

# THE INFLUENCE OF DIGITAL MARKETING AND PRODUCT QUALITY ON PURCHASING DECISIONS AT IBL SHOP AND ITS IMPACT ON GENERATION Z CUSTOMER SATISFACTION IN PALU CITY

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## Abstrak

This study aims to determine and analyze the direct and indirect effects of digital marketing and product quality on consumer satisfaction on purchasing decisions at IBL Shop and its impact on generation Z consumer satisfaction in Palu City. Data collection was carried out by distributing questionnaires to consumers who shop at IBL Shop. The sampling technique used a purposive sampling technique using the Roscoe formula with a sample size of 100 respondents. The data analysis technique uses the SEM-Partial Least Square (PLS) method. The results showed that (1) Digital marketing has a positive and significant effect on customer satisfaction at IBL Shop for Generation Z in Palu City (2) Product quality has a positive and significant effect on customer satisfaction at IBL Shop for Generation Z in Palu City (3) Digital marketing has a positive and significant effect on purchasing decisions at IBL Shop for Generation Z in Palu City (4) Product quality has a positive and significant effect on purchasing decisions at IBL Shop for Generation Z in Palu City (4) Product quality has a positive and significant effect on purchasing decisions at IBL Shop for Generation Z in Palu City. (5) Purchasing decisions have a positive and significant effect on customer satisfaction at IBL Shop for Generation Z in Palu City (6) Digital marketing has a positive and significant effect on customer satisfaction through purchasing decisions at IBL Shop for Generation Z in Palu City (7) Product quality has a positive and significant effect on customer satisfaction through purchasing decisions at IBL Shop for Generation Z in Palu City.

**Keywords** : Digital Marketing, Product Quality, Purchase Decision, Consumer Satisfaction

## 1. INTRODUCTION

Marketing today continues to evolve from the original conventional concept to a modern concept. Factors such as the increasing number of competitors, increasingly advanced technology, accelerate and spur marketers to be more creative in an effort to meet customer satisfaction. The development of market needs that are increasingly dynamic shifts and also changes in the function of society are the reasons for giving birth to separate needs for certain things, one of which is the need for a place to conduct external socialization, which then gives birth to places such as restaurants, cafes, or a combination of the two (Stania and Trenggana, 2016).

This can be seen in the increasing development of e-commerce in Indonesia, slowly people are starting to leave conventional shopping habits and switch to shopping online. E-commerce is used as a solution as a buying and selling media that can save time and money. The ease of e-commerce to reach local and foreign articles makes people more interested in buying and selling in e-commerce. Transactions are carried out without

having to meet between sellers and buyers, buyers make purchases online (Putri and Marlien, 2022).

E-commerce in Indonesia is increasing, slowly people are starting to leave conventional shopping habits and switch to shopping online. E-commerce is used as a solution as a buying and selling media that can save time and money. The ease of e-commerce to reach local and foreign markets makes people more interested in buying and selling in e-commerce. Transactions are carried out without having to meet between sellers and buyers, buyers make purchases online (Putri and Marlien, 2022). Digital marketing is a form of activity carried out by the marketing department, both marketing in companies and individuals with the aim of marketing a product or brand to be sold, both products in the form of goods and products in the form of services. Digital marketing uses the development of the digital world to do advertising that is not done directly but has a very influential effect. Digital marketing is marketing that utilizes digital information technology such as using electronic media or internet-based media. Electronic-based digital marketing can usually be done through advertisements on television and also on the radio, for digital marketing based on internet media is usually done through e-commerce, social media and also through websites. With the existence and development of digital marketing, it can help a business to expand its market reach because digital marketing can provide an opportunity for a business to get a larger number of consumers, this is due to the freedom of time for consumers to explore or find out more about a product without any time limit (Pradiani, 2017).

