

# THE INFLUENCE OF PRODUCT INNOVATION AND SOCIAL MEDIA MARKETING ON MOCHI CAKE PURCHASING DECISIONS IN SUKABUMI CITY BY MEDIATION OF BRAND PERCEPTION STUDIES ON BRAND MOCHI XYZ

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## Abstract.

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The level of competition in the business world, especially in the culinary field in Indonesia, is very tight. Currently, market conditions are increasingly dynamic, requiring business people to continuously improvise and innovate in order to retain their customers. Because, every company is always trying to increase market share and reach new customers. This study consisted of 100 respondents who had bought mochi brand XYZ cakes more than twice, and this research used quantitative data sources from questionnaires. The sampling method uses probability sampling with convenience sampling techniques. The research results show 1) Product innovation has a positive and significant impact on brand perception. 2) Social Media Marketing Has a Positive and Significant Influence on Brand Perception 3) Product Innovation has no significant effect on Purchasing Decisions 4) Social Media Marketing Has a Positive Influence on Purchasing Decisions 5) Brand Perception Has a Positive and Significant Influence on Purchasing Decisions 6) Brand Perception Mediates Influence Between Product Innovation With Purchasing Decisions 7) Brand Perception Mediates Influence Between Product Innovation With Purchasing Decisions.

**Keywords:** innovation; social media marketing; brand perception, purchase decision.

## I. INTRODUCTION

Culinary tourism is an advantage of the city of Sukabumi and attracts tourists to visit, this is what some business people see as a business opportunity. The culinary industry which is characteristic as souvenirs typical of the City of Sukabumi is the Mochi Cake industry. Mochi is a typical food from Sukabumi City, made from rice flour and peanuts as a filling, round in shape with a sweet original taste. This mochi cake was later designated as an Intangible Cultural Heritage (WBTP) by the Provincial Government of West Java in 2022. One of the well-known mochi cake brands is XYZ mochi which was founded in 1970 which is also a pioneer mochi brand that is still operating today. At the moment. Along with the development of the business world, mochi cake entrepreneurs in the city of Sukabumi are increasing. According to the Trade and Industry Cooperative Service for Small and Medium Enterprises of Sukabumi City, a list of the number of mochi cake entrepreneurs in Sukabumi city by 2020 has reached 23 producers spread across 4 sub-districts in Sukabumi city, namely, Cikole, Citamiang, Warudoyong and Cibereum sub-districts. As a result of the increasing number and increase of mochi cake producers, the competition between mochi cake producers is becoming increasingly stringent, but in 2021 the number of mochi cake entrepreneurs in Sukabumi City has decreased to 14 producers. As the first pioneer brand of mochi cakes in Sukabumi city, Mochi XYZ is in 3rd place with a percentage

value of 12.3%. The mochi brand XYZ is still the consumer's choice in buying mochi, but this brand is rivaled by two other brands in terms of consumer brand preference. This shows that there is a change in purchasing decisions.

It is suspected that another thing that influences consumers in making purchasing decisions for a product is product innovation. Product innovation is carried out by modifying products, product improvements or even new brands from companies that develop through separate research and development efforts (Kotler and Armstrong [1]. According to Jason [2] innovation needs to be carried out by companies so that companies can survive and become more competitive. Research conducted by Elvina [3] shows that product innovation has a significant positive effect on purchasing decisions. Mochi cake brand XYZ Sukabumi has innovated by adding flavors and packaging so that consumers can choose which flavor and packaging to buy. The presence of social media has influenced various aspects of people's lives today. Social media has moved from being just a forum for sharing stories and experiences to a place that has the potential to promote both products and services, and can even be used to promote exotic places as tourist and culinary destinations from all over the world. Changes in advertising patterns or promotional activities from conventional mass media such as newspapers and television to digital media should not be doubted at this time. The high level of public social media access is one of the reasons why social media has great potential in advertising or promotional

activities. This is in line with the results of a pre-research questionnaire conducted by researchers on 65 respondents that 33.8% of consumers know about mochi cake products from social media. In the 4.0 era as it is today, all industries including food are experiencing changes in behavior and online accessibility is a must if you don't want to be left behind by consumers. Thus MSMEs need to improve their marketing capabilities so they can compete with other MSMEs by increasing their digital marketing or social media marketing capabilities (Widia [4]). The process of perception begins with stimuli regarding the consumer's senses. Consumers will reveal their behavior after making perceptions of what decisions will be taken in buying a product. Under the same circumstances, a person's perception of a product can vary, this is due to the selection process of various existing stimuli. Perception will relate to a person's behavior in making decisions about what is desired. Then brand perception refers to the consumer's perception of a name or symbol associated with a product and creates a psychological meaning.

