

DIGITAL MARKETING, FUNCTIONAL AND HEDONIC QUALITY EFFECTS ON PERCEIVED VALUE OF INDONESIAN SHOPPING CENTER

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ABSTRACT

In this digital era, digital marketing can be an alternative way for the community, as consumers, in shopping activities or require services without conduct meetings or negotiations first. It can be done through smartphone connected to the internet and replace the role of the mall as a shopping center. One of the malls that will be the object of this research is Grand Mall Bekasi. This research was conducted to see whether there is an effect of digital marketing and service quality on perceived value in Grand Mall Bekasi shopping center. This study uses a quantitative method with descriptive research and instruments used; namely questionnaires measured using by Likert scale. This research involves 100 respondents who have visited and purchased products at Grand Mal Bekasi, Indonesia, by taking samples through non-probability sampling techniques with purposive sampling type, which is sampling by determining specific characteristics that match the objectives research so that it is expected to answer research problems.

Keywords: Digital marketing; Hedonic quality; Functional quality; Perceived value.

INTRODUCTION

Large shopping center must take the marketing strategies in following the lifestyle and desires of consumers to keep the shopping center stay active and grow (Kartawinata et al., 2020). Using media such as billboards, banners, brochures to the radio and TV media is quite effective for the promotion of shopping centers so far (Dewi et al., 2019). However, now the world has switched to digital media (Pradana & Wijaksana, 2018). All event information through promos is obtained by customers through smartphones. Shopping activities that initially had to be done by going to shopping centers directly (offline), slowly began to be replaced with a digital shopping system (online).

Based on statistics, the total population in Indonesia is 272.1 million people, with 64% of the population are internet users and 59% are active users on social media (Peranginangin et al., 2018). Thus, it can be concluded that currently people can easily get new information and can easily influenced from one person to another. Through digital marketing, communication and transactions can be done in real time.

Our object of research, Grand Mall Bekasi, Indonesia, uses digital marketing methods as a means of providing information in digital form such as Instagram, Facebook and Twitter. However, social media used by Grand Mall Bekasi are not always updated, whereas followers can see activities in the shopping center if Facebook and Twitter posts are updated regularly. Instagram can be the main media for marketing because so far people most see Instagram to

get information on menu promo updates, photos of activities, and other info. Grand Mall Bekasi Instagram is quite active in updating the latest information in its feeds.

Meanwhile, it can be seen from other shopping centers that frequently update Instagram feeds and stories, such as creating stories about activities which can be done during the COVID-19 pandemic, provides an interesting template that can be reposted by mall visitors, a variety of entertainment and any information that is varied enough to increase interaction between Instagram followers and the shopping center (Pradana et al., 2020). With the development of technology, people always want to fulfil their needs practically and easily. Therefore, companies need to provide products or services that can create good value for customers. Perceived Value which is intended to assess customer perceptions to value (Pradana et al., 2020). Good service will get the value desired by customers, as well as providing good E-Service, a site will get the value desired by customers (Setyorini & Hendriyanto, 2017).

Widodo and Wahid (2020) define e-service quality as "the beginning to the end of a transaction, including information retrieval, website navigation, orders, customer service interactions, delivery, and satisfaction with the product ordered". Companies must be able to make online services as best and easy as possible so that consumers can quickly understand what services the company provides (Sulistijono et al., 2020). By providing good value and service to customers, it is hoped that the company will be able to create satisfaction for its customers so that the company can continue to grow (Widodo et al., 2017).

Nowadays, shopping center requires a more creative and interesting development in approaching prospective customers so that they can turn them into loyal customers. If compared to digital marketing, the market reach is wider, not limited to one area. As long as people can access the internet, the promotion of products and services has a great opportunity to reach them. Based on the identification of these problems, the purpose of this study is:

1. To see whether there is an effect of digital marketing on the perceived value of the visitors of Grand Mall Bekasi, Indonesia.
2. To see whether there is an effect of service quality on the perceived value of the visitors of Grand Mall Bekasi, Indonesia.

LITERATURE REVIEW AND METHODOLOGY

Silvianita and Tan (2017) argue that marketing is a total system of business activities designed to plan, determine prices, promote and distribute goods that can satisfy the desires and services of both current and potential consumers. Marketing is a value exchange transaction activity that is owned by each party, for example the exchange of products owned by the company for money owned by customers with products owned by the company that can meet consumer needs (Kartawinata et al., 2020).