Digital marketing communication is an innovation in marketing strategy as a form of creativity to attract consumers, which was previously conventional and then evolved by using digital-based marketing media. Business actors already have confidence in the use of online marketing media (e-commerce). Digital-based marketing activities are one of the solutions that can be utilized by business actors, especially after the Covid-19 pandemic (Hamid et al., 2021). Product quality has a very important role in an increasingly competitive marketing situation, product quality greatly affects the progress or failure of the company. A company not only pays attention to the quality of the products produced but also pays attention to the quality of these products. In a production process sometimes there are still failures even though the production process has been planned and implemented properly. Because of this, the company is expected to make continuous improvements in its efforts to reduce product failure. With the rapid development of technology today, the competition that occurs between companies will also increase. Things that encourage companies to further improve the quality of products produced so that they are in accordance with the product specifications that the company has previously set (Aviati, 2023).

Product quality is one of the factors considered by consumers in buying a product. Product quality also reflects consumer satisfaction. If the product quality is good, customer satisfaction will also be high. Apart from product quality, customer satisfaction also includes cost (quality of cost), delivery (quality of delivery) and safety (quality of safety). All of these qualities are basic factors that can influence consumer choices for various types of goods and services that are growing rapidly today. Products that can be accepted by consumers are products that meet the needs and desires of consumers with the minimum possible level of product defects. Therefore, companies need to maintain and improve the quality of the quality of the products they produce by implementing good quality management (Faizah et al., 2013).

According to Kotler and Keller (2016: 194) purchasing decisions are part of consumer behavior, while consumer behavior is a study that investigates how individuals, groups and organizations that choose, buy, use and how goods, services, ideas and experiences always satisfy and control their own needs and desires. Purchasing decisions made by customers involve customer confidence in a product so that there is a sense of confidence in the correctness of the actions taken. The customer's confidence in the

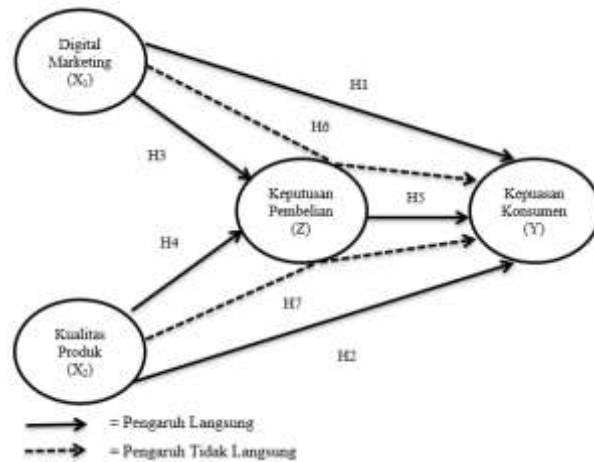
purchase decision he made represents the extent to which the customer has confidence in his decision to choose a product. Customer satisfaction is a very important factor in ensuring the survival of a company. The goal of a company is to create and retain consumers. In order for a company to develop and get satisfaction from consumers, a company must be able to provide more value for the quality provided to consumers. Consumer satisfaction is a person's perception of the performance of a product or service in relation to his expectations. When consumers make a purchase, consumers will make an assessment of how much their expectations can be met from the product they receive. When the performance of a product or service matches expectations, the consumer will be satisfied and if it exceeds expectations, the consumer is very satisfied. However, if the performance of a product or service received is less than expectations, then consumers are not satisfied. Therefore, in order for consumer needs to be met in accordance with expectations, companies must be able to understand what consumers need and want (Purba et al., 2023).

Generation Z are those born between 1995 and 2010, who are the successors of the millennial generation who have distinctive characteristics in their consumption patterns (Firamadhina and Krisnani, 2020). This generation grew up with social media but regular channels like Facebook and Twitter won't make a big impact. Think channels that feature videos and images like Snapchat or Instagram. This generation is of interest to marketers and companies with their unique shopping patterns or spending habits. This group of consumers under the age of 23 is generally not worried about using their spending power. Gen Z likes to shop quickly with their friends. They prefer to do online shopping compared to previous generations. About 75% of Gen Z use smartphones to shop online, which shows a significant difference compared to other generations (Paakari et al, 2016). In this study, the subject to be studied is the IBL Shop Palu. IBL Shop Palu is one of the sellers of fashion trend products, in the shop selling women's and men's clothing and quite a lot of customers in Palu City, especially customers who are predominantly female and the majority of consumers who tend to always want to pay attention to their appearance, especially in terms of clothing so that they can look fashionable on various occasions. Based on the results of observations with the owner of IBL shop, Fatimah, the average consumer is a student and student who to meet their daily needs who still rely on rations from parents and try as much as possible to meet their needs, especially those that support their appearance.

