The Impact of Marketing Mix and Social Media Influencers on Online Customers' Purchase Intention: A Case Study of JD. COM

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Abstract

This research aimed to study the impact of marketing mix and social media influencers on online customers' purchase intention among Chinese JD users. One hundred and sixty-two Chinese JD users participated in the survey research. The respondents were Chinese customers aged 18 years old to 40 years old and are currently using JD online platform during the past 6 months. The respondents were selected using purposive sampling and convenience sampling. The mean and standard deviation were tabulated, and hypotheses were analyzed using Stepwise Regression analysis. The findings revealed that: (1) product, place, and promotion were significant predictors of respondents' purchase intention of JD.com products. However, price was not a significant predictor of respondents' purchase intention of JD. Com products, and (2) Social influencer significantly influenced the respondents' purchase intention of JD.com products.

Keywords: Marketing Mix, Social Media Influencers, Purchase Intention, JD. Com

Introduction

Development of e-commerce has transformed traditional offline marketing into online marketing. Many studies have confirmed that there was a significant relationship between marketing mix variables and purchase intention (Bahl & Chandra, 2018). Marketing mix is the specific embodiment of the marketing strategy. Enterprises can use the marketing mix to decide the extent the services should be provided to customers, and to what extent they can satisfy customer needs and their values (Mothersbaugh & Hawkins, 2016). In social media, the figure of a person or reference group that can give influence is broadly called "social media influencer" who can change the purchase intention of these followers. So social media influencers may positively influence the company, enabling the company to extensively promote its products and gain revenue (Nurhandayani, Syarief, & Najib, 2019). The research on the expectation of Chinese customers on marketing mix of

online platform and the impact of social media influencer can be used to enhance the effectiveness of marketing communication strategy in the e-commerce in China.

Literature Review

The marketing mix is the business model, historically centered around product, price, place, and promotion (McCarthy, 1964). The marketing mix is defined as "the set of marketing tools that a company uses to pursue its marketing objectives in its target market" (Kotler, 2001). A product refers to an item that satisfies people's needs or desires. It can be a tangible item or an intangible item, and some are even an electronic product. A product can also refer to an item sold by a business, which has its own design, its own brand and category, service, and packaging (Blythe, 2009). Price is the amount a customer must pay to purchase a product, and it is also the total cost to the customer of obtaining the product. It may include money and psychological costs, etc., such as the time spent buying products, etc. Price is also the main thing that customers will consider when purchasing a product (Blythe, 2009). Place is a direct or indirect marketing channels, logistics, orders, retail stores, etc. The physical location where the business conducts business or the distribution channel through which it enters the market and can be referred as to a retail store, but now more and more a virtual shopping platform (Blythe, 2009). Promotion refers to the various activities carried out by enterprises to promote and introduce their products and persuade customers to buy their products, including advertisements, public relations, personal sales, promotional activities, etc. (Kotler, 2001).

Many studies have shown that there is a significant relationship between marketing mix variables and purchase intention. (Bahl & Chandra, 2018). According to previous studies, marketing mix variables are related to consumer attitudes. (Bahl & Chandra, 2018).

Social media is an interactive technology that can spread one's own information, interests, ideas, opinions, etc. through virtual communities and networks (Kietzmann & Hermkens, 2011; Obar & Wildman, 2015). In social media, the figure of a person or reference group that can give influence is called "Celebgram", "Blogger", "Vlogger", "youtuber", "KOL (Key opinion leader)", or broadly they are all referred to be called "Social media influencers" (Nurhandayani, Syarief & Najib, 2019).

Objectives of Study

1. To examine the influence of perception of marketing mix (4Ps) of JD.com on the Chinese customers' purchase intention of JD.com.
2. To examine the influence of opinion toward the impact of social media influencers of JD.com on the Chinese customers' purchase intention of JD.com.

Theoretical framework

The study has the developed the following hypotheses and theoretical framework:

Hypothesis 1: Perceptions of marketing mix (including product, price, place, and promotion) significantly influence customers' purchase intention of JD.com products.

