

The effect of instagram marketing and store image on purchase decision with gender as moderating variable

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Abstract

This study aims to reveal the effect of instagram marketing and store image on purchase decision. In addition, this study also aims to find out how gender moderates the influence of instagram marketing and store image on purchase decision. This research was conducted in Samarinda, Indonesia with the respondents are smart phone buyers in Samarinda. The sampling method was purposive sampling technique with a total sample of 85 respondents. The hypothesis testing using Structural Equation Modeling with software of Smart-PLS (Partial Least Square). The results of this study indicate that instagram marketing and store image have positive and significant influence on purchase decision. However, this study shows that gender does not significantly moderate the relationship between internet marketing and store image on purchase decision of smart phone products.

Key words: Instagram marketing; store image; purchase decision; gender; moderating

INTRODUCTION

Information technology has created a new generation of communication tools with high technology, which is a smart phone. A smart phone is a sophisticated mobile phone and the features are almost like a computer. Smart phones are equipped with various functions that are interesting for users (Meutia, 2017). In the second quarter of 2019, smart phone shipments in Indonesia reached the highest record in history, which was 9.7 million based on International Data Centre (IDC) Indonesia's research (Yusuf, 2019). IDC Indonesia also shows the growth of mobile phone sales in Indonesia until 2023 estimated to reach 5-7% per year (CNBC Indonesia, 2019). This causes smart phone companies to compete in providing a good store image and promotion on social media massively to lead consumer purchase decision.

The consumers easily get information about interesting promotions, such as cashback, discount, giveaway, and direct bonus which keep changing because the store follows the recent trend of marketing every month. Seller also gives good facilities to make the consumers feeling satisfied, such as a completed variety of products, comfortable atmosphere of the store, available updated price list. Social media becomes a platform that allows social interaction among consumers. Social media may become the development of a marketing strategy for building a source of trust that influences purchase decision to prospective consumers. Other offers given by social media are brand popularity increase, word-of-mouth communication facilitation, sales increase and brand awareness. (Astuti & Putri, 2018).

Literature Review

Purchase Decision

Decision itself is the best option selected among two or more alternative choices meaning that someone makes a decision when there are available alternative options (Schiffman & Kanuk, 2000; Prasetyo & Ihalauw, 2005; Foster, 2017). Decision making is a logical and aware process in which the consumer considers each of the alternatives available in order to choose the best among them. The decision to purchase is when a consumer is doing some specific steps during making purchase (Mowen & Minor, 2002).

Solomon et al. (2006) define consumer purchase as a response to a problem, which is perceived need for a thing after going through a series of steps in order to make it. According to Kardes et al. (2011), customer decision-making is a various process, from automatic to highly organized problem-solving. From the definitions stated, it can be concluded that purchase decision is when a consumer responds to a problem and solve it by going through various steps. From rational perspective, people carefully gather as much information as possible with what they already know about a product, considering the pluses and minuses of each alternative, and arriving at a satisfactory decision (Solomon et al., 2006).

Instagram Marketing

One of social media used for marketing tool is Instagram. Instagram marketing is a link between brands and consumers, while Instagram marketing provides consumers with a means of social interaction and focused networking (Ali, 2016). Jara et al. (2014) define Instagram marketing as a new generation marketing tool that encourages greater attention and consumer participation through the use of Instagram. Richter & Schafermeyer (2011) regard Instagram as marketing strategy for social platforms to facilitate communication with customers in two ways through Instagram. Thus, Instagram marketing is a means of communication and link between the store and consumers through Instagram. Social media can build brand attitudes that affect buying behavior.

The good image of brand or product can lead the consumer to make decision on their purchases. Since most consumers use the social media to search and purchase items, stores can use these advantages to advertise their products. When a consumer wants to make decision on product, every detail could influence to their decision-making (Prasath & Yoganathen, 2018). Instagram marketing communication presents a new challenge and opportunity for businesses. Therefore, the decision to buy is increasingly influenced by social media interactions. Until making a purchase decision, people rely on their social network (Astuti & Putri, 2018). In some studies, Instagram marketing has been found to have a positive direct effect on purchase decision (Pradeep & Nair, 2018; Prasath & Yoganathen, 2018). In contrast, previous studies by Hanaysha (2018) found negative significant influence of Instagram marketing on purchase decision.

Store Image

Store image is the personality of a store. Store image is defined as what is seen and perceived by consumers of certain stores (Maretha & Kuncoro, 2011). The perception of customer gives towards the attributes associated with a store is referred to as a store image stated by Mothersbaugh & Hawkins (2016). Peter & Olson (2010) describe store image as consumers think about a specific store and determine how good or how different important aspects of a store's operation are. So, they can be said that store image is what consumer sees and perceives towards how good the attributes that a certain store has are. Creating an image is, therefore, very critical because the image can influence consumer and public perception. Store image describes people's opinions of the store's names or products or can be interpreted as effective determining the store's position, either in terms of value, quality, and price (Purwati, 2019).