Digital Marketing

Digital Marketing helps a company in promoting and marketing their products and services (Berbegal-Mirabent et al., 2016). Digital Marketing can also create or open new markets that were previously closed because of there are limitations in time, communication methods, and distance. Digital marketing communications and transactions can be done at any time and real time and can be global or worldwide. With the large number of chat-based social media users' days are increasing open opportunities for SMEs to develop their market smartphone grip (Khan et al., 2020).

Pradana and Wijaksana (2018) defines four dimensions of digital marketing which can be mentioned as follows:

1. Transaction or Cost, which is a promotional technique that has a high level of efficiency so that it can reduce costs and transaction times.
2. Incentive Program, which is an attractive program is certainly an advantage in every promotion that is carried out. These programs are also expected to provide more value to the company.
3. Site Design, which is an attractive appearance in digital marketing media that can provide positive value for the company.
4. Interactive, which is a two-way relationship between the company and consumers who can provide information and can be received well.

E-Service Quality

According to Kotler and Armstrong (2012) service quality is an activity that a party can offer to another party which is basically intangible and does not result in any ownership. According to Hidayat and Hidayat (2017), service quality is a statement about attitudes and relationships resulting from a comparison between expectations and results obtained. Service quality is the level of difference between reality and customer expectations for the service received (Saraswati & Basri, 2016). Service quality has sub-chapters, namely functional quality and hedonic quality:

Functional quality

The SERVQUAL instrument developed by Parasuraman which includes tangibility, reliability, responsiveness, assurance, and empathy focuses more on functional quality, namely how a service is provided (service-delivery process). Service evaluation is not only focused on functional quality, but also includes technical quality (Priharti et al., 2020) and corporate image (Khan et al., 2020).

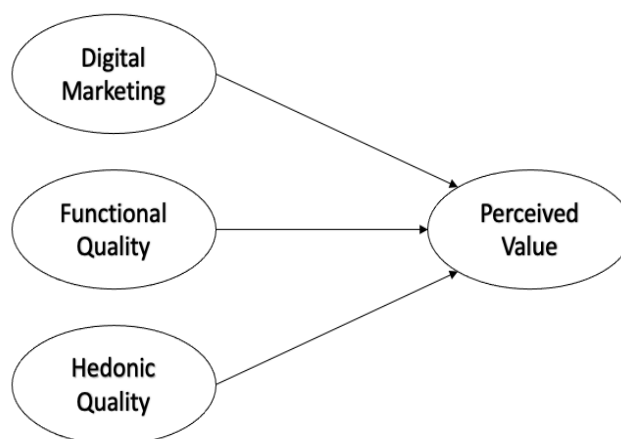
Hedonic quality

The hedonic dimension can be represented by the fun aspect of using information systems (Berbegal-Mirabent et al., 2016). The hedonic dimension is also relevant and might help in reformulating e-strategies that assist competitive advantage in the long term. This means that the hedonic dimension of quality gains prominence once the utilitarian dimension is achieved. The hedonic dimension is therefore paramount in adding value for buyers and acts as a catalyst, increasing sales (Berbegal-Mirabent et al., 2016).

Perceived Value

Consumer Perceived Value literally defines as an opinion of a customer on a product value. In term of marketing, it is defined as the merits and demerits of a product or service that evaluated by customer according to his or her ability to meet their needs or expectations (Hafifah et al., 2019). There are four main aspects of perceived value:

1. Emotional Value: a condition in which emotions arise because of a positive value when using a product or service.
2. Social Value: a condition in which consumers feel their social level increases when using a product or service.
3. Performance: a situation in which consumers feel the expectations they expect are in accordance with what they get.
4. Price or Value of Money: a condition in which consumers assess the level of cost efficiency can be met.

**FIGURE 1****RESEARCH MODEL**

In this study, there are two variables, namely the independent variable and the dependent variable. The independent variable is digital marketing and service quality, the dependent variable is perceived value. This study aims to prove the hypothesis or allegation of the influence of digital marketing and service quality on perceived value at Grand Mall Bekasi, Indonesia. This research uses quantitative methods with descriptive analysis. The scale used is the Likert scale. Sampling using non-probability sampling method with the number of respondents in this study is 100 people. We analyzed the data by using SmartPLS software.

