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Influence of Online Marketing Communication on Online Consumer Behavior and its Impact on Purchasing Decision

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Abstract

The goals of this study are 1) to know the effect of online marketing communication on consumer behavior; 3) to understand the influence of consumer behavior on purchase decision; 4) to reveal the effect of online marketing communication on purchasing decision through online consumer behavior. The writer conducts the research based on the quantitative approach, descriptive and verified design, and survey method. As much as 100 consumers of the Tokopedia, Shoppe, Lazada and Bibli online shops are selected using purposive random sampling as the respondents. The data, then, is analyzed using the partial least square structural equation modeling. The following are the findings of the study: 1) indicators' effect of the online marketing communication on consumer behavior falls into moderate category; 2) the influence of the consumer behavior on the indicators of the purchase decision falls into moderate category; 3) the influences of the indicators from the consumer behavior towards purchase decision ranges from low to moderate effect; 4) The influence of the consumer behavior towards the indicators from purchase decision variable is low; 5) the on-line marketing communication affects Consumer behavior significantly with its indicators; 6) Consumer behavior affects significantly the Purchase decision; 7) the effect of the online marketing communication on the purchase decision through the consumer behavior falls into moderate category.

Keywords: Online Marketing Strategy, Online Consumer Behavior, Purchase Decision.

1. Introduction

Based on various research results from some research institutes the online business becomes more and more advanced compared to the previous years. The more and more sophisticated information and telecommunication technology has changed radically consumer behavior in Indonesia so far. Findings of the research done by Kompas in 2021 stating that 87.1% of the Internet subscribers carried out the online shopping on most prominent online shops, such as Tokopedia, Shoppe, Lazada and Bibli Online Shops. The next research findings done by SIRCLO as quoted by Kompas show that as much as 74.5% consumers migrate from offline shopping into the online one. This can occur because most of the prominent online shops in Indonesia conduct the online marketing campaign well.

Shopee online shops has conduct research in 2023 about the trend of the online shopping in Indonesia that results: 1) business digitalization has changed consumers' shopping behavior. 2) more and more young consumers more actively do the online shopping. 3) women consumers dominate the online shopping. One of the major factors is the ways of the online shops conduct the online communication effectively so that it can tantalize the consumers to do the online shopping. Another study proves that sales promotion based on Technology Acceptance Model contributes significantly on purchase Intention at Tokopedia Online Shops (Isnain, A.R. et.al., 2021). Furthermore, several e-commerce business providers in Indonesia employ email and ezine as well as online advertising in order to promote their products and services to the consumers (Indirani, Dewi & Sarwono, Jonathan, 2022).

From the background that has been discussed above, the present writer proposes the following research questions: First, does the online communication strategies of the online shops will affect the consumer behavior in relation to the online purchasing activities?

Second, does the online consumer behavior affect the online purchasing decision among the consumers? Third, do the online communication strategies of the online shops affect the purchasing decision through the online consumer behavior? From those research questions, the present writer does research entitled: "Influence of Online Marketing Communication on Online Consumer Behavior and its Impact on Purchasing Decision (Survey on the Tokopedia, Shoppe, Lazada and Bibli Online Shops' Consumers at Bandung) "

2. Theoretical Framework

Integrated marketing communications as defined by Armstrong & Kotler (2011) is "coordinating and integrating several company communication channels to convey clear, consistent and attractive messages about the company and the products it sells." Another definition presented by Fill & Jamieson (2006) says "Marketing communications is a management process in which an organization engages with various audiences. By understanding the audience's communication environment; then the organization seeks to develop and present messages to the stakeholder groups they have identified; before evaluating and acting on their responses. By conveying significant messages, they encourage audiences to respond attitudinally and behaviorally."

Walkers, as quoted by Fill & Jameison (2006) is one of the leading brands in the UK developing a marketing communication model through the following 3 (three) activities: web site used for the online advertising, point of sale, and packaging. Furthermore, according to them, communication in marketing has a role: 1) Provide information and make potential customers aware of the company's offerings. 2) To persuade potential customers to have the desire to enter an exchange relationship. 3) To strengthen the customer experience in relation to reminding them of the benefits of past transaction experiences so that they will be motivated to enter into purchasing transactions again. 4) Marketing communications can act as a differentiator, especially in markets where there are only subtle differences between competing products.

