

Analysis Of Purchasing Decisions In Terms Of Product Quality, Price, And Brand Ambassador In E-Commerce

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Abstract

This study aimed to examine the elements that affect Scarlett Whitening customers' e-commerce purchase decisions. The factors studied are product quality, price, and brand ambassador. The critical data used in this study were collected directly from respondents by sending research questionnaires to Scarlett Whitening customers shopping online in Jabodetabek. In contrast, secondary data in this study came from other statistical data and websites. Non-probability purposive sampling was used to acquire the data, and there were 110 respondents. With the aid of SPSS software version 25, this kind of research uses an associative analysis method with a quantitative approach. This study discovered that Scarlett Whitening's consumer purchase decisions in e-commerce are positively and significantly impacted by product quality, price, and brand ambassador.

Keywords: Brand Ambassador, Price, Product Quality, Purchase Decision.

INTRODUCTION

With the advent of technology, Indonesians are becoming increasingly receptive to the expansion of science and global news via the Internet. Humans may now perform any task more efficiently, thanks to technological advancements. The government develops the digital economy in response to technological improvement to increase people's purchasing power. Internet media is no longer simply about accessing information; it has evolved into a business sector and is now frequently referred to as an online business. Even now, the number of Internet users in Indonesia is growing. People use the Internet to conduct business to satisfy their wants and desires, including online purchasing and selling goods and services. Everyone may access e-commerce, an online marketplace where goods and services can be bought and sold, for free, via computers, smartphones, or other devices. People are forced to work, pray, and study from home during the Covid-19 pandemic, which causes most customers to resort to conducting their buying and selling transactions online through e-commerce. The appropriate marketing plan is required for businesses to continue competing with their rivals.

According to Kotler & Keller (2018), marketing is a process in which businesses identify consumer value and develop solid client relationships to draw in customers. In order to develop, build, and retain stock market profits through target markets and achieve long-term company goals, Assauri (2013) defines marketing management as the analysis, planning, implementation, and monitoring of programs. The goal of marketing, according to Swastha (2018), is to plan, assess, promote, and distribute goods and services that cater to the demands of both current and potential customers. Scarlett Whitening's product sales will undoubtedly rise due to consumer purchasing actions using the right marketing strategies. Product quality, price, and brand ambassadors are three aspects that will be examined in this study since they impact purchasing decisions. According to the above description, research will be done to determine the impact of brand ambassadors, price, and product quality.

LITERATURE REVIEW

Purchase Decision

When consumers transact for goods or services, they engage in a behavior called a purchasing choice. According to Tjiptono & Chandra (2016) research, choosing a product to buy involves figuring out which possibilities from the many ones already on the market best meet the demands and preferences of the consumer. According to Kotler & Keller (2016)'s point of view, consumers go through various stages before making a purchase. A person can make decisions and must choose alternate products, according to Schiffman et al. (2004) definition of purchasing decisions as actions consumers take while deciding between two or more products.

According to Kotler & Keller (2016), the following are signs of consumer purchase decisions: 1) Product Selection, customers might become motivated to purchase goods or spend money on other things. Businesses should take into account people who are interested in purchasing alternatives to the things they now sell. 2.) Brand Selection, for each good, consumers must be aware of the sort of product to purchase. Because of this, businesses need to comprehend and meet customer needs. 3) Selection of a Distributor, the location or location of the distributor that needs to be visited must be disclosed to the public. Customers favor stores that have convenient locations, reasonable prices, or detailed product descriptions. 4) Purchase Amount, Companies must offer a variety of items to satisfy customer wants since consumers can worry that many goods they later acquire will not fulfill their needs. 5) Purchase Period, every customer has a different level of spending power and a different way of shopping; some consumers might only shop once a month, while others might only shop once a week. 6) Payment Method, customers desire a flexible and user-friendly payment option when they wish to buy a product to feel at ease when transacting with the business.

