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CONSUMER SATISFACTION AND ONLINE PURCHASE DECISIONS: EXAMINING THE PRICE AND PRODUCT ANALYSIS

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ABSTRACT

This research is a quantitative descriptive study with a path analysis method that aims to determine the influence of price and product assessments on online purchasing decisions and their impact on consumer satisfaction. The population in the study were college students living in Maros County and were consumers of online shopping platforms. The total sample of 98 people was obtained by sampling method using purposive sampling technique. Based on the results of hypothesis testing using the smartPLS application version 3.0, it shows that of the seven hypotheses proposed, only the price variable has no direct effect on consumer satisfaction. While other hypotheses have a positive and significant influence both directly and through intervention variables

ABSTRAK

Penelitian ini merupakan studi deskriptif kuantitatif dengan metode analisis jalur yang bertujuan untuk mengetahui pengaruh penilaian harga dan produk terhadap keputusan pembelian online dan dampaknya terhadap kepuasan konsumen. Populasi dalam penelitian ini adalah mahasiswa yang tinggal di Kabupaten Maros dan merupakan konsumen platform belanja online. Jumlah sampel sebanyak 98 orang diperoleh dengan metode pengambilan sampel menggunakan teknik purposive sampling. Berdasarkan hasil pengujian hipotesis menggunakan aplikasi smartPLS versi 3.0, menunjukkan bahwa dari tujuh hipotesis yang diajukan, hanya variabel harga yang tidak berpengaruh langsung terhadap kepuasan konsumen. Sementara hipotesis lainnya memiliki pengaruh positif dan signifikan baik secara langsung maupun melalui variabel intervensi

INTRODUCTION

The buying and selling culture has changed significantly since the 2000s. This is marked by changes in people's lifestyles which tend to be more practical than before. These changes can be found in several people's lifestyles such as food tastes, fashion, and shopping. In the midst of busy people, especially urban communities, purchases that do not require a physical visit are also an option that is starting to be looked at. This change in transaction activity contributed to the growth of e-commerce in Indonesia. This development has even attracted the government's attention with the publication of the XIV Economic Policy Package on e-commerce (Humas Kementerian Koordinator Bidang Perekonomian, 2016). This policy package was issued after seeing a significant increase in terms of e-commerce transactions. In addition, along with the increase in people's income, changes also occur in the buying and selling culture that leads to an increase in online purchases. Bank Indonesia (BI) estimates that the total e-commerce transactions in 2022 will reach Rp 530 trillion (KONTAN.CO.ID, 2021). This figure is certainly based on the trend of increasing public transactions on online shopping platforms.

Social Research and Monitoring Sociab, Chamber of Commerce and Industry (KADIN), Kemkominfo, Accenture published 2015 data regarding the number of internet users in Indonesia. It was found that 77% of people use the internet in searching for product information and online shopping (Harahap, 2018). This data is likely to surge amid the development of today's use of the internet which is not only to find information about news, but also to search for groceries. There are more than ten widely used online shopping sites, including Lazada, Tokopedia, Bukalapak, etc.

The migration of people's spending methods to digital-based is a consequence of the development of technology and information. This includes social changes that can simply be interpreted as a form of accepted lifestyle, either due to changes in geographic, cultural, demographic, ideological, or new discoveries in society (Pratama, 2022). The more modern the civilization of a society, the simpler, faster and easier its life process will be. In addition, the increasing number of smartphone users also plays an important role in increasing online shopping transactions. Some online shopping applications can be easily downloaded via mobile phones. The simplification of this life process will also affect consumer behavior in the process of selecting the products they want.

