

Investigation of Factors Affecting e-Purchase Decision

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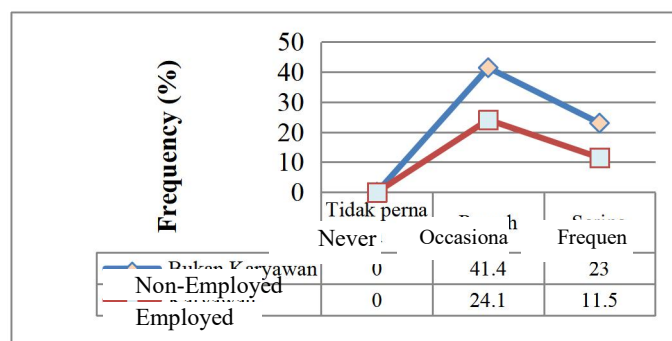
Abstract---Information technology that is rapidly developing provides convenience and opportunities for the producers to market their products and for the customers to purchase them online. These conveniences make the online business grows bigger. This research's aim it to analyze the effects of promotion, price, brand image, and customer trust on fashion product purchase decision online for students of Management Study Program, Universitas Buana Perjuangan Karawang. This research uses analytical descriptive methods. The result of this research shows that partially, the price ($P\text{-value}=0.007$) and customer trust ($P\text{-value}=0.0005$) variables influence the fashion product purchased decision online. Moreover, simultaneously, promotion, price, brand image, and customer trust influence the fashion product purchase decision online ($P\text{-value}=0.0005$). The online business producers are recommended to pay attention to determine the price of products, because, for students, price is the most attractive factor to purchase the fashion products online. The customer trust can be maintained by improving the integrity of producers, e.g. giving the products matching the description that is posted online.

Keywords---Promotion, Price, Brand Image, Trust, Purchase Decision

I. Introduction

The growth of information technology provides various conveniences in every fields, one of the being the convenience in marketing their products for producers and the convenience in purchasing for customers. These make online businesses flourish.

The preliminary survey was done to 87 students of Management Study Program Universitas Buana Perjuangan (UBP) Karawang who have and have not worked. The result obtained showed that all students has purchased products online. Moreover, several of them has frequently make purchases online. This is shown in Figure 1, the highest frequency of students purchasing online is 41.4% of non-employed students and 24.1% of employed students.



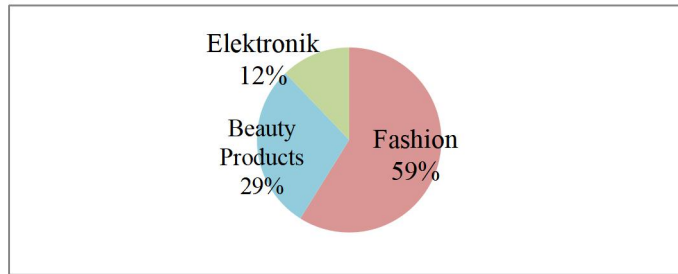
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Figure 1. Frequency of Online Purchase of Students of Management Study Program
 UBP Karawang

Source: Data of Preliminary Survey, 2019

The simplicity of selling the products online was slightly inversely proportional to the limited income of the students, making them more selective in choosing the products that will be purchased. Figure 2 shows that the students of UBP Karawang most often purchase fashion products (59%), compared to beauty products (29%) and electronics (12%).



Gambar 2. Types of Products Purchased by Students of Management Study Program of UBP Karawang

Source: Data of Preliminary Survey, 2019

To determine the purchase decision on the products that will be bought online, this preliminary survey dug into the reason why students prefers to shop online. The most frequent answer, according to the survey, is because shopping online can facilitate consumers on purchasing any desired products (36.5%). Moreover, the relatively cheap price also became consideration when shopping online (32.12%) (Figure 3).

