purchasing decisions are influenced by the content on social media that consumers see. Advertising is a special form of communication that is usually used by entrepreneurs to direct persuasive

communication to target buyers and the public. Advertising is a tool to open two-way communication between sellers and buyers, so that their wishes can be fulfilled in an efficient and effective way. One of the strategies in advertising is selecting advertising media (Kotler and Keller, 2016: 161). Choosing advertising media is determined based on frequency, consumer reach, and the impact that the advertisement has on consumers. Each advertising media has its own advantages and disadvantages in advertising a product. As a marketer, you must be able to choose the right advertising media so that advertisements can reach consumers effectively and efficiently.

Any interactive communication medium that supports two-way conversation and feedback is referred to as social media. With the advancement of technology, there are now more options for promotional media, one of which is online media, particularly social media. While it does not cost much, using social media to promote a business's goods or services gives it a bigger audience (Alalwan, 2018). Apart from the cost factor, social media marketing actually combines the concepts of word-of-mouth marketing, marketing research, customer service, and public relations (Karimi and Naghibi, 2015).

There are a number of factors that can affect how well social media advertising works for a company's targeted consumer promotions. While measuring purchasing decisions on social media advertising is seen from decisions about the type of product, decisions about the form of the product, decisions about the brand, decisions about the seller, decisions about the number of products, decisions about the time of purchase, and decisions about payment, factors that can influence purchases through social media advertising include appropriate media, attention, understanding, acceptance, and storage. When using social media for advertising, manufacturers or sellers must also be aware of a number of factors, such as the type of consumers who will be the sales targets and consumer behavior (Ertemel & Ammoura, 2016).

Research Methodology

This research is a type of quantitative research because it analyzes the results based on numbers. This research can also be categorized as survey research because it was carried out by distributing questionnaires to samples in the UNU Purwokerto student population. Respondents were student representatives from a number of study programs at UNU Purwokerto. The research stage began by making initial observations on several students regarding purchasing decisions influenced by social media, then a literature study was carried out to conclude the problems that occurred as well as looking at previous research that had been carried out. After that, a research questionnaire was prepared based on previous research, and the questionnaire was distributed to respondents. The results obtained were then

analyzed using SPSS. A validity test was carried out using the Pearson correlation value, and a reliability test was carried out using the Cronbach alpha value for all variables. Multiple regression analysis is used to calculate the relationship or influence between the independent variable and the dependent variable. Researchers use 3 variables, there are perceived convenience of social media advertising and perceived benefits of social media advertising (independent variable), and purchase decision (dependent variable).

Table 1. Variable and Indicators

Variable		Indicators		
	1.	After seeing product or service advertisements on social media, it is		
Perceived Convenience of Social		easier for me to purchase products/services		
Media Advertising	2.	I can easily do what I want by using social media		
Media Advertising	3.	Social media makes it easier for me to interact with other people		
	4.	Social media advertising can be understood easily		
	1.	Advertisements that appear on social media are very useful in		
		searching for the products/services I want		
Perceived Benefits of Social Media	2.	Social media advertising makes it easier for me to find other users'		
		experiences in using products/services		
Advertising	3.	Social media advertising makes it easier for me to get the information		
		l need		
	4.	I found that social media advertising was beneficial to my life		
	1.	I know my wants and needs		
	2.	I use social media to search for product/service information to fulfill		
Purchase Decision		my needs		
Purchase Decision	3.	I decide to purchase products/services by reading other users'		
		experiences via social media		
	4.	I choose products/services after seeing advertisements on social media		

Results and Discussions

Based on 54 respondents from Universitas Nahdlatul Ulama Purwokerto who have filled out the questionnaire, it can be seen that most of the respondents are female, namely 42 people (77.8%) with male respondents totaling 12 people (22.2%). It can also be seen that most respondents have an age range between 19 to 21 years, namely 40 people or 74.1% of the total respondents. Almost all respondents (53 people/98%) have also seen advertisements on their personal social media pages. There are 27 people who have made purchases from various advertisements they have seen on social media, while others have only seen them. From some of the respondent profile data, it can be seen that most respondents are in the teenage age range, are female and have seen advertisements on their personal social media pages, even some respondents (50%) have purchased products or services based on advertisements they see on their personal social media.