Product Quality

Kotler & Keller (2018) define product quality as a product's capacity to carry out its intended purpose, including overall toughness, dependability, correctness, and other qualities. The ability of a specific brand or product to carry out its intended role and as a material to satiate fundamental human needs is expressed as product quality (Assauri, 2013). Pride & Ferrell (2010) define product quality as the totality of the product's attributes that characterize the performance consumers anticipate will fulfill and satisfy their needs.

According to Tjiptono (2016), the following are some signs of product quality: 1) Performance, performance is a product's essential quality or primary purpose and its use as a purchased good. 2) Feature, a feature is an extra benefit that a product offers in addition to its main advantages to attract more customers. 3) Reliability, accordingly, this indicator relates to the consistency of a product's performance under specific circumstances. Reliability is the likelihood of a product being free from manufacturing flaws while performing its usefulness. 4) Durability, regarding how long a thing lasts before needing to be replaced or damaged, durability indicates how old the item is. 5) Serviceability, the quality of a product must be higher for those that can be repaired than for those that are difficult or impossible. 6) Perceive Quality, Consumer perceptions can be based on performance quality, features, durability, and others to determine perceived quality, which is determined by perception. 7) Esthetics, the product's attraction to consumers' five senses is called its aesthetics. 8) Conformance, it refers to how well the product can adhere to specifications set in advance and based on consumer preferences.

Price

According to Kotler & Keller (2018), the price is the value customers receive when purchasing or using a good or service. This value is decided through agreements between buyers and sellers or when merchants set a single price for all customers. Price is a unit of money or another unit of measure exchanged to get the right to possess or utilize a good or service (Tjiptono, 2020). According to Oentoro (2012), price is the ratio of money exchanged for commodities or services that are helpful to individuals or communities.

According to Kotler and Armstrong (2018), the following are pricing indicators: 1) Affordability, it is a producer pricing component adapted to consumers' purchasing power. 2) Price Compatibility with Benefits of the Product. That is, the benefits received determine the price that is offered. Consumers will see a product as pricey if the benefits they receive outweigh the price they pay. 3) Price to Product Quality Match. Precisely, the pricing must align with the supplied product's quality. Most customers choose high-quality products that are reasonably priced. 4) Price Competitiveness, in other words, the price offered is reasonable compared to that of rivals because buyers will compare the costs of comparable goods before making a purchase.

