

## Factors Affecting Purchase Decision in Indonesian E-Commerce Industry

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### Abstract

*E-commerce is currently popular in Indonesia and has changed the way a business is transacted. The E-commerce industry itself has become a vital part of the economy in Indonesia. Many are trying to get as many users as possible and competing with each other to be the top one with various marketing strategies, yet the strategies have not always been considered sufficient. This is quantitative research with data collection through questionnaires to the 326 respondents, but 121 respondents did not pass the filter questions and get 205 respondents for valid data. The data analysis method used in this study is Partial Least Square (PLS). The results show that price discount, advertising effectiveness, and brand awareness have a significant positive effect on purchase decisions. The results show that attractiveness has a significant positive effect on brand awareness. The results also show trustworthiness and expertise which has no significant effect on brand awareness.*

### Keywords

price discount; advertising effectiveness; celebrity endorser; brand awareness; purchase decision; e-commerce



## I. Introduction

The growth of internet users in Indonesia has increased by 17% in the past few years (Haryanto, A. 2020). This shows that the internet has become part of people's lives in Indonesia and provides many benefits to society. Starts from helping the communication process to facilitate online buying and selling transactions which can meet daily needs instantly. The rapid growth of buying and selling transactions is shown by the number of e-commerce that have sprung up.

The presence of e-commerce has changed the way a business transaction is conducted, both in retail and in business-to-business processes. In 2020, 80% of people in Indonesia are using e-commerce from mobile phones, allowing many small-scale businesses to easily and cheaply market their products and compete nationally. This strengthens the e-commerce industry which in fact has become a vital part of the economy in Indonesia (Hootsuite, 2020).

In the e-commerce industry itself, there are several business models that have been widely recognized and implemented, namely Business-to-Business (B2B), Business-to-Consumer (B2C), Consumer-to-Consumer (C2C), and Consumer-to-Business (C2B) (Topper, 2020). There are several examples of e-commerce that have implemented two models, which are B2C and B2B, such as in Tokopedia, Shopee and Bukalapak. They not only offer a place to sell and buy goods or services, but also provide a place for consumers to invest.

Shopee, Tokopedia and Bukalapak are the most visited e-commerce in Quarter 4 of 2020 (Databoka, 2021). In their journey to reach number one e-commerce in Indonesia, the three e-commerce companies are competing using various marketing strategies to get as many users as possible. One way is by doing advertising, where advertising is possible to

gain many users for its mass reach. There is also celebrity endorser, who can persuade consumers and increase brand awareness. Not forgetting testimonials made by celebrity endorsers that can give more trust to consumers. The latter is, with a price discount, where it will encourage users to make purchasing decisions within e-commerce and it is possible to increase purchases through this strategy (Awaludin, M., & Sukmono, S., 2020).

However, the use of these strategies has not always been considered sufficient. Consumer behavior towards advertising is usually more objective and tends to pass the information they do not need, so that the advertising effectiveness is questioned (Tang, M. & Chan, T., 2017). There are also doubts and concerns on extreme or unreasonable price discounts before they can finally buy the product (Agmeka, F., et al. 2019). The same thing also comes from celebrity endorser strategy that has an important role in promoting its products. Yet, celebrity endorsers tend to help products in creating brand awareness (Feiz, R.S., et al. 2018) and the same does not necessarily lead consumers to the purchase decision stage.

There are many different results in the same context within the digital marketing literature point of view, which may leads to confusion. For instance, one mentioned that celebrity endorsers have no effect on the purchase decision (Nggilu, M., et.al 2019), while the other one mentioned it has a major effect on the purchase decision (Setiawan, B., & Rabuani, C. C. 2019). There are also different research variables where previously advertising effectiveness has not yet been examined to purchase decisions.

