THE INFLUENCE OF PRICE, ELECTRONIC WORD OF MOUTH (E-WOM), AND BRAND IMAGE ON PURCHASING DECISIONS IN SHOPEE E-COMMERCE PLATFORM

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Abstract: The development of e-commerce platforms in Indonesia has had a significant impact on product purchasing behavior among students. The ease of access and wide selection of products offered through online shopping sites such as Shopee, Tokopedia, Lazada, and others, have made e-commerce the main channel for students to make purchases. The Shopee site stands out as one of the leading online shopping platforms in Southeast Asia, being. The main objective of this research is to determine and evaluate the influence of price, electronic word-of-mouth (e-WOM), and brand image on the purchasing behavior of Shopee application users among STIE Pelita Nusantara Semarang students. A purposive sampling approach was used in data collection, with a total of 72 respondents participating in this investigation. Primary data analysis in this research was carried out through multiple regression analysis. The research results show that price, electronic word-of-mouth (e-WOM), and brand image have a positive and important influence, both individually and collectively, on the purchasing decisions of Shopee application users among STIE Pelita Nusantara students. Within the framework of this research, price emerges as the most influential factor influencing purchasing choices. The coefficient of determination (R²) shows that 70.4% of the variance in the dependent variable of purchasing decisions can be explained by three independent variables: price, Electronic Word Of Mouth (E-WOM), and brand image.

Keywords: price, e-wom, brand image, purchase decision

INTRODUCTION

The emergence of e-commerce platforms has offered convenience and comfort in shopping online. Internet penetration and the increasingly widespread and rapidly growing prevalence of smartphones have also triggered a shift in consumer behavior from offline...
shopping to online shopping. The e-commerce industry in Indonesia has revolutionized communication and business practices, exerting a significant influence on consumer purchasing choices. In Indonesia, the e-commerce industry is growing rapidly with the presence of various online shopping sites such as Shopee, Tokopedia, Lazada, and others.

Originating in Singapore around 2015, Shopee has grown into a global e-commerce platform, establishing itself as a major mobile marketplace in Southeast Asia, especially Indonesia. Shopee has strengthened its dominance as the leading e-commerce platform in Indonesia. According to SimilarWeb data, apart from being superior in quality, the Shopee website has experienced the highest visitor growth rate. Between January and December 2023, Shopee garnered around 2.3 million visits, significantly outpacing its competitors. In the same period, Tokopedia received around 1.2 billion visits, Lazada around 762.4 million visits, Blibli 337.4 million visits, and Bukalapak 168.2 million visits (iPrice, 2023).

Students, as a market segment that is active and adaptive to technology, are one of the consumer groups most interested in online shopping. E-commerce allows consumers to evaluate alternative products or sellers more easily and access transparent information before making a purchase. Product purchasing decisions among students are increasingly influenced by factors such as competitive prices, reviews, and recommendations from other users (electronic word-of-mouth or E-WOM), as well as the brand image of the e-commerce platform itself. A deep understanding of these influences is important for e-commerce service providers to develop effective marketing strategies and attract students as potential consumers.

Price specifications on e-commerce platforms are very transparent and available to consumers. Price is one of the main considerations for consumers when making purchasing decisions, especially in the realm of online shopping. Consumers will compare price factors for similar goods/services from different sellers before making a purchase. Appropriate and competitive pricing, aligned with product value, can increase consumer interest and the likelihood of online transactions.

After purchase, actions such as leaving reviews and feedback play an important role in the e-commerce sector. Recommendations from individuals who share similarities with consumers can shape perceptions and influence the purchasing choices of other consumers. Informal online communication through digital platforms and media, known as Electronic Word-of-Mouth (E-WOM), namely reviews from fellow consumers, provides potential buyers with information, guidance, and feedback before their purchasing decision.

In the competitive landscape of e-commerce platforms, alongside consumer engagement, the concept of a strong brand image is emerging as a tool to differentiate brands and capture consumer attention amidst a large number of products and sellers. Brand image shows the perceptions, beliefs, and associations that consumers have about a brand. Brands with a positive image are often seen as trustworthy, credible, and respected. This sense of trust has an important role in consumer decisions when using e-commerce platforms.