	Respondent Profile	Total	Percentage
Gender			
_	Male	12	22,2%
_	Female	42	77,8%
Age			
_	16-18 years old	3	5,6%
_	19-21 years	40	74,1%
_	22-24 years	9	16,7%
_	25-26 years old	0	0%
_	Above 27 years old	2	3,7%
Seeing	ads on social media pages		
_	Have seen ads	53	98%
_	Never seen ads	1	2%
Purchas	Purchases from social media ads		500/
_	Have ever made a purchase	27	50%
-	Never made a purchase	27	50%

Table 2. Respondent Profile

Validity and Reliability Test

Validity and reliability test of the variables in this study using Cronbach's Alpha, the significance value of the indicator, and the Pearson Correlation value. Based on the data presented in table 3, it can be seen that the Cronbach's alpha value for perceived convenience of social media advertising is 0,841, perceived benefits of social media is 0,814, and purchase decision is 0,855, confirm that all have values > 0.6, so that all variables can be said to be reliable or can measure exactly the phenomenon being measured (Hair et al, 2010). The significance value of all indicators is in the range between 0.000 to 0.022, which means it is below the significance value of 0.05, so it can be concluded that all indicators are valid or can be used to measure all variables in this study. The Pearson Correlation value for all indicators in this study is above 0.3158 (r value for 54 data with a significance of 0.01), so it can be concluded that all research indicators are valid and can be used in the further analysis process.

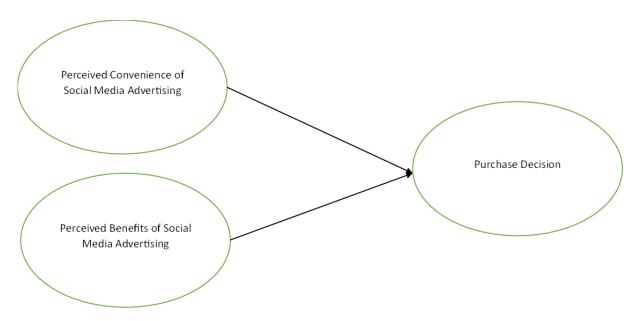
Table 3. Validity	/ and Reliability Te	est
-------------------	----------------------	-----

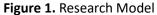
Variable	Cronbach Alpha	Significant (one tailed)	Pearson Correlation
Perceived Convenience of Social Media Advertising	0,841	0,000-0,005	0,377-0,808
Perceived Benefits of Social Media Advertising	0,814	0,000-0,022	0,708-0,798
Purchasing Decision	0,855	0,000	0,630-0,871

Findings

Testing was carried out using SPSS version 22 as an analytical tool. This test includes testing the significance of the effect of the independent variable on the dependent variable. Multiple linear regression analysis

produces various outputs that can be used for testing with various methods. One of them is the coefficient of determination to determine the contribution value of the two independent variables to the dependent and t-test for the significance of the influence of the independent variable on the dependent variable. However, previously a correlation test was carried out first to ensure the relationship of each independent variable to the dependent variable.





It can be seen in table 4 for the calculation of the research model. The R-value or R-square means indicates a simultaneous correlation between the independent variable (perceived benefits and perceived convenience) and the dependent variable (purchase decision) of 0.645. The R-square value or the coefficient of determination is 0.416, which means that the level of purchasing decisions influenced by the perceived convenience and perceived benefits of advertising on social media is 41.6% and the rest is influenced by other variables not examined. Standard Error of the Estimate is the deviation between the regression equation and the real variable value is 2.397 units of the dependent variable.

