



The Influence of Product Quality, Price, and Brand Image of Consumer Purchase Decisions in the E-Commerce Industry

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Abstract. The rapid development of e-commerce platforms makes business competition increasingly competitive, and each e-commerce company must maintain and increase its market share. This study aims to determine the effect of product quality, price, and brand image on purchasing decisions in shopee e-commerce. The research method uses descriptive quantitative methods, and data collection uses Likert scale questionnaire distribution. The population in this study is the people of Tasikmalaya district who have bought products in Shopee e-commerce. The sampling technique used purposive sampling with 110 respondents as a sample. This study's results indicate that product quality partially does not affect purchasing decisions in shopee e-commerce, the price has a positive and significant effect on buying decisions in shopee e-commerce, and brand image has a positive and significant effect on purchasing decisions in shopee e-commerce. Simultaneously, product quality, price, and brand image positively and significantly affect purchasing decisions in shopee e-commerce.

Keywords: Brand image, price, purchase decision, product quality

1 Introduction

At present, technology is experiencing very rapid development, which impacts the progress of various sectors, especially in the business world. This development is followed by increasingly complex human needs that provide enormous opportunities for the development of the business world (Rahayu & Setiyadi, 2022). The utilization of this technology to meet complex human needs is characterized by digital marketing.

Companies utilize various technologies to meet their consumers' needs through digital marketing (Musai, 2022). With digital marketing, there are many conveniences that companies can feel, such as being able to reach a larger target market, understand consumer behavior better, and increase sales at optimized costs so that the expenses incurred are relatively small. Digital marketing also provides convenience for consumers in obtaining information about products, ease of choosing products, and making decisions to make transactions anywhere and anytime through electronic media.

Digital marketing has emerged as an opportunity for business activities (Pramana, 2022). The existence of digital marketing is made clear by the many e-commerce platforms that have emerged, such as Shopee, lazada, tokopedia, and others. These e-

commerce platforms have grown into large multinational companies with millions of products available for purchase. They offer various products from different brands and sellers, giving consumers many choices. Therefore, e-commerce platforms have become one of the most visited platforms. Here's a table of e-commerce with the most visits in Indonesia:

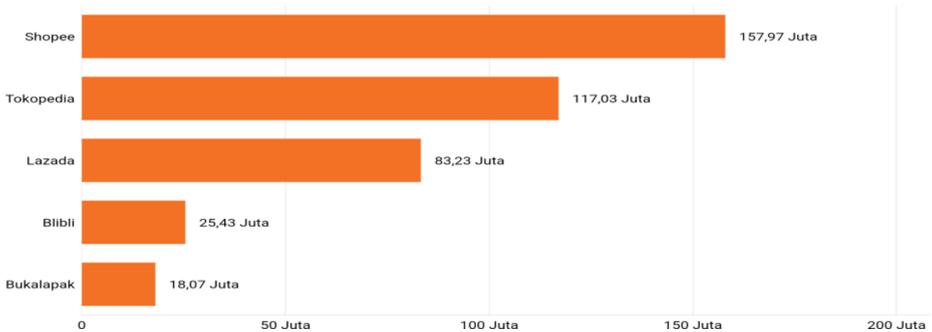


Fig. 1. E-commerce Visits in Indonesia

Table 1. E-commerce Visits in Indonesia

No	Nama	Nilai Rata-Rata Kunjungan Situs Perbulan
1	Shopee	157.966.666,67
2	Tokopedia	117.033.333,33
3	Lazada	83.233.333,33
4	Blibli	25.433.333,33
5	Bukalapak	18.066.666,67

Source: SimilarWeb, 2023

Shopee was one of the largest e-commerce sites in Indonesia in the first quarter of 2023, according to SimilarWeb data, with the highest number of visitors. Shopee's website recorded an average of 157.97 million monthly visits from January to March this year, significantly more than its competitors. This is also in line with the revenue of 47.9 billion US dollars (equivalent to Rp. 714 trillion) reported by Kompas.com. However, as reported by katadata.co.id, the presence of TikTok Shop can threaten Shopee, Tokopedia, Lazada, and other E-Commerce. According to Momentum Works, TikTok Shop is the only e-commerce whose market share is projected to increase by 2023.

The rapid development of e-commerce platforms makes business competition increasingly competitive, and each e-commerce company must maintain and increase its market share. To increase e-commerce market share, it must focus on increasing consumer purchasing decisions where this purchase decision can be influenced by several factors such as product quality based on consumer perceptions that will choose better quality, prices that dare to compete when compared to prices on other e-commerce platforms and brand image that refers to a particular product brand. E-commerce platforms

need to take an approach that emphasizes these factors so that consumers can easily make purchasing decisions on the e-commerce platform of their choice.

