

How E-marketing and Trust Influence Online Buying decision: A Case Study of Mataharimall.com in Bandung

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ABSTRACT

E-Marketing has led to a new online shopping behaviour among consumers, by utilising technology and the convenience it provides. This study focuses on consumer behaviour in in MatahariMall.com based in Bandung. It was found consumer behaviour changes perceptions and beliefs in terms of influencing their purchase decision. This study attempts to find out if e-Marketing of Mataharimall.com influences consumer's purchase decision by creating trust in the product. The sample population of this study are 100 consumers from Singapore and their purchasing decisions at MatahariMall.com. Results showed that e-marketing had won the trust of these consumers to ultimately influence their purchasing decisions, more so as these consumers had never made a purchase in MatahariMall.com before this. Therefore, trust had a significant role in purchase decisions.

Keywords: e-Marketing, MatahariMall.com, purchase decisions, Singaporeans, trust

INTRODUCTION

MatahariMall.com is an Indonesian electronic commerce site that sells hundreds of thousands of products ranging from women's fashion, men's fashion, health

and beauty, phone and tablet, laptop, gadgets, electronics, lifestyle, hobbies, to household. It is based on the concept of online to offline (o2o), where consumers can shop online and later pick up the items at a store or at a nearby mall. The company has taken advantage of a unique e-marketing to market its product via internet, while their e-marketing facilitates the company in marketing its products globally. Consumer confidence is therefore the key for buying and selling online (Hassanein & Head, 2004).

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Electronic marketing is a new philosophy and practice of modern business to market goods, services, information and ideas through the Internet and other electronic devices (Selim, 2012). There are 3 tools employed by e-marketing: Website, Email, and online booking. Implementation of e-marketing by MatahariMall.com using e-marketing tools Websites are useful as a means of electronic commerce that gives digital information. Online transactions involve trust and the process of online shopping involves information search, comparing alternatives and finally decision-making. But there are still those who lack trust in online shopping.

LITERATURE REVIEW

E-Commerce

Electronic commerce (electronic commerce, abbreviated as EC, or e-commerce) refers to purchase, sale, transfer, or exchange products, services or information via computer networks, including the internet (Turban, King, Lee, Liang, & Turban, 2010). Electronic commerce refers buying, selling and marketing goods and services through electronic systems (Wong, 2010) such as radio, television and computer networks or the Internet.

E-Marketing

E-Marketing is a new philosophy and practice of modern business to market and sell goods, services, information and ideas

through the Internet and other electronic devices (El-Gohary, 2010; Turban et al., 2010).

E-marketing in MatahariMall.com involves use of e-marketing tools and a website as a means of electronic commerce that provides digital information on the products sold. The following criteria is used to evaluate the effectiveness of a marketing website (Selim, 2012):

1. Accessibility and visibility
2. Accuracy and credibility
3. Authority
4. Coverage
5. Currency
6. Interactivity
7. Metadata
8. Navigability
9. Orientation and objectivity
10. Privacy
11. Searchability
12. Security
13. Services

Trust

Trust relates to the trustworthiness of the seller and willingness of the potential buyer to purchase the company's products or services. In online transactions, trust becomes a factor in a decision to trade. Trust arises when those involved have gained the certainty of others, and willing and able to provide liability.

Factors that shape a person's belief over another (Mayer, Davis, & Schoorman, 1995) are:

1. Ability
2. Benevolence
3. Integrity

Purchase Decision

The purchasing decision is based on buying the most preferred brand and influenced by purchase intentions and purchasing

decisions (Kolsaker & Payne, 2002; Mayer et al., 1995). In research adjusted with the object of research on MatahariMall.com, the variables that influence purchases (Kolsaker & Payne, 2002) are:

1. Product selection
2. Determination of the time of purchase
3. Reasons to buy
4. Payment method

Framework

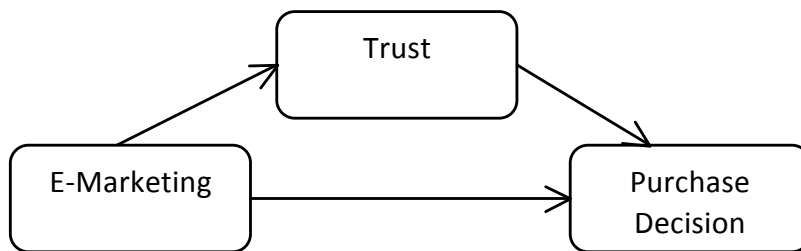


Figure 1. Design framework
Adapted from Kim and Kim (2005)

METHODS

Types of Research

This is a quantitative research. Quantitative research is based on the philosophy of positivism and is used to examine a population or a particular sample (Sugiyono, 2008).

Population and Sample

Nonprobability sampling technique is used in this research. This technique does not provide opportunities or equal opportunity

for each element or member population to be selected into the sample.

ANALYSIS AND DESIGN

The research population is not known because consumers who live in Bandung have never made a purchase in Mataharimall.com. A sample of 100 people were recruited for this study with an error rate of 10%. Primary data was obtained through a questionnaire. The results in are described as follows. In the test of sub-structural path 1, a value of 431,208 F with probability

value (sig) = 0.000 was obtained. The value of $F_{count} > F_{table}$ (3.99) means there is significant influence of e-marketing variables in terms of trust whereby $0.9032 = 0.815 = 81.5\%$ and the rest influenced by other variables that were not studied here.

In sub-structural line test 2, it was found e-marketing variables have a direct influence on purchasing decision on MatahariMall.com - equals to 0,441 or 44,1% and indirect influence of e-marketing variable to purchasing decision through trust $(Y) = 0,441 + (0,903 \times 0,284) = 0,697$ or equals to 69,7%.

