

**EFFECTIVENESS AND EFFICIENCY IN A HURRIED WORLD:
ONLINE CUSTOMERS KNOW WHAT THEY WANT**

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Abstrak

Walaupun banyak penelitian tentang keputusan pembelian daring, namun elemen bauran e-marketing yang digunakan pada penelitian tersebut cenderung hanya didasarkan pada literatur dan kurang memperhatikan kesesuaian dengan target sampel penelitian. Pemilihan variabel penelitian dengan metode penentuan salient factors memunculkan beberapa hipotesis tentang elemen bauran e-marketing yang mempengaruhi keputusan pembelian di salah satu marketplace terbesar di Indonesia yaitu Shopee.co.id. Penelitian ini diharapkan dapat menjawab elemen mana dalam bauran e-marketing yang paling menentukan keputusan pembelian di era digital yang menuntut efektivitas dan efisiensi sumber daya. Total responden adalah 150 mahasiswa. Structural Equation Modelling digunakan untuk menganalisis data. Hasil penelitian menunjukkan bahwa elemen bauran e-marketing yang berpengaruh signifikan terhadap keputusan pembelian adalah e-process dan e-price. Hasil penelitian menunjukkan bahwa faktor belanja online yang paling penting adalah kecepatan pemrosesan (efektifitas waktu) dan harga produk yang lebih rendah (efisiensi biaya). E-promotion tidak berpengaruh signifikan terhadap keputusan pembelian karena belanja daring sudah menjadi kegiatan rutin sehari-hari, terutama sejak pandemi Covid-19 di awal tahun 2020.

Kata Kunci: *efektivitas, efisiensi, e-marketing mix, keputusan pembelian, marketplace*

Abstract

Despite many studies on online purchasing decisions, e-marketing mix elements tend to be based solely on literature, regardless of what antecedents are appropriate for the target sample of research. Selecting research variables by salient factors determination method leads to several hypotheses about e-marketing mix elements that influence purchase decisions in one of the largest marketplaces in Indonesia, i.e., Shopee.co.id. The current study is expected to answer which elements in the e-marketing mix most determine purchase decisions in the digital era that demand the effectiveness and efficiency of resources. The total respondents were 150 university students. Structural Equation Modeling was utilized to analyze the data. Results showed that e-marketing mix elements that significantly influence purchasing decisions were e-process and e-price. The findings show that the most important online shopping factors were processing speed (time effectiveness) and lower product prices (cost efficiency). E-promotion did not significantly affect the purchase decision since online shopping has become a daily routine activity, especially since the Covid-19 pandemic in early 2020.

Keywords: effectiveness, efficiency, e-marketing mix, marketplace, purchase decision

Research Background

Technology development and globalization led to changes in doing business for most Indonesians. The growth of data technology is also shaping a new digital lifestyle. Business activities change significantly by taking advantage of efficiency, effectiveness, and mobility. The growth characteristics of data technology are hinted at by speed, capacity, scouting, ease, expertise, reach, and openness. Internet technology has made the business industry upgrade some of their business activities to online-based such as online shopping, distance selling, and e-commerce.

Indonesia has been ranked 1st in the ten largest e-commerce growth countries, with a growth value of 78 percent (Kemkominfo, 2019). This condition shows that electronic trading businesses have great potential for the country's economy.

The marketing mix has been the most widely applied antecedent in explaining consumer purchasing decisions. In 1953 for the first time, Neil Borden introduced the term "Marketing Mix" in a speech to the American Marketing Association (Borden, 1964; Dominici, 2009). McCarthy (1960) defined the 4Ps (product, price, place, and promotion) marketing mix as combining all the factors managers could leverage to meet market needs (McCarthy, 1964).

The traditional 4Ps marketing mix model is viewed as merely an internal business-oriented of an organization (Constantinides, 2002a, 2002b; Helm et al., 2013; Popovic, 2006). These limitations lead to a lack of customer orientation and attention to customer relationships in the digital-age business. Schultz (2001) points out that markets need a paradigm that focuses on the external environment and considers online relationships to become today's new marketing system. The application of marketing mix in digital marketing is known as the e-marketing mix.

