The Influence of Digital Marketing and Brand Image on Purchasing Decisions at The Indomobil Plaza Dealer in Indramayu

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Abstract

This research aims to determine the extent to which digital marketing and brand image influence purchasing decisions. Employing a quantitative research method, data was gathered using research instruments and analyzed quantitatively and descriptively. A sample of 48 respondents was selected using the Slovin formula. Data analysis was conducted using the SPSS 25 software, which included validity tests, reliability tests, linearity tests, multicollinearity tests, and multiple linear regression analysis (including t-tests and f-tests). The findings indicate that both Digital Marketing (X1) and Brand Image (X2) have a positive and significant impact on Purchasing Decisions (Y) at the Nissan Indramayu car dealership. The hypothesis testing results for the two independent variables on the dependent variable reveal that digital marketing and brand image collectively influence purchasing decisions by 49.4%. The remaining 50.6% is affected by other factors not included in this regression model or by random variables.

Keywords: Brand Image, Digital Marketing, Purchase Decisions

INTRODUCTION

Digital marketing is becoming an essential part of marketing strategies for many different businesses, including the automobile industry, given the quickly evolving digital world we live in (Romdonny & Maulany, 2020). Innovations in technology and the pervasiveness of the internet have profoundly changed how consumers seek information, engage with companies, and make decisions about what to buy. Concurrently, consumer views of particular items or services are greatly influenced by brand image. Digital marketing originated from direct marketing, in which companies used traditional mail to communicate directly with consumers. This technique, known as Internet marketing in the digital sphere, has its roots in Web 1.0 and allows businesses to communicate directly with their clients (Rosmadi & Romdonny, 2019).

It is impossible to overestimate the impact that digital marketing and brand perception have on consumers' purchasing decisions when it comes to the automobile industry. Dealerships must effectively use digital marketing strategies to establish a connection with prospective customers, strengthen brand loyalty, and elevate their reputation. However, there are still a number of obstacles that must be overcome in order to optimize the effectiveness of digital marketing initiatives and enhance brand recognition within this industry.

Indramayu's Indomobil Plaza was established in 2011. It was still a shophouse when it was first situated on Jl Panjaitan Indramayu. Sales keep rising over time, so the central party assigns Indomobil Plaza Indramayu the task of setting up a dealer that offers the three S's: sales, service, and spare parts (Komalasari & Eka Putri Suryantari, 2021). After being given the go-ahead by the Journal of Management, Economic and Financial, Vol. 2, No. 4 July 2024

central government, Indomobil Plaza Indramayu eventually selected a location to open for business in 2013. That location was on Jalan Gatot Subroto, and on this day in 2013, Indomobil Plaza Indramayu was formally formed. One of the major subsidiaries of the Indomobil group, Indomobil Plaza Indaramayu is a national automotive company with its headquarters located in Indonesia. It specializes in sales, repair, and the provision of spare parts for a range of vehicle brands, including Nissa, KIA, Suzuki, Jaguar Land Rover, VW Audi, Maxus, Hino, Citroen, Harley-Davidson, and Yadea Electric Motorcyl.

In this situation, adopting and incorporating digital marketing methods into their marketing plan may provide difficulties for auto dealer businesses. This might be due to a lack of knowledge about efficient digital platforms, a shortage of qualified personnel, or an ignorance of the significance of digital marketing (Tambun et al., 2023). Customers of today often look for integrated brand experiences that connect their online and offline encounters. To provide a consistent and fulfilling customer experience, auto dealers need to make sure that the online and offline customer interactions are properly connected. Customers' trust may be bolstered, and their purchase decisions may be influenced by a great brand image. But in the face of fierce competition and shifting consumer tastes, auto dealers can find it challenging to establish and preserve a favorable brand image.

Car dealers may improve their competitiveness, grow their market share, and win over more loyal customers by realizing how digital marketing and brand image affect purchase decisions at their establishments and solving current issues.

The use of digital marketing in business marketing strategy is growing. The expansion of consumer Internet connectivity has presented the automobile sector, notably at Indomobil Plaza Indramayu, with both new opportunities and problems. To succeed in a competitive market that is getting more and more competitive, it is critical to comprehend in detail how digital marketing affects brand perception and, in turn, influences purchase decisions (Suarantalla, 2023). In step with technology advancements, the automobile industry—particularly the vehicle segment—has seen a dramatic shift in marketing strategies. Dealers at Indomobil Plaza Indramayu are depending more and more on digital marketing to connect and engage with prospective customers.