The rapid growth of online shopping using online shopping platforms has certainly increased business competition in this sector. Not a few online shopping platforms are unable to compete and have decreased transactions. This is triggered by many factors. Consumers each have their own subjectivity and are increasingly selective in choosing what platform they use to shop online. Often we will access

More than 2 (two) online shopping sites then compare them before making a purchase decision. The purchasing decision process consists of five phases, namely problem identification, information search, evaluation of alternatives, purchase decisions and subsequent buying behavior (Kotler, 2009). In online purchases, consumers will pay more attention to their products. Consumers will see how many sales figures for the product, how the assessment of people who have bought it, whether they are safe to buy the product, whether it is easy to communicate with the seller or not, and various considerations before making a purchase decision. In addition, after making a purchase, consumers will evaluate the results of their decisions. If the evaluation results are good, consumers will feel satisfied and the probability level to repurchase or recommend the online store will certainly be greater.

The current global situation also plays a major role in the development of online purchasing transactions, especially with the Covid-19 pandemic situation that threatens the entire world, causing many changes in people's lifestyles. The COVID-19 pandemic requires governments around the world to issue policies to carry out activities at home, including activities from home or work from home. This makes the level of public visits to shopping centers decrease and makes the level of visits to online shopping platforms increase. A survey conducted by YouGov on "COVID-19 impact on Indonesian consumer behavior', online shopping activities increased by 20% and food orders through delivery services by 14% (Barrus, 2020). The COVID-19 pandemic is certainly an opportunity for online stores and online shopping platforms to further improve service and production.

Online purchasing decisions are very different from offline purchasing decisions. Consumers will not see directly the product they want to buy. Consumers will only see visually and descriptively things related to the product. This is a distinctive feature of online shopping that requires sellers to explain their products in detail and as attractively as possible. This online purchase decision is also influenced by various factors, such as the assessment of other

consumers who have made purchase transactions, security, and return services if the goods received are defective and do not match the product description.

Online purchasing decisions are based on (Hardiawan, 2013) : a) Efficient search (speed of time, ease of use, and effort of ease of search), b) Value (competitive price and quality), Interaction (information, security, waiting time and navigation)

The increasingly massive use of technology and information makes online shopping decisions more selective. Prospective buyers will easily make a comparison process in which online store he will decide on a purchase. For this reason, online platforms and online sellers must synergize and provide the best quality in displaying the products to be sold. The online platform provides an attractive, fast and easy website. Meanwhile, online sellers or shops that work with online platforms provide an explanation of the quality of the products they sell on online shopping platforms.

Price is basically the main criterion for consumers to make a purchase. In the marketing mix, price is considered as a quality feature of a product. Price is the amount of value, usually in the form of money, that is needed to add to a combination of goods or services, with the addition of some goods (Philip Kotler, 2012). Price is also a monetary unit or other measurement, including other goods or services that are exchanged for ownership or use of an item or service (Tjiptono, 2012). Price is often very decisive for the purchase decision. Online purchases through online shopping platforms have an advantage in terms of the price of a product. We often encounter this mechanism, such as payments with the Cash On Delivery (COD) system, Pay Later (a payment mechanism in installments), this of course, in addition to providing many choices for consumers, it can also make consumers adjust to their financial conditions. This system is a form of adjustment of the online shopping platform to the lifestyle and financial condition of the community.

Experience, evaluation, and consumer opinion are instruments of product assessment (S. Bae., 2011). This can influence potential buyers to recognize the product as trusted and reliable when making purchasing decisions. Product reviews are always available in every e-commerce for consumers who have purchased certain products. Product reviews on the marketplace can include consumer ratings for purchased products. Consumers can also upload product photos and give stars or ratings in the product rating column.

Product review is an assessment along with consumer reviews of certain products after finalizing the order. Rating is used as a measure of their shopping experience in online stores. Product assessment is very useful because it provides a reference for potential buyers before making a purchase decision. This is because in online sales, potential customers cannot touch, experiment, or see in person. Consumers usually make reviews from manufacturers as a reference. This is so that mistakes in buying products or wrong orders can be avoided, so the simple way is to start by doing research on products through product assessments (Debora, 2016).

