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The Influence of Digital Marketing, Online Customer Reviews, and Place On Purchasing Decisions

(Mie Gacoan Consumer Survey in Bandar Lampung)

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Abstract

This study aims to analyze the influence of digital marketing, online customer reviews, and place on consumer purchasing decisions of Mie Gacoan in Bandar Lampung with a quantitative approach and explanatory research method. Data were collected through questionnaires using accidental sampling techniques and analyzed statistically descriptively through PLS-SEM using SmartPLS 4.0 software and MS Excel. Data analysis includes outer model tests, inner models, and hypothesis tests. The results of the study indicate that the three variables, namely digital marketing, online customer reviews, and place, significantly affect the consumer purchasing decisions of Mie Gacoan in Bandar Lampung. Then simultaneously, digital marketing, online customer reviews, and place significantly affect on consumer purchasing decisions of Mie Gacoan in Bandar Lampung.

Keywords: Digital Marketing, Online Customer Review, Place.

Introduction

Indonesia's food and beverage industry continues to grow rapidly and remains stable despite facing economic fluctuations and weather changes (BPS, 2019-2023). In 2022, this sector contributed IDR813.06 trillion to GDP, an increase of 4.90% from the previous year, and rose again by 4.47% to IDR849.40 trillion in 2023, driven by increased production and consumer demand (Ministry of Industry). In Bandar Lampung, the culinary industry, especially processed noodle foods, is also growing rapidly. Mie Gacoan is one of the main brands that has a noodle flavor concept with levels of spiciness, Mie Gacoan competes with other brands such as Mie Goyang, Mie Liar, and Mie Gacor. By having a larger number of outlets, Mie Gacoan dominates the market, and spurs innovation among business actors to maintain competitiveness and attract consumer purchasing decisions.

As explained by Kotler & Armstrong (2016), consumer purchasing decisions are part of consumer behavior influenced by marketing strategies. Digital marketing, online customer reviews, and place (location) are the main factors that influence purchasing decisions. In the marketing process, digital marketing allows business actors to disseminate product information more widely, increase consumer trust, and encourage purchases (Elbahar & Syahputra, 2021). Statistical reports from Datareportal (2024) show that the number of internet users in Indonesia has reached 185.3 million with a penetration of 66.2%, and 62.3% of the population actively uses social media, which strengthens the effectiveness of digital marketing.

In addition to digital marketing, online customer reviews also play a role in the purchasing decision-making process, especially for consumers who cannot see the product they are going to buy directly. According to Hariyanto & Trisunarno (2020 in Cahyono & Wibawani, 2021), customer reviews that are given voluntarily can influence the perception and interest of potential buyers. Consumers tend to look for information through online reviews before making a transaction, either through Google Reviews or social media.

In addition to digital aspects, physical factors such as place also have a major impact on purchasing decisions, especially in the culinary business. According to Hendra Fur (2013 in Tustorini, 2018), choosing a strategic location is an important element in the marketing mix, because outlets with the right location tend to be more successful than those that are less strategic.

Then based on previous research, it shows mixed results regarding the influence of digital marketing, online customer reviews, and place on purchasing decisions. Paramita et al. (2024) found that online customer reviews significantly influence purchasing decisions for Mie Gacoan in Kediri. However, these results differ from the research of Rahmawati (2021) and Ghoni & Soliha (2022) which state that online customer reviews do not always determine purchasing decisions. Likewise, the study by Anggraini & Saino (2022) shows that place influences purchasing decisions for Mie Gacoan in Surabaya, but the research by Chynthia & Hermawan found that place did not have a significant influence.

The existence of a research gap in previous studies indicates the need for further study on the influence of digital marketing, online customer reviews, and location on purchasing decisions. Therefore, this study aims to analyze these factors in the context of Mie Gacoan consumers in Bandar Lampung.

Literature Review

Marketing

Marketing plays an important role in bringing products closer to consumers by providing information that drives purchasing decisions (Kotler & Armstrong, 2018). According to Qomariah (2016), marketing aims to move products from producers to consumers in a satisfactory manner, while Lamb et al. (2018) emphasize the combination of art and science in creating and communicating value to customers. Kotler and Armstrong highlight the managerial aspects of building long-term relationships, while Lamb focuses more on the

scientific approach. Marketing is about selling and includes identifying customer needs, creating value, and effective communication and distribution strategies.