RESULT AND DISCUSSION

This analysis is used to see the perceptions of 100 respondents on the independent variable, namely digital marketing and service quality, and the dependent variable, namely perceived value. Based on the results of respondents' responses that the digital marketing variable is included in the "Good" category with a percentage score of 83.32%, the sub-chapter of the service quality variable, namely functional quality, is included in the "Good" category with a percentage score of 79.2%, hedonic quality is included in the "Good" category with a score of 74.36% and the variable perceived value is included in the "Good" category with a percentage of 75.6%.

The following is the result of convergent validity test which includes loading factor and AVE value for each research variable (Table 1).

Variables	Indicators	Loading Factor	P Values	Conclusion
Digital Marketing	DM1	0,752	0,000	Valid
	DM2	0,779	0,000	Valid
	DM3	0,664	0,000	Valid
	DM4	0,787	0,000	Valid
	DM5	0,831	0,000	Valid
	FQ1	0,786	0,000	Valid

Functional Quality	FQ2	0,892	0,000	Valid
	FQ3	0,845	0,000	Valid
	FQ4	0,838	0,000	Valid
	FQ5	0,867	0,000	Valid
	FQ6	0,819	0,000	Valid
Hedonic Quality	HQ1	0,877	0,000	Valid
	HQ2	0,918	0,000	Valid
	HQ3	0,870	0,000	Valid
	HQ4	0,848	0,000	Valid
	HQ5	0,908	0,000	Valid
Perceived Value	PV1	0,900	0,000	Valid
	PV2	0,874	0,000	Valid
	PV3	0,823	0,000	Valid
	PV4	0,897	0,000	Valid

Based on the processing results presented in Table 1, it can be seen that all indicators have a loading factor greater than 0.5 and a p value <0.05 , so it is considered valid. The following is the reliability test and the criteria used are Composite Reliability (CR) and also Cronbach's Alpha (CA). The four latent variables (digital marketing, functional quality, hedonic quality and perceived value) have Composite Reliability (CR) and Cronbach's Alpha (CA) values of more than 0.7, so the constructs are reliable.

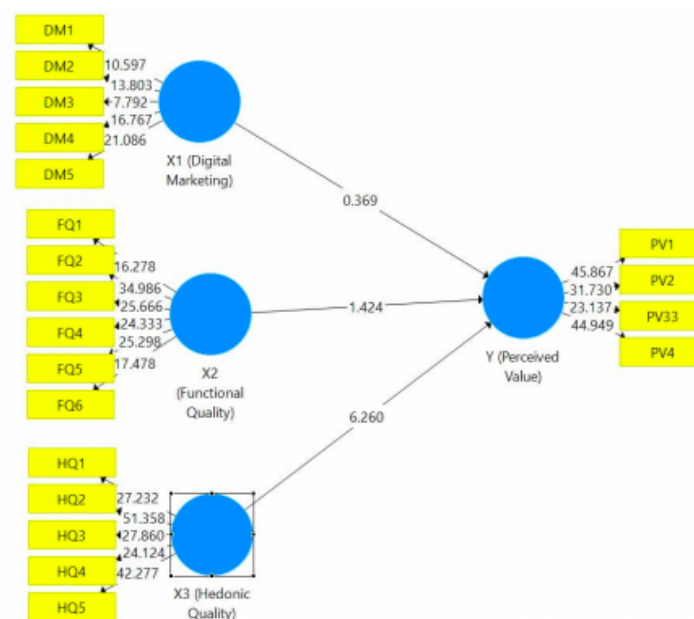


FIGURE 2

STRUCTURAL MODEL ANALYSIS

The R Square value of 0.769 can be explained that the effect of digital marketing variables and service quality on perceived value is 0.769 where these results are obtained from the interpretation that the construct variables of perceived value can be explained by digital marketing variables and service quality by 72.6%. While the remaining 27.4% is explained by other variables beyond those that have been determined in the study. If the R Square value of

0.75 is considered a strong influence, 0.5 is considered a moderate or sufficient influence and 0.25 is considered a weak influence (Setyorini & Hendriyanto, 2017). So that the results of the R Square value of 0.769 provide a strong influence on the effect of the use of digital marketing on perceived value at Grand Mall Bekasi.

Hypothesis	Path	Path Coefficient	P-Values	Conclusion
H1	Digital Marketing > Perceived Value	0.029	0.691	H1 accepted
H2	Functional Quality > Perceived Value	0.181	0.134	H2 accepted
H3	Hedonic Quality > Perceived Value	0,696	0.000	H3 accepted

Structural model testing is used to test the hypothesis between the research variables which can be seen from the p value and t statistic. If the *t* statistical value > 1.96, the effect is significant. The effect of digital marketing on perceived value has a value of 0.397 which means it is not significant. That means, digital marketing has a positive impact but insignificant on perceived value. The effect of functional quality on perceived value has a value of 1.502 which means it is not significant. That means functional quality has a positive impact but insignificant on perceived value.