Table 4.	Model	Summary
----------	-------	---------

R	R Square	Std. Error of Estimate
0,645	0,416	2,39746

In the ANOVA table below, it is known that the F value is 18.143 where the F value is greater than the F table df value of 3.179, so it can be stated that the research model is a fit model. This is also indicated by the significance value of 0.000 <0.050 so that the model can be declared fit or suitable.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	208,565	2	104,282	18,143	.000
Residual	293,139	51	5,748		
Total	501,704	53			

Table 5. ANOVA

Table 6. Coefficient

Model	Unstandardized Coefficient	Standardized Coefficient	t	Sig.
(Constant)	3,274	2,644	1,238	0,221
Perceived Convenience	0,257	0,149	1,727	0,090
Perceived Benefits	0,294	0,151	1,947	0,057

From the data table 5 above, the regression equation in this study can be concluded as follow:

 $Y = 3.274 + 0.257X1 + 0.294X2 \dots (1)$

So that based on this equation, if the perceived convenience and perceived benefits are equal to 0, the purchase decision is 3.274. When the perception of convenience increases by one unit, the purchase decision will increase by 0.257 units. If the perceived benefit increases by one unit, the purchasing decision will increase by 0.294 units. This shows that perceived convenience and perceived benefits, especially in advertisements on social media, have a positive influence on consumer purchasing decisions.

First hypothesis: Perceived Convenience of Social Media Advertising has a positive and significant effect on Purchasing Decisions. The regression analysis carried out produces a t-value of 1.727 which is higher than the t-table value of 1.675 so that it can be said that the perceived convenience of social media has a positive influence on purchasing decisions. However, sig. perceived convenience has a value of 0.090 which is higher than 0.050 so that the effect of perceived convenience of social media advertising is not significant on purchasing decisions. These results can be interpreted that the ease of offers obtained by consumers through advertisements that appear on personal social media pages has a positive but insignificant influence on purchasing decisions. Research conducted by Alalwan (2018) is also in line with this study that advertisements on social media, especially in the convenience offered, have a positive effect on purchasing decisions.

Second hypothesis: Perceived Benefits of Social Media Advertising have a positive effect on Purchasing Decisions. The regression analysis carried out produces a t-value of 1.924 which is higher than the t-table value of 1.675 so that it can be said that the perceived benefits of social media advertising have a positive effect on consumer purchasing decisions. However, sig. the perceived benefits of social media advertising has a value of 0.057 which is higher than 0.050 so that the effect of the perceived convenience of social media advertising is not significant on purchasing decisions. This means that when the benefits

of social media are greater, especially with the advertisements displayed, consumer purchasing decisions will be more positive, but the increase in consumer purchasing decisions is not significant. One of the benefits of advertising is that it makes consumers get information or alternative choices of products or services to solve problems or meet their needs. This result is in accordance with research Alalwan (2018) which reveals that the benefits of advertising have a positive effect on consumer purchasing decisions.

The variable test results show that all independent variables have a positive but insignificant effect on the dependent variable. The relationship between the convenience of social media advertising and purchasing decisions has a positive but insignificant relationship. This indicates that the convenience of advertisements on social media that consumers feel or get will facilitate the purchasing decision process that needs to be carried out such as searching for information, selecting alternatives, or even making it easier to find other people's experiences of using products or services that appear in social media advertisements, but the influence of advertising is not fully felt by consumers. Meanwhile, the variable relationship between the benefits of social media advertising also has a positive but insignificant effect on consumer purchasing decisions. This indicates that the benefits of social media advertising perceived by consumers provide a good benefit for consumers, especially in undergoing the process of deciding to purchase a product or service, but this influence does not directly or significantly make consumers decide to buy. This is in line with research conducted by Alalwan (2018), Sehar et al. (2019), Abbas Naqvi (2020), and Vahdat et al. (2021) which states that there is a positive influence of the convenience and benefits of social media for consumers.

Based on these things, it can be an input for producers or sellers to be able to understand how communication is carried out through advertising on social media is more optimal. Some of the ways that might be taken are by adjusting the ad content to better suit the targeted consumers on social media or organizing target consumers on social media in more detail so that advertisements will be displayed on more appropriate user profiles.

Conclusion

The high influence of technological developments includes the emergence of social media, which is currently widely used by producers or sellers to market their products or services, one of which is by utilizing the features available on social media, currently known as social media advertising. The existence of product or service advertisements that appear on consumers' social media personal pages can be one of the things that influence consumers to understand the needs or problems at hand, it can also be an alternative choice of products or services which will eventually influence a customer's decision to buy or

not a product or service. Targeting the right consumers by producers or sellers is one of the things that needs to be considered, so that the advertisements displayed by social media managers are right for the target market of the seller's or producer's products or services. Other factors that may need to be considered by sellers to place advertisements on social media can be the focus of further research. It is also necessary to research other things that may have a more significant influence on consumer decisions after seeing advertisements on social media pages.

