

The Effect of Product, Distribution, And Digital Marketing toward Female's Purchase Intention (Case Study: Bts Album on Weverse Shop)

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Abstract

The trend of declining physical album sales in the music industry has occurred in the past 5 years, along with the increasing number of digital platforms for streaming music. Oppositely with BTS, the K-pop boyband from Korea. Their physical album (CDs) sales are always increasing every year. This study aims to analyze the effect of product, distribution, and digital marketing toward female's purchase intention of visitor at Weverse Shop. The data source of this research is primary data, which collected from the female fans who has visited Weverse Shop as the channel of selling BTS's album, streamed the BTS' songs digitally, but not purchase the CDs yet. The data collection was performed using purposive sampling by distributing questionnaires to 100 respondents. Data has been processed using multiple linear regression tests. The outcome of this study indicates that: (1) product has significant effect on purchase intention of BTS music album (2) distribution has no significant effect on purchase intention of BTS music album (3) digital marketing has a significant effect on purchase intention of BTS music album (4) product, distribution, and digital marketing have a simultaneous effect on purchase intention in BTS music albums. Based on the coefficient of determination, the effect of the independent variable on purchase intention is 26%, the remaining 74% can be explained by other variables that not examined in this study.

Keywords

Product, distribution, digital marketing, purchase intention, BTS.

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Introduction

Korean culture has developed rapidly throughout the world in the last two decades, its existence which has been successfully accepted by the entire global community gave birth to a phenomenon known as the "Korean Wave", where the Korean Wave itself is synonymous with music, drama, to variety shows that are packed with a touch of Korean culture and targeting millennials. Emotional touches such as sympathy and empathy are the hallmarks of the Korean Wave. That signature has generated a positive image for Korea. This positive image forms the behavior of consumers' purchase intentions that can encourage purchase decisions (Rizkia, 2021; Sukma, Hermina, & Novan, 2020).



Figure 1 BTS K-Pop Boyband (Billboard Magazine, 2021)

One of the Korean Wave products that are in great demand by millennials is Korean pop music or better known as K-Pop. Where K-Pop has become one of the entertainment sub-sectors that has raised the South Korean economy (Anandia & Santoso, 2015)). One of the K-Pop groups that has achievements in the international music scene is BTS (Jung, 2018; Saadah, Sulistyan, & Muttaqien) The group was formed by the agency BigHit Entertainment in 2013—recently rebranded as HYBE, which went public in October 2020. Now they have a strong and influential fan or fandom called A.R.M.Y which stands for Adorable Representative M.C for Youth.