LITERATURE REVIEW

Purchasing Decision

The purchasing decision process involves selecting, using, and implementing consumers' products or services to meet their needs and desires. The purchasing decision dimensions relate to the various stages that consumers experience during the decision-making process. According to Kotler and Keller (2016), purchasing decision dimensions include identifying needs, seeking information, evaluating various alternatives, purchasing choices, and post-purchase actions. Meanwhile, Schiffman and Wisenblit (2015) argue that the dimensions of purchasing decision factors consist of problem identification, information search, alternative assessment, purchase, and post-purchase evaluation. Gaining an in-depth understanding of the dimensions of purchasing decisions allows organizations to identify what factors influence each stage of the consumer purchasing decision-making process. As a result, companies can design appropriate marketing approaches to impact and streamline each of these stages, thereby increasing the likelihood of purchase and increasing consumer satisfaction (Solomon et al., 2016).

The presence of e-commerce platforms such as Shopee has changed the consumer shopping landscape significantly. Today's consumers have wider access to a wider choice of products and sellers, as well as ease in searching for information and comparing prices. The purchasing
decision-making process is becoming more dynamic and complex, involving factors such as price, electronic word-of-mouth (e-WOM), brand image, trust in the platform, and previous online shopping experience.

**Price**

Price is a reflection of the value associated with a particular product or service. When determining prices, one must take into account various factors such as production costs, market demand, competition, and established marketing strategies. In addition, companies need to understand price perceptions and sensitivity among consumers (Kotler & Keller, 2016). In the realm of online marketing or e-commerce, price has emerged as an important element that influences consumer purchasing decisions. Consumers can easily compare prices from different vendors and choose the most profitable option (Lian & Yen, 2014). Competitive and reasonable prices can serve as a lure for consumers to engage in transactions via e-commerce platforms. Consumers often see price as an indicator of product quality. As a consumer segment that tends to have financial limitations, students are very sensitive to the prices of the products offered. They often look for prices that are affordable and provide good value for money. E-commerce platforms offer advantages in terms of price transparency and ease of comparing prices from different sellers, so students can easily find the offer that best suits their budget. Apart from that, promotions and discounts that are often given by sellers on e-commerce sites are also an attraction for students to make purchases. Kotler and Armstrong (2018) describe the assessment of price dimensions as including affordability, alignment with product quality, benefits, and the ability to compete on price.

**Electronic Word of Mouth**

One element that is increasingly influencing the increasing prevalence of online shopping on e-commerce platforms is the Electronic Word of Mouth (E-WOM) factor. E-WOM is a positive or negative statement from potential, actual, or former consumers about a product or company via the Internet (Heninig-Thurau, et. al., 2002). Consumers tend to place greater trust in recommendations and reviews from individuals who have direct experience with a product or service, rather than information from sellers or advertisements. In the field of e-commerce, e-WOM has emerged as a reliable and impartial source of information for consumers. Accessibility of e-WOM is facilitated through various online channels such as product reviews, social media recommendations, forum discussions, product experience blogs or vlogs, and sharing insights via instant messaging or email. Consumers can easily access information from any location and at any time, streamlining the process of retrieving information and evaluating alternatives before making a purchase. Students, as a generation familiar with digital technology, often rely on information and opinions from fellow users before making online purchases. Positive recommendations from friends, relatives or online communities are also factors that can influence students’ purchasing decisions on e-commerce platforms. E-WOM has proven to be an effective mechanism for turning electronic communications into influencers that can attract recipients’ attention, generate interest, and ultimately drive increased sales (Sari et al., 2017). Various studies, including those conducted by Benowati & Purba (2020) and Irfan Widyanto & Albetris (2021), have outlined measurements of the E-WOM dimensions according to Hsu, et. al. (2013), including intensity, valence or sentiment of opinion, and content.

**Brand Image**

The impact of Electronic Word of Mouth (e-WOM) is accompanied by the important role of brand image in shaping consumer purchasing choices. Brand image functions as a manifestation of the consumer's perspective and associations with the brand, giving rise to emotional and psychological value for consumers (Kotler & Keller, 2016). This mental construction of brand image develops in consumers’ cognition through the integration of their encounters, information, and brand perceptions. Soltani (2016:204) argues that brand image embodies brand identity which is formed by user experience, customer feedback, product aesthetics, and the perceptions that customers have about the product. Various metrics such as brand identity recognition, perceived quality, brand loyalty, and the reputation or credibility of the brand’s parent company can measure brand image. In the competitive landscape of e-commerce, a favorable brand image...
can facilitate brand differentiation and attract consumer attention amidst a large number of products and vendors. As a result, this increases the likelihood of consumers choosing and purchasing products from that brand. Specifically, in the Shopee application, a strong and positive brand image can influence consumers’ trust in sellers and increase the likelihood of purchasing products from the brand. Research efforts have also examined various dimensions of brand image including trust, perceived quality, brand recognition, and loyalty.