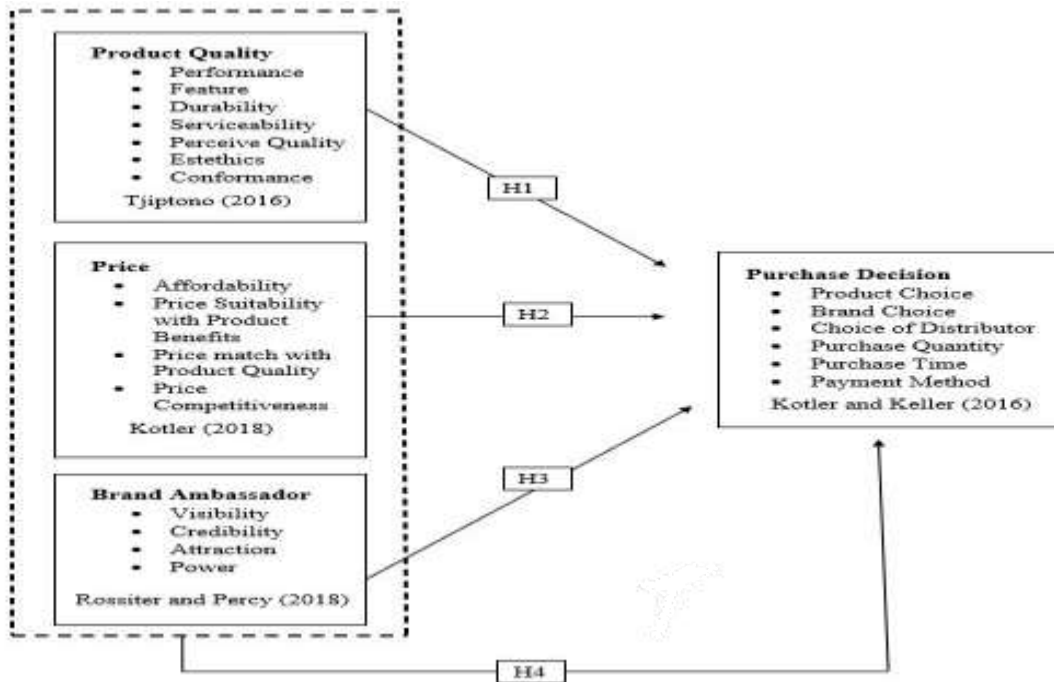
Brand Ambassador

According to Lea-Greenwood (2013), brand ambassadors are a tool that businesses can use to engage with and communicate with the general public and can also be used to promote sales. According to Karim (2019), a brand ambassador is a marketing phrase for a person hired by a company or organization to advertise goods or services through branding-related activities. According to Firmansyah (2019), a brand ambassador is enthusiastic about the product, wants to spread the word about it, and even gives out information voluntarily.

According to Rossiter & Bergkvist (2018) assessment, brand ambassador indicators include the following: 1) Visibility, when an artist endorses a brand associated with their industry. 2) Credibility, because customers trust brand ambassadors, there is knowledge about the artist's expertise and experience relevant to the brand. 3) Attraction, artists that serve as brand ambassadors are physically appealing, which helps to enhance the brand's perception among consumers. 4) Power, these celebrities' charismatic personalities persuade people to buy their products.

Framework

Figure 1. Conceptual Framework



Hypothesis

- H1: It is suspected that Product Quality has a significant effect on Purchasing Decisions in E-Commerce
- H2: It is suspected that Price has a significant effect on Purchasing Decisions in E-Commerce
- H3: It is suspected that Brand Ambassador has a significant effect on Purchasing Decisions in E-Commerce
- H4: It is suspected that Product Quality, Price, and Brand Ambassador have a significant effect on Purchasing Decisions in E-Commerce

Research Methods

This study used a causal associative analysis method with a quantitative approach that included validity and reliability testing, t-tests (partial), F-tests (simultaneous), traditional assumption tests like the normality test, multicollinearity test, and heteroscedasticity test, as well as multiple linear regression analysis. In this study, non-probability sampling was used to acquire the data using a purposive sample strategy. The formula from Hair et al. (2014) was used for 110 respondents as samples for this study. Primary data is collected by delivering surveys to individuals who meet the criteria. After then, SPSS software version 25 is used to process the data. According to Sugiyono (2017), non-probability sampling is a sampling technique that only offers equal opportunities for each component or person in the population to be chosen as a sample. Consumers from Jabodetabek who have purchased Scarlett whitening goods participated in this poll.

Instrument Validity and Reliability Testing

1. Validity

Table 1. Product Quality Validity Test Results

Statement number	r-count	r-table	Description
1	0,534	0,361	VALID
2	0,444	0,361	VALID
3	0,746	0,361	VALID
4	0,630	0,361	VALID
5	0,440	0,361	VALID
6	0,507	0,361	VALID

7	0,464	0,361	VALID
8	0,752	0,361	VALID
9	0,626	0,361	VALID
10	0,558	0,361	VALID
11	0,720	0,361	VALID
12	0,530	0,361	VALID

Source: 2023 researcher processed data

Based on Table 1 above, it can be seen from the 12 statement items on the questionnaire for variable X1, namely product quality. All of these statements can be declared valid because $r\text{-count} > r\text{-table}$.

Table 2. Price Validity Test Results

Statement number	r-count value	r-table	Description
1	0,798	0,361	VALID
2	0,812	0,361	VALID
3	0,887	0,361	VALID
4	0,875	0,361	VALID
5	0,822	0,361	VALID

Source: 2023 researcher processed data

Based on Table 2 above, it can be seen from the 5 statement items on the questionnaire for variable X2, namely product quality, all of these statements can be declared valid because $r\text{-count} > r\text{-table}$.

