

Healthcare Industry Sales Performance : How The Role of Social Media and Digital Marketing?

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Abstract

The purpose of this study is to analyze the relationship of social media marketing to Healthcare Industry sales performance and the relationship of digital marketing to Healthcare Industry sales performance. This study uses quantitative methods, data obtained by distributing online questionnaires through social media. The object of this research is the Health Industry with a total of 190 respondents who were selected by simple random sampling method. The analysis technique used is analysis using Structural Equation Modeling with the SmartPLS 4.0 program tool with confirmatory factor analysis, hypothesis testing using the Maximum Likelihood Estimation (MLE) estimation technique with a significance level of 5% and using the Goodness Fit of Index to test the feasibility of developing a model that developed. The results of this study indicate that social media marketing has a positive and significant effect on Healthcare Industry sales performance and digital marketing has a positive and significant effect on Healthcare Industry sales performance.

Keywords: Healthcare; Industry; Sales; Performance ; Social Media ; Digital Marketing

1. INTRODUCTION

The development of information technology is growing rapidly, various small to large business activities take advantage of this development to run their business. The number of competitors is a consideration for entrepreneurs to enter in a very tight competition. Appropriate marketing and media strategies are used to reach the target market so that sales volume always increases and profits. Digital Marketing is one of the marketing media that is currently in great demand by the public to support various activities carried out. With digital marketing, communication and transactions can be done any time / real time and can be global or global. With the large number of chat-based social media users and more and more, it opens up opportunities for the healthcare industry to develop its market in the grip of a smartphone. According to Mehmet et al. (2020); Neiger et al. (2012); Thackeray et al (2012) many residents are already using a mobile phone or smartphone which is quite modern.

Apparently they are also familiar with and carry out marketing activities by utilizing the smartphone. According to Terry (2009); Smith (2017), the communication carried out is by direct telephone, sms, and has started using social media to make offers such as BBM (Blackberry Messenger), FB (Facebook), WA (Whatsapp), IG (Instagram). .

According to Antheunis et al. (2013); Gupta et al. (2013); Koumpouros et al. (2015) Digital marketing is a marketing activity including branding using websites, blogs or social media. Digital marketing is becoming very popular among business people along with the growth and advancement of communication technology. Online Shop-ping makes it easier for us to shop without wasting time and effort. Because of this convenience, online shop-ping is increasingly in demand. Initially, an online shop was a form of activity including buying and selling and marketing of goods or services through an electronic system. Payment is

made with a predetermined payment system and the goods will be sent via a freight forwarder. According to Terry (2009); Smith (2017) Through online shops, buyers can see various products offered through the web promoted by sellers. Seeing the large number of internet users and their growing use shows that the Indonesian people have begun to accept the development of technology, especially in the business sector. The rapid growth of shopping trends through the internet is because businesses on the internet do not require too much capital and are quite easy to develop. However, in reality this facility is not fully used by the Indonesian people. Indonesian people still like to make transactions traditionally or face to face. According to Antheunis et al. (2013); Gupta et al. (2013); Taubenheim et al. (2008); Terry (2009); Smith (2017) Many individuals think that the risk posed by online shopping is too great. The more popular a website is, the buyers are more confident and trust in the reliability of the website. Third is the price factor. Price is one of the determining factors related to consumer buying decisions. Consumers will buy a product if the price is deemed reasonable by them. Usually the prices in online stores are cheaper than the prices in traditional stores. This is what makes online shop application service users prefer it because of the large selection of products and product variations that make online application users choose service providers who dare to offer product offers and promos, both free of charge shipping and alternative payments can be made.

According to Antheunis Terry (2009); Smith (2017) e-marketing is a development of traditional marketing where traditional marketing is a marketing process through offline communication media such as through the distribution of brochures, advertisements on television and radio, and so on. After the rise of the internet and the ease of communication it offers, the application of marketing in

companies began to adopt the internet media, which was then referred to as e-marketing. According to Mehmet et al. (2020); Neiger et al. (2012); Thackeray et al.. (2012); Taubenheim et al. (2008) internet marketing has five major advantages for companies that use it. First, both small and large companies can do it. Second, there is no real limit to the advertising space when compared to print and broadcast media. Third, access and search for information is very fast when compared to express mail or even fax. Fourth, the site can be visited by anyone, anywhere in the world, at any time. Fifth, shopping can be done faster and alone.

