# ANALYSIS OF ONLINE PROMO PROGRAMS AND SERVICE QUALITY ON CONSUMER PURCHASING DECISIONS IN SURABAYA THROUGH TRUST IN SHOPEE E-COMMERCE



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#### ABSTRACT

E-commerce has become one of the most significant phenomena in the digital era, marked by profound changes in how we conduct business, shop, and interact. The growth of e-commerce has brought many benefits, but there are also associated challenges. One of the main challenges is the increasing competition among e-commerce companies, both large and small. This study aims to analyze the impact of online promotional programs and service quality on consumer purchase decisions on Shopee in the Surabaya area and its surroundings, with customer trust in e-commerce as an intervening variable. The population of this study consists of Shopee consumers in Surabaya who have made at least two transactions on Shopee, with a sample of 100 respondents. The sampling technique used is purposive sampling, and the data analysis method used is path analysis with the SmartPLS 3 application. The results of the study show that 1) online promotion and service quality variables have a significant impact on customer trust and purchase decisions, 2) customer trust also significantly affects purchase decisions, 3) customer trust cannot serve as an intervening or mediating variable between online promotion or service quality and purchase decisions.

**Keywords:** Online Promotion; Service Quality; Customer Trust; Purchase Decisions; Shopee

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#### INTRODUCTION

E-commerce has become one of the most important phenomena in the digital age characterized by profound changes in the way we do business, shop and interact in general. New economy, as Kelly (1998) calls this phenomenon, is the birth of a new economic structure as a result of the development of information and communication technology (ICT). Since the dawn of the internet, electronic commerce has grown rapidly, expanding global markets and enabling wider access to products and services. The internet has transformed the way businesses operate by enabling global marketplaces and providing consumers with unprecedented access to products and services (Laudon & Traver, 2020). These changes have been seen not only in developed countries but also in developing countries around the world. With the presence of marketplace type ecommerce, it can facilitate consumers who have high loyalty in terms of shopping (Nasir, 2017).

The rapid growth of e-commerce has been fueled by advancements in information and communication technologies, widespread internet penetration, the evolution of digital infrastructure, and shifts in consumer behavior toward online channels ( Laudon dan Traver, 2020). Consumers now have easier and faster access to online shopping from the comfort of their homes, without geographical or time restrictions. This has changed the global trade landscape, allowing companies to reach customers around the world without having to have physical stores in each location. Through e-commerce platforms, businesses can connect with global markets and customers directly, bypassing the traditional need for physical presence (Turban et al., 2015). According to Rahayu (2019) in one of the online news, Euromonitor noted that since 2014 online sales in Indonesia have reached US \$ 1.1 billion. Indonesia has experienced rapid growth in e-commerce from year to year. The census of the Central Statistics Agency (BPS) also states that the ecommerce industry in Indonesia in the last 10 years has increased by 17% with the number of e-commerce companies reaching 26.2 million units. E-commerce in Indonesia in 2020 experienced a significant increase and went hand in hand with the growing number of entrepreneurs in Indonesia.

One of the e-commerce platforms that is sticking out and becoming popular is Shopee. Shopee has become one of the top choices for customers for various reasons that make it stand out among other e-commerce platforms. Based on the results of research conducted by Ipsos Indonesia in June 2024, Shopee is considered by users as the most satisfying e-commerce platform in providing a holistic online shopping experience. One of the main reasons for choosing Shopee is because of the diversity of products offered. Shopee's striking difference from other e-commerce lies in the frequency of promos and discounts that are presented more and more often than other e-commerce, as well as some of the most popular products such as HP Gaming, etc., which are only launching for the first time on Shopee e-commerce and not on other e-commerce. Based on Bisnis Tempo in October 2017, Shopee Indonesia held 10 flash sales in a day with discounts of up to 90% on certain products, including the HP gaming category. Shopee also offers a wide range of products ranging from daily necessities to fashion and electronic products at competitive prices. This abundant availability of products attracts consumers from various walks of life.