Identification of research gaps related to the impact of price, e-WOM, and brand image on consumer purchasing decisions served as the impetus and focal point of this research. This is rooted in the absence of a comprehensive understanding of the specific determinants that influence online shopping behavior among students, especially on the Shopee platform. This study aims to investigate how price perceptions, insights from e-WOM, and brand image collectively shape purchasing decisions, tailored to the preferences of STIE PENa students as research subjects.

![Research Model](image)

**RESEARCH METHODS**

This research technique is explanatory research with a quantitative approach. Explanatory research is a research method that describes the position of the variable being studied and explains the causal relationship between a variable and other variables.

The data analysis method used was Multiple Linear Regression, with SPSS 25 tools. The population in this study was taken from STIE Pelita Nusantara students who use the Shopee application, the majority of whom can access mobile devices or laptops that can connect to the internet. Using a non-probability sampling technique with a purposive sampling approach, the number of samples taken was 72 respondents.

**RESULTS AND DISCUSSION**

The descriptive results of the respondents’ gender were 69% female and 31% male. Descriptive results of the period of using Shopee show that on average STIE Pelita Nusantara students have been Shopee users for more than 1 year.

Validity tests are carried out to find out how accurate a measurement instrument is in assessing the validity of the data. The results of the validity test carried out using product moment correlation, show that all questions used in this research were declared valid because they had an r-count > r-table value of 0.235 (r product moment table (sig.0.05) for a sample of 72 respondents).

Reliability testing is carried out to determine the consistency, accuracy or reliability of the measuring tools (instruments) used in data collection so that research validity is achieved and can be accounted for. The results of the reliability test show that the resulting Cronbach’s alpha coefficient value is > 0.6. This means that all instruments used in this research produced reliable answers.

The Classical Assumption Test, which is carried out before carrying out multiple linear regression analysis, aims to ensure that the regression model used meets the classical assumption test, namely through the normality test, multicollinearity test, and heteroscedasticity test. Testing data normality using the Kolmogorov-Smirnov (K-S) test produced a significance value of 0.200 (> 0.05), indicating normal research data distribution. For the multicollinearity test results, this research shows that all independent variables are independent and there is no multicollinearity. This is indicated by a tolerance value above 0.10 (or > 0.10) and a Variance Influence Factor (VIF) value below 10 (or < 10). Then the heteroscedasticity test is used to detect the spread or deviation of residuals that are not the same (not constant) in all observations in the regression model. And
in this research, the regression model created does not have heteroscedasticity problems, because the analysis results show that the overall variable significance value is > 0.05 (the price variable is significant at 0.658; e-WOM 0.241 and brand image 0.970).

The Multiple Linear Regression Test aims to obtain an overview of the direction and magnitude of the influence of the independent variable on the dependent variable (Ghozali, 2018). In this research, through the regression model that was formed, a regression test was carried out to get an idea of how the independent variables, namely price (X1), e-WOM (X2), and brand image (X3), influence the dependent variable purchasing decisions (Y) with a significance level of 0.05 (Ghozali, 2018).

Table 1. Multiple Regression Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.654</td>
<td>1.449</td>
<td>2.522</td>
<td>.014</td>
</tr>
<tr>
<td>Price</td>
<td>.410</td>
<td>.104</td>
<td>.402</td>
<td>3.965</td>
</tr>
<tr>
<td>e-WOM</td>
<td>.294</td>
<td>.088</td>
<td>.363</td>
<td>3.348</td>
</tr>
<tr>
<td>Brand Image</td>
<td>.155</td>
<td>.109</td>
<td>.159</td>
<td>1.416</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchasing decision

Source: Processed Data, 2024

The formulation of the multiple linear regression equation in this research is as follows:

\[
Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e
\]

\[
Y = 3.654 + 0.410X_1 + 0.294X_2 + 0.155X_3 + e
\]

