How to Measure the Customer Purchase Decision in Shopee E-Commerce Platform?

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ABSTRACT

The study aims to pictured out the mediating roles of purchase intention on service quality and application quality to purchase decision. The study objective is the shopee application users with at least 1 year of experience using the application. The study collected 140 respondents. Smart-PLS will be used to run the data. The study signified service quality and application quality have a positive and significant influence on purchase intention. Service quality and application quality have a positive and significant influence directly and indirectly on purchase decision. Lastly, Purchase Intention play a mediating role from service quality and application quality on purchase decision.

1. INTRODUCTION

Internet use at current time has reach popularity among the people around the globe, Indonesia as one of it. It can be seen that the online purchasing has become the current trend at this time. E-commerce or also well known as online purchasing has reached its significant increase because of the adoption of internet that has become part of the people’s daily life. By most people have the tendency of using internet for daily life, it led to the people to also shift from traditional method of purchase to be more digitalized. Therefore, Indonesia at current time offers a potential online market for the online business development. A survey conducted by APJII in 2021 revealed that as many as 98.6 million internet users decided to shop online (APJII 2021). It is identified that the Indonesia online store can receive a monthly visitor of at least 450,000 visitors from January 2019 to March 2020. Shopee, Tokopedia, Bukalapak, Lazada, and Blibli are the online market place that have reach popularity among the Indonesia online shoppers.

Shopee is a start-up company from Singapore that has entered Indonesia since last December 2015. The platform offers online activities of sell and purchase that provides various products such as sports equipment, photography equipment, gadgets, beauty tools, fashion, automotive, home supplies, vitamins, food and beverages. The benefit offers by Shopee is a two-way benefit where seller and buyer can perceive the benefit of using Shoppe application at the same time. The seller can have the buyer coming from around Indonesia, while at the other side, the buyer can have the right to choose the product that they want to buy not to limited with the geographic background. It is found to be secure as well for both parties as the payment method involve the three parties. Shopee has become the most preferred e-commerce by consumers, because the features presented by Shopee are more interactive and the theme is always different every moment. Shopee Indonesia is experiencing very rapid development. Shopee provides convenience for shopping that can be accessed via smartphones, either using applications that can be downloaded on the AppStore and Playstore, or visiting the Shopee application at https://shopee.co.id. Until the fourth quarter of 2018, the number of Shopee application downloaders, based on the results of the iPrice survey, was still ranked first with the highest number of downloaders when compared to other e-commerce applications. Web visitors in Q4 2018 jumped from the previous quarter. If in the 3rd quarter of 2018, monthly visitors to the Shopee application were 38,882,000
visitors, but in the 4th quarter of 2018 the number of visitors skyrocketed to 67,677,900 visitors every month. The website from Shopee.co.id is design to be attractive to the user, so that visiting consumers can do a review of the online product and may led them to conduct a purchase transactions (Themba, 2021)

Shopee.co.id webmasters in Indonesia must put concern on the quality of the service and quality of the application. It is classified as one of the determinants factor that may lead people to conduct a purchase. According to Simatupang et al., (2021) decision making is a stage of a customer that should be passed by customer before they purchase a particular product. To measure the good relationship of buyers and seller, good service should be maintained as well.

Tumewu's research (2015) found that the decision to purchase a product is not determined by service . Di et al., (2021) signified actual purchases affected by the information in the form of application quality. Saidani et al., (2019) mention in his study that purchase intention will not happen by due to the effect given by Application Quality. Japarianto (2020) found that purchase decision is determined by application quality. Meanwhile, Nikmah (2019) signified that purchase decision is affected by purchase intention. The study research objective is to fill the gaps of previous research by proposing and proving whether PurInt plays a mediator role from AppQu and ServQu to PurDe.