The mochi xyz brand is still embedded in the minds of its consumers, but it is undeniable that other mochi brands in the city of Sukabumi are able to attract the hearts of their consumers. Therefore, if XYZ does not maintain brand trust, brand experience, brand image congruence, and brand affect in its products, it is not impossible that consumers will turn away and switch to other brands. Myers and Marquis in Kotler [5] state that product innovation is a combination of various processes that influence one another. So innovation is not the concept of a new idea, new invention or also not a development from a new market, but innovation is an illustration of all of these processes. Beig & Khan [6] define social media marketing as marketing activities carried out by business organizations in virtual networks. The dimensions of social media marketing are [7] (1) content sharing is a marketing activity where content on social media pages can be created and shared by the company itself and then shared by its followers (2) interaction is marketing activity on social media pages where companies, brands and users can interact, discuss and give each other feedback related to the brand. Aslam & Farhat [8] define brand perception as how to understand interaction patterns or dimensions to encourage consumers to respond to a preferred brand. The dimensions of brand perception consist of: [9] (1) brand affect refers to consumers' emotions (likes or dislikes) about an object or event (2) brand experience how people make sense of new experiences by triggering mental schemes stored in their memory (3) brand image congruence where consumers match product or brand image with their self-image. (4) brand trust is the consumer's feeling when buying a product.

According to Kotler & Armstrong [1] defines purchasing decisions as follows: Consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. Kottler (2014) describes purchasing decisions as actions taken by consumers to want to buy or not to a product. The influencing factors are [10](1) other people's attitudes or the extent to which other people's attitudes reduce one's preferred alternative (2) unanticipated situations that can arise and

change purchase intentions, consumer decisions to modify, postpone or avoid a decision Purchases are strongly influenced by perceived risk.

## II. RESEARCH METHODS

The type of research used in this research is quantitative research with a descriptive approach [11]. In conducting this research, as the unit of analysis and constituting the research population are buyers or consumers who have purchased mochi xyz cakes more than twice. The sampling method uses probability sampling. The technique used is convenience sampling. Meanwhile, the determination of sample size in this study uses the Lemeshow formula, this is because the population size is unknown [12]. Then the results obtained the minimum number of samples required in this study is 96 respondents who will be rounded by researchers to 100 respondents. The reason the researcher uses the formula from Lemeshow is because the target population is too large with variable numbers [13]. The data analysis method in this study uses Component or Variance Based Structural Equation Modeling where the data processing uses the Partial Least Square (Smart-PLS) program version 4.0 PLS

## III. RESULTS AND DISCUSSION

### Effect of product innovation on brand perception

The test results of the product innovation variable are significant to the brand perception variable with P values  $0.014 \leq 0.05$  and show the results of product innovation t-statistic calculations on brand perception  $(2.506) \geq t\text{-table}$  (1.96). Thus, hypothesis 1 in this study is accepted, namely product innovation has a positive and significant effect on brand perception. Hypothesis testing on the third order construct was carried out to determine the effect of product innovation on the brand perception dimension construct.

Table 1. Testing the third order hypothesis of product innovation on brand perception constructs

	Original Sample (O)	T Statistics ( O/Stdev )	P Value
Product Innovation -> Brand Perception -> Brand Trust	0.340	2.987	0.004
Product Innovation -> Brand Perception -> Brand Affect	0.335	2.953	0.004
Product Innovation -> Brand Perception -> Brand Experience	0.320	2.971	0.004
Product Innovation -> Brand Perception -> Brand Image Congruence	0.249	2.703	0.008

Source: SmartPLS 4.0 Outputs

Table 1. shows that product innovation has the highest positive and significant effect on the brand trust construct with P values  $0.004 \leq 0.05$  and t-statistics (2.987)

$\geq$  t-table (1.96). So related to these results it can be concluded that if a brand innovates its product to become a more complete product that has good value and good performance then consumers will perceive the brand with good brand perception. In addition, consumer brand perceptions of the mochi xyz brand have a belief that the mochi xyz brand is good, economical and safe mochi.

