



E-Customer Behavior Mediates Promotion on E-Commerce Purchase Decision MSME Industry

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Abstract

This research aims to explore the impact of promotions on e-commerce purchasing decisions among MSMEs in Indonesia. In addition, e-customer behavior is studied as a mediator of promotional activities and purchasing decisions. Data was collected from a total of 160 E-commerce users in Indonesia through structured questionnaires and hypothesis testing using the PLS model. These results validate that promotional activities have a significant influence on e-customer behavior and direct purchasing decisions. Purchasing decisions are directly influenced by e-customer behavior. In addition, e-customer behavior completely mediates the relationship between promotional activities and buyer decisions which has an indirect influence. In this study, the sample size was limited to 160 respondents, most of whom came from Jabodetabek, Indonesia. It is recommended that future research use larger sample sizes and include individuals from various industry sectors. Second, this research only focuses on promotions, purchasing decisions through e-customer behavior in MSME e-commerce. This research suggestion will help the e-commerce retail sector to build consumer trust, thereby increasing the e-commerce user base and increasing customer loyalty through various improvements so that it can meet your needs to understand

Keywords: *promotion, e-customer behavior, purchase decision, MSME*

Abstrak

Penelitian ini bertujuan untuk mengeksplorasi dampak promosi terhadap keputusan pembelian e-commerce di kalangan UMKM di Indonesia. Selain itu, perilaku e-customer dipelajari sebagai mediator kegiatan promosi dan keputusan pembelian. Data dikumpulkan dari total 160 pengguna E-commerce di Indonesia melalui kuesioner terstruktur dan uji hipotesis menggunakan model PLS. Hasil ini memvalidasi bahwa kegiatan promosi mempunyai

pengaruh yang signifikan terhadap perilaku pelanggan elektronik dan keputusan pembelian langsung. Keputusan pembelian secara langsung dipengaruhi oleh perilaku e-customer. Selain itu, perilaku e-customer sepenuhnya memediasi hubungan antara kegiatan promosi dan keputusan pembeli yang mempunyai pengaruh tidak langsung. Dalam penelitian ini jumlah sampel dibatasi sebanyak 160 responden yang sebagian besar berasal dari Jabodetabek, Indonesia. Disarankan agar penelitian selanjutnya menggunakan ukuran sampel yang lebih besar dan menyertakan individu dari berbagai sektor industri. Kedua, penelitian ini hanya fokus pada promosi, keputusan pembelian melalui e-customer behavior pada UMKM e-commerce. Saran penelitian ini akan membantu sektor ritel e-commerce untuk membangun kepercayaan konsumen, sehingga meningkatkan basis pengguna e-commerce dan meningkatkan loyalitas pelanggan melalui berbagai perbaikan sehingga dapat memenuhi kebutuhan Anda untuk memahami

Kata kunci: promosi, elektronik perilaku konsumen, keputusan pembelian, UMKM

Introduction

The tremendous development and growth of Internet usage, and its deregulation from a research tool to a free network available to everyone, means that marketers have a positive attitude towards using the Internet as a marketing tool. This fundamentally changes the way marketers apply their skills and requires them to learn new skills (Kwan, Fong, & Wong, 2005). This is not only the case for marketers: These advancements also impact consumers who can make purchases. These developments open up new ways of getting things which is an innovation for consumers. E-commerce has a marketing connotation and is called e-commerce (Wu, Gautam, Geng, & Whinston, 2004). It refers to business activities that communicate, promote, and sell products and services on the Internet (P. K. Kotler, 2013). E-commerce is becoming increasingly important in Indonesia because the markets created in Indonesia are very diverse, moreover, this type of sales or marketing system can reach all of Indonesia simultaneously and can be used anytime and anywhere without the need to establish branch offices anywhere in Indonesia. MSME who use e-commerce as media sales must make various efforts, including advertising, to increase sales (Harisandi & Wiyarno, 2023). Promotion (P. dan K. L. K. Kotler, 2016) Advertising itself is now seen as a unidirectional flow of information or persuasion, which aims to invite someone in an organization to take actions that allow marketing interactions to occur. Apart from promotion, there are several other factors that influence consumers to buy a product, such as price, price is a marketing mix that consumers often use as purchasing criteria when buying a product (Harisandi, Yahya, Risqiani, & Purwanto, 2023) Price is a real and strong factor that influences consumer purchasing decisions, Analysis of e-customer behavior (Kwan et al., 2005) Marketing allows us to understand your online experience, from the first visit to the homepage and browsing of related web pages, to the final decision to abandon or cancel your shopping cart (Hernández, Jiménez, & Martín, 2010). It is important to clarify the possible paths that e-consumers can take (Harisandi & Purwanto, 2023). Marketing allows us to understand your online experience, from the first visit to the homepage and browsing of related web pages, to the final decision to abandon or cancel your shopping cart (Purwanto, 2022). It is important to clarify the possible paths that e-consumers can take Zeitalm in (Noerchoidah, 2013) Purchasing opinions and decisions involve various internal factors, including: Needs analysis, information gathering, pre-purchase comparison of options, post-purchase evaluation (Rohmanuddin & Suprayogo, 2022).

