

Effect of E-Marketing on Trust and Decision of Purchase of Fashion Online Shop Product: Case Study at Stie Gempol Pasuruan Student

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Abstract

This study aims to determine the effect of e-marketing on consumer trust and product purchasing decisions, as well as the influence of trust in product purchasing decisions on STIE Gempol Pasuruan students. Objects that will be in the care of S-1 STIE student Gempol Pasuruan. The research method used quantitative method using GSCA tool. The results showed e-marketing has a positive effect on consumer trust and purchasing decisions, consumer trust also have a positive effect on purchasing decisions.

Keywords: *e-marketing, trust, purchasing decisions*

1. INTRODUCTION

Currently the development of information technology is experiencing a very rapid development where the development can not be avoided. The development of information technology is causing the social, economic and cultural changes that take place so fast. One example of the development of information and communication technology at this time is the internet, the Internet can help our way of life become more modern in everyday life, the business world also helped with its development.

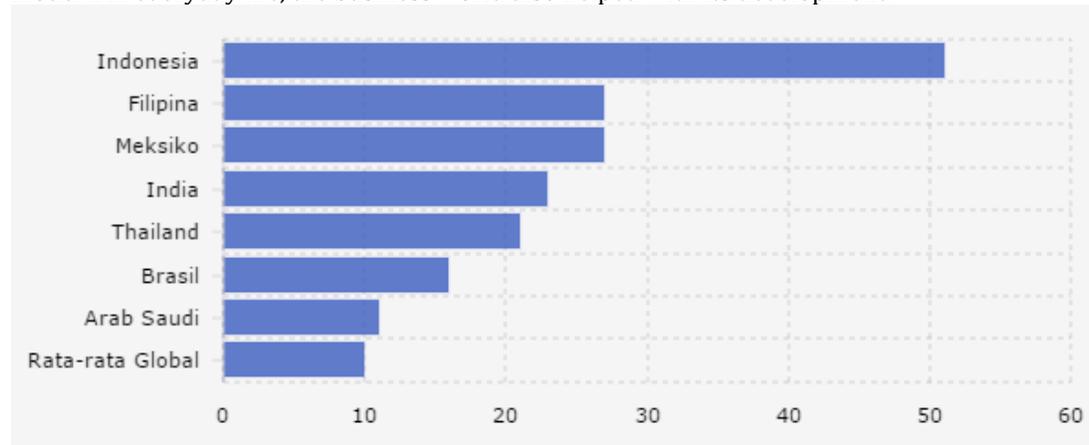


Figure 1. Growth of Internet Users by Country

Source: (Setyowati, 2018)

Figure 1 shows that Indonesia is one of the countries experiencing the highest growth of internet users among other countries. Nielsen (2017) stated that the current behavior of Indonesian consumers has moved from offline to online. Basically, e-marketing creates a fundamental shift in business and consumer behaviors similar to that associated with the introduction of automobiles and telephones that reduced the need for channel immediacy (Sheth and Sharma, 2005), e-marketing uses the internet as a platform that allows firms to adapt to the needs of customers, reduces transaction costs, and allows customers to move from time- and location-based behaviors toward non-temporal and non-location behaviors (Watson *et al.*, 2002)

Nielsen (2017) adding that consumer shifts only happen to fashion and gadget products, others do not. Despite changes in trends in shopping behavior, some surveys reveal that many Indonesians still do not believe in online shopping sites (Syahrul, 2015).

2. PROBLEM FORMULATION

Based on the description on the background of the problem, then the formulation of the problem in this research is whether e-marketing affects consumer trust and product purchasing decisions, and whether the trust influences the decision of purchasing products at STIE Gempol Pasuruan students?

3. RESEARCH OBJECTIVES

This study aims to determine the effect of e-marketing on consumer trust and product purchasing decisions, as well as the influence of trust in product purchasing decisions on STIE Gempol Pasuruan students.

