



THE EFFECT OF PRODUCT MIX AND COMPANY IMAGE ON PURCHASE DECISIONS ON E-COMMERCE SHOPEE

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Abstract

This study aims to determine the effect of product mix and company image on purchasing decisions at Shopee e-commerce. The research method used is descriptive and verification methods with a total sample of 95 respondents. The results showed that there was a positive and significant influence between product mix and company image on purchasing decisions. The amount of influence of product mix and company image on purchasing decisions simultaneously is 70.6%, and the remaining 29.4% is influenced by other variables not examined. Partially, the effect of product mix on purchasing decisions is 54.3%, and the influence of company image on purchasing decisions is 16.3%, so it can be concluded that product mix has the greatest influence on purchasing decisions.

Keywords: product mix; company image; purchasing decision; e-commerce; shopee

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INTRODUCTION

The e-commerce industry is growing in Indonesia due to the increasing interest in shopping for people who are interested due to the various conveniences offered by e-commerce in purchasing goods online, even for some people online shopping has become a routine that is difficult to leave. There are three e-commerce sites in Indonesia with the highest number of visitors, namely Tokopedia, Shopee, and Bukalapak. The number of the top three e-commerce transactions in Indonesia in 2016 to 2019 experienced an increase or decrease in transactions, where Tokopedia continued to experience a significant increase from 2016 to 2019. Then there was Bukalapak, which also experienced a significant increase every year, as well as Shopee. which experienced fluctuating transactions from 2016-2019 which in 2016-2018 experienced an increase in transactions but in 2019 there was a decrease in transactions. The decrease in transactions can be caused by a decrease in sales volume, according to Fandy Tjiptono (2015) which states that "The declining sales volume is indicated by low consumer purchasing decisions". Low purchasing decisions can be influenced by the marketing mix, which is expressed by Rambat Lopiyoadi (2014) which states that "The factors that influence purchasing decisions are the marketing mix itself". Purchasing decisions made by consumers are influenced by various things, which according to Schifman and Kanuk in Sangadji (2014) explains that "A consumer decision in making a purchase or deciding to purchase a product that has been determined includes product selection, brand selection, dealer selection. , the time of purchase, the amount of the purchase and the payment method used in the purchase".

In this regard, there is a statement according to Swastha and Handoko (2012) which states that "One of the components of purchasing decisions is about the product". This is also supported by research conducted by Susiana Simamora, et al (2020) which reveals that the product mix has a significant influence on consumer purchasing decisions. In addition to product mix factors, there are also other factors that can also influence purchasing decisions, one of which is company image, where there is a statement according to Soemirat and Adianto (2007) which states that "Corporate image refers to the impression, feeling, image of the public

towards the company. The impression is created from an object, person, or organization that can influence a person's decision. This is supported by research conducted by Devi Diana Safitri, et al (2020) which reveals that company image has a positive and significant influence on purchasing decisions. This is also reinforced by research conducted by Siti Lam'ah Nasution (2020) which reveals that product and company image significantly influence purchasing decisions. This study aims to examine and analyze the effect of product mix and corporate image on purchasing decisions on e-commerce Shopee.

Product Mix

There are various understandings of product mix according to experts, according to Simamora (2013) defines that "product diversity is a set (diversity) of product lines and elements offered by certain sellers to buyers". James F. Engels quoted by Farli Liwe (2013), which states that "Product diversity is the completeness of products concerning the depth, breadth, and quality of the products offered, as well as the availability of these products at any time in the store". Meanwhile, according to Kotler and Keller (2016) argues that, "Product mix (also called a product assortment) is the set of all products and items a particular seller offers for sale." The product mix has several dimensions, according to Kotler and Keller (2016) the product mix has 4 dimensions, namely: Width, Length, Depth, Consistency.

There are various definitions of corporate image according to experts, according to Shirley Harrison (2013) who stated that "The Corporate Image is the impression, feeling, the image of the public about the company, the impression that is deliberately created from an object, person, or organizations". Meanwhile, according to Frank Jeffkins in Ruslan (2014) defines "company image as a psychological impression or impression and a description of the various activities of a company in the eyes of its public audience based on the knowledge, responses and experiences it has received with a certain assessment of the company's image, which can be in the form of good, moderate and even bad images. According to Fandy Tjiptono (2016), who argues that "corporate image is an important factor in most services that can affect perceptions of quality in various ways". There are 4 elements of corporate image dimensions according to Shirley Harrison (2013), which are as follows: Personality, Reputation, Value, Corporate Identity.

There are various definitions of buying according to experts, according to Machfoedz (2013) suggests that "The purchase decision is a process of assessing and selecting from various alternatives in accordance with certain interests by determining an option that is considered the most profitable. This is different from what was stated by Kotler and Keller translated by Bob Sabran (2016) which suggests that purchasing decisions are in the evaluation stage, consumers form preferences between brands in a collection of choices, consumers may also form goals to buy the most preferred brand. Meanwhile, according to Kotler & Armstrong (2016) defines purchasing decisions as follows: "Consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy them. needs and wants". In consumer purchasing decisions, there are six indicators of decisions made by buyers according to Kotler and Keller translated by Bob Sabran (2016), which are as follows: (1) Product Selection (Product Selection); (2) Brand Choice; (3) Dealer Choice (Dealer Choice); (4) Purchase Amount or Quantity (Amount of Purchases); (5) Purchase Time; (6) Payment Method (Payment Method).

