

Analysis of the Influence of Consumer Behavior on Purchasing Decisions in the E-Commerce Industry

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ABSTRACT

Purchasing decision-making represents a crucial aspect of consumer behaviour prior to the act of purchase. The decision to purchase is made subsequent to an evaluation of the array of available products or services. Online shopping sites appear to offer a convenient and expedient means of fulfilling consumer shopping desires. E-commerce is a commercial activity conducted via the Internet, offering a diverse range of products to consumers. The objective of this research is to ascertain the process by which consumers make purchasing decisions in the context of e-commerce. This research employs a descriptive qualitative approach. This research is situated in the city of Karawang. The informants are four students enrolled in a management studies programme at Buana Perjuangan Karawang University who utilise the e-commerce application on a regular basis. The data was collected through the use of interviews, observation, and documentation. The analysis was conducted by categorising the data into two distinct groups: primary data obtained from direct interviews and secondary data derived from relevant articles. The findings of the study indicate that discount promotions, free shipping promotions, prices, and product quality play a significant role in influencing consumers' online purchasing decisions in e-commerce. The consumer buying decision-making process encompasses five stages: the introduction of needs, information search, evaluation of alternatives, purchasing decisions, and the post-purchase behaviour stage. It can be concluded that students frequently utilise e-commerce platforms to fulfil their needs and desires.

Keywords: consumer, purchasing, e-commerce.

INTRODUCTION

The process of purchasing is a significant aspect of consumer behavior that marketing strategists should take into account when developing their plans of action; after all, consumer decisions are a crucial factor in how marketing strategies will be carried out by companies. The intricate purchasing decision-making process frequently encompasses multiple decisions, each of which represents a choice between two or more alternatives. In the current competitive environment, companies must be capable of implementing reliable marketing strategies and capturing consumer interest in order to gain a competitive advantage. Products with superior quality are more likely to foster loyalty among consumers.

Presently, Indonesians utilize online resources more frequently to develop their businesses and purchase items online via e-commerce. Fundamentally, e-commerce adheres to a concept analogous to traditional markets in offline trading. In contrast to traditional markets, which necessitate physical interactions between sellers and buyers, e-commerce facilitates transactions without such in-person encounters.

There are numerous e-commerce platforms, including Shoppe, Tokopedia, Lazada, Blibli, and Bukalapak. As illustrated in the graph above, e-commerce is currently the most widely used and visited e-commerce in Indonesia. The majority of consumers prefer to shop through e-commerce due to its practicality and competitive pricing. However, despite the numerous conveniences offered by e-commerce, consumers often hesitate to shop online due to concerns such as the risk of receiving a different product than what was ordered.

Given that prospective buyers cannot physically examine the items they wish to purchase, it is crucial for them to be able to access comprehensive information about the products they intend to buy. Without this, there is a significant risk of negative outcomes.

The results of the study conducted by Remoroso (2024) indicate most participants had very high positive perceptions of online reviews of skincare products in terms of rating, credibility, and valence. Furthermore, the study indicates that online reviews highly influence online shoppers purchasing decisions for skin care products. (B. REMOROSO, 2024)

The findings of the study conducted by Natasya and colleagues (2024) indicate that there is a partial significant effect

of online customer reviews on purchasing decisions on Shopee e-commerce. Similarly, the findings indicate that there is a partial significant effect of online customer ratings on purchasing decisions on Shopee e-commerce. Furthermore, the results demonstrate that the simultaneous influence of online customer reviews and ratings on purchasing decisions on Shopee e-commerce is significant. (Natasya *et al.*, 2024)

In contrast, the findings of Ullah (2024) study indicate that the Decision-making in the e-commerce sector is complicated by information overload, subjectivity of preferences, trust issues, product variety. The manner in which these stages are carried out varies depending on the specific circumstances. (Ullah *et al.*, 2024)

Literature Review

As posited by Hu (2024), a purchase decision represents an attitude that may be either affirmative or negative with respect to the acquisition of a product or service. (Hu, 2024). In a similar vein, Fatmawati, et al., (2022) defines purchasing decisions as an activity, action, and psychological process undertaken by consumers prior to making a final decision to purchase a product or service. This process is undertaken with the objective of meeting the needs and desires of individuals, groups, and organizations. (Fatmawati, Abiyyu Fathin and Jaroenwanit, 2023)

Meanwhile, Indrasari (2019) defines purchasing decisions as individual activities that are directly involved in the decision-making process regarding the purchase of products. (Indrasari, 2019). Yusuf (2021) characterizes purchasing decisions as a cognitive process in which individuals evaluate various options and make choices regarding a specific product from a set of alternatives. (Yusuf, 2021)

In light of the aforementioned definitions, it can be posited that purchasing decisions represent an attitude, an activity, and an action that consumers undertake when faced with a multitude of options for the purchase of goods or services. These decisions are driven by the objective of satisfying consumer needs and desires.