4. LITERATUR REVIEW

e-Marketing

E - marketing or online marketing is as using the Internet and other interactive technologies to create and mediate dialogue between the firm and identified customers (Coviello, Milley and Marcolin, 2001), a process for building and maintaining customer relationships through online activities as a means for exchanging opinions, products, and services so as to achieve the common goals of both groups (Mohammed *et al.*, 2003), the process of marketing products and services to customers by using web media, promotions, advertisements, transactions, and payments can be made through web pages. Internet marketing users can easily access information anywhere with a device connected to the internet (Fang and Lie, 2006), mixture of

all the activities of advertising, promotion publicity deciding the look and feel of the product, how it will be sold and sent to the customer etc (Joseph, 2015), as some type of marketing based on internet (Taherdoost and Jalaliyoon, 2014), moving elements of marketing strategies and activities to a computerized, networked environment such as the Internet (Kaur, Pathak and Kaur, 2015). Electronic marketing is easier to appraise compare to traditional marketing; and another advantages is that a digital operation can achieve an unlimited viewers (Taherdoost and Jalaliyoon, 2014).

Table 1. Traditional vs. Internet Marketing Mix

E-market	Traditional market
E- marketing is very economical and fast way to promote product	Traditional marketing is very expensive and takes more time to promote product
E- marketing is very useful for promoting product globally [without any additional cost]	It is very expensive and time consuming Process for traditional marketing
In e- marketing, you can also work with less employs [you can take more work with less manpower].	In traditional marketing, you need more employment with more man power which in terms requires spending more money
In online business you can sell or buy product 24 x 7, round the year without employing any person	That is not possible in traditional marketing
Paying professional and experienced e-market company is very economical	Paying renowned advertising and marketing company is very costly

Source: (Kaur, Pathak and Kaur, 2015)

The element used as an e-marketing dimension consists of four factors (Kim, Lee and Kim, 2004), namely:

a. Transaction or cost

Credit card security attributes, fast delivery times, lower prices than retail stores, no or low shipping costs, money back guarantees, privacy guarantees, access to credit cards and information on seller reliability.

b. Incentive program

Consisting of points, visitors who get frequent visits to the website, free trials, entertainment, online membership benefits and coupons that can be redeemed online.

c. Site design

Includes three-dimensional simulations, virtual tours, word of mouth support, toll-free complaints. These attributes can be leveraged so that consumers can become interested in entering and having a fun experience navigating the website, which can create an experience similar to a live experience.

d. Interactivity

Interactivity is associated with the interaction between buyers and sellers for the evaluation of products available online, including the ability to check merchandise, the ability to check and update information, knowing what personal information is collected.

Trust Consumer

Consumer trust is a mental state based on one's situation and its social context (Moorman, Zaltman and Deshpande, 1992), the willingness of one party to accept the risk of the other's actions based on the expectation that the other party will take an important action for those who believe it, from the ability to supervise and control the actions of the trustworthy (Mayer, Davis and Schoorman, 1995), a set of beliefs held by a consumer as to certain characteristics of the supplier, as well as the possible behavior of the supplier in the future (Ganesan, 1994; Coulter and Coulter, 2002), all consumer knowledge and all consumer conclusions about objects, attributes and benefits (Sunarto, 2006), a condition when one parties involved in the exchange process believe in the reliability and integrity of others, the definition explains that trust is a willingness or willingness to rely on a partner involved in a trusted covenant. The willingness is the result of a belief that the parties involved in exchange will provide consistent quality, honesty, responsibility, and goodwill (Suhardi, 2006), this belief will create a close relationship between the parties involved in the exchange. mental or verbal statements that reflect a person's particular knowledge and assessment of some ideas or things

(Utomo, Lestariningsih and Suhari, 2011), perceptions from the consumer's point of view of the seller's reliability in experience and fulfillment of consumer expectations and satisfaction (Firdayanti, 2012) knowledge owned by consumers and all conclusions made by consumers that the product has objects, attributes and benefits (Sopiah and Sangadji, 2013), a consumer's willingness to rely on the seller and take action (Phutela and Dasgupta, 2013), one party's belief that its needs will be fulfilled in the future by actions undertaken by the other party (Marta *et al.*, 2016)

Consumer trust in this research is measured through integrity (integrity), reliability, contact personnel, physical environment, physical environment (Shamdasani and Balakrhisnan., 2000).