Hypothesis 2: Opinion on the impact of social Influencer of JD. Com significantly influences customers' purchase intention of JD.com products.
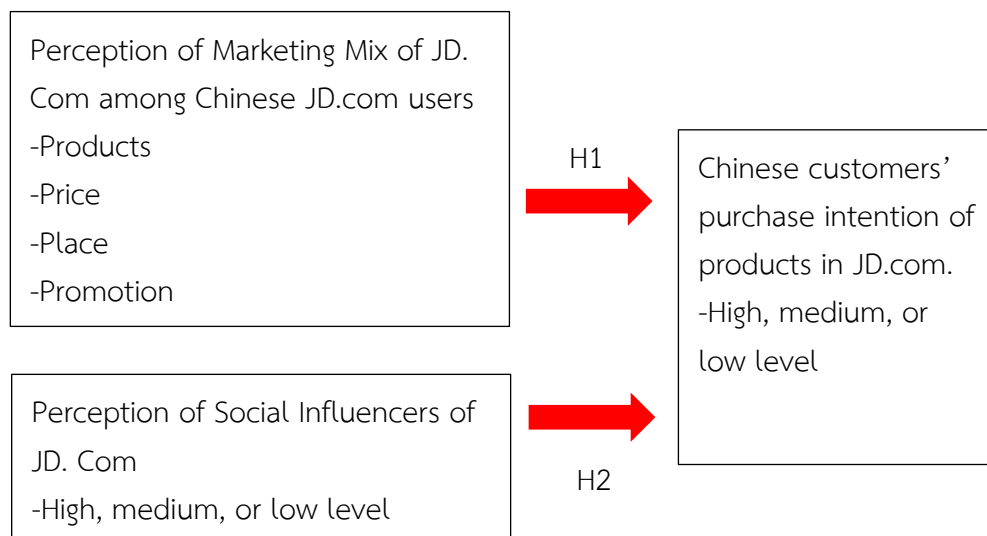

Perception of Marketing Mix of JD. Com among Chinese JD.com users
-Products
-Price
-Place
-Promotion

H1

Chinese customers' purchase intention of products in JD.com.
-High, medium, or low level

Perception of Social Influencers of JD. Com
-High, medium, or low level

H2

Figure 1: Theoretical framework

Materials and Methods

Research Design

This quantitative research used survey research. The questionnaires were distributed to current JD.com customers via JD online communities, WeChat groups, QQ groups, etc. The population was current Chinese JD.com customers, who were exposing to JD.com during the past 6 months. One-hundred and sixty-two Chinese JD.com customers were selected using purposive sampling and convenience sampling.

Research Instrument

There are 4 parts in the questionnaire. Part I inquired about the demographic data of the respondents. Part II, III, and IV used 5-point Likert scale, arranging from 1 Strongly disagree to 5 Strongly agree. In Part II, the researcher adopted the marketing mix scale to measure the opinion of respondents toward the marketing mix and the impact of social media influencer from Lyu (2021). In Part III, the researcher adopted the scale to measure the impact of social influence from Zin (2020) and used the customer purchase scale adopted from Gao (2019) in Part IV.

Instrument Pretest

The English questionnaire has been translated into Chinese and translated back to Chinese language to ensure content validity of the questionnaire. To ensure the reliability of the questionnaire, the questionnaire was pretested with 30 Chinese online customers prior to the data collection, and the findings revealed that all parts have cronbach alpha higher than 0.70. Part II, marketing mix has cronbach alpha of 0.929, impact of social influencers has cronbach alpha of 0.816, and customers' purchase intention has cronbach alpha of 0.857. The reliability results revealed that each scale is considered to have acceptable reliability.

Data Analysis

Perception of customers toward the marketing mix, including products, price, place, and promotion of the products sold in JD.com was the independent variable, and impact of social media influencers on the customers' purchase intention of JD.com products was the mediating factor. The dependent variable was customers' purchase intention of JD.com products. The hypotheses were analyzed using Stepwise Regression Analysis with the statistical significance at 0.05.

Results

Summary of Descriptive Findings

Descriptive findings showed majority of the respondents were male (56.2%, n = 91) followed by female (43.8%, n = 71), with the age between 18-30 years old (43.2%, n =70), earning a monthly salary between 5,001-10,000 yuan (59.9%, n = 97), married (68.5% n = 111), and completed bachelor's degree or other equivalent education (80.9% n = 131).

Descriptive findings revealed that majority of the respondents agreed with all the statements about each factor of marketing mix and had high perception of the overall marketing mix ($\overline{X}$ = 3.57, S.D.= 9.911). When examining each factor of the marketing mix, respondents had the highest perception on the products of JD.com ($\overline{X}$ = 3.58, S.D.= 1.08), followed by place ($\overline{X}$ =3.57, S.D. = 0.989), price ($\overline{X}$ = 3.56, S.D. = 0.981), promotion ($\overline{X}$ = 3.56, S.D. = 1.01), respectively. The finding also revealed that respondents had high perception of products, place, price, and promotion respectively too.

