

Effect of E-Trust and Marketing Public Relation on Customer's Purchasing Decision on the E-Commerce Market (Study on Lotte Mart Grosir Medan Customers)

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ABSTRACT

Purchase decision is a stage that a buyer makes to choice and purchase products and then consumes them. Many factors influencing on the purchase decision including e-trust and marketing public relations. Consumer trust (e-trust) is one of the factors in e-commerce that plays an important role to maintain business relationship, especially e-commerce businesses that require consumers to pay before receiving an order. Another factor that influences online purchasing decision is marketing public relations. The present study is a survey using an associative quantitative approach aimed at determining the effect of E-trust, publicity, sponsorship and special events on purchasing decision of products offered by Lotte Mart Grosir Medan. The population included all Lotte Mart Grosir Medan consumers who have used the Lotte Mart Grosir online purchasing application during 2019 as of 2174. The sampling method used an accidental sampling resulting in 96 samples. The data collection method used a questionnaire. The collected data were then analyzed by using a multiple linear regression. The results of research and data analysis show that the factors of E-trust, publicity, sponsorship and special events have a positive and significant effect on purchasing decision. E-trust partially has a positive and significant effect on purchasing decision. Publicity partially has a positive and significant effect on purchasing decision. Sponsorship partially has a positive and significant effect on purchasing decision. Special events partially have a significant influence on purchasing decision. It is suggested to the Lotte Mart Grosir

Medan to simply the website application to customer or prospective customer can easily apply the website to know products and to make transactions.

Keywords: E-trust, Marketing Public Relations, Online Purchasing Decision

BACKGROUND

Electronic commerce or E-commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet as a means of exchanging goods or services between two institutions or direct consumers without any space or time constraints. The factors that drive the implementation of e-commerce are globalization and trade liberalization, increasingly fierce competition, technological developments, reduction of physical goals, and publicity (Gusti et al., 2010). The growth of e-commerce in Indonesia is very rapid, and is expected to continue to increase along with the growing number of entrepreneurs and entrepreneurs of Micro, Small and Medium Enterprises (MSMEs) in the country. The huge potential of the e-commerce industry in Indonesia is influenced by online shopping styles, especially by the millennial generation. According to the 2019 Indonesia Millennial Report, millennial really like to look for price comparisons, features, promo programs and product quality in several e-

commerce sites before deciding to buy a product.

E-commerce has a huge impact on businesses, consumers and society in general. The benefits of using e-commerce for sellers are as a promotional medium in order to increase the number of sales, both online and not, saving operational costs in running their business, because they do not require a large physical space to display their merchandise, reduce delays in getting payments from consumers, speed up service to consumers and services that are more responsive (Widagdo, 2016)

Consumer trust (e-trust) is one of the factors in e-commerce that has an important role in maintaining business relationships, especially e-commerce businesses that require consumers to pay before receiving orders, even though consumers cannot see or touch the real products offered unless they look at them through images (Reicheld & Schefter, 2010). E-trust in online shopping is often measured by how much the original product's ability meets the perception of quality in the minds of consumers until consumers believe that the online site in question will not bring them harm, consumers will not feel comfortable and do not intend to shop on the online site. (Liao, 2013).

The increasing phenomenon of the business world today, many companies is implementing marketing public relations strategies through the marketing communications division as an effort to increase customer satisfaction and trust. Marketing public relations is considered a viable effort to increase profits in line with increasing customer satisfaction and increasing the company's positive image. Marketing public relations activities include publicity, sponsorship and special events. Publicity activities include reporting activities (publication) of company products so that they are better known to the public. Sponsorship activities include setting a target audience (target audience), conducting events in collaboration with sponsoring companies that aim to introduce

the company's products more broadly. The benefit of sponsorship activities is to make the public more familiar with the company's products while increasing the potential for increasing online shopping.