Table 3. Brand Ambassador Validity Test Results

Statement number	r-count value	r-table	Description
1	0,866	0,361	VALID
2	0,682	0,361	VALID
3	0,729	0,361	VALID
4	0,836	0,361	VALID
5	0,861	0,361	VALID

Source: 2023 researcher processed data

Based on Table 3 above, it can be seen from the 5 statement items on the questionnaire for variable X3, namely product quality, all of these statements can be declared valid because $r\text{-count} > r\text{-table}$.

Table 4. Purchase Decision Validity Test Results

Statement number	r-count value	r-table	Description
1	0,703	0,361	VALID
2	0,806	0,361	VALID
3	0,797	0,361	VALID
4	0,869	0,361	VALID
5	0,732	0,361	VALID
6	0,848	0,361	VALID
7	0,751	0,361	VALID

Source: 2023 researcher processed data

Based on Table 4 above, it can be seen from the 7 statement items on the questionnaire for variable Y, namely product quality. All of these statements can be declared valid because $r\text{-count} > r\text{-table}$.

2. Reliability

Table 5. Reliability Test Results

Research Variable	Number of Items	Cronbach's Alpha	Description
Product Quality (X1)	12	0,812	Reliable
Price (X2)	5	0,889	Reliable
Brand Ambassador (X ₃)	5	0,856	Reliable
Purchase Decision (Y)	7	0,914	Reliable

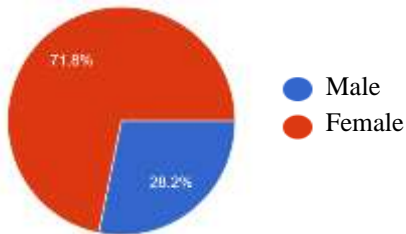
Source: 2023 researcher processed data

Based on the reliability test results data, it can be seen that Cronbach's Alpha value is more significant than 0.60. Therefore it can be stated that all research instruments tested are reliable for use in this study.

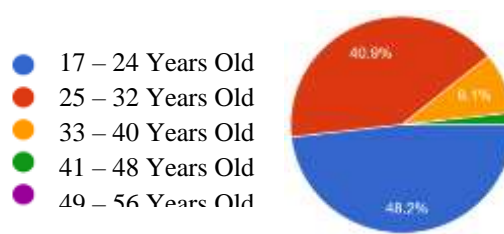
Results and Discussion

The results of data collection through questionnaires from 110 respondents were grouped into the characteristics of gender, age, job, and address.

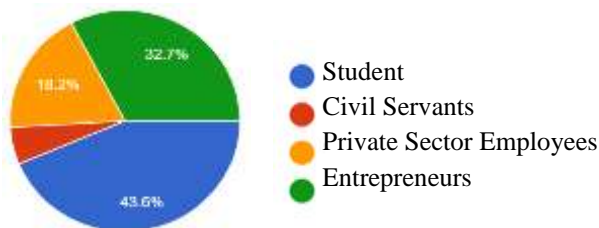
Gender



Age



Job



Address



Normality Tests

The distribution points on the normal P-plot below are used in this study to determine if the residuals (data) are typically distributed or abnormally distributed. Any points close to or falling on a straight line (diagonal) when using the Normal P-Plot suggest that the residual data is normally distributed. The residual data is not normally distributed if the dots deviate from the line. The residual data in the regression model between the variables of product quality, price, and brand ambassador on purchasing decisions can be concluded to be normally distributed based on the results of the Normal P-Plot diagram and the fact that the distribution points are relatively close to the straight line.