The image of a store describes what a consumer sees and feels about certain store. Creating a good image for consumers means satisfying consumers, as satisfied consumers are expected to make purchases, buy back and even notify other consumers, which will make it possible for the company to rank low competitors or vice versa (Purwati, 2019). When consumers have good store experience, they will have a positive image of the company or store. It will ultimately be easier to implement the expansion of the company to introduce new product lines and the consumers will purchase at the store (Rahmah, 2018). Previous studies on store image have indicated that it has positive and moreover, significant influence on purchase decision (Purwati et al., 2019; Maretha & Kuncoro, 2011; Triwahyudi & Yanto, 2013). But, according to Bulele, 2016, store image does not have positive influence on purchase decision

Based on theory and empirical studies, the hypotheses of this research are as follows:
Instagram Marketing has significantly effect on Purchase Decision;
Store Image has significantly effect on Purchase Decision;
Gender has significantly moderated the relationship between Instagram Marketing and Purchase Decision; and
Gender has significantly moderated the relationship between Store Image and Purchase Decision.

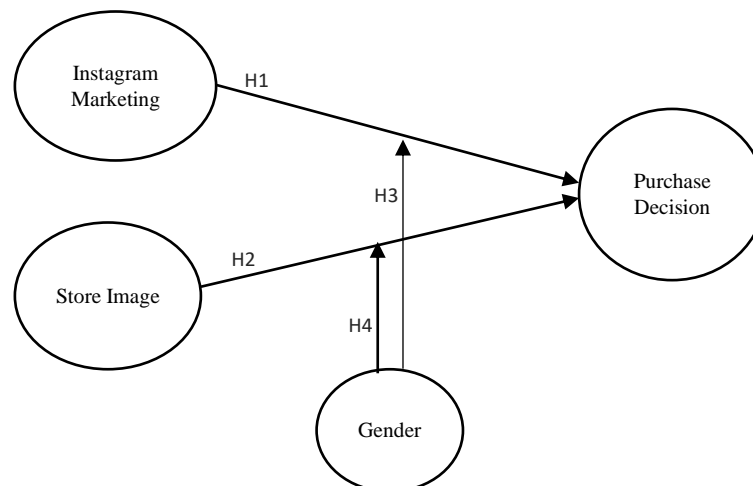


Figure 1.
Research Model and Hypotheses

METHOD

Survey questionnaire was used for this study for data collection. The questionnaire was developed after widely assessing the literatures to get appropriate scales that been utilized in previous studies with high validity and reliability. A total of 17 observed variables constitute the independent variable measurements of instagram marketing 5 items (Facilitating information exchange, Facilitating interaction, Facilitating product judgment, Facilitating review) store image 7 items (Atmosphere, Quality, Personnel, Pricing, Opening hour, Product Assortment, General Service), Allowing for product recommendation), and dependent variable of purchase decision 5 items (Compensatory rule,

Conjunctive rule, Disjunctive rule, Lexicographic rule, Affect referral rule). Five point Likert scale was employed from strongly disagree to strongly agree.

The customers of smart phone were the main respondents for this study with a total of respondents was 85 customers. The questionnaire were distributed and completed and ready for analysis. SmartPLS was employed in this study for multivariate data analysis in order to assess the model and test the hypotheses proposed. According to Hair et al. (2010), PLS-SEM technique has the capability to estimate the whole model measurement and relationship among latent variables and their measurements. PLS-SEM approach first used to evaluate the measurement through PLS-SEM algorithm, then assess the structural model by running the bootstrapping procedure before reporting the results. For the mediating relationship significance test, this study followed bootstrapping procedure as proposed by Preacher & Hayes (2004) by lower level of confidence interval and upper level confidence interval evaluation.