2. METHOD

This study uses quantitative methods, data obtained by distributing online questionnaires through social media. The object of this research is the Health Industry with a total of 190 respondents who were selected by simple random sampling method. The analysis technique used is analysis using Structural Equation Modeling with the SmartPLS 4.0 program tool with confirmatory factor analysis, hypothesis testing using the Maximum Likelihood Estimation (MLE) estimation technique with a significance level of 5% and using the Goodness Fit of Index to test the feasibility of developing a model that developed. The following are the three calculation functions that are often used (Purwanto et al. 2020), namely PLS Algorithm, Bootstrapping and Hypotheses testing:

1. Bootstrapping is a process to assess the level of significance or probability of direct effects, indirect effects and total effects. In addition, bootstrapping can also assess the level of significance of other values, including: r square and adjusted r square, f square, outer loading and outer weight. By clicking on Bootstrapping, the following analysis results will be obtained:
2. The t statistic value, which we compare with the t table value to test whether or not

the exogenous variable has a significant effect on the endogenous P value, to compare whether the value is below the significance level, for example below 0.05 or above 0.05 to state whether the null hypothesis or alternative hypothesis is accepted or rejected Original sample, used as the value of the regression coefficient, to complete the regression equation. Blindfolding is an analysis used to assess the level of relevance of predictions from a construct model. The analysis process uses the value of Q Square. If Q Square > 0.05, it can be concluded that a construct model

is relevant. That is, the exogenous variables used to predict endogenous variables are correct.

The hypothesis in this study is:

H1: Social Media has a positive effect on Healthcare Industry Sales Performance

H2: Digital Marketing have a positive effect on Healthcare Industry Sales Performance

H3: Social Media has a positive effect on Digital Marketing

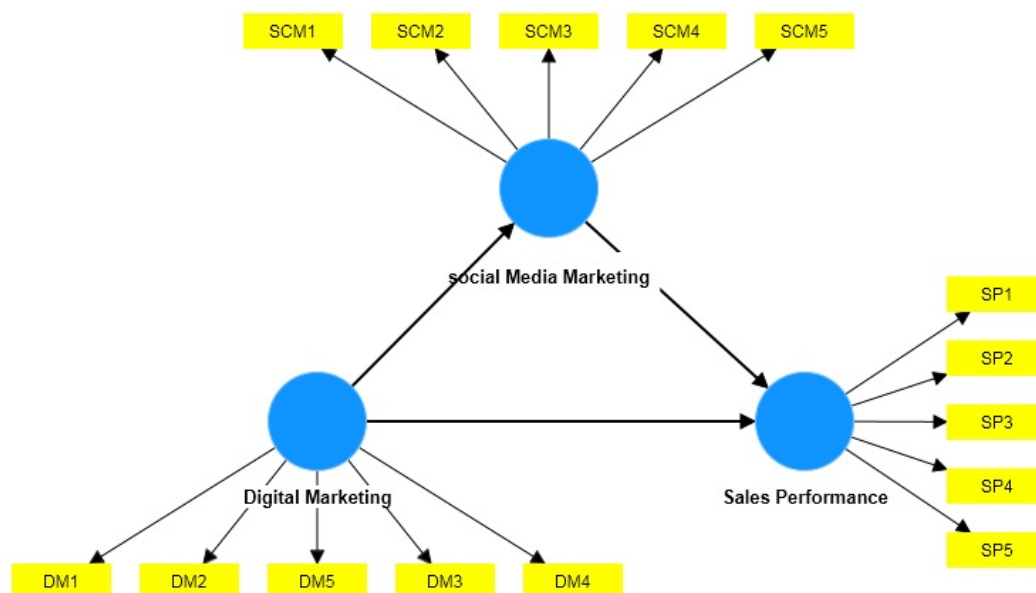


Fig 1. Research Model

3. RESULT AND DISCUSSION

The analytical technique used in this research is Path Analysis with the help of the SmartPLS 3.0 software. The use of the PLS method is used because it does not require a large sample and prediction purposes where using the PLS approach it is assumed that all variance measures are useful to explain. Data analysis using the SmartPLS software was carried out in two stages, namely the Measurement Model and the Structural Model.