Figure 2. Normal P-Plot

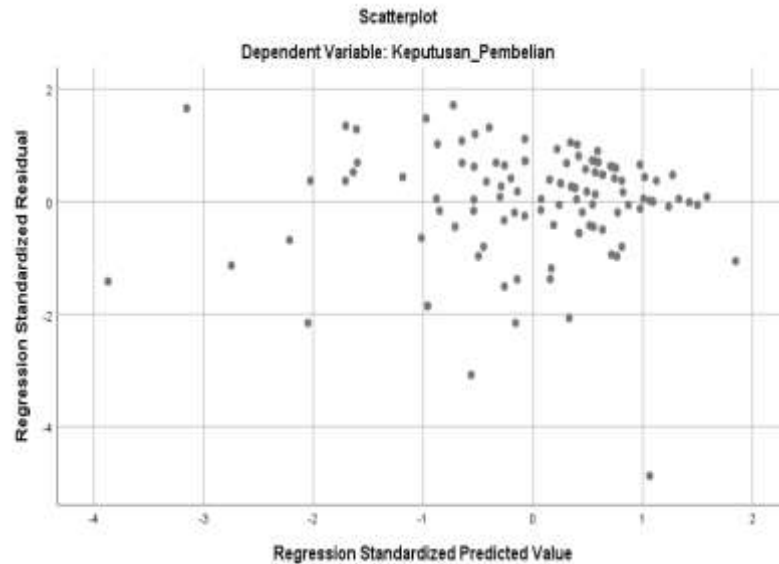


Source: 2023 researcher processed data

Heteroscedasticity Test

Based on the Scatter Plot diagram below, it can be seen that the distribution of points does not form a particular pattern or groove. Therefore, there is no heteroscedasticity. Therefore, the regression model to be used is free from heteroscedasticity problems.

Figure 3. Scatterplot Chart



Source: 2023 researcher processed data

Multicollinearity Test

In this study, the multicollinearity test aims to test whether the regression model finds a correlation between the independent variables. A good regression model should not correlate with the independent variables. The following multicollinearity test results are shown in the table below:

Table 6. Multicollinearity Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.107	3.189		2.542	.012		
	Kualitas_Produk	.276	.063	.382	4.392	.000	.895	1.118
	Harga	.263	.114	.205	2.308	.023	.858	1.165
	Brand_ambassador	.148	.059	.176	2.021	.046	.843	1.060

a. Dependent Variable: Keputusan_Pembelian

Source: 2023 researcher processed data

Based on the processed data in Table 4.35, all values of the independent variables have a tolerance value > 0.10 and the value of VIF (Variance Inflation Factor) < 10, which means there is no correlation between variables. Therefore, the data in this study do not occur as multicollinearity between independent variables in the regression model of this study.

Multiple Linear Regression Tests

Table 7. Multiple Linear Regression Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.107	3.189		2.542	.012		
	Kualitas_Produk	.276	.063	.382	4.392	.000	.895	1.118
	Harga	.263	.114	.205	2.308	.023	.858	1.165
	Brand_ambassador	.148	.059	.176	2.021	.046	.843	1.060

a. Dependent Variable: Keputusan_Pembelian

Source: 2023 researcher processed data

The data from the multiple linear regression test results between the variables of product quality, price, and brand ambassador on purchasing decisions can be made a regression equation, as follows:

$$Y = 8,107 + 0,276X_1 + 0,263X_2 + 0,148X_3 + e$$

Following the study of the data and the regression equation above, the following can be explained:

1. The constant value 8,107 denotes the dependent variable's value without the independent variable's effect.
2. The product quality variable has a regression coefficient of 0,276, demonstrating that every rise in the product quality variable by one value (since the value is positive) will result in a 0,276 increase in purchasing decisions.
3. The price variable has a regression coefficient of 0,263, demonstrating that every increase in the price variable by one value (positive) will raise the choice to buy by 0,263.
4. The brand ambassador variable has a regression coefficient of 0,148, demonstrating that every rise in the price variable by one value (since the value is positive) will increase consumer spending by 0,148.

The Result of t-Test (Partial)

The t-Test is conducted to determine the effect of each independent variable partially on the dependent variable.