Consumer Behaviour

Consumer behavior includes the process of selecting, purchasing, and using products or services, which are influenced by various psychological, social, and cultural factors. Kotler & Keller (2009) define it as the science of how individuals or groups make decisions to meet their needs. While Engel et al. (1995) highlight the stages of decision-making, from problem recognition to post-purchase behavior. While Solomon (2019) looks at the role of emotions and perceptions in purchasing decisions. Peter & Olson (2005) add that social norms and cultural trends also influence consumer behavior.

Digital Marketing

Digital marketing is a marketing strategy that utilizes digital technology, especially the internet and mobile devices, to reach and interact with consumers. Kotler & Keller (2016) emphasize the importance of building long-term relationships through digital media, while Chaffey (2013) sees it as a way to adapt marketing strategies to changing customer needs. Kumar & Gupta (2020) reveal the importance of real-time data analysis to increase competitive advantage. Overall, digital marketing aims to increase brand visibility and optimize customer interaction and engagement through more effective communication.

Online Customer Review

Online Customer Review (OCR) is a review given by consumers about a product or service based on their experience. Firdaus et al. (2023) emphasized that OCR helps potential buyers get more information before making a purchase. Cheung & Thandani (2010) see it as a way to increase awareness of a product. Zhang et al. (2021) stated that transparent reviews can increase consumer trust. In the digital era, OCR is a credible and more objective source of information than company promotions (Cheung et al., 2019), and plays a role in shaping brand image and customer loyalty (Rachmawati & Santoso, 2021). Thus, good management of online customer reviews can increase trust and support the success of product marketing.

Place

Location in marketing is not only about accessibility, but also interaction with consumers and distribution effectiveness (Tjiptono, 2015). Strategic location increases customer attraction and business growth (Radna, 2019), while comfort and atmosphere support consumer loyalty (Kurniawan, 2021). In the fast food restaurant industry, the right location, comfortable layout, and supporting facilities increase customer attraction (Kotler & Keller, 2021). Then the restaurant atmosphere and visual identity also affect consumer experience and brand impression (Zeithaml et al., 2020). Thus, location plays an important role in marketing, not only as a place of business, but also as a factor that shapes customer experience and supports business growth.

Research Method

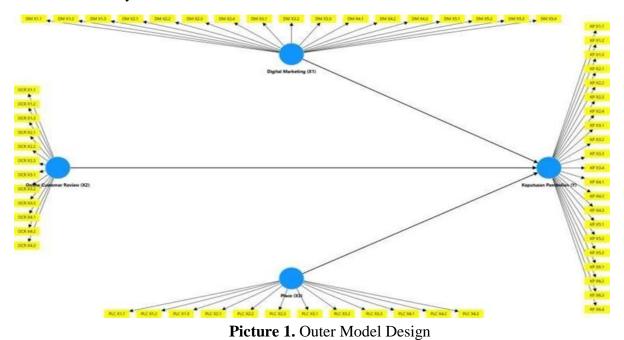
This study uses a quantitative method to analyze factors that influence consumer purchasing decisions. This method tests the relationship between variables with numerical data that is analyzed statistically (Creswell, 2016). The type of research used is explanatory research, which explains the relationship and influence between variables (Sugiyono, 2019). The variables studied include digital marketing (X1), online customer reviews (X2), and place (X3) on purchasing decisions (Y).

The research population is Mie Gacoan consumers in Bandar Lampung. Then the sample was selected using nonprobability sampling with an accidental sampling technique, with the criteria of respondents who had consumed Mie Gacoan, seen promotions on social media, and read reviews on Google Review. Then the number of samples in this study was calculated using the Cochran formula and obtained 100 respondents. The sample was obtained by distributing questionnaires using a Google form questionnaire. The data obtained was processed using SmartPLS 4.0 which consisted of an outer model test, an inner model test, and a hypothesis test.