Hypothesis: (H1) Product Mix (X_1) has a significant effect on purchasing decisions; (H2) Company Image (X_2) has a significant effect on purchasing decisions; (H3) Product Mix (X_1) and Company Image (X_2) have a significant effect on purchasing decisions.

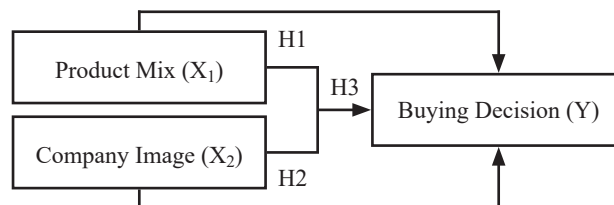


Figure 1. Research paradigm

METHOD

According to Sugiyono (2017) "The research method is basically a scientific way to get data with certain goals and uses". This research uses descriptive and verification methods. According to Sugiyono (2017), "Descriptive research is research that is carried out to find out the existence of values and independent variables, either one or more variables without making comparisons or connecting with other variables so as to produce conclusions. Verification research is a research aimed at testing theory and research will try to produce new scientific information, namely a hypothesis in the form of a conclusion whether a hypothesis is accepted or

rejected. The sampling technique used in this study is non-probability sampling. According to Sugiyono (2017), he explained that "non-probability sampling is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample". The selected non-probability sampling technique is the type of incidental sampling. According to Sugiyono (2017) "Incidental sampling is a sampling technique based on chance, i.e. anyone who coincidentally or incidentally meets a researcher can be used as a sample, if it is deemed that the person who happened to meet the researcher feels it is suitable then it is used as a data source". In this study, a sample of 95 respondents were students of the Faculty of Economics and Business, Pasundan University.

The test instruments used in this study include validity and reliability tests. The validity test is to show the extent of the relevance of the statement to what is stated or what is to be measured in the study, while the reliability test is to show the extent to which the level of consistency of measurement from one respondent to another or in other words the extent to which the statement can be understood so as not to cause different interpretations in understanding of the statement. The data analysis method used in this research is descriptive analysis and verification analysis. Descriptive analysis is used to analyze the data obtained through questionnaires whose purpose is to describe the extent to which consumer responses to the X_1 (Product Mix) variable, X_2 (Corporate Image) variable, and Y (Purchase Decision) product on e-commerce Shopee using a Likert scale, which is used to measure attitudes, opinions of respondents about social phenomena. Meanwhile, verification analysis is used to determine how much influence the product mix (X_1) and company image (X_2) have on purchasing decisions (Y). This study also uses multiple linear regression analysis, multiple correlation analysis, simultaneous hypothesis testing (F test), partial hypothesis testing (T test), and the coefficient of determination.

RESULTS

This chapter will present the results of research that has been carried out regarding consumer responses to the variables contained in this study, namely the product mix (X_1), company image (X_2) as the independent variable and purchasing decisions (Y) as the dependent variable and analysis of the influence of the mix, product and company image on purchasing decisions at E-Commerce Shopee (a case study on FEB students at Pasundan University) using analytical methods, namely descriptive analysis and verification analysis. The results of this study will describe the results of distributing questionnaires that have been processed by researchers using the SPSS (Statistical Product and Service Solution) program. The results of these studies include the results of testing the validity and reliability which are included in the research instrument test, descriptive research analysis, verification analysis by testing the recommended hypothesis and also calculating the coefficient of determination. Based on the results of calculations using SPSS software, the calculation of the results of multiple linear regression analysis will be presented as follows:

Table 1. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	1.761	2.138		.824	.412			
	Product Mix	.459	.038	.703	12.162	.000	.772	.785	.688
	Company Image	.423	.072	.338	5.841	.000	.482	.520	.330

a. Dependent Variable: Purchase Decision

Source: Researcher Data Processing Results

Based on the data in Table 1 above, it shows the results of multiple linear regression analysis where it can be seen that the regression equation of the product mix variable (X_1) and company image (X_2) simultaneously on purchasing decisions (Y) obtained the equation results are as follows:

$$Y = 1,761 + 0,459 X_1 + 0,423 X_2$$

Next, the researcher will display a table of the results of multiple correlation analysis in this study, which are as follows:

Table 2. Results of Multiple Correlation Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840 ^a	.706	.699	2.330

a. Predictors: (Constant), Company image, Product Mix

Source: Researcher Data Processing Results

Based on Table 2, which is the result of multiple correlation analysis, information is obtained from the results of SPSS calculations that the simultaneous multiple correlation coefficient (R) between product mix and company image on purchasing decisions (Y) is 0.840. The correlation value is positive, indicating that the relationship between the independent variable and the dependent variable is unidirectional, where the better the product mix and the company's image, the higher the purchasing decision will also be. It is known that the R value (correlation coefficient) of 0.840 is between 0.800-0.999, which means that the product mix and company image have a very strong relationship with purchasing decisions. Furthermore, hypothesis testing in this study is used to find the significance of the product mix (X₁) and company image (X₂) on purchasing decisions (Y) both simultaneously (F test) and partially (t test) which will get the results whether the independent variable significant effect or not on the dependent variable either simultaneously or partially. The level of significance that researchers use in this study is 0.10 or 10%. The following table outputs the results of simultaneous hypothesis testing between product mix and company image on purchasing decisions:

Table 3. Simultaneous Hypothesis Testing
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1196.224	2	598.112	110.204	.000 ^b
	Residual	499.312	92	5.427		
	Total	1695.537	94			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Company image, Product Mix

Source: Researcher Data Processing Results

Based on Table 3 above, which is the result of the calculation of the simultaneous hypothesis test, the Fcount value is 110.204 with p-value(sig) = 0.000, with = 0.10, df 1 = 2, df 2 = (nk-1) = 92, then we get Ftable = 2.36. Due to Fcount Ftable (110.204 2.36) and a significance value of 0.000 0.10, H₀ is rejected and H₁ is accepted. This shows that simultaneously product mix and company image have a significant effect on purchasing decisions on Shopee e-commerce. Where the better the product mix on Shopee's e-commerce, the more purchasing decisions will be made. Likewise with the company's image, where the better the image of the Shopee e-commerce company, the more purchasing decisions will be made. Next is the partial hypothesis testing (t test) which is carried out to prove whether the product mix and company image partially affect purchasing decisions, then the hypothesis testing is carried out as follows:

DISCUSSION

Based on Table 1 which is a calculation using SPSS software, the tcount value for the product mix variable (X₁) is 12,162 with a significance level of 0.10 or 10%, df = 92, so the ttable value is 1.29082. It can be seen that if tcount ttable (12,162 1.29082), with a significance value of 0.000 0.10, then H₀ is rejected and H₁ is accepted. This shows that the product mix has a significant effect on purchasing decisions at Shopee e-commerce.

The value of tcount for the corporate image variable (X₂) is 5.841 with a significance level of 0.10 or 10%, df = 92, so the ttable value is 1.29082. It can be seen that, if tcount ttable (5.841 1.29082), with a significance value of 0.000 0.10, then H₀ is rejected and H₁ is accepted. This shows that the company's image has a significant effect on purchasing decisions on e-commerce Shopee.

This study also uses the analysis of the coefficient of determination which is used to find out how big the percentage of the influence of product mix variables (X₁) and company image (X₂) on purchasing decisions (Y) either simultaneously or partially. To find out how big the percentage of the influence of the independent variables, namely product mix (X₁) and company image (X₂) on purchasing decisions (Y) on Shopee e-commerce simultaneously, the following researchers present the results of the analysis:

Based on Table 2, it can be seen that the value of the multiple correlation coefficient (R) of the product mix (X₁) and company image (X₂) simultaneously on purchasing decisions (Y) is 0.840. Here the researchers present the calculations using the following formula: $Kd = r^2 \times 100\%$

$$Kd = (0,840)^2 \times 100\% = 70,6\%$$

Based on the calculation of the coefficient of determination that has been done simultaneously, the Kd value is 70.6% which indicates that the product mix (X₁) and company image (X₂) have a simultaneous or joint influence of 70.6% on purchasing decisions (Y).) on Shopee e-commerce. While the remaining 29.4%

is influenced by other factors that are not present and not examined by researchers. Next is the calculation of how much influence the independent variable has on the dependent variable partially:

$$Kd = \beta \times \text{Zero Order} \times 100\%$$

Here the researcher will present in detail the table of calculation results for the partial coefficients, which the researchers will present as follows:

Table 4. Calculation of Partial Coefficient

Research variable	Coefficients Beta x zero Order x 100%	Results
Product Mix	0,703 x 0,772 x 100%	54,3%
Company Image	0,338 x 0,482 x 100%	16,3%
Total		70,6%

Source: Researcher Data Processing Result

Based on Table 4, which is the result of the partial coefficient calculation, it shows that the influence/contribution of the independent variable, namely the product mix (X_1) on purchasing decisions (Y) is 54.3% and the company image variable (X_2) on purchasing decisions (Y) is 16.3% so that it can be seen that between the two independent variables, the product mix has the greatest influence on purchasing decisions on Shopee e-commerce.

CONCLUSIONS

This study aims to determine the effect of product mix and company image on purchasing decisions on e-commerce Shopee. Based on the results of this study and the discussion that has been described in the previous chapter, several conclusions can be drawn as follows: (1) There is a significant effect between the product mix variables on the purchasing decision variables; (2) There is a significant influence between corporate image variables on purchasing decision variables; (3) There is a significant influence between product mix variables and company image on the purchasing decision variables; (4) The magnitude of the influence of product mix and corporate image on purchasing decisions simultaneously is 70.6%. Partially the magnitude of the influence of the product mix on purchasing decisions is 54.3%, and the influence of corporate image on purchasing decisions is 16.3%.

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