Decision Purchasing

The purchase decision is an integration process that combines knowledge to evaluate two or more alternatives and chooses one of them. Decision-making involves all the processes through which customers identify problems, find solutions, evaluate alternatives, and choose between options (Peter and Olson, 1996), a person's decision in which he or she chooses one of several alternatives, therefore, consumer purchase decision is a process of selecting one of several alternative problem-solving problems with real follow-up. After that the consumer can evaluate the options and then can determine the attitude to be taken next (Schiffman and Kanuk, 2000), an integration process that combines the attitude of knowledge to evaluate two or more alternative behaviors, and choose one of them (Nugroho, 2003), an integration process that combines knowledge to evaluate two or more alternative behaviors, and selects one of them (Nugroho, 2003), a problem-solving approach to human activities to purchase a good or service in fulfilling its wants and needs consisting of recognition of needs and desires, information searching, evaluation of purchasing alternatives, purchasing decisions and post-purchase behavior (Swastha, 2007), one of the main components of consumer behavior is consumer purchase decisions that are stage by stage used by consumers when buying goods and services (Lamb, Hair and McDaniel, 2011), ever secure consumers about the wants and needs of a product by assessing from existing sources by setting purchasing objectives and identifying alternatives so that decision making to purchase that is accompanied by behavior after purchase (Swastha and Irawan, 2008), buys the most preferred brand of various alternatives exist, but two factors can lie between purchase intention and purchase decision, the first factor is the attitude of others and the second factor is the situational factor. Therefore, purchase preferences and intentions do not always result in actual purchases (Kotler and Armstrong, 2008), purchasing intention, reflecting the psychological mechanism of consumption decisions (Li and Ling, 2015). Purchasing decision in this research is measured through time efficiency, value and interaction.

5. RESEARCH METHODS

This research is a quantitative research with descriptive research approach, the purpose of descriptive research to describe the object of research or research results while the purpose of associative research is to determine the relationship between two or more variables. Data source using questionnaire. Place of study STIE Gempol Pasuruan. The study was conducted from April to May 2018. The study population was all students of S-1 STIE Gempol Pasuruan who had been shopping fashion online, that is as many as 500 students. Samples were taken using proportional random sampling with 222 respondents (using slovin formula). Scoring or scoring on questionnaire question of this research using Likert scale. All instruments contained in the questionnaire data are tested for validity and reliability test. The data analysis tools used in this research are Structural Equation Modeling (SEM) with the help of Generalized Structured Component Analysis (AMOS) computer program. The research model can be seen in Figure 2.