Shopee is also known for offering various attractive promos and discounts, including cashback programs and shopping vouchers. This makes consumers feel like they are getting added value when shopping on the platform. Ease of use and a user-friendly interface are also determining factors that make Shopee chosen by many consumers. The simple and fast purchasing process, as well as the ease of making payment

transactions are additional attractions for customers.

Some previous studies support that both online promotions or promos, service quality, and consumer confidence have a positive influence on purchasing decisions such as in research by Vega (2021), Putri, et al. (2020) and by Santoso, et al. (2022) shows that promotion, service quality, and consumer confidence have an influence on consumer decisions to shop. However, in several other studies such as by Safarudin, et al. (2022) a research gap was found which stated that service quality had no significant effect on purchasing decisions.

Based on this background, the researcher decided to conduct further research with the aim of this study is to determine the effect of online promo variables and service quality on Shopee consumer purchasing decisions in Surabaya through consumer trust as an intervening variable.

# LITERATURE REVIEW, RESEARCH FRAMEWORK, AND HYPOTHESIS Online Promotion or Promo

According to Kotler and Armstrong (in Santoso, et al. 2022), promotion is an activity of communicating product advantages and persuading target customers to buy it. Online Promo is a promotional activity carried out through a digital platform to attract consumer attention and interest in certain products or services. Promotion is part of the marketing mix and is one of the determining factors for the success of a marketing program. Regardless of the quality of a product, consumers will not be interested in purchasing it if they are unaware of its existence or uncertain of its utility to their needs (Kotler & Keller, 2016). Promotion indicators according to Kotler and Armstrong (2019: 62):

- a. "Advertising, is a form of non-personal promotional channel using various media to stimulate purchases.
- b. Sales promotion, is one of the company's efforts to encourage the purchase or sale of products, one of which is by giving discounts.
- c. Public relations, is a company's effort to promote or protect the image of a company or product with various programs that have been designed by the company."

# **Service Quality**

Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (Kotler & Keller, 2016). Meanwhile, service is any action or performance that can be offered by one party to another which is basically intangible and does not result in ownership of something (Kotler & Keller, 2016). Good service quality can increase customer satisfaction, which in turn can create customer loyalty and reduce the likelihood of them switching to other service providers (Siswadi et al., 2018). Service quality is defined as the level of excellence expected and control over that level of excellence to meet customer desires. In an online context, service quality is often referred to as e-service quality. Ataburo et.al., (2017) state that e-service quality is the customer's perception of the company's e-service performance (quality) which can occur before, during, and after a purchase transaction, which in turn determines their level of satisfaction and consequently their future behavior. Meanwhile, according to Zeithaml et.al., (2013), e-service quality is defined as the ability of a website to provide shopping experiences, payments, and product delivery effectively and efficiently. Based on the Kotler and Keller (2016: 442), service quality model has five determinants of service quality: Reliability, Responsiveness, Assurance, Empathy and Tangible.

- a. "Reliability is the ability to perform the promised service reliably and accurately.
- b. Responsiveness is the willingness to help customers and provide fast service.
- c. Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence.
- d. Empathy is the provision of care, and individualized attention to customers.
- e. Tangible is the appearance of physical facilities, equipment, staff, and communication materials."

#### **Trust**

According to Kotler et al., (2016), trust is the willingness of the company to rely on business partners. Trust depends on several interpersonal and inter-organizational factors, such as company competence, integrity, honesty, and kindness. Consumer trust is all the knowledge possessed by consumers and all the conclusions consumers make about objects, attributes, and benefits (Mowen, 2011). Trust is generally seen as a fundamental element for the success of a relationship. Without trust, a relationship will not last for a long time. Trust is defined as the willingness to lean on trusted business partners (Kanuk & Schiffman, 2010).