Based on observations with consumers, the prices offered by IBL shop are relatively cheap when compared to prices in other fashion stores. It is said to be relatively cheap when compared to prices in other fashion stores in Palu City because the various products available at IBL shop are offered in various modes and qualities, the shop atmosphere is very comfortable, so the price variations are very diverse. In other words, IBL shop provides a wide variety of prices. This pricing system is carried out to anticipate IBL shop consumers whose financial capabilities are limited (especially among students or college students).

Based on the results of observations that have been made with the owner of the IBL shop, Fatimah, that the attraction that makes consumers come directly is because of the strategic location of the IBL shop store, a very wide variety of prices, very contemporary store conditions, and already has 2 stores in Palu City, namely Jalan I Gusti Ngurah Rai and Jalan Tombolotutu. In this case, according to the owner of IBL shop, there is still a lack of purchases through online media compared to offline, because there is still a lack of a special team in control of digital marketing, so the promotions carried out by IBL shop still seem simple. Research by Septianta et al., (2023) which shows digital marketing and product design on customer satisfaction with purchasing decisions has a significant effect. Research conducted by Sukaningsih, (2022) which shows Digital Marketing and Product Quality on Purchasing Decisions have a positive and significant effect. Research conducted by Ekasari and Mandasari, (2021) which shows product

quality, digital marketing and brand image on purchasing decisions have a significant effect...



**Figure 1. Theoretical framework**

Based on the above framework based on the formulation of the problem, the hypothesis conclusion used is:

- H1: Digital marketing has a positive effect on customer satisfaction at IBL Shop for Generation Z in Palu City.
- H2: Product quality has a positive effect on customer satisfaction at IBL Shop for Generation Z in Palu City.
- H3: Digital marketing has a positive effect on purchasing decisions at IBL Shop for Generation Z in Palu City.
- H4: Product quality has a positive effect on purchasing decisions at IBL Shop for Generation Z in Palu City.
- H5: Purchasing decisions have a positive effect on customer satisfaction at IBL Shop for Generation Z in Palu City.
- H6: Digital marketing has a positive effect on customer satisfaction through purchasing decisions at IBL Shop for Generation Z in Palu City.
- H7: Product quality has a positive effect on customer satisfaction through purchasing decisions at IBL Shop for Generation Z in Palu City.

## METHODS

This research is descriptive quantitative, based on the philosophy of positivism, and uses a verification approach to test hypotheses. The aim is to determine the effect of independent variables (digital marketing and price) on the dependent variable (customer satisfaction) and the intervening variable (purchase decision). This research was conducted at IBL Shop in Palu City, Central Sulawesi, from January to March 2024. The research population is Generation Z of Palu City people who shop at IBL Shop. The sample was taken using purposive sampling technique, based on the criteria of being 17-28 years old, having shopped at IBL Shop, and domiciled in Palu City. Based on Roscoe's method, the sample size was determined as many as 100 people.

The data used consists of qualitative and quantitative data. Primary data is obtained directly from respondents through interviews and questionnaires related to digital marketing, product quality, purchasing decisions, and customer satisfaction. Secondary data is obtained from related agencies and library sources, such as the organizational structure of IBL Shop and scientific literature. Data collection techniques include observation, interviews, questionnaires, and documentation. Observation is carried out by direct observation of the research object, while interviews and questionnaires are used to collect data from respondents. Documentation collects images

and information relevant to the research. Data analysis uses descriptive statistics to describe the frequency distribution and average of respondents' answers to the variables studied, which include operational strategies, structural decisions, and industrial competitiveness. The data analysis technique used in this research is SEM (Structural Equation Modeling) analysis with the help of Smart PLS (Partial Least Square) software.

