

THE INFLUENCE OF SOCIAL MEDIA (INSTAGRAM) AND PACKAGING DESIGN ON DECISION OF ROCOCO PURCHASE (ORGANIC NATA DE COCO) IN GENERATION Y

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ABSTRACT

The purpose of this research is to analyze the influence of social media in this case is Instagram and packaging design simultaneously to decision of purchasing Rococo (nata de coco organic) on Y generation, to analyze influence of social media in this case is Instagram partially to decision of purchasing Rococo (Nata de coco organic) in Y generation and to analyze the effect of partial packaging design on the purchase decision of Rococo (organic nata de coco) in Y generation. This research uses quantitative research approach by giving questionnaire to the respondent. Sampling research using non-probability method and purposive sampling technique. The result of this research is social media and packaging design simultaneously have an effect on to purchasing decision, social media variable (Instagram) partially no significant effect to purchasing decision, and partial packaging design have significant effect to purchasing decision. Limitations of this study is the short time of research so that the analysis of variables X1 and X2 to variable Y less depth.

Keywords: Quantitative, social media (Instagram), packaging design, purchasing decision, Y generation

INTRODUCTION

The most important thing for any company is to understand their target customers and choose the most appropriate marketing communication tools so that their products and services can reach the target consumers (Lezarevic, 2012). According to Wolburg and Pokrywcznski (2001), Y generation as a marketing target is a special challenge because these groups tend not to respond to traditional marketing efforts. At this time, the Internet plays an important role in daily routine, especially in Y generation groups who choose to spend time online through computers, Smartphones and even tablets (Friedman, 2009).

Packaging and packaging design has become a significant factor in marketing and plays an important role in communicating product to consumers (Ksenia, 2013). Human perception of a single food product depends on visual representation. It is well known that color and appearance can have an overall effect that can modify perceptions of taste and acceptance of food. Rococo is a nata de coco product processed from organic material using coconut water as the main ingredient and soybean cooking water as a source of nitrogen during fermentation.

Rococo's production turnover from 2014 to 2015 is highest at only Rp 12,000,000 in June 2015. This is very far from the expectations of companies that target an average turnover of Rp 10,000,000 per month within 2 years of starting operations. As a product with an organic label, Rococo is targeting consumers in the Y generation group for market expansion.

Rococo consumers are mostly elementary, junior and senior high school students. Below is a diagram of Rococo's consumer range in 2014 and 2015:

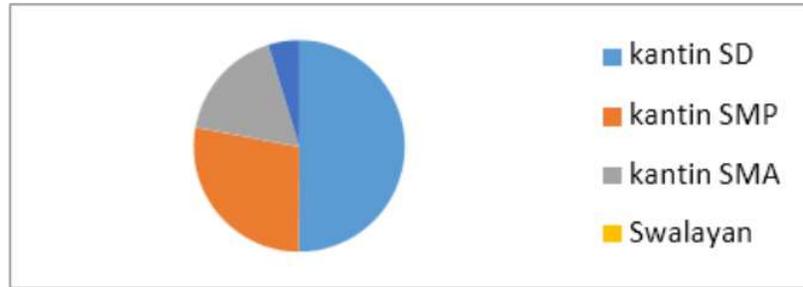


Figure 1. Customer Diagram at 2014

Source : Data processed

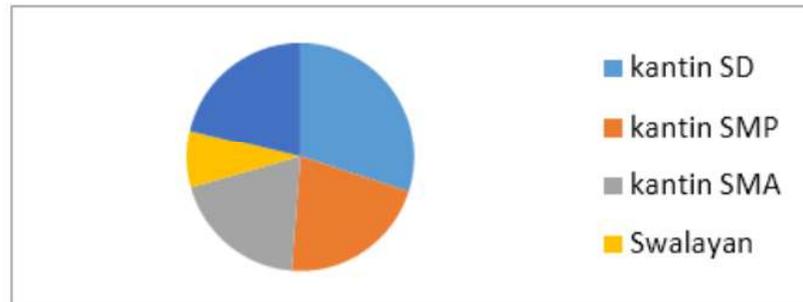


Figure 2. Customer Diagram at 2015

Source : Data processed

Below is data on consumer feedback or complaint against Rococo packaging design:

Tabel 1. Customer feedback

No	Nama	Keluhan	Jenis
1	Riyanto	The sticker is too small	Packaging design
2	Dewi	No nutrition facts	Packaging design
3	Seti	Not interesting	Packaging design
4	Slamet	Picture is blur	Packaging design
5	Lia	The color is not eye catching	Packaging design
6	Anggun	Hard to read the words	Packaging design
7	Enggal	Picture is blur	Packaging design
8	Trubus	The sticker is too small	Packaging design
9	Jaya	No nutrition facts	Packaging design

Source : Data processed

These data illustrate that Rococo has not been able to reach its target customers and this is what lies behind research on the influence of social media (Instagram) and packaging designs to the decision of purchasing Rococo in Y generation.

LITERATURE REVIEW

The first study titled "The Use of Celebrity Endorsement with the Help of Electronic Communication Channel (Instagram): Case Study of Magnum Ice Cream Thailand" in 2013. This research was conducted by Kutthakaphan and Chokesamritpol. The purpose of this study is to explain consumer purchasing decisions in Y generation groups in Thailand towards the use of celebrities as endorsement through Instagram.

The second research titled "Packaging Design As A Marketing Tool And Desire To Purchase". The study was conducted by Ksenia (2013). The purpose of this research is to know consumer perception on various design elements on milk packaging and to provide important information to the company about the attractiveness and importance of design attribute from consumer's point of view.

The third study was "The Influence of The Term 'Organic' on Organic Food Purchasing Behavior" by Zamora, et. al in 2013. The purpose of this study was to determine the effect of organic label on food products on consumer purchasing behavior. The independent variable of this study is the Organic label on food products and the dependent variable is the buying behavior.

The fourth research is "Effectiveness of Advertising Through Social Networking as one of the Marketing Strategy of Pedic Maicih Chips" by Riantoro and Harmoni in 2013. The purpose of this research is to know the effectiveness of advertisement through social networking, as measured by EPIC method. The research was conducted by spreading questionnaires to 100 respondents at Gunadarma University by using purposive sampling.

According to Charlesworth (2009), the potential role of the internet at the stage of purchase is as follows:

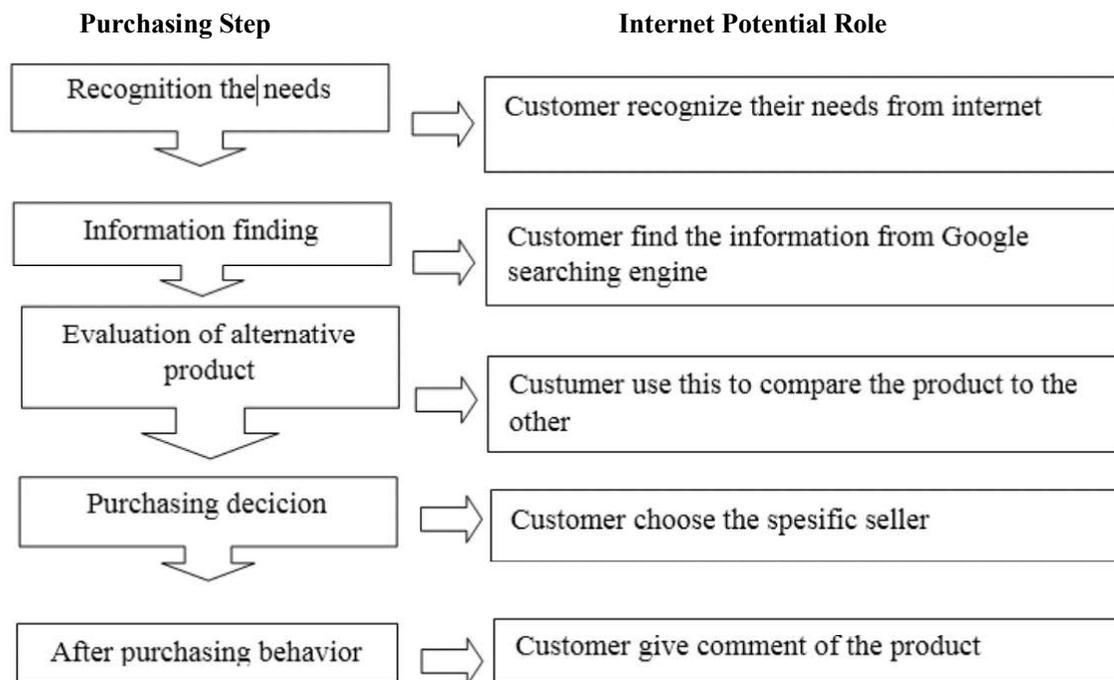


Figure 3. Internet potential role in purchasing behavior

Source: Data processed

According to Rundh (2009), the packaging design process diagram in triggering the purchase of products is as follows:

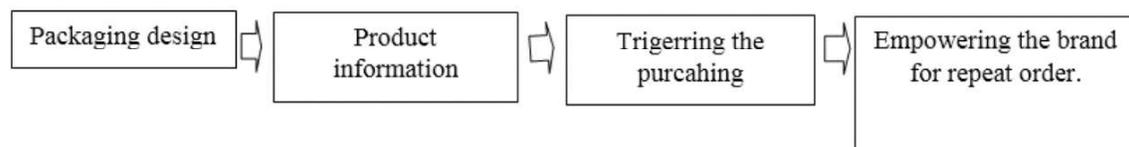


Figure 4. The role of packaging design in purchasing decision

Source : Data processed

RESEARCH METHODS

The population of this study is all Y generations who become Rococo consumers. The sample in this study is the inclusion criteria: Men and women in the generation Y group (born in 1980-1999). Respondents bought Rococo in Surabaya City from January 2016 to February 2016 and were willing to attend the study

The sample size is all Rococo consumers included in the Inclusion criteria. This sampling technique with non-probability sampling method is a more practical and easy to use sample selection method used is purposive sampling.

Purposive Sampling or Judgmental This sampling the author chooses respondents based on subjective and practical considerations, that the respondent can provide sufficient information to answer research questions (Sastroasmoro, 2011). Calculation of the number of samples using Slovin formula. The population in this study were all Rococo consumers totaling 362 people. After calculated menggunakan the formula above, the resulting respondents as many as 80 people.

In this research, the analysis is done by using causality test that is to test the causal relationship between social media free variable (Instagram) (X1) and packaging design (X2) to dependent variable that is decision of product purchase of Rococo in Y generation. Primary data is research data obtained directly from source without intermediary (Sangaji and Sopiah, 2010). Methods of data collection is done by spreading questionnaires to respondents in this case is Rococo consumers who meet the inclusion criteria.

Operational Definition

Variable X1 (Social media (Instagram)). Social media is a medium or medium in conveying messages that are persuasive to the consumer. According to Charlesworth (2009), social media has a potential role in the purchasing decision process. Indicators of the role of social media are:

1. Introduction to problems
2. Search information
3. Evaluation of alternatives
4. Selection of products
5. Behavior after purchase

Measurement scale using a Likert scale.

Variabel X2 (Packaging design). The packaging design is a form or pattern of packaging that is used to reproduce the product to the consumer. According to Ksenia (2013), packaging designs have an effect on product purchasing decisions. Packaging design indicators are: Information about the product, picture and color.