In connection with the above, in marketing communications, it is known as the DRIP concept, which stands for Differentiate (make a difference), Reinforce (strengthen), Inform (provide information), and Persuade

(to persuade consumers).

Consumer behavior is "the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants". Furthermore, they said that the factors affecting consumer behavior are culture, social, personal, and psychological factors. Culture is the most dominant factor affecting the consumer behavior. Social factors that affect the consumer behavior are constructed by reference group, family, social role and status. While a personal factor consists of age, life cycle, job, economic environment, personality, self-concept, life style, and values. Moreover, a psychological factor consists of motivation, perception, learning and attitude (Kotler and Keller, 2012). Another definition stating that consumer behavior entails all activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities." (Wikipedia.org)

Consumer behavior, then, is something underlying the consumers in making buying decisions. Furthermore, the behavior of the consumer is a deed which is connected to consumers' purchasing activities. Accordingly, such behavior cannot be separated from the important causes of the online purchase processes, namely consumer's trust, convenience and the previous digital buying experiences (Retnowati, E & Mardikaningish, R., 2021). That is why, the consumer behaviors must be studied in the context of the customers' satisfactorily attitude and want to plan to buy and repeating purchase pursuant to the online purchase activities. This is due to the online shopping platforms can affected their consumers' behaviors (Petcharat, T. & Leelasantitham, A, 2021).

Buying decision consists of product carefully choose, selections of the brand and distribution, the time of the buying action, and the method of payment done by the consumers. Moreover, buying decision is not merely influenced by the behavior of the consumers nevertheless there is another factor called as a moderate factor Kotler and Keller (2012). This moderate factor is called as perceived risk which consists of risks relating to functions, physical matters, finance, social matters, psychological matters and time consideration. Moreover, re-purchase decision depends on perceived usefulness and trust from the consumers (Havidz, HVH et.al., 2021).

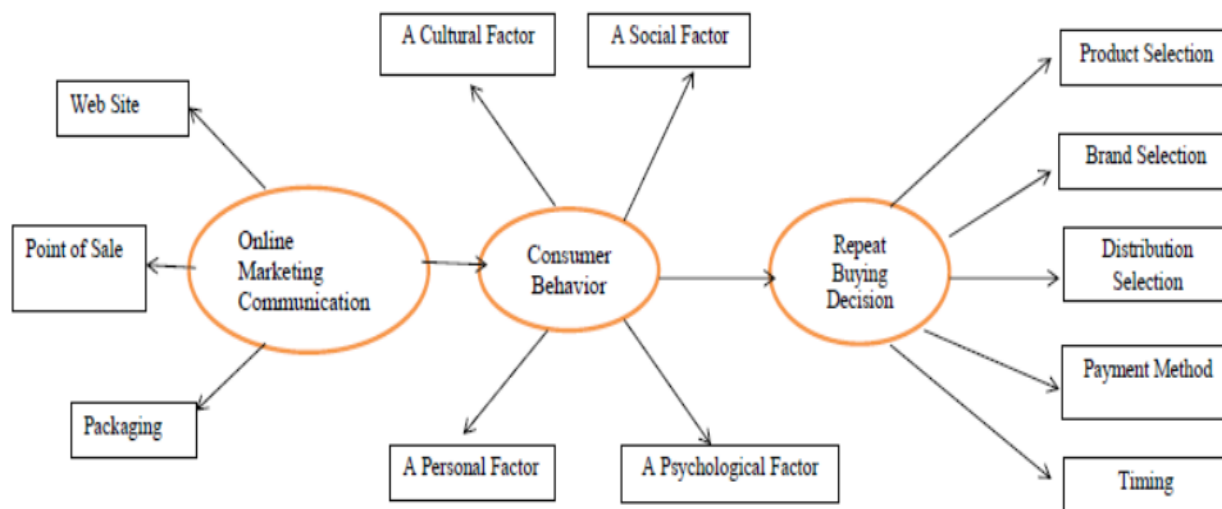


Fig. 2.1: Variable Relationship Model.