## RESULTS

### Hypothesis Testing

Hypothesis testing is carried out to prove the validity of research conjectures or hypotheses. The results of the data processing carried out in this study can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out to see the T-statistic and P-values. The research hypothesis can be declared accepted if the P-values  $< 0.05$  otherwise  $> 0.05$  the hypothesis is rejected. Based on the sample size of 100 respondents, the T-table distribution value is 1.96. Thus a hypothesis is accepted if the T-statistic value  $> 1.96$ . conversely, a hypothesis is rejected if the T-statistic value  $< 1.96$ . The following table shows the results of hypothesis testing obtained in this study:

**Table 1.** Results of Direct Effect and Indirect Effect Between Variables

Relationship between constructs	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
$X_1 \rightarrow Y$	0.252	0.251	0.109	2.317	0.021	Signifikan
$X_2 \rightarrow Y$	0.244	0.241	0.092	2.661	0.008	Signifikan
$X_1 \rightarrow Z$	0.464	0.466	0.091	5.122	0.000	Signifikan
$X_2 \rightarrow Z$	0.372	0.374	0.095	3.930	0.000	Signifikan
$Z \rightarrow Y$	0.375	0.380	0.126	2.978	0.003	Signifikan
$X_1 \rightarrow Z \rightarrow Y$	0.174	0.177	0.069	2.520	0.012	Signifikan
$X_2 \rightarrow Z \rightarrow Y$	0.140	0.143	0.063	2.206	0.027	Signifikan

Source: Processed Primary Data, March 2024 (Appendix 7)

Based on the table above, the results of the direct effect and indirect effect between variables, from the seven relationships between constructs, it can be seen that all of them have a significant effect.

### Hypothesis 1: Digital Marketing Significantly Affects Consumer Satisfaction at IBL Shop for Generation Z in Palu City

The results of testing the first hypothesis show that the effect of digital marketing variables ( $X_1$ ) on customer satisfaction ( $Y$ ) shows a P-value of (0.021) with a T-statistic value of (2.317). The P-values are smaller than (0.050) and the T-statistic value is greater than the T-table, namely (1.96). These results indicate that digital marketing has a positive and significant effect on customer satisfaction. Thus hypothesis one is accepted.

### Hypothesis 2: Product Quality Significantly Affects Consumer Satisfaction at IBL Shop for Generation Z in Palu City

The results of testing the second hypothesis show that the effect of the product quality variable ( $X_2$ ) on customer satisfaction ( $Y$ ) shows a P-value of (0.008) with a T-statistic value of (2.661). The P-values are smaller than (0.050) and the T-statistic value is greater than the T-table, namely (1.96). These results indicate that product quality ( $X_2$ ) has a positive and significant effect on customer satisfaction ( $Y$ ). Thus hypothesis two is accepted.

**Hypothesis 3: Digital Marketing has a Significant Effect on Purchasing Decisions at IBL Shop for Generation Z in Palu City**

The results of testing the third hypothesis show that the effect of digital marketing variables (X1) on purchasing decisions (Z) shows a P-value of (0.000) with a T-statistic value of (5.122). The P-values are smaller than (0.050) and the T-statistic value is greater than the T-table, namely (1.96). These results indicate that digital marketing has a positive and significant effect on purchasing decisions. Thus hypothesis three is accepted.

**Hypothesis 4: Product Quality Significantly Affects Purchasing Decisions at IBL Shop for Generation Z in Palu City**

Hasil pengujian hipotesis keempat menunjukkan bahwa pengaruh variabel kualitas produk (X2) terhadap keputusan pembelian (Z) menunjukkan nilai P-value sebesar (0,000) dengan nilai T-statistik sebesar (3,930). Nilai P-values tersebut lebih kecil dari (0,050) dan nilai T-statistik lebih besar dari T-tabel yaitu (1,96). Hasil ini menunjukkan bahwa kualitas produk (X2) berpengaruh positif dan signifikan terhadap keputusan pembelian (Z). Dengan demikian hipotesis empat diterima.

