

## Utilization of Social Media and Price Setting for MSME Product Purchase Decisions during the COVID-19 Pandemic in Stabat District

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### ABSTRACT

The impact of the COVID-19 pandemic has made price competition for MSME products Es Gak Beres and KZL Durian Kebabs affect consumer purchasing decisions in the Stabat Kwala Begumit District. Consumer purchasing decisions for an item are strongly influenced by the price, product, service, location of the company/store. Social media is an internet-based application service that allows consumers to share opinions, thoughts, views and experiences. Price is the money (plus some products) required to obtain some combination of products and services. Partially it can be concluded that there is a significant influence between Social Media on Purchase Decisions on Es Gak Beres and Kebab Durian MSME products in Binjai Kwala Begumit District during the Covid-19 Pandemic. Partially it can be concluded that there is no significant effect between price and purchasing decisions on Es Gak Beres and Kebab Durian MSME products in Stabat Kwala Begu-mit District during the Covid-19 Pandemic Period. Simultaneously, it can be concluded that there is an influence of Social Media and Price on the Purchase Decision of MSME Products Ice Gak Beres and Durian Kebabs in Stabat Kwala Begumit District during the Covid-19 Pandemic Period.

**Keywords:** Social Media, Price, MSME, Purchase Decision and Covid-19

**JEL Classification :** M31, M21

## **INTRODUCTION**

It has been a year since the Covid-19 virus attacked Indonesia. The occurrence of this pandemic had a major impact on Indonesia. Like many companies that go bankrupt, reduce workers, to increase the number of unemployed very rapidly. The Indonesian economy is currently experiencing a decline due to the current pandemic. After a year of the pandemic, there are still many office workers who work from home (Work From Home) and schools are still carrying out online teaching and learning activities (online from several application media). Not only schools are online but, due to COVID-19, people shop online as well, while maintaining the practice of providing face-to-face products and services. One of the major impacts felt by the decline due to this pandemic is the current MSME players. Especially for SMEs in the District of Stabat Kwala Begunit. They find it difficult to make ends meet (Aryani et al. 2021)

There are also some MSME s who have difficulty getting raw materials due to rising prices but have to sell their wares at the prices they usually sell. Not a few SMEs in the District of Stabat Kwala Begunit use social media services to promote their trade goods. One of the MSME s that use social media services as a tool to promote their products is Es Gak Beres and KZL Durian Kebabs. They market their products with various strategies, such as giving discounts on their products and adding new flavor variants to their food and beverage products.

The influence of social media is very large and provides benefits for them. So that the use of social media has led to intense competition in promoting the products they sell. Consumer buying decisions are determined based on the needs and desires of consumers to have products by evaluating or researching data according to the needs and desires of consumers today. So, purchasing decisions are influenced by reasons for making purchases which include the way of purchasing, products, and the current situation (Heriyanto, 2015). Consumer purchasing decisions on Es Gak Beres and KZL Kebab Durian products can be influenced by social media that displays attractive product descriptions and affordable prices. Social media is becoming a trend in communicating without having to face to face or interact directly. So social media plays an important role in carrying out promotions used by several MSME actors. Social media is an application based in the internet world based on an ideological and technological framework that allows the formation of an exchange of information from internet users, thus providing benefits to those who want to do business online easily (Purwana ES, Dedi, Rahmi, 2017).

Not only on social media which gives influence to promote the products offered through the media. Price is also very influential in determining consumer purchasing decisions. Standard and affordable prices are able to attract customers to be interested in buying or consuming the products we sell. Price has two roles in the process of determining the purchase decision, namely allocation and information. In

the role of price allocation, it serves to help consumers to decide on product purchases by obtaining the expected benefits of purchasing power. While the role of price information serves to educate consumers with product factors such as an explanation of the quality of the products offered. This is, where buyers have difficulty when assessing other products with the products offered.

