

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Combining different marketing techniques with digital marketing is the use of digital media to target customers with advertisements for products, services, or brands. This form of digital marketing is not just about running online advertising campaigns or conveying messages to potential customers. One type of immersive marketing that uses the power of the digital environment to accomplish corporate objectives is digital marketing. In digital marketing, marketers use various strategies and tools to understand consumers online behavior, engage with them, and build a strong brand presence online. Using the Internet as its primary instrument is one of the key components of digital marketing. Email, social media, e-commerce, websites, and several more online channels are all used in this.

Digital marketing has significant benefits for companies and businesses, namely being able to reach a wider audience, efficiency, direct interaction with customers, content personalization, accurate measurement and analysis, more targeted targeting capabilities, scalability. Nowadays, in this modern business era, digital marketing is very influential for the sustainability of the company.

Digital marketing can be a very effective tool in achieving business goals and achieving success in the digital era which continues to change day by day, so companies need to always monitoring to measure performance and develop

appropriate strategies. The advantages of digital marketing include global coverage, adaptability, flexibility, measurability and precise targeting.

In digital marketing, there are various types that can be used by companies to achieve marketing goals. By knowing the various types of digital marketing, companies can set the right strategy according to the company's own goals and needs to achieve success in the competitive world of digital marketing. Digital marketing includes advertising, social media marketing, email marketing, content marketing, and search engine optimization (SEO).

Indonesia is the country with the largest Muslim population in the world. One way to apply religious teachings and show gratitude to Allaah and religion is that as a Muslim woman, you must pay attention to how a Muslim woman dresses, for example, loose/not tight clothes that form the curves of the body, not transparent, and also not dressed like clothes. the opposite sex. Currently Muslim women's clothing is the center of attention of various age groups from young to old, because Muslim women's clothing is increasingly innovating. Muslim women's clothing looks fashionable even though they are dressed in a closed way with various designs, motifs, etc. Nowadays, Muslim women's clothing is also becoming more comfortable to wear, without having to be afraid of feeling hot and stifling because they wear loose clothing with the choice of light fabrics and the sophistication of several types of fabrics that have Anti-UV technology.

One brand that is currently in demand among Muslim women is ESPECE. ESPECE is a local Indonesian brand originating from Medan. ESPECE was founded in early 2021. ESPECE is a Muslim fashion brand that produces various

types of clothing needed by Muslim women. These clothes are in the form of abayas, skirts, khimars, tunics, etc. The obligation of a Muslim woman to dress Muslim is one of the supports for Muslim women to pay attention to the Muslim clothes they will wear. Of course, when choosing a product, they will choose by paying attention to price, product quality, brand image, ongoing promotions, and customer happiness with product purchases from the brand they are looking at.

Brand image is the perception, thoughts, and feelings that consumers have about a specific product's brand. It is created using data that consumers have either directly experienced with the product or indirectly through hearing, seeing, or learning from other consumers. Customers' reactions to a brand are based on their memory of its advantages and disadvantages. This is referred to as brand image. Customers are more likely to purchase goods from well-known brands because they feel more at ease and believe that these brands are more dependable, consistently available, simple to locate, and of unquestionable quality. Consequently, people tend to choose more well-known brands than less well-known ones.

The future of your business and the degree of customer pleasure are both significantly influenced by the quality of your products. Whether a product is a commodity or a service, its physical traits, characteristics, and capabilities are all included in its quality. The ability of a product to satisfy user standards based on a quality level that is modified to appropriateness, repair, durability, dependability, and other elements created to satisfy customer wants and satisfaction is referred to as product quality.

Two key components of marketing that are essential for drawing customers, boosting sales, and enhancing a product or service's reputation are price and promotion. In the business world, pricing and promotion strategies must be designed carefully in order to achieve company goals effectively.

The price of a good or service is the amount of money that buyers are offered. Price determination must take into account various factors such as production costs, market demand, competitor prices, and brand image. The right pricing strategy can provide significant profits for the company, but it must also take into account consumer satisfaction so as not to harm the brand image.

There are several pricing strategies that are commonly used in the business world, including:

1. Pricing skimming : This strategy is carried out by setting high prices at the start of a new product launch, then gradually lowering the price over time. The goal of this strategy is to maximize profits from consumer segments who are prepared to spend a lot of money on the item.
2. Pricing penetration : On the other hand, the pricing penetration strategy is carried out by setting a low price at the beginning of the product launch to attract more consumers. With this strategy, the company hopes to gain a larger market share and increase consumer awareness of its products.
3. Competitive pricing : This strategy is carried out by setting product prices competitively based on competitors' prices. With this strategy,

companies can maintain their competitiveness in the market and avoid price wars that are detrimental to all parties.