**Hypothesis 5: Purchasing Decisions Significantly Affect Consumer Satisfaction at IBL Shop for Generation Z in Palu City**

The results of testing the fifth hypothesis show that the effect of the purchasing decision variable (Z) on customer satisfaction (Y) shows a P-value of (0.003) with a T-statistic value of (2.978). The P-values are smaller than (0.050) and the T-statistic value is greater than the T-table, namely (1.96). These results indicate that purchasing decisions (Z) have a positive and significant effect on customer satisfaction (Y). Thus hypothesis five is accepted.

**Hypothesis 6: Digital Marketing Significantly Affects Consumer Satisfaction Through Purchasing Decisions at IBL Shop for Generation Z in Palu City.**

The results of testing the sixth hypothesis show that the effect of digital marketing variables (X1) indirectly on customer satisfaction (Y) through purchasing decisions (Z) shows a P-value of (0.012) with a T-statistic value of (2.520). The P-values are smaller than (0.050) and the T-statistic value is greater than the T-table, namely (1.96). These results indicate that digital marketing (X1) indirectly has a positive and significant effect on customer satisfaction (Y) through purchasing decisions (Z). Thus hypothesis six is accepted.

**Hypothesis 7: Product Quality Significantly Affects Consumer Satisfaction through Purchasing Decisions at IBL Shop for Generation Z in Palu City**

The results of testing the seventh hypothesis show that the effect of product quality variables (X2) indirectly on customer satisfaction (Y) through purchasing decisions (Z) shows a P-value of (0.027) with a T-statistic value of (2.206). The P-values are smaller than (0.050) and the T-statistic value is greater than the T-table, namely (1.96). These results indicate that product quality (X2) indirectly has a positive and significant effect on customer satisfaction (Y) through purchasing decisions (Z). Thus hypothesis seven is accepted.

**DISCUSSION****The Effect of Digital Marketing on Consumer Satisfaction at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that digital marketing has a positive and significant effect on customer satisfaction at IBL Shop for generation Z in Palu City. This shows that the indicators contained in digital marketing, such as interactivity, demassification and asynchronous can affect customer satisfaction. The

interactivity indicator explains that if IBL Shop also promotes its products through social media networks so that this can affect consumer satisfaction with IBL Shop. The demassification indicator explains that IBL Shop more often conveys messages through digital media, this can affect consumer satisfaction with IBL Shop. The asynchronous indicator explains that IBL Shop responds quickly to consumer questions through digital media so that this can affect consumer satisfaction with IBL Shop. The results of this study mean that consumers are satisfied with the marketing carried out by IBL Shop through social media. This also indicates that IBL Shop is always updated with the times. The results of this study are in line with research conducted by Septianta et al., (2023) which shows that digital marketing has a positive and significant effect on customer satisfaction for Aerostreet products in Yogyakarta City. Darmawan and Handayani (2019) suggest that if marketing creates demand, digital marketing encourages demand creation using the power of the Internet. The Internet is an interactive medium and allows for the exchange of currency, but more than that, it allows for the exchange of value. Businesses on the Internet can gain value in the form of time, attention and advocacy from consumers. For users, value can be added in the form of entertainment and utility. The exchange is a two-way street that benefits both parties simultaneously.