Hypothesis

Hypothesis of the study is as follows:

First: Relationship between Online Marketing Communication and Consumer behavior

H1: Online Marketing Communication affects Consumer behavior significantly with its indicators

Second: Relationship between Consumer behavior and Purchase decision

H1: Consumer behavior affects Purchase decision significantly with its indicators

3. Methodology

The present writer in this research employs quantitative research and survey method. As much as 100 respondents of consumers that have conducted the online shopping in Bandung are selected by using the purposive technique. The data is gathered by using questionnaire. The present writer uses the partial least square structural equation modeling (PLS SEM) with assistance of Smart PLS version 3 to analyze the data from the site. The research model is as follows

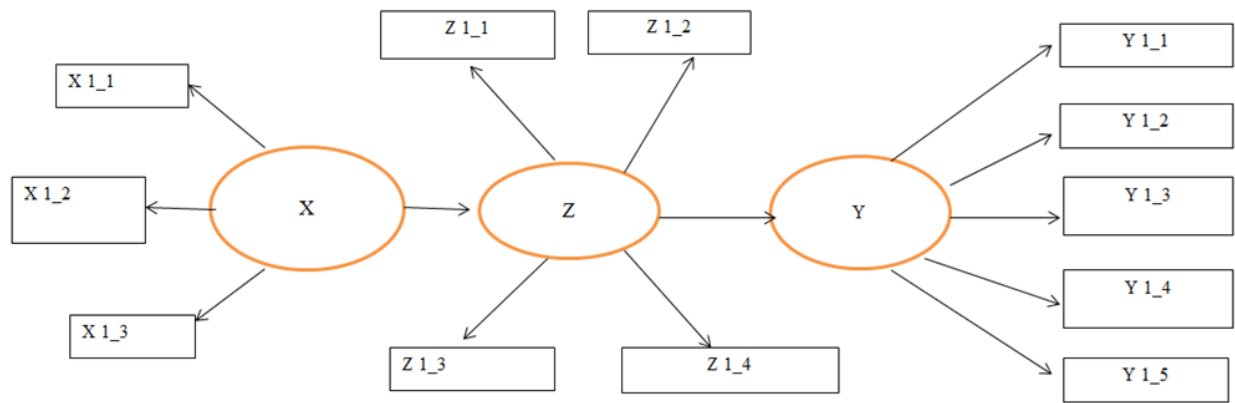


Fig. 3.1: Research Model.

Where:

X: Online Marketing Communication; X1_1: Web site; X1_2: Point of sale; X1_3: Packaging

Z: Consumer behavior; Z1_1: Cultural factor; Z1_2: Social factor; Z1_3: Personal factor; Z1_4: Psychological Factor.

Y: Purchase Decision; Y1_1: Selection of the products; Y1_2: Selection of the brand; Y1_3: Selection of the distribution; Y1_4: Payment method; Y1_5: Payment time

4. Results and Discussion

4.1 Research Results

The following is the calculation result of the path coefficient from the observed data:

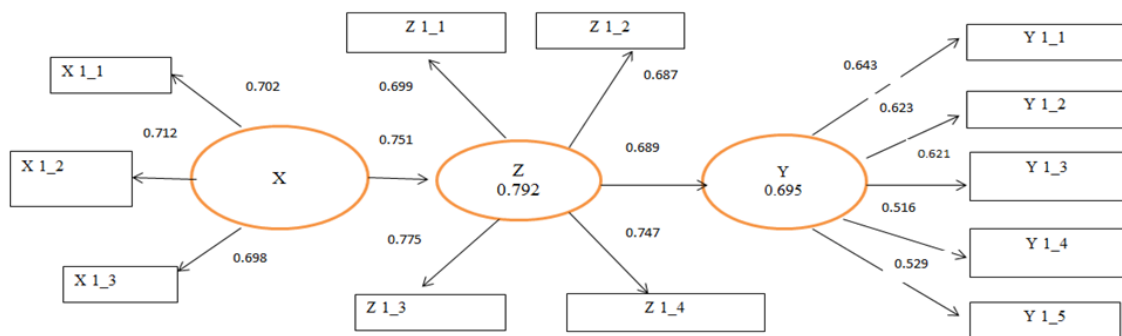


Fig. 4.1: Path Coefficient Values.

From the above calculation result, the path coefficient from the Online marketing communication variable to the Consumer behavior variable is as much as 0.75. While the path coefficient from the Consumer behavior variable to Purchase decision is as much as 0.68.

The Result of the First R square value (R²) from the Online marketing communication variable to the Consumer behavior variable

The value of R² is as much as 0.79 meaning that the proportion of variation of the endogenous latent variable of Consumer Behavior accompanied by the indicators can be clarified with the presence of the exogenous latent variable of Online marketing communication strategies with its indicators.

