

# IMPROVING MINIGOLD PURCHASING DECISIONS AS AN INVESTMENT OPTION FOR INDONESIANS AS A PROMOTION EFFECT THROUGH SOCIAL MEDIA AND WOM MARKETING

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**Submission date:** 07-Sep-2020 02:50PM (UTC+0700)

**Submission ID:** 1381269590

**File name:** PURCHASING\_DECISIONS\_AS\_AN\_INVESTMENT\_OPTION\_FOR\_INDONESIANS.pdf (58.75K)

**Word count:** 3396

**Character count:** 18443

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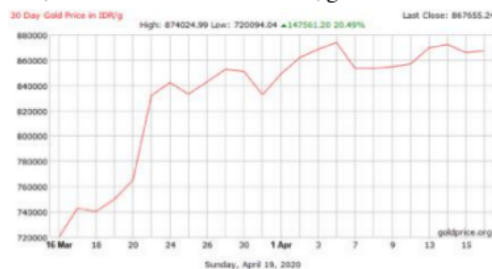
## ABSTRACT

Promoting with a promotional strategy through the web, particularly with social media, will increase sales wide and doesn't need high-ticket promoting prices. Customers also will find it easier to search out data concerning the merchandise they need to shop for. With this social media, an efficient promoting communication strategy are going to be fashioned, specifically the Word Of Mouth (WOM). WOM marketing includes a lot of competitive advantage in conveyance of title business data. This is often as a result of WOM marketing is of course supported social environmental opinions that are felt to be a lot of honest and there's no specific motive in conveyance of title data to alternative customers. Information analysis during this study used path analysis. Path analysis is employed to research the information obtained, as a result of from the model ready there's a relationship between variety of variables which will be calculable at the same time. The variable quantity in one existing relationship can become the variable quantity within the next relationship. Intervening variables are variables that have an effect on the link between the variable quantity and therefore the dependent variable. Sobel's results show the effect of social media marketing mediated by WOM marketing on purchasing decisions for Minigold as an investment option for people in Indonesia, during this case the number of indirect influence is 0.091 that is that the results of multiplying the constant of  $0.396 \times 0.299 = 0.091$  with a significance price of 0.02 and therefore the price is smaller than 0.05. The results of the hypothesis state that social media marketing mediate by WOM marketing has an impression on buying selections for Minigold as associate investment choice for individuals in Indonesia.

Keywords: Social media marketing, WOM marketing, Investment decisions.

## INTRODUCTION

Consciously or not, what's sure is that our folks have protected the worth of their property as a variety of anticipation for future wants. They need taken an easy hedge. Gold as associate quality to guard the worth of wealth isn't solely done by our folks, presently gold remains a part of the quality portfolio of worldwide fund managers (hedge funds). Gold commodities are thought-about as assets that are free from inflation risk, therefore if there's a sign of a rise within the rate of inflation or economic conditions don't show growth, world fund managers can divert their portfolios by shopping for gold as they're. Make out now once the world economy is sluggish because of Covid-19. As a way of typical gold hedging, they conjointly usually apply it to many alternative assets they own. The selection depends on the character of the fund owner, as a result of every selection can amendment the danger at hand. It's like land, that is additionally experiencing associate adjustment to inflation for merchandise (inflation). However, this quality carries a special risk than gold. Gold is clearly easier to sell, land isn't. In another sense, gold is a lot of liquid than land (minigold.id, 2020).



Graph 1. World crude gold price  
Source: minigold.id, 2019.

The rise in land costs was comparatively slower than gold. The rise in costs and sales conjointly depends on the placement and abstraction policies established by the government. This in fact may be a completely different risk from gold. Gold is a lot of risky in terms of security as a result of it's easier to lose because it is taken and this is often a risk for gold storage. Completely different perceptions of risk also will build different selections in investment decisions. However, gold hedging is barely an endeavor to reduce losses because of the danger of value changes or inflation. Meanwhile, alternative risks should still exist if the owner of the fund buys gold. There's a clear stage that the owner of funds are going to be free of the danger of impairment because of general value will increase due to inflation. Maybe the sentence that each massive scale associated novice investors invariably hold is safe and there'll ne'er be an inflation drawback. Then many of us say that there's no investment instrument which will defend the worth of investment nonetheless gold. There's no risk of counterparties once holding gold, mercantilism tangible assets freelance of others. The tangible assets during this hand can become even a lot of necessary once the monetary crisis hits. Those that are looking a significant monetary crisis within their country can acumen necessary tangible quality is in the variety of gold. Consistency within the buying power of this gold value has fallen to United States of America \$ five hundred / troy oz in the last 2 years, in fact the costs of alternative commodities also will decline. Statistics show a correlation between the value of gold and therefore the price of human commodities. If the value of gold goes down, we are going to not expertise a decrease in welfare, as a result of we are able to still get the specified quantity of gold. Not hooked in to the government in comparison to banknotes whose price depends on the choices of the government and bureaucrats of every country, the worth of gold doesn't rely on them in the least. By holding gold, there's no have to be compelled to worry concerning government selections relating to interest rates and therefore the like. Assets outside of banking with gold have the chance to possess assets that are fully outside the influence of the industry. The planet of banking round the world, while not exception developed countries is usually haunted by crises from time to time. With gold you may be free from the vortex of a banking crisis which will arise anytime and anyplace.

