

Impact of price, advertising and quality of service on TOKOPEDIA online purchase decisions during the COVID-19 pandemic (case study by state agency PT KOTAMAS MAKMUR)

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ABSTRACT : The purpose of this research is to identify and analyze the impact of price, advertising and quality of service on online purchasing decisions regarding Tokopedia during the COVID-19 pandemic. The study population consisted of staff from PT Kotamas Makmur National Agency. The independent variables in this study are price, advertising and quality of service, while the dependent variable in this study is purchase decision. The research method used is a quantitative research method hypothesis-testing approach. A saturated sample with a total of 30 employees is used as the sampling method. The data source was obtained from questionnaire results and the analytical method was multiple regression analysis using the statistical program SPSS version 22. The results showed that: (i) Price influences purchasing decisions from Tokopedia; (ii) promotions do not influence purchasing decisions on Tokopedia; (iii) the quality of service will influence your purchasing decision from Tokopedia.

Keywords: Price, Promotion, Service Quality, Purchase Decision.

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I. INTRODUCTION

Today, the development of information and communication technology, including the Internet, is progressing rapidly, and the Internet is deeply rooted in people's lives, exerting various influences on its users. Society has an obligation to keep up with the development of information and communication technology and to utilize it in accordance with its functions. Of course, many stakeholders, including the business world, benefit from the further development of the Internet. The Internet has created a market of its own. A place with unlimited internet access for anyone, anywhere, anytime. Many people use the Internet as a place to buy and sell goods. In today's busy business world, it has become easier and more convenient for sellers and buyers to transact online.

In 2019, an outbreak of coronavirus (Covid-19) was confirmed in China's Wuhan. The WHO has labeled the disease a pandemic, with the first cases arriving in Indonesia on March 2, 2020. Its influence has spread not only in Indonesia but all over the world. Many tourism and other sectors are facing difficulties due to the impact of the epidemic. To avoid the impact of this pandemic, the government is working hard to close all outdoor activities and those who wish to travel should wear masks, wash their hands with soap and must comply with 3M regulations for physical distancing. . To stop the spread of the novel coronavirus disease (Covid-19), the government has introduced widespread social restrictions (PSBB). As a result, the Indonesian economy has experienced a significant downturn and all community activities that were normally conducted offline have been switched online. The incident forced people to get used to shopping, working and doing activities from home.

Since its establishment in 2009, PT Tokopedia has become one of the fastest growing e-commerce companies in Indonesia and an influential unicorn company in Southeast Asia. On May 17, 2021, Tokopedia and Gojek officially announced their merger, creating the GoTo Group. The name GoTo itself comes from the acronyms of Gojek and Tokopedia, as well as the importance of mutual cooperation. This makes the consumer safe when using and accessing his Tokopedia. Tokopedia is a place for conducting online buying and selling activities over the Internet and conducting transactions via digital payments.

As the number of visitor or customer visits to Tokopedia increases during the COVID-19 pandemic, price will also become one of the aspects people evaluate in their purchase decisions. Tokopedia provides sellers with the opportunity to sell online at competitive prices nationwide, allowing consumers to compare prices of the same product with other stores. This allows the consumer the choice and decision to shop on her Tokopedia for great prices. Based on Oktaviani's research (2019), which states that price is always the main factor when consumers make online purchases, this suggests that price variables partially influence online purchasing decisions. It contradicts his Pusposari study that it does not affect

The second factor is promotion. The emergence of consumer willingness to buy is influenced by promotions carried out by Tokopedia. Advertising and other promotions through TV, Instagram, Facebook, Twitter and other social media make the Tokopedia Platform more appealing and attractive compared to other platforms.

The third factor is quality of service. Good and consistent service quality can influence purchasing decisions on online platforms, as shopping creates a sense of comfort, security and trust. The quality of service provided by the seller must be friendly and cooperative to willing consumers so that the seller can encourage consumers to make new purchases or repurchase products. it won't work.