The impact of social media and prices has a major influence on purchasing decisions for MSME products in Stabat Kwala Begumit District, especially for the MSME actors, Es Gak Beres and KZL Durian Kebabs. These MSME actors are competing to carry out several strategies to attract buyers so that consumers can decide to buy their products. It can be described based on the results of the author's research by choosing the title "The Influence of Social Media and Prices on MSME Product Purchase Decisions During the Covid-19 Pandemic In Stabat Kwala Begumit District".

## **LITERATURE REVIEW**

### **Buying decision**

Consumer purchasing decisions for an item are strongly influenced by price, product, service, company/store location (AE Nasution et al., 2019). The understanding of purchasing decisions is consumer behavior based on various motives and certain impulses. the stronger the consumer's impulses and motives, the stronger the decision to buy the product (Ellyawati, 2021). Purchasing decisions are the selection of two or more alternative purchasing decision options, meaning that a person can make a decision, there must be several alternative choices (Saputra & Samuel, 2013). The indicators according to the purchasing decision indicators according to (Nalendra, 2020) are:

1. Product purchase
2. Brand purchase
3. Purchase channel selection
4. Purchase timing
5. Amount

### **Social media**

Social media is an internet-based application service that allows consumers to share opinions, thoughts, views and experiences (Vernia, 2017). Meanwhile, social media is a mobile and web-based technology, which encourages interaction between the parties who use it. Through social media networks people can exchange information about something of value or products they like (Farisi & Siregar, 2020). to do promotions as well as easy and practical. In addition to reducing promotional costs, Social media also has a wider reach and is easily accessible in promoting its products compared to conventional marketing (Romdonny & Rosmadi, 2018). The Social Media indicators according to (Batee, 2019) :

1. Convenience
2. Trust
3. Information quality

### **Price**

Price is the money (plus some products) it takes to get a number of combinations of products and services (Gofur, 2019) Price is also a means to achieve the target number of sales results and short or medium term profits (Situmorang, 2018). Meanwhile, price is the amount of money that is exchanged for a product or service or the amount of value that consumers exchange for the number of benefits by owning or using an item or service (Handoko, 2017). The indicators of price are according to (Sejati, 2016) including :

1. Price affordability
2. Discounts/rebates
3. Selling price

### **Understanding the Covid-19 Pandemic**

Corona virus or severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) is a virus that attacks the respiratory system. The disease caused by this viral infection is called COVID-19. Corona virus can cause mild disorders of the respiratory system, severe lung infections, and even death. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) better known as the virus is a new type of infectious corona virus man. This virus can attack anyone, be it babies, children, adults, the elderly, pregnant women, and breastfeeding mothers.

### **COVID-19 transmission**

COVID-19 is transmitted directly or indirectly through the nose, mouth and eyes through droplets produced by coughing or sneezing of an infected person.

### **Symptoms of COVID-19**

Early symptoms of Corona or COVID-19 infection can resemble flu symptoms, namely fever, runny nose, dry cough, sore throat, and headache. After that, the symptoms may disappear and heal or even get worse. Patients with severe symptoms may experience high fever, cough with phlegm and even blood, shortness of breath, and chest pain. These symptoms appear when the body reacts to the Corona virus. In general, there are 3 general symptoms that can indicate a person is infected with the Corona virus according to (Karyono et al., 2020) :

1. Fever (body temperature above 38 degrees Celsius)
2. dry cough
3. Hard to breathe

There are several other symptoms that can also appear in Corona virus infection although it is less common, namely:

1. Diarrhea
2. Headache
3. Conjunctivitis
4. Loss of ability to taste or smell
5. Rash on the skin

These symptoms of COVID-19 generally appear within 2 days to 2 weeks after the patient is exposed to the Corona virus.

