Conference Paper

# The Effect of Digital Marketing and Service Quality on Consumer Brand Choice of HandmadeShoesby

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## Abstract

Handmadeshoesby focuses its strategy on digital marketing. This is because 90% of the target consumers of Handmadeshoesby are Millennials. Thus digital marketing is the marketing and sales communication choice for the target audience of Handmadeshoesby. Handmadeshoesby's focus is also on service quality. So far, Handmadeshoesby has communicated via digital marketing through an Instagram account @handmadeshoesby with followers reaching 510,000, and @ handmadeshoesby.catalog with followers of 276,000. Service to consumers is done by line account administrators. The purpose of this study was to examine the effect of digital marketing and service quality on Handmadeshoesby's brand choice. The study used a quantitative approach. Because the total population of consumers is unknown, the determination of the minimum sample size followed Hair (2014: 100), where the minimum sample generally needed for multivariate calculations is 50. A questionnaire was used to collect the data. Data analysis involved multiple linear regression analysis, classic assumption tests, and hypothesis tests. The results showed that digital marketing and service quality had a significant positive effect on the brand choice of Handmadeshoesby products.

**Keywords:** digital marketing, service quality, brand choice

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## 1. Introduction

Handmadeshoesby is a brand of all fashion and bags products offered in stores. Triawan Munaf (June, 2018) said that Indonesia's fashion industry is growing very fast, even in second place as a contributor to GDP (gross domestic product) after the culinary industry. To anticipate intense competition in the fashion world, Handmadeshoesby focuses its strategy on digital marketing. This is because 90% of Handmadeshoesby's target consumers is the Millennial generation.

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Apart from the communication channels that were deliberately chosen because they were in line with target consumers, namely Millennials, Handmadeshoesby's focus is also on service quality. (Parasuraman et al., 1985) [1] This is based on the consideration that in addition to product and brand communication carried out through digital marketing, one of Handmadeshoesby's sales channels is also through outlets/stores where service quality plays a vital role for consumers. The quality of service that is fast, clear, detailed, and in accordance with consumer desires will increase consumer interest in buying products so that the company's sales will increase. Based on the data obtained, it shows sales fluctuations in the period of November 2018 - September 2019, with a downward trend since June 2019. Thus Handmadeshoesby feels the need to do research to improve sales performance.Cuneo et al. (2019) mentioned strategies in the fashion industry that are successful are primarily determined by the company's ability to identify consumption patterns and consumer purchasing behavior [2]. The aim is to understand the motives behind the brand choice. From there, marketers are expected to be able to identify consumer segments and their brand choices, especially from a psychographic perspective. This is the empirical gap of this study, which is to see the effect of digital marketing and service quality on consumer brand choices towards Handmadeshoesby products.

## 2. Methods

### 2.1. Research Approach

The type of research used in this research is quantitative.

### 2.2. Place and Time of Research

This research took place in Surabaya City by taking the time of research from February to March 2020. The respondents selected in this study were Handmadeshoesby customers who are categorized as Millennials and had purchased Handmadeshoesby products.

### 2.3. Sampling Method

The population in this study were Handmadeshosby customers who are categorized as the Millennials generation (ages 20 to 40 years). The sampling technique used was

nonprobability sampling with a purposive approach sampling. Because the number of the consumer population is unknown, the determination of the minimum sample size follows Hair (2014: 100), where the minimum sample generally required for multivariate calculations is 50.4.4 [3]

## 2.4. Data Collection Methods

Quantitative data used in this research in the form of numbers will be processed or analyzed using mathematical calculation techniques (Sugiyono, 2016: 36) [4]. The data sources used are primary data and secondary data. Primary data is data obtained directly in research in the form of questionnaires related to brand choice, digital marketing, and service quality. Secondary data is data obtained indirectly in previous research, literature, and internal data of Handmadeshoesby.

## 2.5. Definition and Measurement of Changes

Measurement of variables in this study using a Likert scale.

## 2.6. Data Analysis Methods

The data analysis method used multiple linear regression analysis. The regression equation in this study is:

$$Y = \beta 0 + \beta 1 X 1 + \beta 2 X 2 + \varepsilon$$

Information:

Y = Brand choice

β0 = Constant

β1 = Regression Coefficient X1

β2 = Regression Coefficient X2

X1 = Digital Marketing

X2 = Service Quality

ε = Disturbance Error

TABLE 1: Operational Definition of Variables

| No | Definition | Indicator |
|---|---|---|
| 1. | Digital marketing (Sanjaya and Tarigan, 2009) is a marketing activity, including branding using various web-based media such as blogs, websites, e-mail, AdWords, or social networks [5]. | Adapted from Jacunski (2018) Paid, paid content for third parties (advertisement). Impact on consumers: content can reach consumers (reach), content broadcast frequency, content can be seen by consumers. Owned, private ownership (brand) of the web, including website, blog, or social media. Impact on consumers: unique/specific account visitors, visits to the account. Shared, online participation by consumers related to brand content. Impact on consumers: unpaid content impressions, unpaid impressions can reach consumers. Earned, online word of mouth made by third parties to communicate with clients and products or services. Impact on consumers: number of posts, impressions, messages. [6] |
| 2. | Service quality (Zeithaml et al., 2014) is the distance between consumer expectations and desires and perceptions of the service received [7]. | Adapted from Parasuraman et al. (1991) Tangible. The appearance of physical facilities, equipment, employees, and communication materials. Realible. Is the ability to carry out the promised services convincingly and accurately. Responsiveness. Willingness to help customers and provide services quickly. Assurance. Employees' knowledge and courtesy and |
| | | their ability to cultivate trust and confidence. 5. Empathy. Willingness to give deep and special attention to each customer. [8] |
| 3. | Brand choice (Wierenga, 1974: 2) is a purchase or repeat purchase of a particular product brand by consumers [9]. | Adapted from Hsu et al. (2012) Perception of intelligence in choosing products. Perceived product superiority. Perception of reasonableness in selecting products. [10] |

Source: Processed data. 2020.

### 2.6.1. Validity Test

Pearson Correlation can be used to determine the validity of the questionnaire items by seeing whether the questionnaire's questions meet the requirements by showing a sig value <0.05. The items in the questionnaire are said to be valid.

### 2.6.2. Reliability Test

Sujarweni (2016) says that the level of reliability of a variable can be carried out jointly on all questions. If seen from the statistical test results, the Cronbach's Alpha value is > 0.6; then the variable is reliable [11]. If the result of the validity test shows the sig. <0.05, and the reliability test shows Cronbach's Alpha > 0.6, so the dependent and

independent variables are declared valid and reliable so that further analysis can be carried out.

### 2.6.3. Classic Assumption Test

### 1) Heteroscedasticity Test

The prerequisite that must be met in the regression model is the absence of heteroscedasticity symptoms. This study uses\d the Glejser test, which was carried out by regressing the independent variables and their residual absolute values. If the significance value between the independent variables and the absolute residual is more than 0.05, there is no heteroscedasticity problem. (Gozali, 2017: 103) [12]

### 2) Multicollinearity Test

To detect the absence of multicollinearity in the regression, it can be seen from: (1) The tolerance value should not be <0.1 or (2) The value of Variance inflation factor (VIF) <10. (Sujarweni, 2016: 185).

### 3) Normality

Test The test was carried out using the Kolmogorov-Smirnov test. The basis for decision making: 1) If the significance value is $\geq$ 0.05, the residuals are normally distributed. 2) If the significance value <0.05, then the residuals are not normally distributed. (Sujarweni, 2016: 185).

### 4) Autocorrelation Test

Autocorrelation test was carried out using the Durbin Watson (DW) value, where if the du value

<value Durbin Watson <4-du, there is no autocorrelation (Sujarweni, 2016: 186).

## 5) Test Linearity

Test at SPSS using Deviation from Linearity at a significance level of 0.05. Two variables are said to have a linear relationship if the significance (Deviation from Linearity) is more than 0.05. (Sujarweni, 2016: 186)

### 2.6.4. Hypothesis Test

### 1) The coefficient of determination R and R2

The coefficient of determination R and R2 shows the extent to which the model shows variations in the dependent variable. The value of the coefficient of determination R2 is between 0 and 1, where the closer the score is to the value 1, the bigger the variant X predicts the variable Y. (Gozali, 2017: 95) [13]

### 2) F test (Simultaneous)

The F test is used to determine whether the independent variable together have a significant effect on the dependent variable. The decision making criteria are: (Gozali, 2017: 99)

If the significant value of F <0.05, then the independent variables have a significant joint effect on the dependent variable.

If the significant value of F> 0.05, the independent variable does not have a significant joint effect on the dependent variable.

### 3) T-test (partial test)

The t-test is used to determine whether the independent variable individually or partially has a significant effect on the dependent variable. The decision making criteria are: (Gozali, 2017: 99)

1. If significant t> 0.05, then the independent variable does not have a significant effect individually on the dependent variable.

2. If significant t ≤ 0.05, then the independent variable has a significant influence individually on the dependent variable

# 3. Results

## 3.1. Profile of Respondents

### 3.1.1. Gender

Based on research data, It can be seen that 96% of respondents are female. Meanwhile, 4% of respondents are male.

### 3.1.2. Age

Based on research data, It can be seen that 70% of the respondents are aged a maximum of 25, 22% are between 26 and 30 years old, 7% are 31 to 35 years old, and 1% are between 36 to 40 years old.

### 3.1.3. Profession

Based on research data, it can be seen that 49% of respondents are employees, 39% are students, 7% are entrepreneurs, 4% are housewives, and 1% do other jobs, namely one person who works as a teacher.

### 3.1.4. The frequency of purchasing the Handmadeshoesby brand

Based on research data, it can be seen that 91% of the respondents have purchased Handmadeshoesby products more than twice, 6% have purchased Handmadeshoesby products twice, and 3% have made only one purchase.