1. The constant value (\(\alpha\)) has a positive value of 3.654. The positive (+) sign indicates that there is a consistent influence between the independent variable and the dependent variable. This means that if the three independent variables, namely Price (X1), e-WOM (X2) and Brand Image (X3) have a value of 0 (constant or does not change), then the Purchase Decision (Y) value is 3.654.
2. The regression coefficient value of the Price variable (X1), namely \(\beta_1\), has a positive value of 0.410. This means that if each price variable increases by 1 unit, the purchasing decision variable will increase by 0.410 (assuming the other independent variables are constant or do not change).
3. The regression coefficient value of the e-WOM variable (X2), namely \(\beta_2\), has a positive value of 0.294. This means that if each e-WOM variable increases by 1 unit, the purchasing decision variable will increase by 0.294 (assuming the other independent variables are constant or do not change).
4. The regression coefficient value of the brand image variable (X3), namely \(\beta_3\), has a positive value of 0.155. This means that if each brand image variable increases by 1 unit, the purchasing decision variable will increase by 0.155 (assuming the other independent variables are constant or do not change).

The t-test provides information about the partial influence of each independent variable, namely Price; e-WOM; and Brand Image, on the dependent variable Purchase Decision. The test is carried out by comparing the results of the t-calculated value with the t-table value and looking at the significance value. If t-count > t-table and significance < \(\alpha\) (0.05) then it is said that there is a significant influence. In this research, the t-test results show:

1. The calculated t-value for the Price variable (X1) is 10.143 > from the t-table (2.068) with a significance value of 0.00 < \(\alpha\) (0.05). This means that partially the price variable has a significant and influential effect on purchasing decision variables.
2. The calculated t-value for the e-WOM variable (X2), is 9.984 > from the t-table (2.068) with a significance value of 0.00 < \(\alpha\) (0.05). This means that partially the e-WOM variable has a significant influence on purchasing decision variables.
3. The t-calculated value for the Brand Image variable (X3) is 9.903 > from the t-table (2.068) with a significance value of 0.00 < α (0.05). This means that partially the brand image variable has a significant and influential effect on purchasing decision variables.

The F test provides information on whether the resulting regression model is suitable or not for use in predicting the dependent variable. This test also helps identify whether all the independent variables used in this research’s regression model have a significant influence on the dependent variable together. The test carried out with the F distribution aims to compare the calculated F value with the F value according to the table (Ghozali, 2018). When F-Count > F-Table with a significance level < α (0.05), the research model is declared feasible or fit. In this research, the F test results show an F-Calculated value of 54.005 > F-Table value (3.02) with a significance level of 0.00 or < α (0.05). Thus, the price, e-WOM, and brand image variables simultaneously (together) have a significant effect on the purchasing decision variable.

The coefficient of determination (R2) in regression analysis aims to measure how much the regression model can explain variations in the dependent variable. The R2 value shows the proportion or percentage of variation for the dependent variable that can be explained by the independent variables in the regression model. The R2 value is also used to evaluate the goodness or suitability of the regression model in predicting the value of the dependent variable. The higher the R2 value, the better the regression model is at explaining variations in the dependent variable. The R2 value obtained in this research was 0.704 (or 70.4%). These results explain that the dependent variable Purchase Decision (Y) can be explained by the independent variables Price (X1), e-WOM (X2), and Brand Image (X3) amounting to 70.4%, while the remaining 29.6% is explained by these variables other than the variables studied.

Based on the results of regression analysis with partial testing, for the Price variable (X1) the regression coefficient value was 0.410; the t-count is 10.143 and the significance value is 0.00 > α (0.05). This means that hypothesis H1 (the influence of price on purchasing decisions) can be accepted. These results state that the price factor has a significant influence on purchasing decisions via the Shopee site for STIE Pelita Nusantara students. College students usually face financial constraints that make them very attuned to product prices. They show a tendency towards price sensitivity, engage in price comparisons easily, show a tendency towards promotions and discounts, consider perceived value, and see online shopping as a financially wise choice. Shopee, by offering a wide range of products covering various price points, allows students to identify and purchase items that align with their circumstances and financial constraints.

The findings of this research have relevance to the results of previous research as presented by Khafidatul Ilmiyah and Indra Krishernawan (2020), highlighting the important correlation between pricing factors and determinants of purchasing behavior. On the other hand, contrasting results emerged from the research results of Abdul Ghoftur Ainun Najib & Ana Noor Andriana (2022), where the t-test results showed a negative relationship, indicating that pricing did not influence purchasing decisions. The same results were shown by Hesti Noor Fatimah and Andri Nurtantiono (2022), namely that pricing has an insignificant impact on consumer purchasing decisions, especially in the context of the Shopee online platform.