Acknowledgement

The researcher is grateful for the grant funds that have been received from *Lembaga Penelitian dan Pengabdian Kepada Masyarakat*, Universitas Nahdlatul Ulama Purwokerto in 2023 so that we able to conducted research and produced an output in the form of this article.

References

- Abbas Naqvi, M. H., Jiang, Y., Miao, M., & Naqvi, M. H. (2020). The effect of social influence, trust, and entertainment value on social media use: Evidence from Pakistan. Cogent Business & Management, 7(1), 1723825
- Alalwan, A. A. (2018). Investigating the impact of social media advertising features on customer purchase intention. *International journal of information management*, *42*, 65-77.
- Davis, F. D. (1989). Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology. MIS Quarterly, 13(3). <u>https://doi.org/10.2307/249008</u>
- Hair, Joseph F., et al. (2010). Multivariate Data Analysis. Pearson Prentice Hall.
- Karimi, S., & Naghibi, H. S. (2015). Social media marketing (SMM) strategies for small to medium enterprises (SMEs). International Journal of Information, Business and Management, 7(4), 86.
- Krisnaresanti, A., Naufalin, L. R., Indrayanto, A., & Sukoco, H. (2022). Pengaruh Manfaat Dan Kemudahan Penggunaan Media Digital Sebagai Alternatif Pemasaran Digital Terhadap Keberlangsungan Usaha. Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA), 6(3), 1063-1073.
- Kotler, P., & Keller, K. L. (2016). Marketing Management 16 edition. New Jersey: Pearson.
- Pramuki, N. M. W. A. (2020). Antecedents of the Use of MSME Social Media: In The Perspective of Technology Acceptance Model Theory. International Journal of Contemporary Research and Review, 11(04). https://doi.org/10.15520/ijcrr.v11i04.800
- Rauniar, R., Rawski, G., Yang, J., & Johnson, B. (2014). Technology acceptance model (TAM) and social media usage: An empirical study on Facebook. Journal of Enterprise Information Management, 27(1), 6–30. https://doi.org/10.1108/JEIM-04-2012-0011
- Richadinata, K. R. P., & Astitiani, N. L. P. S. (2021). Pengaruh Iklan Sosial Media Terhadap Keputusan Pembelian Konsumen Di Lingkungan Universitas Bali Internasional (Doctoral dissertation, Udayana University).

Santika, W., & Yadnya, P. (2017). Prosiding Seminar Nasional AIMI.

- Sehar, R., Ashraf, S., & Azam, F. (2019). The Influence of Social Media's Marketing Efforts on Brand Equity and Consumer Response. In The IUP Journal of Marketing Management: Vol. XVIII (Issue 2)
- Shanmugam, R., & Chlarence, & J. M. (2018). A STUDY ON IMPACT OF SOCIAL MEDIA USING IN SMALL BUSINESS FOR CUSTOMER TAKEOVER AND RETENTION OF CUSTOMER. www.iaset.us.
- Sukoco, H., Setyanto, R. P., & Yunanto, A. (2022). Social Media Usage Interest as A Marketing Media Alternative for Smes During the Covid-19 Pandemic (Study on the Smes Entrepreneur Association of Banyumas Regency). *Sustainable Competitive Advantage (SCA)*, *11*(1).
- Tjiptono, F. (2015). Strategi Pemasaran. Edisi 4. Jakarta: Penerbit Andi.
- Vahdat, A., Alizadeh, A., Quach, S., & Hamelin, N. (2021). Would you like to shop via mobile app technology? The technology acceptance model, social factors and purchase intention. Australasian Marketing Journal, 29(2), 187–197. https://doi.org/10.1016/j.ausmj.2020.01.002
- Yusuf, S., & Fashanah Hadining, A. (2021). Use of Modified Technology Acceptance Models to E-business for MSMEs. Jurnal SIstem Teknik Industri (JSTI), 23(2), 190–203. https://doi.org/10.32734/jsti.v23i2.6298