Trust contributes directly on purchase decision - $0.2842 = 0.080 = 8\%$. The contribution of e-marketing that directly affects the purchase decision is $0.4412 = 0.194 = 19.4\%$.

Hypothesis Testing Results

Test F (Simultaneous). F value F_{table} for $n = 100$ ($DF1$ and $DF2 = 3 = n-k-1$) with $\alpha = 0.05$ is 3.99. The effect of variables on purchasing decision was calculated using SPSS 20.

Table 1
Simultaneous hypothesis testing (Test F)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15,400	2	7,700	48,941	,000 ^b
	Residual	15,261	97	,157		
	Total	30,661	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant), rust, E-Marketing

In Table 1, F value of 48.841 with a probability value (sig) = 0.000 was obtained. The value of $F > F_{table}$ (3.99) which means that e-marketing and beliefs have a positive and significant influence on purchasing decisions with F value of 48.9%.

T test (partial). The hypothesis was tested using multiple linear regression analysis. T test was used to see the effects between variables. Based on the provisions in the statistical analysis using t test, H_0 was rejected when the value of $t > t$ on the table. With a confidence level of 95% or alpha of 0.05, results of the analysis of each hypothesis are shown in Table 2.

Table 2
Partial test results

Model		Coefficients ^a			t	Sig.
		Unstandardised Coefficients		Standardised Coefficients		
		B	Std. Error	Beta		
1	(Constant)	,777	,328		2,368	,020
	E-Marketing	,497	,187	,441	2,651	,009
	Trust	,297	,174	,284	1,708	,091

a. Dependent Variable: Purchase Decision

From table 2, value t arithmetic amounted to 2.651 > t_{table} of 1.661 and t_{value} of 1.708 > t_{table} of 1.661, which means that e-marketing and beliefs partially affect purchasing decisions.

be expressed as below:

$$Z = \rho ZX + \varepsilon_1 = 1 - R_{\text{square}}$$

$$Z = 0,903X + \varepsilon_1 \quad \varepsilon_1 + 0.185 = 1 \text{ to } 0.815 = 0.185$$

Path analysis

Sub Structural 1. Based on the results in Table 3 sub structural equation model 1 can

The above equation can be interpreted as follows: the absence of effect of E-Marketing on consumer confidence (Y) will be worth 0.903 units

Table 3
E-Marketing analysis of trust

Model		Coefficients ^a			t	Sig.
		Unstandardised Coefficients		Standardised Coefficients		
		B	Std. Error	Beta		
1	(Constant)	,134	,190		,703	,484
	E-Marketing	,973	,047	,903	20,766	,000

a. Dependent Variable: Trust

Table 4
R sub structural test results 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,903 ^a	,815	,813	,230	,815	431,208	1	98	,000

a. Predictors: (Constant), E-Marketing

b. Dependent Variable: Trust

The value of R square in the table above is $4.7 = 0.815 = 81.5\%$. This shows the influence of e-marketing variables (X) on trust (Y). It can be seen that e-marketing variables affect confidence variable at 81.5% while the rest is influenced by other variables outside this research.

Sub Structural 2. Table 5 shows value t arithmetic amounted was $2.651 > t_{table}$ of 1.661 and t_{value} of 1.708 $> t_{table}$ of 1.661, which means that e-marketing and beliefs partially affect purchasing decisions.

Table 5
Results of e-marketing on the purchase decision via trust

Model		Coefficients ^a			t	Sig.
		Unstandardised Coefficients		Standardised Coefficients		
		B	Std. Error	Beta		
1	(Constant)	,777	,328		2,368	,020
	E-Marketing	,497	,187	,441	2,651	,009
	Trust	,297	,174	,284	1,708	,091

a. Dependent Variable: Trust

Table 6 shows $R_{square} = 0.502 = 50.2\%$. This shows influence of e-marketing variables (X), trust (Y) on purchase decisions (Z)

was 50.2% while the rest was affected by variables outside the research.

Table 6
R sub structural test results 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics ^b				
					R Square Change	F Change	df1	df2	Sig. F Change
					1	,709 ^a	,502	,492	,397

a. Predictors: (Constant), Trust, E-Marketing

b. Dependent Variable: Purchase Decision

CONCLUSION

The variables related to purchasing decision had an overall score of 80%. Therefore, it can be concluded that the overall purchasing decision variable is included in either

category. This study has also shown that customers prefer to buy products at MatahariMall.com rather than at the store. Still, there are consumers who prefer to buy directly at the store than online. From the

comments and consumer responses on the website and the official Facebook fanpage of MatahariMall.com, it can be concluded that many consumers are still not fully satisfied with the services provided by MatahariMall.com and prefer to shop directly to the store.

Results on the partial test obtained t arithmetic showed e-marketing had $9.651 > t$ table (1.661) and significance value $0.00 < 0.05$ as a value significance. Hence, e-marketing has a significant effect on purchasing decisions whereby MatahariMall.com facilitates consumers to buy goods or products needed. And the results obtained from the partial test of belief to the purchase decision is the value of t arithmetic trust of $9.251 > t$ table of 1.661 and significance value $0.00 < 0.05$ as a value significance. This means trust has a significant effect on purchasing decisions. Consumers who decide to buy in Mataharimall.com trust the website which guarantees if the goods received are not in accordance with the wishes of the consumer, they can be exchanged or refunded. And result of partial test of e-marketing to trust obtained t value of e-marketing equal to $20,766 > t$ table equal to 1,661 and significance value $0.00 < 0.05$ as significance value. This means that e-marketing has a significant effect on trust. The MatahariMall.com website displays extensive features complete with a menu that provides relevant information. Therefore, the e-marketing site are good alternatives to store shopping.

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