**The Influence of Social Media Marketing on Brand Perceptions**

The results of testing the social media marketing variable are significant to the brand perception variable with a P value of  $0.000 \leq 0.05$  and shows the results of the t-statistic calculation of (5.966)  $\geq$  t-table (1.96). Thus, hypothesis 2 in this study is accepted, namely Social Media Marketing Has a Positive Effect on Brand Perception. Hypothesis testing on the third order construct was carried out to determine the effect of social media marketing on the brand perception dimension construct.

Table 2. Testing the third order hypothesis of product innovation on brand perception constructs

	Original Sample (O)	T Statistics ((O/STDEV))	P Value
Social media marketing -> Brand Perception -> Brand Trust	0.495	4.821	0.000
Social media marketing -> Brand Perception -> Brand Affect	0.488	4.822	0.000
Social media marketing -> Brand Perception -> Brand Experience	0.467	4.661	0.000
Social media marketing -> Brand Perception -> Brand Image Congruence	0.363	4.053	0.000

Source: SmartPLS 4.0 Outputs

Table 2 shows that Social media marketing has the highest positive and significant influence on the Brand Affect construct with P Values  $0.000 \leq 0.05$  and t-statistics (4,822)  $\geq$  t-table (1.96). Social media marketing has a positive and significant influence on brand perception. Related to this, it can be concluded that the more the mochi xyz brand can utilize social media properly and optimally to promote its products, the higher consumer perceptions of the mochi xyz brand will be. In the results of this study also social media marketing has a stronger influence on the dimensions of brand perception, namely brand affect or feelings of happiness and the most desired brand. So that business people can maximize the use of online social media by uploading content that is interesting and touches emotions and feelings, so changes in emotions or feelings can be encouraged to like and be happier. to the brand mochi xyz.

**Effect of Product Innovation on Purchasing Decisions**

The results of testing the product innovation variable are not significant to the purchase decision variable with a P value of  $0.606 > 0.05$  and shows the results of the t-statistic calculation of (0.158)  $<$  t-table (1.96). Thus, hypothesis 3 in

this study was rejected, namely product innovation has no significant effect on purchasing decisions.

**The Influence of Social Media Marketing on Purchasing Decisions**

The results of testing the social media marketing variables are significant for the purchase decision variable with a p-value of  $0.040 \leq 0.05$  and shows the results of calculating the t-statistic of (2.077)  $\geq$  t-table (1.96). Thus, hypothesis 4 in this study is accepted, namely social media marketing has a positive effect on purchasing decisions. Hypothesis testing on the third order construct was carried out to determine the effect of social media marketing on the construct dimension of purchasing decisions.

Table 3. Testing the third order hypothesis of social media marketing on the purchase decision construct

	Original Sample (O)	T Statistics ((O/STDEV))	P Value
Social Media Marketing -> Buying decision -> Product Choice	0.350	2.407	0.018
Social Media Marketing -> Buying decision -> Brand Choice	0.268	2.364	0.020
Social Media Marketing -> Buying decision -> Dealer Choice	0.359	2.402	0.018
Social Media Marketing -> Buying decision -> Purchase Timing	0.315	2.336	0.021
Social Media Marketing -> Buying decision -> Purchase Ammount	0.320	2.341	0.021
Social Media Marketing -> Buying decision -> Payment Method	0.330	2.361	0.020

Source: SmartPLS 4.0 Outputs

Table 3 shows that Social media marketing has the highest positive and significant effect on the product choice construct with P values  $0.018 \leq 0.05$  and t-statistics (4.407)  $\geq$  t-table (1.96). Social media marketing was found to have a positive and significant influence on purchasing decisions. So it can be concluded that the more the mochi xyz brand can utilize social media properly and maximally to promote its products, the higher the decision to purchase mochi xyz products by consumers. Purchasing decisions are stages in the buyer's decision process where consumers actually buy. Mochi xyz is considered able to provide and present content on its social media which contains clear and good information about product types and product characteristics so that consumers do not hesitate to decide to buy Mochi xyz products.

**The Effect of Brand Perceptions on Purchasing Decisions**

The test results of the brand perception variable are significant for the purchase decision variable with a P value of  $0.000 \leq 0.05$  and show the results of the t-statistic calculation of (4.247)  $\geq$  t-table (1.96). Thus, hypothesis 5 in this study is accepted, namely brand perception has a positive and significant effect on purchasing decisions.