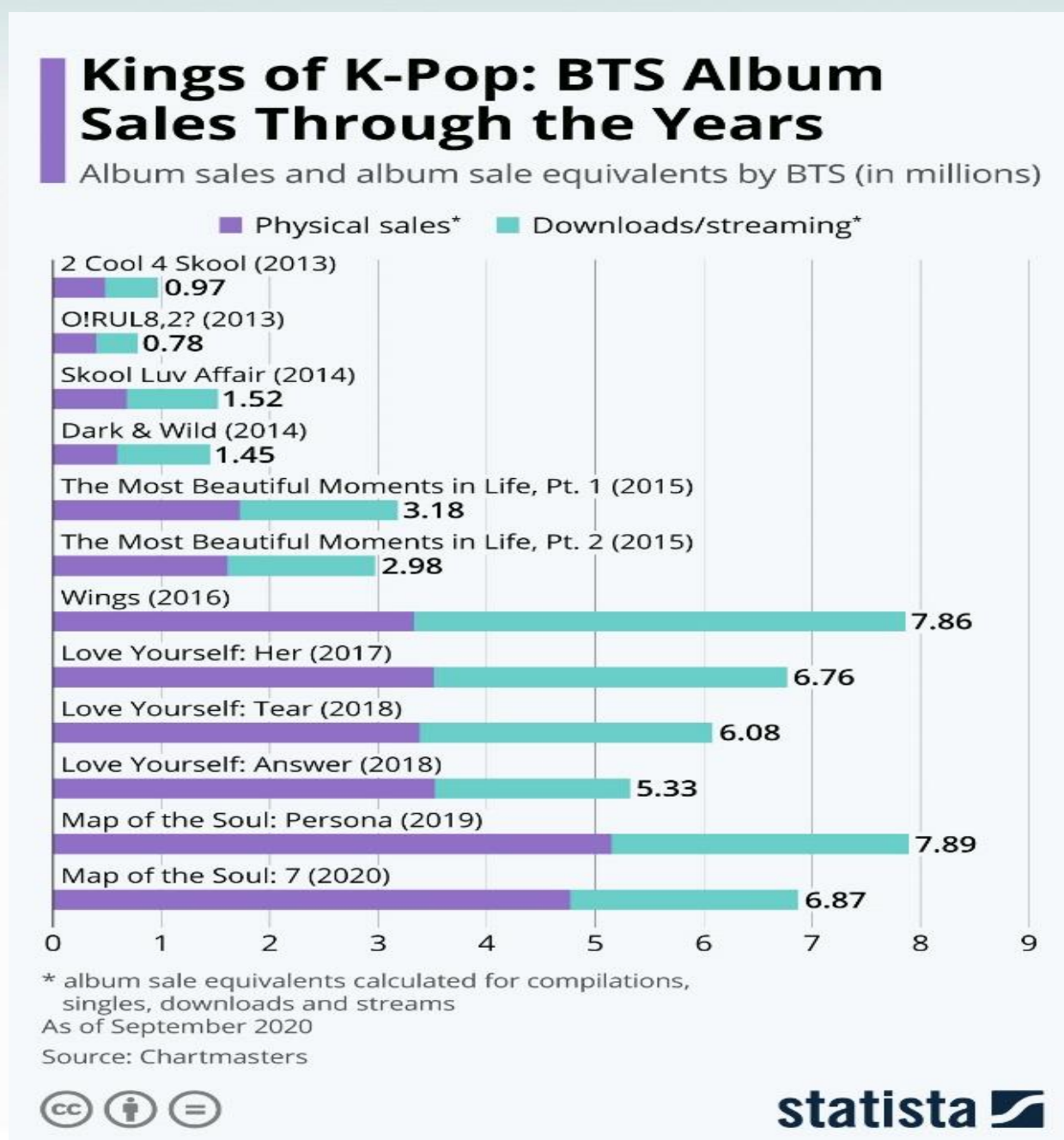


Figure 2 BTS Album Sales from 2013-2020 (Statista.com, 2021)

According to Chartmaster's calculations, the BTS album MOT/7 managed to occupy the number two chart after singer Adele, with acquisitions of 5,069,000 units. According to Hanteo Chart, the "Butter" CD version sold 1,975,364 copies in the first week of its release (July 9 to July 15). These are the highest sales numbers recorded for any album released in 2021 on Hanteo Chart. This is also the fourth-highest first-week sales record in all of Hanteo Chart history. All four of those top records are held by BTS: "Map of the Soul: 7" (3,370,000), "BE" (2,270,000), "Map of the Soul: Persona" (2,130,000), and now "Butter." Moreover, according to Hanteo Chart's data, the "Butter" CD sold 1,711,870 copies on the first day of its release. BTS is the only artist to have accomplished over 1 million in album sales on the first day of the album's release. This proves that BTS' physical albums are in great demand by fans who are spread all over the world. BTS album sales in South Korea, reached 3.1 million units. In Japan managed to sell as many as 300 thousand units in just seven days. While 500 thousand units were successfully sold in Asia. Even in Europe, sales figures are fantastic reaching 130 thousand units and America at 347 thousand units. This means that BTS has sold more than 10 million records during their career, from 2013 to 2021. Along with the success of physical album sales, the number of songs streamed on each digital music platform is also impressive. According to the Guinness World Records, BTS are now the most-streamed group of all

time on Spotify. The organization certified the band for having racked up an incredible 16.3 billion plays across all their singles and albums, following by Coldplay (16.1 billion) and Imagine Dragon (15.7 billion) in 2nd and 3rd place. Nowadays, with the rapid development of technology, getting albums in South Korea can be easily obtained even though they are in far other countries. Access to physical BTS albums is also encouraged by the development of digital marketing, namely marketing activities for a brand or product using digital media or the internet (Hull, 2004; Marshall, 2013; Syafikarani, 2021)