The e-WOM variable (X2) obtained a regression coefficient value of 0.294; the t-count is 9.984 and the significance value is 0.00 > α (0.05). This means that hypothesis H2 (the influence of e-WOM on purchasing decisions) can be accepted. These results show that electronic-WOM has a significant influence on purchasing decisions using the Shopee application for STIE Pelita Nusantara students. E-WOM can quickly spread through this platform, making it easier for students to access reviews, recommendations, or experiences from other Shopee users. e-WOM is a source of information that is credible, easily accessible, and trusted by students in evaluating products and online shopping experiences before deciding to buy through Shopee.

The results of this research are strengthened by previous research by Mela Kartika and Raden Lestari Ganarsih (2019) and also research by Indah Sari, Tri Rinawati, and Citra Rizkiana (2022), where the results of their research state that the e-WOM variable has a significant positive effect on purchasing decisions. Interestingly, different analysis results were obtained in the research of Dila Damayanti and Sigit Dwi Putro (2022) which showed that e-WOM had a positive but not significant effect on purchasing decisions.
The Brand Image variable (X3) obtained a regression coefficient value of 0.155; the t-count is 9.903 and the significance value is 0.000 > α (0.05). This means that hypothesis H3 (the influence of brand image on purchasing decisions) can be accepted. These results state that the brand image factor has a significant influence on purchase decision factors via the Shopee platform by STIE Pelita Nusantara students. Students tend to trust and choose brands that have a good image and reputation. A strong brand image can increase trust, perceived quality, lifestyle expression, reference group influence, and positive previous shopping experiences. A good brand image is often associated with guaranteed product quality, especially when shopping online where consumers cannot see and hold the product directly.

The results of this research are relevant to the research results of Aziky & Masreviastuti (2018) and also Yusmelinda Zagoto & Taswanda Taryo (2022) which show that the brand image variable has a positive and significant influence on purchasing decisions with a strong level of relationship. However, some findings differ in opinion, where the results of research conducted by Mia Angellina, N. Rachma, and Alfian Budi Primanto (2023) show that the brand image variable does not partially influence purchasing decisions.

CONCLUSION
Consumer purchasing decisions are at the heart of the success of the online e-commerce retail industry, and a deep understanding of the decision-making process and the factors that influence it is key to formulating effective marketing strategies in the context of online shopping.

This research examines the influence of price, e-WOM, and brand image on purchasing decisions using the Shopee e-commerce platform with samples taken of STIE Pelita Nusantara students. The results of the analysis and discussion in this research concluded:
1. The price variable has a significant positive effect on purchasing decisions via the Shopee e-commerce platform;
2. The e-WOM variable has a significant positive effect on purchasing decisions via the Shopee e-commerce platform;
3. The brand image variable partially has a positive and significant effect on purchasing decisions via the Shopee e-commerce platform;
4. The variables price, e-WOM, and brand image simultaneously have a positive and significant effect on purchasing decisions on the Shopee e-commerce platform.
5. The regression model formed has a strong level of relationship because it can measure the ability of the price, e-WOM, and brand image variables to become a variation for the purchasing decision variable, namely 70.4%. The remaining 29.6% is explained by other independent variables outside the variations in the variables studied.

SUGGESTIONS
Given the various benefits and convenience on offer, it is not surprising that Indonesians are increasingly inclined to make purchasing decisions through online retail outlets. The rapid expansion of the e-commerce sector reflects the evolving shopping preferences of individuals towards modern, convenient, and efficient styles, along with advances in technology and the soaring popularity of online shopping trends.

Based on the results of this research, the following brief suggestions are given:
1. Shopee must make good use of e-WOM (electronic word-of-mouth) platforms such as reviews, testimonials, and recommendations from previous users to build trust and convince potential new buyers.
2. Shopee needs to continue to strengthen its brand image as an e-commerce platform that is trusted, safe, and comfortable to use, by paying attention to service quality, transaction security, and response to customer complaints.
3. Shopee is advised to pay special attention to the student segment, by providing products that suit their needs and lifestyle, as well as holding special programs such as special discounts for students or collaboration with student organizations.
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