Based on the aforementioned definitions, it can be interpreted that trust is the trust of certain parties to others in conducting transaction relationships based on a belief that the person they trust will fulfill all their obligations properly as expected. Consumer trust is consumer knowledge about an object, its attributes, and its benefits. Based on this concept, consumer knowledge is closely related to the discussion of attitudes because consumer knowledge is consumer confidence. Consumer confidence or consumer knowledge concerns the belief that a product has various attributes, and the benefits of these various attributes (Sumarwan, 2011). According to Kotler and Keller (2016: 225) there are three indicators of customer trust:

- a. "Ability is a current assessment of what a person can do. In this case, how the seller is able to convince the buyer and provide a guarantee of satisfaction and security when transacting.
- b. Willingness to depend is the willingness to depend on the seller in the form of accepting risks or negative consequences that may occur.
- c. Honesty is trusting the words of others, believing that they will keep their word and be genuine with us."

# **Purchase Decision**

Purchasing decisions according to Peter et al., (2013) is a process where consumers already have information from several products that will be combined for evaluation as alternatives and finally, consumers will choose one among the others. Meanwhile, purchasing decisions according to Kotler (2014) are a stage where consumers have made choices and are ready to make purchases or transitions between money and promises to be paid for the right to ownership or use of an item or service. So the purchase decision is the stage of the consumer process in deciding to purchase a product or service after evaluating the comparison of the products or services to be purchased (Moy et al., 2021). Kotler et al., (2018) explains that there are five stages in purchasing decisions that consumers will go through. The stages in purchasing decisions can be seen in diagram form in Figure 1.

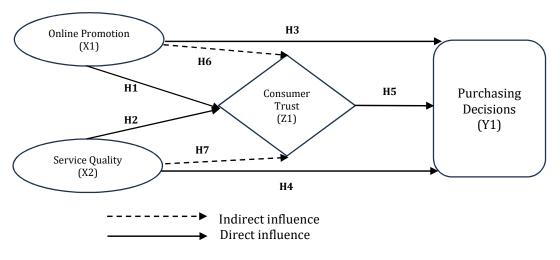
Figure 1 Stages of Purchase Decision

An explanation of each stage of the purchase decision is as follows:

- a. Need recognition is the stage where consumers begin to realize a need.
- b. Information search is the stage where consumers actively seek information about their needs.
- c. Alternative evaluation is the stage where consumers use information that has been sought in the previous stage as material for evaluating a comparison of a group of choices.
- d. Purchasing decisions are the stage where consumers have decided on a particular brand and are ready to make a purchase.
- e. Post-purchase behavior is the stage where consumers take the next action after making a purchase based on the level of consumer satisfaction.

#### **Research Framework**

The research framework describes a train of thought on a relationship between one concept and another to be able to provide an overview and direct assumptions related to the variables to be studied. This is used to gain a comprehensive understanding of a phenomenon and visually explain the independent and dependent variables and the relationship between the two that need to be studied. To find out the effect of online promos and service quality on purchasing decisions in e-commerce through consumer confidence, the conceptual framework in this study can be described in Figure 2.



Source: Primary data processed by researchers, 2024

Figure 2 Research Framework

# **Research Hypothesis**

Based on the relationship between variables, it can be concluded into several hypotheses:

- H1: It is hypothesized that Online Promotion or Promo has a direct effect on Consumer Trust in E-Commerce.
- H2: It is hypothesized that Service Quality has a direct effect on Consumer Trust in E-Commerce.
- H3: It is hypothesized that online promotions or promos have a direct effect on purchasing decisions.
- H4: It is hypothesized that Service Quality has a direct effect on Purchasing Decisions.
- H5: It is hypothesized that Consumer Trust in E-Commerce has a positive effect on Purchasing Decisions.
- H6: It is hypothesized that Online Promotion or Promo has a positive effect on Purchasing Decisions through Consumer Trust in E-Commerce.
- H7: It is hypothesized that Service Quality has a positive effect on Purchasing Decisions through Consumer Trust in E-Commerce.