## **RESEARCH METHODS**

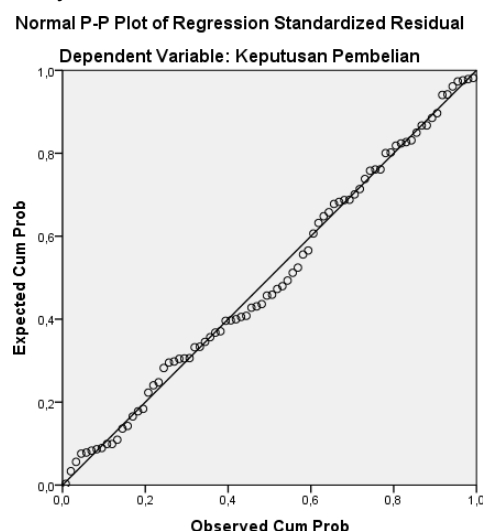
This study uses an explanatory research approach, which aims to explain the causal relationship between the research variables and the test hypothesis (MI Nasution et al., 2020). In this study an associative research approach was used. Where is a study that aims to determine the relationship between two or more variables. Associative research is research conducted to combine two or more variables. Through this research, a theory will be built that can function to explain, and control a phenomenon. In this study there are three variables, namely the independent variable of social media (X1) and price (X2) on the dependent variable of purchasing decisions (Y) (Jufrizen, 2015).

Quantitative research methods are research based on certain populations or samples, data collection using instruments in research, data analysis is quantitative or statistical, with the aim of testing the established hypothesis. In this study, a casual relationship is used, which is causal (Ismail & Sudarmadi, 2019).

## **DATA DESCRIPTION AND DISCUSSION**

**Classical**  
**Assumption Test**  
**Normality Test**

Normality test to see whether in the regression model, the dependent variable of the independent has a normal distribution or not. If the data spreads around the diagonal line and follows the direction of the diagonal line, the regression model fulfills the assumption of normality.



### Normality test

The picture above identifies that the regression model has met the assumptions previously stated, so the data in the regression model of this study tends to be normal.

### Multicollinearity Test

Multicollinearity test is a method used to detect the presence or absence of multicollinearity, by looking at the value of VIF (Variance Inflation Factor). If the VIF is below or  $< 10$  and the tolerance value is above  $> 0.1$ , then there is no multicollinearity. The multicollinearity test aims to test whether the regression found a strong/high correlation between the independent variables. In a good regression model there should be no correlation between independent variables because of the high correlation between independent variables in a multiple regression model. If there is a high correlation between the independent variables, the relationship between the independent variables and the dependent variable will be disturbed.

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics

		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	28,338	5,949		4,763	,000		
	Social media	,639	,172	,420	3,723	,000	,803	1,245
	Price	0.099	,138	,081	,717	,476	,803	1,245

a. Dependent Variable: Purchase Decision

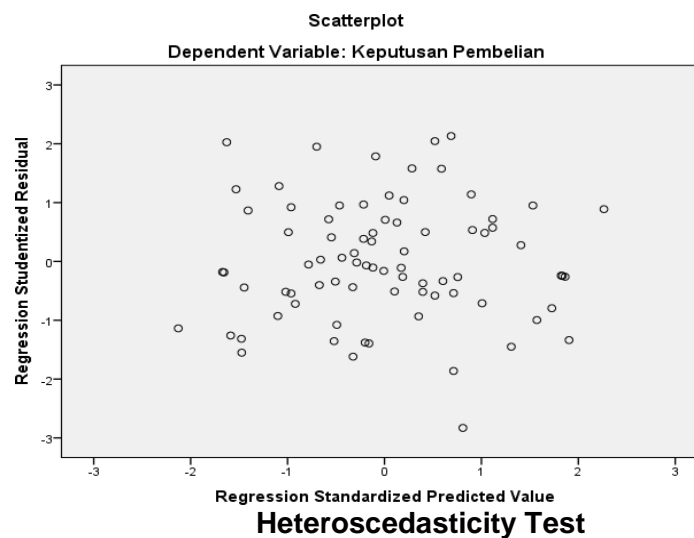
Source: research results using SPSS

### Multicollinearity Test

Based on the table above, it is known that the VIF value of the social media variable (X1) and the price variable (X2) is  $1.245 < 10$  and the tolerance value is  $0.803 > 0.1$ . So the data does not occur multicollinearity.

