

**PRICES, PROMOTION STRATEGIES, AND VIRAL MARKETING  
AS A DETERMINATION OF ONLINE PURCHASE DECISIONS  
THROUGH INSTAGRAM SOCIAL MEDIA IN  
THE CITY OF YOGYAKARTA**

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**Abstract**

This study aims to determine the effect of price, promotional strategies and viral marketing on purchasing decisions online through social media Instagram. This research is a survey research using a questionnaire as a research instrument. To test the instrument, used the validity test and reliability test. As for the data analysis technique using multiple linear regression method, because the variables used are more than two variables, with the results of the t-test and the F test. The results of this study indicate that the price variable (X1) has a significant effect on online purchasing decisions through social media Instagram, this indicates by the significance value  $< \alpha$  ( $0.002 < 0.05$ ). Promotion strategy (X2) does not have a significant effect on online purchasing decisions via Instagram social media; this indicates by the significance value  $> \alpha$  ( $0.164 > 0.05$ ). Viral marketing (X3) has a significant effect on purchasing decisions online through social media Instagram; this indicates by the significance value  $< \alpha$  ( $0.00 < 0.05$ ). Meanwhile, simultaneously the effect of price, promotional strategies, and viral marketing on online purchasing decisions through social media Instagram has a significant effect on consumer purchase interest (Y), this evidence by a significance of 0.000.

**Keywords:** *Price, Promotion Strategy, Viral Marketing, Purchase Decision.*

## **BACKGROUND**

Fastest development of internet had a significant impact on all aspects, including the development of the business world. The development of the internet produces an idea that encourages the development of the business world, one of which is marketing. Marketing is one of the leading forces in the business world; this has become one of the main focuses in the development of technology used in the business world. A business that is marketing products or services using the internet media or what is often called e-marketing. E-marketing is the marketing side of e-commerce, which consists of company activities to communicate, promote, and sell goods and services via the internet.

According to Kotler and Keller (2012), e-commerce is the use of websites to transact or facilitate the sale of products and services online. It can also be done 24 hours without stopping. By only using a computer unit or smartphones connected to the internet, companies can market their products. Such a marketing or sales system can reach the entire world without having to set up branch offices in all countries. The internet opens unlimited horizons for the development of human civilization, because through the internet, all forms of geographical barriers are eliminated, even national borders are eliminated.

According to Hasan (2010), viral marketing is a form of internet-based word of mouth marketing whose promotional function is networking and is designed like a virus that spreads from one person to another quickly and widely by giving special rewards to consumers. Word of mouth marketing on the internet is so closely related to marketing that customers want to pass it on to their friends, or it is called viral marketing. In the world of the internet, this can be spread through social media, for example, Facebook, Twitter, Instagram, Line, Whatsapp, and others.

Promotion strategies through social media can increase sales widely and do not require expensive marketing costs. Also, consumers find it easier to find information about the products they want to buy because they do not need to be face to face directly. One of the efforts that companies can make to increase product sales is to use social media-based marketing promotions by introducing their products to the public by placing advertisements through the internet using social networks that are very popular with the community, accompanied by merchandise to provide accurate and precise information, as well as optimal service to consumers.

In making purchasing decisions, usually, the first thing that consumers consider in choosing a product is to look at the price of the product. Price is significant for consumers in purchasing decisions, and consumers expect the price of online stores to be lower than offline stores, the high and low price of a product is always the primary concern of consumers when looking for the product they need. In some cases, online store product prices tend to be cheaper than offline stores. The number of online shops that have sprung up has an impact on the intense competition between e-commerce. It causes companies that apply the concept of online marketing to pay attention to consumer behaviour and the factors that influence their purchasing decisions in the marketing efforts of a product.

Based on the above background, the researcher is interested in conducting a study entitled "Prices, Promotion Strategies, and Viral Marketing as Determinants of Purchasing Decisions Through Instagram Social Media in Yogyakarta City".