### 3.1.5. Source of Handmadeshoesby brand information

Based on research data, it can be seen that 90% of respondents know the Handmadeshoesby brand from social media Instagram, and 10% know it from other sources, namely eight people from friends, four people from relatives, and one person because they often visit the location of the Handmadeshoesby store.

## 3.2. Descriptive Statistics

Based on research data, it can be seen that the digital marketing variable has a mean of 4.93 with a standard deviation of 0.572, so it can be said that most respondents agree on this variable. The service quality variable has a mean of 4.84 with a standard deviation of 0.548, so it can be said that most respondents agree on this variable. The brand choice variable has a mean of 5.09 with a standard deviation of 0.556, so it can be said that most of the respondents agree on this variable.

## 3.3. Test the Validity and Reliability of the Questionnaire

### 3.3.1. Questionnaire Validity Test

The test results show that all statements in the questionnaire are declared valid.

### 3.3.2. Questionnaire Reliability Test

The test results indicate that all variables meet the reliability test requirements.

## 3.4. Classic Assumption Test

### 3.4.1. Multicollinearity.

The multicollinearity test that was performed showed a tolerance value of X1àY1 and X2àY1 of

0.271. Meanwhile, the VIF values of X1àY1 and X2àY1 show a value of 3.688. These results indicate the absence of multicollinearity.

### 3.4.2. Autocorrelation

The test results show that the Durbin-Watson value is 2.114. The Durbin-Watson table's value for N = 150 with the number of independent variables 2 is 1.7602. This shows that there is no autocorrelation in the data.

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### 3.4.3. Linearity

The test results show that the significance value of deviation from linearity for X1àY1 is 0.492. Meanwhile, the significance value for the deviation from linearity X2àY1 is 0.529. It can be concluded that the relationship between the independent and dependent variables is linear.

### 3.4.4. Normality

The normality test using the Kolmogorov-Smirnov shows a significance value of 0.085. It can be concluded that confounding or residual variables have a normal distribution.

### 3.4.5. Heteroscedasticity

The Heteroscedasticity test with the Glesjer test showed a significance value of X1àRes 0.331 and X2àRes of 0.600. It can be concluded that there is a variance inequality of the residuals for all observations in the regression model.

### 3.5. Multiple Regression Analysis, R2, and F

The analytical tool's test results showed that the regression coefficient of digital marketing on brand choice was 0.351, p <0.01. It can be concluded that digital marketing has a significant effect on brand choice partially. Thus Hypothesis 1 is accepted. Then, the service quality results for the brand choice test showed a regression coefficient of 0.556, p <0.01. It can be concluded that service quality has a significant effect on brand choice partially. Thus Hypothesis 2 is accepted.

The coefficient of determination R2 shows the value of 0.770 or 77%. This shows that digital marketing and service quality variables explain the brand choice variable by 77%, while the rest is explained by other variables not examined in this study.

The F test shows the value of F = 246,534, p <0.01. This shows that digital marketing and service quality together have a significant effect on the brand choice variable.

## 4. Discussion

### 4.1. The influence of digital marketing on brand choice

The results of this study prove that Hypothesis 1 is accepted. This shows that digital marketing has a significant positive effect on brand choice. Thus the results of this study confirm the theory put forward by Russel (2014), who stated that interdependence in social media will make buying behavior in the form of brand choices affect each other among consumers [13]. The results of this study also confirm previous research conducted by Chaffey (2015), who stated that digital marketing has an effect on sales [14]. Research by Buffett (2015) and Laksamana (2018), which stated that marketing through Facebook and social media has an effect on the intention to purchase, is also confirmed [15].

Meanwhile, the results of this study also confirm Laksamana's previous research (2018), which stated that marketing through social media affects loyalty. Specifically, this study confirms Humphrey et al. (2015) in the relationship between social media and brand choice [16]. They stated that social media exposure, as a form of digital marketing, has an effect on brand choice. Instagram handmadeshoesby has an impact on brand choice handmadeshoesby, as evidenced by a large number of traffics that come to the store.

### 4.2. Effect of service quality on brand choice

The results of this study also confirm previous research conducted by Murali et al. (2016) and Sidi (2018), who said that service quality has a positive effect on consumer loyalty. Consumer loyalty also includes the purchase and repurchase of a product or brand [17]. Thus it can be concluded good\service quality that can support a product or brand, where potential buyers or repeat buyers will return and choose the brand. The results of this study also confirm the research of Sahin et al. (2016), who said that service quality has a significant positive effect on behavioral intention toward a brand, where the indicators studied include repurchasing a particular brand [18].

## 5. Conclusion

Based on the study of theory, previous research, and data analysis, it can be concluded.

1. Digital marketing has a significant positive effect on brand choice of Handmadeshoesby's products.

2. Service quality has a significant positive effect on brand choice of Handmade shoesby's products.

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## Conflict of Interest

The authors have no conflict of interest to declare.

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