Previous research conducted by (Azmy Nur & Pasca Arnu, 2021) which examines the effect of promotion and price on the purchasing decision process shows that promotion and price have a positive influence on purchasing decisions. Furthermore, research (Harisandi & Purwanto, 2023) which examines the role of price and brand image in mediating the influence on purchasing decisions also has a positive influence. Other research conducted by (Al Sukri, 2023) which examines the Analysis The Influence of Price, Promotion, Distribution, Product Quality and Brand Image on Purchase Decision of Cereal Product shows that the results of the research conducted can be seen that product quality, price, promotion, distribution channels and brand image simultaneously affect purchasing decisions.

This study was conducted to determine whether the proposed dimensions are factors that drive consumer adoption of shopping in the MSME e-commerce sector in Indonesia. This research investigates the aspects that influence adoption and their relevance to the MSME industry, an industry that is heavily influenced by information and communication technology and where products are produced online. The aim is to investigate the driving factors that contribute to customers' e-commerce adoption by investigating variables such as promotions that are influenced by e-customers' behavior in purchasing decisions. In addition, this study also aims to assess the different levels of importance of these factors in influencing consumer acceptance of electronic shopping. The results of this study provide an indication of what makes a good online store, especially the prices and promotions offered by MSME stores that are most likely to attract and retain existing customers.

Research Method

This research is categorized as quantitative research because it uses surveys to obtain measurable data. (Amankwaa, Gyensare, 2019) Data were analyzed using Structural Equation Modeling Partial Least Squares (SEM-PLS) and Smart PLS software. The PLS method uses two submodels: an external model (measurement model) and an internal model (structural model) (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). A non-probability sample was used in this study. The target audience of this work is Indonesian e-commerce users since the population of Indonesia is unknown, the researchers plan to distribute the survey to Indonesians who have at least once used e-commerce. (Šeric & Ozretic-Došen, 2018) Researchers in this study used snowball sampling to distribute questionnaires through Google Forms. The number of samples distributed was 189 people with a total of 160 respondents. Google Forms was used to investigate how respondents' experience in using e-commerce services in terms of price, promotion, electronic customer behavior, and purchase decision.

The variables used in this study have each been described previously (Al Sukri, 2023; Harisandi & Purwanto, 2022; Kwan et al., 2005; A Nur & Rusnali, 2021) added electronic intermediary customer behavior. The Likert scale used in the survey consisted of 1 to 5: 1 strongly disagree, 2 disagree, 3 don't know, 4 agree, 5 strongly agree.

Results

This study found that all variable measurements were considered reliable. As shown in Table 1, the Pearson correlation value of the external loading value of each variable indicator

used in the study is greater than 0.5 and the significance level is less than 0.05. Furthermore, it was found that each variable such as price, advertising, electronic customer behavior, and purchase decision can be considered reliable as the Cronbach's alpha value is greater than 0.6. The overall validity and reliability test results show that the measuring instruments intended to test the hypotheses meet the criteria and can collect data from participants in the form of questionnaires.