In addition, previous studies have focused on one e-commerce, while currently e-commerce industry as a whole in Indonesia is an interesting phenomenon because many compete with each other to become 'top of mind' for its users and its development is very fast, so it is estimated that Indonesia will become world champions in the e-commerce industry in the future (Yasyi, D. 2020). Therefore, in order to fill the research gap, the research objective of this study is to examine the advertising effectiveness, celebrity endorser and the mediating role of brand awareness, price discount as well as price discounts on the e-commerce industry in Indonesia. The same is because each e-commerce company has a unique strategy carried out and shows different effects respectively on consumer purchase decisions.

## II. Review of Literatures

### 2.1 Purchase Decision

Purchase decision is a stage in determining a choice in purchasing a product that will be consumed. Awareness of the desired needs is the basis for the purchase decision to purchase a product (Awaludin, M.N., & Sukmono, S. 2020). When buyers reach the evaluation stage, the buyer forms a preference for the product and purchase intention appears for the product that they really like (Maulana, T., & Susandy, G. 2019).

Purchase decision is an integrated process that combines knowledge to evaluate two or more alternative behaviors and choose one of them (Setiawan, B., & Rabuani, C.C. 2019). A great company attempts to get all of the consumer's buying decision process and utilizes their involvement in learning, selecting products, devouring, even up to the product is not useful anymore (Khairunnisa, E.I., & Genoveva, G. 2019). There are 5 stages before the consumers decide to do the purchasing which are:



**Figure 1.** 5 Stages before Consumers Decide to do Purchasing

## 2.2 Price Discount

Discount is a reduction from the base price or from the price that stated on the label on the package, this price reduction may be in the form of discount or other things such as purchases with the addition of other free items (Maulana, T., & Susandy, G., 2019). Discount is a kind of cost savings for buyers where is the seller reduced prices or something being sold at a price lower than that item is normally sold for (Maulana, T., & Susandy, G., 2019).

The price discount is one of the strategies in marketing by reducing the price that is already set by the seller to the buyer which makes a profit for both seller and buyer (Amanah, D., & Harahap, D.A. 2018). Indicators of the price discount are frequency, type, and amount of discounts gives by the seller (Amanah, D., & Harahap, D.A, 2018).

## 2.3 Advertising Effectiveness

Advertising is a form of promotion and channeling of ideas from products and services, such as posters, brochures, print media advertisements, and others. Advertising can be an effective thing to spread messages both to develop brands and to educate consumers (Luthfie, H., & Marcelino, D., 2020).

Advertising can be effective to spread messages to either develop brands or to educate consumers. EPIC model is an advertising effectiveness analysis model developed by AC Nielsen, one of the world's leading marketing research firms. Epic Model and includes four critical dimensions namely empathy, persuasion, impact and communication (Empathy, Persuasion, Impact and communications - EPIC). EPIC model may be a measurement tool to quantify the effectiveness of advertising with a communication approach developed by AC Nielsen, one amongst the world's leading research companies. Includes four dimensions, empathy, persuasion, impact, and communication (Luthfie, H., & Marcelino, D., 2020). The promotional mix concept according to (Philip in Amin 2019) consists of advertising, sales promotion, personal selling, and public relations.

## 2.4 Celebrity Endorser

Celebrity endorsers are defined as people who receive public recognition and use this on behalf of consumers by appearing in advertisements (Feiz, R.S., et.al 2018). Celebrity endorser is the use of sources as popular or interesting figures in advertisements, so as to strengthen the brand image in the minds of customers (Wahyuni Purbohastuti, A, & Hidayah, A.A. 2020).

Celebrity endorser is the use of an entertainer, public figure, athlete and artist for the success of a product (Nggilu, M., et.al 2019). To be able to create a more effective communication, it is usually an acronym of Trustworthiness, Expertise, Attractiveness, Respect, and Similarity (TEARS) (Rahardian, M., et al. 2019).

## 2.5 Trustworthiness

Trustworthiness can be interpreted as honesty, integrity, and also confidence of the source. Of course, the messenger must be able to provide an objective motivational or encouraging message (Wahyuni Purbohastuti, A, & Hidayah, A.A. 2020).