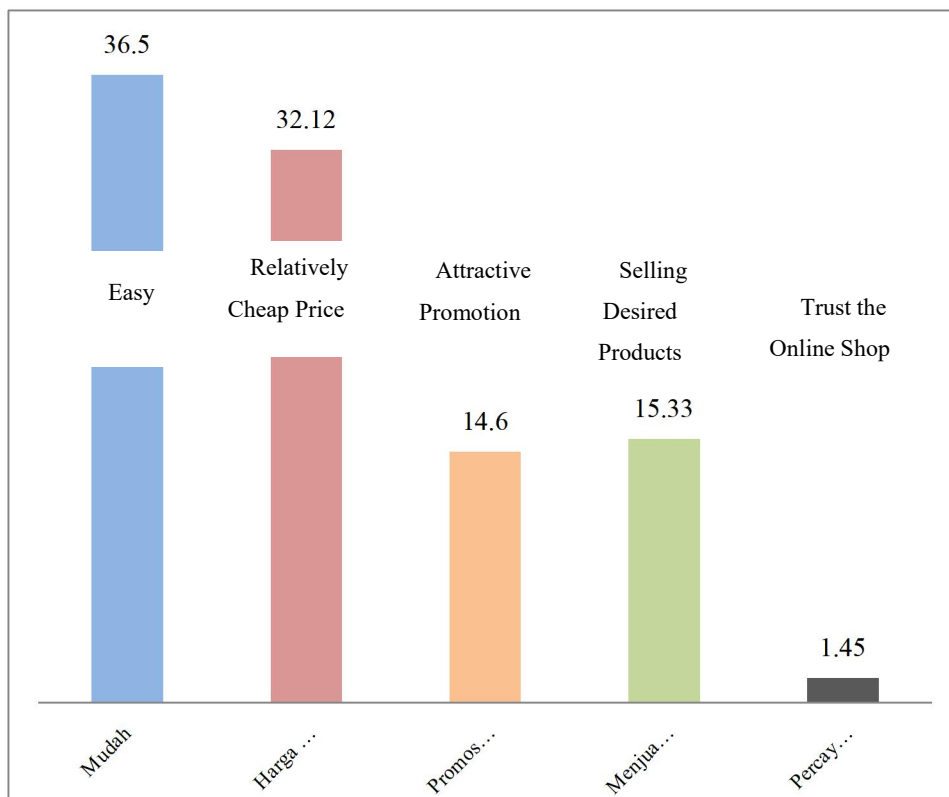


Figure 3. Reasons Why Students of Management Study Program Shop Online

Source: Data of Preliminary Survey, 2019

The purchase decision often is affected by economy and finance, products, price, promotion, technology, location, physical evidence, people, and process (Alma, 2011; Kotler & Armstrong, 2008). For young people, including students, online transactions provide convenience since generally they do not have any problem with using internet. On top of that, for employed students, online shopping is helpful since they do not have a lot of spare time. According to Irmadhani (2002), convenience is a perception of customers that the technology can be used safely and flexibly. Based on that, convenience is considered as an indicator of customer trust.

Price is an important factor for young adults due to their limited budgets that when they have a perception that online shopping has cheaper prices, they will decide to shop online.

According to Kotler and Armstrong (2009), brand image is affected by three things: novelty of the products, the right promotions, and beliefs that are more than mental images. Considering that products affect purchase decisions (Alma, 2011), brand images also affect purchase decisions.

Based on phenomena above, it is necessary to research regarding the effect of promotion, price, brand image, and customer trust on purchase decisions.

II. Literature Study

Promotion

Promotion is an activity that aims to present a product to the customers to provides information regarding the distinction, use, and the most important thing is its existence to change the attitude or to encourage people to act in purchasing a product (Subagyo, 2010). According to Pribadi (2010), online promotion is a promotion activity that is done using internet as a medium with its advantages, such as multimedia, interactive, and real time. Rangkuti (2009) mentioned that there are five dimensions of online promotion, i.e. online advertisement, sales promotion, public relation, direct marketing, and personal selling.