2. LITERATUR REVIEW

a. Service Quality (ServQu)

All forms of service delivery provided optimally by the company in order to meet customer needs in accordance with customer expectations is well known as ServQu (Juliet 2018). Service quality is currently faced with services that must keep up with the times in the 4.0 era, namely internet technology. It is important for a company to put attention on the ServQu for the delivery of goods or services through applications as a strategic implement by particular company (Hana 2019). Services can be seen as a range of activities provided by one or more parties to those who have a connection with them, with the intention of satisfying the needs of the recipients for the products or services being supplied. There are several dimensions or factors used by consumers or service users in determining service quality. According to Safitri (2021) service quality can be measured using five main criteria: Tangibles, Reliability, Responsiveness, Assurance and Empathy.

b. Application Quality (AppQu)

Application Quality according to Juliet (2018) is A structured and organized procedure that allows for the needs and desires of customers to be heard and incorporated into the development and implementation of products or services. Application Quality is "the emergence of a relationship between consumers or Application users with how they can find information". Because basically the application is an information storage medium that can help consumers explore various kinds of information. To evaluate the quality of a web application, a number of consumer-oriented web application evaluation efforts have been developed. Some are in the purely subjective form of the rater's individual preferences, and some are in the form of objective statistical measurements, such as monitoring site download times and data traffic. Applications are a very important component in e-commerce, this is because buyers cannot see directly about the products offered by the seller. The application acts as a distributor of information that the seller wants to convey to the buyer, therefore the trust of the buyer completely depends on all the information submitted by the seller in the provided application (Fahmi, 2018). According to Shahnaz (2016), the quality of the application can be seen from the appearance of the application and the clarity of the information. from the Application itself. Clarity of information will have an impact on consumer responses to online store products and services.

c. Purchase Intention (PurInt)

PurInt is a consumer's thought process that reflects their intention to purchase a particular brand of product. It is also discussing about the consumer behavior wherein individuals have an inclination to select, use, consume, and even desire a product that is available (Bakti et al., 2020). According to
Suhatman et al., (2020) it is a personal self-motivation or someone who is influenced by the brand, price or product service, so that the desire to have arises by buying products and services.

d. Purchase Decision (PurDe)

The concept of consumer behavior involving the choice to purchase or benefit from particular goods or services is referred to as a purchasing decision (Balawera, 2018). Yoeliastuti et al., (2021) mention that when someone selecting from a number of available options, individuals go through a few steps in their decision-making process, such as recognizing needs, researching information, assessing alternatives, making a choice and assessing their satisfaction after the purchase. is the stage where the buyer understands a problem, explores clues about the brand or product then considers several alternatives for solving the problem and then takes action (Ilmiyah, 2020).

3. METHOD

Smart-PLS will be used to run the collected data so that the researcher can further do analysis on it. The study population is the people who know and have shopped for products at the Shopee marketplace in West Jakarta. These study criteria are Shopee marketplace users, at least 17 years old who are domiciled in West Jakarta. According to Hair et al., (2020) the minimum sample size shall be 5 x 28 statement items in this questionnaire, so that the sample size of the study should be at least 140 respondents.

4. RESULTS AND DISCUSSION

The study found most of the respondent have been using Shopee application for 2 years (39 %) while the remaining have been using it for 3 years (34 %), 4 years (17 %), 1 years (6 %), and 5 years (4 %) respectively. The largest portion of respondents, 45.0%, were aged 17-25 years, while the majority of them, 69.4%, were female. Lastly, the most respondents based on the job background are coming from the private sector with the percentage of 39.5%.

Outer Model Measurement

Figure 1 present the loading factor of the study has fully achieved the cut-off threshold where all indicator showing the loading factors value above .60. Additionally, It can be seen in Table 1 the study has fully satisfy the AVE, Cronbach Alpha, and Composite Reliability with every variable showing the value above the cut-off threshold.

Table 1 Test Results of Average Variance Extracted, Cronbach Alpha, & Composite Reliability
Inner Model Measurement

Inner model has purpose to find out the model fit and measuring the direct and indirect effects proposed in the hypothesis. The inner model analysis encompasses R-squared, path coefficient and indirect effects.

R-Square

Present on Table 2 that the PurDe R-Square value is 0.661. This means that ServQu and AppQu are able to explain the effect on the PurDe as much as 66.1% while the rest 33.9% is influenced by variables that is not discussed in the study. Lastly, the PurInt R-Square value is 0.773, which means that the ServQu and AppQu are able to explain the effect on the PurInt as much as 77.3% while the rest 22.7% is not discussed in the study.