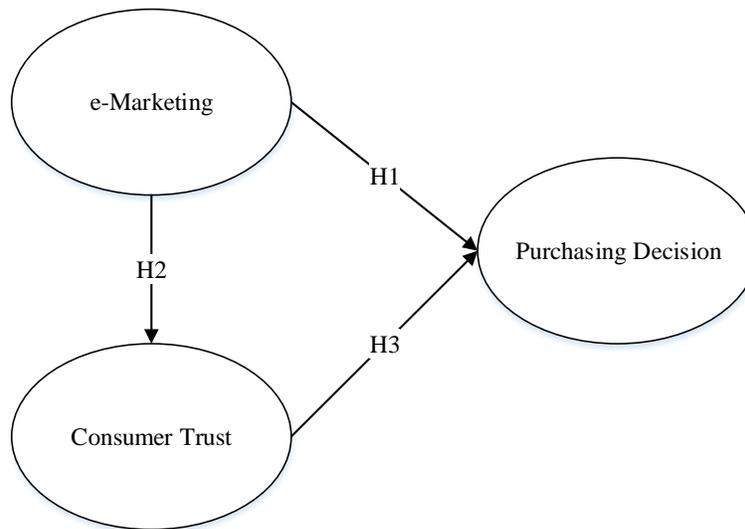


Figure 2. Research Model

6. RESEARCH RESULTS

The diversity of e-marketing, consumer trust, and Purchasing decision that can be explained by the model is 36.9% and the rest (63.1%) can be explained by other variables. Although the value of diversity is quite small but the model can be quite good.

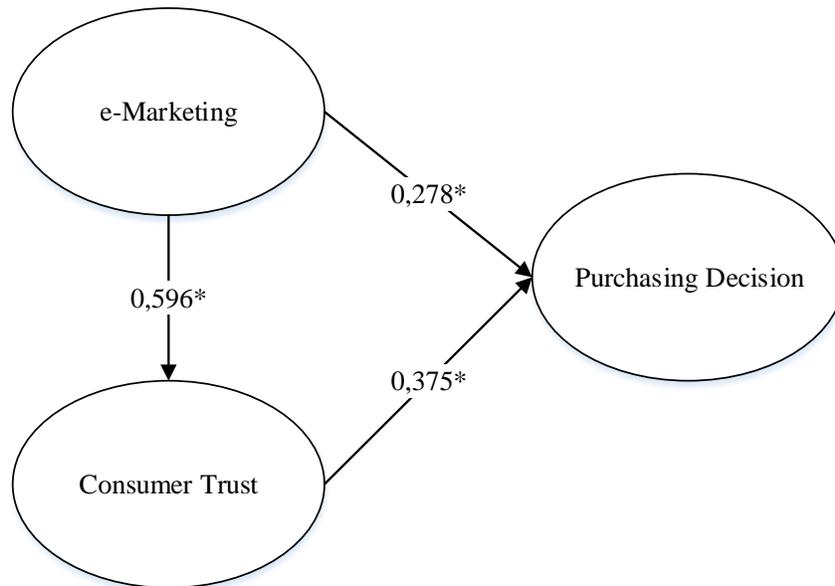


Figure 3. Result

Direct test results (direct effect) presented (see Apendix) can be explained as follows:

- e-Marketing → Purchasing decision. e-Marketing has a positive and significant influence on Purchasing decision at 95% confidence level that is with CR value of 2.72 *.
- e-Marketing → consumer trust. e-Marketing has a positive and significant influence on consumer trust at 95% confidence level that is with CR value of 10.45 *.
- Consumer trust → Purchasing decision. Consumer trust has a positive and significant influence on Purchasing decision at 95% confidence level that is with CR value of 3.31 *.

In addition to direct influence, there is an indirect effect. The indirect effect is the result of the multiplication of two direct effects which produce indirect effects. The indirect relationship between e-marketing to Purchasing decision through consumer assurance intervening variable is the result of multiplication of direct influence between e-marketing variable to consumer trust and consumer trust variable to Purchasing decision. Multiplication result obtained by path coefficient equal to: $0,596 \times 0,375 = 0,223$ with total influence equal to 0,223 and coefficient of variable e-marketing to Purchasing decision equal to 0,278. This means that the indirect effect is less than the direct effect. This means that the consumer does not interfere with e-marketing of Purchasing decision.

7. CONCLUSIONS

E-marketing items such as cheaper price from retail stores, fast delivery times, shopping vouchers in online shop, online discount shop member, site design interest to buy, easy to find the site designs of the desired goods, consumers can exchange goods if defective product, money back guarantee if defective product, ordered product as expected, ordered product in accordance with the picture into items that influence consumer to decide to buy fashion product. Also known, e-marketing items also affect consumer confidence. The result of the research also shows the behavior of buying decision of fashion product of STIE Gempol Pasuruan student is more likely to consider the price, delivery time, shopping voucher, discount, attractive site design, easy to find desired goods, easy to exchange goods if defective product, money guarantee back if the product is defective, product ordered according to expectation. Also found that purchasing decisions are not intervened by consumer confidence. Future research is expected to examine other variables and use a wider sample.

