

THE INFLUENCE OF DIGITAL MARKETING AND PRODUCT QUALITY ON PT TELKOMSEL CUSTOMER'S PURCHASING DECISIONS OF STUDENTS UNIVERSITAS MUHAMMADIYAH SUMATERA UTARA

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Abstract: This research analyzes the influence of Digital Marketing and Product Quality on Telkomsel Customer Purchasing Decisions among Muhammadiyah University of North Sumatra Students. This research uses quantitative methods, namely the Statistical Program for Social Science (SPSS) with a research sample involving 242 students representing Muhammadiyah University of North Sumatra students from the Faculty of Economics and Business, Management Study Program. The results of data analysis show that Digital Marketing has a positive and significant influence on Purchasing Decisions with a value of $t_{count} > t_{table}$, namely $5,929 > 1,651$. Product quality is also proven to have a positive and significant influence on purchasing decisions with a value of $t_{count} > t_{table}$, namely $4,130 > 1,651$. Simultaneously, Digital Marketing and Quality are proven to have a positive and significant influence with a value of $F_{count} > F_{table}$, namely $34,307 > 2,324$.

Keywords: Digital marketing, product quality and purchasing decisions.

Introduction

Competition between companies is getting stronger, which brings many consequences in business competition. Companies must use their resources effectively and efficiently so that they can gain a competitive advantage. Business must be able to scale in a short time and meet market needs. This also requires that every entrepreneur knows how to take advantage of all the opportunities and chances that business offers, and every entrepreneur must work harder to survive and thrive in the business world.

In the Era of Industrial Revolution 4.0 which is marked by the development of internet technology that can be used by everyone in the world. With the help of the Internet, people can communicate and transfer information without limitations of space and time, combined with its very user-friendly features. In Indonesia, The growth of the internet and its users continues to increase from year to year. Since the beginning of 2023 until now there have been 212,9 million internet users in Indonesia. Where with the number of internet users, it can be a great opportunity for companies to market their products more widely with digital marketing methods.

Digital marketing according to (Coviello et al., 2001) is the use of the Internet and other interactive technologies to create and connect dialogues between companies and identified consumers. This digital marketing method can be an opportunity for companies to introduce their products so that they can be known to potential consumers more widely and more

effectively..At present, social media can be used as a medium for digital marketing..As reported by datareportal.com that in 2023 there will be 167,0 million active social media users.



Figure1 Internet and Social Media User Data 2023

Source :<https://datareportal.com/reports/digital-2023-indonesia>

After potential customers get to know the product through digital marketing carried out by the company, product quality also becomes one aspect that must be considered by the company as a factor that influences purchasing decisions. Products that have good quality will provide satisfaction to consumers who use the product, making the consumer loyal to the product. Product quality is one of the elements that consumers consider when deciding to make a purchase. The challenges in the marketing world in an effort to maintain the existence and sustainability of the company are the most important to discuss. Therefore, Marketers see opportunities through digital marketing as a tool that can be used to reach consumers.

PT Telkomsel is one of the largest providers in Indonesia. Telkomsel provides GSM type cellular telecommunications services, which is a type of global cellular operator throughout the world. Telkomsel stated that there was a decrease in the number of customers. In 2022, the number of Telkomsel customers was recorded at 156,8 million or down 10,9% compared to 2021 which was at 175,9 million users. Of the total 156 million Telkomsel customers in 2022, around 149 million of them are Telkomsel Prepaid customers. While the rest, that is around 7 million customers, is a Telkomsel Halo customer.

A survey by the Indonesian Internet Service Providers Association revealed that Telkomsel is one of the operators most frequently chosen by Indonesians. Meanwhile, the complaint most frequently expressed by respondents was signal problems. A total of 41,94% of respondents admitted to using Telkomsel; 20,44% chose XL Axiata; 17,78 percent of Indosat Ooredoo; 14,08% use 3 Three and 5,76% use Smartfren. The same survey also stated that people choose cellular operators based on the strongest signal at their location.

Based on the results of initial observations conducted by researchers, Telkomsel as one of the largest communication service providers in Indonesia already has many customers throughout Indonesia. The widespread distribution of internet networks throughout Indonesia has resulted in many Telkomsel customers complaining about frequent internet network disruptions in their areas. This phenomenon reflects the poor performance of a product that is still not working properly and gives the impression of poor quality for the product itself, which has an impact on purchasing decisions made by consumers.