### **The Effect of Product Quality on Consumer Satisfaction at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that product quality has a positive and significant effect on customer satisfaction at IBL Shop for generation Z in Palu City. This shows that the indicators contained in product quality, such as performance, features, reliability, conformity to specifications, durability, reliability, aesthetics and perceived quality can affect customer satisfaction. The performance indicator explains that IBL Shop guarantees the safety of each product and all products are always available at IBL Shop outlets so that this can affect customer satisfaction with IBL Shop. The feature indicator explains that the variety and placement of IBL Shop products is very good so that it can affect customer satisfaction with IBL Shop. The reliability indicator explains that the products sold at IBL Shop have no defects so this can affect consumer satisfaction with IBL Shop. The conformity to specifications indicator explains that the standardization and labels on each IBL Shop product are in accordance with the standards so that this can affect consumer satisfaction with the IBL Shop. The durability indicator explains that IBL Shop guarantees damage to each of its products so that this can affect consumer satisfaction with IBL Shop. The reliability indicator explains that the quality of products at IBL Shop is reliable so that it can affect customer satisfaction with IBL Shop. The aesthetic indicator explains that IBL Shop provides a wide variety of product choices so that it can affect customer satisfaction with IBL Shop. The perceived quality indicator explains that IBL Shop provides a variety of products according to consumer needs so that this can affect consumer satisfaction with IBL Shop. The results of this study mean that product quality greatly affects customer satisfaction because the products offered will make consumers who express feelings of pleasure or disappointment after consuming or using these products. If it is felt that the product is satisfying or there is an expression of pleasure after consuming or using the product, they will make a repurchase. Customer satisfaction is the main goal for companies in order to achieve strategic planning as an effort to develop a superior, competitive and sustainable product. The existence of innovative products / services in this case, the company's task of being able to manage customer satisfaction is a managerial challenge that is not easy. In addition, field facts show that IBL Shop has good product quality so that many people in Palu City like to buy products at IBL Shop so that customer satisfaction arises with the quality of the products sold by IBL Shop. This can also be shown by the IBL Shop outlet which is never empty. The results of this study are in line with research conducted by Noor and Utari (2020) which shows that

product quality has a positive and significant effect on customer satisfaction (Study on Product Consumers of PT. Salim Ivomas Pratama, Bojonegoro District, Bojonegoro Regency). Product quality is used to encourage individuals who are directed at the goal of obtaining customer satisfaction when the company offers products to consumers who are expected to get a sense of satisfaction when consuming these products.

### **The Effect of Digital Marketing on Purchasing Decisions at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that digital marketing has a positive and significant effect on purchasing decisions at IBL Shop for generation Z in Palu City. This shows that the indicators contained in digital marketing, such as interactivity, demassification and asynchronous can influence purchasing decisions. The interactivity indicator explains that if IBL Shop also promotes its products through social media networks so that this can influence purchasing decisions at IBL Shop. The demassification indicator explains that IBL Shop more often conveys messages through digital media, this can influence purchasing decisions at IBL Shop. The asynchronous indicator explains that IBL Shop responds quickly to consumer questions through digital media so that this can influence purchasing decisions at IBL Shop. The results of this study mean that the more attractive the digital marketing made by the company, the more it will increase product purchasing decisions at IBL Shop. In addition, field facts show that IBL Shop utilizes promotions through their social media in the form of Instagram and TikTok.

Digital marketing is a promotional and market-seeking activity through digital media online and utilizing various means such as social networks. The virtual world is no longer only able to connect people with devices but also people with other people around the world. On the one hand, digital marketing makes it easier for business people to monitor and provide all consumer needs, on the other hand, consumers can also search and get product information by simply browsing the virtual world to facilitate the search process (Purwana et al., 2017). The results of this study are in line with research conducted by Mustofa, (2023) which shows that digital marketing has a positive and significant effect on purchasing decisions for erigo products (Case Study on Students of the Faculty of Economics and Business, Muhammadiyah University of Surakarta). Digital marketing is an electronic marketing place where the owner must be quick and responsive in responding to consumer questions so that it can satisfy consumers who are expected to end consumers can decide to shop at IBL Shop.