However, there are several research gaps regarding the impact of price, advertising and quality of service on his Tokopedia purchase decision before the authors investigate further. Oktaviani (2019) found in his own research that there is a positive effect between price and purchasing behavior. In contrast to a study by Pusposari (2017), price was found to have no effect on the purchase decision-making process. A study by Sari and Soliha (2021) found a clear and important link between promotions and purchasing decisions. This means that the better the promotion is executed, the more purchasing decisions will be made on Tokopedia. The work of Hasbiyadi et al. reveals something else. (2017) found a negative association between promotions and purchase decisions. Pusposari (2017) found in research that quality of service simultaneously influences online purchasing decisions. This is inversely proportional to the study by Cynthia D. et al. (2022) they state that quality of service variables do not influence purchasing decisions. Due to existing research gaps, further research was conducted on the impact of price, advertising and quality of service on purchasing decisions on Tokopedia.

II. THEORITICAL REVIEW

According to Tjiptono (2019) defining price consists of two points of view, namely Price is a monetary unit or other measure (including other commodities and services) that is exchanged in order to secure ownership rights or usage of an item or service from the standpoint of marketing. As stated by Kotler and Armstrong (2018) there are 3 main types of pricing, namely pricing based on consumer value, pricing based on cost, pricing based on competition or competition. Furthermore, the price dimension according to Tjiptono (2019) consists of several parts, namely: price affordability, price compatibility with product quality, price competitiveness, price compatibility with benefits.

Sales promotions are various sets of incentive tools, most of which are short-term, designed to stimulate faster and greater purchases of certain products or services by consumers or traders according to Kotler (in Tujiono and Arneli, 2017). Meanwhile, according to Waruwu, et al (2021), sales promotion is a short-term income in motivating the purchase or sale of a product, promotional services are part of product introductions, individual sales and various ways desired to achieve promotional goals and sales results. According to Kotler and Armstrong (Ernestivita, 2016), advertising elements include: Advertising, Promotion, Public Relations and Public Relations, Personal Selling, Direct Marketing. According to Terence A. Shimp (Amalia, 2017), funding involves functional knowledge that is very important for companies and institutions. The five functions are described as follows.

Provide information, persuade, remember, add value, or otherwise accompany (support) corporate initiatives. According to Tjiptono (Tojiono and Karneli, 2017), service quality is the expected level of excellence and controlling that level of excellence to meet

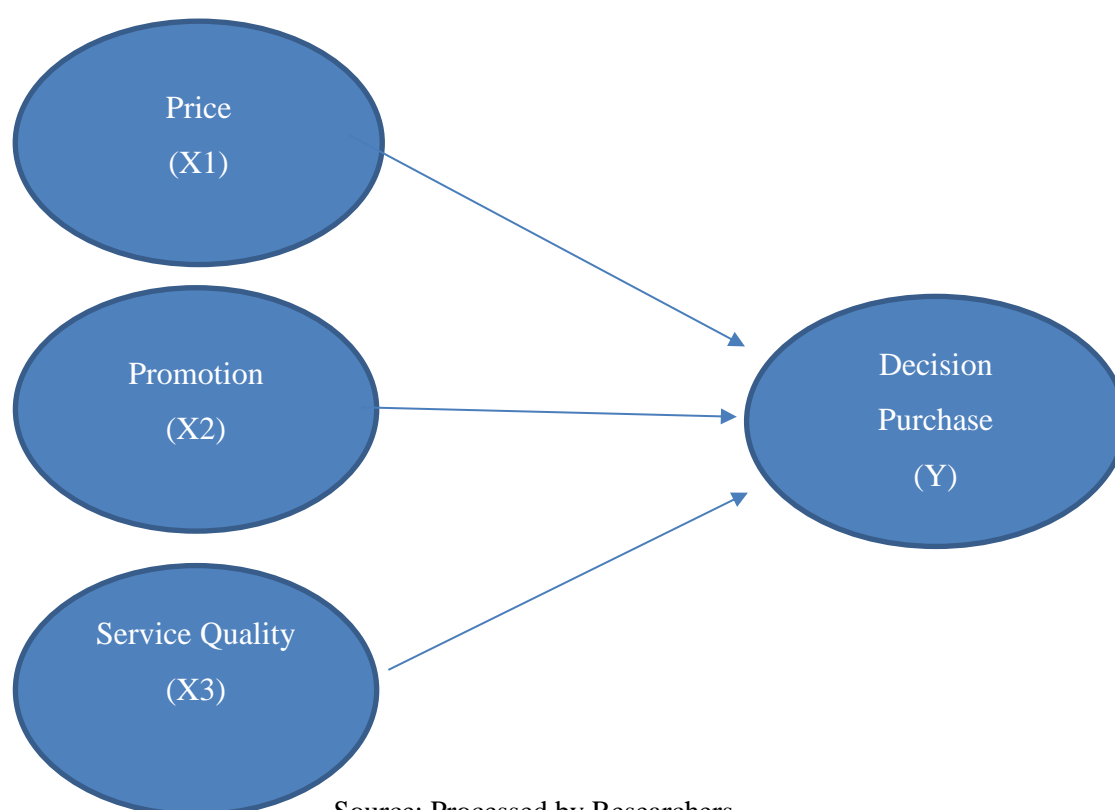
customer needs. ServQual (Quality of Service), used to measure quality of service, has five dimensions: Real Assets, Reliability, Responsiveness, Security, Empathy. A study by Ruyter et al. (Tojiono and Karneli, 2017) established a relationship between service quality and purchase intentions, and their study found that consumers are more likely to purchase when service quality is superior. is shown.