Kalyanam & McIntyre (2002) characterizes the e-marketing mix using the acronym 4Ps + P2C2S2 (Kalyanam & McIntyre, 2002). In other words, sticking with traditional 4Ps plus

P2C2S2, P2, namely Personalization and Privacy, C2 Customer Service and Community, and S2, namely Security and Site Design.

Despite a large amount of research on online purchasing decisions, elements of the e-marketing mix tend to be based solely on literature, regardless of what antecedents are appropriate for the target sample of research (Limpo & Meryana, 2017; Nawangsari & Pramesti, 2017; Raman & Annamalai, 2011; Tugiso et al., 2016). Therefore, the current study combines two methods of determining e-marketing mix elements. First, it should be based on research literature, and second, it should be confirmed with a direct survey of the target respondent about salient factors that affect their purchase decisions. This method provides a more accurate potential for predicting research indicators (Said, 2019). The current study is expected to answer which elements in the e-marketing mix most determine purchase decisions in the digital era that demand the effectiveness and efficiency of resources.

Selecting research variables by salient factors determination method leads to several hypotheses about e-marketing mix elements that influence purchase decisions in one of the largest marketplaces, Shopee.co.id:

H1: E-process positively influence the purchase decision.

H2: E-promotion positively influences the purchase decision.

H3: E-price positively influences the purchase decision.

H4: E-product positively influences the purchase decision.

H5: Security positively influences the purchase decision.

H6: Trust positively influences the purchase decision.

Citing data from iPrice (iPrice.co.id), in the second quarter of 2020, Shopee's total website visitors reached 93.44 million per month. Tokopedia was 86.103 million per month. In the next ranking, Bukalapak was visited by 35.288 million per month during the second quarter of 2020. Lazada with 22.021 million visitors and Blibli with 18.307 million subscribers every month. Therefore, Shopee

is an interesting and important marketplace to research.

Method

Structural Equation Modeling (SEM) techniques were used to test research hypotheses. The research instrument used was a questionnaire with a Likert scale. The research model is described in Figure 1.

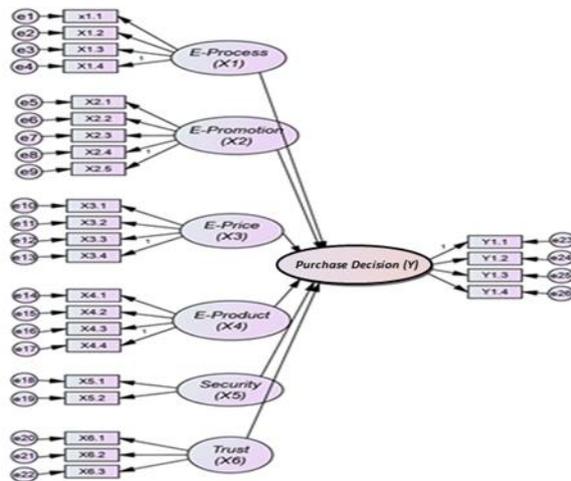


Figure 1. Research Model

The sampling technique was purposive sampling, with the following sample criteria: students; at least 18 years old; have made purchases through Shopee.co.id marketplace. The number of respondents was 150 people based on the provisions of at least five times the number of measurement indicators (Ferdinand, 2006). The total number of indicators in this study was 26. Thus, the minimum sample was 130 people, and the study used 150 respondents. The SEM technique ran well when the sample size ranged between 150 and 400 people (Santoso, 2014). The research period takes place from September 2020 to February 2021.

Results and Discussion

Measurement Model Analysis

Figure 2 shows the final research model after modifications.

