

E-COMMERCE: VARIABLE MODERATION IN MARKETING STRATEGIES ON PURCHASING DECISIONS

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Abstract

This comprehensive study delves into the intricate dynamics of marketing strategies and their influence on consumer purchasing behavior concerning UMKM Mak Epa Frozen in Lumajang City. With e-commerce emerging as a crucial moderating variable, this research adopts a quantitative approach, integrating both descriptive and causal analyses. By surveying 100 dedicated patrons of UMKM Mak Epa Frozen, meticulously collected data is subjected to rigorous scrutiny using the sophisticated Smart-PLS 4 software. The discerning findings reveal: (1) a robustly positive and consequential correlation between marketing strategies and consumer purchasing decisions, (2) notably, although e-commerce exhibits significant relevance, it does not appear to moderate the impact of marketing strategies on consumer purchasing behavior.

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1. Introduction

The progression of time and technology has propelled significant changes across various systems, including business and marketing. Historically, product acquisition involved direct negotiations between buyers and sellers. This process often faced constraints due to geographical limitations and required physical presence for transactions to occur. However, in the current era of globalization facilitated by the internet, barriers of distance, time, and cost are no longer necessary. Electronic commerce (e-commerce) has emerged as a profoundly influential technological application, revolutionizing the way products and services are marketed and purchased. Through e-commerce platforms, individuals can access a diverse array of products and services, both physical and digital (Almilia, 2007).

In today's digital age, e-commerce stands out as a dominant platform facilitating buying and selling transactions. The exponential expansion of the e-commerce sector has transformed traditional purchasing models, providing consumers with easy and fast access to a wide range of products and services via the internet. In this context, the importance of effective marketing strategies for e-commerce companies cannot be overstated, as these strategies play a crucial role in attracting consumer attention and influencing their purchasing behavior. Crafting successful marketing strategies in the e-commerce domain not only requires a profound understanding of consumer behavior and market dynamics but also acknowledgment of the factors influencing the interaction between marketing initiatives and consumer purchasing decisions. Among these

moderating factors are various technological aspects, consumer preferences, and intrinsic product characteristics. According to Kaplan and Haenlein (2010), social media comprise internet-based applications rooted in Web 2.0, a concept introduced by Tim O'Reilly (2003). Web 2.0 serves as the underlying framework for engagement in social media, offering users seamless avenues for collaboration and online exchange.

In the scope of this research, the primary objective is to investigate the factors moderating the relationship between marketing strategies and purchasing decisions in the context of e-commerce. This study aims to identify moderating variables that significantly influence and understand how these variables affect the effectiveness of marketing strategies in influencing consumer purchasing behavior on e-commerce platforms. With a deeper understanding of these moderating variables, e-commerce companies can enhance their marketing strategies, strengthen their position in an increasingly competitive market, and improve consumer satisfaction. Therefore, this research holds significant relevance in developing effective marketing strategies amidst the ever-evolving and fiercely competitive e-commerce landscape. Additionally, it is crucial to acknowledge the vital role of employees in organizations as they are human assets capable of positively contributing to organizational growth and development.

In this context, the research aims to explore moderating variables influencing the relationship between marketing strategies and purchasing decisions in the realm of e-commerce. The study seeks to identify significant moderating factors and understand how these factors affect the effectiveness of marketing strategies in influencing consumer purchasing behavior on e-commerce platforms. Through a better understanding of these moderating factors, e-commerce companies can optimize their marketing strategies, enhance competitiveness, and improve consumer satisfaction. Thus, this research holds crucial relevance in the context of developing effective marketing strategies in an increasingly competitive and dynamic e-commerce environment. The role of employees in an organization is paramount as they are human resources with the potential to make positive contributions to organizational development.

One essential aspect of work productivity is discipline, which influences the effectiveness and efficiency of goal achievement. Didit Darmawan (2019) found a positive relationship between organizational support and organizational commitment, indicating a strong correlation.