Based on the author's initial observations, there are still customers who are not aware of the various products offered by Telkomsel, such as various internet quota offers..This shows that Telkomsel's marketing strategy is not yet optimal..With the increase in technology and social media users, this can be an opportunity for Telkomsel to market its products efficiently and effectively..Telkomsel can also carry out audience targeting so that information about the products offered is conveyed and can provide new innovations for advertising content that is marketed following existing trends..The challenges in the world of marketing in efforts to maintain the existence and sustainability of a company are the most important to discuss..Therefore,Marketers see opportunities through digital marketing as a tool that can be used to reach consumers.

Businesses that understand their customers will maximize the value of each product.,because product quality is a requirement of the manufacturer.Manufacturers who simply launch their products onto the market without prioritizing quality will not last long.,because customers will feel disappointed and this will cause them to switch to other manufacturers..The quality of each product is the same,durability varies depending on how customers use the product,However, ensuring customer confidence in product quality is something that needs to be pursued.,for example, there is a service center whose function is responsive.customer complaint stating that the product purchased is damaged.Businesses need to understand that losing a customer means losing more than just a sale. This means that losing customers does not only come from losing the customers themselves.,but potential purchasing opportunities will also be lost.Based on these, It is important for companies or SMEs to pay attention to the quality of the products they have, so that consumers will like the product.Products with quality that does not match consumer needs and desires can cause problems where consumers will not use or consume the product again. Good product quality will be liked and desired by consumers or the public for consumption.

Literature Review

Buying decision

Purchasing decision is a person's attitude to buy or use a product, either goods or services, that is believed to satisfy him/her and the willingness to bear the risks that may arise. Purchasing decision is a process in which a customer chooses or determines a product/service option and then makes a purchase.(Pharisee, 2018).

Purchase decisions are part of the consumer decision-making process, which consists of five stages: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. In the purchase decision stage, consumers select a specific product or brand after considering various alternatives based on personal preferences, needs, and perceived benefits. (Kotler and Keller, 2016)

Solomon explains that purchase decisions are consumer behaviors based on their needs, desires, and reactions to a product. This process involves several stages, including information search, evaluation of alternatives, and decision-making, all influenced by personal experiences and social factors. (Solomon, 2013)

According to Abdullah and Tantri (2012, p. 112) there are 4 factors that influence consumers in making purchasing decisions, namely:

- 1) Cultural factors
- 2) Social factors

- 3) Personal factors
- 4) Psychological factors

According to Kotler (2005, page 203), the purchasing decision indicators are as follows:

- 1) Product selection
- 2) Brand selection
- 3) Purchase channel selection
- 4) Determining the time of purchase
- 5) Amount

The consumer purchasing decision process proposed by Kotler (2009:204) consists of five stages carried out by a consumer before arriving at a purchasing decision and then after the purchase.



Figure 1. Five Stages of the Purchasing Process

Source: (Indrasari, 2019)

According to Sutisna (2003:2) in the article "Consumer Decision Making Process" the benefits of making a purchasing decision are as follows:

- 1) To design a good marketing strategy, for example determining when is the right time for the company to give discounts to attract buyers.
- 2) Can help decision makers make public decisions. For example, by knowing that consumers will use a lot of transportation during Eid, decision makers can plan transportation ticket prices on the holiday.
- 3) Social marketing, which is the dissemination of ideas among consumers. By understanding consumer attitudes in facing something, one can spread ideas more quickly and effectively.

Digital Marketing

Digital Marketing is the use of technology to assist marketing activities to increase customer knowledge by adjusting their needs (Chaffey, 2013). Digital Marketing is a product marketing through digital media connected by the internet. Currently, the internet can not only connect people with digital media, but can also be used as a liaison between consumers. The role of digital marketing strategy is something important to attract consumers and direct them to communicate electronically and conventionally (Saputra & Ardani, 2020). Heidi Cohen, a digital marketing expert, describes digital marketing as the use of digital media to reach and engage consumers with the ultimate goal of increasing sales, building brand awareness, and creating long-term customer relationships (Heidi Cohen, 2014). In Principles of Marketing, Kotler and Armstrong explain that digital marketing is a marketing approach that enables companies to personalize communication with consumers, utilize data for decision-making, and create interactive experiences (Kotler & Armstrong, 2018).