#### **METHOD**

This research will use the Structural Equation Model (SEM), a multivariate data analysis technique that combines factor analysis and multiple regression (Hair et al., 2018). The purpose of this method is to evaluate the relationship between variables in the research model, ranging from the relationship between indicators and their constructs to the relationship between constructs (Ginting, 2009). The SEM data analysis method was chosen because it is considered suitable for handling latent variables that need to be calculated through indicators and the number of variables in research that has a complex conceptual framework. SMART PLS 3 software will be used to process the data collected using the SEM method.

Validity testing aims to ensure that the indicators used truly reflect the concept being measured. Therefore, validity refers to the extent to which the indicator accurately represents the variable in question. In other words, validity testing aims to assess the extent to which these indicators can be relied upon as valid tools in measuring the variables under study (Hair et al., 2018).

#### **RESULTS AND DISCUSSION**

### **Data Analysis**

Researchers collected primary data by distributing questionnaires to respondents via google form links to respondents. The distribution of questionnaires began on May 27 to June 15, 2024. The amount of data collected was 100 respondents in accordance with the number of research targets who are Shopee consumers in the Surabaya area and its surroundings.

The sampling technique used in this research is non-probability sampling with purposive sampling, which is a sampling technique with certain considerations (Sugiyono, 2015). The number of samples in this study were 100 respondents, this number was determined by (Cooper & Emory, 1996) if the population is unlimited, so a sample of 100 respondents. Cooper assumes that the size of the absolute amount of sample data is more important than the size of the original population. The sample size of 100 is considered to have met the requirements of a real sample.

Table 1
Total Respondent Data Based on Gender

No.	Gender	Total	Percentage
1	Male	54	54
2	Female	46	46
	Total	100	100

Source: Primary data processed, 2024

Based on table 1, it can be seen that the majority of respondents are male with a percentage of 54 percent compared to the number of female respondents with a percentage of 46 percent.

Table 2
Total Respondent Data by Age

No.	Age		Total	Percentage
	20 - 30 years		76	76
2	31 - 40 years		19	19
3	41 - 50 years	5		5
	Total		100	100

Source: Primary data processed, 2024

Based on Table 2, it can be seen that the majority of respondents are aged 20-30 years, which can also indicate that in this age range, consumer purchasing power is higher than in other age ranges.

#### **Indicator Item**

The indicator items in this study can be summarized as follows:

Table 3 Indicator Item

- 1 1	P
Symbol	Description
X1.1	I found Shopee e-commerce from an advertisement
X1.2	I created a Shopee account after I saw a Shopee ad
X1.3	I make purchases at Shopee because of discounts
X1.4	I make purchases at Shopee because of cashback
X1.5	I made a purchase at Shopee because of the free shipping promo
X1.6	I make purchases at Shopee because of shopping vouchers
X1.7	I made a purchase at Shopee because I saw other positive consumer reviews
X2.1	Shopee website and app are easy to access
X2.2	The information provided by Shopee is quite clear starting from the price offered to the
	shipping costs and delivery estimates.
X2.3	I make purchases at Shopee because of the completeness of the products offered
X2.4	Shopee provides a quick response in addressing consumer problems and complaints
X2.5	Shopee provides a security guarantee in making payments for a transaction
X2.6	Shopee provides a return guarantee if the item received is damaged
X2.7	Shopee provides a return guarantee if the item received is not enough
X2.8	Shopee cares enough about the security of the transaction process
X2.9	Shopee website and app are easy to understand
Z1.1	I made a purchase at Shopee because of the security of previous transactions at Shopee
Z1.2	When making purchases at Shopee, I am quite dependent on Shopee in solving
	problems that might occur in transactions
Z1.3	I make purchases at Shopee because Shopee provides honest information about the
	products I am looking for
Y1.1	I choose to shop through Shopee because of the completeness and availability of products

Y1.2	I choose to shop at Shopee because of the large selection of brands offered
Source:	Primary data processed, 2024
Y1.3	I choose to shop at Shopee because of the many choices of stalls or distributors that exist
Y1.4	I choose to shop at Shopee because it has stalls that are quite trustworthy
Y1.5	I choose to shop at Shopee because of the flexible shopping time
Y1.6	I choose to shop at Shopee because of the flexibility of purchase amounts
Y1.7	I choose to shop at Shopee because of the many payment methods provided
Y1.8	I choose to shop at Shopee because of the Shopee Paylater feature, which can be paid in
	monthly installments.