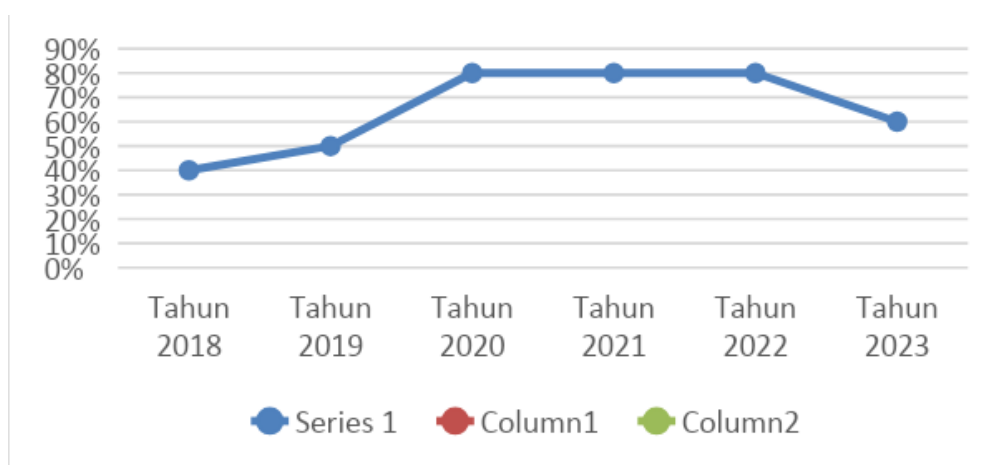


Figure 1. Sales Data of Mak Epa Frozen Food Each Year
Source: Sales Report of Mak Epa Frozen Food MSME (Year 2023)

In the context of marketing strategies, factors influencing sales volume can be categorized into several essential aspects, including producer conditions, consumer conditions,

and the government's role in economic stability. Producer conditions underscore the importance of effective marketing strategies to meet customer needs. Consumers play a crucial role in determining sales volume, with their purchasing decisions influenced by market factors. The government also wields a significant impact through economic policies affecting production and producer income. Marketing strategy indicators such as product lifecycle, company competitive position in the market, and economic situations provide insights into strategic changes in marketing. The product lifecycle illustrates the sales journey from product introduction to market exit, divided into four stages: introduction, growth, maturity, and decline. Competitive positioning in the market can influence marketing strategies, with SWOT analysis used to identify company strengths and weaknesses. Economic conditions also play a vital role, with a strong economy or high inflation affecting consumer purchasing power and necessitating economic prospect adjustments. Therefore, marketing strategies must align with existing economic conditions, as during economic downturns, consumers tend to reduce their spending.

Understanding the factors influencing sales volume and marketing strategy indicators can assist e-commerce companies in designing effective marketing strategies responsive to market dynamics and evolving economic environments. Marketing strategy entails planning, implementation, and control programs designed to create, build, and maintain profitable exchanges with target markets to achieve organizational goals (Kotler and Keller, 2016). Factors Influencing Sales Volume. According to Alma (2007:99), factors influencing sales volume. According to Kotler (in Saladin and Usman, 2003:6), there are three indicators in marketing strategy reflecting strategic changes in marketing. First, the product lifecycle, which describes the sales history of a product from introduction to market withdrawal. This cycle is divided into four stages: introduction, growth, maturity, and decline. Second, a company's competitive position in the market affects its marketing strategy, whether as a leader, challenger, follower, or niche player. Third, economic situations play a crucial role in marketing strategy, with good economic conditions or high inflation affecting consumer purchasing power and requiring adaptation to economic prospects. Thus, marketing strategies must be adjusted to existing economic conditions, as during economic downturns, consumers tend to reduce their spending.

