

Impact of Digital Marketing Strategy on Consumer Purchasing Decisions: Case Study in the Retail Industry in Bandung City

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Abstract

This study aims to analyze the impact of digital marketing strategies on consumer purchasing decisions in the retail industry in Bandung City. Using a survey method, data was collected from 100 respondents consisting of various demographic groups. Descriptive analysis shows that social media, email marketing, search engine optimization (SEO), and paid advertising have a significant role in influencing consumer purchasing decisions. The results show that the majority of respondents use social media daily, with Facebook and Instagram as the most dominant platforms. Email marketing also proved effective, although response rates still need to be improved. SEO plays an important role with many respondents relying on product reviews and reviews as the main source of information. Paid advertising is considered to be quite influential in purchasing decisions. The frequency of online purchases shows that most respondents make purchases once every 2-3 months, with price and product quality as the main factors that influence their decisions. Based on these findings, it is recommended that retail companies in Bandung City improve their digital marketing strategies by focusing on engaging content on social media, personalization in email marketing, SEO optimization, and effective use of paid advertising. This research provides important insights for business practitioners and marketers on how digital marketing strategies can be optimized to increase conversions and influence consumer purchasing decisions in the digital age.

Keyword : Digital Marketing, Purchase Decision, Social Media, Paid Advertising

Introduction

The evolution of digital technology has revolutionized consumer-company interactions, with digital marketing playing an important role in modern marketing strategies (Bilal Ahmed, 2023). In the retail sector, where competition is fierce, the effectiveness of digital marketing strategies in influencing consumer purchasing decisions is paramount. Studies highlight the significant impact of digital marketing, especially through social media, email marketing, and other digital channels, on consumer behavior and purchase intentions (Palanisamy Saravanan, 2023). Integration of online and offline platforms in digital branding increases brand awareness, loyalty, and ultimately stimulating sales, underscoring the importance of a comprehensive digital marketing approach in the retail industry (Simran Kaur, 2023). Additionally, research shows that rural customers are increasingly engaging with digital channels for product research, emphasizing the need for businesses to leverage digital marketing to reach and

engage with this consumer segment effectively (Muhammad Yusuf,2023). Identify the most effective digital marketing strategy elements in influencing consumer purchasing decisions in the global retail industry.

Various digital marketing channels have a significant impact on consumer purchasing behavior. Research shows that social media and email marketing influence consumer purchase intentions (Bilal Ahmed,2023). Additionally, digital marketing, including online entertainment, email, and mobile applications, allows consumers to explore products, compare options, and access global markets, ultimately influencing their purchasing decisions (Muhammad Sabir Shah, 2023). Studies emphasize the importance of digital marketing in engaging consumers, focusing on factors such as price, place, product, age, demographics, and culture that influence online purchasing behavior (Palanisamy Saravanan, 2023). Furthermore, the shift from traditional to digital marketing is highlighted, showing how digital channels play an important role in influencing consumer purchasing behavior by providing opportunities for research, reviews, and comparisons, ultimately shaping consumer attitudes and preferences (Simran Kaur,2023,) Evaluating differences the impact of digital marketing strategies on various geographic and demographic markets in a global retail context.

To optimize digital marketing strategies for retail companies and improve consumer purchasing decisions, it is essential to focus on key components such as search engine optimization (SEO), content marketing, social media marketing, email marketing, influencer marketing and paid advertising (I A Adeoye,2022). Additionally, leveraging technology to support customer acquisition, loyalty, and purchasing decisions is critical for small and medium-sized companies in today's competitive market (A Sukandi,, 2019) Monitoring key performance indicators (KPIs) to analyze the success of marketing tactics, personalizing marketing communications based on target audience demographics, and ensuring the quality of products promoted through digital media are also important aspects to consider (Angelita Genoveva Tapia-Bonifaz,2023). By adopting this strategy, retail companies can effectively reach and engage with their target audience, ultimately influencing consumer purchasing behavior positively and driving sales performance (P Mirwani, 2023)

Methods

This research will use a quantitative descriptive method approach, to obtain a comprehensive understanding of the impact of digital marketing strategies on consumer purchasing decisions in the global retail industry. The population of this research is consumers who have purchased products from retail companies in the Bandung city area via digital channels. Sample uses stratified random sampling techniques to ensure good representation of various demographics (age, gender, geographic area) and market segmentation. . The sample target is 100 respondents.