Several studies have been carried out regarding online shopping. Lifestyle, ease of use, and quality of information have a positive impact on purchasing decisions, but trust does not (Wardoyo & Andini, 2017). Meanwhile (Nadia Ramadhanty & Fikriyah, 2020) explains that the survey results show that lifestyle, price, time and cost efficiency, activity groups, quality of information, and promotions influence the decision to buy hijab in online stores, trust and convenience in buying scarves online. does not affect shopping decisions in online stores. Both studies have some similarities and differences in results. In contrast, ease of use shows different results.

The hypotheses we propose in this study are:

H1: Price has a positive effect on purchasing decisions
H2: Product appraisal has a positive effect on purchasing decisions
H3: Price has a positive effect on consumer satisfaction
H4: Product assessment has a positive effect on consumer satisfaction
H5: Purchase decisions have a positive effect on consumer satisfaction
H6: Price has a positive effect on consumer satisfaction through decisions purchase
H7: Product assessment has a positive effect on customer satisfaction through buying decision

RESEARCH METHOD

This research is a quantitative research. namely research methods based on the philosophy of positivism, which are used to examine certain populations or samples, data acquisition using research tools, quantitative or statistical data analysis aimed at testing hypotheses that have been proposed (Sugiyono, 2017).

This research was conducted in Maros Regency. The population in this study are students who live in Maros Regency with an unknown number. The sample was selected using a non-probability method and purposive sampling technique with the criteria of students who understand how to buy online, have made online purchase transactions on online buying and selling platforms at least five times in 2022. Closed online questionnaires have been prepared on Google Form and links are distributed to all social media applications, such as Whatsapp, and Instagram, Facebook. The survey was conducted from January to April 2022. In total, 156 people responded to the survey. After eliminating data from respondents who did not match the set criteria and eliminating inconsistencies, 98 eligible responses were used in this analysis. Data was collected from questionnaires distributed through social media, WhatsApp, and Google Form. The population of this research is students who live in Maros Regency who have made online purchase transactions on online purchasing platforms. The path analysis technique in this study is to use the path analysis model as follows:

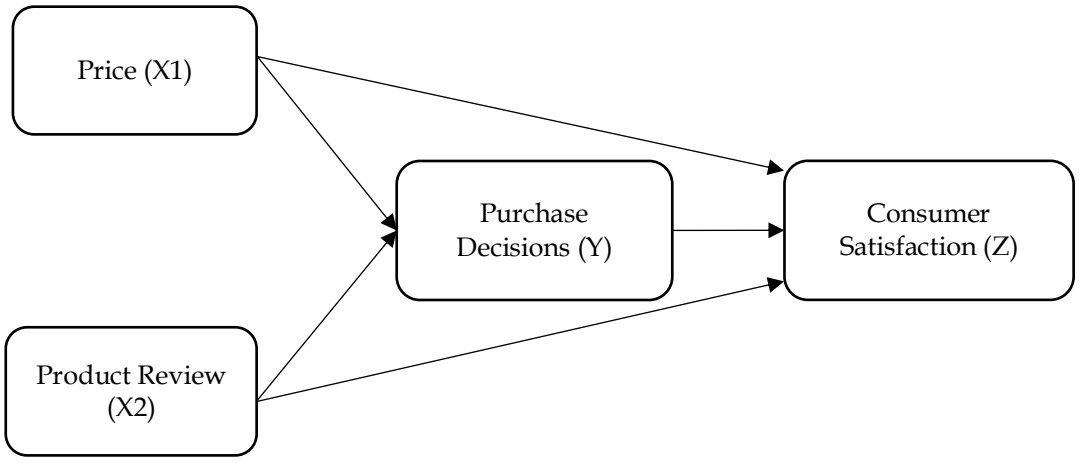


Figure 1. Research Model

RESULTS AND DISCUSSION

Respondent Description

Students who live in Maros Regency who shop online on an online shopping platform are the sample. Description of the sample characteristics of 98 people. This description of the respondent's identity is intended to provide an explanation of the respondent's own condition.