Therefore, the definition of promotion in this research is an effort to convey a product using internet medium with several assessment dimension to attract customers to purchase the offered product.

Price

According to Kotler and Armstrong (2009), price is an amount of money that is charged for a product, or the sum of values exchanged by customers for the benefits of having or using a product. In short, price is money spent by customers to have a product. For online shopping, price is commonly shown alongside the product. Price is measured using indicators: (a) compatibility of the price and the quality of products, (b) price list, (c) allowance, (d) price that is perceived, i.e. the perception of customers on the price received, whether high, low, or fair (Kotler and Armstrong, 2009).

Brand Image

Brand image is an entirety of perceptions shaped by processing information from several sources every time. Brand image is established according to impression, thought, or experience of customers regarding a brand that, in the end, will shape the attitude towards the brand (Yaseen, 2011; Surachman, 2008). According to Wood (2009) and Ferrinadewi (2008), there are 3 components that form brand images: (a) corporate image, which is an image within the corporate itself, (b) user image, which is the experience of users in using the brand, the benefits of the products/services, and (c) product image

which is the image of customers towards a product that can have positive or negative impacts. It can be concluded that the brand image is the forming of perception based on information originating from other people or even self-experience.

Customer trust

Sheth and Mittal (2004) said that customer trust can be defined as willingness to rely on ability, integrity, and motivation of (an)other party(-ies) to act in order to satisfy the needs and interests of someone as agreed upon implicitly or explicitly. Morgan and Hunt (1994) in Prasetya, et al. (2014) explained customer trust is something that is considered in commitments and customer loyalty. The customer trust dimension covers integrity, competence, constancy, honesty, responsibility, and customer trust (Sheeth & Mittal, 2004 and Nuraini, 2009 in Halim, 2011). Therefore, customer trust is the commitment of producers to have responsibility, honesty, and integrity on their products and services that is given to the customers such that the reputations with the customers are well maintained.

Purchase Decision

According to Alma (2011), purchase decision is a customer decision influenced by financial economy, technology, politics, culture, products, price, location, promotion, physical evidence, people, and process, such that it creates an attitude for the customers to process any information and make a conclusion which is a response of what product will be purchased. Customers are directly involved in the purchase decision making towards products offered by producers. According to Yazid (2005), purchase decision is a decision involving choices of two or more alternatives to make a purchase. Therefore, purchase decision is an attitude taken by customers to purchase a product based on price, promotion, location, and culture, based on the priority scale of the customers.

Alma (2011) explained the process of purchase decision making, such as: (a) need recognition. According to Assauri (2013) need can be triggered by internal factors such as hunger, thirst, and sex, and external factors such is the desire to treat friends, or due to the factor of a specific food advertisement; (b) information search where customers want to seek more information more actively. Information sources are obtained from private sources, commercial sources, public sources, and experience; (c) evaluation of alternatives where the level of needs of each customer is different; (d) purchase decision where customers will have a series of decision concerning product type, brand, quality, model, time, price, payment method, etc.; (e) postpurchase behavior, whether the customers are satisfied or not, depending on the distance between expectation and the reality encountered. Therefore, producers do not need to exaggerate the superiority of their products, so that the distance between expectation and reality encountered by the customers is not too far, the customers feel satisfied, and then they can establish good relations.

III. Research Methodology

This research is a quantitative research with an analytical descriptive research method. The timeline of this research is from January to May 2019 in Universitas Buana Perjuangan (UBP) Karawang. The population of the research is students of Management Study Program UBP Karawang, with a total of 1641 students. The sample size is determined using the table of Isaac and Michael (Sugiono, 2010) where $\alpha=10\%$. The sample size of 233 students is obtained which is divided into two groups: employed students and non-employed students. Using proportional random sampling technique, the sample sizes of employed and non-employed students are 100 and 133, respectively.