Trustworthiness of an endorser refers to the extent to which a celebrity as an endorser is perceived by consumers as conveying a message of integrity, honesty and trust through advertising (Kim, S.S., et al. 2018). Trustworthy endorsers were found to be useful for enhancing brand credibility, dispelling doubts and promoting economic gain (Kim, S.S., et al. 2018).

## 2.6 Expertise

Expertise is knowledge, experience and expertise possessed by the resource person for the product or brand that is supported. A resource person will be more able to convey persuasively when he is more familiar with the product or service being marketed (Wahyuni Purbohastuti, A, & Hidayah, A.A. 2020). Bara (2019) states that advertising is commercial communication about an organization and its products which are transmitted to a target audience through mass media in printed media, direct mail (direct posting).

Expertise is defined as a skill, experience and knowledge in making decisions. Expertise also can be defined as competence, qualification, expert ability, mastery and authority. The greater the level of expertise of an endorser that consumers can feel in an advertisement, the greater the persuasiveness or effectiveness of an advertisement (Kim, S.S., et al. 2018).

## 2.7 Attractiveness

Attractiveness focuses on an endorser rated attractive by a particular group with physical attractiveness. Physical attractiveness is the first thing that is very easy for consumers to see. When an endorser is doing his job, this is where consumers determine their buying decision behavior (Wahyuni Purbohastuti, A, & Hidayah, A.A. 2020). The attractiveness of celebrities is likely from their appearance, beauty, outfits and manners (Nguyen, K.T., & Huynh, H.T. 2018).

## 2.8 Brand Awareness

Brand awareness is the ability of consumers to be able to recognize or remember a product or brand of a particular product (Khairunnisa, E.I. & Genoveva, G. 2019). Brand awareness is the ability of a potential buyer to recognize or recall a brand. Awareness will greatly influence consumer perceptions and behavior. So if the awareness of a brand is very low, it can be ascertained that the equity of a brand is also low. Overall, the role of brand awareness of the brand really depends on the level of brand awareness that is already achieved by a brand (Awaludin, M.N., & Sukmono, S. 2020).

There are four levels related to brand awareness, which are (Setiawan, B., & Rabuani, C.C. 2019):

1. Unaware of the brand, when consumers still have doubts or still not sure whether consumers are familiar with the brand.
2. Brand recognition, when consumers are able to identify a brand that is mentioned.
3. Brand recall, when consumers are able to remember the brand without being given a stimulus.
4. Top of Mind, when consumers immediately think of a brand that first comes to consumers' mind when talking about certain product categories.

## 2.9 Price Discount has Positive and Significant Effect on Purchase Decision

Price discount has a significant effect on purchase decisions. The results of this study indicate that discount programs, namely discounted prices, will encourage consumers to buy products (Agmeka, F., et al. 2019) (Novansa, H., & Ali, H. 2017). It can be concluded that price discount has a significant effect on purchase decisions. Based on the description above, a hypothesis can be generated as:

H1: Price discount has a positive and significant effect on purchase decisions.

### **2.10 Advertising Effectiveness has a Positive and Significant Effect on Purchase Decision**

It was found that advertising effectiveness has an effect on purchase decisions (Luthfie, H., & Marcelino, D. 2020). Advertisements have a significant positive effect on purchase decisions (Luthfie, H., & Marcelino, D. 2020). Advertisement has a positive and significant effect on consumer buying decisions as a result shows that advertising also plays a dynamic role especially in adolescent behavior (Luthfie, H., & Marcelino, D. 2020).

H2: Advertising effectiveness has a positive and significant effect on purchase decisions.

### **2.11 Trustworthiness has a Positive and Significant Influence on Brand Awareness**

According to research conducted by Reyhan, Edy, and Sunarti (2018), Trustworthiness has a significant influence on brand awareness (Feiz, R.S., et. al. 2018). The study shows that the changes that occur in the value of trustworthiness can have an impact on brand awareness. Based on the description above, a hypothesis can be generated as:

H3a: Trustworthiness has a positive and significant influence on brand awareness.

