
THE EFFECT OF SOCIAL MEDIA MARKETING ON PURCHASE DECISIONS MODERATED BY PRODUCT QUALITY



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Abstract

The study aims to determine the effect of social media marketing on purchase decisions moderated by product quality at McDonald's/ McD. This research is considered as causal effect research. The respondents are 100 consumers of McD obtained by incidental sampling technique. The results of the data analysis of this research are (1) there is a significant positive effect between social media marketing variables and purchasing decisions, (2) there is a significant positive effect between McD's product quality variables and consumer purchasing decisions, and (3) there is also a significant positive effect between the purchasing decision variables and social media strengthened by the quality of McD's products which are able to moderate the two variables.

Keywords: Marketing, Social Media Marketing, Purchase Decisions, Product Quality

INTRODUCTION

The food service industry is considered to be the fastest growing industry in the global market and is influenced by rapid changes in customer preferences. The food and beverage industry are one of the fast-growing industries in the world. In the European Union (EU), agriculture and the industrial sectors responsible for the production of food, beverages, and tobacco deliver 75% of the bio-economy turnover, and they account for 80% of the employment in the overall EU bio-economy (Klitkou & Bolwig, 2019). Foodservice involves making, serving, and selling of ready-to-consumer foods and drinks or providing catering services to public or private end consumers either by in-house or external operators. As such, food service accounts for about 45%-50% of total spending on food in the US, while the percentage in lesser-developed markets can be in the range of 10%-15% or less of total spending on food.

A decision involves a choice between two or more alternatives. The choice is based on observations, actions of marketers, and knowledge of the product. According to Kotler, et al. (2020), the consumer buying decision is in great detail to answer questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy. The result of this integration process is a choice presented cognitively as a desire to behave. Selection criteria in deciding to buy food products are usually based on price, product class, convenience, speed of service, and taste considerations.

In an all-easy era, owners of food and beverage industry are required to be able to compete with their competitors, including McDonald's (McD). One strategy that has gone viral is collaboration between McDonald's with the world's biggest Korean boyband, BTS, as their menu. The collaboration menu is called "BTS Meal". In its development, McD has also actively participated in creating social media content by adopting K-pop culture to attract public interest. It was reported from the official McD website that as of May 26th, 2021, McD officially released the "BTS Meal" product, and began launching in Indonesia as of June 25th, 2021. BTS meal was launched in 49 countries.

One of McD's successes in attracting potential buyers and retaining old buyers is the thousands of McDonald's restaurant branches spreading all over the world. In retaining its buyers, the McD annual shareholders' meeting and proxy statement paper (2018), McD provides value (retain, regain, and convert) in customer experience value thus culminating

in the largest refranchising transaction in 2017 with the sale of our business in China and Hong Kong. We reached our franchise target of 4,000 restaurants more than a year ahead of schedule. Guest numbers grew by 1.9%, with all business segments reporting positive results, marking the first full year of comparable positive guest number growth since 2012, and comparable sales increasing by 5.3%, McDonald's best comparable sales performance in six years. The pleasure of serving McDonald's makes people like to buy McD's menu. Other than that, the variety of food and beverage choices are the main attraction of this restaurant with maintaining the freshness and quality of food is one of the principles that is firmly held by McDonald's. Each food has a set time for immediate consumption by customers before ending up in landfills. The consistency of food quality that is always maintained by McD makes this product one of the people's favorites. Previous research found that food quality is often the most important factor that strengthens purchasing decisions. Standards or key recipes are things that are always considered so that the quality of the taste of food products at McD is maintained. The taste of consumers, through the taste given to consumers, is hoped that consumers will be loyal to the products or services offered by the company providing the goods or services.

In this study, researcher tries to raise variables regarding marketing through social media, social media being one of the means of connecting. Information on social media is real time and has quite a big impact on society. Through social media available to millions of people around the world, companies can interact with customers from different countries. In addition to marketing through social media, McD also guarantees product quality by maintaining the quality of the chicken sold. This is indicated to be one of the factors that makes McD one of the largest Franchise companies. Research related to purchasing decisions and food quality has been carried out by Erinda, A., (in Anggraeni, et al. 2016) who found that variant menu factor, parking availability factor, food quality factor, price factors, and service quality factor have a significant effect on purchasing decisions. Similar results are also presented by Su, et al. (2013) that Taiwanese students perceive familiarity and promotion as two important things that influence their purchasing decisions. The difference between this study and previous research is the placement of food quality as a moderating variable in the relationship of social media marketing to food quality. In this study, researcher tries to include social media marketing variables because

they are considered relevant to current conditions where TV and pamphlets on the streets had begun to erode with advertisements on social media.

