The Effect of the e-Commerce Website, Price and Corporate Brand in Purchase Decisions and Its Implications on Customer Satisfaction in B2B Online Shop

Sugiyatno¹, Har Adi Basri²

¹Master of Management, Mercubuana University, Jakarta, Indonesia
²Lecturer of Postgraduate, Mercubuana University, Jakarta, Indonesia

Abstract: This research aims to analyse the relationship between website, price, corporate brand in purchasing decision on customer satisfaction online purchases in Business to Business. This research is conducted at PT. Iniled Indonesia Industry which has an online purchase website named www.tokotakumi.com a company that provides goods for supporting the industrial production process needs. The data used in this research are primary data and secondary data. Primary data are obtained from questionnaires filled out by the respondents. The secondary data are obtained through the distribution of questionnaires to customers who have made purchase. The number of samples used in this research is 92 companies. The sampling technique is done by purposive sampling, the data are processed with multiple linear regression equation with SPSS 25 to know the percentage of contribution of independent variable on the dependent variable. The results show that the product and price variables partially have a positive and significant effect on customer satisfaction while the variable place, promotion, person, process and physical evidence partially have a positive but not significant one on customer satisfaction. This results also show all dependent variable simultaneously influence to customer satisfaction. At the managerial level, this research can be used as a recommendation for PT. Iniled Indonesia Industry in order to increase customer satisfaction for industrial or Business to Business.

Keywords: Website, Price, Corporate Brand, Purchase Decision, Customer Satisfaction

1. Introduction

The industrial or manufacturing, the process of purchasing goods for supporting production, most of companies still use conventional purchases, which are purchased based on price quotes emailed by supplier’s marketing officers via email or printed price quotations. Sometimes this requires a long time for the buyers because they must wait for a price quoted from the marketing officers first. This enables a chance for buyers to switch up to other supplier who can provide a faster response or price quotations.

The rapid development of information technology including the internet has triggered many people spend most of their time in front of internet-connected devices. The development of the internet turned out to have a great impact on many aspects, especially development in the business and marketing one. Because, the advantages of the internet business own a broad market share, practical and efficient.

The Process of Consumer Shopping Through Internet Media, can exert a great power which make it a primary option of consumers’ choice on the internet. So, the online shopping website usage factor is the most-considerable thing to affect purchasing decisions online.

In Pipiapoh study (2010), he exclaims a website is a component or a collection of components consists of texts, images, sounds, animations which synergize to become an interesting information media to visit.

Internet technology makes various information can be easily obtained. One of the information which is often looked for about a product is the price. With the availability of information about prices from various websites, consumers can easily compare prices of item on the online shopping website one another.

Schiffman and Kanuk (2003:p186) declare price in their research as how consumer perceives price as high, low and fair prices.

The Corporate Brand encapsulates intangible elements which are not directly related to the product, such as social responsibility, employee relations and company trust. Compared to product brands, which are usually handled by marketers, Corporate Brand practices involve organizational practices that contribute to company identity, visual identity and company personality, where all of factors can encourage stakeholders to identify themselves with the company's brand, so affect on increasing brand equity.

According to Aaker (1991: 2004), Corporate Brands or Corporate Brands, is a gradual management together with a distinctive image that turns out into the corporate identity.

Research conducted entitled The Effect of e-Commerce Website, Price and Corporate Brand in Purchasing Decisions and Its Implications on Consumer Satisfaction in B2B Online Shop.
2. Problem Formulation

Based on the preceding description, the research problems are formulated as follow:
1) How does the website, price and corporate brand separately affect a purchasing decision in B2B online shop?
2) How does the website, price and corporate brand simultaneously affect a purchasing decision in B2B online shop?
3) How does the website, price and corporate brand separately affect a customer satisfaction in B2B online shop?
4) How does the website, price and Corporate Brand simultaneously affect a customer satisfaction in B2B online shop?

3. Research Object

Based on the problem formulation, the research objects are identified as follows:
1) To analyze the effect of the website on a purchasing decision in B2B online shop.
2) To analyze the effect of prices on a purchasing decision in B2B online shop
3) To analyze the effect of the company's brand on a purchasing decision in B2B online shop
4) To analyze the influence of websites, prices and corporate brands on a purchasing decision in B2B online shop.
5) To analyze the effect of websites, prices and corporate brands in a purchasing decision on consumer satisfaction in B2B online shop.