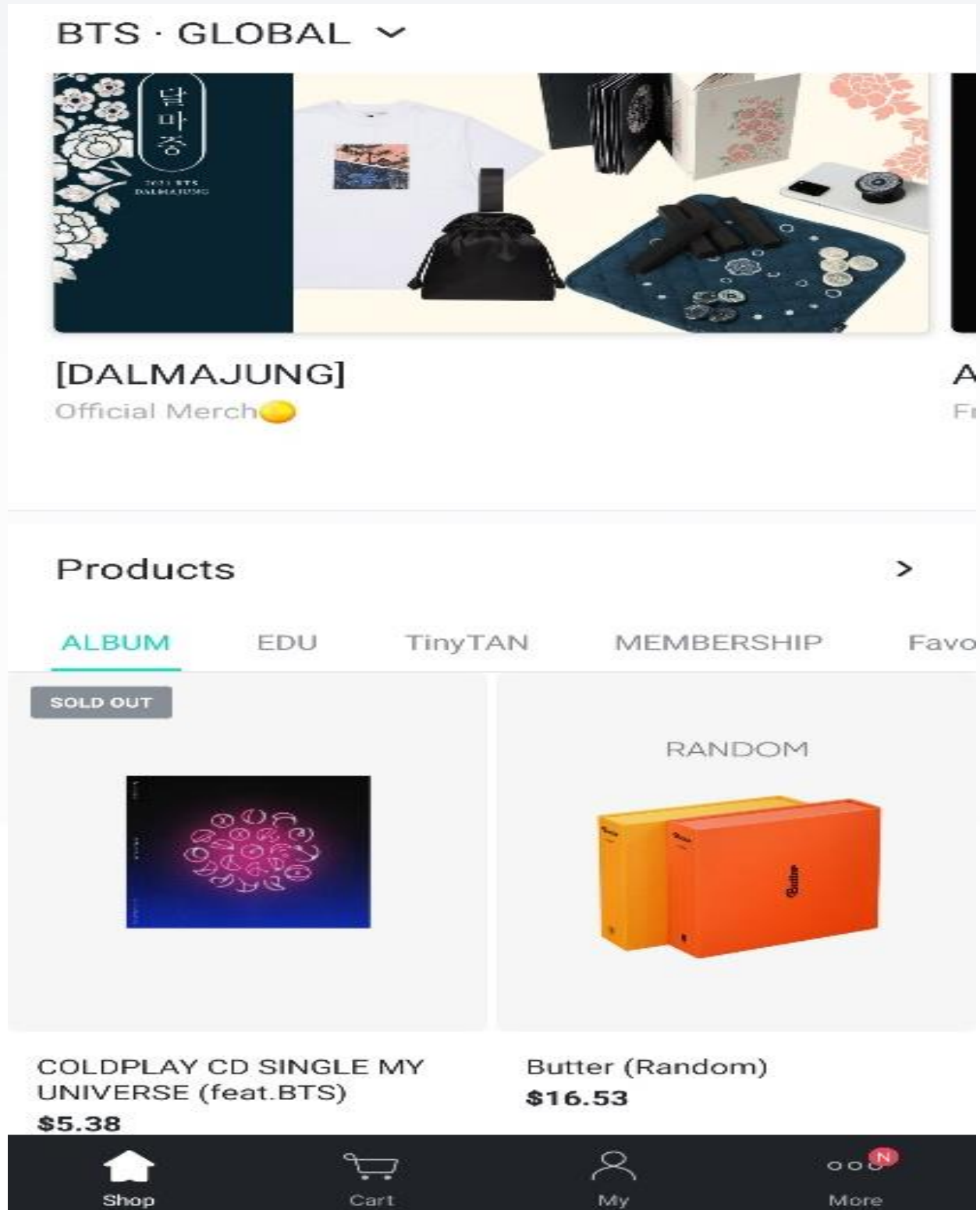


Figure 3 Weverse Shop Overview (Weverse Shop Application, 2021)

With the release of Weverse Shop, they have gradually started to leave conventional marketing and switch to digital media, and this is considered very relevant to sales at a global level such as BTS album sales targeting ARMYs in various countries. With digital marketing, hopefully can bring many benefits, such as wider and cheaper, so that it is more effective and can attract consumers quickly and precisely. Weverse shop is an online application that sells various kinds of BTS goods, ranging from ARMY Bombs, merchandise, concert tickets, to albums. Sales on the Weverse Shop are international, so fans from any country can access and make transactions through the Weverse Shop. This application is very helpful for fans because they can easily and quickly get official albums directly from the official store. Contrary with previous facts, in 2020, a total of 31.6 million physical CDs were shipped in the United States. This figure marks the lowest total in decades—physical CD shipments have nearly halved over the past two years. More than 900 million CDs were shipped in the United States in 2000, but the product has experienced a large decline in popularity in each year since.