REVIEW OF LITERATURE

Social Media Marketing

Social media marketing is practiced to engage customers in online social locations where customers naturally spend time. According to Santoso (2017), social media marketing is a form of marketing used to create awareness, recognition, memory, and even action for a brand, product, business, individual, or group either directly or indirectly by using tools from the social web such as blogging, microblogging, and social networking. By the existence of social media marketing, it is easier for business actors to interact with their customers online. The costs incurred are not high and no time limit exists as long as users are connected to the internet. Social media plays a role when a company's marketing activities shape individual relationships with customers and provide companies with opportunities to access customers (Dwivedi, et al., 2018). Furthermore, Kim & Kim (2004) define the four dimensions of digital marketing. The four dimensions of digital marketing are independent variables that help business success as the dependent variable. The four dimensions are known as follows.

Table 1
Dimension and Indicator of Social Media Marketing

Dimension	Indicators
Interactive	1. Social media marketing eases employees to communicate with consumers 2. Social media marketing helps employees respond to complaints
Incentive Program	3. Social media marketing provides clear information 4. Social media marketing can help employees explain products and services
Site Design	5. Social media marketing has an attractive design 6. Social media marketing is neatly arranged
Cost	7. Digital Marketing reduces conventional promotion costs 8. Social media marketing shortens transaction time

Source: (Kim & Kim, 2004)

Purchase Decision

Purchase decision is individual activities that are directly involved in making decisions to make purchases of products offered by sellers. A buyer's decision is also influenced by their personality traits including age, occupation, and economic circumstances (Dewobroto, 2022). Consumer behavior will determine the decision-making process in making a purchase. According to Kotler et al. (2020), purchase decisions is the stage in buyers' decision-making process at which the consumer actually buys. The dimensions and indicators utilized to measure purchase decision is in the following.

Table 2
Dimensions and Indicators of Purchase Decision

Dimension	Indicators
Product Options	1. Product Quality 2. Product Requirements 3. Product Variance
Choice of Brands	4. Trust 5. Brand Popularity
Reseller Choice	6. Close Location 7. Cheap Price 8. Complete Inventory
Purchase Time	9. Shopping once a month 10. Shopping twice a month
Purchase Amount	11. Buyer's wish 12. The need for a product
Payment Method	13. Funding Application 14. Transfer

Source: (Oentoeng & Muslih, 2018).

Food Quality

Quality does not only talk about quality in manufacturing industry, but also applying the food industry. Food quality according to Knight & Kotschhevar (in Suhartanto, 2018) is the level of consistency of menu quality is achieved by setting standards for products then checking the points that must be controlled to see the quality to be achieved. These points include the correct recipe measurement, preparation, temperature, equipment, and condition of the product during preparation, cleanliness, portion, and other factors. Food products will have their own standards, thus, standards in every food menu are needed. According to the explanation above, it can be seen that food quality is the ability of a food product to meet or

exceed expectations or what customers want. Other than that, to measure food quality, the dimensions and indicators are mentioned in the following table.

Table 3
Dimensions and Indicators of Food Quality

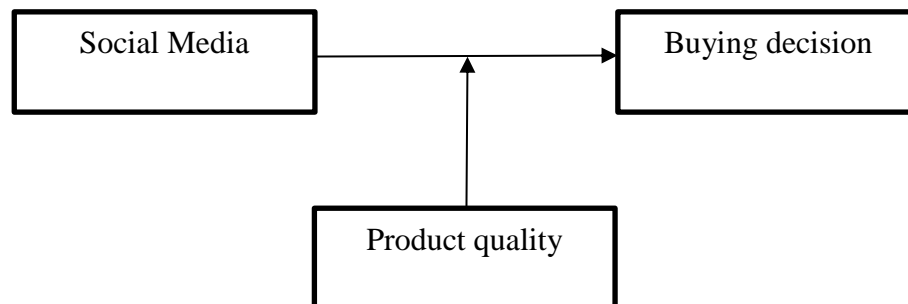
Dimension	Indicators
Freshness	1. Aroma 2. Texture 3. Flavor 4. Color
Presebtation	5. Portion 6. Form
Well Cooked	7. Hygienic 8. Maturity level 9. Serving Temperature 10. Cooking time
Variety of Food	11. Appetite 12. Price 13. Innovation 14. Menu

Source: West, Wood, & Harger (1966)

RESEARCH METHOD

The research approach used in this research is a quantitative approach. Quantitative research methods aim to test the established hypotheses. The framework of the hypothesis in this study is as follows.