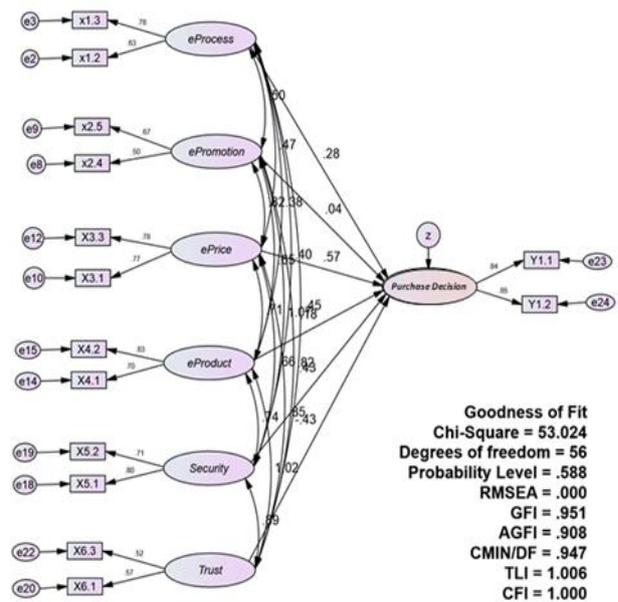


Figure 2. Final Research Model

Table 1. Results of Validity Test

			Estimate	S.E.	C.R.	P
X1.2	<--	eProcess	1.000			
X1.3	<--	eProcess	.942	.201	4.699	***
X2.4	<--	ePromotion	1.000			
X2.5	<--	ePromotion	1.496	.255	5.865	***
X3.1	<--	ePrice	1.000			
X3.3	<--	ePrice	1.090	.129	8.440	***
X4.1	<--	eProduct	1.000			
X4.2	<--	eProduct	1.178	.148	7.965	***
X5.1	<--	Security	1.000			
X5.2	<--	Security	1.063	.125	8.516	***
X6.1	<--	Trust	1.000			
X6.3	<--	Trust	.760	.139	5.462	***
Y1.1	<--	Purchase decision	1.000			
Y1.2	<--	Purchase decision	1.294	.116	11.121	***

*** significant < 0,001.

Validity Test

The construct validity test for measurement indicators was by the Confirmatory Factors Analysis (CFA) technique. It shows that the findings met the criteria of Critical Ratio (C.R.) > 1.96 with p<0.05 [19], [20]. Based on Table

1, the Critical Ratio value of all variables was > 1.96, with the probability value of all variables being < 0.05. Therefore, it can be concluded that all indicators on exogenous variables were valid.

Reliability Test

Table 2 shows the results of the reliability test of the research instrument. All variables have a reliability value \geq of 0.6 - 0.7. It can be stated that this research instrument was reliable.

Table 2. Results of Reliability Test

Variable	Result
E-Process	0.766
E-Promotion	0.620
E-Price	0.839
E-Product	0.833
Security	0.820
Trust	0.567 (0.6)
Purchase decision	0.902

Table 3. The goodness of Fit of the Final Measurement Model

Criteria	Cut-off Value	Result	Evaluation
Chi-Squared	X^2 with df=56; P=5% \leq 74.468	53,024	Good
Probability	\geq 0,05	0,588	Good
RMSEA	\leq 0,08	0,000	Good
GFI	$>$ 0,90	0,951	Good
AGFI	$>$ 0,90	0,908	Good
CMIN/DF	\leq 2,00	0,947	Good
TLI	$>$ 0,90	1,006	Good
CFI	$>$ 0,90	1,000	Good

Structural Model Analysis

Table 3 shows the results of the Goodness of Fit measurement value of the modified model, which results in a Chi-Squared value calculated smaller than the Chi-Square table and a probability value of > 0.05, RMSEA, GFI, AGFI, CMIN/DF, TLI, CFI were all fit so that the model was acceptable.

Hypotheses Testing

The hypotheses test of this study was conducted based on the Critical Ratio (C.R.) value of a causality relationship between variables, as shown in Table 4.