### Heteroscedasticity Test

That is using a scatterplot with a conclusion that if the points spread above or below and the points form an independent pattern, then there is no heteroscedasticity. This test aims to determine whether the regression model occurs when the variance inequality from the other observation residuals remains, it is called homoscedasticity. On the other hand, if the variances are different, it is called heteroscedasticity.



Based on the picture above, it shows that the points spread randomly/freely and do not form a certain pattern, although it appears that there are parts that are slightly attached to certain points, thus "no heteroscedasticity" in this regression model.

### Multiple Linear Regression

Regression analysis is used to determine the effect of the load variable on certain variables.

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28,338	5,949		4,763	,000
	Social media	,639	,172	,420	3,723	,000
	Price	0.099	,138	,081	,717	,476

a. Dependent Variable: Purchase Decision

Source: SPSS processed data

### Multiple Linear Regression

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

$$Y = a + b_1 \cdot X_1 + b_2 \cdot X_2$$

$$Y = 28.338 + 0.639 + 0.099$$

Information :

Y = Purchase Decision

X1 = Social Media

X2 = Price

Interpretation :

- The a value of 28.338 is a constant or condition when the purchasing decision variable is influenced by other variables, namely social media variables (X1) and price (X2). If the independent variable does not exist, then the purchase decision variable does not change.
- B1(X1 regression coefficient value) is 0.639, indicating that social media variables have a positive influence on purchasing decisions, which means that every 1 unit increase in social media variables will affect purchasing decisions by 0.693, assuming that other variables are not examined in this study.
- B2(X2 regression coefficient value) is 0.099, indicating that the price variable has a positive influence on purchasing decisions, meaning that every 1 unit increase in the price variable will affect the purchasing decision by 0.099, assuming that



other variables are not examined in this study.

## Hypothesis

### Testing t test

The t-test basically aims to show how far the influence of one independent variable individually in explaining the dependent variable is. With the help of the Statistical Package for Social Sciences (SPSS 24) program. This test is carried out using a significance level of 0.05 ( $\alpha = 5\%$ ).

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28,338	5,949		4,763	,000
	Media Sosial	,639	,172	,420	3,723	,000
	Price	0.099	,138	,081	,717	,476
a. Dependent Variable: Purchase Decision						

Source: SPSS processing data

From the table and evidence above, it can be explained that the results of the t-test (partial) show that the significance value of the influence of social media (X1) on purchasing decisions (Y) is  $0.000 < 0.05$  and the t-count value  $> t$ -table is  $3.723 > 1.991$ . Then  $H_0$  is rejected and  $H_a$  is accepted. This means that there is a significant influence of social media (X1) on purchasing decisions (Y) in Es Gak Beres and Kebab Durian MSME products in Stabat Kwalla Begumit District during the Covid-19 Pandemic. And it can be explained that the results of the t-test (partial) show that the significance value of the price effect (X2) on purchasing decisions (Y) is  $0.476 < 0.05$  and the t-count value  $> t$  table is  $0.717 > 1.991$ . So,  $H_0$  is rejected and  $H_a$  is accepted.

### f . test

Statistical test f (simultaneous) was conducted to determine whether the independent variables (independent) together significantly or not influence the dependent variable (dependent) and at the same time to test the second hypothesis. This test was carried out using a significance level of 0.05 ( $\alpha = 5\%$ ).

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	995,496	2	497,748	10,421	,000b
	Residual	3677,991	77	47,766		
	Total	4673,488	79			
a. Dependent Variable: Purchase Decision						
b. Predictors: (Constant), Price, Social Media						

**Source: SPSS processing data**

It is known that the significance value for the influence of social media (X1) and price (X2) on purchasing decisions (Y) is  $0.000 < 0.05$  and  $f \text{ count } 10.421 > 3.12$ . This proves that  $H_03$  is rejected and  $H_a3$  is accepted. This means that there is a significant effect of social media (X1) and price (X2) on purchasing decisions (Y).