4. Literature Reviews

A. Website

Referring to Pipiapoh study (2010), he thinks a website is a component or a collection of components consists of texts, images, sounds, animations which synergize to become an interesting information media to visit. Website is an information page provided through the internet which can be accessed by people worldwide while they are connected to the internet network. In general, a website can be classified into two parts, they are:

Static Website

According to Pipiapoh (2010), a static website is a web page that has fixed interface pages. This means in making changes to a page on the website is modified manually by editing the source code’s structure of the website.

Dynamic Website

In accordance with Arief (2009), dynamic website is web pages structurally intended to be updated as often as possible. Dynamic websites consist of front-end pages that can be accessed by general users, it also provides a back-end page for editing content from the website. Frequent examples of dynamic websites are news websites or web portals which contains news and polling facilities, etc.

B. Price

As stated by Peter and Olson (2000: p.228), price is the way how price information is comprehended entirely by consumers and gives a deep meaning to them. In proportion to Lichtenstein et al in their study entitled Munnukka (2008:p.190), it states that price perceived is related to the level of price acceptance on consumers which is rated wide from the limit of price acceptance.

Price perceived is formed by two main dimensions as are follow:

- **Perceived of Quality**
  Consumers tend to choose the expensive products when the information obtained is only about the price of the product. Consumer perceptions of product quality are influenced by the perceived of brand name, store name, warranty provided and the flag who produces the products.

- **Perceived of Cost Incurred**
  In general, consumers assume that the price is the cost incurred to obtain a product. But consumers actually have different perceptions of the costs incurred even for the same product. This depends on the situation and conditions experienced by consumers.

C. Corporate Brand

The Corporate Brand encapsulates intangible elements which are not directly related to the product, such as social responsibility, employee relations and company trust. Compared to product brands, which are usually handled by marketers (Melew, Gotsi, Andriopoulus, 2012). Dimensions of Corporate Brands according to Nizar Souiden et al (2008), in his journal entitled The Effect of Brand Dimensions on Consumers' Product Evaluation, the reported there are 4 dimensions:

- Corporate Name Recognition
- Corporate Image
- Corporate Reputation
- Corporate Loyalty / Commitment

Purchase Decision

In accordance with Schiffman and Kanuk (2007: 485), they exclaim that most common understanding of a decision is the selection of two or more alternative choices.

The purchase decision is the attitude of the termination result determined by the buyer after considering the type of product, brand, quantity, time, manufacturer, salesperson, and payment methods to fulfill their needs and wants. According to Kotler and Keller (2012: 161), purchasing decisions have dimensions:

- a) Product Selection
- b) Brand Selection
- c) Purchase Channels
- d) Number of Purchase
- e) Time of purchase
- f) Payment Method

D. Purchase Decision

In accordance with Schiffman and Kanuk (2007: 485), they exclaim that most common understanding of a decision is the selection of two or more alternative choices. In other words, alternative choices must be available to someone when
making a decision. If someone has a choice between making a purchase and not making a purchase, a choice between brand X and brand Y, or the choice to use “A” or “B”, that person is in a position to make a decision.

E. Customer Satisfaction
In line with Kotler (2012), customer satisfaction is the level of person’s feelings after comparing the performance of the product that he feels with his expectations. Consumer satisfaction in the business belongs to one of market performance.

Dimension of Customer Satisfaction
According to Kotler and Keller (2012), they state that in measuring Consumer Satisfaction can be done using the following dimensions, namely:

1) Perceived of Performance
Perceived of Performance is the perception created by the customer of the services received from the company such as satisfaction with product features, existing facilities at the company, benefits received, information provided.

2) Conformity Expectations
This dimension shows the match between customer expectations for performance compared to the company performance they get.

3) Customer Assessment
This assessment is in the form of a comprehensive assessment of the superiority of a company’s products or services compared to similar companies or competitors.

4) Total Satisfactions
Total satisfaction is a feeling of pleasure or disappointment which arises after comparing the performance (results) of the product considered to the overall expected performance.

5. Research Model
Based on this explanation, the conceptual framework discussed in this study is described as follow:

6. Hypothesis
The Website, Prices and Corporate Brands separately and simultaneously affect the purchase decision in its implications to customer satisfaction in B2B online shop.

7. Research Method
Population, according to Sugiyono (2017: 80), population is a generalization area that consists of objects or subjects that have certain qualities or characteristics determined by researchers to be studied and then drawn conclusions. A population is a group of individuals who share the same special characteristics. In this study, the study population was selected as a buyer who has made a purchase transaction at PT. Iniled Indonesia Industry.