The Result of the Path Coefficients' Values

First: the value of the path coefficients from the Online marketing communication with its indicators to Consumer Behavior with its indicators

The path coefficient value from the exogenous latent variable of Online marketing communication with its indicators to the endogenous variable of Consumer Behavior and the respective indicators is 0.75 meaning that the amount of influence of the exogenous latent variable of Online marketing communication with its indicators on the Consumer Behavior variable as well as the respective indicators. When a value of the exogenous latent variable of Online marketing communication with its indicators undergoes one unit increase, then the value of endogenous Consumer Behavior variable with its indicators increases as

much as 0.75. The hypothesis testing for those relationship is as follows:

H0: Online marketing communication does not affect Consumer behavior significantly with its indicators

H1: Online marketing communication affects Consumer behavior significantly with its indicators

To test those hypotheses, use the following criteria:

When t_o (the observed value of t) $>$ $t\alpha$ (critical values); H0 is rejected and H1 is accepted. Otherwise, when t_o (the observed value of t) $<$ $t\alpha$ (critical values); H0 is accepted and H1 is rejected.

The t_o value as seen in the figure 4.2 below is 2.95. The table can be calculated with the following provisions: DF is the number of data (n) minus (2) two or $100 - 2 = 98$; with the confidence level as much as 95%; accordingly, the value of error tolerance (σ) is 0.05. Using such provisions, the value of t table is 1.96.

The decision is that t observation (t_o) as much as 2.95 as seen the figure 4.2 below is more than t table ($t\alpha$) as much as 1.96 meaning that we must reject H0 and accept H1. Accordingly, Online marketing communication affects Consumer behavior significantly with its indicators

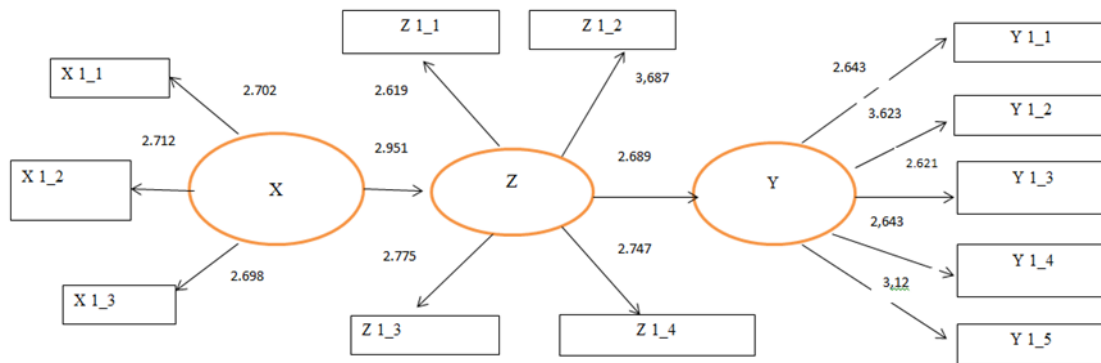


Fig. 4.2: t Values.

The Result of the Second R square value (R²)

The second R square value is as much as 0.69 meaning that the percentage of variation of the Purchase Decision variable and the respective indicators can be clarified using the Consumer Behavior variable and the respective indicators.

The Result of the Path Coefficient Value

The path coefficient value from the Consumer Behavior exogenous latent variable accompanied by the indicators to Purchase Decision with its indicators

The path coefficient value from the Consumer Behavior independent latent variable together with its indicators to the Purchase Decision dependent variable of together with the indicators is 0.68 meaning that the amount of effect of the Consumer Behavior independent latent variable together with the indicators on the Purchase Decision endogenous variable together with the respective indicators. When the value of the Consumer Behavior exogenous latent variable with its indicators changes within one unit increase, then the endogenous variable of Purchase Decision value with its indicators increases as much as 0.68. The hypothesis testing is as follows:

H0: Consumer behavior does not affect Purchase Decision significantly with its indicators

H1: Consumer behavior affects Purchase Decision significantly with its indicators

The criteria of hypothesis testing is as follows:

When t_o (the observed value of t) $>$ $t\alpha$ (critical values); H0 is rejected and H1 is accepted. Otherwise, when t_o (the observed value of t) $<$ $t\alpha$ (critical values); H0 is accepted and H1 is rejected.