Validity and Reliability Test

The validity of the research was obtained through several stages, namely:

Convergent Validity in the form of Outer Loadings (Loading Factor) and Average Variance Extrancetd (AVE) as well as Discriminant Validity in the form of Fornell-Larker Criterion and Cross Loading. In the results of the Convergent Validity test, there are several Outer Loading and AVE values that meet the standards above 0.5. The initial AVE value is as follows

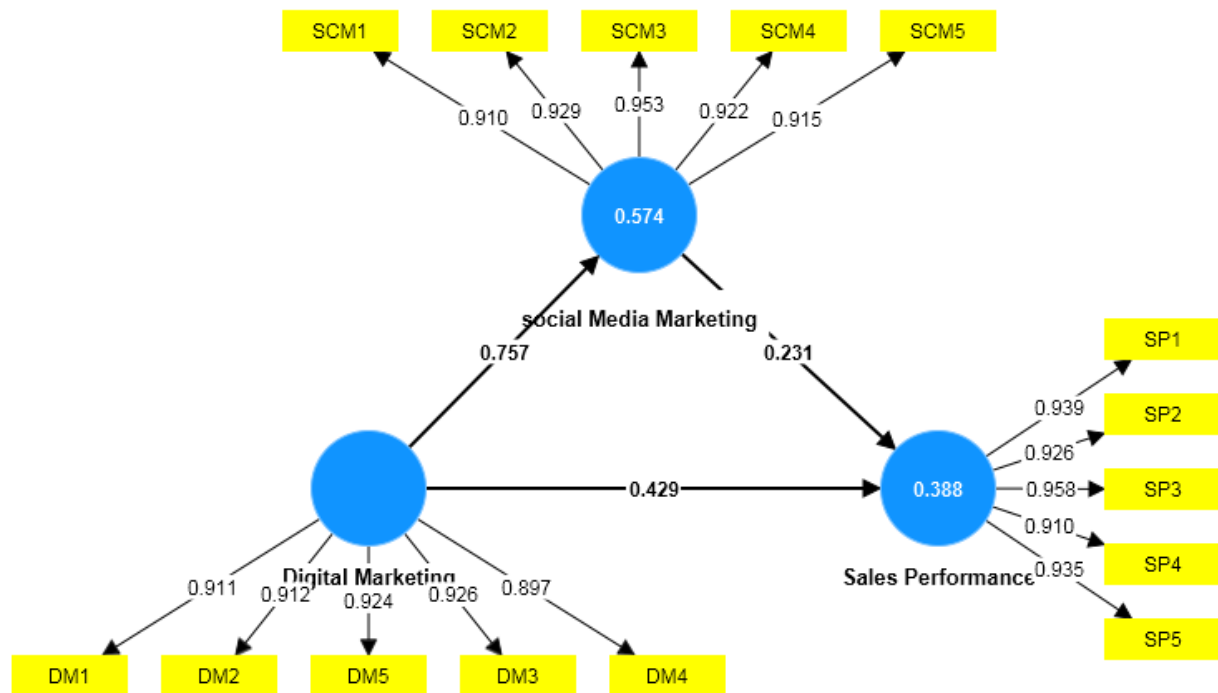


Fig 2. Validity and Reliability testing

In the results of the Convergent Validity test, all Outer Loading and AVE values of

all independent and dependent variables meet the standard above 0.5.

Table 1. Validity and Reliability testing

	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
Social media Marketing	0.956	0.909	0.807
Digital Marketing	0.917	0.941	0.894
Healthcare Industry Sales Performance	0.909	0.901	0.865

Hypothesis testing

Hypothesis testing is done by bootstrapping technique. Data that used for bootstrapping is data that has been carried out in the Measurement stage. Hypothesis testing is included in the Structural Model and shows the relationship that has been hypothesized with simulation practice. This bootstrapping test also aims to

determine the direction of the relationship and the significance of the relationship of each latent variable. Hypothesis testing is done by comparing the t-statistic or t-count that has been determined. The t-count generated in the bootstrapping test must be greater than the one-tail t-table, namely 1.65 for a standard error of 5% or p value below 0.05.