Result

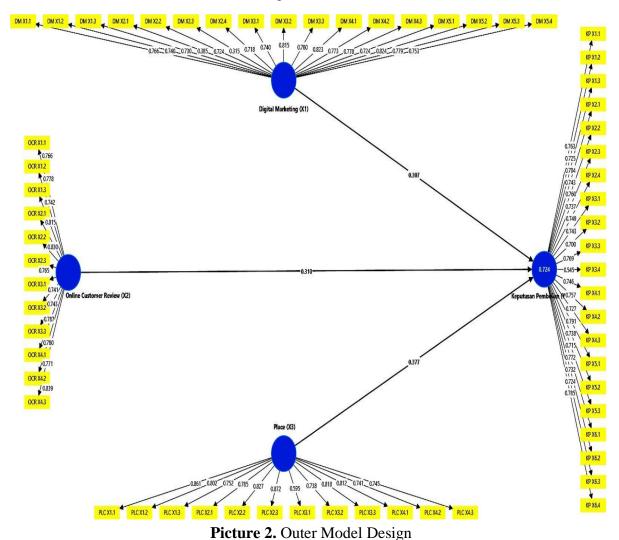
Data Analysis (Partial Least Square)

This study processes data using the Structural Equation Model (SEM) method based on Partial Least Square (PLS) with SmartPLS 4.0 software. The PLS method consists of two stages, namely the first is the evaluation of the outer model to assess the relationship between question items and their variables, and the second is the evaluation of the inner model to test the hypothesis and estimate the path coefficient that describes the strength of the relationship between the independent and dependent variables. The following is the design of the outer model in this study.

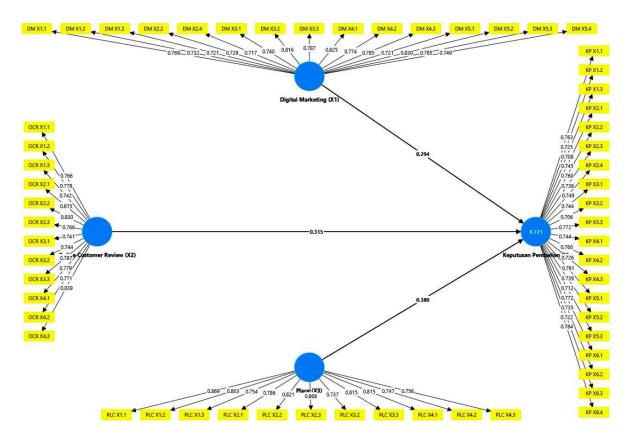


Loading Factor

Convergent validity aims to assess the relationship between statement items and their latent variables by measuring the correlation between component scores and construct scores, which are listed in the outer loadings table. According to Ghozali & Latan (2015), an indicator is considered valid if it has an outer loadings value > 0.7, while a value < 0.7 will be eliminated.



Based on Figure 2, the convergent validity of the measurement model is determined from the correlation between the item score and its construct score (loading factor) with the criteria > 0.7. The results of the analysis show that the Online Customer Review variable is valid with all items having a loading factor > 0.7. However, several items in the Digital Marketing, Place, and Purchase Decision variables are invalid (< 0.7). In Digital Marketing, two items are invalid (DM X2.1 and DM X2.3). In Purchase Decision, two items are also invalid (KP Y3.2 and KP Y3.4). Meanwhile, in Place, one item is invalid (PLC X3.1). All items with a loading factor < 0.7 must be eliminated from the model



Picture 3. Loading Factor Model (II)

After eliminating invalid items, the results of data processing show that the outer loading value has met the criteria, with each indicator having a value above 0.7, so that all indicators are declared valid. Based on Figure 3, the Digital Marketing variable has the highest loading factor value in item DM X5.2 of 0.830, with the statement "Mie Gacoan has price information on social media". In the Purchase Decision variable, the highest value is shown by item KP X5.1 with 0.791, which states "I have the convenience of getting Mie Gacoan products in large quantities". For the Online Customer Review variable, the highest value is in item OCR X4.3 of 0.839, with the statement "Negative reviews make me hesitate to try Mie Gacoan products". Meanwhile, in the Place variable, item PLC X1.1 has the highest value of 0.869, with the statement "The location of Mie Gacoan is easy to find from the main road".