Using digital platforms to reach a larger audience is increasingly essential to marketing strategies that aim to reach consumers on social media, websites, and online. Still unanswered are the concerns of how much digital marketing enhances Indomobil Plaza Indramayu's brand image and how this brand image affects consumer choices (Suparman et al.., 2023). Taking into account the significance of consumers' choices when it comes to cars, electric motorbikes, and electric bicycles, this study intends to investigate how buyers' decisions at the Indomobil Plaza Indramayu dealer are influenced by digital marketing and brand image. It is envisaged that by thoroughly analyzing how these components interact, this research will offer insightful information that will help the car industry—and specifically the Indomobil Plaza Indramayu dealer—create marketing plans that are more successful. As a result, the goal of this research is to advance the field of marketing literature and assist stakeholders in making wiser choices in the face of dynamically shifting market conditions (Rissa Febrianti & Mochammad Mukti Ali, 2024).

Sales of automobiles with four wheels decreased in the first two months of 2024, according to the CNBC news website. National automobile wholesale sales decreased 22.6% YoY (year over year) from 181,329 units in the same period last year to 140,273 units in January and February, according to statistics from PT Astra International Tbk. From January to February of 2024, monthly sales increased by 1.5% to 70,656 units. At 44,843 vehicles, Toyota + Lexus topped wholesale sales. Daihatsu and Honda were in second and third, respectively, at 29,451 and 17,494 units. Suzuki and

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Mitsubishi Motors recorded 11,130 and 17,240 units, respectively. UD Trucks registered 315 units, Wuling 3,377 units, Nissan 207 units, and Hyundai and Isuzu 5,431 and 4,595 units, respectively. Peugeot had the lowest sales, with only 20 units sold (Nasution et al., 2020).

Given that Nissan ranks second lowest among rival brands according to this data, we are motivated to carry out more study to determine whether brand image-driven digital marketing influences consumer decisions to buy at Indomobil Plaza Indramayu. Numerous scholarly investigations have underscored the impact of digital marketing on consumer conduct and acquisition choices in diverse sectors. Hanafiah (2023) alked about the difficulties auto dealerships have when using digital marketing tactics, including a lack of knowledge about efficient digital platforms and a dearth of personnel with the necessary training. Almansour (2022) highlighted how important digital marketing is to the automobile industry's ability to shape brand perception and influence consumer purchase decisions. Huang (2022) looked particularly at how brand image is affected by digital marketing and how it influences consumer choices in the automobile sector.

By concentrating on the Indomobil Plaza Indramayu dealership and its use of digital marketing to affect brand image and purchase decisions, this research seeks to close a gap in the body of current knowledge. While earlier research has examined the broad effects of digital marketing in the automobile sector, this study focuses on the particular difficulties and advantages that a particular dealership faces in a cutthroat market. In addition, this study addresses the unique setting of Indomobil Plaza Indramayu and its variety of car brands, with the goal of thoroughly analyzing how digital marketing techniques may be adjusted to improve brand reputation and foster client loyalty.

The main objectives of this research are to examine how digital marketing affects the dealership's brand image, investigate how consumers' perceptions of the brand influence their decisions to purchase, identify the obstacles Indomobil Plaza Indramayu faces in implementing digital marketing strategies, and offer practical solutions to these obstacles. Additionally, the study aims to add to the body of knowledge on marketing by providing insights into the efficacy of digital marketing strategies in the automotive sector, particularly in the context of a well-known Indonesian dealership. By fulfilling these objectives, this study hopes to offer insightful information that will help the automobile sector—and specifically the stakeholders at Indomobil Plaza Indramayu—create more successful marketing plans and enhance customer interaction in a market that is becoming more and more digital.

RESEARCH METHOD

In this study, a quantitative research design was adopted. Mangani(2021), quantitative research uses data in the form of numbers in its analysis to produce structured information. claims that quantitative research analyzes data in the form of numbers to provide organized knowledge. Furthermore, Sugiyon argues that positivist research methodology may be used to describe quantitative research methodologies (Yuli & Marpaung, 2021). This field of study highlights the notion that meaningful information can be quantified objectively and that specific groups or samples may be studied using empirical facts. Research tools were used to gather the data, and quantitative or descriptive data analysis was done. Researchers that use statistical analysis tools to handle data are employing quantitative research methodologies. As a result, both the data and the outcomes are represented by numbers. Sales information from 2022–2023 was collected and sent to businesses via surveys and in-person observations.