Variable Y (purchase decision). Other buyer decisions are the process of identifying problems, searching information, evaluating alternatives, selecting products and results. This variable can be measured using the following statement items:

1. Purchase of products as they are influenced by social media
2. Purchase products based on packaging design
3. Product comparison before buying
4. Recommend products to others
5. Repeat purchase

The validity test is conducted to find out how far the questionnaire measures what is desired. To measure the validity, Pearson product moment correlation is used. If the Pearson product moment correlation between each question with the total score yields a significance value <0.05 , then the question item is declared valid. Validity testing is done with SPSS17 program. Based on the data, it is known that all indicators of the Instagram variable are valid with a total score having a significance value of Pearson

Correlation of 0.000 (<0.05), so that all indicators can be used in further analysis. The above output explains that all indicators in the Packaging Design variable are valid. This is indicated by the total score score having a significance value of Pearson Correlation of 0.000 (<0.05). This indicates that all indicators can be used in subsequent analyzes.

Reliability test is done to know the consistency of measuring instrument in this research is questionnaire. To measure reliability, the cronbach Alpha value was used. Reliability test is a continuation of the validity test, where the incoming test item is a valid item only. To determine whether the instrument is reliable or does not use a limit of 0.6. From the data it can be seen that the value of Cronbach Alpha on Instagram variables, packaging design variable and the purchase decision variable are more than 0.6 Because the value of more than 0.6 questionnaire instruments expressed reliable.

Hypothesis testing

F test is used to evaluate the influence of all independent variables on dependent variable / using regression model significance test. The test uses a significance level of 0.05. From the output obtained F count of 48.761 and a significance value of 0.00. $F_{\text{arithmic}} > F_{\text{table}}$ ($26,141 > 3,122$) and significance $<0,05$ ($0,00 < 0,05$). Thus, it can be concluded that Instagram and packaging design together affect the purchase decision.

The t test (partial regression coefficient test) is used to find out whether partially Instagram and packaging design have significant effect on purchasing decision. The test used a significance level of 0.05 and 2 sides. From the output, the t count can be 1.786 and the significance is 0.078. The value of $t_{\text{arithmic}} > t_{\text{table}}$ ($1,786 < 1,991$) and significance value $> 0,05$ ($0,078 > 0,05$) hence H_0 accepted. In conclusion, that Instagram partially has no significant effect on purchasing decisions.

R squared denotes the coefficient of determination. This number is changed to percent (%), which means the percentage contribution of variable influence to the dependent variable. Following is the table of the coefficient of determination:

From the table above, it is known that R^2 is 0.559 which means that the percentage of the influence of Instagram influence and packaging design on purchasing decisions is 55.9%, while the remaining 45.1% is influenced by other variables not included in this research model.

FINDINGS

The result of characteristic analysis of respondents by sex shows that 95% of the respondents were female and the remaining 5% were male. This is due to the incident in the field that as many as 72 respondents are regular visitors to Pasar Sehat Surabaya and most of the visitors are women. The highest perception of respondents regarding Rococo Organic marketing media through Instagram is located on Rococo Organic product information mentioned in Instagram. While the lowest perceptions felt by respondents on the introduction of problems or the introduction of the need for Rococo Organic through Instagram.

In the indicator that "the introduction of product problems regarding Instagram" has the lowest average value among other indicators. This is because 72 respondents from total respondents are 80 people are visitors to Healthy Market Surabaya while the remaining 8 respondents are not healthy market visitors. Of the respondents who numbered 72 people as many as 39 people are follower or followers Instagram account of Pasar Sehat Surabaya @surabayasehat and as many as 33 of them are followers Instagram @rococorganic account.

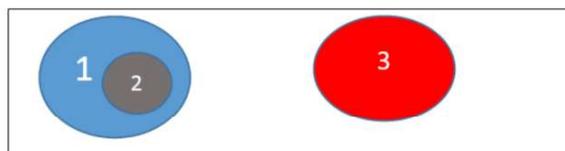


Figure 5. The diagram of respondents

Source : Data processed

Information:

Circle 1 is followers @surabaya account 72 people. Circle 2 is followers @rococorganic account of 33 people. Circle 3 is 8 respondents who do not follow both accounts, but know the existence of the account.