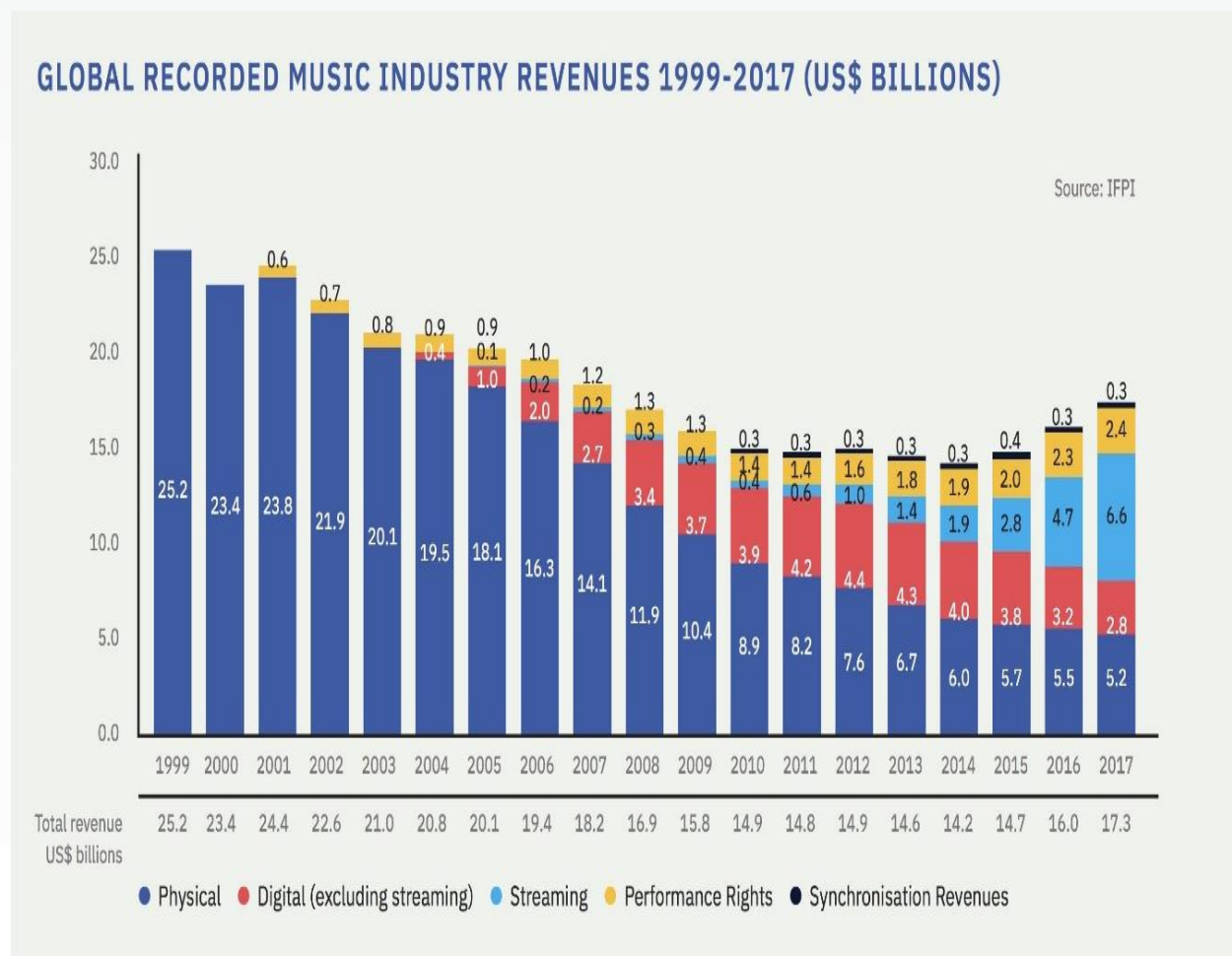


Figure 4 Physical CD shipments in the US from 1999-2020 (in millions) (Syafikarani, 2021)