Purchasing decisions are a crucial stage in the consumer process involving problem recognition, information search, and product selection. It involves alternative evaluation and ultimately results in purchasing decisions. The process consists of several stages, levels, and influencing factors. According to Kotler (2016), there are five stages in the purchasing decision process, starting from problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. During this process, consumers assess and select products before making the final decision. Social media, according to Kaplan and Haenlein (2010), is a collection of internet-based applications enabling users to collaborate and share information online. Web 2.0, as the foundation for social media, offers a platform for online collaboration and sharing. Consumers will make purchasing decisions if they feel a desire and need for a product. Desire means having a craving to own the product. Meanwhile, need means genuinely requiring the product to fulfill a necessity (Solihah, 2024). Social networks like Facebook and Twitter have become primary channels for broadcasting information quickly and widely to internet users. This facilitates rapid and efficient information dissemination to a large number of internet users. Thus, integrating social media into the purchasing decision process can have a significant impact, providing a platform for consumers to interact, share experiences, and obtain information influencing their purchasing decisions.

E-commerce refers to electronic commerce or commercial transactions conducted electronically, primarily via the Internet (Merriam-Webster, 2023). Today, e-business and e-commerce refer to digital networks used by or based on many businesses. The term "electronic commerce," also known as "e-commerce," refers to business methods primarily using the Internet and digital technology. According to Laudon & Laudon (2014), e-business encompasses internal company management as well as coordination with suppliers and other business partners. E-commerce, also known as e-commerce, involves the online buying and selling of goods and services. E-commerce is part of electronic commerce. According to Laudon & Laudon

(2014), e-commerce also includes activities supporting these transactions such as advertising, marketing, customer support, security, shipping, and payment. E-commerce will change marketing strategies, while reducing business operational costs. In 1995, one of the first internet portals, Netscape.com, received its first advertisement from a major company, popularizing the idea that the Web could be used as a new advertising and sales medium. That was the beginning of e-commerce. This is why sales increased two to three times more than before, which is not surprising. Until the recession of 2008-2009, when economic growth was very slow, e-commerce continued to grow. In fact, the only relatively stable retail sector is e-commerce. According to Laudon & Laudon (2014), online purchases increased by 5% in 2012, while online transactions increased by 7%.

Depending on participant characteristics, e-commerce can be divided into three main types (Laudon & Laudon, 2014). First, e-commerce is aimed at business-to-consumer (B2C). Consumers and businesses complete business-to-consumer transactions. Managing goods and services for individual customers is one of e-commerce transactions, which operate similarly to traditional purchases.

Online purchases are made by customers receiving product offers. One example is BarnesandNoble.com, a page offering individual customers access to music, software, and books. Bhinneka.com, Berrybenka.com, and Tiket.com are all based in Indonesia. Second, e-commerce between businesses. Businesses exchange goods and services through this e-commerce. Both parties have commercial interests that each conducts transactions. These two parties understand each other well and are familiar with business operations. EDI (Electronic Data Interchange) and regular email are used in this type of e-commerce for purchasing goods and services. Bizzy and Ralali are examples of B2B business sites. Bizzy provides support to businesses facing difficulties accessing their supplies and services. Meanwhile, Ralali supplies MRO (maintenance, repair, and operation) products to other companies. Consumer-to-consumer (C2C) e-commerce is the third type. Customers sell directly to customers under the C2C e-commerce business form.

2. Methods

The subject of this research is consumers who make purchases through e-commerce platforms, with a predetermined criterion for the research sample consisting of 100 respondents. The sample was selected using purposive sampling technique, considering the characteristics of consumers of UMKM (Micro, Small, and Medium Enterprises) who purchase Mak Epa Frozen Food products through e-commerce. According to Sugiyono (2015), the object of research is an attribute or characteristic or value of people, objects, or activities that have certain variations determined by the researcher to be studied and then conclusions drawn. The object of this research is to understand the influence of marketing strategies on purchasing decisions with the implementation of e-commerce as a moderator. The population of this research is consumers with various characteristics such as age, gender, education, and occupation. The sampling technique used is simple random sampling, to ensure objectivity in the sample selection process.

Based on the chosen research method, and drawing from theoretical studies and previous research as well as the development of the conceptual framework of the research, the following hypotheses are proposed:

Hypothesis 1 (H1): It is hypothesized that marketing strategies influence purchasing decisions.