Purchase decisions are part of consumer behavior. Consumer behavior is behavior directly involved in obtaining and deciding on products and services, including the decision-making processes that occur before and after those behaviors (Tjiptono, 2019). According to Kotler & Armstrong (2018), the process of making product purchase decisions can be described in terms of the process of usage activity, which consists of the following phases:

Identifying needs, gathering information, weighing alternatives, making purchasing selections, and making more purchases

Framework

Figure 1 Thinking Framework



Source: Processed by Researchers

The hypothesis of this study can be formulated or formulated as follows.

1. The impact of price on purchasing decisions

Researchers suspect that price influences purchasing decisions. Based on previous research by Oktaviani (2019), his study found a positive effect between price and purchasing attitudes.

H1: Prices are influencing online buying decisions during the COVID-19 pandemic

2. Influence of promotions on purchasing decisions

Researchers suspect that advertising influences purchasing decisions. Based on previous research by Sari and Soliha (2021), we found a clear and significant link between promotions and purchase decisions.

H2: Advertising is influencing online buying decisions during the COVID-19 pandemic

3. Impact of Service Quality on Purchasing Decisions

Researchers suspect that the quality of service may influence purchasing decisions. Building on previous research, Pusposari (2017) found that service quality simultaneously influences online purchasing decisions.

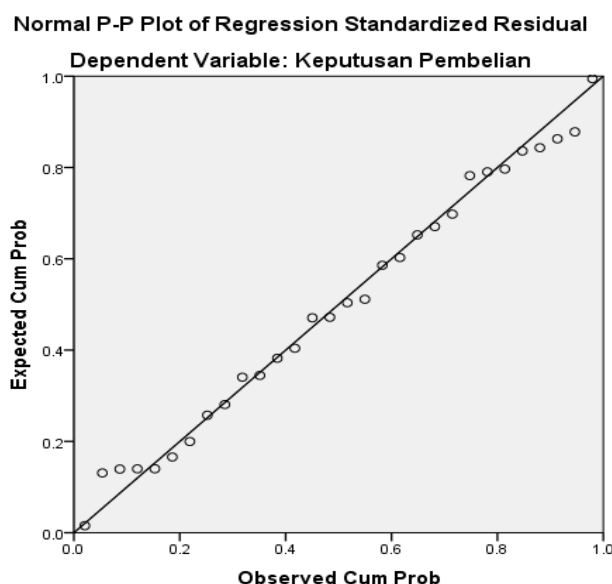
H3: Quality of service is influencing online buying decisions during the COVID-19 pandemic

III. RESEARCH METHODS

This study was designed utilizing quantitative approaches with hypothesis testing. Quantitative research techniques may be defined as positivist-philosophical research approaches used to examine a specific population or sample. The purpose of this research is to explore the impact of price, advertising and quality of service on online purchasing decisions on Tokopedia. The data collection technique uses a survey method of distributing questionnaires online to survey subjects. Data collection results are processed using SPSS applications to perform statistical data processing. In this study, the selected population was PT Kotamas Makmur National Agency employees who purchased products from Tokopedia, a total of 30 employees. A saturated sample technique was chosen in this study due to the limited population.