# **Validity Test**

Convergent validity is assessed by examining the outer loadings of the indicators and the Average Variance Extracted (AVE) for each construct (Jr et al., 2018). Reflexive indicators are said to have a correlation with the variable being measured if they have a loading factor coefficient> 0.7 (Ghozali, 2014). According to Sarwono (2015) the outer loading value of 0.5-0.6 can be classified as sufficient. The AVE value> 0.5 indicates that the variable being measured has sufficient convergent validity (Sarwono, 2015).

Table 4
Convergent Validity Test

Average					
Variance	Item	Consumer	Purchasing	Online	Service
Extracted	indicator	Trust	Decisions	Promotion	Quality
(AVE)					
	X1.1			0.567	
	X1.2			0.617	
	X1.3			0.949	
0.722	X1.4			0.919	
	X1.5			0.943	
	X1.6			0.948	
	X1.7			0.905	
	X2.1				0.864
	X2.2				0.932
	X2.3				0.925
	X2.4				0.860
0.837	X2.5				0.936
	X2.6				0.916
	X2.7				0.903
	X2.8				0.945
	X2.9				0.949
	Y1.1		0.894		
	Y1.2		0.950		
	Y1.3		0.946		
0.022	Y1.4		0.931		
0.833	Y1.5		0.932		
	Y1.6		0.920		
	Y1.7		0.946		
	Y1.8		0.767		
	Z1.1	0.915			
0.859	Z1.2	0.949			
	Z1.3	0.916			

Source: Processed data, 2024

The outer model is a model that specifies the relationship between latent variables

and their indicators or it can be said that the outer model defines how each indicator relates to its latent variable (Ghozali, 2014). Based on the convergent validity test results above, it shows that except for X1.1 and X1.2, the outer model value of the other items is greater than 0.7 with an AVE value> 0.5, so it can be concluded that all indicators are convergently valid. Furthermore, for discriminant validity, according to Fornel and Larcker, 1981 (in Ghozali, 2014) it can be seen in the cross loading value with variable constructs. If the correlation of the variable with the measurement item is greater than the size of the other variables, this indicates that the latent variable has good discriminant validity.

Table 5
Discriminant Validity Test (cross loading)

	Consumer Trust	Purchasing Decisions	Online Promotion	Service Quality
X1.1	0.249	0.063	0.567	0.060
X1.2	0.265	0.154	0.617	0.156
X1.3	0.504	0.539	0.949	0.503
X1.4	0.479	0.470	0.919	0.484
X1.5	0.441	0.530	0.943	0.457
X1.6	0.449	0.483	0.948	0.396
X1.7	0.391	0.457	0.905	0.399
X2.1	0.260	0.507	0.228	0.864
X2.2	0.351	0.689	0.529	0.932
X2.3	0.353	0.714	0.444	0.925
X2.4	0.341	0.512	0.284	0.860
X2.5	0.412	0.688	0.438	0.936
X2.6	0.359	0.638	0.384	0.916
X2.7	0.354	0.625	0.383	0.903
X2.8	0.391	0.662	0.486	0.945
X2.9	0.393	0.714	0.504	0.949
Y1.1	0.444	0.894	0.323	0.572
Y1.2	0.516	0.950	0.502	0.671
Y1.3	0.480	0.946	0.491	0.662
Y1.4	0.460	0.931	0.486	0.665
Y1.5	0.456	0.932	0.539	0.698
Y1.6	0.430	0.920	0.471	0.657
Y1.7	0.469	0.946	0.548	0.670
Y1.8	0.441	0.767	0.252	0.527
Z1.1	0.915	0.444	0.395	0.325
Z1.2	0.949	0.509	0.501	0.406
Z1.3	0.916	0.449	0.437	0.357

Source: Processed data, 2024

Based on the results of the discriminant validity test, it shows that the latent constructs predict the indicators in their blocks better than the indicators in other blocks, so it can be concluded that the constructs X1, X2, Z1 and Y1 are good models, so that all constructs in the estimated model have met the discriminant validity criteria.