According to Rupantra (2021), product quality is the general characteristics, features, and specifications of a good or service that can satisfy consumer needs. When given a choice, consumers will prefer high-quality products over comparable products that meet their wants and preferences. Furthermore, according to Nasution et al. (2020), Products are very important for businesses because without products, businesses cannot operate. In addition, consumers are attracted to high-quality products, which fosters a positive relationship between them and the organization that supplies them. Where product development focuses more on market desires or consumer preferences. According to Kotler in Khusuma & Utomo (2021), the dimensions of product quality include performance, product characteristics, ease of repair, accuracy or suitability, durability, reparability, beauty of product appearance, and perceived quality.

According to Nadiya & Wahyuningsih (2020), price is the value consumers must give to obtain goods, benefits, and services from a particular good or service. Price can also be used as a determinant of the value of a product or service. Furthermore, according to Nasution (2019), Price affects the success of product marketing because it significantly impacts consumer decisions to buy goods. The product's price is important because it affects the producer's income. In addition, price affects consumer consideration, so pricing must be considered carefully. The dimensions of price, according to Kotler and Gary in Agustina (2019), include price affordability, discounts/price cuts, and payment methods.

Brand Image, according to Rohmanuddin (2020), is a picture of a person's thoughts about a brand's identity based on different assumptions and experiences while using the brand continuously. Furthermore, according to Musai (2023), Brand image is also known as "brand image," which is consumers' perception of a brand. To keep the brand strong and positively accepted in the minds of consumers, the brand image must be placed consistently. Consumers are more likely to buy brands associated with strength and positivity because they will never forget them and are more likely to buy them. According to Song, Bae, and Han in Frenredy & Dharmawan (2020), the brand image has three dimensions: mystery, sensuality, and intimacy. memiliki tiga dimensi yang terdiri dari: mystery, sensuality, dan intimacy.

According to Mahiri (2020), the purchase decision is the choice to buy the result of a search for each solution to the problem, a systematic evaluation and objective assessment of these solutions, and a determination of the benefits and disadvantages of each. Buyers may need to look for more information in some situations, but in others, they may repeat what they already know. Furthermore, according to Hermansyah et al. (2022), companies eagerly await purchasing decisions. Emotional impulses from oneself and the influence of others influence the decision to buy something. Purchasing decisions consist of prospective buyers' actions to identify their needs, gather information, and assess alternative options. The dimensions of purchasing decisions, according to Kotler & Keller in Rizki & Wijaya (2022), consist of (1) product, (2) brand, (3) supplier, (4) time and number of purchases, and (5) payment method.

Based on the description above, it is important to understand how product quality, price, and brand image influence product purchasing decisions. Therefore, a study was

conducted entitled "The Effect of Product Quality, Price, and Brand Image on Purchasing Decisions at E-Commerce Shopee," to find and understand the extent to which product quality, price, and brand image can influence consumers' purchasing decisions. The framework that is prepared to describe the relationship between the independent and dependent variables can be defined as follows:

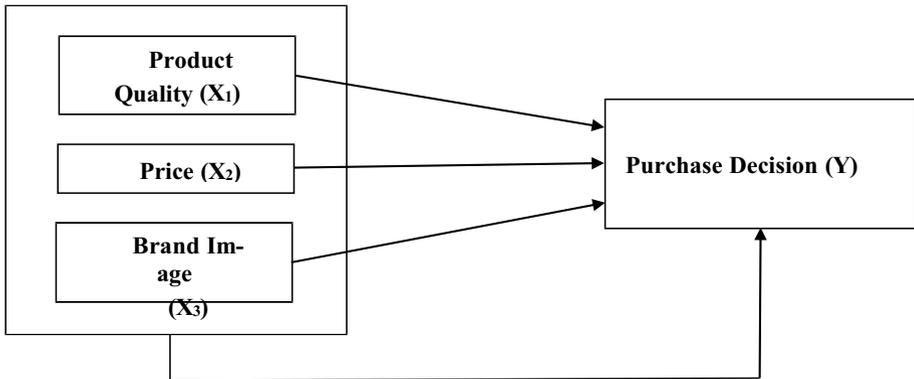


Fig. 2. Thinking Framework

Previous research shows that product quality positively influences purchasing decisions (Ernawati, 2019). However, research by Milano et al. (2021) shows that product quality negatively and significantly impacts purchasing decisions. Based on this theory and description, the following hypothesis can be concluded H1: Product Quality affects Purchasing Decisions.