The sample design of this study uses the sample Slovin formula:

\[ n = \frac{N}{1 + N \cdot e^2} \]

where \( n \) is the number of samples taken in this study, \( N \) is the total number of population, and \( e \) is the error rate. The number of samples obtained was 91.15, to avoid samples which are incomplete or cannot be processed, the number of samples that were taken 92 research samples. The sampling method is done by using the Purposive Sampling Method, which is sampling based on certain considerations and must represent the population to be studied.

8. Data Analysis Technique
The data analysis technique used to conduct data processing in this study is the structural equation model (SEM). Furthermore, this study uses test procedures, namely: Validity Test, Reliability Test, Model Multicollinearity Test and Hypothesis Test.

Validity Test and Reliability Test
Validity is the value of t factor load is greater than the critical value (> 1.96 or practically > 2). Reliability is closely related to the consistency of manifest variables in measuring the latent construct. Therefore, construct reliability is good if the construct reliability value > 0.7

Variable Indicator Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value Cronbach’s Alpha</th>
<th>Req</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>0.743</td>
<td>&gt; 0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Price</td>
<td>0.749</td>
<td>&gt; 0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Corporate Brand</td>
<td>0.652</td>
<td>&gt; 0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Buying Decisions</td>
<td>0.728</td>
<td>&gt; 0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.658</td>
<td>&gt; 0.6</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Validity Test Results for All Website (X1), Price (X2), Company Brand (X3), Purchase Decision (Y1) and Consumer Satisfaction (Y2) variables totaling 68 questions have a r count value > r table = 0.202. Thus, the variables are declared Valid.
Hypothesis Testing Results

Data Normality Test Results

<table>
<thead>
<tr>
<th>Tests of Normality</th>
<th>Kolmogorov-Smirnov* Statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>0.206</td>
<td>92</td>
<td>0.000</td>
</tr>
<tr>
<td>Price</td>
<td>0.172</td>
<td>92</td>
<td>0.000</td>
</tr>
<tr>
<td>Corporate Brand</td>
<td>0.146</td>
<td>92</td>
<td>0.000</td>
</tr>
<tr>
<td>Buying Decision</td>
<td>0.176</td>
<td>92</td>
<td>0.000</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.140</td>
<td>92</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Multicolinearity Testing Results Purchase Decisions

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td>0.662</td>
<td>1.510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.678</td>
<td>1.476</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperate Brand</td>
<td>0.813</td>
<td>1.231</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Multicolinearity Tests of Consumer Satisfaction

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td>0.590</td>
<td>1.694</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.527</td>
<td>1.899</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperate Brand</td>
<td>0.679</td>
<td>1.473</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.392</td>
<td>2.553</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the two multicollinearity tables the VIF value of each variable is less than 10. This can be concluded that the tested data does not occur multicollinearity.

Hypothesis Testing

A. Test T (Line 1)

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td>0.361</td>
<td>0.271</td>
<td>1.333</td>
<td>0.186</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.239</td>
<td>0.073</td>
<td>0.269</td>
<td>3.276</td>
<td>0.002</td>
</tr>
<tr>
<td>Corporate Brand</td>
<td>0.280</td>
<td>0.056</td>
<td>0.407</td>
<td>5.023</td>
<td>0.000</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.377</td>
<td>0.091</td>
<td>0.308</td>
<td>4.165</td>
<td>0.000</td>
</tr>
</tbody>
</table>

R² = 0.680
F = 45.567

B. Test T (Line 2)

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td>1.775</td>
<td>0.124</td>
<td>4.329</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.080</td>
<td>0.035</td>
<td>0.163</td>
<td>2.290</td>
<td>0.024</td>
</tr>
<tr>
<td>Corporate Brand</td>
<td>0.067</td>
<td>0.029</td>
<td>0.176</td>
<td>2.332</td>
<td>0.022</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.100</td>
<td>0.045</td>
<td>0.148</td>
<td>2.230</td>
<td>0.028</td>
</tr>
<tr>
<td></td>
<td></td>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.289</td>
<td>0.048</td>
<td>5.991</td>
<td>0.000</td>
</tr>
</tbody>
</table>

R² = 0.739
F = 61.560

Based on the results of the t test, the regression coefficient (beta), and the coefficient of determination (R^2) in the path analysis of models 1 and 2, an empirical clause diagram is obtained with the path coefficient presented in Figure as follows:

Based on the results of the calculation of multiple linear regression can be interpreted as a whole, it can be calculated the total direct and indirect effects of this study, which are presented in the table as follow:

9. Conclusion

a) There is an influence from the Website (X1) on the Purchasing Decision (Y1).