Streaming generated \$6.6 billion in total (across audio, video, ad-free and subscription) last year. That was up \$1.9 billion on 2016's \$4.7 billion tally from streaming. As such, streaming (\$6.6 billion) represented a 38.2% share of the total \$17.4 billion market in 2017, and was the single biggest format in recorded music ahead of physical (30.1%) and downloads (16.2%). There were 176 million users of paid streaming services worldwide at the close of last year, increase 64 million on 2016. Physical music revenue fell 5.4% to \$5.2 billion, while download income dropped 20.5% to \$2.8 billion. This phenomenon raises a big question mark, why the trend of BTS album (CDs) sales continues to increase while the worldwide trend has actually decreased. Along with the previous explanation, this is the basis for the author to conduct a study entitled "The Effect Of Country Product, Distribution, And Digital Marketing Toward Female's Purchase Intention (Case Study: Bts Album On Weverse Shop)".

Literature Review

Previous Research

Table 1 presents the previous research related to this research.

Table 1

Previous Research

No	Title	Result	Author
1	The Influence Of Marketing Interest On Interest In Buying Album Music Korean Pop (Study on Korean Pop Music Fans)	The purpose of this study was to determine the influence of digital marketing on fans' buying interest in Korean Pop albums. The results of this study are digital marketing has a significant positive effect on purchase intention.	Syafakarani, A. (2021)
2	The Influence of Digital Marketing on Interest in Buying Korean Pop Music Albums (Study on Korean Pop Music Fans)	The purpose of this study was to determine the influence of digital marketing on fans' buying interest in Korean Pop albums. The results of this study are digital marketing has a significant positive effect on buying interest.	Ramadhanty, A. (2020)
3	Digital Marketing and Product Variety on Shopee Online Store Consumer Buying Interest (Case Study on Management Study Program Students, Faculty of Economics, Bhayangkara University, Greater Jakarta)	There are three variables used in this research, namely the Digital Marketing (X1), Product Variety (X2), and Purchase Interest (Y). Digital Marketing and Product Variety have a significant effect on the Purchase Intention variable as 23.8%.	Andrian (2019)
4	The Influence Of Products, Distribution And Digital Marketing On The Interest To Buy Products Of MSMEs fostered by the West Java Chamber of Commerce in the COVID-19 situation	The purpose of this research is to find out to what extent products, distribution, digital marketing affect the interest in buying MSME products assisted by the West Java Chamber of Commerce in the Covid-19 situation. The results of the study prove that the product has an effect on buying interest in MSME products assisted by the West Java Chamber of Commerce by 10.9%, Distribution has an effect on buying interest in MSME products assisted by the West Java Chamber of Commerce by 13.2% and Digital Marketing has an effect on buying interest of 15.1%.	Sukma, A (2020)
5	Analysis Of The Influence Of Product Design, Price Perception, And Product Quality On Brand Image To Increase Consumer's Interest To Buy Original Adidas Shoes (Case Study on Community in Semarang City)	This reaserch aims to test the strength of the product design, quality of the product and price perception against a brand image to improve purchase intention on a adidas shoes (a case study in Semarang). The results show significant and positive effect product design to brand image, significant and positive effect price perception to customer value, significant and positive effect quality of the product to brand image, and then significant and positive brand image to purchase intention.	Anandia & Santosa (2015)

Source: Data Analysis, 2021 (Rizkia, 2021; Sukma et al., 2020)