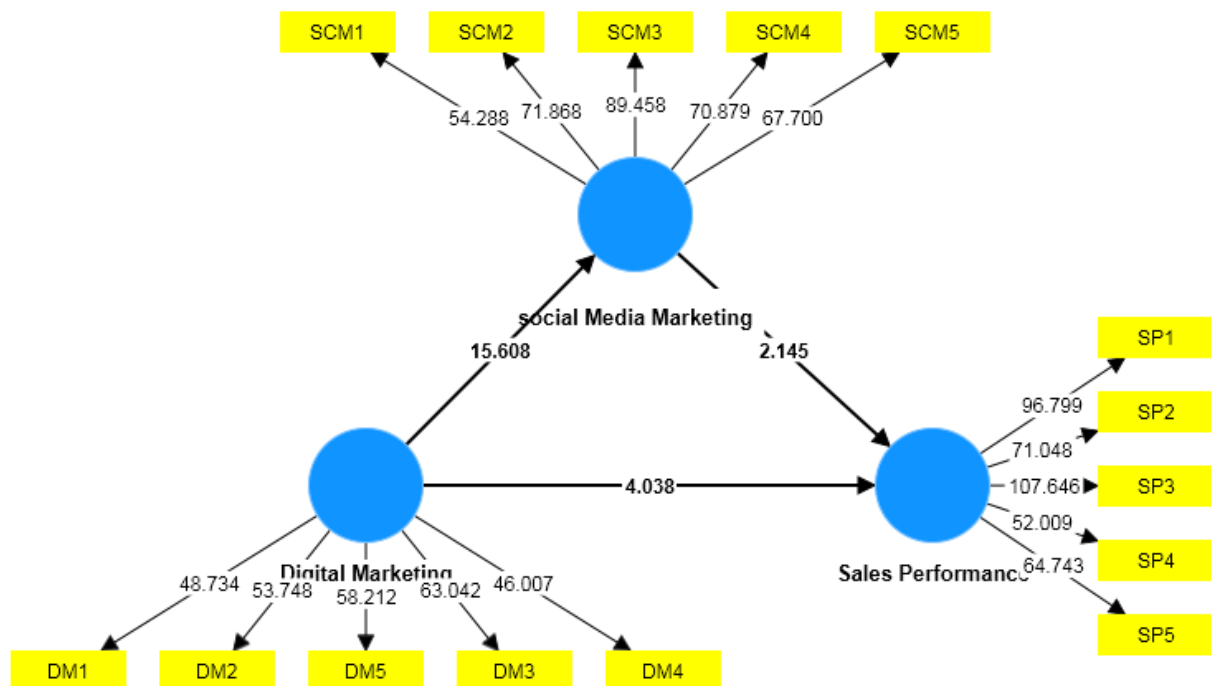


Fig 3. Hypothesis testing

Table 2. R Square

Dependent variabel	R-square	R-square adjusted
Healthcare Industry Sales Performance	0.388	0.381
Digital Marketing	0.574	0.572

The R-square value of the Healthcare Industry Sales Performance variable is 0.388 or 38.8%, meaning that the digital marketing and social media marketing contributes to the company performance variable by 38.8% while the remaining 61.2% is caused by other variables not discussed in this study. The R-square value

of the Digital Marketing variable is 0.574 or 57.4%, meaning that the independent variables of social media marketing contribute to the digital marketing variable by 57.4% while the remaining 42.6% by other variables not discussed in this study.

Table 3. Hypothesis testing

Correlation	T statistics	P values	Result
Social media marketing -> Sales Performance	2.376	0.010	Supported
Digital marketing -> Sales Performance	2.813	0.010	Supported
Social media marketing -> Digital Marketing	2.116	0.010	Supported

The Influence of Social media marketing on Sales Performance

Testing hypothesis 1 shows the calculation results obtained probability of 0.010 which is smaller than 0.05, this indicates that the Social media marketing has a positive

influence on Sales Performance thus H1 is accepted.

The Influence of digital marketing on Sales Performance

Testing hypothesis 2 shows the calculation results obtained probability of 0.010 which

is smaller than 0.05, this indicates that the digital marketing has a positive influence on Sales Performance thus H2 is accepted.

The Influence of Social media marketing on digital marketing

Testing hypothesis 3 shows the calculation results obtained probability of 0.010 which is smaller than 0.05, this indicates that the Social media marketing has a positive influence on digital marketing thus H3 is accepted.