RESULTS AND DISCUSSION

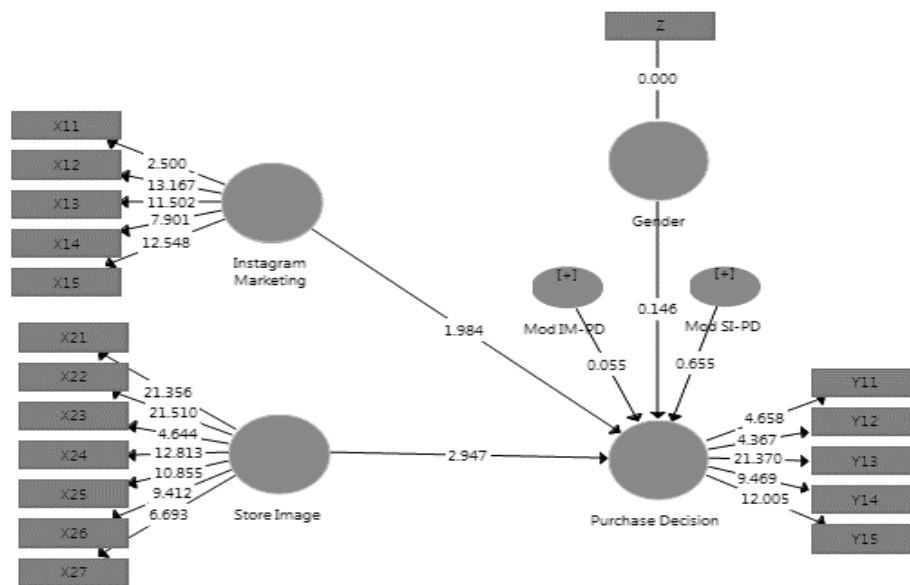


Figure 2.
 Analysis Results

Constructs Validity and Reliability

Table 1.
 Constructs Validity & Reliability

Variable	Cronbach's Alpha	Rho_A	Composite Reliability	AVE
Instagram Marketing	0.753	0.802	0.836	0.516
Store Image	0.857	0.882	0.890	0.539
Purchase Decision	0.766	0.804	0.838	0.514

Table 1 shows the construct validity and reliability with the Average Variance Extracted (AVE) ranged from 0.514 to 0.539 and composite reliability ranged from 0.836 to 0.890

Path Analysis

Table 2.
 Path coefficients and hypotheses testing results

Hypothesis	Path	T Statistics	P-Value	Decision
H1	Instagram Marketing – Purchase Decision	1.984	0.048	Accepted
H2	Store Image – Purchase Decision	2.947	0.003	Accepted
H3	Gender Moderated IM – PD	0.055	0.956	Rejected
H4	Gender Moderated SI – PD	0.655	0.512	Rejected

The results of hypothesis testing using SEM-PLS software version 3 show that instagram marketing has a significant effect on purchase decision because it has T Statistic greater than 1.96 which is 1.984 and p value is smaller than 0.05, this means that hypothesis 1 is accepted. The relationship between storage image and purchase decision is also significant because it has T Statistic greater than

1.96 which is 2.947 and p value is smaller than 0.05, this means that hypothesis 2 is also accepted. However, the results of the analysis show that gender does not significantly moderate the influence of Instagram marketing and store image on purchase decisions because the T statistic is less than 1.96 and the p value is more than 0.05, so hypotheses 3 and 4 are rejected.

Discussion

The Influence of Instagram marketing on purchase decision was explained with several factors, namely Facilitating information exchange, facilitating interaction, facilitating product judgment, facilitating review, and allowing for product recommendation. Based on the results of statistical calculation, it can be concluded that Instagram marketing has a significantly positive relationship to purchase decision. This shows that the first hypothesis is accepted. This describes store image of store gives high purchase decision. The results of this study are in line with research conducted by Pradeep & Nair (2018), Prasath & Yoganathen (2018), and Alfian & Nilowardono(2019). Every detail information posted on their feed is able to influence to the consumer's decision-making. The good Instagram marketing can be seen from what seller have done. They have employees that specialize in the social media area so that any questions given by consumers are responded quickly and specialize in updating the information such as the price, and there is a 70-80% possibility of consumers returning back. Moreover, now consumers can easily know if there are cashback, discounts, gifts etc. via social media, especially Instagram.

The Influence of store image on purchase decision was explained with several factors, namely quality, merchandise, pricing, product assortment, general service, personnel, atmosphere and convenience. Based on the results of statistical calculation, it can be concluded that store image has a significantly positive relationship to purchase decision. This shows that the second hypothesis is accepted. This describes store image gives high purchase decision to the consumers. The results of this study are in line with research conducted by Purwati et al. (2019) Triwahyudi & Yanto(2013). The image of a store describes what a consumer sees and feels about certain store. Creating great image for consumers has been done by seller. Therefore, seller satisfy the consumers, as satisfied consumers are expected to make purchases, buy back and even notify other consumers, which will make it possible for the company to rank low competitors or vice versa (Purwati, 2019).

Gender is not able to moderate the relationship between internet marketing and purchase decision because the research respondents are dominated by the millennial generation (Y and Z) who spend a lot of time accessing social media including Instagram regardless of gender. The marketing strategy through the Instagram platform turned out to be directly able to influence smart phone purchasing decisions, however, this applies to all genders so that in this study the results found that gender differences had no significant effect on the relationship between Instagram marketing and product purchasing decisions. Gender is also not able to moderate the relationship between store image and purchase decisions. This is because when the company have a good image in the minds of consumers, both in terms of service and store atmosphere regardless of the gender owned by consumers, because all consumers, both male and female. women consider a good store image before they decide to buy a smart phone product.

CONCLUSIONS

The conclusions of the research that hypotheses 1 and 2 were accepted, internet marketing and store image have positive significant effect on purchase decision of smart phone product. It also showed that gender is not significantly moderated the effect of internet marketing and store image on purchase decision of smart phone product, so, hypotheses 3 and 4 were rejected.

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