Table 2 Results of the R-Square Value

<table>
<thead>
<tr>
<th></th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>PurDe</td>
<td>0.661</td>
</tr>
<tr>
<td>PurInt</td>
<td>0.773</td>
</tr>
</tbody>
</table>

Path Coefficient

The effect of ServQu on PurInt signified the t-statistics value of 8.763 and the P-Values of 0.000. This led to a significant direct effect between ServQu on PurInt. When the quality of service is good, the interest to buy will increase. In the effect of ServQu on PurDe, the t-statistics value is 6.229 and the P-Values value is 0.000. This led to a significant direct effect between ServQu on PurDe. Once the quality of service is good, the Purchase Decision will increase. The effect of PurInt on PurDe signified the t-statistics value is 2.662 and P-Values is 0.008. This led to a significant direct effect between PurInt on PurDe. Once the interest to buy increases, PurDe will increase. In the AppQu effect on PurInt, the t-statistics value is 2.176 and P-Values is 0.030. This led to a significant direct effect between AppQu on PurInt. When the AppQu is good, PurInt will increase. In the AppQu effect on PurDe, the t-statistics value is 3.293 and P-Values is 0.001. This led to a significant direct effect between AppQu on PurDe. When the AppQu is good, the PurDe will increase (See Table 3).

Table 3 Hypothesis Analysis on Indirect Effect Test

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficients</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T Statistic</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>ServQu -&gt; PurDe</td>
<td>0.710</td>
<td>0.703</td>
<td>0.114</td>
<td>6.229</td>
<td>0.000</td>
</tr>
<tr>
<td>ServQu -&gt; PurInt</td>
<td>0.719</td>
<td>0.709</td>
<td>0.082</td>
<td>8.763</td>
<td>0.000</td>
</tr>
<tr>
<td>AppQu -&gt; PurDe</td>
<td>0.467</td>
<td>0.452</td>
<td>0.142</td>
<td>3.293</td>
<td>0.001</td>
</tr>
<tr>
<td>AppQu -&gt; PurInt</td>
<td>0.179</td>
<td>0.189</td>
<td>0.082</td>
<td>2.176</td>
<td>0.030</td>
</tr>
<tr>
<td>PurInt -&gt; PurDe</td>
<td>0.299</td>
<td>0.312</td>
<td>0.112</td>
<td>2.662</td>
<td>0.008</td>
</tr>
</tbody>
</table>
Indirect Effect

The Indirect Effect on the service quality variable through Purchase Interest on Purchase Decisions obtained a t-statistics value of 2.732 and a P-Values value of 0.007. Therefore, it can be interpreted that there is a significant indirect effect between service quality through Purchase Interest on Purchase Decisions. Additionally, Application Quality through Purchase Intention on Purchase Decisions obtained a t-statistics value of 2.653 and a P-Values value of 0.008. Therefore, it can be interpreted that there is a significant indirect effect between Application Quality through Purchase Intention on Purchase Decisions. There are none of the 7 hypothesis that are rejected. It means that all of the hypothesis are accepted in the study (See Table 4).

<table>
<thead>
<tr>
<th>Path</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>ServQu -&gt; PurInt -&gt; PurDe</td>
<td>0.215</td>
<td>0.219</td>
<td>0.079</td>
<td>2.732</td>
</tr>
<tr>
<td>AppQu -&gt; PurInt -&gt; PurDe</td>
<td>0.215</td>
<td>0.212</td>
<td>0.081</td>
<td>2.653</td>
</tr>
</tbody>
</table>

5. CONCLUSION

In the results of each research hypothesis testing, the following results were obtained:

First, based on the results of tests that have been carried out, it shows that ServQu has a positive and significant influence on PurInt in the Shopee marketplace. This means that the better the quality of the services provided, the more buying intention will be. There is a significant influence on the quality of service on the speed of transactions by providing good service and in accordance with the expectations of consumers so that consumers feel satisfied with the service. Based on the characteristics of the respondents, respondents stated “yes” that those who had shopped for products through the Shopee marketplace were the most related to the quality of service for PurInt because the average consumer was satisfied with the services provided by the company, consumers easily determine Buying Interest Qalati et al., (2021), Apatguna, Pitaloka (2018), and Rozi & Nasikan (2020) support the study by signifying that ServQu has a positive and significant influence on PurInt.