4. Value-based pricing : This strategy is carried out by setting prices according to the value that the product offers customers. Companies must understand the value desired by consumers and set prices that are commensurate with the benefits obtained by consumers.

Apart from pricing strategies, Additionally, promotions play a significant part in shaping consumer behavior and increasing awareness of products or services. Promotion is the process of informing customers about products in an attempt to boost sales and building a strong brand image. Some forms of promotion that are often used in the business world include:

1. Advertising : Promotion through advertising media such as television, radio, newspapers, and online media. Advertising can create consumer awareness of products and influence purchasing decisions.
2. Sales promotion : Price and promotion are not just elements in a marketing strategy, but also the key to success in achieving the company's business goals.
3. Public relations : Attempts to establish positive relationships with the community through sponsorship activities, charity events and other social activities. Public relations can improve brand image and consumer trust in the company.

4. Personal selling : Promotions carried out directly by salespersons to consumers. Personal selling can help consumers understand the product more deeply and increase consumer confidence in the product.

In designing pricing and promotion strategies, companies must consider various factors such as marketing objectives, target market, competitor position, and available budget. These two elements must support each other and be in harmony to achieve success in marketing goods or services.

By understanding the importance of price and promotion in marketing, companies can optimize their strategies to attract consumers, increase sales, and strengthen their brand image in the market. Thus, price and promotion are not just elements in a marketing strategy, but also the key to success in achieving the company's business goals.

Given the foregoing explanation, the author chooses to carry out research entitled **“The Influence of Brand Image, Product Quality, Perceived Price and Promotion towards Purchase Decisions on Instagram Followers of ESPECE, Indonesia”**.

1.2 Problem Limitation

Given the above-described context, the writers must restrict the subject in order to prevent a too general treatment of it. This study will concentrate on:

1. The study will concentrate on a number of factors, such as perceived pricing, marketing, brand image, product quality, and buying decisions.
2. The information used in this study was obtained from ESPECE, Medan.
3. The subject of this research is all instagram followers who want to purchasing product of ESPECE.
4. The sample in this study were women and men in Indonesia, aged 17 to 60 years, who want to purchasing product of ESPECE and totaled 15,300 followers on instagram.
5. The questionnaires are limited to Instagram followers of ESPECE in Indonesia

1.3 Problem Formulation

In light of the previously mentioned context, the problem formulation in this study is as follows:

1. Does brand image positively influence instagram followers towards purchasing decisions of ESPECE in Indonesia?
2. Does product quality positively influence instagram followers towards purchasing decisions of ESPECE in Indonesia?
3. Does perceived price positively influence instagram followers towards purchasing decisions of ESPECE in Indonesia?

4. Does promotion positively influence instagram followers towards purchasing decisions of ESPECE in Indonesia?
5. Do Instagram followers' decisions to buy ESPECE products get influenced by the brand's image, product quality, perceived pricing, and promotion all at once in Indonesia?

1.4 Objective of the Research

The following are the research goals, which are based on the problem formulation that has been described:

1. To identify whether brand image has positive influence on purchase decisions of ESPECE in Indonesia
2. To identify whether product quality has positive influence on purchase decisions of ESPECE in Indonesia
3. To identify whether perceived price has positive influence on purchase decisions of ESPECE in Indonesia
4. To identify whether promotion influences purchases in a good way decisions of ESPECE in Indonesia

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

Some of the theoretical advantages of this study include the following:

1. This study is anticipated to provide insight both theoretically and with real evidence that can be used as discussion material, information reference material and provide future research information for readers on issues related to purchase decision.
2. It is anticipated that this study would help to the advancement of management theory as research material in the literature and expand scientific studies at Pelita Harapan University, Medan Campus by undergraduates from the Faculty of Economics and Business, especially in the field of economics related to purchasing decisions.

1.5.2 Practical Benefit

The practical advantages of this research are as follows:

1. For the Company (ESPECE)

It is hoped that the results of this research can help companies develop strategies and interventions related to perceived pricing, promotion, product quality, and brand image, all of which may impact the number of purchases made for ESPECE.

2. For the Author

In the meantime, the author should be able to comprehend and broaden their understanding of brand image, product quality, perceived price, and promotion in relation to purchasing decisions in Indonesia. This will be helpful when the author eventually builds a business by utilizing the marketing knowledge they have acquired in college.

3. The Campus (Pelita Harapan University, Medan, Faculty of Management) At Pelita Harapan University's Faculty of Economics, the findings of this study can be used as library resources and as references for students and future generations.