# **Reliability Test**

Reliability testing is needed to assess the extent to which a measurement instrument can be trusted or relied upon (Sekaran & Bougie, 2016). Reliability testing in this study will use the Cronbach's Alpha formulation to calculate the coefficient value. The composite reliability value and Cronbach's alpha value must be greater than 0.70 to meet the criteria for good reliability (Ghozali, 2016). The results of the reliability test for the variables in this study are presented in Table 6.

Table 6
Reliability Test Results

Hemability Test Results		
	Cronbach's Alpha	Composite Reliability
Consumer Trust	0.918	0.948
Purchasing Decisions	0.971	0.975
Online Promotion	0.934	0.946
Service Quality	0.976	0.979
0 D 1 1 .	1 2024	

Source: Primary data processed, 2024

Based on table 6, which shows that each variable has a composite reliability value and Cronbach's alpha above 0.6, it can be concluded that the variables of online promos (X1), service quality (X2), consumer trust (Z1), purchasing decisions (Y1), really have high composite reliability and construct reliability, with a level of reliability that is classified as strong. So that the model in this study has met composite reliability and construct reliability.

# Goodness of Fit Test on PLS (R Square and Q Square)

Model evaluation uses R-square (R2) for the dependent construct. The R-square value reflects the predictive power of the entire model (Falk & Miller, 1992; Pirouz, 2006) with the limit of the R-square value greater than 0.10 or greater than 10 percent (or goodness-fit of the model). Based on data processing with PLS, the resulting coefficient of determination (R-square) value is as follows:

Table 7 R-square value

	Construct	R Square	
Consumer Trust			0.271
Purchase Decision			0.573

Source: Primary data processed, 2024

Based on table 7, it is known that the R-square for the Consumer Trust variable (Z1) is 0.271, which means that Consumer Trust (Z1) is influenced by online Promo (X1), and Service quality (X2) by 27.1%, while the other 72.9% is influenced by other factors. Then the R-square value for the purchase decision variable (Y1) is 0.573, which means that the purchase decision (Y1) is influenced by online Promo (X1), Service quality (X2), Consumer Trust (Z1) by 57.3%, while the other 42.7% is influenced by other factors. Meanwhile, the variables online Promo (X1), and Service quality (X2) are independent variables that affect the dependent variable, so they do not have an R square.

Goodness of fit measures how well a statistical model aligns with observed data by comparing the expected and actual data distributions (S., 2020). Goodness of fit in PLS can be known from the Q2 value. The Q2 value has the same meaning as the coefficient of determination (R-square / R2) in regression analysis. The higher R2, the more fit the model is with the data. A Q-Square value greater than 0 (zero) indicates that the model has predictive relevance, while a Q-Square value of less than 0 (zero) indicates that the model has less predictive relevance (Gozali, 2006). From table 7, the Q2 value can be found as follows:

In this research model, the Q-square value generated in the overall model equation is 68.86%, which is high, so this means that the structural model has a high predictive relevance, the model is very good and suitable for use in prediction.

# **Direct Effect Analysis**

Direct effect analysis is needed to test the effect on hypotheses 1, 2, 3, 4, and 5. This direct effect shows the magnitude of the direct effect of exogenous variables on endogenous variables without involving mediating variables.

