

## Digital Marketing and Product Variation on Purchase Decisions Moderating by Packaging

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### Abstract

Consumer lifestyle in choosing products is more a simple and practical. The practicality of what consumers do is seen in consuming drinks for accompany many activities, coffee as a sample. Coffee is loved by many people. This research tested about 164 respondents, who had bought and consumed Good Day in Bekasi Regency and data collection was carried out through a questionnaire using the google form. This research aims to examine digital marketing and product variations on purchasing decisions moderated by packaging on Good Day products in Bekasi Regency. Primary and secondary data sources are used to support this research and used quantitative research. The results of this research show that: 1. Digital marketing of Good Day coffee products in Bekasi Regency is stated to have a relatively small influence (30%) so that it can encourage consumer purchasing decisions, 2. The variety of Good Day coffee products in Bekasi Regency is stated to have a relatively small influence (44%) so that it can encourage consumer purchasing decisions. 3. Digital marketing which is moderated by Good Day product packaging in Bekasi Regency has an influence of (-10%) so it does not encourage consumer purchasing decisions, 4. Product variations moderated by Good Day packaging in Bekasi Regency have an influence of (10%)

**Keywords :** Digital Marketing, Product Variation, Packaging, Purchases Decision

### INTRODUCTION

Development of technology is now increasingly advanced, driven by information that is very important for everyday human life. This factor affects the free economic system where the level of business competition is getting tougher, companies are required to find something different, fast, practical and cheap. Consumer lifestyles tend to change and choose practical products. The practicality of consumers is to consume a drink that can accompany all activities (Erlangga et al. 2021). Consumer-oriented business areas must offer goods or in the form of the use of services that can be presented to subscriptions. The goods or services offered are certainly there are drawbacks and advantages. Therefore, finally customers have a variety of alternatives in consuming something offered by manufacturers. But for manufacturers, this kind of situation can be interpreted as a challenge because when the number of goods or the use of services that can be chosen to consumers (Tanjung, A & Hidayat, R. 2021)

Coffee is an option that is enjoyed before doing activities which has become a trend lately. Coffee also has a fragrant aroma and distinctive taste, and can warm and refresh the body. The International Coffee Organization (ICO), an international coffee organization, released that coffee consumption in Indonesia increased from 2017-2021. The amount increased annually by 4.04% compared to the previous year. Coffee consumption in Indonesia in 2020 to 2021 was the highest in the last decade.

Coffee in small packages in Indonesia consists of several brands: Luwak white coffee, nescafe, granita, torabika, kopiko. Good Day Coffee has managed to stay in first place for 5 years as the Top Brand Index for the small packaged coffee category. Good Day coffee in small packages has successfully occupied the first position as a packaged coffee category (Top Brand Index, 2022). The success carried out by Good Day through the superiority of the flavors created, shows that the purchasing decisions made by consumers on Good day. Good Day coffee is available at the nearest supermarket because it is widespread throughout Indonesia and can also be obtained in

e-commerce. This can attract potential customers in determining purchasing decisions for Good Day coffee products.

Purchasing decisions form a series of processes that start from consumers recognizing the product until finally consumers decide to buy it (Kotler and Keller, 2016). Therefore, there are several factors that differentiate in making purchasing decisions between humans, namely price, and brand image. The price of the product is an important consideration for consumers to decide on a purchase. Another factor that becomes a purchasing decision is brand image, well-known brands are the company's responsibility to maintain the company's image (Parella, 2020). Good Day is conducting marketing activities by means of digital marketing, promoting products through the media.

The development of technology, promotional techniques are developing not person to person but more about a promotion of products or services but to utilize technology called digital media which is commonly called electronic marketing (Tanjung A & Bintarti S, 2021)

Digital marketing can convey messages quickly to consumers and know a product without seeing it directly. Through Digital, it can help companies in creating products that have quality and good service and experience for consumers (Chaffey and Chadwick, 2016) in the journal (Erlangga et al. 2021). The form can be content / video about the promotion in it and reviewing a product so that consumers are interested in the products we use (Mewoh, Et. al, 2019). One of Good Day's digital marketing is creating content on social media to attract consumer buying interest. Purchasing decisions have a positive influence on digital marketing, by creating attractive content on social media platforms.