As posited by Kotler Phillip (2021), there are multiple indicators that inform purchasing decisions. (Phillip, 2021)

- a. Product stability: Consumers may also base their purchasing decisions on this information.
- b. Buying habits and the receipt of recommendations from suppliers whose information is deemed valuable constitute interesting indicators of purchasing decisions.
- c. Recommendations from Others: If consumers perceive benefits associated with a product, they are likely to recommend it to others.
- d. Repurchase: This is a crucial aspect of consumer behavior, as it indicates a willingness to repurchase a product.

In accordance with Setiadi's conceptualization, consumer behavior can be defined as the decision-making process of buyers with regard to the acquisition, utilization, and allocation of goods and services (Setiadi, 2019). In Glint.com, consumer behavior is classified into four distinct categories: (1) complex consumer behavior (complex buying behavior), which involves a lengthy consideration period prior to making a purchase; (2) consumer behavior that reduces dissonance (dissonance-reducing buying behavior), which occurs when consumers seek to differentiate between brands, thereby reducing the potential for regret in their purchasing decisions; (3) consumer behavior that is driven by external influences (external-influence buying behavior), which is influenced by external factors such as advertising and social media; and (4) consumer behavior that is driven by internal influences (internal-influence buying behavior), which is influenced by internal factors such as personal values and emotions. Secondly, consumer behaviour that reduces dissonance (dissonance-reducing buying behaviour) is observed. This occurs when consumers make purchases but face difficulties in distinguishing between brands, resulting in a sense of dissonance (fear due to regret in choosing). Thirdly, consumer behaviour based on habits (habitual buying behaviour), namely consumers who are rarely involved in determining the brand or product of goods to be purchased, resulting in a tendency for habit patterns whereby purchases are not determined by loyalty or the promotion of the product. Fourthly, the behaviour of consumers who are looking for product variations (variety seeking behaviour), namely the behaviour of consumers who wish to try products with different variations to those previously purchased.

As posited by Nurhilalia & Saleh (2024), consumer behavior is shaped by two foundational elements. The first is the internal environment, comprising two distinct categories: primary purchasing motivation (encompassing general purchasing motives) and selective motivation (including considerations such as quality, price, size, brand, and others). The second is the external environment, which encompasses cultural influences (including ideas, behaviors, and human creations aimed at fostering community life) and special cultures (cultures based on groups in specific regions). Secondly, the external environment is comprised of two distinct elements: culture, which encompasses the collective ideas, behaviors, and human creations that facilitate community life, and special culture, which is culture as it exists within specific groups in each region. Additionally, social classes are based on power, wealth, honor, and science, while social groups and families also play a role (Nurhilalia and Saleh, 2024)

Anwar et al., (2023) defines a decision as an act of choosing from two or more possible actions. Purchasing decisions are made when there are different choices available. Consumer decision-making is a process of combining knowledge in order to assess two or more alternative behaviors. One of the most effective approaches to this process is to recognize problems and opportunities and then adjust accordingly (Anwar *et al.*, 2023).

The process of purchasing decisions begins with the identification of problems, the search for data and information,

the evaluation of alternatives, the making of purchasing decisions, and the subsequent consumer actions following the completion of the purchase process (Sudirjo *et al.*, 2023). The purchasing decision-making process can be divided into five stages, as outlined by (Phillp, 2021)

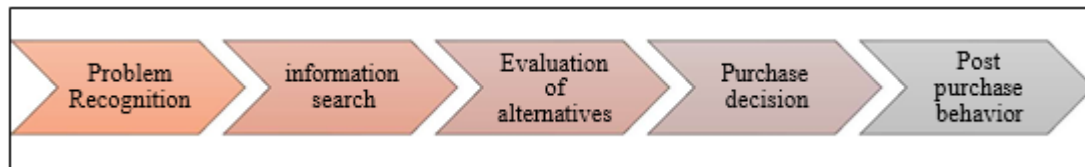


Figure 1. Purchase Decision Making Process by Kotler & Armstrong

Purchasing decisions originate from the identification of a problem, the subsequent search for information pertaining to the desired product, the evaluation of available alternatives, the formulation of a purchase decision, and finally, the post-purchase behavior that reflects the level of satisfaction with the purchased product.