Conceptual Framework

Figure 5 presents the framework of this research

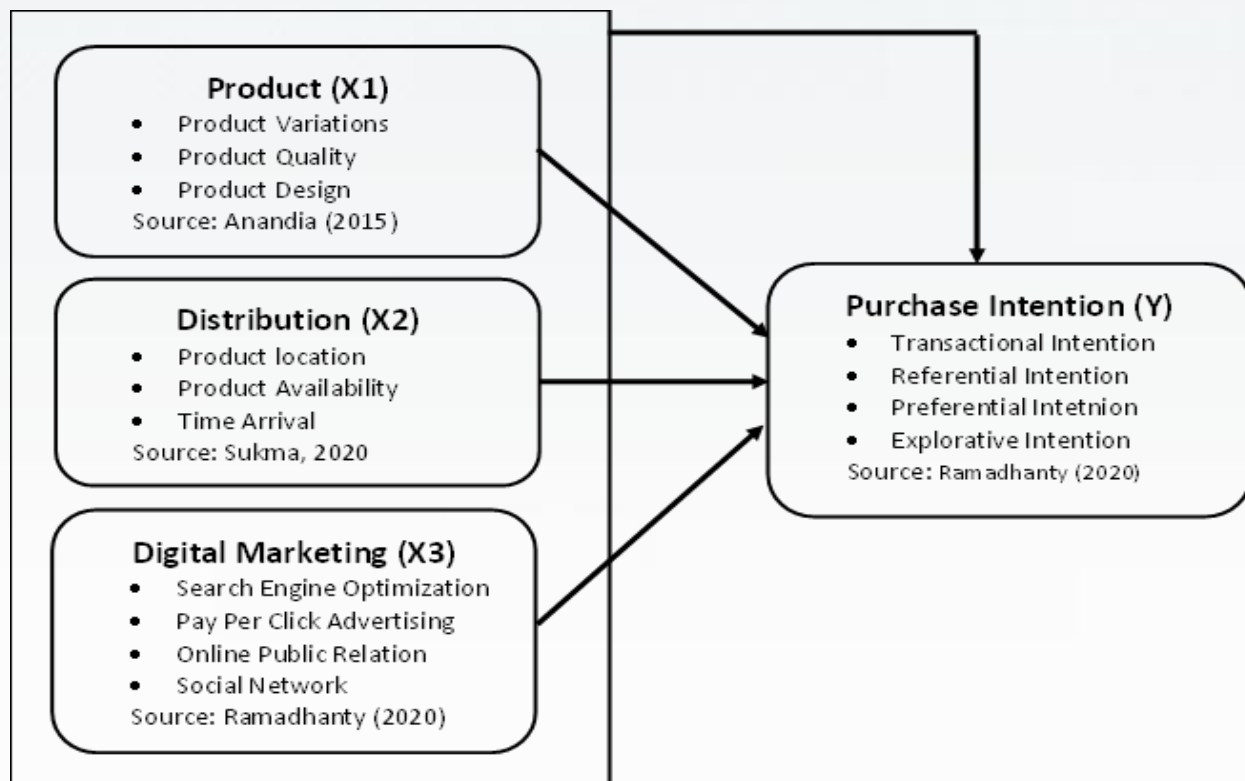


Figure 5. Conceptual Framework.

Source: Data Analysis, 2021

Hypothesis

1) The Effect of Product on Purchase Intention

H_0 = product partially has no effect on purchase intention.

H_a = product partially has an effect on purchase intention.

2) The Effect of Distribution on Purchase Intention

H_0 = distribution partially has no effect on purchase intention.

H_a = distribution partially has an effect on purchase intention.

3) The Effect of Digital Marketing on Purchase Intention

H_0 = digital marketing partially has no effect on purchase intention.

H_a = digital marketing partially has an effect on purchase intention.

4) Simultaneous influence

$H_0 = 0$, it means that the product, distribution, and digital marketing simultaneously have no effect on purchase intention.

$H_A \neq 0$, it means that products, distribution, and digital marketing simultaneously have an effect on purchase intention.

Methods

Quantitative approach is this research methodology. The type of this research is applied research, which the purpose of this study as the outcome is to analyze the effect of the dependent variable (product, distribution, and digital marketing) on the independent variable (purchase intention). Data analysis in this study consisted of validity test, reliability test, classical assumption test, multiple regression analysis, F test, and t test. Data processing using the IBM SPSS Statistic 22 program. Questionnaires compiled by the author were distributed via google form to respondents who had purchased BTS digital songs (has streamed legally on digital platform), but not yet purchase

physical albums (CDs). The sampling method used is non-probability sampling. Respondents are female students who have visited the Weverse Shop with a sample of 100.