### **2.12 Expertise has a Positive and Significant Impact on Brand Awareness**

Expertise has a significant influence on brand awareness. This shows that the higher the level of expertise, ability, experience, and / or knowledge the endorser has for the brand that he or she is promoting. The ability of a brand to appear in the minds of consumers when they are thinking about certain types of products will also increase (Feiz, R.S., et. al. 2018). Based on the description above, a hypothesis can be generated as:

H3b: Expertise has a positive and significant impact on brand awareness.

### **2.13 Attractiveness has a Positive and Significant Impact on Brand Awareness**

According to research conducted by Reyhan, Edy, and Sunarti (2018), Attractiveness has a significant effect on brand awareness. This research shows that the increasing attractiveness of consumers toward a product indicates that the brand that is being promoted to appear in the minds of consumers (brand awareness) will also increase. (Feiz, R.S., et. al. 2018) (Rahardian, M., et. al. 2019). Based on the description above, it can be hypothesized that:

H3c: Attractiveness has a positive and significant impact on brand awareness.

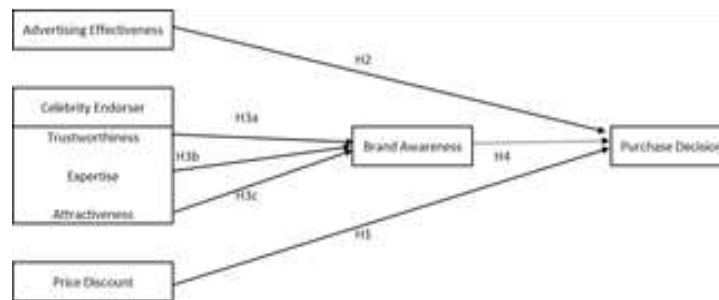
### **2.14 Brand Awareness has a Positive and Significant Influence on Brand Awareness**

A study conducted by Awaludin and Sukmono (2020), indicates that if consumers are very brand conscious then there is a higher likelihood of making a purchase decision because awareness helps them dispel their doubts about the brand (Awaludin, M.N., & Sukmono, S. 2020). In line with research regarding the effect of brand awareness of e-commerce on purchase decisions, it is found that brand awareness has a significant positive effect on purchase decisions (Novansa, H., & Ali, H. 2017). The higher consumer awareness of a brand will affect purchasing decisions on e-commerce. Based on the description above, a hypothesis can be generated as:

H4: Brand awareness has a positive and significant influence on purchase decisions



## 2.15 Conceptual Framework



**Figure 2.** Awaludin and Sukmono (2020)

Source: Researchers, 2021

## III. Research Methods

### 3.1 Research Instrument

This is a quantitative research that uses a questionnaire of closed-ended with ordered choices format. There are thirty-two (32) questions with a multiple-choice and Likert scale from 1 – 5, where the value of 1 represents “strongly disagree” or “never” and the value of 5 represented “strongly agree” or “always”. (The appendix shows the measurement items). This research focused on e-commerce users; aged <19 - >38 years old.

### 3.2 Data Collection Procedure

This research collected data from e-commerce user respondents with a purposive sample. These users are specific only to the ones that used and have shopped Shopee, Tokopedia and Bukalapak. Online-based questionnaire form is used through Google forms to reach wider respondents in the Jabodetabek (Jakarta, Bogor, Depok, Tangerang dan Bekasi) area since these provide the highest contribution of e-commerce sales.

### 3.3 Data Analysis

This research used partial least squares (PLS) tools to validate the measurement and test the hypothesis. PLS is best suited for testing complex structural models as it avoids two problems which are factor indeterminacy and inadmissible solutions (Fornell, C., and Bookstein, F.L. 1982). The measurement of this research is using confirmatory factor analysis (CFA) which includes reliability and convergent validity. Reliability was evaluated using a composite reliability score as they are recommended to have it larger than 0.7 (Hair, J.T., et. al. 1998) and Cronbach's alpha which is larger than 0.6 (Hulin, C., et al. 2001).