Figure 1
Framework



Source: Research framework by researcher

The hypotheses developed in this study are:

H1 : Social media marketing affects purchasing decisions

H2 : Product Quality moderates the social media marketing relationship on purchasing decisions.

This research is considered as causal effect research. Causal effect research is research that aims to determine the relationship or influence between two or more variables. The quantitative method is in the form of numbers derived from measurements using a scale on the variables in this study. The scale in this study used a Likert scale (5-4-3-2-1). The number of population in this study is not known with certainty. Respondents in this study are 100 consumers of McD obtained by incidental sampling technique. The stages of data analysis in this study are explained in the following.

Outer Model Analysis

Validity and Reliability Test

Validity and reliability tests are carried out to ensure that the measurement used is feasible to be used as a measurement (valid and reliable). Testing the validity and reliability can be seen in the following aspects:

Convergent Validity is an indicator assessed based on the correlation between the item score/component score with the construct score, which can be seen from the standardized loading factor which describes the magnitude of the correlation between each measurement item (indicator) and its construct. Individual reflexive measures are said to be high if the correlation is > 0.6 .

Discriminant Validity is a measurement model with reflexive indicators assessed based on the crossloading of measurements with constructs. discriminant validity, namely comparing the value of the squareroot of average variance extracted (AVE), the instrument is declared valid if it has an AVE score of > 0.5

Composite reliability is an indicator to measure a construct that can be seen in the view of latent variable coefficients. In this measurement, if the value achieved is > 0.70 , it can be said that the construct has high reliability.

Cronbach's Alpha is a reliability test conducted to strengthen the results of composite reliability. A variable can be declared reliable if it has Cronbach's alpha value of > 0.7 .

Table 4
Instrument Testing

Instrument Test	Test used
1. Validity test	1. Convergent Validity 2. AVE
2. Reliability Test	3. Cronbach Alpha 4. Composite Reliability

Source: Ghozali & Latan (2015)

R Square Test

R-square for the dependent construct is used to assess the effect of certain independent latent variables on the dependent latent variable which shows the presentation of the magnitude of the effect.

Inner Model Analysis

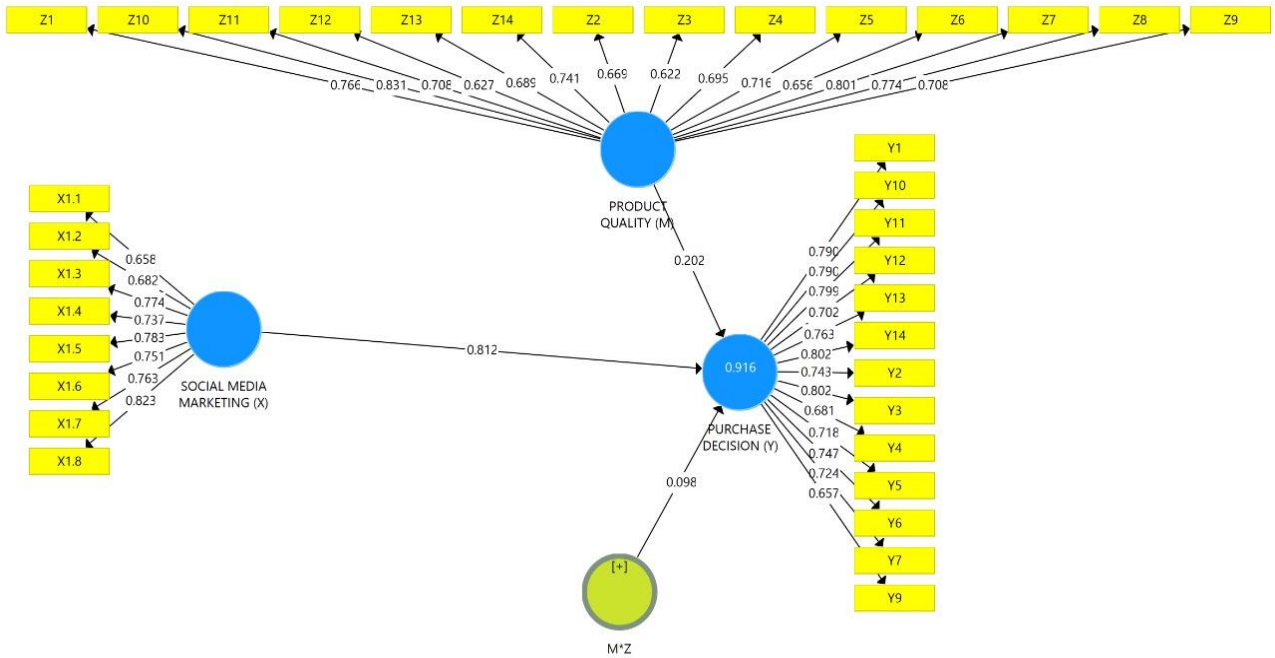
Inner model analysis or commonly called the structural model is used to predict the causal relationship between the variables tested in the model. The analysis of the inner model in testing using Smart PLS is done by testing the hypothesis. In testing the hypothesis, it can be seen from the t-statistical value and probability value. To test the hypothesis by using statistical values, for alpha 5% the t-statistic value used is 1.96, while the beta score is used to determine the direction of the influence of the relationship between variables. The criteria for acceptance/rejection of the hypothesis are:

$H_a = t\text{-statistic} > 1.98$ with a score of p-values of < 0.05 .

$H_0 = t\text{-statistic} < 1.98$ with p-values of > 0.05 .

RESULTS AND DISCUSSION

Figure 2
Model Analysis Test Result



Source: SmartPLS

Validity test

Validity test is used to measure the validity of a questionnaire. In this research, validity testing is carried out using convergent validity and AVE. The instrument is declared valid if the AVE value is > 0.05 and the outer loading value is > 0.6 (Sholiha & Salamah, 2015).

Table 5
Validity Test Result

Variable	Indicators	AVE	Outer Loading	Valid
Social Media Marketing (X)	X1.1	0.560	0.658	Valid
	X1.2		0.682	Valid
	X1.3		0.774	Valid
	X1.4		0.737	Valid
	X1.5		0.783	Valid
	X1.6		0.751	Valid
	X1.7		0.763	Valid
	X1.8		0.823	Valid
Purchase Decision (Y)	Y1	0.561	0.790	Valid
	Y2		0.743	Valid
	Y3		0.802	Valid
	Y4		0.681	Valid
	Y5		0.718	Valid
	Y6		0.747	Valid
	Y7		0.724	Valid
	Y9		0.657	Valid
	Y10		0.790	Valid
	Y11		0.799	Valid
	Y12		0.702	Valid
	Y13		0.763	Valid
	Y14		0.802	Valid
	Product Quality (M)		M1	0.514
M2		0.669	Valid	
M3		0.622	Valid	
M4		0.695	Valid	
M5		0.716	Valid	
M6		0.656	Valid	
M7		0.801	Valid	
M8		0.774	Valid	
M9		0.708	Valid	
M10		0.831	Valid	
M11		0.708	Valid	
M12		0.627	Valid	
M13		0.689	Valid	
M14		0.741	Valid	
Social Media Marketing (X) * Product Quality (M)	M*X	1,000	1.051	Valid

Reliability Test

Researchers utilize two types of reliability tests, which are Cronbach's Alpha and Composite Reliability test. Cronbach Alpha measures the lowest value (lowerbound) reliability. The data is declared good if the data has a Cronbach alpha value > 0.7.

Meanwhile, composite reliability measures the actual reliability value of a variable. The data is declared to have high reliability if it has a composite reliability score >0.7.

Table 6
Reliability Test Result

	Cronbach's Alpha	Composite Reliability
M*X	1,000	1,000
Product Quality (M)	0.927	0.936
Purchase Decision (Y)	0.934	0.943
Social Media Marketing (X)	0.887	0.910

Source: Data processed by researchers

R-Square Test

Coefficient determination test (R-Square) is used in the measurement to measure how much the endogenous variables are influenced by other variables. Based on the data analysis carried out through the use of the smartPLS program, the R-Square value is obtained as shown in the following table.