Result and Discussion

Multiple Linear Regression Analysis

The following are the results of multiple linear regression analysis:

Table 2

Result of Multiple Linear Regression Analysis

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	8.651	2.351		3.680	.000
	Product	.149	.059	.255	2.547	.013
	Distribution	.055	.087	.056	.634	.528
	DigitalMarketing	.298	.090	.333	3.325	.001

a. Dependent Variable: Purchase Intention

Source: Data Analysis, 2021

Based on the variables that have been described previously, the form of the multiple linear regression equation obtained is as follows.

$$Y = 8,651 + 0,149X_3 + 0,055X_1 + 0,298X_3$$

Based on Table 2 the results of multiple linear regression analysis, it was found that the variable that most influenced purchase intention was digital marketing because it has 0.298 of Unstandardized Coefficient (β) value which was greater than the other variables. It can conclude that digital marketing (Weverse Shop) can be considered to continue to be used as the company's marketing strategy in the future because it has the greatest influence in generating consumer interest.

Hypothesis Testing Result

Partial hypothesis testing (t-test) is used to determine that each independent variable individually affect the dependent variable. Based on Table 2 from the results of the t test that has been carried out, each independent variable has a partial effect on the dependent variable as follows (Hoang, 2020).

The Effect of Product on Purchase Intention

H_0 = product partially has no effect on purchase intention.

H_a = product partially has an effect on purchase intention.

H_0 accepted and H_a rejected if Sig. Value > α

H_a accepted and H_0 rejected if Sig. Value < α

The level of significance used in this study is 5% (0.05).

Table 2 shows that the significant value of $0.013 < 0.05$. So the H_0 is rejected and H_a is accepted. It means that there is partially significant effect between product and purchase intention. The results of the statistical test above are in line with to the previous research included in this study, the results obtained from the research of (Rahmadhanty & Jumhur, 2021; Syafikarani, 2021) The results of this study is digital marketing has a significant positive effect on purchase intention of Korean Pop albums (Fatmawati, 2020).

The Effect of Distribution on Purchase Intention

H_0 = distribution partially has no effect on purchase intention.

H_a = distribution partially has an effect on purchase intention.

H_0 accepted and H_a rejected if Sig. Value $> \alpha$

H_a accepted and H_0 rejected if Sig. Value $< \alpha$

The level of significance used in this study is 5% (0.05).

Table 2 shows that the significant value of $0.528 > 0.05$. So, the H_a is rejected and H_0 is accepted. It means that there is no partially significant effect between distribution on purchase intention The results of this study are contrary with the research of (Jung, 2018; Sukma et al., 2020) In his research stated that distribution has an effect on buying interest in MSME products assisted by the West Java Chamber of Commerce by 13.2% and Digital Marketing has an effect on buying interest of 15.1%.

The Effect of Digital Marketing on Purchase Intention

H_0 = digital marketing partially has no effect on purchase intention.

H_a = digital marketing partially has an effect on purchase intention.

H_0 accepted and H_a rejected if Sig. Value $> \alpha$

H_a accepted and H_0 rejected if Sig. Value $< \alpha$

The level of significance used in this study is 5% (0.05).

Table 2 shows that the significant value of $0.001 < 0.05$. So, the H_0 is rejected and H_a is accepted. It means that there is partially significant effect between digital marketing on purchase intention. The results of the research above are in line with research conducted by (Anandia & Santoso, 2015) (Anandia & Santoso, 2015; Hull, 2004) which states that digital marketing and product variety have a significant effect on the purchase intention of Shoppe customer.

Simultaneous Test (F Test)

Simultaneous hypothesis (F test) basically shows that all independent or independent variables included in the model have a simultaneous effect on the dependent variable.

Table 3

Simultaneous Test Result

		ANOVA ^a				
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.961	3	27.987	10.990	.000 ^b
	Residual	239.386	94	2.547		
	Total	323.347	97			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Product, Distribution, DigitalMarketing

Source: Data analysis, 2021

$H_0 = 0$, it means that the product, distribution, and digital marketing simultaneously have no effect on purchase intention.

$H_A \neq 0$, it means that products, distribution, and digital marketing simultaneously have an effect on purchase intention.

H_0 accepted and H_A rejected if Sig. Value > α

H_A accepted and H_0 rejected if Sig. Value < α

The level of significance used in this study is 5% (0.05).