Hypothesis 2 (H2): It is hypothesized that the implementation of e-commerce strengthens the relationship between marketing strategies and purchasing decisions.

Here's the conceptual model of this research

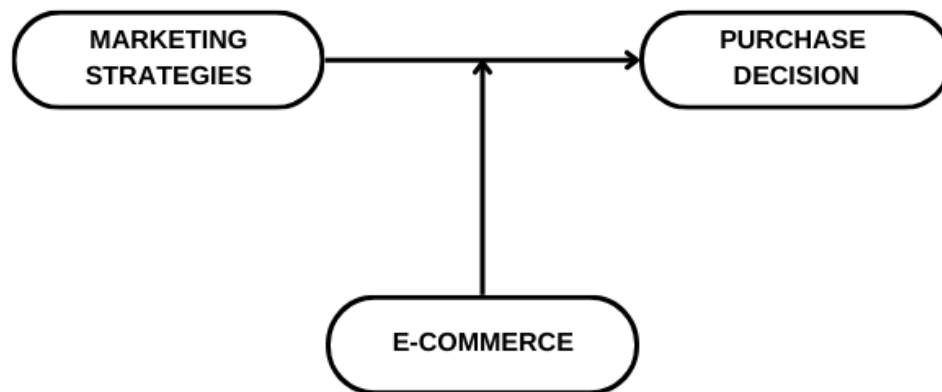


Figure 2. Conceptual Model

3. Results and Discussion

Results

Table 1. Path Coefficients Result

Path	Original Sample
Marketing Strategies (X) toward Purchase Decision (Y)	0.735
E-commerce (Z) on Marketing Strategies (X) toward Purchase Decisions (Y)	0.043

Source: Processed Data, 2024

From the tested data results, two significant relationships can be inferred. Firstly, there is a strong correlation between marketing strategies (X) and purchase decisions (Y) with a correlation coefficient of 0.735. This indicates that marketing strategies have a significant influence on consumer purchase decisions. Secondly, although there is still an influence, the correlation between e-commerce (Z), marketing strategies (X), and purchase decisions (Y) appears to be relatively low, at only 0.043. This suggests that the use of e-commerce platforms in marketing strategies still needs to be further explored to strengthen its influence on consumer purchase decisions.

Table 2. Hypothesis Testing

Path	T-Statistics	P-Values
Marketing Strategies (X) toward Purchase Decision (Y)	2.389	0.000
E-commerce (Z) on Marketing Strategies (X) toward Purchase Decisions (Y)	0.647	0.518

Source: Processed Data, 2024

Based on the hypothesis testing results, there are interesting findings that can be concluded. Firstly, there is significant evidence that marketing strategy (X) has a strong influence on purchase decisions (Y), with a t-statistic value of 2.389 and a p-value of 0.000. This confirms that there is a significant relationship between the applied marketing strategy and the purchase decisions made by consumers. Secondly, although there is a relationship between e-commerce (Z) and marketing strategy (X), the test results indicate that this relationship is not significant for purchase decisions (Y), with a t-statistic value of 0.647 and a p-value of 0.518. This indicates that

the use of e-commerce in marketing strategy does not significantly contribute to consumer purchase decisions, at least in the context studied.

Discussion

Marketing strategy influences purchase decisions.

Based on the information provided, there is significant evidence indicating that marketing strategy (X) strongly influences purchase decisions (Y). This is demonstrated by a t-statistic value of 2.389 and a p-value of 0.000. The low p-value suggests strong evidence against the null hypothesis, which states that there is no relationship between the marketing strategy variable and purchase decisions. In other words, these results affirm that there is a significant relationship between the applied marketing strategy and the purchase decisions made by consumers. The significant t-statistic value (2.389) indicates that the influence of marketing strategy on purchase decisions is robust. The higher the t-statistic value, the stronger the relationship between the observed variables.