Figure 2. Gender

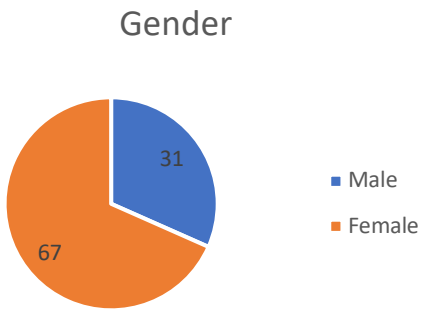
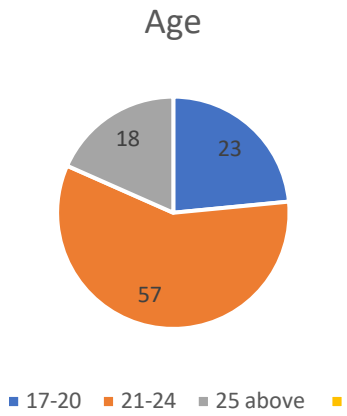


Figure 2 explains that the female gender has more numbers than the male gender, namely 68% or 67 respondents for women compared to 32% or 31 respondents for men. This condition shows that college students shop online more than college students.

Source: Processed Data 2022

Figure 3. Age of Respondents



Based on Figure 3, it explains that the percentage of online shopping made by students for the age range of 17 to 20 years is 23 people, ages 21 to 24 years is 57 people, and the age range is 25 years and over as many as 18 people. This condition shows that students aged 21-24 are more likely to shop online.

Source: Processed Data 2022

Data Statistical Analysis

The first step in analyzing using Partial Least Square is testing the outer model. The method used for analysis with the outer model is the PLS algorithm. In this study, the outer model was tested using convergent validity, discriminant validity, reliability, and formative construct tests. The PLS application used is the SmartPLS version 3.0 application.

Convergent Validity Test

Some of the criteria used to measure convergent validity are looking at the values of the outer loading and average extracted variance. The first stage in testing convergent validity is outer loading. The indicator is said to be valid if the value of the outer loading indicator is more than 0.7 (Ghozali, Imam, 2015).