Previous research states that price affects purchasing decisions positively and significantly (Alfiah et al., 2023). However, research by Destarini & Prambudi (2020) shows that price affects purchasing decisions negatively and insignificantly. Based on this theory and description, the following hypothesis can be concluded H2: Price affects Purchasing Decisions.

Previous research shows that brand image positively and significantly influences purchasing decisions (Astuti et al., 2021). However, research by Ghadani et al. (2022) shows that brand image negatively and insignificantly affects purchasing decisions. Based on this theory and description, the following hypothesis can be concluded H3: Brand Image affects Purchasing Decisions.

Previous research states that (Fadillah et al., 2019) product quality, price, and brand image significantly influence purchasing decisions. However, research by Irwan & Wibowo (2021) shows that product quality, price, and brand image influence purchasing decisions insignificantly. Based on this theory and description. Then the following hypothesis can be concluded H4: Product Quality, Price, and Brand Image affect Purchasing Decisions.

2 Methods

This research method uses descriptive quantitative methods using independent variables and dependent variables. Product quality, price, and brand image are used as independent variables. Meanwhile, purchasing decisions are used as the dependent variable.

The data collection method uses the Likert scale questionnaire distribution; the population in this study is the people of Tasikmalaya district who have bought products in Shopee e-commerce. The research was conducted in Tasikmalaya district from February 10 to 25, 2024. The sampling technique used purposive sampling with 110 respondents as a sample. The number of respondents was determined by calculating using the Slovin formula with a standard error of 10% of the total population of the Tasikmalaya district community in 2023, according to the Tasikmalaya Regency Statistics Agency of 1,928,640 people. The resulting data were processed using the IBM SPSS Statistic 25 program system.

3 Result and Discussion

Results

3.1 Validity Test

The validity test shows that product quality, price, brand image, and purchasing decisions are valid. Each question related to these variables shows that the calculated r -value exceeds the r -table value by a ratio that exceeds the set limit (0.185). Therefore, each data in this study can be declared valid.

3.2 Reliability test

The reliability test shows that the Cronbach Alpha value of product quality is 0.878, and the Cronbach Alpha of price is 0.748. Cronbach Alpha of brand image is 0.806. Cronbach Alpha of purchasing decisions amounted to 0.776. All variables have a Cronbach Alpha value above 0.7. In conclusion, each statement in this research questionnaire can be said to be reliable.

3.3 Normality Test

From the normality test results using the One-Sample Kolmogorov-Smirnov Test to test normality with a sample size of 110 respondents, the test results show an asymptotic (2-tailed) value of 0.200 or greater than 0.05. Therefore, it is concluded that the data tested is normally distributed.

3.4 Multicollinearity Test

From the results of the multicollinearity analysis using Coefficients and Collinearity Statistics involving the independent variables of product quality, price, and brand image. Product quality has a tolerance of 0.478 and a VIF of 2.092. The price has a tolerance of 0.652 and a VIF of 1.533. Brand image has a tolerance of 0.447 and a VIF of 2.238. Each variable has a VIF of less than 10.0 and a tolerance value greater than 0.10. The analysis concluded no signs of multicollinearity in the data tested.

3.5 Heteroscedasticity Test

The results of the Glejser test show no indications of heteroscedasticity symptoms. Overall, each variable shows a significant value, including 0.165 for the product quality variable, 0.410 for the price variable, and 0.865 for the brand image variable, where each variable has a significant value above 0.05, which indicates that the data tested does not occur, symptoms of heteroscedasticity.

3.6 Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Analysis Results

Model	Coefficients ^a			T	Sig.
	Unstandardized Coefficients		Standardized Coefficients Beta		
	B	Std. Error			
(Constant)	2.089	1.022		2.043	.044
TOTALX1	.072	.050	.117	1.444	.152
TOTALX2	.663	.099	.465	6.721	.000
TOTALX3	.514	.118	.364	4.258	.000

a. Dependent Variable: TOTALLY

Source: Authors' work, 2023

The linear regression equation based on Table 2 is as follows:

$$Y = 2.089 + 0.072X1 + 0.663X2 + 0.514X3$$

The analysis of the linear regression equation above is as follows:

1. The constant value is positive at 2,089, meaning that if the product quality, price, and brand image do not change, the purchasing decision increases by 2,089.