Promoting with a promotional strategy through the web, particularly with social media, will increase sales wide and doesn't need high-ticket promoting prices. Customers also will find it easier to search out data concerning the merchandise they need to shop for. Reviewing the amount of social media access in Indonesia through cell phones. It's plain that social media are presently usually went to market merchandise, together with Facebook and Instagram. With this social media, an efficient promoting communication strategy are going to be fashioned, specifically the Word Of Mouth (WOM). WOM is an efficient and least expensive style of promotion. Happy customers can tell others concerning smart experiences about the merchandise (Kotler and Armstrong, 2014). WOM marketing includes a lot of competitive advantage in conveyance of title business data. This is often as a result of WOM marketing is of course supported social environmental opinions that are felt to be a lot of honest and there's no specific motive in conveyance of title data to alternative customers. Improved technology not limits WOM marketing to face-to-face language things, however will be over the phone or social media. The success of Minigold's marketing strategy using social media cannot be separated from consumer investment behavior. The amount of Facebook and Instagram accounts of too several gold sellers makes it troublesome to create a option to get gold as a way of investment. As a results of too several accounts being created, fewer customers place confidence in company-generated advertising and switch to word of mouth as a result of it's a lot of reliable and trustworthy. Seeing what's happening, the investigator can conduct a study entitled Increasing Minigold Purchase selections as associate Investment choice for Indonesians as a Promotion result through Social Media and WOM marketing.

## **LITERATURE REVIEW**

### **Promotion**

Service promotion needs a lot of stress on up the standard of services that are dole out (Tjiptono, 2014). Promotion isn't simply introducing a product or benefits in its product, however promotional activities are geared toward human activity with customers, in order that firms will introduce, persuade, influence, or encourage customers to shop for merchandise or services that the corporate has offered to consumers (Permana, 2017). This is often terribly helpful for building a whole image during a company relating to shopper perceptions of a product (Dane et.al., 2013). The

promotion combine consists of many strategies for human activity service advantages to potential and actual customers (Tjiptono, 2014). A number of the promotion strategies contains advertising, promotion, sales, marketing, personal commercialism and promotional material. Promotion is one variety of effort created by firms in interacting with customers or human activity with potential customers (Rusmini, 2013). Advertising are going to be effective if it's done unendingly in order that the publicised product is well recognized by many of us. Advertisements will be delivered by many media, together with newspapers, radio, brochures, e-mails, social media, websites and tv (Bayunitri, 2013).

#### Consumer behavior

Consumer behavior is a private activity that's directly concerned in getting and victimisation merchandise and services together with the decision-making method within the preparation and determinants of those activities (Swastha et.al., 2000). Consumer behavior is that the study of unit buying and exchange processes involving the acquisition, shopper and disposal of products, services, experiences and concepts (Mowen, 2002). Consumer behavior is that the behavior shown by customers in searching for, buying, using, evaluating and disbursement merchandise and services that are expected to fulfill their wants (Schiffman et.al., 2000). The America promoting Association defines consumer behavior as a dynamic interaction between effects and psychological feature, behavior and therefore the atmosphere during which humans exchange activities in life (Sumarwan, 2004). Therefore consumer behavior is associate action taken by customers directly in getting, intense and disbursement merchandise and services together with the decision-making method that precedes and follows actions (Adnan, 2018). Buying selections created by customers will certainly not be made alone, each call taken will certainly undergo many stages, together with entry, analysis of user wants, relating to the advantages to be obtained and varied alternative stages (Adnan, 2018). The a lot of complicated the choices that has to be taken, sometimes the a lot of concerns to shop for. The kinds of shopper shopping for behavior are supported the extent of involvement and therefore the degree of distinction, specifically complicated shopping for behavior, buying behavior that reduces dissonance, usual shopping for behavior, and buying behavior that seeks diversity.