For convergent validity, each item should have outer loadings above 0.7 and each construct's average variance extracted (AVE) 0.5 or higher. The AVE is the grand mean value of the squared loadings of a set of indicators (Hair, J.T., et.al 1998). Moreover, in order to determine the level of significance of each indicator weight, this research is applying a bootstrapping routine where samples are drawn in a large number of subsample of the original data which are 5,000 which can be used to compute a standard error of each model parameter (Hair, J.T., et.al 1998).

### 3.4 Operational Variable Definition

The following is the operational definition of the variables used in this research:

1. Price Discount is a marketing strategy that reduces prices given by sellers to buyers, which benefits both buyers and sellers (Perreault et al., 2017).

2. Advertising can be an inexpensive way to deliver a message, as well as to build brand preferences or to educate consumers. Even in today's challenging environment, good advertising can give a good result (Kotler & Keller, 2016:607). Advertising Effectiveness has several dimensions (Harrie & Dandy, 2020), as follows:

- Empathy
- Persuasion
- Impact
- Communication

3. Celebrity Endorsers are well-known people who can influence others because of their accomplishments.

The celebrity endorser dimensions according to Royan, (2004) on Budi & Celia (2019) is as follows:

- Trustworthiness
- Expertise
- Attractiveness

4. Brand Awareness is one of the fundamental dimensions of Brand Equity. This is considered a prerequisite for the Purchase Decision factor for consumers because Brand Awareness is a major factor. (Budi & Celia, 2019). the dimensions are as follows:

- Unaware of Brand
- Brand Recognition
- Brand Recall
- Top of Mind Awareness

5. Purchase decision is a process that occurs psychologically. This begins with an interest in the goods or services offered to consumers. Next, the consumer reaches the interest stage and ends with a decision to buy the product or service. (Budi & Celia, 2019). According to Genoveva (2019), the dimensions from purchase decision are as follows:

- Problem Recognition
- Information Search
- Alternative Evaluation
- Purchase Decision
- Post-Purchase Behaviour

### 3.5 Data Characteristic

Concerning the data results, this research has 326 respondents, but 121 respondents did not pass the filter questions. Thus, this research took 205 respondents between the ages of <19 and >38 years old who used e-commerce Shopee, Tokopedia and Bukalapak. However, from those 205 respondents shows that Shopee is the most used (65.3%), followed by Tokopedia (45.6%) and Bukalapak (12.6%). Hereby, characteristics of these research respondents are shown in Table 1:

**Table 1.** Characteristics of Respondents

Description	Total Answer	Percentage
<b>N Total</b>	205	100%
<b>Gender</b>		
Male	119	58%
Female	86	42%
<b>Occupation (top 4)</b>		
Public Employee	18	8.8%
Private Employee	100	48.8%
Entrepreneur	31	15.1%
College Student	44	21.5%
<b>Age</b>		

< 19 years old	23	11.2%
19-24 years old	63	30.7%
25-30 years old	96	46.8%
31-38 years old	21	10.6%
> 38 years old	2	1%
<b>Domicile City</b>		
Jakarta	49	23.9%
Bogor	23	11.2%
Depok	22	10.7%
Tangerang	16	7.8%
Bekasi	95	46.3%
<b>Average Spending Amount on E-commerce</b>		

## IV. Discussion

### 4.1 Partial Least Square

Evaluation of measurement models can be seen from the results of convergent validity. Convergent validity is seen from the generated outer loading value. Indicator outer loading value greater than 0.7 is said to be valid. The outer loading value of this study can be seen in Table 2.