The collection of data in this study is done using a questionnaire with 5 category Likert scale which will be tested for the validity and reliability. The data are then transformed, continued by observation and interview to the respondents. The data

processing uses linear regression analysis where the hypothesis testing done is t-test (partial test) and F-test (simultaneous test). Every analysis in this study is done using SPSS 23.

IV. Results and Discussion

Respondents Characteristics

The result of this research on 233 respondents shows that the number of female respondents is twice as many (66.1%) as the male respondents (33.9%). Almost half of the respondents are of 11–20 years of age (49.4%). The respondents came from several batches: 15.9% of batch 2015, 21.9% of batch 2016, 30.9% of batch 2017, and 31.3% of batch 2018. The number of non-employed respondents is higher (57.1%) than that of the employed ones (42.9%). The majority of income (for employed respondents) or allowance (for non-employed students) of the students is approximately <Rp500.000,00 (29.2%). The most popular type of online shop is Shopee with the number of 136 students (58.4%) (Table 1).

Hasil penelitian terhadap 233 orang responden didapatkan bahwa jumlah responden perempuan dua kali lebih banyak (66.1%) dibandingkan laki-laki (33.9%). Hampir setengah dari responden berusia 11-20 tahun (49.4%). Responden berasal dari berbagai angkatan yaitu angkatan 2015 sebanyak 15.9%, angkatan 2016 sebanyak 21.9%, angkatan 2017 sebanyak 30.9% and angkatan 2018 sebanyak 31.3%. Responden cenderung lebih banyak yang tidak bekerja (57.1%) dibandingkan yang bekerja (42.9%). Mayoritas pendapatan atau uang saku yang dimiliki responden sekitar < Rp 500.000 (29.2%). Jenis *onlineshop* yang paling digemari oleh responden yaitu shopee dengan pengguna sebanyak 136 orang (58.4%) (Tabel 1).

Table 1. Description of Respondents' Characteristics

Karakteristik	Jumlah (n = 233)		
	Frekuensi	(%)	
Jenis Kelamin	Laki-Laki	79	33.9
	Perempuan	154	66.1
Usia	11 - 20 Tahun	115	49.4
	21 - 24 Tahun	104	44.6
	25 - 28 Tahun	10	4.3
	29 - 32 Tahun	3	1.3
	33 - 36 Tahun	1	0.4
Angkatan	2015	37	15.9
	2016	51	21.9
	2017	72	30.9
	2019	73	31.3
Status Pekerjaan	Bekerja	100	42.9
	Tidak Bekerja	133	57.1
Pendapatan atau Uang Saku	< Rp 500.000	68	29.2
	Rp 500.000 – Rp 1.500.000	67	28.8
	Rp 2.000.000 – Rp 3.500.000	20	8.6
	Rp 4.000.000 – Rp 5.000.000	58	24.9
	< Rp 5.000.000	20	8.6
Jenis Onlineshop	Shopee	136	58.4
	Lazada	14	6.0
	Bukalapak	32	13.7
	Tokopedia	8	3.4
	JD.ID	1	0.4
	Instagram	40	17.2
Facebook	2	0.9	

Source: Research Data, 2019

Validity and Reliability Tests

The criterion for validity test is: if $r_{\text{calculated}} > r_{\text{table}}$, the question on the instrument is determined to be valid. In this research, r_{table} is 0.361. Promotion has 5 dimensions with 11 questions. After the validity test is done, it is obtained that question number 1 is not valid because $r_{\text{calculated}} < r_{\text{table}}$, which is 0.292. Therefore, question number 1 on the promotion variable cannot be used. Aside from promotion, the instruments on the other variables such as price, brand image, customer trust, and purchase decision are concluded to be valid and can be used in the research because $r_{\text{calculated}} > r_{\text{table}}$.

Reliability test is done to determine that the instrument used can be trusted as a data collecting tool. The result of reliability test shows that the independent and dependent variables in this research has Cronbach Alpha > 0.60 , meaning that all variables can be trusted as a good instrument.