RESULTS AND DISCUSSION

Results

Validity test

Finding out if a questionnaire correctly assesses what it is supposed to measure is the goal of a validity test. If the answers to its queries provide the desired information, it is deemed legitimate. Comparing the crucial value from the table (r table) with the computed correlation coefficient (r count) is a validity test method. The validity of the questionnaire is determined by whether the r count exceeds the r table or not. The crucial r table value in this test is 0.3008 with a sample size (n) of 43 and a significance level (alpha) of 5% (Nafiudin et al.., 2021). If the computed r of each question item is more than 0.3008, it is regarded as legitimate. The computations' outcomes show that every item has a computed r that is higher than the crucial value and has a significant value of less than 0.005, proving its validity.

It is considered valid if r count > r table.

It is deemed invalid if r count < r table.

With 43 samples (n) and a significance threshold of 5% (alpha), the test yields a crucial r table value of 0.3008. If a question item's computed correlation coefficient (r) is more than 0.3008, it is deemed legitimate. According to the computations, every item has a computed r that is higher than the crucial value and has a significance value of less than 0.005, proving its validity.

Reliability Test

Cronbach's Alpha analysis is used to examine questionnaires for reliability; a questionnaire is considered trustworthy if its Cronbach's Alpha score is greater than 0.60. The results of the computations show that the Cronbach's Alpha values of every item surpass this cutoff, demonstrating the reliability of every question pertaining to every variable in the survey.

Normality test

The Kolmogorov-Smirnov test was used in the normalcy test, and the result was a significant value of 0.231 > 0.05. This finding suggests that the standardized residual variable has a normal distribution because the significance value is higher than the predetermined 0.05 threshold.

Linearity Test

The linearity test, which is usually performed prior to correlation or linear regression analysis, evaluates whether the connection between variables is significantly linear. $R^2 = 0.494$ is the output of the first equation, while $R^2 = 0.788$ is the result of the second. Finding the F value is the next step.

$$F_{hit} = \frac{(R_2^2 - R_1^2)/m}{(1 - R_2^2)/(n - k)} = \frac{(0.788 - 0.494)/1}{(1 - 0.788)/(43 - 3)} = \frac{0.294}{0.0053} = 55.47$$

According to the F table, $F_{(m,n-k)} = [F] _{(1,4)} = 7.71$

Given that the computed F value (55.47) is more than the F table (7.71), a linear regression model is the appropriate one to utilize.

Multicollinearity Test

The Multicollinearity Test is used to determine if the independent variables in a regression model have a perfect or high correlation with one another. This test is important because in a multiple linear regression model, excessive correlations between independent variables might cause the link between the independent and dependent variables to break (Lestari & Saifuddin, 2020). The connection between the independent and dependent variables will be thrown off if there is a significant correlation between the independent variables. Finding correlations between two or more variables when one is reliant on the others is the goal of multiple linear regression analysis (Dharmanto & Rositasari, 2022).

In summary, this figure displays less than 0.05 since the R^2 value is high (0.494), the Journal of Management, Economic and Financial, Vol. 2, No. 4 July 2024 125

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significant values in the F test and t-test in the ANOVA table are 0.000 and 0.0, respectively, and the significance value in the Coefficient table is 0.001. It follows that the developed model does not exhibit any multicollinearity symptoms.

Results of Multiple Linear Regression Analysis

The connection between the dependent and independent variables is ascertained in this study using the regression equation, yielding the following equation:

$$Y = 1.480 + 0.382 X_1 + 0.819 X_2$$

The following may be inferred from the regression equation above:

- a) The purchase choice (Y) will automatically vary by a constant of 1.480 if the values of the other variables stay the same.
- b) For each digital marketing unit (X_1), the purchase decision (Y) will vary by 0.382 if the values of the other variables stay the same.
- c) For each brand image unit (X_2), the purchase decision (Y) will vary by 0.819 if the values of the other variables remain constant.

T-Test Results

The outcome is (not significant) if t count > t table (significant) and vice versa t count < t table. The following conclusions are drawn from the calculation results:

- a) The computed t in the T-test between digital marketing (X_1) and purchase decisions (Y) is 3.521, but the t table indicates that it is 2.021. It may be concluded that there is a large impact of digital marketing on purchase decisions since t count > t table (3.521 > 2.021). Additional evidence that digital marketing may have a major impact on purchase decisions comes from examining the probability value, which is 0.001, which is less than 0.05, a defined significant number.
- b) The computed t in the T-test between brand image (X_2) and purchase decisions (Y) is 4.185, although the t table indicates that it is 2.021. It may be concluded that brand image has a strong impact on purchase decisions since t count > t table (4.185 > 2.021). Additionally, it is evident by examining the probability value, which is 0.000, that brand image can have a major impact on purchase decisions because this value is less than 0.05, a determinedly significant number.