### **The Effect of Product Quality on Purchasing Decisions at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that product quality has a positive and significant effect on purchasing decisions at IBL Shop for generation Z in Palu City. This shows that the indicators contained in product quality, such as performance, features, reliability, conformity to specifications, durability, reliability, aesthetics and perceived quality can influence purchasing decisions. The performance indicator explains that IBL Shop guarantees the safety of each product and all products are always available at IBL Shop outlets so that this can influence purchasing decisions at IBL Shop. The feature indicator explains that the variety and placement of IBL Shop products is very good so that it can influence purchasing decisions at IBL Shop. The reliability indicator explains that the products sold at IBL Shop have no defects so that this can influence purchasing decisions at IBL Shop. The conformity to specifications indicator explains that the standardization and labels on each IBL Shop product are in accordance with the standards so that this can influence purchasing decisions at the IBL Shop. The durability indicator explains that IBL Shop guarantees damage to each of its products so that this can influence purchasing decisions at IBL Shop. The reliability indicator explains that the



quality of products at IBL Shop is reliable so that it can influence purchasing decisions at IBL Shop. The aesthetic indicator explains that IBL Shop provides a wide variety of product choices so that it can influence purchasing decisions at IBL Shop. The perceived quality indicator explains that IBL Shop provides a variety of products according to consumer needs so that this can influence purchasing decisions at IBL Shop. The results of this study mean that IBL Shop in offering and selling its products has good quality. If the quality of the products that consumers receive is in accordance with or exceeds consumer expectations, the tendency of consumers to continue to subscribe will also be higher. In addition, field facts show that IBL Shop has good product quality so that many people in Palu City like to buy products at IBL Shop. This can also be shown by the IBL Shop outlet which is never empty. The results of this study are in line with research conducted by Sukaningsih (2022) which shows that product quality has a positive and significant effect on purchasing decisions for iPhone products (Case study on students of the Faculty of Economics and Business, Muhammadiyah University of Surakarta who use iPhone). The quality of a product is the level or level of good or bad something that consists of all the factors inherent in goods or services so that the product has the ability as desired by consumers. Product quality is quality includes meeting or exceeding customer expectations; quality includes products, services, people, processes, and the environment; quality is an ever-changing condition (for example, what is considered quality today may be considered less quality in the future).

#### **The Effect of Purchasing Decisions on Consumer Satisfaction at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that purchasing decisions have a positive and significant effect on customer satisfaction at IBL Shop for generation Z in Palu City. This shows that the indicators contained in purchasing decisions, such as strategic seller location, good service, salesperson ability, advertising and promotion and product classification can affect customer satisfaction. The strategic seller location indicator explains that the location of the IBL Shop store is easily accessible to consumers so that it can affect consumer satisfaction shopping at IBL Shop. The indicator of providing good service explains that IBL Shop provides good service to consumers so that it can affect consumer satisfaction shopping at IBL Shop. The salesperson ability indicator explains that employees at IBL Shop have competent abilities so that they can influence consumer satisfaction shopping at IBL Shop. The advertising and promotion indicator explains that IBL Shop advertises and promotes products attractively so that it can affect consumer satisfaction shopping at IBL Shop. The product classification indicator explains that the product classification at IBL Shop makes it very easy for consumers to choose products so that it can affect consumer satisfaction shopping at IBL Shop. The results of this study mean that the more satisfied consumers are, the more purchasing decisions can increase product purchases at IBL Shop. In addition, field facts show that purchasing decisions that occur in the community are based on promotions carried out by IBL Shop through social media in the form of Instagram and TikTok so that people are interested in visiting IBL Shop outlets. The results of this study are in line with research conducted by Noor and Utari, (2020) which shows that purchasing decisions have a positive and significant effect on customer satisfaction (Study on Product Consumers of PT. Salim Ivomas Pratama, Bojonegoro District, Bojonegoro Regency). The higher the benefits or performance of the product offered to customers, the higher the value the customer thinks. This means that the customer's urge to make a purchase decision will be higher. Customer encouragement to make purchasing decisions will be higher, thus there is customer satisfaction in it.