When examining each factor of the marketing mix, the findings revealed that in respect to product factor, respondents ranked the quality of JD. products as the reason for buying JD. com products having the highest mean ($\overline{X}$ = 3.73, S.D. =1.115), followed by product packaging ($\overline{X}$ = 3.51, S.D.=1.310). In respect to the price factor, respondents ranked cheap prices as the reason for their purchasing intention of JD. products having the highest mean ($\overline{X}$ = 3.67, S.D. =1.260), followed by payment method. In respect to the place factor,

respondents ranked fast delivery as the reason for their purchase intention having the highest mean ($\overline{X}$ = 3.65, $S.D.$ = 1.218), followed by convenience. In respect to the promotion factor, respondents ranked promotions and discounts having the highest mean to influence their purchase intention ($\overline{X}$ = 3.65, $S.D.$ = 1.218), followed by coupons.

Majority of the respondents agreed with the statements about the opinions on the impact of social media influencers of JD.com ($\overline{X}$ = 3.52, S.D. = 0.921), ranking the trust of social media as the highest mean, followed by their personal preference on the social media influencer ($\overline{X}$ = 3.68, $S.D.$ = 1.172). Finally, respondents had high purchase intention of JD.com products after exposing to the marketing mix promoted in JD.com. ($\overline{X}$ = 3.56, $S.D.$ = 0.962), ranking that statement," I trust the recommendations of some social media influencers of JD.com more than I choose the products by myself with the highest mean.

Summary of Inferential Findings

Hypothesis 1 Perceptions of marketing mix (including product, price, place, and promotion) significantly influence customers' purchase intention of JD.com products.

Stepwise Regression analysis found that perception of marketing mix can explain 87.4% of the customer purchase (R^2= 0.874*, $p < 0.05$), which was considered to be high prediction. When examining the power of each marketing mix, the findings revealed that perception on product (Beta = 0.451*, $p<0.05$), place (Beta = 0.249*, $p<0.05$), and promotion (Beta = 0.133*, $p<0.05$) are significant predictors of respondents' purchase intention of JD.com products. However, price was not significant predictors of respondents' purchase intention of JD. Com products (Beta = 0.128, $p > 0.05$). Therefore, hypothesis 1 was partially supported.

Table 1: Summary of Regression Analysis for Hypothesis 1

Predictors (Independent variables)	B	Std. Error of the Estimates	Beta (Standardized)	Sig.t
Marketing mix	0.916	0.4820	0.867	0.000
Product	0.400	0.068	0.451	0.000
Price	0.125	0.070	0.128	0.070
Place	0.243	0.059	0.249	0.000
Promotion	0.126	0.062	0.133	0.042

Dependent variables: Customers' purchase intention of JD.com products (R^2= 0.874*, df= 4, $p<0.05$)

Hypothesis 2 Social media influencers significantly influence Chinese customers' purchase intention of products in JD.com.

Stepwise Regression analysis found that social media influencers in JD. com can explain 64.3% of respondents' purchase intention of JD.com. (R^2= 0.643*, p< 0.05), which was considered to be high prediction In addition, the social media influencers significantly influenced the respondents' purchase intention of JD.com products (Beta= 0.802*, p< 0.05). Therefore, hypothesis 2 was accepted.

Table 2: Summary of Regression Analysis for Hypothesis 2

Predictors (Mediating variables)	B	Std. Error of the Estimates	Beta (Standardized)	Sig.t
Social influencers	0.838	0.049	0.802	.000

Dependent variable: Customers' purchase intention of JD.com products (R^2= 0.643, df= 1, p<0.05)

Hypothesis 1 findings revealed that perception of marketing mix can explain 87.4% of the customers' purchase intention of JD.com products. When examining the power of each marketing mix, the findings revealed perception on the product, place, and promotion were significant predictors of respondents' purchase intention of JD.com products. However, price was not significant predictors of respondents' purchase intention of JD. Com products according to the findings. Therefore, hypothesis was partially accepted.

Hypothesis 2 findings revealed that social media influencers in JD. com can explain 64.3% of respondents' purchase intention of JD.com. and social influencer significantly influenced the respondents' purchase intention of JD.com products. Therefore, hypothesis 2 was accepted.