There are various factors that can influence digital marketing, including the following:

- 1) *Online Advertising*

- 2) *Social Media Marketing*
- 3) *Email Marketing (EMM)*
- 4) *Search Engine Marketing (SEM)*

According to Kim (2004) there are 5 indicators that influence digital marketing, namely:

- a. Coordination
- b. Commerce
- c. Community
- d. Content
- e. Communication

Lazuardy et al. (2022) in(Wujarson, 2022)stated that Digital Marketing has several main objectives, namely:

- 1) Increase market share
- 2) Increase the number of visits to digital media used as marketing media.
- 3) Increase sales and revenue
- 4) Reduce the amount of costs incurred in the marketing process.
- 5) Increase brand awareness.
- 6) Developing overall customer and market database.
- 7) Increase customer satisfaction and increase customer tendency to make repeat purchases.

Product Quality

Quality can be interpreted as the ability of a product to perform its functions including durability, reliability or progress, strength, ease of packaging and product repair and other characteristics (Luthfia, 2012). A product is defined as a consumer perception that will determine that the quality of goods can meet its objectives, namely increasing sales volume. (Iswayanti, 2010). Product quality is one of the elements used as a consideration by consumers in deciding to make a purchase (Jahanshasi et al., 2011). Good product quality is always associated with high prices.

There are several factors that influence product quality, such as:(Baum, 2012)There are 9 fields or 9M, namely:

1. *Market* (Market)
2. *Money* (Money)
3. *Management* (Management)
4. *Men* (Man)
5. *Motivation* (Motivation)
6. *Material* (Material)
7. *Machine and Mechanization* (Machines and Mechanics)
8. *Modern Information Method* (Modern Information Methods)
9. *Mounting Product Requirement s*(Production Process Requirements)

The better the quality of the product produced, the more consumers will trust it, which will influence consumers in purchasing decisions. Product quality indicators according to Kotler (2013:149) are:

- 1) *Performance* (Performance)
- 2) *Durability* (Durability)
- 3) *Conformance to specifications* (Conformity to specifications)
- 4) *Features* (Feature)
- 5) *Reliability* (Reliability)
- 6) *Aesthetics* (Aesthetics)
- 7) *Perceived Quality* (Impression of Quality)
- 8) *Serviceability*

According to Kotler (2012), the objectives of product quality are as follows:

- a. Strive to ensure that the goods produced can reach the established standards
- b. Try to keep inspection costs as low as possible
- c. Trying to keep the design costs of a particular production as small as possible
- d. Trying to keep production costs as low as possible.

Hypothesis

The influence of Digital Marketing on purchasing decisions

According to Urban (2004) it is the use of the internet and information technology to expand and improve traditional marketing functions. We can also say that the definition states "interactive marketing".

Previous research by (Mewoh, Tampi, & Mukuan, 2019) Researching the Influence of Digital Marketing on Purchasing Decisions at Matahari Department Store Manado Town Square shows that Digital Marketing has a positive influence on purchasing decisions. In addition (Saputra & Ardani, 2020) also conducted a study entitled The Influence of Digital Marketing, Word of Mouth and Service Quality on Purchasing Decisions. The results of the study stated that digital marketing has a positive effect on purchasing decisions, where if digital marketing increases, purchasing decisions will increase.

H1: It is suspected that Digital Marketing has an influence on Purchasing Decisions.

The influence of product quality on purchasing decisions

Good product quality is a consumer expectation that must be met by the company, because good product quality is the key to the development of a company's productivity. Ferrel and Hartline (2011, page 12) stated that a product is something that can be obtained through exchange to satisfy needs or desires.

Previous research results by (Pharisee, 2018) on the Influence of Brand Image and Product Quality on Adidas Shoe Purchasing Decisions among Students of the Muhammadiyah University of North Sumatra stated that product quality has a positive effect on purchasing decisions. In the study (Astuti et al., 2021) regarding the Influence of Promotion and Product Quality on the Purchase Decision for Converse Brand Shoes, the research results show that the Product Quality variable influences the Purchase Decision variable.

Table 1. Respondent Identity

No.	Gender	Frequency	Percentage
1.	Man	113	46.7%
2.	Woman	129	53.3%
Amount		242	100%
No.	Concentration	Frequency	Percentage
1.	Marketing	116	47.9%
2.	HR	70	28.9%
3.	Finance	56	23.1%
Amount		242	100%
No.	Usage	Frequency	Percentage
1.	< 1 year	53	21.9%
2.	1-2 years	52	21.5%
3.	3-5 years	93	38.4%
4.	> 5 years	44	18.2%
Amount		100	100%

Source: Results of Research Questionnaire Processing

Based on the data in table 4.1, the results of the percentage calculation of respondent data, it can be concluded that the identity of respondents based on gender, the largest percentage is female (46.7%) and the smallest percentage is male (53.3%). Viewed based on the concentration of management study programs, the largest percentage is marketing management (47.9%) and the smallest percentage is financial management (23.1%). At the level of usage period, the largest percentage of respondents is 3-5 years of (38.4%) and the smallest percentage of respondents is > 5 years of (18.2%).