A multitude of factors influence consumer decision-making prior to the purchase of a product. In his 2015 work, Philip Kotler identifies four key factors that influence purchasing decisions. The first of these is the influence of cultural factors, sub-cultures, and social class. Culture can be defined as a set of habits or consumer behaviors that are based on fundamental values, responses, perceptions, and willingnesses that are learned from social groups. Subculture can be understood as a group of individuals who share similar experiences and conditions, such as religion, taste, or nationalism. Social class, on the other hand, refers to a group of individuals who adhere to the same set of values.

Secondly, social factors influence consumer purchasing decisions, with individuals basing their decisions on the social groups with which they interact, including family, social status, and their role in society. Thirdly, personal factors influence purchasing decisions based on an individual's personality, encompassing factors such as age, occupation, economic conditions, and life cycle stage. Fourth, the role and status of consumers in society will affect the level of purchasing decisions for a product. The findings of Tran (2023), Yusiana, *et al.*, (2023) and Chen (2023), indicate that psychological factors play a significant role in influencing purchasing decisions. Psychological factors are defined as factors that determine people's behavior, shape their attitudes and beliefs, and influence their product images. Consequently, when a person has a positive psychological association with a product, they are more likely to desire to purchase it. (Tran, 2023), (Yusiana *et al.*, 2023), (Chen, 2023).

METHOD

This research employs a qualitative descriptive approach. The objective of this research method is to provide a systematic, factual, and accurate account of the findings derived from the systematic collection of data in accordance with the conditions that occur. The research was conducted in the city of Karawang in May 2023. The data sources were obtained from two primary sources: interviews with informants who had been previously identified, and secondary data obtained from literature, previous research, and literature studies. The subjects of this study consisted of 20 informants from the Bassura City community who purchased products through online shopping sites or e-commerce. This study employs the purposive sampling technique, which entails making considerations prior to conducting research and interviews with informants. This approach ensures that the study obtains accurate information about the research topic. The data were collected through interviews and observation. The data analysis was conducted by dividing the two types of data: primary data from direct interviews and secondary data from relevant articles. The primary data were described in the form of words derived from the results of the interviews, thus providing an overview of the phenomena that occurred. (Sugiyono, 2019)



Figure 2. Qualitative Research Method

RESEARCH RESULTS AND DISCUSSION

Result

E-commerce provides a diverse range of products tailored to the specific needs of men and women.

One noteworthy aspect of e-commerce is the prevalence of trend-driven items, which reflect the evolving needs and lifestyles of modern men and women. The products offered by e-commerce can be classified into various categories, including clothing, electronic goods, and household appliances, among others. In the context of e-commerce competition in Indonesia, e-commerce platforms provide an online shopping environment that extends beyond the conventional buying and selling functions. These platforms facilitate direct consumer interaction through instant messaging, equipped with secure payment tools that utilize verification codes.

A purchase decision is defined as an individual's action of selecting or procuring a product based on specific criteria. The informants provided similar responses regarding the reasons behind their preference for e-commerce as a platform for online shopping. The primary factors cited were price and product quality. The informants frequently cited the affordability of e-commerce as a key advantage, particularly in comparison to in-store shopping. Additionally, they highlighted the satisfaction derived from the quality of the products they purchased, the availability of discounts, and the convenience of free shipping. I believe that shopping in e-commerce is a more convenient alternative to leaving the house. For items purchased on a regular basis, such as beauty products, clothing, and other necessities, e-commerce provides a convenient option. Consumers often obtain information about products in e-commerce from advertisements on television, social media, and recommendations from friends.

The results of the data obtained through interviews with several other informants indicate that the role and factors of flash sales, price, product quality, and trust have a significant effect on online purchasing decisions in e-commerce. For approximately five years, they have elected to engage in e-commerce shopping. The decision to purchase products online is driven by the convenience and simplicity of not having to leave the house, which allows for the avoidance of other domestic activities. This makes online shopping a more practical and straightforward option. In the context of e-commerce, instances of fraud are rare, thereby reinforcing the importance of trust and safety as considerations in the decision to shop. The prevalence of discounts and competitive pricing in e-commerce, coupled with the convenience of payment options such as cash on delivery, further contribute to the appeal of e-commerce as a shopping platform.

Moreover, multiple informants echoed this sentiment, citing the convenience of online shopping as a primary motivator. The ability to conduct transactions at any time and from any location is a significant advantage, particularly for those who may have limited mobility or time constraints. Moreover, the online purchase system is more practical, eliminating the need to travel to the point of sale. The application interface is also straightforward to navigate. The experience of shopping online is influenced by the price, which is often cheaper than traditional shopping. Price is a significant factor in my purchasing decisions, and in e-commerce, there are also many discounts. The quality of the products is also a factor, but price is not the main consideration. Several informants indicated that good product quality is the main influence on their decision to shop in e-commerce.