**Table 2.** Outer Loading Values

Variables	Indicators	Outer Loading
Advertising Effectiveness	AE1	0.759
	AE2	0.731
	AE3	0.730
	AE4	0.741
Price Discount	PD1	0.613
	PD2	0.786
	PD3	0.752
Attractiveness	AT1	0.806
	AT2	0.744
	AT3	0.794
Expertise	EP1	0.880
	EP2	0.839
	EP3	0.920
Trustworthiness	TW1	0.782
	TW2	0.739
	TW3	0.861
Brand Awareness	BA1	0.657
	BA2	0.631
	BA3	0.514
	BA4	0.744
	BA5	0.751
	BA6	0.621
	BA7	0.761
Purchase Decision	PC1	0.720
	PC2	0.695
	PC3	0.767
	PC4	0.741
	PC5	0.583
	PC6	0.695
	PC7	0.612
	PC8	0.757
	PC9	0.750

Source: Data Processed, 2021

>1 mil Rupiah	21	10.2%
1-3 mil Rupiah	58	28.3%
3-5 mil Rupiah	57	27.8%
5-7 mil Rupiah	35	17.1%
>7 mil Rupiah	34	16.6%

Based on Table 2, it can be seen that not all indicator variables have an outer loading value greater than 0.7. It means several indicator variables must be removed. The outer loading value of this study can be seen in Table 3.



**Table 3. Outer Loading Values**

Variables	Indicators	Outer Loading
Advertising Effectiveness	AE1	0.762
	AE2	0.730
	AE3	0.727
	AE4	0.742
Price Discount	PD2	0.842
	PD3	0.781
Attractiveness	AT1	0.812
	AT2	0.740
	AT3	0.791
Expertise	EP1	0.872
	EP2	0.810
	EP3	0.929
Trustworthiness	TW1	0.770
	TW2	0.741
	TW3	0.867
Brand Awareness	BA4	0.719
	BA5	0.835
	BA7	0.856
Purchase Decision	PC1	0.742
	PC3	0.804
	PC4	0.751
	PC8	0.753
	PC9	0.826

Source: Data Processed, 2021

Based on Table 3, it can be seen that all indicator variables have an outer loading value greater than 0.7. It means all indicator variables are valid. There are no indicator variables that must be removed. The construct has good reliability if the Composite Reliability value > 0.7, and the Cronbach's Alpha value > 0.6. Construct has good validity if the AVE value is above 0.5. The following Composite Reliability, Cronbach's Alpha, and AVE values can be seen in Table 4.

**Table 4. Values of Composite Reliability, Cronbach's Alpha, AVE**

Constructs	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
Advertising Effectiveness	0.829	0.725	0.548
Attractiveness	0.825	0.681	0.611
Brand Awareness	0.846	0.725	0.649
Expertise	0.910	0.861	0.771
Price Discount	0.795	0.487	0.660
Purchase Decision	0.883	0.834	0.602
Trustworthiness	0.836	0.714	0.631

Source: Data Processed, 2021

Based on Table 4, not all constructs are reliable. This is because the price discount has Cronbach's Alpha values <0.6. It means the validity value of one of the price discount indicators must be removed. The outer loading value of this study can be seen in Table 5.

**Table 5. Outer Loading Values**

Variables	Indicators	Outer Loading
Advertising Effectiveness	AE1	0.761
	AE2	0.731
	AE3	0.726
	AE4	0.742
Price Discount	PD2	1.000
Attractiveness	AT1	0.812
	AT2	0.740
	AT3	0.791
Expertise	EP1	0.872
	EP2	0.810
	EP3	0.929
Trustworthiness	TW1	0.770
	TW2	0.741
	TW3	0.867
Brand Awareness	BA4	0.719
	BA5	0.835
	BA7	0.855
Purchase Decision	PC1	0.740
	PC3	0.803
	PC4	0.752
	PC8	0.756
	PC9	0.824

Source: Data Processed, 2021

Based on Table 5, it can be seen that all indicator variables have an outer loading value greater than 0.7. It means all indicator variables are valid. There are no indicator variables that must be removed.

The construct has good reliability if the Composite Reliability value  $> 0.7$ , and the Cronbach's Alpha value  $> 0.6$ . Construct has good validity if the AVE value is above 0.5. The following Composite Reliability, Cronbach's Alpha, and AVE values can be seen in Table 6.