The t_o as seen in the figure 4.2 above is 2.68. The table can be calculated with the following provisions: the value of the Degree of Freedom (DF) is the number of the data minus 2 or $100 - 2 = 98$; with the confidence level as much as 95%; accordingly, the value of error tolerance (σ) is 0.05. Using such provisions, the value of t table is 1.96.

The decision is that t observation (t_o) as much as 2.68 as seen the figure 4.2 above is more than t table ($t\alpha$) as much as 1.96 meaning that we must reject H0 and accept H1. This decision conveys meaning that Consumer behavior affects Purchase Decision significantly with its indicators.

The Indicators' Effect of the Online marketing communication on Consumer Behavior

The indicators' effect of the Online marketing communication on consumer behavior are as follows: First, the effect of web site on consumer behavior is 0.527 originating from (0.702 x 0.751) meaning that the effect is moderate. Second, the effect of point of sale on consumer behavior is 0.535 originating from (0.712 x 0.751) meaning that the effect is moderate. Third, the effect of packaging on consumer behavior is 0.524 originating from (0.698 x 0.751) meaning that the effect is moderate.

The Influence of the Online marketing communication towards the Indicators of the Consumer Behavior

The influence of the online marketing communication on the indicators of the buying decision is: First, the influence of the online marketing communication on cultural factor is 0.525 originating from (0.751 x 0.699) meaning that the effect is moderate. Second, the effect of the online marketing communication on social factor is 0.516 originating from (0.751 x 0.687) meaning that the effect is moderate. Third, the effect of the online marketing communication on personal factor is 0.561 originating from (0.751 x 0.747) meaning that the effect is moderate. Fourth, the online marketing communication towards psychological factor is 0.567 originating from (0.751 x 0.755) meaning that the effect is moderate.

The Indicators' Effect of the Consumer Behavior on Purchase Decision

Indicators' influence of the behavior of the consumer towards repeat purchase decision are as follows: First, the

effect of the cultural factor on purchase decision is 0.482 originating from (0.699×0.689) meaning that the effect is low. Second, the effect of the social factor on purchase decision is 0.473 originating from (0.687×0.689) meaning that the effect is low. Third, the effect of the personal factor on purchase decision is 0.520 (0.755×0.689) originating from meaning that the effect is moderate. Fourth, the effect of the psychological factor on purchase decision is 0.515 (0.747×0.689) originating from meaning that the effect is moderate.

The Effect of the Consumer Behavior on Repeat Purchase Decision Indicators

The influence of the behavior of the consumer on the indicators of the repeat buying decision, namely First, the influence of the behavior of the consumer variable towards the selection of the product is 0.443 originating from (0.689×0.643) meaning that the effect is low. Second, the influence of the behavior of the consumer towards the selection of the brand is 0.429 originating from (0.689×0.623) meaning that the effect is low. Third, the influence of the behavior of the consumer towards the selection of the distribution is 0.428 originating from (0.689×0.621) meaning that the effect is low. Fourth, the influence of the behavior of consumer towards the purchase time is 0.356 originating from (0.689×0.516) meaning that the effect is low. Fifth, the influence of the behavior of consumer towards payment method, namely 0.364 originating from (0.689×0.529) meaning that the effect is low.

The online marketing communication affects the purchase decision through the consumer behavior as much as 0.75 times 0.69 which is equal as much as 0.52 meaning that the effect of the online marketing communication on the purchase decision through the consumer behavior falls into moderate category.

The Model Fit of the Variable Relationships

Fitness of the model of variable relationship is evaluated by employing the discriminant reliability and validity values towards the latent variables (constructs).

Reliability and Validity of the Constructs of Online Marketing Communication, Behavior of Consumer, and Purchase Decision

The values of validity and reliability refer to the number of values from latent variable of the exogenous variable and the intervening variable as well as the endogenous variable that underlies the respective indicators. In order to test whether they are valid or not, we will use the standard value of Rho_A that must be bigger than 0.5 while they are reliable or not, we will use the Cronbach's Alpha value with minimum value is as much as 0.7 (Sarwono, Jonathan., 2018). The following is the values concerned: First, the X variable has 0.89 for the Cronbach' Alpha and 0.83 for the Rho_A value. Second, the Z variable has 0.86 for the Cronbach' Alpha and 0.85 for the Rho_A value. Third, the Y variable has 0.83 for the Cronbach' Alpha and 0.82 for the Rho_A value. The decision is as follows: First, the latent variable of Online marketing communication (X) has met the validity requirement due to the value of Rho_A as much as $0.83 > 0.5$. It has met the reliability as well due to the Alpha value as much as $0.89 > 0.6$. Second, the Consumer behavior variable (Z) has met the validity as well due to Rho_A value as much as $0.85 > 0.5$. It has met