4. DISCUSSION AND OPINION

The use of social media for some consumers is very useful, among others, as a means of direct contact with customers, as a means to promote the work of home industries, record consumer desires, convey responses to consumers and as a basis for making decisions in transactions. In addition, social media is also useful as an online discussion forum, monitoring customer developments, customer surveys, collecting data on the needs of distributors/agents, displaying product photos. Social media is one of the driving elements for some consumers to continue to use it in developing products, communicating with consumers and customers, distributors, and developing a wider market network, thereby increasing sales volumes. This is as stated by (Safko, 2016). Social media is a place, tool, service that allows individuals to express themselves to meet and share with others through internet technology. According to Taubenheim et al. (2008); Terry (2009); Smith (2017) Social media is a phase of change in how people find, read, speak, and share information, news, data with others. According to Antheunis et al. (2013); Gupta et al. (2013); Koumpouros et al. (2015); Korda and Itani (2013) Social media is becoming very popular because of its convenience and providing opportunities for people to connect online in the form of personal relationships, politics and business activities. Social

media provides social communication services.

Marketing through social media or social media marketing is currently very much needed by the healthcare industry. Because, many people are starting to use social media platforms both for socializing, looking for information to shopping. To give you an idea of why social media marketing needs to be done for every business in today's era, you can see the advantages of this modern marketing, The benefits of social media marketing for businesses are increasing customer loyalty. Several healthcare industries targeting their customers from the millennial circle, must know that through social media marketing is an effort to make them bond with the brand. Why? Because through social media marketing, customers can communicate directly with brands, making it easier for them to find information about products.

That way customers will feel satisfied and their questions can be answered properly. A study also states that millennial customers are loyal customers among other customers. Social media marketing is part of the most effective and efficient marketing strategy today. Companies just need to register and create a free profile for all social media platforms and any paid promotion is a relatively low cost investment compared to other types of marketing promotions. To try marketing through social media, you can use low-cost advertising first to see the impact. Over time if you see the good effects of this marketing, you can increase your marketing budget. Another benefit of social media marketing is that it is an effective type of marketing to increase brand awareness. By implementing a social media strategy, the healthcare industry will get brand recognition because through social media the company will be known by the general public. Create interesting content so that it has the

possibility that the content will be liked and even shared by customers. Besides that, you can also try to build good interactions with them on social media. Gradually it will boost the company's turnover. A valuable advantage of using social media marketing is getting a wider customer insight. Through social media, companies can also conduct research to find out whether customers are satisfied with the existing services or not and know the trends that are currently busy in the market.

The results of this study indicate that some consumers get an increase in orders from consumers after using social media. Besides, communication is also effective and efficient because it can directly communicate and save. Then they can also develop their business bigger because they can transact directly and payments can also be transferred, besides that they are able to develop their business with agents/distributors. The following is that the effects of social media lead to an increase in sales volume. Because the sales volume assessment is based on the results of interviews with some consumers in a cross sectional manner, so that in measuring the increase in sales volume before and after using social media, it is based on the estimated monthly final results.

5. CONCLUSION

The results of this study indicate that social media marketing has a positive and significant effect on Healthcare Industry sales performance and digital marketing has a positive and significant effect on Healthcare Industry sales performance. Some consumers use social media as a means to carry out their home industry. The most widely used social media are Facebook (FB), Whatsapp (WA), Instagram (IG), Blackberry Message (BBM). The most perceived benefit is that communication with customers and suppliers is more intensive

as well as effective and efficient, because it can communicate directly 24 hours / real time. The transaction process is easier and cheaper because the communication media only costs credit to support communication. The best promotional media because it can display and share images through the media to the community and society. Information updates can be done at any time. And most importantly an average increase in sales volume of 100%. Consumers are advised to optimize the development of existing information technology to the fullest. This means starting to make new innovations in how to promote industrial products to make them more attractive by utilizing existing social media so that an increase in sales volume can continue to increase and develop. Public understanding is still lacking in the use of digital marketing as seen from its ability to use the services available in online shopping applications such as product sales and purchase services. In addition, product marketing using online shopping applications is often constrained in choosing products because of the limited products available and the features displayed still do not attract the attention of buyers, therefore service providers must carry out service products to increase people's purchasing power. Ease of service access is one of the assessments of online shopping application users to make product purchases and product sales. Density of service access will have an impact on decreasing public interest in entering service applications for these products and choosing other online shopping application services. The experience of buyers in accessing online shopping application services can be seen from how often they use and access these online shopping application services. The factor that affects the increase in people's purchasing power is the use of digital marketing which has the most dominant influence in increasing people's purchasing power because the use of digital marketing does not have to have an understanding

knowledge only, but it requires the ability to manage and utilize online shopping application services properly in order to have an appeal to products and product choices so that the use of digital marketing can be maximized

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