#### Buying Decision

The idea of commercialism is an endeavor that expects a rise in shopper purchase price for the corporate (Kotler et.al., 2016). Buying decision are how for customers to determine what to shop for in keeping with the worth of their wants (Alfred, 2013). Social media marketing has been delineate in analysis conducted by previous researchers (Putter, 2017), (Samson et.al., 2014), (Alfian et.al., 2019) and (Sudarsono et.al., 2020). The acquisition call method consists of 5 selections, specifically (Kotler et.al., 2016) :

1. Drawback recognition, is that the shopping for method for realizing a haul or want that's triggered by internal or external stimuli.
2. Disbursement of knowledge, at this stage the client learns the whole and products options that may be purchased, then compares them with alternative competitive merchandise.
3. Analysis of alternatives, this stage may be a outline of drawback recognition and data retrieval, patrons pays the best attention to merchandise that give advantages that meet their wants.
4. Buying selections buying already includes a shopping for call however this decision are going to be influenced by the attitudes of people and things that don't seem to be anticipated.
5. Post-purchase behavior, this stage can confirm whether or not the client gets satisfaction with the merchandise he has bought. This will affect the buyer's decision to make repeated purchases or not to promote the product to others or not.

Purchase fraud may be a combination of integrated data to guage 2 or a lot of various behaviors then confirm one selection (Sangadji et.al. 2013). The acquisition call has seven parts, specifically (Swastha et.al., 2000) :

1. selections concerning the kind of product
2. selections about the form of the merchandise
3. selections about disapproval
4. selections about sales
5. selections about the amount of merchandise

6. selections about once to shop for
7. selections about a way to pay

Buying decisions are influenced by consumer behavior, firms should acknowledge consumer behavior to search out what customers want, in order that the corporate is anticipated to fulfill shopper wants which can have a control on loyalty. There are many roles of customers in buying (Kotler et al., 2008):

1. Leader, specifically the primary person to counsel shopping for an exact product or service.
2. Associate prestigious purchaser, that is, an individual whose views or recommendation provide weight to the ultimate call.
3. Higher cognitive process, specifically those that very confirm half or all of the buying selections.
4. Buyers, specifically those that build real purchases.
5. Eaters, specifically those that consume or use merchandise or services.

#### Social Media Marketing

Social media may be a means that or manner for customers to share data within the variety of text, images, audio and video with people and firms or contrariwise (Kotler and Keller, 2016). Social media may be a new communication unit and is a tool which will give varied styles of interaction that weren't antecedently offered to standard individuals (Brogan, 2010). The symptoms used are relationships, communication, post-purchase interactions and data formats (Ekasari, 2014). Social media may be a assortment of internet-based applications developed on the idea of net ideology and technology and has the likelihood to form or exchange user-generated / UGC content (Kaplan and Haenlein, 2010). UGC is content in many forms cherish blogs, chats, wikis, posts, discussion forums, tweets, files, audio, video, digital pictures and alternative forms created by users of on-line systems or services offered on social media (Moens et al., 2014). Social media marketing is that the use of technology, channels, and software system from social media that aims to form valuable communication, delivery, exchange and offers for stakeholders in a corporation (Tuten and Haym Salomon, 2017). Social media marketing is a company's process of creating and promoting activities related to online marketing on social media platforms that offer value to stakeholders (Pham and Gammoh, 2015). Social media marketing has been delineate in analysis conducted by previous researchers (Putri, 2016), (Abzari et al., 2014), (Balakishnan et al., 2014), (Jurnia et al., 2015), (Rahadi et al., 2013), (Siswanto, 2013), (Maulani et al., 2019), (Campurasi, 2016) and (Khan et al., 2015). The goal of thereforecial media promoting is to supply content that may be shared with users through its social networks so on facilitate firms increase price and expand client reach. Social media marketing conjointly helps firms get immediate feedback from customers and potential customers, giving them a friendly impression. Social media marketing has four parts (Gunelius, 2011), specifically making content, sharing content, connecting and building communities.