Product variety according to (Tjiptono, 2012) in the article (Satria Wicaksono and Sutanto 2022). (Tjiptono, 2012) in the article (Satria Wicaksono and Sutanto 2022), product variety is a form of product diversity created by companies to take advantage of product flexibility as a strategy to compete with other producers. Impact to competition between small packaged coffee is getting higher. The more varied a product is produced, the more it serves the various needs of consumers. The benefits of product variations so that consumers are not monotonous in consuming a product (Isfiandi and Amin 2019).

Packaging is very important to create personal branding of the product itself. Companies need to improvise to make product packaging more attractive. Packaging provides a sense of comfort to consumers, for example, easy to carry, easy to open, and place (Khan, et al. 2020). Attractive packaging will always be remembered by consumers

## RESEARCH METHOD

This research uses a type of quantitative research, with descriptive and verification approach methods. Data collected with statistical research instruments aims to find answers to the hypotheses that have been formulated. The descriptive approach method aims to determine the nature or deeper relationship between variables through observations on certain aspects, and is more specific in obtaining data on problems in the field, then the data is processed, analysed, and then processed based on the theories that have been studied to draw conclusions. The population taken from this study are consumers who make purchasing decisions on Good Day Coffee. Examining Digital Marketing ( $X_1$ ) and Product Variety ( $X_2$ ) on Purchasing Decisions ( $Y$ ) moderated by Packaging ( $M$ ) on Good Day coffee's product, in Bekasi Regency. Purposive sampling used on consumers who have bought and consumed Good Day Coffee in Bekasi Regency, aged 17-30 years and above, live in Bekasi's area, Data collection by spreading questioner and about 164 respondents are used to figure up the hypothesis. Descriptive statistical analysis and inferential analysis support by SmartPLS software version 3 are used for testing primary and secondary data. Hypothesis as temporary answer in formulating the research problem and shown on figure 1