Of the 33 respondents who became followers of @rococorganic account there are 23 respondents who answered "agree" and "totally agree" on the indicator that reads "The introduction of product problems through instagram". From this it means that there are 10 people who do not understand the indicators so they are not statistically significant.

Every before a Pasar Sehat event the admin of @surabayasehat provides information on healthy market event schedule and includes all products to be sold at the event including also about Rococo product information. This is what causes the value of problem recognition through the Rococo Organic Instagram account is low because the respondents get the introduction of the problem through another instagram account is @surabayasehat account. In addition, the introduction of the problem was obtained by respondents via word of mouth from consumers who bought Rococo products and they used @rococorganic account as product catalog.

Based on Table Description of Respondents Response on Packaging Design Variables can be seen that the highest perception of respondents regarding the Rococo Organic packaging design lies in the color on the packaging of interest. While the lowest perception felt by the respondent is organic description on the packaging. In the indicator that "buying because of organic description on the packaging" has the lowest average value because the respondents of this study as many as 72 people from 80 people the total respondents are visitors to the Healthy Market event that is familiar with organic products. Healthy Market is a monthly event that all sellers in this event present organic food products. The low score on this indicator is because respondents do not assess Rococo Organic products as organic products that meet the criteria of organic products. Here there is information gap between producer and consumer that producer knowledge about Rococo product is not maximally accepted by consumer. So the organic term on the Rococo packaging is not well received by the respondents.

Respondents answer Question on Purchase Decision variable can be concluded that the highest perception on purchase decision variable is on indicator that respondent will do re-purchase of Rococo Organic product.

The result of statistic test shows that there is a significant positive influence from Instagram (X1) variable and packaging design variable (X2) simultaneously to purchase decision variable (Y), this is proved by F test result in the value of significance of 0.000 (less than 0,05).

Variables Instagram (X1) and packaging design variables (X2) gives an effect of 55.9% of the purchase decision variable (Y). The significance value in the t test for Instagram variable is 0.078, that is greater than 0.05 it can be concluded that Instagram variable partially has no significant effect on purchasing decision of Rococo Organic.

The results of this study are in line with the results of case study conducted by Phillips and McFadden in 2010 that examines how effective the use of social media as a marketing strategy for small business in the field of agribusiness. They revealed that although the popularity of the use of social media is growing rapidly and able to provide good service in reaching the target consumers but the marketing strategy through social media is not adequate. While social media may be important for small businesses with limited marketing resources.

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DISCUSSION AND CONCLUSION

Effect of Instagram (X1) and Packaging Design (X2) on Purchase Decision (Y)

The decision to purchase Organic Rococo products is influenced by the information obtained about Rococo Organic products from Instagram as well as the colors from the attractive Rococo Organic packaging. The respondent's lowest perception of the product purchase decision lies in the statement stating that consumers evaluate and compare with other products through Instagram and buy Rococo products for reading "organic" information on Rococo Organic product packaging. This is because most consumers are new consumers who know Rococo from healthy market events so they get information through Instagram and packaging design and get more complete information when they come directly at the event. Information obtained by consumers through Instagram is product photo information, and content about product superiority and information on how to purchase the product. The colors on the product packaging displayed on Instagram as well as the product information on Instagram trigger the purchase when the consumer comes directly at the time of a healthy market event. Social media (Instagram) is an alternative to costly and time-consuming marketing campaigns (Benwell, (2014) in Wally (2014). Instagram is a very effective technique for tracking consumer behavior which is helpful in determining new marketing strategies (Tuten, (2008) in Wally (2014).

The results of research conducted by Wally (2014) about the use of Instagram as a marketing tool by women entrepreneurs in the Arab Emirates reinforce that Instagram not only play a role in brand recognition to consumers but also allows the communication between sellers and buyers and this attracts the attention of consumers. Wally (2014) concludes that Instagram is an efficient marketing tool especially for the products of home-based businesses and Instagram is an effective marketing tool for reaching consumers.