Hypothesis testing on the third order construct was carried out to determine the effect of brand perception on the purchasing decision dimension construct.

Table 4. Testing the third order hypothesis of brand perception on the purchase decision construct

	Original Sample (O)	T Statistics ( O/STDEV )	P Value
Brand Perception -> Buying decision -> Product Choice	0.488	4.587	0.000
Brand Perception -> Buying decision -> Brand Choice	0.374	3.914	0.000
Brand Perception -> Buying decision -> Dealer Choice	0.500	4.377	0.000
Brand Perception -> Buying decision -> Purchase Timing	0.439	4.574	0.000
Brand Perception -> Buying decision -> Purchase Ammount	0.447	4.390	0.000
Brand Perception -> Buying decision -> Payment Method	0.460	4.646	0.000

Source: SmartPLS 4.0 Outputs

Table 4. shows that brand perception has the highest positive and significant influence on the payment method construct with P values  $0.000 \leq 0.05$  and t-statistics (4,646)  $\geq$  t-table (1.96). Brand perception has a positive and significant influence on purchasing decisions. So it can be concluded that the higher the consumer's perception of the mochi xyz brand, the higher the decision taken by consumers to buy the mochi product. Regarding the dimensions of purchasing decisions, brand perception has a stronger influence on payment methods, because based on the current era consumers prefer to make cashless or cashless payments. When mochi xyz provides convenience in the transaction or payment process, consumer perceptions of the brand or brand it is definitely good and in the end consumers will choose to shop or buy mochi xyz.

#### Influence Between Product Innovation on Purchasing Decisions through brand perception

The test results on the indirect effect of product innovation on purchasing decisions through the mediating variable, namely brand perception has a P value of  $0.040 \leq 0.05$  and shows the results of t-statistic calculations of (2.084)  $\geq$  t-table (1.96) so, brand perception mediates the full relationship (Full Mediation) between product innovation and purchasing decisions because previously product innovation had an insignificant effect but there was a change when going through brand perception. So that H6 is accepted, namely brand perception mediates the influence between product innovation and purchasing decisions. The effect of product innovation on purchasing decisions through brand perception found that brand perception has a full mediation role (Full Mediation). It can be concluded that the existence of brand perception and product innovation can influence purchasing decisions [14]. However, if there is a

high consumer perception of the brand, it can provide a higher stimulus for consumers to decide to make a purchase. It can be concluded that the importance of increasing well-formed brand perception is to be able to strengthen the influence of maximizing product innovation on purchasing decisions mochi xyz Consumers will be able to decide as soon as possible to purchase mochi xyz products if the brand perception in the minds of consumers is good or high.

#### Influence between Social Media Marketing on Purchasing Decisions through brand perception

The test results on the indirect effect of Social Media Marketing on purchasing decisions through the mediating variable, namely brand perception has a P Value of  $0.001 \leq 0.05$  and shows the results of calculating t-statistics of (3,384)  $\geq$  t-table (1.96). then brand perception mediates the partial relationship (Patrial Mediation) between Social Media Marketing and purchasing decisions because previously Social Media Marketing had a significant influence as well as through brand perception. So that H7 is accepted, namely brand perception mediates the influence between product innovation and purchasing decisions. Thus, analysis of the influence of social media marketing on purchasing decisions through brand perception, brand perception was found to have a partially mediating role in the relationship between social media marketing and purchasing decisions. It can be concluded that whether or not there is brand perception, social media marketing can influence purchasing decisions. However, if there is a consumer perception of a good brand, it can be said that it will provide a higher stimulus for consumers to decide to buy. It can be concluded that the importance of increasing brand perception that has been formed is good to be able to strengthen the effect of using social media marketing on purchasing decisions of mochi xyz.

#### IV. CONCLUSION

Based on the results of hypothesis testing and previous discussion, it can be concluded that product innovation has a positive and significant effect on brand perception. Social media marketing has a positive and significant effect on brand perception. Product innovation has no significant effect on purchasing decisions, social media marketing has a positive effect on purchasing decisions, brand perception has a positive and significant effect on purchasing decisions, brand perception mediates the influence between product innovation and purchasing decisions, brand perception mediates the influence between product innovation and purchasing decisions.

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