Lotte Mart Wholesale is a company engaged in business and selling various foodstuffs, clothes, toys, and so on with the wholesale concept, which is an activity of buying goods or services from a manufacturer to be resold to other business actors. All Lotte Mart Wholesale products can be viewed and available at www.lottegrosir.co.id. In addition, Lotte Mart Wholesale has an online shopping application that can be downloaded through the play store under the name LOTTE Wholesale LotteMart Indonesia. Lotte Mart Wholesale is relatively easy to find because it has 25 outlets, spread across Greater Jakarta, West Java, East Java, Central Java, Yogyakarta, Sumatra, Bali and Kalimantan.

Even though they have done an online business, the level of consumer spending at Lotte Wholesale Medan is still not optimal, even most of the online orders for household needs have decreased. The decrease in orders occurred not because of the increase in selling prices but because of the decreased consumer confidence in the quality of household products marketed by Lotte Mart Wholesale Medan. The decrease in orders was also experienced by similar companies such as Berastagi Buah Medan, especially for orders for apple and other fruit products. The decline also occurred due to the lack of promotions carried out by the company so that many consumers were not familiar with the order packages for household needs offered by the Lotte Mart Medan.

As a solution to the lack of online shopping, the company has started to implement e-trust with the main dimensions of e-trust such as ability, predictability, benevolence and integrity. By increasing the dimension of ability, the company aims to improve its ability to provide and serve all transaction processes until they are completed on time. By applying the

predictability dimension, the company aims to help consumers think realistically (positive thinking), especially about transaction security with benevolence, companies try to convince and provide a sense of security and comfort for consumers in online shopping. With integrity, the company strives to improve the company's business integrity so as to increase consumer confidence in the quality of the company's products.

Based on the background of the decline in online Purchase Decisions and the research gap of the problem, the authors are interested in conducting research with the title Effect of e-Trust and Marketing Public Relation on Customer's Purchasing Decision on the e-Commerce Market – Lotte Mart Medan.

Kerangka Konseptual

This study consists of 4 independent variables, namely X1 (e-trust), X2 (Publicity), X3 (Sponsorship) and X4 (Special event) and 1 dependent variable Y (Online Purchase Decisions).

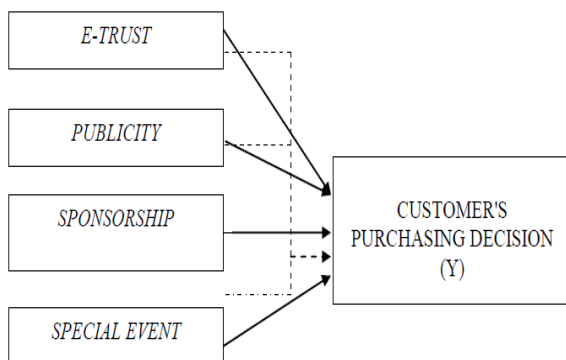


Figure 1 Conceptual Framework

1. E-Trust partially has a significant effect on Purchase Decisions in the Lotte Mart e-commerce market Medan
2. Publicity partially has a significant effect on Purchase Decisions in the Lotte Mart e-commerce market Medan
3. Sponsorship partially has a significant effect on Purchase Decisions in the Lotte Mart e-commerce market Medan
4. Special events partially have a significant effect on Purchase Decisions in the Lotte Mart e-commerce market Medan
5. E-Trust, publicity, sponsorship and special events simultaneously have a significant effect on Purchase Decisions in the Lotte Mart e-commerce market Medan

RESEARCH METHODS

This research is a survey research with an associative quantitative approach to the variables connected in this study such as X1 (e-trust), X2 (Publicity), X3 (Sponsorship) and X4 (Special event) and 1 dependent variable Y (Online Purchase Decisions). The research was conducted at Lotte Mart Wholesale Medan, Jl. Jend Gatot Subroto KM 7,8, Lalang, Kec. Medan Sunggal, Medan City, North Sumatra. The population of this study is all Lotte Mart Wholesale Medan consumers who have used the Lotte Mart Wholesale online shopping application during 2019, totaling 2174 obtained from the number of online orders from Lotte Mart customers obtained from the Lotte Mart Wholesale Medan administration section. Data were obtained through distributing questionnaires and testing using SPSS Software.