These findings have important implications for marketing and management practitioners. They indicate that decisions in designing and implementing marketing strategies can significantly impact consumer purchasing behavior. Therefore, a deep understanding of consumer preferences and needs, as well as the effectiveness of marketing strategies, is crucial for marketing success. Based on these conclusions, it can be inferred from the research conducted on Mak Epa Frozen Food MSMEs that marketing strategies influence consumer purchase decisions, thus enhancing the effectiveness of the marketing strategy increases the likelihood of customers making purchases. This research aligns with previous studies conducted by Tijjang (2021) and Naninsih (2019), both of which found significant positive effects of marketing strategies on purchase decisions in the fashion product industry.

The research conducted on Mak Epa Frozen Food MSMEs is a highly relevant and important step in understanding the relationship between marketing strategy and purchase decisions at the micro, small, and medium enterprise (MSME) level. By focusing on MSMEs, the research can provide more specific insights into how marketing strategies can influence consumer purchasing behavior in smaller businesses oriented towards local markets. In this regard, identifying specific elements of marketing strategies that have the most significant impact on purchase decisions is crucial. For example, Mak Epa Frozen Food MSMEs may use marketing strategies through social media, promotional programs in local markets, or collaborations with local stores or restaurants. Further research can explore the effectiveness of each of these strategies in influencing consumer purchase decisions.

It is important to understand how external factors such as market trends and economic conditions can influence the relationship between marketing strategy and purchase decisions at Mak Epa Frozen Food MSMEs. For instance, research could explore how changes in local consumer preferences, fluctuations in raw material prices, or regional economic conditions affect responses to marketing strategies implemented by these MSMEs.

Overall, the findings of this research will provide valuable insights for Mak Epa Frozen Food MSMEs and similar enterprises in designing more effective marketing strategies to influence local consumer purchasing behavior and improve their business performance. With a better understanding of how these variables interact, MSMEs can optimize their resources and achieve competitive advantages in an increasingly competitive market.

E-commerce does not strengthen the relationship between marketing strategy and purchase decisions.

The study aimed to explore the relationship between the use of e-commerce (Z) in marketing strategy (X) and consumer purchase decisions (Y). However, the test results indicate that although there is a relationship between e-commerce and marketing strategy, this

relationship is not significant regarding consumer purchase decisions. This is reflected in the t-statistic value of 0.647 and a p-value of 0.518. The high p-value (0.518) suggests that there is not enough evidence to reject the null hypothesis, which states that there is no relationship between the use of e-commerce in marketing strategy and consumer purchase decisions.

Thus, despite the existence of a relationship between e-commerce and marketing strategy, the contribution of e-commerce to influencing consumer purchase decisions is not significant in the context under study. This indicates that in the implementation of marketing strategies, other factors may have a greater influence, or consumer purchase decisions may be influenced by aspects unrelated to the use of e-commerce. These findings have important implications for marketing practitioners, especially those operating in the e-commerce realm. While e-commerce is an essential part of marketing strategy, this research suggests that an excessive focus on e-commerce alone may not have a significant impact on consumer purchase decisions. Therefore, marketing practitioners need to consider various other factors in designing their marketing strategies and understand consumer preferences and purchasing behavior more deeply.

In this context, further research can be conducted to explore other variables that may affect the relationship between e-commerce, marketing strategy, and consumer purchase decisions. Additionally, the study can broaden its scope and consider broader contextual factors to gain a more comprehensive understanding of market dynamics in this digital era.

4. Conclusion

The research findings indicate that marketing strategies significantly influence consumer purchase decisions, while e-commerce, although linked to marketing strategies, does not contribute significantly to purchase decisions. The practical implications of these findings underscore the importance of designing effective marketing strategies to influence consumer purchasing behavior, considering various factors such as brand experience, product quality, and consumer trust. This research provides valuable insights for SMEs in designing effective marketing strategies to enhance sales and business performance while understanding the increasingly complex market dynamics in the current digital era. Further research is needed to gain a deeper understanding of the factors influencing the relationship between e-commerce, marketing strategy, and consumer purchase decisions, thus providing a more comprehensive understanding of consumer behavior and the appropriate marketing strategies to adopt.

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