**Table 6.** Values of Composite Reliability, Cronbach's Alpha, AVE

Constructs	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
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Expertise	0.910	0.801	0.771
Price Discount	0.795	0.487	0.660
Purchase Decision	0.883	0.834	0.602
Trustworthiness	0.836	0.714	0.631

Source: Data Processed, 2021

Based on Table 6, all constructs are reliable. This is because all constructs have Composite Reliability values above 0.7 and Cronbach's Alpha values  $> 0.6$ . Besides being reliable, all constructs are valid. This can be seen from all constructs that have AVE values above 0.5.

The next construct validity test is evaluating discriminant validity by comparing the AVE square root values with correlations between constructs. If the AVE square value of each construct is greater than the correlation value between constructs and other constructs in the model, then it is said to have a good discriminant validity value. The comparison of AVE square root results with correlations between constructs can be seen through The Fornell-Larcker Criterion (Table 7).

**Table 7.** The Fornell-Larcker Criterion

	Advertising Effectiveness	Attractiveness	Brand Awareness	Expertise	Price Discount	Purchase Decision	Trustworthiness
Advertising Effectiveness	<b>0.740</b>						
Attractiveness	0.660	<b>0.782</b>					
Brand Awareness	0.596	0.758	<b>0.805</b>				
Expertise	0.472	0.434	0.420	<b>0.878</b>			
Price Discount	0.343	0.445	0.393	0.380	<b>1.000</b>		
Purchase Decision	0.733	0.366	0.758	0.478	0.539	<b>0.776</b>	
Trustworthiness	0.626	0.641	0.569	0.730	0.356	0.602	<b>0.798</b>

Source: Data Processed, 2021

Table 7 shows the bold diagonal value is the AVE square root value while the other value is the correlation value between constructs. AVE square root values for advertising effectiveness, attractiveness, brand awareness, expertise, price discount, purchase decision and trustworthiness are greater than the maximum correlation value with other constructs listed in the same row and column. This means that the discriminant validity is fulfilled.

## 4.2 Evaluation of Structural Model

The evaluation of the structural model looks at the relationship between constructs and their significance value as indicated by the t-statistic or p-value based on PLS output. The path coefficient can be seen in Table 8. The path coefficient that has a p-value  $< 0.05$  (significance level of 5%) is declared significant.

**Table 8.** Path Coefficient

Path	Constructs Coefficient	T-Statistics	P-Value	Results
Advertising Effectiveness $\rightarrow$ Purchase Decision	0.414	4.078	0.000	Significant
Attractiveness $\rightarrow$ Brand Awareness	0.668	9.140	0.000	Significant
Brand Awareness $\rightarrow$ Purchase Decision	0.468	4.827	0.000	Significant
Expertise $\rightarrow$ Brand Awareness	0.010	0.153	0.879	Not Significant
Price Discount $\rightarrow$ Purchase Decision	0.112	2.038	0.042	Significant
Trustworthiness $\rightarrow$ Brand Awareness	0.132	1.258	0.209	Not Significant

Source: Data Processed, 2021

(significance level of 5%)

Based on Table 8, the relationship test between constructs shows that the construct of Advertising Effectiveness has a positive effect on Purchase Decision with a construct coefficient value of 0.414 and is significant because of the p-value (0,000) <0.05. The construct of Price Discount has a positive effect on Purchase Decision with a construct coefficient of 0.112 and is significant because the p-value (0,042) <0.05. The Brand Awareness construct has a positive effect on Purchase Decision with a construct coefficient of 0.468 and is significant because the p-value (0,000) <0.05.

Attractiveness has a positive and significant effect on Brand Awareness with a construct coefficient of 0.668 and p-value of (0.000) <0.05. The construct of expertise has a positive effect on Brand Awareness with a construct coefficient of 0.010 and is not significant because the p-value (0,879) >0.05. The construct of Trustworthiness has a positive effect on Brand Awareness with a construct coefficient of 0.132 and is not significant because the p-value (0,209) >0.05.

The evaluation of the structural model is also done by looking at the value of R-Square. The R-Square value of Brand Awareness is 0.586. R-Square value of the purchase decision is equal to 0.724.