Hypothesis testing results indicate that the relationship between the Website (X1) with a Purchase Decision (Y1) is significant. The coefficient value is positive which indicates that the direction of the relationship between the Website (X1) and the Purchase Decision is positive. Thus, this study states that "Website (X1) has a positive effect on Purchasing Decisions (Y1) Online Shop B2B" accepted.

b) There is an effect of Price (X2) on Purchasing Decisions (Y1).

Hypothesis testing results show that the relationship between Price (X2) and Purchase Decision (Y1) is significant. The coefficient value is positive which indicates that the direction of the relationship between Price (X2) and the Purchase Decision is positive. Thus, this study states that "Price (X2) has a positive effect on Purchasing Decisions (Y1) Online Shop B2B" accepted.

c) There is an influence of the Cooperate Brand (X3) on the Purchasing Decision (Y1).

Hypothesis testing results show that the relationship between Cooperate Brand (X3) with Purchase Decision (Y1) is significant. Positive coefficient value indicates that the direction of the relationship between Cooperate Brand (X3) with the Purchase Decision is positive. Thus, this study states that "Cooperate Brand (X3) has a positive effect on Purchasing Decisions (Y1) Online Shop B2B" accepted.
d) There is an influence of the Website (X1), Price (X2), and Cooperate Brand (X3) simultaneously on the Purchasing Decision (Y1). Based on the results of the simultaneous significance test (test f) which shows that the Website variable (X1), Price variable (X2), and Cooperate Brand variable (X3) together have a significant effect on the Purchase Decision variable (Y1). Thus, this study states that "Website (X1), Price (X2), and Cooperate Brand (X3) simultaneously have a positive effect on Purchasing Decisions (Y1) Online Shop B2B" accepted.

e) There is an influence of the Website (X1) on Consumer Satisfaction (Y2). The results of the hypothesis show that the relationship between Website (X1) and Consumer Satisfaction (Y2) is significant. The coefficient value positive which shows that the direction of the relationship between the Website (X1) with Consumer Satisfaction is positive. Thus, this study states that "Website (X1) has a positive effect on Consumer Satisfaction (Y2) Online Shop B2B" received.

f) There is an effect of Price (X2) on Consumer Satisfaction (Y2). The results of the hypothesis show that the relationship between Price (X2) and Consumer Satisfaction (Y2) is significant. Positive coefficient value indicates that the direction of the relationship between Price (X2) and Consumer Satisfaction is positive. Thus, this study which states that "Price (X2) has a positive effect on Consumer Satisfaction (Y2) Online Shop B2B" accepted.

g) There is an influence of Cooperate Brand (X3) on Consumer Satisfaction (Y2). Hypothesis results show that the relationship between Cooperate Brand (X3) with Consumer Satisfaction (Y2) is significant. Positive coefficient value indicates that the direction of the relationship between Cooperate Brand (X3) with Consumer Satisfaction is positive. Thus, this study states that "Cooperate Brand (X3) has a positive effect on Consumer Satisfaction (Y2) Online Shop B2B" received.

h) There is an influence of the Purchasing Decision (Y1) on Consumer Satisfaction (Y2). Hypothesis results show that the relationship between Purchasing Decisions (Y1) and Consumer Satisfaction (Y2) is significant. The positive coefficient value indicates that the direction of the relationship between the Purchasing Decision (Y1) and Consumer Satisfaction is positive. Thus, this research states that "Purchasing Decision (Y1) has a positive effect on Consumer Satisfaction (Y2) Online Shop B2B" accepted.

i) There is an influence of Website (X1), Price (X2), Cooperate Brand (X3), and Purchase Decision (Y1) simultaneously on Consumer Satisfaction (Y2). Based on the results of the simultaneous significance test (test f) which shows that the Website variable (X1), Price variable (X2), Cooperate Brand (X3), and Purchase Decision (Y1) together have a significant effect on the Consumer Satisfaction variable (Y2). Thus, in this study stated that "Website (X1), Price (X2), Cooperate Brand (X3), and Purchase Decision (Y1) simultaneously have a positive effect on Consumer Satisfaction (Y2) Online Shop B2B" accepted.

References