Table 1. Indicator Loadings and Latent Variable Coefficient

Item	Outer Loading Factor	Cronbach's Alpha	Composite Reliability	Desc
Promotion		0.955	0.961	Reliable
P1	0.779			Valid
P2	0.876			Valid
P3	0.873			Valid
P4	0.875			Valid
P5	0.870			Valid
P6	0.873			Valid
P7	0.842			Valid
P8	0.873			Valid
P9	0.771			Valid
P10	0.806			Valid
E-Customer Behavior		0.806	0.886	Reliable
ECB1	0.870			Valid
ECB2	0.791			Valid
ECB3	0.884			Valid
Purchase Decision		0.899	0.926	Reliable
KP1	0.890			Valid
KP2	0.904			Valid
KP3	0.786			Valid
KP4	0.909			Valid
KP5	0.729			Valid

Source: Processing Results, 2023

The e-customer behavior test results are shown in Table 2 based on the dependency index, the R-squared value is 0.876, while the R-squared value of the purchase decision test is 0.891, which means very strong results greater than 0.2 Based on the hypothesis, the indicator symbol is significant.

Table 2. Model Testing Index

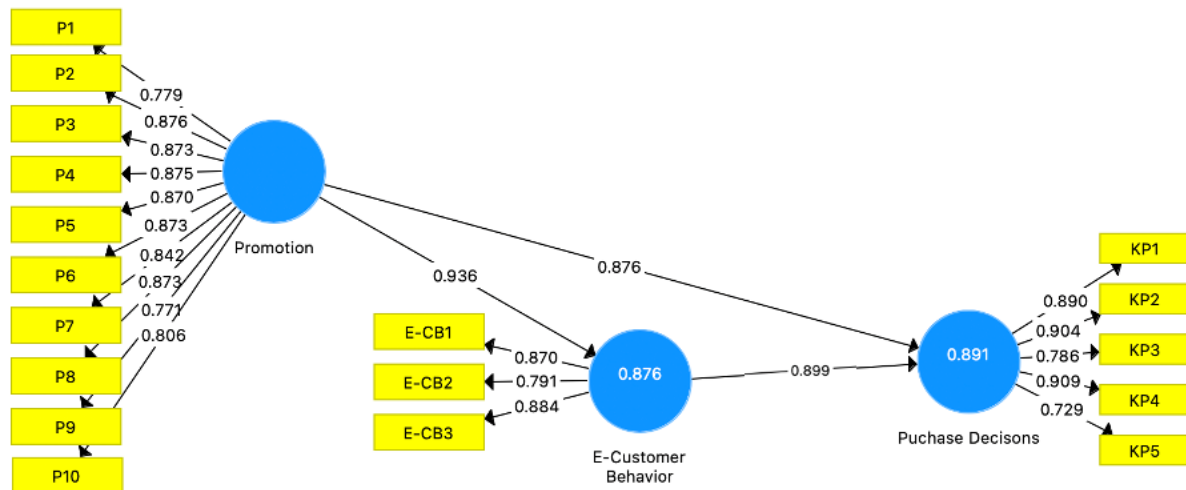
Endogenous Variabel	Cut of Value	Result	Evaluation Model
R2			
E-Customer Behavior	≥ 0.20	0.876	FIT
Purchase Decision	≥ 0.20	0.891	FIT

Source: Processing Results, 2023

Partial Least Squares Predict Test

Figure 1 illustrates the conceptual framework based on the relationship between variables in SmartPLS 3 for Windows.

Figure 1. Partial Least Squares Predict Test



Source: Processing Results, 2023

Figure 1 displays the test findings for estimating the relationship between indicators and variables. Each indication helps form the corresponding variable. Promotion is measured by indicators P1-P10, E-Customer Behavior is mainly measured by indicators E-CB1 - E-CB3 and Purchase Decisions is mainly measured by indicators KP1-KP5.