## V. Conclusion

The main objectives of this study were to identify the relationship among price discount, advertising effectiveness, and brand awareness towards purchase decision as well as to identify the relationship among trustworthiness, expertise and attractiveness towards brand awareness. The first conclusion of this study is to examine the effect of price discount on purchase decisions. The result of the PLS analysis is consistent with our hypotheses.

Several authors state that price discount has an effect on purchase decisions, deriving from prior experience (Agmeka, F., et.al. 2019) (Novansa, H., Ali, H. 2017). Our results also suggest that there is a positive effect of price discount on purchase decisions.

The second conclusion is the effect of advertising effectiveness on purchase decisions. The result of the PLS analysis is consistent with our hypothesis. Another author states that advertising effectiveness has an effect on purchase decisions, deriving from prior experience (Luthfie, H., & Marcelino, D. 2020). Our results also support a positive effect from advertising effectiveness on purchase decisions. The third conclusion is the effect of trustworthiness on brand awareness, the effect of expertise on brand awareness, and the effect of attractiveness on brand awareness. For attractiveness the results of PLS analysis are consistent with our hypothesis. Another author also states that attractiveness has an effect on purchase decisions, deriving from prior experience (Feiz, R.S., et. al. 2018).

Our results also indicate that there is a positive effect of attractiveness on brand awareness. However, the results of trustworthiness and expertise show that these two variables have no significant influence on brand awareness. Expertise is not something crucial to have for a celebrity endorser to attract their target as long as they are considered attractive. E-commerce can keep on choosing celebrity endorsers with higher attractiveness in order to lead to brand awareness. Meanwhile, for trustworthiness, endorsers tend to promote many brands towards products in the same category which may raise customer doubts on their credibility as well as honesty in promoting the brand. The results of the PLS analysis are consistent with our hypothesis. Several authors state that brand awareness has an effect on purchase decisions, deriving from prior experience (Awaludin, M.N., & Sukmono, S. 2020) (Novansa, H., & Ali, H. 2017). Our results also support a positive and significant effect from brand awareness on purchase decisions.

From a managerial standpoint, this research provides the companies to ensure what really matters for customers in purchase decisions. Price discounts are certainly very

attractive to consumers, because they can get what they really need at a lower price. But they should arrange it very carefully because if they give it too often this can make consumers feel that the price discount is already a normal price. The company also should pay attention to effectiveness from the advertising itself. Because advertising is a good place to spread messages both to develop brands or to educate consumers, they should use the EPIC model to measure the effectiveness of the advertisement.

The good of the brand awareness will positively affect purchase decisions. Rapid development of ecommerce makes competition getting tougher. Ecommerce companies are also asked to be able to compete competitively to retain consumers, one of which is by building brand awareness in the minds of consumers. Companies that have a strong brand are certainly very easily recognized by the public and are also able to survive in this tight competition. For now, social media is an important part of brand marketing. Through social media, a brand can interact with consumers and potential consumers directly. Companies have to create a brand experience that suits consumers desires and involves them as a part of your brand narrative. This can help to increase consumers' trust in your brand which is more difficult to build through traditional marketing and advertising methods. Companies also have to continue with influencer marketing to promote a product through social media such as Instagram, Youtube, Twitter, etc. What is meant by influencers here is people who have a lot of followers on social media and have a good appearance and someone has a high level of attractiveness to influence their followers on social media.

There are several limitations of this research that should be considered when interpreting its findings. Firstly, we did not research the brand awareness indicators as mediating effect of advertising effectiveness and purchase decisions due to time and complexity. This variable can be an important thing for a company to consider to create new customers and retain old customers by always being active in promoting products, one of which is by advertising. This research only takes respondents from Jabodetabek area, these results may not be in line if research is conducted with respondents from all over Indonesia. This limitation of the study would be interesting for future researchers if the future researcher can conduct research with brand awareness, advertising effectiveness and price discount also purchase decisions as a variable and conduct with respondent from all over Indonesia.

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