Multiple Linear Regression Test Results

Regression analysis is used to determine the effect of independent variables on dependent variables.

Table 2. Multiple Linear Regression Test Results Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	6,717	4.003	

Digital Marketing (X1)	.508	.086	.349
Product Quality (X2)	.218	.053	.243

a. Dependent Variable: Purchase Decision (Y)

Based on the multiple linear regression test table data above, it can be understood that the regression equation model is:

$$Y = 6.717 + 0.508X_1 + 0.218X_2$$

Information.

Y = Purchase Decision

X1 = *Digital Marketing*

X2 = *Product Quality*

Model interpretation:

- Constant (a) = 6.717, shows that if Digital Marketing and Product Quality are constant, if the value of the independent variable = 0, then the Purchase Decision (Y) will be 6.717.
- Variable X1 of 0.508 indicates that the Digital Marketing variable has a positive effect on Purchasing Decisions (Y). In other words, if the Digital Marketing variable is increased by one unit, the Purchasing Decision will increase by 0.508.
- Variable X2 of 0.218 indicates that the Product Quality variable has a positive effect on the Purchase Decision (Y). In other words, if the Product Quality variable is increased by one unit, the Purchase Decision will increase by 0.218.

Discussion

The Influence of Discounts on Telkomsel Customer Purchasing Decisions

The direct effect hypothesis concludes that digital marketing has a significant effect on purchasing decisions. This can be seen in the results of the partial independent variable (X) test (t-test) obtained a t-value of $5.929 > t\text{-table } 1.651$ and a significance value of $0.000 < \alpha \text{ value} = 0.05$. This shows that there is a positive and significant influence between digital marketing and Telkomsel customer purchasing decisions.

The results of this study are in line with research conducted by (Elbahar & Syahputra, 2021) (Mewoh et al., 2019) (Putri & Marlien, 2022) and (Sopiyan, 2022) which shows that the digital marketing variable has a positive and significant effect on purchasing decisions. Therefore, the company must carry out digital marketing optimally, both by optimizing through social media and websites in order to increase Telkomsel customers' purchasing decisions.

The Influence of Product Quality on Telkomsel Customer Purchasing Decisions

The direct effect hypothesis concludes that product quality has a significant effect on purchasing decisions. This can be seen in the results of the partial independent variable (X) test (t-test) obtained a t-count value of $4.130 > t\text{-table } 1.651$ and a significance value of 0.000

$\alpha = 0.05$. This shows that there is a positive and significant influence between product quality and Telkomsel customer purchasing decisions.

The results of this study are in line with research conducted by (Anwar, 2015) (Arif, 2022) (Astuti et al., 2021) (Baihaky et al., 2022) (Supriyadi et al., 2017) which shows that the product quality variable has a positive and significant effect on purchasing decisions. Therefore, to increase the purchasing decisions of Telkomsel users, the company must further improve product quality so that customers do not turn away and continue to choose Telkomsel as the provider used.

The Influence of Digital Marketing and Product Quality on Telkomsel Customer Purchasing Decisions

The direct influence hypothesis concludes that digital marketing and product quality have a positive and significant effect on purchasing decisions. This can be seen from the results of the simultaneous independent variable (X) test (F Test) which obtained a value of $F_{count} 34.307 > F_{table} 2.324$ and significance value of $0.000 > 0.05$. This shows that there is a positive and significant influence between digital marketing and product quality on Telkomsel customer purchasing decisions. The results of this study are in line with research conducted by (Ekasari & Mandasari, 2021) which shows that digital marketing variables and product quality have a positive and significant influence on purchasing decisions.

Conclusion

Based on the data obtained in the study on the Influence of Digital Marketing and Product Quality on Telkomsel Customer Purchasing Decisions (Case Study of Telkomsel Customers on Students of the University of Muhammadiyah North Sumatra) with respondents in this study totaling 242 students of the management study program. After analyzing the data, it can be concluded as follows:

1. *Digital Marketing* partially has a positive and significant influence on Telkomsel Customer Purchasing Decisions among Students of the Muhammadiyah University of North Sumatra.
2. Product quality partially has a positive and significant influence on Telkomsel Customer Purchasing Decisions among Students at the Muhammadiyah University of North Sumatra
3. Digital marketing and product quality simultaneously have a significant influence on Telkomsel customer purchasing decisions among students at the University of Muhammadiyah North Sumatra.

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