Table 7
R-Square Result

	R Square	R Square Adjusted
Purchase Decision (Y)	0.916	0.913

Based on the test results, the r-square score for the purchase decision is 0.916, which means that the purchase decision is influenced by product quality and social media marketing by 91.6% and the other 8.4% is influenced by variables that have not been explained in this study.

Hypothesis Test

Table 8
Hypothesis Test Result

Hypothesis	Original Sample (O)	T Statistics ((O/STDEV))	P Values
M*X -> Purchase Decision (Y)	0.098	3,199	0.001
Product Quality (M) -> Purchase Decision (Y)	0.202	4020	0.000

Social Media Marketing (X) -> Purchase Decision (Y)	0.812	19,227	0.000
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Social Media Marketing (X) Affects Purchase Decisions (Y)

The results of testing the social media marketing on purchasing decisions get a score of $p = 0.812$ with p-values of 0.000 ($p < 0.05$) and t-statistics of 19.227 ($p > 1.96$) indicating that there is a significant positive relationship between social media marketing variables and purchasing decisions. McD is one of the biggest franchises, The better social media marketing, the higher the purchase decision. It can be concluded that the better the marketing done by McDonald's through social media, the higher the consumer will be to make a decision to buy McDonald's products. Currently, McD Indonesia's Instagram has reached 1.6 billion with an average number of likes for each post of 5000-10,000 likes. This makes it easier for McD to market their products. It is in line with research conducted by Mileva, (2018) who states that social media marketing needs to be maintained and continued because it can strengthen consumer purchasing decisions. Angelyn and Kodrat (2021) also explained that social media marketing has an important effect on consumer purchasing decisions, but apart from that, brand awareness is also needed to increase consumer interest in the products offered.

Product Quality (M) Affects Purchase Decisions (Y)

The results of testing the product quality on purchase decisions get a score of $p = 0.202$ with p-values of 0.000 ($p < 0.05$) and t-statistics of 4.020 ($p > 1.96$) indicating that there is a significant positive relationship between product quality variables and purchasing decisions. The better the quality of McDonald's products, the higher the consumer's purchasing decisions. Chicken at McD is stored in a special place with a specified temperature. The storage period is limited to only about 80 minutes. If during that period there are no customers who order fried chicken menus, it will be put in a landfill. One system used is production according to customer traffic. If the customer is still quiet, such as at breakfast time, then the amount of stock available is small. On the other hand, if the customer is busy, usually at lunch time, the number of stocks visited is also large. In his research, Pharisees (2018) explains that product brand image has a positive but not significant effect on purchasing decisions. A good brand image will occur when there is good quality in the product. Susanto & Andronicus (2021) also explained that service

quality, product quality, and promotion have a positive effect on purchasing decisions; thus, there needs to be an increase in the quality of the variables involved.

Product Quality (M) is Able to Moderate Social Media Marketing Relationships (X) on Purchase Decisions (Y)

The results of hypothesis testing of financial literacy variables that moderate the relationship between business agility and MSME performance get a value of $p=0.098$ with p -values of 0.001 ($p<0.05$) with a t -statistic of 3.199 ($p>1.96$) indicating that there is a significant positive relationship between social media marketing variables on purchasing decisions moderated by product quality. It means that the better McD's social media marketing, the higher the purchase decision. It is reinforced by the quality of McD's which is able to moderate the relationship between the two variables. Marketing through social media will help improve consumer purchasing decisions for McD's fast food restaurants. From research of Lyna & Ditiolebiet (2021) social media, especially Instagram, has a significant effect on purchasing decisions and product quality has a significant effect on purchasing decisions. In addition, there are several aspects that influence purchasing decisions, one of which is the price of the product.

CONCLUSION

According to the results of research conducted on Mcdonald's, it can be concluded that square score for purchasing decisions is 0.916 , which means this variable influenced by product quality and social media marketing by 91.6% and 8.4% others influenced by variables that have not been explained in this study. Furthermore, there is a significant positive effect between social media marketing variables and purchasing decisions. In addition, there is a significant positive effect between McD's product quality variables and consumer purchasing decisions. Other than that, there is also a significant positive effect between the purchasing decision variables and social media strengthened by the quality of McD's products which are able to moderate the two variables.

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