Normality Test

Normality test in this study uses Kolmogorov Smirnov test where the data are said to be normally distributed when the value of Asymp.Sig ≥ 0.05 . According to Table 2, the result of the normality test using SPSS shows that the value of Asymp.Sig is 0.200, which is more than 0.05. this means that the data in this research is normally distributed.

Table 2. Normality Test Result

		Unstandardized Residual
N		233
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	5.33486488
Most Extreme Differences	Absolute	.035
	Positive	.029
	Negative	-.035
Test Statistic		.035
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Sumber: SPSS Result, 2019

Multiple Linear Regression Analysis

t-Test (Partial Test)

t-Test in multiple linear regression (MLR) analysis aims to see the effect of each independent variable on dependent variables. If there is an effect, $P\text{-value} \leq 0.05$. Table 3 shows that prices affect the purchase decision ($P\text{-value}=0.007$) and customer trust also affects the purchase decision ($P\text{-value}=0.0005$). From the results of the analysis by looking at B value in Unstandardized Coefficients, the model of the regression equation is obtained, which is $Y = 17.676 + 0.103 X_1 + 0.353 X_2 + 0.157 X_3 + 0.368 X_4$.

Table 3. t-Test Using Multiple Linear Regression Analysis

		Coefficients ^a			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	17.676	2.974		5.943	.000
	PROMOSI	.103	.073	.079	1.418	.158
	HARGA	.353	.130	.170	2.726	.007
	CITRA MEREK	.157	.099	.101	1.588	.114
	KEPERCAYAAN	.368	.048	.464	7.614	.000

a. Dependent Variable: KEPUTUSAN PEMBELIAN

Source: Result of SPSS, 2019

F-test (Simultaneous Test)

The result of F-test is obtained the F-value of 44.977 with P-value of 0.0005 (Table 4). Because P-value < 0.05, the analysis result in this study shows that simultaneously, there is an effect of promotion, price, brand image, and customer trust on fashion products purchase decision online among Students of Management Study Program of UBP Karawang.

Tabel 4. F-Test of Multiple Linear Regression Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5198.513	4	1299.628	44.877	.000 ^b
	Residual	6602.902	228	28.960		
	Total	11801.414	232			

a. Dependent Variable: KEPUTUSAN PEMBELIAN
 b. Predictors: (Constant), KEPERCAYAAN, PROMOSI, HARGA, CITRA MEREK

Source: Result of SPSS, 2019

Coefficient of Determination

According to Table 5, the result of coefficient of determination in this research is R²=0.440. This shows that the contribution of promotions, price, brand image, and customer trust variables on purchase decision is 44%, while the remainder of 56% is the contribution of other factors not included in this research.

Table 5. Coefficient of Determination (R²)

Model		R Square	Adjusted R Square	Std. Error of the Estimate
1		.664 ^a	.440	5.38146

a. Predictors: (Constant), Kepercayaan (X2), Ekuitas Merek (X1)

Source: Result of SPSS, 2019

V. Discussion

Effect of Promotion on Purchase Decision

From the tests, the results show that the promotion variable does not affect the purchase decision. This can be proven from t-test statistic result where the value of $t_{\text{calculate}} = 1.418$ and $t_{\text{table}} = 1.97030$ where $1.418 < 1.97030$ with probability of 0.158 where $0.158 > 0.05$ (H_0 is accepted). This means that promotion done online does not affect the purchase decision for student of Management Study Program in UBP Karawang. This is inline with the descriptive analysis that they are only attracted to real promotions such as free postal fee, allowance, and voucher.

Effect of Price on Purchase Decision

From the tests, the results show that the price variable affects the purchase decision. This can be proven from t-test statistic result where the value of $t_{\text{calculate}} = 2.726$ and $t_{\text{table}} = 1.97030$ where $2.726 > 1.97030$ with probability of 0.007 where $0.007 < 0.05$ (H_1 is accepted). The coefficient of regression in this research has a positive value of 0.302. Hypothesis (H_1) states that the price variable (X_2) has a partial effect on fashion product purchase decision online (Y) for the students of Management Study Program in UBP Karawang.