#### Coefficient of Determination Test

The coefficient of determination (KD) is a quantity that shows the magnitude of the variation in the dependent variable that can be explained by the independent variable. The coefficient of determination is used to measure how far the independent variables explain the dependent variable. The value of the coefficient of determination is determined by the value of R square as can be seen in the following table :

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,462 <sup>a</sup>	,213	,193	6,91130
a. Predictors: (Constant), Price, Social Media				

**Source: SPSS data processing results**

#### Coefficient of Determination Test

Based on the table above, the coefficient value of R Square ( $R^2$ ) is 0.213 or 21.3%. So it can be concluded that the magnitude of the influence of social media variables (X1) and price (X2) on Purchase Decisions (Y) is 0.213 (21.3%).

### DISCUSSION

#### The Effect of Social Media on Purchase Decisions

From the explanation of the t-test table above, it can be understood that the influence of Social Media on Purchase Decisions obtained a t-count value of 3.723 and t-table

1.991 and has a significant number of  $0.000 < 0.05$  or  $t\text{-count } 3.723 > 1.991$ . Based on the decision-making criteria, it can be concluded that the Social Media variable on the Purchase Decision has a significant positive effect.

### **Influence of Price on Purchase Decision**

Based on the explanation of the t-test table above, it can be understood that the effect of price on purchasing decisions is obtained by the t-count value of 0.717 while the t-table is 1.991 and has a significant number of  $0.717 > 0.05$  or  $t\text{-count } 0.717 < t\text{ table } 1.991$ . Based on the criteria of the Price variable on the Purchase Decision, it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted. This shows that there is no significant effect between the price variable on the purchase decision.

### **The Influence of Social Media and Prices on Purchase Decisions**

Based on the f-test table above, it can be explained that there is an influence of Social Media and Price on Purchase Decisions, with a value of f count  $10,421 > f\text{ table } 3.12$  that there is a simultaneous significant influence of Social Media and Price on Purchase Decisions on MSME Products. Beres and Durian Kebabs in Stabat Kwala Begumit District during the Covid-19 Pandemic. With the coefficient of determination (R square) obtained is 0.213. This means that 21.3% of the variables on Purchase Decisions can be explained by Social Media and Price variables. Thus, it can be concluded that there is an influence of Social Media and Price on Purchase Decisions on MSME products Ice Gak Beres and Kebab Durian in Stabat Kwala Begumit District during the Covid-19 Pandemic Period.

## **CONCLUSION**

The results of research and discussion on the influence of Social Media and Prices on Purchase Decisions on MSME products during the Covid-19 Pandemic, the authors draw the following conclusions :

1. Partially it can be concluded that there is a significant influence between Social Media on Purchase Decisions on Es Gak Beres and Kebab Durian MSME products in Stabat Kwala Begumit District during the Covid-19 Pandemic Period.
2. Partially, it can be concluded that there is no significant influence between price and purchasing decisions on Es Gak Beres and Kebab Durian MSME products in Stabat Kwala Begumit District during the Covid-19 Pandemic Period.
3. Simultaneously, it can be concluded that there is an influence of Social Media and Price on Purchase Decisions on Es Gak MSME products Beres and Durian Kebabs in Stabat Kwala Begumit District during the Covid-19 Pandemic.

## **SUGGESTION**

Based on the conclusions that have been put forward, the authors suggest the following :

1. It is better for MSME actors to reach product prices with the location of purchasing power on MSME products, Kebab Durian.
2. MSME actors must pay attention to promotion through Social Media by increasing the attractiveness of the promotion, so that consumers do not get bored with the promotion of MSME products, Es Gak Beres and Kebab Durian.
3. For further researchers, research can be carried out by expanding the scope of research by examining variables that influence purchasing decisions so that they can obtain maximum results.

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