Based on the research results that have been stated previously regarding the effect of digital marketing, service quality on the perceived value of visitors to Grand Mall Bekasi, several conclusions can be drawn which are expected to provide answers to the problems formulated in this study as follows:

Digital Marketing: Based on the results of data processing from 100 respondents, digital marketing in the eyes of the respondents as a whole is in the good category. This shows that the digital marketing of Grand Mall Bekasi makes it easier for customers to find information.

Functional Quality: Based on the results of data processing from 100 respondents, the overall functional quality is in the good category. This shows that functional quality displays clear and attractive information.

Hedonic Quality: Based on the results of data processing from 100 respondents, overall hedonic quality is in the good category.

Perceived Value: Based on the results of data processing from 100 respondents, overall perceived value is in the good category. This shows that consumers get value and benefits at Grand Mall Bekasi. Digital marketing is not significant on perceived value because it has a p-value above (0,000) <0.05. Hedonic Quality also matters significant to perceived value because it has p value (0.000) <0.05. However, functional quality is not significant, because the p-value (0.134), does not meet the requirements (above 0.05).

CONCLUSIONS

Based on the research results that have been stated previously regarding the effect of digital marketing, service quality on the perceived value of visitors to Grand Mall Bekasi, several conclusions can be drawn which are expected to provide answers to the problems formulated in this study as follows:

Descriptive analysis of digital marketing: Based on the results of data processing from 100 respondents, digital marketing has a percentage of 83.32% which is in the good category. The highest item is in the statement "Social media is the fastest source of information in digital marketing" which has a percentage of 91.4% and the lowest item is in the statement "The digital marketing content (posters and videos) at Grand Mall Bekasi is interesting" with a percentage of 78.2%.

Descriptive analysis of functional quality: Based on the results of data processing from 100 respondents, the overall functional quality has a percentage of 79.2% which is in the good category. The highest item is in the statement "It is easy to get onto this social media quickly" which has a percentage of 82.6% and the lowest item is in the statement "Grand Mall Bekasi's social media enables me to complete transactions quickly " which had a percentage of 76.2%.

Descriptive analysis of hedonic quality: Based on the results of data processing from 100 respondents, overall hedonic quality has a percentage of 74.36% which is in the good category. The highest item is in the statement "I enjoy all the information provided by Grand Mall Bekasi" as much as 77% and the lowest item is in the statement "I do not realize how much time elapsed while looking at Grand Mall Bekasi's social media" which has a percentage of 70.2 %.

Based on the results of data processing from 100 respondents, overall perceived value has a percentage of 75.6% which is in the good category. The highest item is in the statement "Overall, using Grand Mall Bekasi social media is convenient "as much as 77.6% and the lowest item is in the statement" Overall, Grand Mall Bekasi social media has value for my money and effort "which has a percentage of 71.2%.

Digital marketing has a positive effect on perceived value but not significant. This means that digital marketing has not significantly affected the perceived value of Grand Mall Bekasi consumers. This could be because the digital marketing dimension of Grand Mall Bekasi is still unable to reach the perceived value of Grand Mall Bekasi consumers.

Functional Quality has a positive effect on perceived value but not significant. This means that functional quality has not significantly affected the perceived value of Grand Mall Bekasi consumers. This could be because the digital marketing dimension of Grand Mall Bekasi is still unable to reach the perceived value of Grand Mall Bekasi consumers.

Hedonic Quality has a positive effect on perceived value and significant. This shows that the increasing hedonic quality in Grand Mall Bekasi, it will be followed by an increase in the perceived value of Grand Mall Bekasi consumers.

Based on the results of the conclusions described above, we also provide suggestions that would be useful for Grand Mall Bekasi:

Grand Mall Bekasi pays more attention to digital marketing and functional quality aspects, as seen in the descriptive analysis, which is to create an interesting digital marketing content and also help consumers' complete transactions quickly.

This study only examines the variables of digital marketing and service quality on perceived value in Grand Mall Bekasi. So, for further researchers it is suggested to conduct research on similar companies so that the results can be used as a comparison.

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