Table 3 shows that the significant value of $0.000 < 0.05$. So, the H_0 is rejected and H_A is accepted. It means that product, distributions, and digital marketing simultaneously have an effect on purchase intention. The above results are supported by (Sukma et al., 2020; Syafikarani, 2021) Sukma's research (2020) which states that the digital marketing plays an important role and has a significant impact on consumer purchase intention.

Coefficient of Determination Results

zero and one is the range of the coefficient of determination value. The value of R^2 which is close to one means that almost all the information needed to predict the variation of the dependent variable is provided by the independent variable.

Table 4

Coefficient of Determination Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.510	.260	.236	1.596

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Product, Distribution, DigitalMarketing

Source: Data analysis, 2021

Based on Table 4, the R Square value of 0.260 or 26%. This shows that the variable of purchase intention is simultaneously influenced by the product, distribution, digital marketing variables by 26%. Because the coefficient of determination in table is 0.260 or 26%, the remaining 74% can be explained by other variables that not examined in this study.

Conclusion

The purpose of this study is to analyze whether there is an effect of product, distribution, and digital marketing on purchase intentions in BTS albums, both partially and simultaneously. Based on the results of the analysis, the following conclusions can be drawn:

1. Product has an effect on purchase intention in BTS music albums. This statement means that the more attractive, having a lot of merchandise, the more unique the BTS music album product, the more purchase intention will increase.
2. Distribution has no effect on purchase intention in BTS music albums.
3. Digital marketing has an effect the interest in buying BTS music albums. The statement shows that the more complete the information provided through digital marketing by the company producing BTS music albums, the higher the fans' purchase intention in BTS music albums.
4. Product, distribution, and digital marketing have a simultaneous effect on purchase intention in BTS music albums.

Suggestion

Based on the results of the research that has been concluded, the suggestions that will be given with this research and further research are as follows:

Suggestion for BTS music album producers or label

a. Based on the results of research on product variables on interest in buying BTS music albums, BTS music album producers must maintain good quality and attractive designs from BTS music albums. Because fans believe that BTS music album products have good quality and design so that they are suitable for consumption. Music album products in digital form are also very good, fans are given the convenience of enjoying every song in the album. However, the distribution of digital music albums on the Internet cannot be fully controlled by the company, thus affecting the income for the company. The ease of digital music albums triggers many individuals to take harmful actions, for example by committing piracy which can reduce the quality of music and appreciation of the value of works of art. Therefore, it is necessary to collaborate between digital album providers and companies to overcome this.

b. Based on the results of research on digital marketing variables on the interest in buying BTS music albums, it is better for BTS music album producers to promote BTS music albums according to fans, especially on the language used in social media which is widely used by fans to find information about idols. Digital marketing is able to reach various levels of consumers, thereby increasing the number of fans who will be interested in buying BTS music albums. However, in some social media to inform sales of BTS music albums, facilities are still needed that support international fans such as fans in Indonesia who do not easily understand Korean. So that digital marketing makes it easier for international fans. Especially because of today's globalization, fans also make social media their main source of information.

Suggestions for upcoming research

c. For further writers who use google form as a medium for distributing questionnaires so that before distributing the questionnaires, they first conduct an experiment in filling out the questionnaire before distributing the link, because during the distribution of the questionnaire by the author there were several obstacles with errors in inputting questionnaire statement items.

d. The next author can also use gifts that are appropriate to the respondents as a form of attraction and appreciation for respondents who have filled out the research questionnaire.

e. Better not to use this research questionnaire, especially on the statement items "BTS music album products require large shipping costs", "BTS music album product distribution takes a long time", and "BTS music album product delivery time. Pop around 1 month". If you want to continue using the questionnaire, you should change the statement item to a positive statement item. This is because the respondents in this research are inconsistent, especially in the distribution statement items, causing the distribution statement items to be unreliable.

f. For researcher who will research with similar topics should use research variables that are not used in this study. This is because the results of the coefficient of determination test show that changes in purchase intention can be explained by 26% of product, distribution, and digital marketing, while 74% is explained by other variables that are not used in this study. Other research variables, for example, suggested are price, brand image, and physical evidence of the company that influence purchase intention in BTS music albums.

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