### **The Effect of Digital Marketing on Consumer Satisfaction through Purchasing Decisions at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that digital marketing has a positive and significant effect on customer satisfaction through purchasing decisions at IBL Shop for generation Z in Palu City. This shows that the indicators contained in digital marketing, such as interactivity, demassification and asynchronous can affect customer satisfaction through purchasing decisions. The interactivity indicator explains that if IBL Shop also promotes its products through social media networks so that this can affect customer satisfaction and increase purchasing decisions at IBL Shop. The demassification indicator explains that IBL Shop more often conveys messages through digital media, this can affect customer satisfaction and increase purchasing decisions at IBL Shop. The asynchronous indicator explains that IBL Shop responds quickly to consumer questions through digital media so that this can affect consumer satisfaction and improve purchasing decisions at IBL Shop. The results of this study mean that promotions carried out by IBL Shop using digital marketing can increase purchasing decisions due to an interest in promotions which results in the purchase of IBL Shop products where IBL Shop products can satisfy consumers because of the quality of their products. If people are satisfied with the way IBL Shop does marketing through digital, it just doesn't guarantee that people will decide to buy IBL Shop products online. This is because there are many phenomena of online purchasing systems that do not match the pictures and the goods that come. In addition, if the people of Palu City decide to shop for IBL Shop products, they can come directly to the store. Because IBL Shop stores have spread in various parts of Palu City. The results of this study are in line with research conducted by Septianta et al., (2023) which shows that digital marketing has a positive and significant effect on customer satisfaction through purchasing decisions Case Study on Aerostreet Product Consumers in Yogyakarta City.

### **The Effect of Product Quality on Consumer Satisfaction through Purchasing Decisions at IBL Shop for Generation Z in Palu City**

Based on the results of hypothesis testing, it shows that product quality has a positive and significant effect on customer satisfaction through purchasing decisions at IBL Shop for generation Z in Palu City. This shows that the indicators contained in product quality, such as performance, features, reliability, conformity to specifications, durability, reliability, aesthetics and perceived quality can affect customer satisfaction through purchasing decisions. The performance indicator explains that IBL Shop guarantees the safety of each product and all products are always available at IBL Shop outlets so that this can affect customer satisfaction and increase purchasing decisions at IBL Shop. The feature indicator explains that the variety and placement of IBL Shop products is very good so that it can affect customer satisfaction and increase purchasing decisions at IBL Shop. The reliability indicator explains that the products sold at IBL Shop have no defects so that this can affect customer satisfaction and increase purchasing decisions at IBL Shop. The conformity to specifications indicator explains that the standardization and labels on each IBL Shop product are in accordance with the standards so that this can affect customer satisfaction and improve purchasing decisions at IBL Shop. The durability indicator explains that IBL Shop guarantees damage to each of its products so that this can affect customer satisfaction and increase purchasing decisions at IBL Shop. The reliability indicator explains that the quality of products at IBL Shop is reliable so that it can affect customer satisfaction and increase purchasing decisions at IBL Shop. The aesthetic indicator explains that IBL Shop provides a wide variety of product choices so that it can affect customer satisfaction and improve purchasing decisions at IBL Shop. The perceived quality indicator explains that IBL Shop provides a wide range of products according to consumer needs so that this can affect consumer satisfaction and increase purchasing decisions at IBL Shop. Product quality is used to

encourage individuals who are directed at the goal of obtaining consumer satisfaction, the end of which is expected to create decisions in purchasing products at IBL Shop. The results of this study are in line with research conducted by Noor and Utari (2020) which shows that product quality has a positive and significant effect on customer satisfaction through purchasing decisions (Study on Product Consumers of PT. Salim Ivomas Pratama, Bojonegoro District, Bojonegoro Regency). Product quality greatly affects customer satisfaction because the products offered will make consumers who express feelings of pleasure or disappointment after consuming or using these products. If it is felt that the product is satisfying or there is an expression of pleasure after consuming or using the product, they will make a repurchase.

## CONCLUSIONS

Based on the results of the research and discussion that has been described, it can be concluded that digital marketing and product quality are proven to have a positive effect on customer satisfaction at IBL Shop for Generation Z in Palu City. In addition, these two variables also have a positive effect on purchasing decisions at IBL Shop in the same group. Furthermore, purchasing decisions are also proven to have a positive impact on customer satisfaction. This study shows that digital marketing and product quality not only directly increase customer satisfaction but also through the role of purchasing decisions as an intervening variable, which strengthens the positive influence on customer satisfaction at IBL Shop for Generation Z in Palu City.

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