Table 8
Direct effect

Direct effect path coefficient		P Values
Consumer Trust -> Purchase Decision	0.219	0.0169
Online promo -> Consumer Trust	0.383	0.0005
Online promo -> Purchase Decision	0.145	0.0497
Service Quality -> Consumer Trust	0.219	0.0498
Service Quality -> Purchase Decision	0.552	0.0000

Source: SmartPLS 3 data output processed by researchers, 2024

The results of the inner model estimation for the direct effect of Consumer Trust on Purchasing Decisions in table 8 above show a path coefficient value of 0.219 with a p-value of 0.0169 which is smaller than alpha 0.05 (error rate  $\alpha$  = 5%), thus rejecting Ho and accepting H1, which indicates that the direct effect of Consumer Trust on Purchasing Decisions is significant. The resulting influence is positive, which means that the better the Consumer Trust, the Purchasing Decision will also increase. Vice versa, the less good the Consumer Trust, the Purchasing Decision will also decrease.

The results of the inner model estimation for the direct effect of online Promo on Consumer Trust show a path coefficient value of 0.383 with a p-value of 0.0005 which is smaller than alpha 0.05 (error rate  $\alpha$  = 5%), thus rejecting Ho and accepting H1, which indicates the direct effect of online Promo on Consumer Trust is significant. The resulting effect is positive, which means that the better the online Promo, the more consumer trust will also increase. Vice versa, the less good the online Promo, the Consumer Trust will also decrease.

The results of the inner model estimation for the direct effect of online Promo on Purchasing Decisions show a path coefficient value of 0.145 with a p-value of 0.0497 which is smaller than alpha 0.05 (error rate  $\alpha$  = 5%), thus rejecting Ho and accepting H1, which indicates that the direct effect of online Promo on Purchasing Decisions is significant. The resulting influence is positive, which means that the better the online Promo, the Purchasing Decision will also increase. Vice versa, the less good the online Promo, the Purchasing Decision will also decrease.

The results of the inner model estimation for the direct effect of Service Quality on Consumer Trust show a path coefficient value of 0.219 with a p-value of 0.0498 which is smaller than alpha 0.05 (error rate  $\alpha$  = 5%), thus rejecting Ho and accepting H1, which indicates that the direct effect of Service Quality on Consumer Trust is significant. The resulting effect is positive, which means that the better the Service Quality, the more Consumer Trust will also increase. Vice versa, the less good Service Quality is, the more Consumer Trust will also decrease.

The results of the inner model estimation for the direct effect of Service Quality on Purchasing Decisions show a path coefficient value of 0.552 with a p-value of 0.0000 which is smaller than alpha 0.05 (error rate  $\alpha$  = 5%), thus rejecting Ho and accepting H1, which indicates that the direct effect of Service Quality on Purchasing Decisions is significant. The resulting influence is positive, which means that the better the Service Quality, the Purchasing Decision will be. Vice versa, the less good Service Quality is, the Purchasing Decision will also decrease.

# **Analysis of Indirect Effects (Path Analysis)**

Indirect effect analysis is needed to test the effect on hypotheses 6 and 7. This indirect effect shows the magnitude of the direct effect of exogenous variables on endogenous variables by involving mediating variables. The results of measuring the indirect effect can be seen in Table 9.

Table 9 Specific Indirect Effects

Path coefficient of indirect effect		P Values
Online promo -> Consumer Trust -> Purchase Decision	0.084	0.056
Service Quality -> Consumer Trust -> Purchase Decision	0.048	0.134

Source: Processed data, 2024

The path coefficient value for the indirect effect between online Promo through Consumer Trust on Purchasing Decisions of 0.084 shows a p value of 0.056 which is greater than 0.05, thus accepting Ho and rejecting H1, and it can be concluded that the indirect effect between online Promo through Consumer Trust on Purchasing Decisions is not significant. In other words, the magnitude of the influence of online Promo caused by the existence of Consumer Trust does not significantly affect the increase or decrease in Purchasing Decisions. In other words, consumer trust cannot be an intervening variable for the indirect effect between online promos on purchasing decisions.