Table 4. Results of Hypotheses Testing

Hypotheses	Test Result (C.R. & p-value)
H1: <i>E-process</i> positively influences the purchase decision.	Accepted (C.R.=2.244 & p = 0.025)
H2: <i>E-promotion</i> positively influences the purchase decision.	Rejected (C.R.=0.076 & p = 0.939)
H3: <i>E-price</i> positively influences the purchase decision.	Accepted (C.R.=2.040 & p = 0.041)
H4: <i>E-product</i> positively influences the purchase decision.	Rejected (C.R.=0.154 & p = 0.878)
H5: <i>Security</i> positively influences the purchase decision.	Rejected (C.R.=1.117 & p = 0.264)
H6: <i>Trust</i> positively influences the purchase decision.	Rejected (C.R.=0.293 & p = 0.769)

Discussion

Based on this study, e-marketing mix elements that significantly influence purchasing decisions are e-process and e-price. The findings show that processing speed (time effectiveness) and lower product prices (cost efficiency) than offline shopping are the most important online shopping factors. Online sellers and marketplaces should pay more attention to these two e-marketing mix elements. However, other elements of the e-marketing mix are not less important.

In terms of e-processes, consumers want a user-friendly marketplace. Marketplace Shopee.co.id has a product packaging period limit to determine the status of consumer orders, whether it is still in the packaging stage or delivered by the seller. With this feature, sellers must deliver orders on time before the packaging period ends. Therefore, consumers do not worry that the product is not delivered and payment is lost. If the seller has not delivered the product while the

packaging period has expired, the order will automatically be cancelled, and the consumer's money will be refunded.

The next result of the e-process analysis is related to the easy payment methods. This study shows that various payment methods are helpful and easy to use. Shopee.co.id have ten types of payment methods. Shopee also has a COD (Cash on Delivery) feature, and consumers pay when the products have arrived home. In addition, Shopee.co.id also has ShopeePay and ShopeePayLater features.

ShopeePay is an electronic wallet and money service that can be used as an alternative payment method on Shopee to accommodate refunds. ShopeePayLater is an instant loan solution of up to Rp.750,000.00 that provides convenience for users to pay in one month without interest or with two- and three-month instalment facilities without a credit card. Users can increase ShopeePayLater's credit limit to Rp.1,800,000.00 even Rp.6,000,000.00 when they meet the conditions specified by Shopee.

The current research findings align with a previous study mentioning that an online system influences online purchase decisions (Fredianaika, 2017). A similar finding shows that the e-process positively affects purchasing decisions (Mulyana et al., 2019).

Other elements such as e-promotion, e-product, security, and trust do not significantly influence purchasing decisions. The results of this study are also corroborated by previous research stating that sales promotion does not affect respondents' consideration of making purchases (Ocktaria et al., 2015). The free delivery cost feature for some people is not an interesting attribute. Consumers do shopping even without using a free delivery voucher, especially for daily consumer goods.

Consumers may already be aware of the risks of online shopping. Existing marketplaces such as Shopee may be perceived as having good safety standards. Additionally, consumers might already be familiar with product standards. E-promotion does not significantly affect the purchase decision since online shopping has become a daily routine

activity, especially since the Covid-19 pandemic in early 2020. Thus, with or without e-promotion programs, online shopping activities are still carried out.

Conclusion

In conclusion, e-marketing mix elements that significantly influence purchasing decisions were e-process and e-price. The findings show that the most important online shopping factors were processing speed (time effectiveness) and lower product prices (cost efficiency).

This research has some limitations that should be improved in future research. The current study did not specify the type of products purchased through the marketplace. Upcoming research should differentiate consumable goods from other types of products so that the difference in the influence of e-marketing mix elements on purchasing decisions of various products can be understood. Said (2005) and Silver & Ehrenberg (1989) stated that promotion, especially advertising has a relatively small influence on purchasing decisions and long-term brand development since purchasing decisions tend to be influenced more by consumer habits than promotion.

The study did not explore the relationship between age and digital literacy with risk-taking behavior that may influence security and trust in online shopping. Therefore, upcoming research is expected to involve the study of consumer profiles in conjunction with the risks of online shopping decision-making.

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