Hypothesis

RESULT AND DISCUSSION

Determination Test Results R²

Tabel 1: Determination Test Results R²

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.830 ^a	.689	.675	1.25538
a. Predictors: (Constant), Special event, E-trust, sponsorship, publicity				
b. Dependent Variable: Online Purchase Decision				

Table 3 shows that the adjusted r-square value = 0.675, this means that the magnitude of the influence of the independent variable on the dependent variable Y (Purchase Decision) is $0.675 \times 100\% = 67.5\%$. In other words, 62.3% of online Purchase Decision variables can be explained by the variables of E-trust, publicity, sponsorship and special events, while the rest (32.5%) is explained by other factors not examined.

Hypothesis Test Results

Hypothesis testing using multiple linear regression analysis consisting of simultaneous F-test and partial t-test.

Simultaneous F Test Results

The F-test was simultaneously carried out to determine whether the 4 independent variables X1 (E-Trust), X2 (Publicity), X3 (Sponsorship) and X4 (Special event) had a significant effect on the dependent variable (Purchase Decisions).

Table 2: Simultaneous F Test Results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	317.241	4	79.310	50.324	.000 ^b
	Residual	143.415	91	1.576		
	Total	460.656	95			
a. Dependent Variable: Purchase Decision						
b. Predictors: (Constant), Special event, E-trust, Sponsorship, Publicity						

Based on the test results above, it can be concluded that the 4 variables X1 (E-Trust), X2 (Publicity), X3 (Sponsorship) and X4 (Special event) have a significant effect on the dependent variable Y (Purchase Decision).

Partial T-Test Results

Table 2: Partial T-Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.118	1.795		.623	.535
	E-trust	.163	.044	.219	3.703	.000
	Publicity	.380	.062	.488	6.083	.000
	Sponsorship	.171	.068	.163	2.525	.013
	Special event	.207	.059	.275	3.491	.001
a. Dependent Variable: Purchase Decision						

The Effect of E-Trust on Purchase Decisions (Y)

It is known that t-count X1 (3.703) > t-table (1.98) and p-value (0.000) < 0.05. The results of this analysis meet the requirements of hypothesis testing where if t-count > t-table and p-value < 0.05, it means that the variable X1 (E-trust) has a significant effect on the dependent variable Y (Purchase Decision).

After the implementation of online marketing strategies at Lotte Mart Wholesale Medan, especially with E-trust, there was an increase in customer Purchase Decisions for the various products offered

by Lotte Mart Wholesale Medan. This increase in Purchase Decisions occurs mainly because of the various conveniences offered through online marketing, including buying and selling transactions between companies and customers, even though buyers and sellers do not know each other. The accuracy and completeness of the information provided by the Lotte Mart Wholesale Medan on the website provides extra benefits to customers so as to create a better relationship between the company and its customers so that this condition further increases customer confidence in online shopping services provided by

buying and selling site managers and producers. The results of this study are in line with Lestari's research (2019) The Effect of Trust and Ease on Online Purchase Decisions (Study on Tokopedia Users) where the results of the study prove that there is a significant influence of trust on online Purchase Decisions (Study on Tokopedia users) and there is a significant influence of convenience on decisions online shopping (Study on Tokopedia users).

The Effect of Publicity on Purchase Decisions (Y)

It is known that t-count X2 (6.083) > t-table (1.98) and p-value (0.000) <0.05. The results of this analysis meet the requirements of hypothesis testing where if t-count > t-table and p-value <0.05, it means that the variable X2 (Publicity) has a significant influence on the dependent variable Y (Purchase Decision).