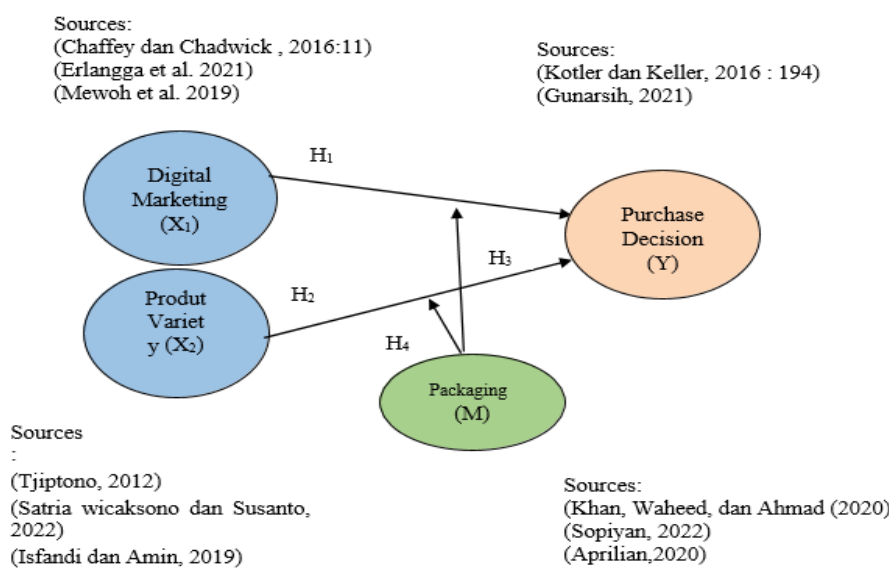


Figure 1. Design Research

**RESULTS AND DISCUSSIONS**

**Data Eligibility Test**

The test the validity value of each statement item of the digital marketing variable (X1), Product Variety (X2), Purchasing Decisions (Y), and Packaging (Z) has a calculated  $r_{value}$  greater than the  $r_{table value}$ , is 1.974 with a significant level of 5%, the digital marketing variable is declared to have an effect on purchasing decisions and are accepted, Product variation has an effect on purchasing decisions are accepted, the digital marketing variable on purchasing decisions moderated by packaging on purchasing decisions was rejected shown  $t_{value}$  is greater than the  $t_{table}$ , and product variation on purchasing decisions moderated by packaging was rejected shown  $t_{value}$  is greater than the  $t_{table}$

**SEM Analysis Results (Regression)**

Used Smart PLS, the data was processed and the results were : Digital marketing carried out by Good Day in marketing products affects 30% on purchasing decisions. The variety of products in the form of packaging offered by Good Day effect 44% on purchasing decisions. Digital marketing (X1 \* Z) and product variations (X2 \* Z) on Good Day moderated by packaging on purchasing decisions result : Digital Marketing (X1 \* Z) moderated by packaging (Z) effect (-10%), and product variation (X2 \* Z) moderated by packaging effect of (10%) on purchasing decisions.

**Inner model evaluation test**

Testing the structural or inner model can be measured by R-square value which is a goodness-fit model test. In PLS-SEM analysis, the direct effect value is also called the path coefficient. Furthermore, the measurement of the path coefficient between constructs aims to determine the level of significance and strength of the relationship and also to test the hypothesis. The path coefficient value is said to be strong if the relationship between the two constructs is close to +1 and is said to be negative if the value is close to -1. The following are the results of the path coefficient analysis which can be seen in table 1.1 below.

**Tabel 1. path coefficient dan P-values**

Path Coefficeint	P-Values	Remark
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(X1) -> (Y)	0.299	0.000	Significant Affected
(X2) -> (Y)	0.441	0.000	Significantly Affected
(X1)*(Z) -> (Y)	-0.098	0,382	No effect and not moderate
(X2)*(Z) -> (Y)	0.109	0,337	Weakly affected and not moderate
(Z) -> (Y)	0.184	0,122	Insignificant effect

The direct influence of Digital Marketing (X1) on the purchase decision variable (Y) is 0.299 which means that if the Digital Marketing variable (X1) increases by one unit, then the purchase decision variable (Y) can increase by 29.9% and this influence is positive. The direct effect of the product variety variable (X2) on the purchase decision variable (Y) is 0.441 which means that if the product variety variable (X2) increases by one unit, then the purchase decision variable (Y) can increase by 44.1% and this influence is positive. The direct influence of digital marketing(X1) on the purchase decision variable (Y) moderated by the packaging variable (Z) produces a value of -0.098, which means that the influence is considered negative, so that if the value is negative, then the value is considered 0, or it can be said that the independent variable is completely unable to explain the variance of the dependent variable. The direct effect of the product variety variable (X2) on the purchase decision variable (Y) moderated by the packaging variable (Z) is 0.109 which means that if the variable X2 increases by one unit, then the packaging variable (Z) can increase by 10.9% and this influence is positive. The direct effect of the packaging variable (Z) on the purchase decision variable is 0.184 which means that if the purchase decision variable (Y) increases by one unit, then the packaging variable (Z) can increase by 18.94% and this influence is positive

### Goodness Of Fit (GoF) Test

The GoF test results can be obtained from the results of multiplying the average root value of communalities (convergent validity / AVE) by the average root value of r-square, this can be seen in tables 1.1 and 1.2. R-square (R2) is a measure of the proportion of variation in the value of a variable that is influenced and can also be explained by the variables that influence it. If in a study using more than two variables, the adjusted r-square (adjusted-r) is used. the following R-square results can be seen in table 1.2 below.