Conclusions and Discussion

In respect to the product factor, this study revealed that the quality, packaging, and kinds of JD products significantly influence JD users' purchase intention., which coincided with Ririn, Rahmat & Rina (2019), who found that the quality of the product and the specific packaging significantly affect the customer's purchase intention.

In respect to the place factor, this study revealed that the convenience of JD.com's channels, the speed of express delivery and after-sales service significantly influence

customers' purchasing intentions. This result coincided with Rachmawati, Shukri, Azam, & Khatibi (2019) who found that location of service and service after purchase can significantly influence customer purchase intention.

In respect to the promotion factor, this study revealed that using coupons and other promotional methods significantly influence JD.com's customers' purchase intentions. This result coincided with Yusuf and Sunarsi (2020) who found that promotions have such a positive significance on customers' purchase intention.

In conclusion, this study found that the marketing mix significantly influence the purchase intention of JD.com users. This study coincided with Putra, Tarigan, Sitepu, & Singh (2020) who found that marketing mix has an impact on purchase intention.

In addition, this study found that online influencers and influencer advertising can influence JD customers' purchase intentions. Hypothesis 2 findings coincided with Nurhandayani, Syarief, & Najib (2019) who examined the impact of social media influencer and brand images to purchase intention" and they found that social media influencers also have a positive impact on customer purchase intentions. Nurhandayani, Syarief, & Najib (2019) claimed that social media influencers also have a positive impact on JD.com's customer purchase intentions.

In conclusion, this study supported the assumptions of Blau's (1964) and Emerson's (1976) Social Exchange theory and Festinger's Cognitive Dissonance theory (1957). Hypothesis 1 results revealed that marketing mix factors can significantly influence Chinese customers' purchase intention of products in JD.com. Homans (1961) defined Social Exchange as "the exchange of activity, tangible, or intangible, and more or less rewarding or costing between at least two persons." (p. 13). The theory also deals with economic relationships cost-benefit analysis occurs when each party has a good that the other party values (Roeckelein, 2018). Social exchange theory states that if the cost of a relationship is higher than the return, for example, if a lot of effort or money has been invested in a relationship without a return, then the relationship may be terminated or abandoned (Emerson & Cook, 1976).

The results also coincided with Festinger' Cognitive dissonance theory (1957) which posited that people can psychologically dissect the information they are exposed to and choose the evidence that is favorable and ignore the evidence that is unfavorable. Schiffman and Kanuk (2007) introduced the concept of five stages that revealed the process: (1) Awareness, (2) Interest, (3) Decision, (4) Trial, and (5) Adoption or Rejection. Schiffman and Kanuk (2007) found that when customers make a purchase intention, they are first exposed to marketing mix variables such as product and price. The core of Social Exchange theory is mutual benefit. The hypothesis findings supported the assumption of

the Social Exchange theory, because customers perceived that JD. products are rewarding to their purchase, because the marketing mix make them fully informed about the product quality, product packaging, affordable price, fast delivery service, and convenience which are consistent to the Chinese customers' expectations. JD. com also reached their mutual expectation from the customers' purchase too.

Hypothesis 2 results confirmed that social media influencers significantly influence Chinese customers' purchase. When customers have the intention to purchase a product, they must first be aware of and interested in the product. Social media influencers can make products available to more people and increase product exposure. The expertise and appeal of social media influencers can have a positive impact on customers' purchase intentions (Zin, 2020). Hypothesis 2 results supported the assumption of the Social Exchange theory, because Chinese customers gained knowledge about products from social media influencers, reducing the customer's choice pressure or uncertainty. At the same time, social media influencers can also benefit from JD.com. too, such as earning revenue and generating their own brand recognition from the endorsing the JD.com products.

However, this study found that price are not significant predictors of respondents' purchase intention of JD. Com products. Widyastuti, Pujiharto, Tubastuvi, & Santoso (2020) also found that the price did not affect the purchase decision in the study. It can be seen from JD.com's market positioning that, as a B2C platform, JD.com mainly provides consumers with a high-quality, high-standard, and reliable comprehensive shopping experience, and emphasizes authenticity guarantee and quality control. Therefore, the primary target customers of JD.com are mainly those who prioritize high quality and authentic products, and thus price is not a major consideration for them. However, the researcher also suggests that JD.com should try its best to make prices more affordable, reaching other target customers, who are looking for "two-in-one purchase" having both high-quality products and affordable price at the same purchase. If JD. com could promote the unique selling position of "two-in-one purchase" policy, JD. com can generate a higher penetration and revenue among Chinese customers.

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