IV. RESULTS AND DISCUSSION

Figure 2 Data Normality Test Results



Source: Data processed by SPSS (2023)

Based on Figure 2, You can see that the data/points are distributed around the

diagonal axis of the chart. Therefore, the data are normally distributed and suitable for research use. .

Table 1 Multicollinearity Test Results

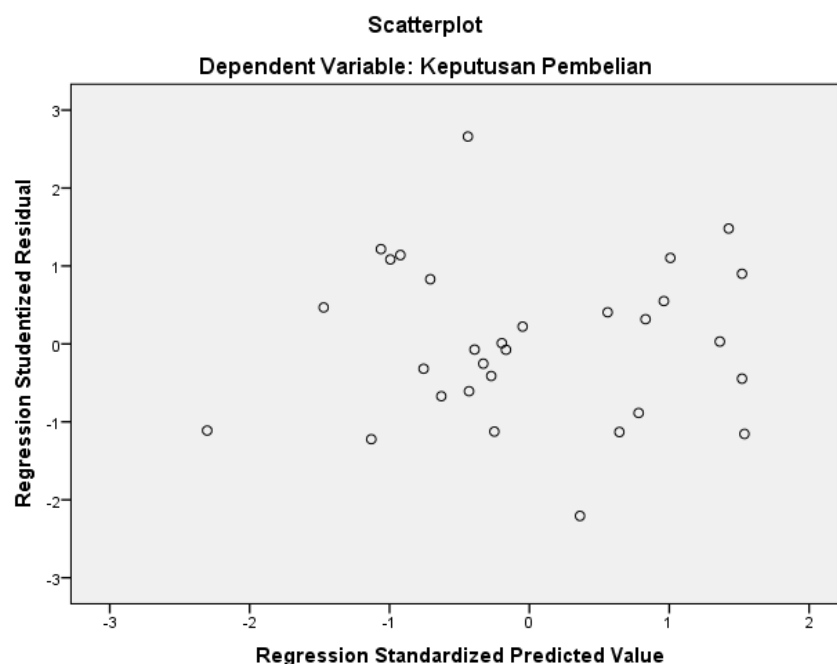
Coefficients ^a								
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	5.920	2.588		2.288	.031		
	Price	.531	.096	.532	5.557	.000	.438	2.282
	Promotion	-.040	.085	-.048	-.471	.641	.393	2.544
	Service Quality	.474	.078	.554	6.098	.000	.488	2.051

a. Dependent Variable: Purchase Decision

Source: Data processed by SPSS (2023)

Based on Table 2, We can see that the variables price (X1), advertisement (X2), and quality of service (X3) have variance inflation factor (VIF) values of $<10>0.10$. Multicollinearity between independent variables and data suitable for research use.

Figure 3 Heteroscedasticity Test Results



Source: Data processed by SPSS (2023)

Based on Figure 3, It can be seen that there is no pattern in the distribution of the points, or the distribution is random, and it can be said that the data is suitable for research purposes because there is no heteroscedasticity.

Table 2 Autocorrelation Test Results

Summary model b					
Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.946a	.896	.883	1.613	2.020

a. Predictors: (Constant), Service Quality, Price, Promotion

b. Dependent Variable: Purchase Decision

Source: Data processed by SPSS (2023)

Based on Table 2, it can be seen that the Durbin-Watson (d) value is 2.020 which is between the $dU < DW < 4 - dU$ ($n=30$, $k=3$) values of $1.6498 < 2.020 < 2.3502$. So it can be said that there is no autocorrelation in the data and is suitable for use in research

Table 3 Results of Multiple Linear Regression Analysis

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	std. Error	Betas	
1	(Constant)	5.920	2.588		.031
	Price	.531	.096	.532	.000
	Promotion	-.040	.085	-.048	.641
	Service Quality	.474	.078	.554	.000

a. Dependent Variable: Purchase Decision

Source: Data processed by SPSS (2023)

Based on Table 3, it can be said that the equation for multiple linear regression is as follows::

$$Y = 0.532 X_1 - 0.480 X_2 + 0.554 X_3 + e$$

Here are the results of processing the above multiple regression data:

1. The value of the regression coefficient for the price variable (X_1) is 0.532 and the significance value is $0.000 < 0.05$. Therefore, we can say that the price variable has a large impact on online purchases from Tokopedia. A positive value for the regression coefficient of the price variable (X_1) indicates a one-sided price effect for online purchases from Tokopedia. H. Better price variables are more likely to lead to purchasing decisions on Tokopedia.
2. Regression coefficient values for the action variable (X_2) is -0.48 with a

significance level of $0.641 > 0.05$. Therefore, we can say that action variables have no effect on online purchases from Tokopedia.