Lotte Mart Wholesale Medan's efforts to increase online shopping, especially through the application of marketing public relations such as publicity, yielded satisfactory results, where there was an increase in online Purchase Decisions by customers for the products offered by Lotte Mart Wholesale Medan. This is because the publicity launched by Lotte Mart Wholesale Medan makes it easier for customers to get information about product prices, product quality, types of products available and so on without having to visit the place directly. The results of this study are in line with Yaningwati's research (2018) The Effect of Promotional Mix (publicity) on Purchase Decisions (Survey of Business Department Students Class of 2010-2012 where the research results prove that publicity, Direct Selling, Sales Promotion, and Publicity affect the Purchasing Decision Process.

Effect of Sponsorship on Purchase Decisions (Y)

It is known that t-count X3 (2.525) > t-table (1.98) and p-value (0.013) <0.05. The results of this analysis meet the

requirements of hypothesis testing where if t-count > t-table and p-value <0.05, it means that the variable X3 (Sponsorship) has a significant effect on the dependent variable Y (Purchase Decision).

Lotte Mart Wholesale Medan continues to strive to improve online Purchase Decisions continuously and continuously, such as sponsorship activities. It aims to launch advertising about the types and benefits of products including price and quality. Sponsorship activities are carried out in collaboration with other communities to hold certain events aimed at the widest possible market share, either through sports or music events. The sponsorship efforts implemented by Lotte Mart Wholesale Medan were not in vain, it was proven that there was an increase in online shopping for both household products and household appliances. The results of this study are in line with Larasari's research, 2018 The Effect of Brand Ambassadors and Sponsorship Events on Purchase Intentions With Brand Image as an Intervening Variable (Case Study of Vivo Smartphone Products at Sultan Ageng Tirtayasa University Students where the results of the study prove that Event sponsorship has a significant effect on purchase intention, (3) Brand ambassador has a positive and significant effect on brand image (4) Event sponsorship has a positive and significant effect on brand image (5) Brand image has a positive and significant effect on purchase intention (6) Brand image is able to mediate the relationship between the influence of brand Ambassador and purchase intention.

The Influence of Special Event on Purchase Decisions (Y)

It is known that t-count X4 (3.491) > t-table (1.98) and p-value (0.001) <0.05. The results of this analysis meet the requirements of hypothesis testing where if t-count > t-table and p-value <0.05, it means that the variable X4 (Special event) has a significant influence on the dependent variable Y (Purchase Decision).

Lotte Mart Wholesale Medan, especially during the covid-19 pandemic, limited special event activities in the field, especially by following the Covid-19 health procedures. Various activities carried out through this special event are in the form of press conferences, press tours, launching, festivals, spectacular shows, exhibitions or educational programs designed to reach and attract the interest of the target community. It is evident that the efforts of the Medan Wholesale Lotte Mart company were not in vain, where there was an increase in online Purchase Decisions despite the Covid-19 atmosphere. The results of this study are in line with Suryawardani's research (2018) The Effect of Event Marketing on Purchase Decisions at PT. Traveland Convex Indonesia in 2018 where the results of the study prove that event marketing has a significant effect on purchasing decisions at PT. Travel and Convex Indonesia 2019.

CONCLUSION

1. E-trust, publicity, sponsorship and special event factors have a positive and significant effect on Purchase Decisions.
2. E-trust have partially positive and significant effect on Purchase Decisions.
3. Publicity have partially positive and significant effect on Purchase Decisions.
4. Sponsorship have partially positive and significant effect on Purchase Decisions.
5. Special events have partially have a significant influence on Purchase Decisions.

Acknowledgement: None

Conflict of Interest: None

Source of Funding: None

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How to cite this article: Cahyanti I, Fauzi A, Rini ES. Effect of e-trust and marketing public relation on customer's purchasing decision on the e-commerce market (study on Lotte Mart Grosir Medan customers). *International Journal of Research and Review*. 2021; 8(8): 704-711. DOI: <https://doi.org/10.52403/ijrr.20210893>