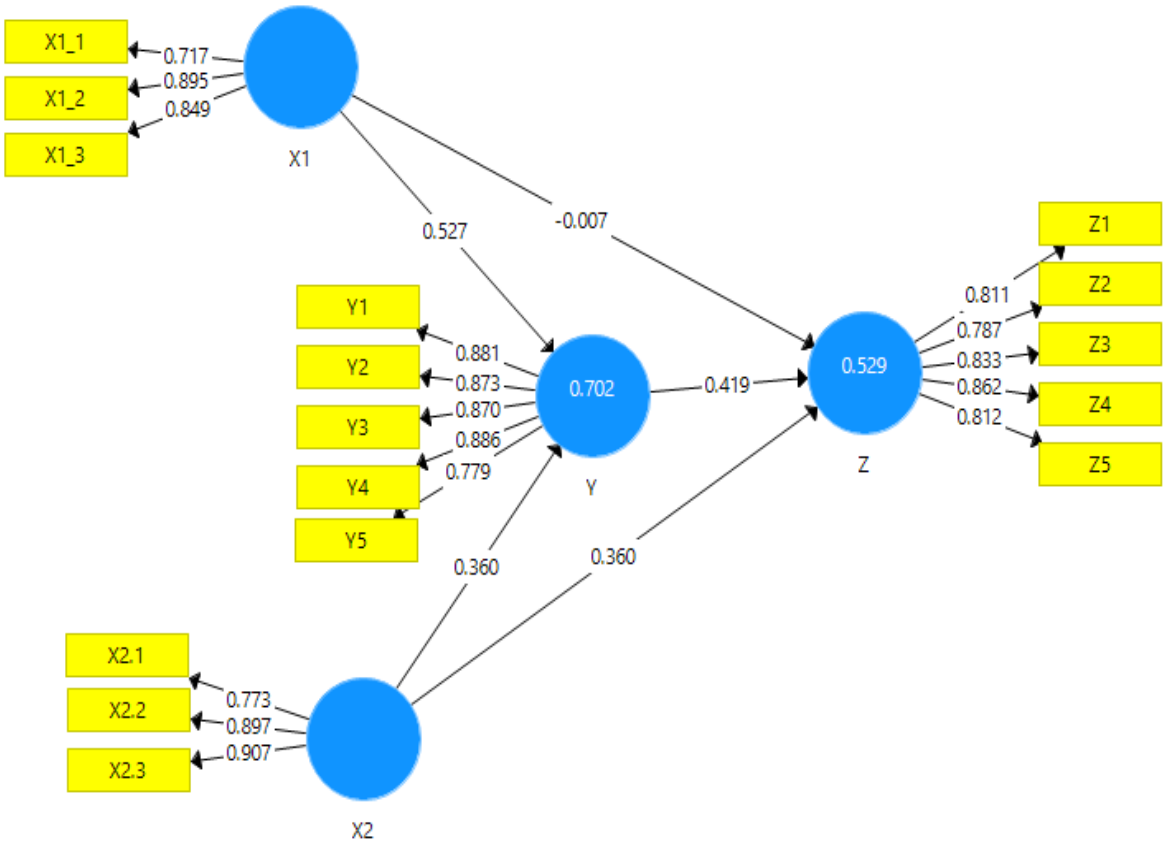


Figure 4: Output Program Smart PLS, 2022

Table 1. Outer Loading

	Price (P)	Product Review (PS)	Purchasing Decision (PD)	Customer Satisfaction (CC)
Pr1	0,717			
Pr2	0,895			
Pr3	0,849			
PR1		0,773		
PR2		0,897		
PR3		0,907		
PD1			0,881	
PD2			0,873	
PD3			0,880	
PD4			0,886	
PD5			0,779	
CC1				0,811
CC2				0,787
CC3				0,833
CC4				0,862
CC5				0,812

Source: Processed Data 2022

Seeing the value of outer loading in table 1, all indicators have a value of > 0.7, this informs that all indicators are valid to measure the construct.

Discrimination Validity

The model for measuring validity and reliability, the coefficient of model determination and the path coefficient for the equation model, can be seen in the following table:

Table 2. ***Discriminat Validity***

	Price (H)	Product Review (PP)	Purchase Desicion (KP)	Consumer Satisfaction (KK)
X1.1	**0,717**	0,551	0,577	0,369
X1.2	**0,895**	0,625	0,762	0,519
X1.3	**0,849**	0,734	0,644	0,600
X2.1	0,607	**0,773**	0,506	0,682
X2.2	0,665	**0,897**	0,762	0,556
X2.3	0,728	**0,907**	0,704	0,518
Y1	0,631	0,635	**0,881**	0,628
Y2	0,732	0,662	**0,873**	0,523
Y3	0,711	0,656	**0,870**	0,549
Y4	0,778	0,780	**0,886**	0,629
Y5	0,597	0,549	**0,779**	0,633
Z1	0,495	0,549	0,421	**0,811**
Z2	0,561	0,653	0,682	**0,787**
Z3	0,494	0,546	0,462	**0,833**
Z4	0,469	0,510	0,579	**0,862**
Z5	0,469	0,495	0,630	**0,812**

Source: Processed Data 2022

The results of the cross loading calculation in table 2, it is known that the loading value of each indicator on the construct of the cross loading value. This means that the construct or latent variable has better discriminant validity than the indicators in the other blocks.