The influence of Instagram (X1) on Purchase Decisions (Y) on Generation Y.

Overall it is known that the average respondent's answer to Social Media Instagram variable is 3.12 which means Rococo Organic online marketing through Instagram perceived both by respondents. The significance value in the t test for Instagram variable is 0.078, that is greater than 0.05 it can be concluded that Instagram variable partially has no significant effect on purchasing decision of Rococo Organic.

Instagram use as a marketing tool of Rococo Organic product does not have a significant impact on consumer purchasing decisions. This is because the new @rococorganic account is active for 2 months since February 2016 together with the start of this research so that the number of followers only amounted to 120 people. The most effective marketing strategy today is to follow healthy market events, organic communities and organic expos. Followers in the @rococorganic account are visitors to healthy market events, both those who have purchased Organic Rococo products or those who have not yet purchased.

Research conducted in Malaysia on Instagram states that most Instagram users are young people because this is because they are very encouraged to take pictures of his smart phone and share the audience instantly. Sharing images through Instagram with friends and groups with the same interests or similar hobbies is more enjoyable (Hiram, et al., 2015).

Instagram account @rococorganic has so far functioned as a product catalog and information center

about the creation process, product availability, new variant promotion and discount information on certain days. Most Rococo Organic buyers are visitors at healthy market fairs, then they follow the @rococorganic account. Instagram accounts also serve as word of mouth marketing online. Satisfied Rococo Organic buyers will recommend Organic Rococo to their followers on their Instagram account.

The results of this study are in line with the results of a case study conducted by Phillips and McFadden in 2010 which examined how effective the use of social media as a marketing strategy for small businesses in the field of agribusiness. They revealed that although the popularity of the use of social media is growing rapidly and able to provide good service in reaching the target consumers but the marketing strategy through social media is not adequate. While social media may be important for small businesses with limited marketing resources. Phillips and McFadden in their research provide advice for small business people engaged in agricultural services and services to join in a successful and active business community. This marketing strategy has a significant and effective impact. Small business actors who join the community make it possible for them to employ employees who are specifically working to manage community-owned social media accounts in a professional manner and thus business people have taken the initiative in supporting local business growth and achieving success together. Interaction and collaboration with business actors in the same field in marketing products through social media is more effective than a solo marketing business (solo marketing).

Effect of Packaging Design (X2) on Purchase Decisions (Y)

The average respondent answer is 3.28 means the Rococo Organic packaging design aspect perceived either or appropriate by the consumer. The significance value of the t test for packaging design variable (X2) is 0.00, it can be concluded that partially the packaging design variable has a significant effect on purchasing decisions ($0.00 < 0.05$). This is in line with the results of previous studies by Rundh (2009), the packaging design process in triggering the purchase of a product is an attractive packaging design and in it contains information about the product will trigger the purchase and even serve as a brand strengthening product.

The same result proved by research conducted by Ksenia (2013) shows the result that packaging design is very important in consumer buying behavior. It was found that elements in the packaging design play an important role in purchasing decisions and ensuring the target consumer's attention is fixed on a product. Packaging plays a major role in the success of a product and has a significant impact on consumer purchasing decisions. Packaging relates very closely to marketing communications according to Simms and Trott (2010) in Mohebbi (2014). Research conducted by Kauppinen (2014) states that color on packaging is a perfect source of information because 62 to 90 percent of consumers choose products based on color alone. Research conducted by Venter, et al (2011), shows that visual stimulus on packaging attracts attention and then shapes consumer perceptions, and this perception triggers purchasing decisions.

Research by Cahyorini and Rusfian (2011), proves that packaging design influences purchasing decisions. According to Cahyorini and Rusfian (2011), Color is also included in the category significantly affect consumer response. Color provides a persuasive effect that attracts the eyes and the subconscious of consumers.

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