The path coefficient value for the indirect effect between Service Quality through Consumer Trust on Purchasing Decisions of 0.048 shows a p value of 0.134 which is

greater than 0.05, thus accepting Ho and rejecting H1, and it can be concluded that the indirect effect between Service Quality through Consumer Trust on Purchasing Decisions is not significant. In other words, the magnitude of the effect of Service Quality caused by the existence of Consumer Trust does not significantly affect the increase or decrease in Purchasing Decisions. In other words, Consumer Trust cannot be an intervening variable for the indirect effect between Service Quality and Purchasing Decisions.

# **Hypothesis Testing Results**

Based on the previous tests above, including validity, reliability, goodness of fit, direct and indirect effects, it can be concluded as follows:

Table 10 Hypothesis Test Results

Hypothesis	Details	Decision
H1	It is suspected that Online Promotion or Promo has a direct effect on	Accepted
	Consumer Trust	
H2	It is suspected that Service Quality has a direct effect on	Accepted
	Consumer Trust	
Н3	It is suspected that online promotions or promos have a direct effect	Accepted
	on purchasing decisions	
H4	It is suspected that Service Quality has a direct effect on Purchasing	Accepted
	Decisions	
H5	It is suspected that Consumer Trust has a positive effect on	Accepted
	Purchasing Decisions	
Н6	It is suspected that there is an influence of perceived online	Rejected
	promotions on purchasing decisions through consumer trust	
H7	It is suspected that there is an effect of perceived service quality	Rejected
	on purchasing decisions through consumer trust	

Source: Processed data, 2024

# **CONCLUSIONS AND SUGGESTIONS**

The conclusions that can be drawn based on the results of the analysis and discussion of this research are as follows: Online promos have a significant effect on consumer trust, so that the better the online promo, the better consumer trust, Service Quality has a significant effect on consumer trust, so that if the better the service quality, the better the consumer trust, Online promos have a significant effect on purchasing decisions, so that if the better the online promo, the more purchasing decisions will increase, Service Quality has a significant effect on purchasing decisions, so that if the better the service quality, the more purchasing decisions will increase, Consumer Trust has a significant effect on purchasing decisions, so that if the better consumer confidence, the more purchasing decisions will increase, Consumer Trust cannot be an intervening variable for the indirect effect between online Promo on Purchasing Decisions, and Consumer Trust cannot be an intervening variable for the indirect effect between Service Quality on Purchasing Decisions.

The implications that can be stated based on the results of the analysis and discussion of this research are as follows:

- a. Whether or not the level of purchasing decisions increases when influenced by online promo factors, it is most influenced by public relations indicators, where respondents are more interested in shopping at Shopee after seeing positive reviews from other consumers.
- b. Whether or not the level of purchasing decisions when influenced by service

quality factors, is most influenced by tangible and reliability indicators, where respondents are more interested in shopping at Shopee if the Shopee website and application are easy to access and easy to understand.

Some suggestions from researchers that are expected to be able to be input, among others, researchers hope that Shopee e-commerce will be able to improve both in terms of online promotions or promos, service quality, and consumer trust, so that it can maintain its record as the most visited and accessed e-commerce by Indonesians amidst the onslaught of e-commerce competition today. It should be improved in terms of assessing more accurate stalls, being more thorough in checking goods returned by consumers so that there is no assumption that Shopee favors bad sellers, ensuring that the goods received by consumers really match the description in the store, improving the UI aspect of the web and application display so that it is easier to understand and attractive, and providing special products that are difficult to find in other e-commerce.

For all e-commerce users, it is hoped that they will be more careful and wise in shopping online so as to reduce the risk of unwanted things. Although e-commerce has guaranteed the safety of shopping, some people are still naughty, by selling products that are not as expected, for that before deciding to make a purchase, it is better to choose a stall or shop that has high credibility, and has quite a lot of positive reviews.

For future researchers, it is hoped that they can develop research using variables other than those used in this study such as price and so on. In terms of the scope of research, researchers hope that the scope of research will be expanded again with an increasing number of respondents, not only in one particular city, but covering many specific regions so that similar research can develop and get better research results in the future.

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