Another method to measure discriminant validity is to measure the value of the square root of average variance extracted (AVE). The recommended value for a good model is 0.5 or higher. The next test is the composite reliability of the indicator block that measures the construct. If the composite reliability value is above 0.60, then the construct is said to be reliable. In addition, it can also be seen by looking at the reliability of the construct or latent variable which is measured by looking at the Cronbach's alpha value of the indicator block that measures the construct. If the value of Cronbach's alpha is above 0.7, then the construct is said to be reliable. To illustrate the value of the construct results of each variable, namely price, product assessment, purchase decisions and consumer satisfaction with each variable and indicator, the loading value table for the research variable constructs resulting from running the Smart PLS program is shown in the following table:

Table 3. ***Construct Reliability, Validity and Average Variance Extracted (AVE)***

Variabel	Cronbach's alpha	Composite Reliability	Average Variance Extracted (AVE)
Price	0,760	0,863	0,678
Product Review	0,823	0,895	0,742
Purchase Decision	0,910	0,933	0,737
Consumer Satisfaction	0,880	0,912	0,675

Source: Processed Data 2022

Based on table 3, it shows that the Average Variance Extracted (AVE) of each variable, namely price and product assessment, purchasing decisions and consumer satisfaction has a construct > 0.50 meaning all constructs are reliable. Thus it can be stated that each variable has high discriminant validity.

Meanwhile, it can be seen in table 4.4 above that the composite reliability value of each variable shows the construct value > 0.60. This result informs that each variable has met the composite reliability standard so that it can be concluded that all variables have a high level of reliability. Furthermore, in the table Cronbach's alpha each variable shows a construct value > 0.70 so this result shows that the variables in the study have met the requirements of Cronbach's alpha value, which means that all variables have high reliability values. In conclusion, the indicators in this study have high discriminant validity in shaping their respective variables.

Inner Model Analysis

Coefficient of Determination (R2)

Based on the results of data processing carried out with the help of the SmartPLS 3.0 program, the R Square value is as follows:

Table 4. Koefisien Determinasi (R^2)

	R Square
Purchase Decision	0,702
Consumer Satisfaction	0,529

Sumber : Output Smart PLS 3.0, 2022

Based on the value of R Square, the value of the purchasing decision variable is 0.702. This value indicates that the percentage value of purchasing decisions is 70.2%, which means that the variable price and product assessment has an effect of 70.2% on purchasing decisions. While the value of R Square for the variable consumer satisfaction is 0.529. These results explain that the percentage value of customer satisfaction is 52.9%. Which means that the variables of price, product assessment and purchasing decisions have an effect of 52.9% on consumer satisfaction.

Hypothesis test

After assessing the inner model, the next step is to evaluate the relationship between latent constructs based on the hypothesis that has been proposed in this study. Hypothesis testing in this study was carried out by comparing the T-Statistics value and the P-Values value. The hypothesis is accepted if T-Statistics > 1.97 and P-Values < 0.05. The following are the results of the direct effect Path Coefficients:

Table 5. Path Coefficients (Direct Effect):

	(Direct Effect)	Parameter Coefficient	TStatistics	P Values	Result
H1	Price(X1)→Purchase Decision(Y)	0,527	5,346	0,000	Accepted
H2	Product Review(X2) →Purchase Decision(Y)	0,360	3,640	0,000	Accepted
H3	Price(X1) → Consumer Satisfaction(Z)	-0,007	0,049	0,961	Rejected
H4	Product Rating(X2) → Consumer Satisfaction(Z)	0,360	2,504	0,013	Accepted
H5	Purchase Decision(Y) → Consumer Satisfaction(Z)	0,419	3,037	0,003	Accepted

Sumber : Output Smart PLS 3.0, 2022

Based on the table of direct influence, of the five hypotheses that have a direct effect there is 1 (one) hypothesis that is rejected, namely H3 because the value of T Statistics < 1.96 and P-Values > 0.05 while the other 4 (four) hypotheses are accepted because the T-value is Statistics > 1.96 P-Values < 0.05. The following is an explanation of the hypothesis:

H1: Price has a positive effect on purchasing decisions

The t-statistic value of the price on purchasing decisions is 5.346 with a parameter coefficient value of 0.537. the t-statistic value is more than the t-table value (5.346 > 1.96) with a significance value of 0.000. Thus, the price hypothesis has a positive effect on purchasing decisions is accepted. This informs that consumer purchasing decisions for online goods are influenced quite high by the price factor.