Second, based on the results of tests that have been carried out, it shows that ServQu has a positive and significant influence on PurDe on the Shopee marketplace. This means that the better the quality of service provided, it will increase the PurDe. The existence of a significant influence on the quality of service by providing fast and swift service to consumers and meeting the expectations of consumers properly can influence consumer purchasing decisions by always providing good service to meet customer satisfaction. Based on the characteristics of the respondents, Respondents who have used the Shopee application for 2 years are the highest regarding the quality of service on PurDe because the average consumer already feels that their expectations and satisfactions have been fulfilled, they can easily determine PurDe. This is done by the company as a form of service for the selection of consumers to the company. This research is strengthened by research that has been done by Saputra & Ardani (2020), Tumbel & Yunita (2020), and Hisan & Rizkia (2021) which states that ServQu has a positive and significant effect on PurDe.

Third, based on the results of the tests that have been carried out, it shows that PurInt has a positive and significant influence on PurDe on the Shopee marketplace. This means that the higher the PurInt that appears, it will increase the PurDe. There is a significant influence on PurInt with the emergence on the Shopee marketplace because the sense of fitness of a product affects the PurDe. Setiawati & Wiwoho (2021), Dapas et al., (2019), and Rachmawati Harum et al., (2021) also determined on their study that PurInt has a positive and significant influence on PurDe.

Fourth, based on the results of tests that have been carried out, it shows that AppQu has a positive and significant influence on PurInt in the Shopee marketplace. This means that the better the quality of the application provided, will increase the PurInt. The existence of a significant influence on AppQu by creating applications that are easy to use and create a positive experience can affect PurInt. Based on the characteristics of the respondents, aged 17-25 years with the highest number related to Application
Quality because that age is already familiar with digitization, if consumers at that age receive a positive experience on the application and find it easy to use it will affect PurInt. This research is strengthened by previous research Permana (2020), Jundrio & Keni (2020), and Darmanto et al., (2021) which states that AppQu has a positive and significant influence on PurInt.

Fifth, based on the results of the tests, it shows that AppQu has a positive and significant influence on PurDe on the Shopee marketplace. This means that the better the quality of the application provided, the higher the PurDe will be. The existence of a significant influence on the Quality of the Application by providing clear information on the application regarding the products being marketed as well as providing convenience and security in conducting transactions through the application can influence the PurDe. The study result is inline with previous research Kaharudin et al., (2021), Lelani et al., (2019) and Purnomo et al., (2020) which states that AppQu has a positive and significant influence on PurDe.

Sixth, the results of this study indicate that PurInt mediates the relationship between ServQu to PurDe. It means that the indirect effect of ServQu occur by providing guarantees that the products purchased by consumers are in accordance with what is expected so that it affects consumer PurDe through fast and swift service quality so that it can increase the intention to buy and Shopee as a marketplace really needs excellent ServQu so that consumers feel convenience while purchasing a product through the Shopee marketplace. This research is strengthened by previous research of Hana (2019), Tampubolo & Purba (2017) and Herdiansyah et al., (2021) which states that ServQu has a positive and significant effect on PurDe through PurInt.

Seventh, the results of this study indicate that PurInt mediates the relationship between AppQu and PurDe. This means that the indirect influence of AppQu may occur by providing accurate information on the Shopee application to consumers and the information should be easy to be understood so that it can affects consumer PurDe. With good quality have by the application can lead to encourage the consumer experience and affect the urDe through PurInt. This research is strengthened by previous research Nurlinda (2018) and Ghaisani & Purbawati (2020) which states that AppQu has a positive and significant effect on PurDe through PurInt.

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