**Tabel 2. Tabel R-Square**

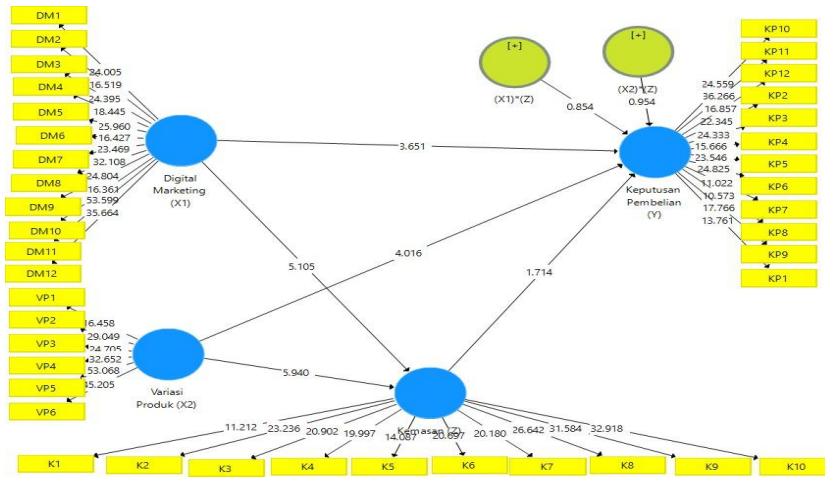
	R Square	Adjusted RSquare
<b>Purchases Decision (Y)</b>	<b>0,765</b>	<b>0,757</b>
<b>Packaging (Z)</b>	<b>0,829</b>	<b>0,827</b>
<b>Total</b>	<b>1,594</b>	<b>1,584</b>

The R-Square (R2) value of the digital marketing (X1) and product variety (X2) variables against the purchase decision (Y) variable is 0.765 or 76.5% this value is categorized into substance (strong), so it can be concluded that the two variables " digital marketing (X1) and product variety (X2)" have a strong influence on the purchase decision variable (Y). The R-Square (R2) value of the digital marketing (X1) and product variety (X2) variables against the packaging (Z) variable is 0.829 or 82.9% this value is categorized into substance (strong), so it can be concluded that the two variables " digital marketing (X1) and product variety (X2)" have a strong influence on the purchase decision variable (Y).

### Hypothesis Testing

Hypothesis continued based on the results of Partial Least Square (PLS) analysis. To answer one hypothesis can be accepted or rejected, the significance value between constructs,  $t_{statistics}$ , and  $p$  values. This test can be seen from bootstrapping. The rules of thumb used in this study are  $t_{statistics} > 1.974$  with a significance level of  $p$ -values of 0.05 (5%). The hypothesis in the study is

described if the  $t_{\text{statistic}} > t_{\text{table}}$  then the hypothesis is accepted. If  $t_{\text{statistic}} < t_{\text{table}}$  then the hypothesis is rejected. The following model after extensive testing using the bootstrapping method is shown in Figure 1.2 as follows:



**Figure 2.** Bootstrapping Test Result

Based on the findings of the data processing above, the data feasibility test can be translated as follows:

The first hypothesis states that the digital marketing variable (X1) on purchasing decisions (Y) t-statistic is 3.566 while the t-table is 1.974 ( $3.566 > 1.974$ ) (5% significance table = 1.974), and the P-value is  $0.000 > 0.05$ . This shows that the hypothesis said digital marketing has a big effect on consumer purchasing decisions, so the first hypothesis is accepted.

The second hypothesis states that the variable Product Variety (X2) on purchasing decisions (Y) t-statistic is 3.698 while the t-table is 1.974 ( $3.698 > 1.974$ ), (5% significance table = 1.974), and a P-Value of  $0.000 > 0.05$ . This shows that the hypothesis that product variation has a big effect on purchasing decisions, so the second hypothesis is accepted.

The third hypothesis states that the digital marketing variable (X1) which is moderated by packaging (Z) t-statistic on purchasing decisions (Y) is 0.875 while the t-table is 1.974 ( $0.875 < 1.974$ ), (5% significance table = 1.974), and a P-Value of  $0.382 > 0.05$ . This shows that the hypothesis which says that digital marketing moderated by packaging has an insignificant effect on consumer purchasing decisions, so the third hypothesis is rejected.