Discussion

The Influence of Digital Marketing on Purchasing Decisions

This study proves that digital marketing has a positive and significant effect on purchasing decisions for Mie Gacoan in Bandar Lampung (t-statistic 3.246 > 1.66; p-value 0.001 < 0.05; path coefficient 0.294). The main factors in digital marketing are price transparency on social media (DM X5.2, 0.830) and consumer trust in the Mie Gacoan digital platform (DM X4.1, 0.825). In addition to being a promotional tool, digital marketing builds long-term customer relationships (Kotler & Keller, 2016). Price transparency accelerates purchasing decisions (Chaffey & Ellis-Chadwick, 2020), while creative and interactive content increases consumer engagement (DM X3.2, 0.816; DM X3.3, 0.787) (Lemon & Verhoef,

2016). However, customer service responsiveness still needs to be improved because slow responses can have a negative impact on purchasing decisions (DM X2.4, 0.717) (Parasuraman et al., 2005). Then the majority of respondents in this study were female (65%), aged 21–25 years (55%), students (51%), and had an income of IDR 1,000,000-IDR 2,000,000 (25%). They are active on digital media and rely on online information in purchasing decisions. According to the AIDA model, digital marketing is effective in the attention, interest, and desire stages but has not fully driven action (Chaffey, 2013 in Rahmi & Aditya, 2017). Therefore, increasing interactivity and customer service can strengthen its influence. In line with the findings of Kumar & Gupta (2021), the effectiveness of digital marketing depends on the availability of relevant, easily accessible, and appropriate information for customer needs. Mie Gacoan can increase loyalty and drive stronger purchasing decisions with a more responsive strategy.

The Influence of Online Customer Reviews on Purchasing Decisions

This study shows that online customer reviews (OCR) have a positive and significant effect on purchasing decisions for Mie Gacoan in Bandar Lampung (t-statistic 3.292 > 1.66; p-value 0.001 < 0.05; path coefficient 0.315). The highest loading factor on OCR X4.3 (0.839) indicates that negative reviews can raise doubts among potential consumers. OCR is a form of digital word-of-mouth where potential buyers trust user experience more than company promotions (Filieri, 2014). Customer reviews on digital platforms are considered more objective and credible (Cheung et al., 2019). In addition, the number of reviews is an indicator of the popularity of Mie Gacoan (OCR X2.2, 0.830), in accordance with the view of Cheung & Thandani (2010) that customer reviews increase consumer awareness.

Positive reviews also attract customers (OCR X2.1, 0.815), supporting Zhang et al.'s (2021) findings that OCR is not only a source of information but also a tool for building trust. Potential buyers compare product recommendations based on other users' experiences (OCR X3.3, 0.787), in line with consumer behavior theory that states that individuals tend to follow community recommendations (Filieri et al., 2018). In addition, reviews provide additional information about taste quality, price, and service that is not always conveyed in official marketing materials (Mudambi & Schuff, 2010).

However, positive reviews are not always enough to drive purchases (OCR X4.2, 0.771), as other factors still influence the final decision. Some respondents also do not always search for or read reviews before purchasing (OCR X1.1, 0.766), indicating that OCR is not the main reference for all customers (Lee et al., 2008). With the majority of respondents in this study being female (65%), aged 21-25 years (55%), and students (51%) with an income of IDR 1,000,000-IDR 2,000,000 (25%), who are more selective in comparing product recommendations. Overall, although OCR is not the only determining factor, its presence still plays an important role in shaping customer perceptions and driving purchasing decisions in the digital era.

The Influence of Place on Purchasing Decisions

Research on Mie Gacoan consumers in Bandar Lampung shows that the place variable positively and significantly affects purchasing decisions. Bootstrapping results (t-statistic

3.551 > 1.66, p-value 0.000 < 0.05, path coefficient 0.380) indicate that restaurant location plays an important role in consumer behavior. The main factor is a location that is easy to find from the main road (outer loading 0.869), in line with Kotler & Keller (2021) who emphasize the importance of accessibility in the marketing mix.