In addition, the results of interviews conducted with other informants indicate that free shipping is a significant factor influencing consumer behavior in the e-commerce sector. The availability of free shipping encourages consumers to purchase

products. Additionally, the application of discounts by e-commerce companies influences consumer behavior, particularly when significant discounts are offered. This is one of the key factors that drive consumers to make purchases from a particular store. The quality of service also affects consumer behavior, as positive service experiences facilitate better understanding of product features and enhance satisfaction after making a purchase.

As evidenced by the informant's statement, social media, price, service, promotions, and product quality collectively exert a positive influence on purchasing decisions, which are increasingly being made online. Consumers view shopping as a fundamental aspect of their lives. The convenience of online shopping, coupled with the ability to make purchases at their convenience, has led to the formation of a habit among consumers. Additionally, the ability to make payments at the time of delivery has further enhanced the appeal of online shopping. Furthermore, the availability of attractive promotions and discounts, coupled with the numerous product variants, provides consumers with greater flexibility in their purchasing decisions. Additionally, purchasing decisions are influenced by recommendations from other individuals obtained through information from advertisements on television or social media, indicating that other individuals are interested in making purchases.

Discussion

The findings of the study indicate that the process of making purchasing decisions is initiated by the identification of needs and desires that require fulfillment. Presently, individuals regard online shopping as a customary practice due to the simplicity and time efficiency of the process, as well as the option of making payments after receiving the purchased items. College students, in particular, frequently engage in online shopping due to the fact that it has become a fundamental aspect of their lives. Furthermore, it is argued that prices are lower, more discounts are available, and more choices are available, thereby facilitating customers' ability to identify the products they desire. This is consistent with the view of Setiawan (2019) that pricing in the e-commerce business is of paramount importance and must be considered by the seller, as each price determination will result in a different level of consumer demand.

As posited by Gunawan, et al., (2024), price constitutes a pivotal element in the process of brand selection, exerting a profound influence on consumer purchasing decisions. When selecting between existing brands, consumers will evaluate prices indirectly by comparing several price standards as a reference for making purchase transactions. Repurchase is a post-purchase consumer action. (Gunawan, Ramadhani and Harahap, 2024). If consumers are satisfied, they will show a higher probability of repurchasing the product (Phillp, 2021)

The plethora of product categories available in e-commerce provides consumers with a vast array of options, enabling them to select or identify the products that align with their needs. A multitude of product categories will attract consumers to search and make buying and selling transactions. Therefore, e-commerce must consider the importance of establishing trust regarding security in transactions, the accuracy of delivery of goods, and the addressing of consumer complaints. Before consumers make a purchase, they will typically engage in a series of cognitive processes, which Kotler (2021) have identified as comprising five distinct stages of the decision-making process. (Phillp, 2021)

a. Need recognition

The decision-making stage is typified by the identification of a need. Consumers ultimately make purchasing decisions on e-commerce platforms due to a range of needs, including personal, work-related, and urgent requirements.

b. Information search

The results of the study indicate that there are four primary sources of information for consumers: Instagram, Facebook, family, and advertisements on television. Consumers seek products and services that align with their wants and needs. After identifying suitable options, consumers conduct assessments and consider the costs and timeframes associated with the purchase.

c. Evaluation of alternatives

In making a purchase decision, consumers process information from various competing brands and evaluate their needs in order to make a final judgment. With the intention to purchase an item, consumers evaluate the options or online stores that will be chosen.

d. Purchase Decision

At this stage, consumers must decide whether or not to purchase the item. This decision is informed by an evaluation of the available alternatives. Additionally, the process of how consumers make purchasing decisions is largely influenced by social media, both internet-based and online.

e. Post-purchase behavior

Following the purchase of a product, consumers typically exhibit a range of sentiments, encompassing both satisfaction and dissatisfaction. In instances where consumers express satisfaction, they often cite positive attributes such as product quality, affordability, and prompt delivery. However, this does not necessarily indicate a complete cessation in further search and purchase activities, as the appeal of online shopping persists.

CONCLUSIONS

The findings of the study indicate that students utilize online shopping platforms to satisfy their needs and desires. Moreover, the promotions employed by e-commerce entities, including discounts, free shipping, competitive pricing, superior product quality, and the trustworthiness of e-commerce companies, can collectively influence online product purchasing decisions. The online decision-making process begins with the recognition of a need, the search for information, the evaluation of alternatives, the making of a purchase, and post-purchase behavior. It is influenced by several factors. It is hoped that future researchers will conduct a more thorough and detailed analysis of the factors influencing consumer purchasing decisions in e-commerce and the process of making consumer purchasing decisions in order to obtain accurate data and identify the core problems influencing consumers in shopping in e-commerce.

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