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APPENDIX

Model Fit	
FIT	0.369
AFIT	0.357
GFI	0.993
SRMR	0.092
NPAR	45

Measurement Model

Variable	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
e-Marketing									
AVE = 0.341, Alpha =0.721									
X1.1	0.550	0.103	5.34*	0.200	0.043	4.61*	0.302	0.102	2.97*
X1.2	0.528	0.123	4.31*	0.186	0.050	3.75*	0.279	0.110	2.53*
X2.1	0.649	0.064	10.2*	0.210	0.039	5.45*	0.421	0.082	5.16*
X2.2	0.548	0.094	5.8*	0.202	0.038	5.32*	0.300	0.097	3.08*
X3.1	0.670	0.087	7.66*	0.265	0.041	6.44*	0.449	0.108	4.17*
X3.2	0.512	0.096	5.36*	0.215	0.035	6.11*	0.263	0.094	2.78*
X4.1	0.588	0.064	9.18*	0.207	0.035	5.97*	0.346	0.074	4.7*
X4.2	0.608	0.080	7.6*	0.222	0.037	5.96*	0.370	0.095	3.88*
Consumer Trust									
AVE = 0.399, Alpha =0.738									
Z1	0.399	0.155	2.58*	0.148	0.050	2.94*	0.159	0.104	1.53
Z2	0.420	0.168	2.5*	0.115	0.061	1.89	0.176	0.110	1.6
Z3	0.657	0.068	9.73*	0.220	0.032	6.91*	0.432	0.089	4.85*
Z4	0.755	0.047	15.92*	0.304	0.031	9.72*	0.571	0.070	8.14*
Z5	0.790	0.038	20.6*	0.259	0.031	8.24*	0.625	0.060	10.38*
Z6	0.660	0.065	10.18*	0.258	0.031	8.29*	0.435	0.084	5.17*
Z7	0.627	0.069	9.05*	0.228	0.029	8.0*	0.393	0.084	4.66*
Purchasing Decision									
AVE = 0.441, Alpha =0.746									
Y1	0.630	0.093	6.75*	0.223	0.038	5.85*	0.397	0.110	3.62*
Y2	0.645	0.073	8.79*	0.222	0.031	7.2*	0.416	0.090	4.62*
Y3	0.519	0.111	4.67*	0.192	0.045	4.25*	0.270	0.107	2.52*
Y4	0.709	0.058	12.17*	0.271	0.036	7.48*	0.503	0.081	6.21*
Y5	0.762	0.032	24.02*	0.322	0.036	8.96*	0.581	0.049	11.95*
Y6	0.694	0.052	13.46*	0.258	0.025	10.24*	0.481	0.069	6.93*

CR* = significant at .05 level

Structural Model

Path Coefficients			
	Estimate	SE	CR
e-Marketing->Consumer Trust	0.596	0.057	10.45*
e-Marketing->Purchasing Decision	0.278	0.102	2.72*
Consumer Trust->Purchasing Decision	0.375	0.113	3.31*

CR* = significant at .05 level

R square of Latent Variable	
e-Marketing	0
Consumer Trust	0.355
Purchasing Decision	0.342

Means Scores of Latent Variables	
e-Marketing	3.395
Consumer Trust	3.328
Purchasing Decision	3.364

Correlations of Latent Variables (SE)			
	e-Marketing	Consumer Trust	Purchasing Decision
e-Marketing	1	0.596 (0.057)*	0.501 (0.069)*
Consumer Trust	0.596 (0.057)*	1	0.541 (0.081)*
Purchasing Decision	0.501 (0.069)*	0.541 (0.081)*	1

* significant at .05 level