Strategic location increases accessibility and number of visits, especially in the culinary industry, where ease of access and facilities such as parking and signage play an important role in the customer experience (Lovelock & Wirtz, 2022). Restaurants that are easy to reach, either by private or public vehicles (outer loading 0.803), are more attractive to customers who are looking for a place to eat spontaneously (Radna, 2019).

Facilities such as parking security (outer loading 0.821) and a large outdoor area (outer loading 0.815) also support customer comfort. Wakefield & Blodgett (2016) stated that convenient access and facility security increase customer satisfaction and brand loyalty. A large dining room capacity (outer loading 0.737) also allows restaurants to serve more customers and increase revenue (Kurniawan, 2021).

In addition to physical location, branding aspects such as easily recognizable logos (outer loading 0.815) strengthen customer recall. Keller (2008) emphasized that visual identity, including logo design and restaurant exterior, increases brand awareness and attracts new customers. The presence of restaurants on digital platforms such as Google Maps (outer loading 0.754) also makes it easier for customers to find locations, supporting the findings of Chaffey & Ellis-Chadwick (2020) that location-based services increase business visibility and accelerate customer decision-making. The majority of respondents in this study were female (65%), aged 21-25 years (55%), high school/vocational high school education (53%), and student status (51%). Most of them bought Mie Gacoan products twice (34%) and chose the Z.A. Pagar Alam outlet as their favorite (32%).

Overall, the place factor plays a significant role in purchasing decisions, both in increasing desire and action. Strategic locations not only facilitate access but also encourage customers to visit. Comfortable facilities and strong visual identities further enhance the customer experience. In the fast food restaurant industry, this combination of factors can increase customer loyalty and business competitiveness (Kotler & Keller, 2016).

The Influence of Digital Marketing, Online Customer Reviews, and Place on Purchasing Decisions

This study examines the simultaneous influence of digital marketing, online customer reviews (OCR), and place on purchasing decisions for Mie Gacoan in Bandar Lampung. These three variables are interrelated in shaping consumer perceptions and decisions. Digital marketing increases brand exposure through digital platforms (Kotler & Keller, 2021), while online customer reviews act as digital word-of-mouth that builds customer trust before purchasing (Amriady et al., 2023). Place determines the accessibility and convenience of consumers in getting products directly (Tjiptono, 2015 in Evi et al., 2022).

R-Square analysis shows that these three variables simultaneously positively and significantly influence purchasing decisions, with an R² value of 72.1%. This means that

72.1% of the variability in purchasing decisions is explained by digital marketing, online customer reviews, and place, while other factors influence 27.9%. The Goodness of Fit (GoF) Index result of 0.655 (65.5%) indicates that the research model has a high feasibility level in explaining the relationship between independent variables and purchasing decisions. This shows that the influence of the three variables is stronger when analyzed simultaneously.

In practice, culinary businesses such as Mie Gacoan need to optimize digital marketing to reach more customers (Kotler & Keller, 2021). Good online customer review management, including quick responses to reviews, can strengthen brand image and increase customer trust (Rachmawati & Santoso, 2021). In addition, strategic location remains a major factor in attracting customers and maintaining competitiveness in the fast food restaurant industry (Putra & Dewi, 2023).

Conclusion

This study concludes that digital marketing, online customer reviews (OCR), and place have a significant influence on purchasing decisions for Mie Gacoan in Bandar Lampung, both partially and simultaneously. Digital marketing contributes 29.4%, mainly through the transparency of price information on social media, the reliability of the Mie Gacoan digital platform, and its ability to build trust and provide accurate information. Meanwhile, online customer reviews have an influence of 31.5%, where negative reviews can raise doubts, the number of reviews increases brand popularity, positive reviews attract consumer interest, and customers use reviews to compare products. Place has the greatest impact, namely 38%, with the main factors being the ease of finding the location from the main road, safe parking accessibility and close to the entrance, and the availability of a large outdoor dining area. Simultaneously, these three variables influence purchasing decisions with a contribution of 72%, indicating that the combination of digital marketing, customer reviews, and strategic locations play an important role in attracting Mie Gacoan consumers in Bandar Lampung.

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