#### Word Of Mouth Marketing

Word Of Mouth, specifically promoting activities through person-to-person intermediaries, written or transmission tools involving the expertise of buying services or the experience of victimisation merchandise and services. customers use word of mouth to speak concerning dozens of brands daily from media and recreation merchandise cherish movies, TV shows and publications to food merchandise, travel services and retail stores (Andari, 2016). Word Of Mouth promoting may be a marketing strategy and it may also be referred to as word of mouth marketing. The definition of word of mouth promoting (Sernovitz, 2012) is: giving individuals a reason to speak concerning your stuff, in order that the language is simpler to happen. WOM marketing has been delineate in analysis conducted by previous researchers (Bhayani, 2016), (Bruce et al., 2012), (Chevalier et al., 2006), (Chu et al., 2011) (Gupta et al., 2010), (Lopez et al., 2014), (Park et al., 2009) (Shan et al., 2015) and (Trusov, 2009). There are three dimensions of WOM supported the message giver and receiver, specifically (Sweeney et al., 2012): (1) content, that describes the content of messages in keeping with performance, responses to issues and perceptions, value-values, therefore supporting the thought that WOM conjointly includes a rational dimension, (2) content richness, specifically the depth, intensity, and clarity of the message itself. Wealth includes aspects of the content, cherish the language used and therefore the data concerned within the message. (3) delivery power, specifically the strength of

the message sent. this is often involving the manner the message is delivered not with the content (Mahdiasukma et.al., 2018). This reflects the strength of the recommendation's intent. Word Of Mouth promoting will be done purposely or accidentally. to try to to WOM marketing designedly (reinforced by word of mouth) needs excellent designing. one in all the most effective WOM marketing plans is to concentrate to the five basic parts of WOM marketing, specifically (Sernovitz, 2012): speakers, topics, tools, half taking and chase.

## RESEARCH METHOD

### Population and Sample

Population may be a generalization space consisting of objects or subjects that have sure qualities and characteristics that are determined by researchers to be studied then conclusions are drawn (Sugiyono, 2017). The population during this study are all investors who get minigold merchandise. The sample is a component of the amount and characteristics of the population (Sugiyono, 2017). The sample during this study were many investors who bought minigold merchandise. victimisation non-probability sampling techniques, specifically purposive sampling with the subsequent characteristics:

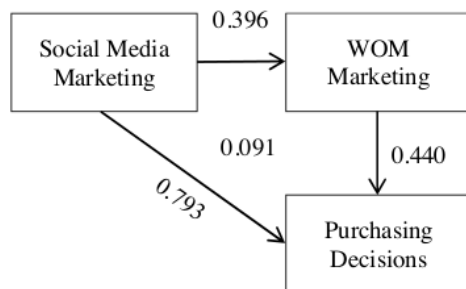
1. Get a miniglod product.
2. Change data concerning the minigold.
3. Change data to minigold retailers and distributors.

### Data Analysis Technique

Technique information analysis during this study used path analysis. Path analysis is employed to research the information obtained, as a result of from the model ready there's a relationship between variety of variables which will be calculable at the same time. The variable quantity in one existing relationship can become the variable quantity within the next relationship. The intervening variable may be a variable that affects the link between the variable quantity and therefore the dependent variable (Ghozali, 2015). Checking the mediation hypothesis will be done employing a procedure developed by Sobel and called the Sobel Test. This check tests the strength of the indirect result of the variable quantity on the dependent variable through intervening.

## RESULTS

The results of the regression analysis show the influence of social media marketing mediate by WOM marketing on buying selections of Minigold as an investment selection for individuals in Indonesia.



Source: Data processed, 2020.

Figure 1. Path Analysis Results

Direct effect = 0.793

Indirect effect =  $0.396 \times 0.229 = 0.091$

Sobel's results show the effect of social media marketing mediated by WOM marketing on purchasing decisions for minigold as an investment option for people in Indonesia, during this case the number of indirect influence is 0.091 that is that the results of multiplying the constant of zero.396 x 0.299 = 0.091 with a significance price of 0.02 and therefore the price is smaller than 0.05. The results of the

hypothesis state that social media marketing mediate by WOM marketing has an impression on buying selections for Minigold as associate investment choice for individuals in Indonesia.

### **CONCLUSION**

Promoting with a promotional strategy through the web, particularly with social media, will increase sales wide and doesn't need high-ticket promoting prices. Customers also will find it easier to search out data concerning the merchandise they need to shop for. With this social media, an efficient promoting communication strategy are going to be fashioned, specifically the Word Of Mouth (WOM). WOM marketing includes a a lot of competitive advantage in conveyance of title business data. this is often as a result of WOM marketing is of course supported social environmental opinions that are felt to be a lot of honest and there's no specific motive in conveyance of title data to alternative customers. Sobel's results show the effect of social media marketing mediated by WOM marketing on purchasing decisions for Minigold as an investment option for people in Indonesia, during this case the number of indirect influence is 0.091 that is that the results of multiplying the constant of  $0.396 \times 0.299 = 0.091$  with a significance price of 0.02 and therefore the price is smaller than 0.05. The results of the hypothesis state that social media marketing mediate by WOM marketing has an impression on buying selections for Mini gold as associate investment choice for individuals in Indonesia.

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