This result is relevant with the research of Samosir and Prayoga (2015) which reports that prices affect the product purchase decision of Enervon C. this also is inline with the opinion of Sumarwan (2002) that one of the things that should be done when evaluating a product is the price. The way of thinking of students is very practical, they will buy cheap products, suited with their budget, that allow them to be fashionable. Although they realize that the product's price is not always proportional to the quality of the product itself, that's why they only answer "quite agree" when being asked regarding the suitability of the price and the quality of the products that they buy.

Effect of Brand Image on Purchase Decision

From the tests, the results show that the brand image variable dose not affect the purchase decision. This can be proven from t-test statistic result where the value of $t_{\text{calculate}} = 1.558$ and $t_{\text{table}} = 1.97030$ where $1.588 < 1.97030$ with probability of 0.114 where $0.114 > 0.05$ (H_0 is accepted). The result shows that the students of Management Study Program in UBP Karawang prefers to choose fashions based on their functions. When deciding the purchase, they do not really pay much attention to the brand of the fashion product.

Effect of Customer Trust on Purchase Decision

The t-test statistic result shows the value of $t_{\text{calculate}} = 7.614$ and $t_{\text{table}} = 1.97030$ where $7.614 > 1.97030$ with probability of 0.000 where $0.000 < 0.05$ (H_1 is accepted). The coefficient of regression in this research has a positive value of 0.368. Hypothesis (H_1) states that the price variable (X_4) has a partial effect on fashion product purchase decision online (Y) for the students of Management Study Program in UBP Karawang.

The result is relevant with the research done by Anggraeni and Mediawati (2016) on Effects of Customer Trust and Information Quality on Purchase Decision Online on www.traveloka.com Site. They showed that trust influenced the purchase decision. This result is also relevant with the research of Kurniawan and Sari (2017) on Effect of Product Quality, Price, and Industries Trust in Bandung City. They found that trust affects the purchase decision process. This result is also relevant with the research of Verina Eunika, Edy Yulianto, and Wasis A. Latief (2014) on Factors Affecting Purchase Decision in Fashion Shops in Social Media Facebook that shows the influence of trust on the purchase decision.

Effects of Promotion, Price, Brand Image, and Customer Trust on Purchase Decision

The F-test statistic result shows the value of $F_{\text{calculate}} = 44.877$ and $F_{\text{table}} = 3.03562$ where $44.877 > 3.03562$ with probability of 0.000 where $0.000 < 0.05$. Therefore, H_0 is rejected and H_1 is accepted. The hypothesis that states the promotion, price, brand image, and customer trust variables affect simultaneously on the fashion product purchase decision online for students of Management Study Program in UBP Karawang is accepted. The result of coefficient of determination test shows the value of R^2 of 0.440. This shows that the purchase decision is influenced by promotion, price, brand image, and trust by 44%.

VI. Conclusions

The results of the research show that price and customer trust partially affect the fashion product purchase decision online for students of Management Study Program in UBP Karawang. Furthermore, promotion, price, brand image, and trust simultaneously affect the purchase decision. The result of coefficient of determination test shows that $R^2 = 44\%$. This shows that the contribution of promotion, price, brand image, and trust affect the purchase decision by 44%, while the remainder of 56% is contribution from other factors that are not included in this research.

VII. Recommendation

Based on the result and discussion, the recommendations from the authors in this research are:

1. For the online businessmen, it is recommended to pay attention to relation between the price and quality of the products. For the students, price is an attractive factor in shopping for fashion products online. Trust can be improved by improving the integrity, which is by giving the real testimony and giving the products matching the description that is posted online and to improve the competency, which give loss compensation for customers when the products does not meet the promised descriptions.
2. Next authors are expected to do the development of this research by making the promotion model that can influence the purchase decision and combine the quantitative research with the qualitative one to enrich the information.

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