the reliability as well because the Alpha value as much as $0.86 > 0.6$. Third, the latent variable of Purchase Decision (Y) has met the validity as well because the value of Rho_A as much as $0.81 > 0.5$. It has met the reliability as well due the Alpha value as much as $0.83 > 0.6$ (Sarwono, Jonathan, 2018).

Values of the Discriminant Validity of the Indicators of Online Marketing Communication, Consumer Behavior and Buying Decision

Values of the discriminant validity from Fornell – Lacker shows how much the reflection of the indicators their latent variables belong to. The following is the result of the discriminant validity: X1 is as much as 0.77; Z is as much as 0.85 and Y is as much as 0.72. The explanation is as follows: First, the Fornell – Larcker's value of X as much as 0.77 is more than 0.5. Second, the Fornell – Larcker's value of Z as much as 0.85 is more than 0.5. Third, the Fornell – Larcker's value of Y as much as 0.72 is more than 0.5. In conclusion, all indicators of the three latent variables of online marketing communication, consumer behavior, and repeat buying decision have met the validity because the values from Fornell – Larcker's is bigger 0.5. This shows that they have reflected their respective latent variables correctly (Sarwono, Jonathan, 2018).

4.2 Discussion

Based on the descriptive result above, it can be explained as follows: First. indicators' effect of online marketing communication on consumer behavior falls into moderate category. Second, the effect of the consumer behavior towards the indicators from the purchase decision is moderate. Third, the effect of indicators of the consumer behavior on purchase decision ranges from low to moderate effect. Fourth, the effect of the consumer behavior towards the indicators originating from purchases decision is low.

The online marketing communication affects consumer behavior significantly with its indicators. This means that the online marketing communication triggers the online purchase decision of the consumers. It has been studied that Tokopedia and Shopee online shops conduct the electronic advertisement for their e-commerce business (Mawuntu, K.A., et.al., 2020). Moreover, the online marketing that has been done by Tokpedia affects significantly on purchase decision (Putri, S.S.A. & Rachma, A., 2020). In line to that, the web design of the online store Tokopedia significantly affects the consumer purchasing decision (Merdiani, Wenti & Suhardi, Mulaydi, 2022).

Consumer behavior affects significantly the purchase decision. Consumer behavior in purchase decision implies that the consumers' perceived values towards the online shops will cause the consumers to conduct the purchase transaction. This has been proved in the study done by Zhang, N., et.al., (2021) proving that purchase decision is caused by the online review of the consumers on the online entity in which the online purchase activity will be carried out. Another study proves that consumer behavior affects significantly purchase decision (Firman, A., 2021).

Furthermore, the online marketing communication affects the purchase decision through the consumer behavior. Meaning that online marketing communication changes the consumer behavior in which it finally affects the purchase decision (Havidz, HVH et.al., 2021). One of the most important of matters that the consumer will buy only is the

existence of the trusted web site that represents the seller existence online. Accordingly, the trust that the consumer will never obtain the problems during the online transaction is determinant whether or not they will repeat to conduct the online buying activities (Sfenrianto et al., 2018). Another study about quality of the logistics services that has been done online towards the satisfaction of the customers in order to enhance the buying behavior reports that the qualified service and the qualified delivery show the effect significantly towards the satisfaction of the customers, which, then, affects significantly on repeat purchasing behavior (Choi, D., et.al., 2019).

5. Conclusion

The conclusion of this research are as follows: First, indicators' effect of the online marketing communication on consumer behavior falls into moderate category. Second, the influence of the consumer behavior on the indicators of the purchase decision falls into moderate category. Third, the influences of the indicators from the consumer behavior towards purchase decision ranges from low to moderate effect. Fourth, the influence of the consumer behavior towards the indicators from purchase decision variable is low. Fifth, the on-line marketing communication affects Consumer behavior significantly with its indicators. Sixth, Consumer behavior affects significantly the Purchase decision. Seventh, the effect of the online marketing communication on the purchase decision through the consumer behavior falls into moderate category.

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