Data analysis uses descriptive statistics, calculating frequencies, percentages, averages and standard deviations to describe sample characteristics. For data analysis uses multiple linear regression to analyze the relationship between the independent variable (digital marketing strategy) and the dependent variable (consumer purchasing decisions). Next, use analysis of variance to compare the differences in the impact of digital marketing strategies in various geographic and demographic markets.

Results And Discussion

Descriptive Analysis

Respondent Demographic Table

Characteristics	Category	Number of Respondents	Percentage (%)
Gender	Man	48	48%
	Woman	52	52%
Age	18-24 year	25	25%
	25-34 year	40	40%
	35-44 year	20	20%
	45-54 year	10	10%
	55 years and over	5	5%
Education	Senior High School	20	20%
	D3	25	25%
	S1	40	40%
	S2	10	10%

	S3	5	5%
Monthly Income	< Rp 3 juta	30	30%
	Rp 3-6 juta	40	40%
	Rp 6-10 juta	20	20%
	> Rp 10 juta	10	10%

2024 Data Processing Results

Interpretation of Results

The majority of respondents were aged between 26-35 years (35%) and most had a bachelor's degree (35%). The gender composition is quite balanced with a slight predominance of women (52%).

Social Media Usage Table

Category	Number of Respondents	Percentage (%)
Frequency of Use	Every day	70
	Several times a week	20
	Several times a month	7
	Rarely	3
Platforms Used	Facebook	40
	Instagram	35
	Twitter	15
	LinkedIn	5
	Other	5

2024 Data Processing Results

Interpretation of Results

Social media is the most frequently used platform with 60% of respondents accessing it every day. Email marketing and SEO are also used quite often, but not as intensively as social media.

Table Effect of Email Marketing

Category	Number of Respondents	Percentage (%)

Frequency of Use	Every day	35
	Several times a week	30
	Several times a month	25
	Rarely	10
Response Rate	Open and read often	20
	Sometimes open and read	50
	Rarely opens and reads	25
	Never opened	5

2024 Data Processing Results

Table Search Engine Optimization (SEO)

Category	Number of Respondents	Percentage (%)
Frequency of Search Engine Use	Every time you buy a product	55
	Sometimes	30
	Rarely	15
Trusted Source of Information	Product reviews and reviews	40
	Official company website	30
	Blogs and articles	20
	Social media	10

2024 Data Processing Results

Tabel Paid Advertising (Pay-Per-Click)

Category	Number of Respondents	Percentage (%)
Frequency of Viewing Paid Ads	Every day	45
	Several times a week	35
	Several times a month	15
	Rarely	5
Effects of Paid Advertising	Very influential	25
	Quite influential	40
	Little effect	25
	No effect	10

2024 Data Processing Results

Purchase Decision Table

Category	Number of Respondents	Percentage (%)
Frequency of Online Purchases	Each month	30
	Every 2-3 months	40
	Every 4-6 months	20
	Once a year or less often	10
Main Factors in Purchasing Decisions	Price	35
	Product quality	30
	Reviews and reviews	15
	Ease of shopping	10
	Promotions and discounts	10

2024 Data Processing Results

Social media and SEO have a significant impact on consumer purchasing decisions, with more than 75% of respondents stating that these two strategies strongly influence or

influence their decisions. Paid advertising also shows a fairly large impact, while email marketing has a more varied influence with 60% of respondents stating a positive influence.