Table 3. Table Estimation

Site	Type	Std Estimation	P-Value	Conclusion
Promotion → E-Customer Behavior	Direct	0.936	0.000	Significant
Promotion → Purchase Decisions	Direct	0.876	0.000	Significant
E- Customer Behavior → Purchase Decision	Direct	0.899	0.000	Significant
Promotion → E-Customer Behavior → Purchase Decision	Indirect	0.888	0.000	Significant

Source: Processing Results, 2023

The findings of the standardized estimates are shown in Table 3, where each variable has a direct and indirect impact. In addition, the indirect impact of promotion on purchase decisions is mediated by e-customer behavior. Promotion has a direct influence on e-customer behavior, and promotion has a direct influence on purchasing decisions and purchasing decisions have a direct influence on purchasing decisions.

Discussion

The purpose of this study was to examine the effect of promotion on purchasing decisions mediated by e-customer behavior in e-commerce MSMEs.

Effect of Promotion on E-Customer Behavior

The substantial correlation between promotion and E-Customer Behavior is intended to be shown by the findings of the first hypothesis test (H1). From the analysis, there is a correlation of 0.936 between Promotion and E-Customer Behavior, which indicates that if promotion increases by one unit, E-Customer behavior can increase by 93.6%. This effect is very favorable. Due to the substantial statistical difference (P value of $0.000 < 0.05$), the hypothesis that there is a direct relationship between promotion and e-customer behavior is accepted.

Effect of Promotion on Purchasing Decisions

The substantial correlation between promotion and purchasing decisions is intended to be shown by the findings of the second hypothesis test (H2). From the results of the analysis, there is a correlation of 0.876 between promotion and purchasing decisions, which indicates that if promotion increases by one unit, purchasing decisions can increase by 87.6%. This effect is very favorable. Due to the substantial statistical difference (P value of $0.000 < 0.05$), the hypothesis that there is a direct relationship between promotion and purchasing decisions is accepted.

Effect of E-Customer Behavior on Purchasing Decisions

The substantial correlation between E-Customer Behavior and purchasing decisions is intended to be shown by the findings of the third hypothesis test (H3). From the analysis, there is a correlation of 0.899 between E-Customer Behavior and purchasing decisions, which indicates that if E-Customer Behavior increases by one unit, purchasing decisions can increase by 89.9%. This effect is very favorable. Due to the substantial statistical difference (P value of $0.000 < 0.05$), the hypothesis stating that there is a direct relationship between E-Customer behavior and purchase decisions is accepted.

Indirect Effect of Promotion on purchasing decisions mediated by Electronic Customer Behavior

The substantial correlation between Promotion and purchasing decisions mediated by E-Customer Behavior is intended to be shown by the findings of the fourth hypothesis test (H4). From the results of the analysis, there is a correlation of 0.888 between Promotion and purchasing decisions mediated by E-Customer Behavior which indicates that promotion has a substantial and statistically significant indirect impact on purchasing decisions mediated by e-customer behavior, then H4 is accepted because the P -value is 0.000.

Conclusion

The aim of this research is to reveal how promotions and purchasing decisions are related through the mediation of electronic customer behavior, however, this research has several shortcomings that can be corrected through further research. First, the sample size was limited to 160 respondents from Jabodetabek, Indonesia. Future researchers are encouraged to include participants from a variety of industries and use larger sample sizes. Second, this research only focuses on promotions and purchasing decisions through e-customer behavior in the MSME e-commerce industry. Future researchers can investigate more specific variables such as ease of use of applications, transaction speed and quality of application functionality, as well as competitive prices to assess the quality of electronic services in the MSME e-commerce industry. In addition, further research could consider adding additional variables that can influence purchasing decisions, such as: Quality service, electronics, and environmentally friendly marketing. In addition, this research can be extended to the banking and tourism industries to compare the influence of advertising variables and electronic customer behavior on purchasing decisions.

These research suggestions will help the e-commerce sector in the MSME sector to build consumer trust, thereby increasing the e-commerce user base and increasing customer loyalty through various improvements so that it can meet your needs to understand. Apart from that, the level of customer engagement itself will also increase with the creation of games, visions and missions which can later be exchanged for various types of promotions tailored to user needs.

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