The fourth hypothesis states that the product variety variable (X2) which is moderated by packaging has an insignificant effect on consumer purchasing decisions, so the third hypothesis is rejected

**Discussion**

The object of this study is to find answers to the initial formulation of hypotheses on digital marketing, product variations on purchasing decisions moderated by packaging in Good Day coffee consumers. The results of several feasibility tests, the data analysis can be translated, and the results of this test on the feasibility test data can be translated as follows:

**The role of digital marketing (X<sub>1</sub>) good day on consumer purchasing decisions (Y)**

Digital marketing (X1) has a significant effect on purchasing decisions, with a coefficient value of 0.299 and a p-value of 0.000. The most dominant instrument in the digital marketing variable (X1) with the statement Digital marketing makes it easy for customers to get information about a product at 0.897. The findings are supported by the theory of (Chaffey and Chadwick, 2016) saying that digital marketing is a digital technology which relates to communication to achieve a marketing goal. The results of the study are in line with research submitted by (Erlangga, et al, 2021). The conclusion says that digital marketing has a significant influence on consumer purchasing decisions.

#### **The role of product variations (X<sub>2</sub>) good day on consumer purchasing decisions (Y)**

Product variation (X2) has a significant effect on purchasing decisions (Y), with a coefficient value of 0.441 and a P-value of 0.000. The most dominant instrument in the product variation variable (X2) with the statement Good day product packaging display is attractive at 0.789. The results of these findings are supported by the theory from (Tjiptono, 2012) saying that product variations are products that have differences produced by the company. The results of this study are in line with research submitted by (Satria wicaksono and Sutanto, 2022). The conclusion results say that product variation has a significant influence on consumer purchasing decisions.

#### **Digital marketing moderated by packaging on consumer purchasing decisions**

The digital marketing variable (X1 \* Z) moderated by the packaging variable produces a negative value of -0.098 (-0.98%) on purchasing decisions (Y) has a partial effect of (18.4%) which can be categorised as a moderate influence. This is due to the large enough purchase decision for Good day coffee, where the quality of the good day coffee flavour has been trusted by consumers. The most dominant instrument in the packaging variable (Z) is in the Good day statement which has an attractiveness to be enjoyed which results in 0.871. The results of this study are not in line with the theory according to (Khan waheed and ahmad, 2020) which states that packaging colour has a positive and statistically significant effect on purchasing decisions, while maintaining other factors constant. The results of this study are not in line with the research submitted (Ginting and affandi, 2021). These results indicate that packaging has an influence on purchasing decisions.

#### **Product variations moderated by packaging on consumer purchasing decisions**

Product variations (X2 \* Z) moderated by packaging the result is 0.109 (10.9%) on purchasing decisions (Y), partially affecting the purchasing decision variable (Y) by (18.4%). The most dominant instrument in the packaging variable (Z) is in the Good day statement which has an attraction to be enjoyed which results in 0.871. The results of this study are not in line with the theory according to (Khan waheed and ahmad, 2020) which states that packaging colour has a positive and statistically significant effect on purchasing decisions, while maintaining other factors constant. The results of this study are not in line with the research submitted (Ginting and affandi, 2021). These results indicate that packaging has an influence on purchasing decisions.

#### **Conclusion**

This research was conducted to determine the influence of digital marketing, product variations on purchasing decisions which are moderated by packaging. The results of this research are based on distributing questionnaires and processing data using smartpls software which was explained in the previous chapter, so that researchers can conclude that digital marketing carried out by good day products in bekasi regency can encourage consumer purchasing decisions, even though it is relatively weak. Product variations carried out by good day products in bekasi regency can encourage consumer purchasing decisions, although relatively weak. Digital marketing moderated by good day product packaging in bekasi regency



cannot encourage consumer purchasing decisions. Product variations moderated by good day product packaging in bekasi regency cannot encourage consumer purchasing decisions.

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