Table 8. Result of t-Test (Partial)

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.107	3.189		2.542	.012		
	Kualitas_Produk	.276	.063	.382	4.392	.000	.895	1.118
	Harga	.263	.114	.205	2.308	.023	.858	1.165
	Brand_ambassador	.148	.059	.176	2.021	.046	.843	1.060

a. Dependent Variable: Keputusan_Pembelian

Source: 2023 researcher processed data

The results of the t-test may be seen in the table above, and the following can be deduced:

1. The partial t-test results on the product quality variable yielded a significance value of 0.000 < 0.05 for purchasing decisions and a t-count value of 4,392 > t-table value of 1,659. The hypothesis is therefore accepted since partial product quality (X1) positively and significantly influences purchasing decisions (Y).
2. The results of the partial t-test on the price variable showed a substantial impact on buying behavior, with a significant value of 0,023 > 0.05 and a t-count value of 2,308 > t-table value of 1,659. Therefore, the hypothesis is accepted since price (X2) somewhat influences purchase decisions (Y) favorably and significantly.
3. The brand ambassador variable's t-test (partial) findings showed a significance value of 0,046 > 0,05 and a count value of 2,021 > t-table value of 1,659. The hypothesis is therefore accepted because there is evidence that the price (X3) positively and significantly impacts purchase decisions (Y).

Simultaneous Significance Test

The Anova test is conducted to determine and test whether the dependent variable influences simultaneously (together) the independent variable. This test is done by looking at the F-table value = (k; n-k), f = (3; 110-3), f = (3; 107) = 2.69, and an error rate of 5%.

Table 9. Result of Simultaneous Significance Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1100.820	3	366.940	14.039	.000 ^b
	Residual	2770.534	106	26.137		
	Total	3871.355	109			

a. Dependent Variable: Keputusan_Pembelian

b. Predictors: (Constant), Brand_ambassador, Kualitas_Produk, Harga

Source: 2023 researcher processed data

The table above shows that the significance value is $0,000 < 0,05$, and the obtained F-count value is $14,039 >$ from F-table 2,69. Therefore, the three dependent variables, namely product quality, price, and brand ambassador, simultaneously influence the independent variable of consumer purchasing decisions for Scarlett Whitening products.

The Results of the Coefficient of Determination Test (R^2)

The determinant analysis aims to measure the extent to which the model's ability to explain variations in the dependent variable informs whether or not the estimated regression model is good.

Table 10. Result of Coefficient of Determination Test (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633 ^a	.400	.382	4.759

a. Predictors: (Constant), Brand_ambassador, Kualitas_Produk, Harga
 b. Dependent Variable: Keputusan_Pembelian

Source: 2023 researcher processed data

According to the preceding table, the Coefficient of Determination (R^2) value is 0.400, or 40.0%, which indicates that the variable levels of product quality, price, and brand ambassador can impact consumers' purchase decisions by 40.0%. In contrast, other factors not covered in this study impact the remaining 60.0%. In light of this, Chin (1998) asserts that the value of R^2 is substantial if it surpasses 0.67, moderate if it exceeds 0.33, and weak if it exceeds 0.19. According to this study, X1, X2, and X3 moderately impact Y.

CONCLUSION

Researchers can conclude research on the influence of product quality, price, and brand ambassadors on purchasing decisions for Scarlett Whitening products on E-Commerce in Jabodetabek based on the outcomes of data management data analysis as well as the discussion that has been described in the previous chapter. Consequently, the following conclusions can be made: 1) According to the study, product quality has a favorable and significant impact on consumers' choices to buy Scarlett Whitening items from Jabodetabek's online store. As a result, the first hypothesis is confirmed. 2) According to the findings, the price variable has a favorable and significant impact on consumers' decisions to buy Scarlett Whitening items through Jabodetabek's online store. The second theory is, therefore, acceptable. 3) According to the findings, the brand ambassador variable significantly and positively influences consumers' choices to buy Scarlett Whitening items on Jabodetabek's online store. The third theory is, therefore, acceptable. 4) The findings revealed that factors such as product quality (X1), price (X2), and brand ambassador (X3) significantly and favorably influenced consumers' decisions to buy Scarlett Whitening goods at Jabodetabek's online store. The fourth theory is therefore accepted. 5) As a result, the Coefficient of Determination Test (R^2) results show that factors such as product quality, price, and brand ambassador account for 40.0% of the variance in purchase decisions. The remaining 60.0%, in contrast, are influenced by variables not included in the study.

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