H2: Product appraisal has a positive effect on purchasing decisions

The t-statistic value of product assessment on purchasing decisions is 3.640 with a parameter coefficient of 0.360. This t-statistic value is more than the t-table value (3,640 > 1.96) with a significance value of 0.000. Thus, the product appraisal hypothesis has a positive effect on the purchase decision is accepted. This informs that consumer purchasing decisions for online goods are influenced quite high by product assessment factors. Information about product quality, speed of delivery, conformity with consumer expectations can be seen from the product assessment and used as a reference before making the purchase process

H3: Price has a positive effect on consumer satisfaction

The t-statistic value of product assessment on purchasing decisions is 0.049 with a parameter coefficient value of -0.007. this t-statistic value is more than the t-table value (0.049 <1.96) with a significance value of 0.961. Thus, the price hypothesis has a positive effect on consumer satisfaction is rejected. This informs that consumer satisfaction with online goods is

not influenced by the price factor. Often consumers feel there is a discrepancy in the prices offered by online stores with consumer expectations for these products.

H4: Product appraisal has a positive effect on consumer satisfaction

The t-statistic value of product assessment on consumer satisfaction is 2,504 with a parameter coefficient value of 0.360. This t-statistic value is more than the t-table value (2,504 > 1.96) with a significance value of 0.013. Thus, the product assessment hypothesis has a positive effect on consumer satisfaction is accepted. This informs that consumer satisfaction with online goods is positively influenced by product assessment factors. Consumers after making a purchase will feel satisfied after they previously saw the assessment of the product.

H5: purchasing decisions have a positive effect on consumer satisfaction

The t-statistic value of purchasing decisions on consumer satisfaction is 3,037 with a parameter coefficient of 0.419. This t-statistic value is more than the t-table value (3.037 > 1.96) with a significance value of 0.003. Thus, the purchase decision hypothesis has a positive effect on consumer satisfaction is accepted. This informs that consumer satisfaction with online goods is positively influenced by purchasing decision factors.

Tabel 6. Path coefficients

H6	**Price(X1)→Purchase Decision(Y) → Consumer Satisfaction(Z)**	**0,221**	**2,469**	**0,015**	**Accepted**
H7	**Product Review(X2)→Purchase Decision(Y) → Consumer Satisfaction(Z)**	**0,151**	**2,469**	**0,014**	**Accepted**

Sumber : Output Smart PLS 3.0, 2022

Based on the table of indirect influence, it shows that the two hypotheses that have an indirect effect are accepted because the T-Statistics value > 1.96 P-Values < 0.05. The following is an explanation of the hypothesis:

H6: Price affects consumer satisfaction through decisions purchase

The t-statistic value of price on consumer satisfaction through purchasing decisions is 2,469 with a parameter coefficient value of 0.221. This t-statistic value is more than the t-table value (2,469 > 1.96) with a significance value of 0.015. Thus, the Price Hypothesis affects consumer satisfaction through the purchase decision is accepted. This informs that consumer satisfaction is positively influenced by price through purchasing decisions.

H7: Product assessment has an effect on consumer satisfaction through buying decision

The t-statistic value of product assessment on consumer satisfaction through purchasing decisions is 2,469 with a parameter coefficient of 0.151. The t-statistic value is more than the t-table value (2,469 > 1.96) with a significance value of 0.014. Thus, the product assessment hypothesis affects consumer satisfaction through the purchase decision is accepted. This informs that consumer satisfaction is positively influenced by product evaluation through purchasing decisions.

CONCLUSION

Based on the results of hypothesis testing, it can be concluded several things, namely: 1) Price has a positive effect on purchasing decisions, but has a negative effect on consumer satisfaction, 2) Product assessment has a positive effect on purchasing decisions and consumer satisfaction, 3) Price through purchasing decisions has a positive effect on consumer satisfaction and 4) Product assessment through purchasing decisions has a positive effect on consumer satisfaction.

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