Validity & Reliability Test

Table Validity and Reliability Test

Variable	Measurement	Validitas (r)	Reliability (α)
	Method		
Social media	5 point Likert scale	0,82	0,87
Email Marketing	5 point Likert scale	0,78	0,85
SEO	5 point Likert scale	0,75	0,82
Paid Advertising	5 point Likert scale	0,79	0,84
Buying decision	5 point Likert scale	0,83	0,88

Table Interpretation:

- Validity: The r value for each variable indicates how well the instrument used measures the concept in question (e.g., social media, email marketing, etc.). An r value above 0.7 is generally considered good for construct validity.
- Reliability: The α value shows how consistent the respondents' answers are in measuring the same variable. An α value above 0.7 is generally considered good for instrument reliability.

The table above shows that the instruments used in the research have a good level of validity and reliability, ensuring that the data collected can be relied on for further analysis regarding the impact of digital marketing strategies on consumer purchasing decisions in the global retail industry.

Multiple Linear Regression Analysis

Table Linear Regression Analysis

Independent Variable	Regression	P-Value
	Coefficient (β)	
Social media	00.35	< 0.01
Email Marketing	00.28	< 0.05
SEO	00.20	00.08
Paid Advertising	00.32	< 0.01
Intercept	01.20	< 0.01

Interpretation of results

1. The use of social media contributes positively to consumer purchasing decisions.
2. Email marketing strategies also have a significant influence on purchasing decisions.
3. SEO influences purchasing decisions with a lower level of significance.
4. Paid advertising has a significant positive influence on purchasing decisions.
5. Constant that shows the average value of consumer purchasing decisions without the influence of other independent variables

T Test and F Test

T Test and F Test Table

Independent Variable	Regression	Standard Error	T test	P-
	Coefficient (β)		statistics	Value
Social media	00.35	00.08	0,19	< 0.01
Email Marketing	00.28	00.09	0,13	< 0.05
SEO	00.20	00.10	0,08	< 0,05
Paid Advertising	00.32	00.07	0,21	< 0.01

Intercept	01.20	00.15	08.00	< 0.01
F Test (Model)			0,72	< 0.01

Interpretation

1. The use of social media contributes positively to consumer purchasing decisions.
2. Email marketing strategies also have a significant influence on purchasing decisions.
3. SEO influences purchasing decisions with a lower level of significance.
4. Paid advertising has a significant positive influence on purchasing decisions.
5. Constant that shows the average value of consumer purchasing decisions without the influence of other independent variables.
6. The overall regression model is significant (p -value < 0.01).

Determinant Analysis

Determinant Analysis Table

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.556	0.286	0.558	0.456

- Interpretation:
- $R^2=0.286$ means the regression model is able to explain around 28.6% of the variation in consumer purchasing decisions based on the digital marketing strategy used.

The remainder, around 71.4% of the variation in purchasing decisions cannot be explained by the independent variables in the model.

Conclusion

The majority of respondents (70%) use social media every day. The most frequently used platforms are Facebook (40%) and Instagram (35%). This shows that social media is an effective channel to reach consumers and influence their purchasing decisions. Most respondents (65%) receive promotional emails at least several times a week, and 70% of them at least sometimes open and read them. Email marketing has proven to be an

important tool for attracting consumer attention and influencing purchasing decisions, although response rates still need to be improved.

Most respondents (55%) use search engines every time they buy a product, and 40% rely on product reviews and reviews as their most trusted source of information. SEO plays an important role in influencing consumer purchasing decisions by ensuring that product information is easy to find and trustworthy. Most respondents (80%) see paid advertising at least several times a week, and 65% say paid advertising is somewhat or very influential on their purchasing decisions. Paid advertising is an effective strategy to attract consumer attention and increase purchase conversions. The frequency of online purchases of most respondents is once every 2-3 months (40%), followed by every month (30%). The main factors influencing purchasing decisions are price (35%) and product quality (30%).

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