3. The regression coefficient value for the quality of service variable (X3) is 0.554 with significant values of $0.000 < 0.05$. Therefore, it can be said that the quality of service variable has a significant impact on online purchases. A positive value (X3) for the regression coefficient of the service quality variable indicates a one-way effect of service quality on online purchases. H. As quality of service variables improve, online purchases on Tokopedia increase.

Of his three independent variables mentioned above, the beta value of the quality of service variable has the largest or dominant effect at 0.554.

Table 4 Model Feasibility Test Results (F-Test)

ANOVA ^a						
Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	579.829	3	193.276	74.296	.000 ^b
	residual	67.638	26	2.601		
	Total	647.467	29			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Service Quality, Price, Promotion

Source: Data processed by SPSS (2023)

Based on Table 4, we find that the F-value is $74.296 > F\text{-table}$, which is 2.96 and the significant value is $0.000 < \alpha 0.05$. Therefore, it can be explained that the variables price (X1), advertisement (X2) and quality of service (X3) are considered suitable and feasible in the regression equation.

Table 5 Test Results for the Coefficient of Determination (R2)

Summary model b					
Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.946a	.896	.883	1.61290	2.020

a. Predictors: (Constant), Service Quality, Price, Promotion

b. Dependent Variable: Purchase Decision

Source: Data handled by SPSS (2023)

From Table 5, we can see that the fit R-squared (R2) value is 0.896 or 89.6%. This means that approximately 89.6% of the variance in purchase choices can be accounted for by price, advertising and quality of service variables. The remaining 10.4% are additional factors not included in this study.

Discussion

Effect of Price on Purchasing Decisions

The study found that price variables have a big and beneficial impact on purchase decisions. This has worked well for his PT Kotamas Makmur National Agency staff as the introduction of selling prices on Tokopedia has worked well for him, especially as product prices reflect price fluctuations based on his level of staff skill and product quality. It is believed that this is because A summary of respondents' results for the price variable also shows the average value of what is rated as good. This result is consistent with his Oktaviani E. (2019) study that price variables positively influence attitudes towards online purchases. However, this differs from the study of Sari and Soliha (2021), who stated that price variables do not influence the purchase decision-making process.

The Effect of Promotion on Purchasing Decisions

The study found that promotional variables did not influence purchase decisions. This is allegedly because promotions during the pandemic did not affect the staff of PT Kotamas Makmur National Agency as staff at that time were more focused on basic needs due to the COVID-19 pandemic. The summary of respondents' results for the variable 'promotion' also shows the average classified as 'good'. This result is consistent with the work of Hasbiyadi et al. (2017) they state that advertising negatively influences purchasing decisions. However, this differs from the study of Sari and Soliha (2021), who stated that promotional variables have a positive and significant impact on the purchase decision-making process.

The Effect of Service Quality on Purchasing Decisions

The study found that service quality variables have a positive and significant impact on purchasing decisions. This is probably due to Tokopedia's very successful implementation of quality of service. That's because Tokopedia offers employee-friendly purchase guarantees and applications. Respondents' summary of results for variable service quality also rated the average as very good. This finding is consistent with his Anis Pusposari (2017) research that service quality simultaneously influences online purchasing decisions. However, it differs from the study of Cynthia D. et al. (2022) states that quality of service variables do not influence purchase decisions

V. CONCLUSION

The study 'Impact of price, promotions and quality of service on Tokopedia's online purchase decisions during the COVID-19 pandemic (case study at PT Kotamas Makmur National Agency)' concludes:

1. Price influences his online purchasing decisions about Tokopedia
2. Promotions do not affect online purchasing decisions regarding Tokopedia.
3. Quality of Service Influences Online Purchasing Decisions About Tokopedia

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