## **METHOD**

The type of data used in this research is quantitative data. Quantitative data is data in the form of numbers or numbers. Quantitative data can be processed or analyzed using mathematical or statistical calculation techniques. The data source used in this research is primary data. The population of this study is all consumers who have purchased at the Instagram online store. The sample in this study were 100 consumers who had bought at the Instagram online store. The sampling technique to determine the sample that will be used in this study uses non-probability sampling techniques, namely accidental sampling and purposive sampling. The methodology of collecting data in this research uses a survey method through an online questionnaire (Google Form). To test the instrument, used the validity test and reliability test using the SPSS Version 24 program. Meanwhile, the data analysis technique uses multiple linear regression method, because the variables used are more than two variables, with the results of the t-test and the F test.

## **RESULT**

Price variable has a significant effect on purchasing decisions with a significance value of 0.002. It shows that prices affect purchase decisions through Instagram social media. Promotion strategy variable has no significant effect on purchasing decisions with a significance value of 0.164. It shows that the promotional strategy does not affect purchasing decisions through Instagram social media. The viral marketing variable has a significant effect on purchasing decisions with a significance value of 0.000. It shows that viral marketing affects purchase decisions through Instagram social media. Furthermore, from the results of the F test data processing, the three independent variables have a significant effect on the dependent variable. So it can be concluded that the variable price, promotion strategy,

## **DISCUSSION**

Based on the results of using SPSS 24, the results showed that the variable price obtained t value of 3.159 with a significance value of 0.002 less than 0.05 ( $0.002 < 0.05$ ) and the regression coefficient has a positive value of 0.387. So this research succeeded in proving the first hypothesis. So that "price has a positive influence on purchasing decisions online through social media Instagram". According to Kotler and Armstong (2013), the amount of money that is charged for a good or service or the amount of money that is exchanged by consumers for the benefits of owning or using the product or service. The results of this study reinforce the results of previous studies conducted by Ristania, et al (2013), Refika and Febryandhie (2018), and Lenggang Kurnia (2019) stated that price affects purchasing decisions. The results showed that the price had a significant positive effect on purchasing decisions.

Based on the results using SPSS 24, the results showed that the promotional strategy variable obtained a t-value of 1.402 with a significance value of 0.164 greater than 0.05 ( $0.164 > 0.05$ ) and the regression coefficient had a positive value of 0.185. Kotler and Armstong (2014) define promotion refers to the activity of communicating the two benefits of a product and persuading customers to buy the product. So this research failed to prove the second hypothesis. So that in this study "promotional strategies do not have a positive influence on purchasing decisions online through social media Instagram".

Based on the results of using SPSS 24, the results showed that the promotional strategy variable obtained a t-count value of 3,699 with a significance value of 0.000 less than 0.05 ( $0.000 < 0.05$ ) and the regression coefficient had a positive value of 0.485. So this study succeeded in proving the third hypothesis. Thus, "viral marketing has a positive influence on purchasing decisions online through Instagram social media". According to Hasan (2010), viral marketing is a form of internet-based word of mouth marketing whose promotional function is networking and is designed like a virus that spreads from one person to another quickly and widely by giving special rewards to consumers. The results of this study reinforce the results of previous research conducted by Made et al (2019), Hendrik Saputro (2017), and Drajat Wahyu (2019) suggesting that viral marketing has a significant effect on purchasing decisions. The results showed that viral marketing had a positive and significant effect on purchasing decisions.

Based on the results using SPSS 24, the results show that the three independent variables have a significant effect on the dependent variable. It is because the significance value of 0.000 is smaller than 0.05 ( $0.000 < 0.05$ ), the purchase decision is a series of processes that start with the consumer recognizing the problem, seeking information about a particular product or brand and evaluating how well each of these alternatives can be. Solving the problem, which then leads to a purchase decision (Tjiptono, 2014), then this study succeeds in proving the fourth hypothesis which states that "there is a significant effect of price, promotional strategies and viral marketing on purchasing decisions online via Instagram social media".

## **CONCLUSION**

1. The price variable has a positive influence on online purchasing decisions via Instagram social media.
2. Promotion strategy variables do not have a positive influence on online purchasing decisions through Instagram social media.
3. The viral marketing variable has a positive influence on online purchasing decisions via Instagram social media.
4. There is a significant influence on price variables, promotional strategy variables and viral marketing variables on online purchasing decisions via Instagram social media.

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