2. Product quality has a positive regression coefficient value of 0.072, which means that each unit increase in product quality will increase 7.2% of purchasing decisions, assuming other variables are constant.

3. Price has a positive regression coefficient value of 0.663, which means that each unit increase in price will increase 66.3% of purchasing decisions, assuming other variables are constant.

4. Brand image has a positive regression coefficient value of 0.514, which means that each unit increase in brand image will increase 51.4% of purchasing decisions, assuming other variables are constant.

3.7 T Test (Partial)

Table 3. T Test Results

Model	Coefficients ^a			T	Sig.
	Unstandardized Coefficients		Standardized Coefficients Beta		
	B	Std. Error			
(Constant)	2.089	1.022		2.043	.044
TOTALX1	.072	.050	.117	1.444	.152
TOTALX2	.663	.099	.465	6.721	.000
TOTALX3	.514	.118	.364	4.258	.000

a. Dependent Variable: TOTALY
Source: Authors’ work, 2023

Based on the table above, the t-test results can be seen as follows:

1. Product quality has a significant value of 0.152, greater than 0.05, meaning that the first hypothesis (H1) is rejected, meaning that product quality does not affect purchasing decisions.

2. The significant value of the price of 0.000 is less than 0.05, which means that the second hypothesis (H2) is accepted, meaning that the price affects purchasing decisions.

3. Brand image has a significant value of 0.000, smaller than 0.05, which means that the third hypothesis (H3) is accepted, meaning that brand image affects purchasing decisions.

3.8 F Test (Simultaneous)

Table 4. F Test Results

ANOVA^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
Regression	752.863	3	252.621	71.577	.000 ^b	
Residual	374.114	106	3.529			
Total	1131.977	109				

a. Dependent Variable: TOTALLY

b. Predictors: (Constant), TOTALX3, TOTALX2, TOTALX1

Source: Authors' work, 2023

Table 4 shows that the significant value of 0.000 is smaller than 0.05, which means that the fourth hypothesis (H4) is accepted, meaning that product quality, price, and brand image simultaneously affect purchasing decisions.

3.9 Coefficient of Determination (R²)

Table 5. Determination Test Results

Model Summary^b					
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate
1	.818 ^a	.670	.660		1.878664

a. Predictors: (Constant), TOTALX3, TOTALX2, TOTALX1

b. Dependent Variable: TOTALLY

Source: Authors' work, 2023

Based on Table 5, the adjusted R square value of 0.670 indicates that 67% of purchasing decisions are influenced by product quality, price, and brand image. Meanwhile, 33% of purchasing decisions are influenced by other variables

Discussion

The Effect of Product Quality on Purchasing Decisions

Based on the partial test results (T-test), it is known that product quality does not affect consumer purchasing decisions. In other words, increasing product quality cannot improve a good brand image, so consumer purchases do not increase either.

The Effect of Price on Purchasing Decisions

Based on the partial test results (T-test), it is known that price has a positive and significant effect on consumer purchasing decisions. In other words, every price increase indicates good product quality so that consumer purchases will also increase.

The Effect of Brand Image on Purchasing Decisions

Based on the partial test results (T-test), it is known that Brand Image has a positive and significant effect on consumer purchasing decisions. In other words, when Brand Image increases, it illustrates good product quality so that consumer purchases will also increase.

The Effect of Product Quality, Price, and Brand Image on Purchasing Decisions

Based on the results of simultaneous testing (F test), it is known that product quality, price, and brand image simultaneously significantly affect consumer purchasing decisions. The high price indicates that the higher quality of the product can provide a good brand image that influences consumer purchasing decisions.

Conclusion

Based on the results of the above research, the following conclusions can be drawn:

1. The study's findings indicate that the product quality variable partially does not affect purchasing decisions in shopee e-commerce.
2. The findings from the study indicate that the price variable partially has a positive and significant effect on purchasing decisions in e-commerce shop
3. The findings from the study indicate that the brand image variable partially has a positive and significant effect on purchasing decisions in shopee e-commerce
4. The findings from the study indicate that the variables of product quality, price, and brand image simultaneously have a positive and significant effect on purchasing decisions in shopee e-commerce.

Suggestions

Business actors using the shopee e-commerce platform are expected to set prices following the product's value and build a good brand image to increase purchasing decisions on shopee e-commerce. The limitations of this study are the use of less varied variables, the use of analytical tools that are commonly used, and the use of references that are still limited. Future research is expected to conduct research with variables that are not part of this study, use research methods that are different from those already used, add references, and expand the scope of research so that the data obtained becomes more accurate.

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