F Test Results

The F-test is employed to ascertain if every independent variable concurrently has a substantial impact on the dependent variable.

The outcome is (not significant) if F count > F table (significant) F count < F table.

Based on the calculation results, the following results are obtained:

The calculated F value is 19.553 and sig~0.000 in the F table with a level of 0.05, the number of independent variables (df1 = 2) and 43-2-1=40 (df2 = 40), it can be seen that the F table value is 3.23. This can be said to be F count > F table (19.553 > 3.23) and sig < 0.05 (0.000 < 0.05), which means that digital marketing variables and brand image simultaneously have an influence on purchasing decisions.

Coefficient of Determination R^2

It is evident from the result above that the R^2 value is 0.494, or 49.4%. According to this image, the Purchasing Decision variable (Y) is stimulated (combined) by the variables Digital Marketing (X1) and Brand Image (X2). 49.4%, however the remaining portion is higher (100% - 49.4% = 50.6%) and impacted by factors that are not included in this regression equation or that are

not reliable.

Discussion

Influence of Digital Marketing (X1) on Purchasing Decisions (Y)

With the COVID-19 epidemic, many businesses have adopted digital marketing methods, and as a result, digital marketing has become a very successful means of promotion and marketing. It entails using internet-connected devices to interact with customers via a variety of digital media, enabling businesses to stay in online contact with their intended market (Qiana & Lego, 2021). Social media platforms are essential to this approach because they provide avenues for social connection, sales, promotions, everyday support, information sharing, and communication (Sari et al.., 2021). Digital marketing's main benefit is its ability to reach a large market via the Internet. This study examines how digital marketing influences consumers' decisions to buy cars at the Nissan Indramayu dealership, with a particular emphasis on the dealer's clientele.

Data study shows that digital marketing has a significant impact on consumers' purchasing decisions, resulting in a dynamic market environment that is advantageous to both consumers and marketers. While customers may readily obtain information on the newest Nissan vehicle models and service specials, marketers find it easier to sell their goods. The Nissan Indramayu dealer uses Facebook, YouTube, Instagram, WhatsApp, TikTok, and other channels to optimize the impact of digital marketing. The sales team at the Nissan store in Indramayu is in charge of making use of these platforms in order to meet their sales goals.

Influence of Brand Image (X2) on Purchasing Decisions (Y)

The brand is a crucial factor to take into account when making a purchase of a good or service because of its powerful effect on customer purchasing decisions. Customers are more likely to recall a well-known product or service with a high reputation, which helps brands stand out in the marketplace (Ojha et al., 2023).

The SPSS analysis's findings demonstrate that brand perception affects consumers' decisions to buy. This demonstrates that consumers are more likely to choose to buy a car from Nissan if they have a good perception of the brand. The Nissan brand image is considered to be rather excellent based on respondents' ratings; nevertheless, average respondent responses vary. These variations may result from the various perspectives held by each respondent. The process of organizing, choosing, translating, and incorporating information into a meaningful view of the world is called perception. The perception of Nissan as a brand is largely positive, notwithstanding the opinions of some respondents. This is demonstrated by the Nissan company's worry for customers who don't show enough concern and by the lack of pride that comes with owning a Nissan vehicle for commuting purposes alone. This study is consistent with studies by Romdonny & Maulany (2020) and Liling et al. (2022), which came to the conclusion that brand image significantly influences consumer decisions.

CONCLUSION

Based on the study's findings, it can be said that Nissan Indramayu auto dealership customers' purchase decisions are significantly and partially influenced by the variables of digital marketing and brand image. At the Nissan Indramayu auto dealership, brand image and digital marketing work together to positively and significantly influence purchase decisions at the same time. According to the findings of the hypothesis test, buying choices are impacted by digital marketing and brand image together by 49.4%, with other factors not included in the regression equation accounting for the remaining 50.6%. To attract customers and promote new items, the

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dealership and Nissan should maintain high standards of quality for both their products and services. They should also continuously innovate their digital media marketing strategies and give frequent vehicle servicing incentives. In order to guarantee that information on Nissan vehicles is easily accessible and to foster a favorable brand image, digital marketing should concentrate on improving communication effectiveness with consumers through interactive Q&A sessions. It is recommended that future research investigate other variables, such as trust, service quality, product quality, brand awareness, or other pertinent aspects, given that factors other than those mentioned in this study account for 50.6% of the variation.

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