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Price, Promotion, and Online Customer Ratings: Factors Determining the Purchase Decisions for Sheona Go Fashion Products on E-Commerce

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Abstract

Along with the increasing popularity of online fashion shopping, this study aims to analyze the influence of price, promotion, and online customer ratings on purchasing decisions for Sheona Go fashion products on the E-Commerce platform. This study is important to understand the factors influencing online shopping behavior. The research method used is a quantitative approach with a survey. Using a purposive sampling technique, data were collected from 100 respondents who had purchased Sheona Go products through the E-Commerce platform. The variables studied include price, promotion, and online customer ratings as independent variables and purchasing decisions as dependent variables. The results of the analysis show that simultaneously, price, promotion, and online customer ratings have a significant effect on purchasing decisions. Partially, the price variable has the most dominant influence, followed by promotion and online customer ratings. Descriptive statistics show that most respondents positively assessed price and promotion, while perceptions of online customer ratings were more varied. These findings provide insights for online fashion business players in designing more effective marketing strategies and the importance of maintaining digital reputation and optimizing customer experience on online platforms. This study also strengthens the theory of Consumer Behavior in the context of E-Commerce.

Keywords: price, promotion, online customer ratings, purchase decision, E-commerce.

1. Introduction

The expansion of the E-commerce industry, including in Indonesia, has been further accelerated in recent years by digital transformation. People's consuming habits have changed as a result of increased internet access and the pervasive usage of mobile devices, they now depend more and more on online platforms to satisfy their demands, particularly in the fashion industry. E-commerce sites like Shopee and TikTok Shop have grown in popularity as avenues for customers to browse a vast array of fashion items.

We Are Social (2024) claims that the fashion industry is one of the most well-liked product

categories in E-commerce, where consumers' decisions are heavily influenced by factors including pricing, promotion, and online customer ratings.



Figure 1. Best-selling E-commerce products in Indonesia
Source: We Are Social Data (2024)

The increasing dependence on E-commerce platforms, especially in the apparel industry, encourages business actors to pay attention to aspects that influence consumers perception and trust. In this context, understanding prices, promotions and online customer ratings becomes very crucial for strategic decision making in managing an online business.

One of the E-commerce platforms that has seen increasing popularity in the apparel category is Shopee and TikTok Shop, both of which combine creative content elements with interactive online shopping features. For local brands like Sheona Go, this is a great opportunity to expand their market reach while building closeness with consumers through a more personal and creative approach.

However, amidst this trend, Sheona Go has struggled to fully capture market potential optimally, resulting in a decline in sales in E-commerce, especially on Shopee and TikTok Shop, even though there is a big opportunity from increasing consumers demand in the online fashion sector.

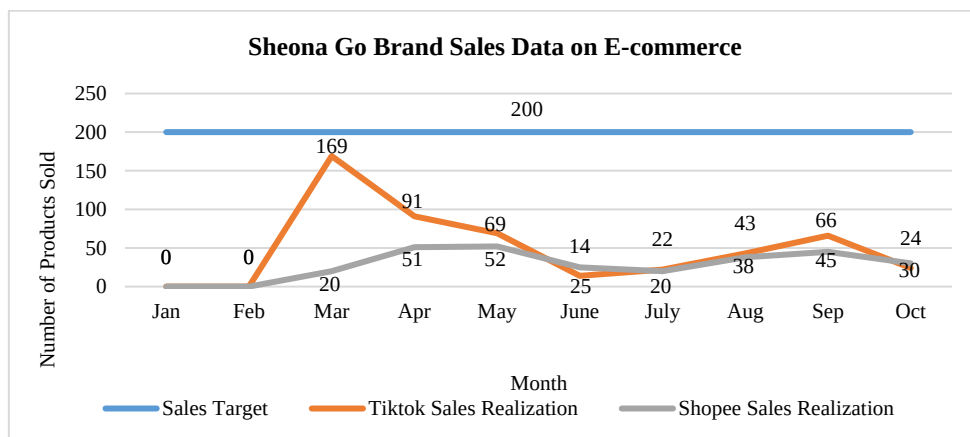


Figure 2. Sheona Go Sales Data
Source: Data Processed by Researchers (2024)

Based on Sheona Go's sales data on E-commerce, from January to October 2024, there was a difference in sales performance was observed between Shopee and TikTok Shop. Although the sales target was set at a stable 200 products per month, sales realization on the E-commerce platform actually decreased. This highlights the importance of more effective E-commerce platform management and the need for a sustainable strategy to maintain sales stability beyond the product launch phase and build consumers loyalty amidst the tight competition of E-commerce platforms, especially on Shopee and TikTok Shop. This demonstrates the need for a deeper understanding of the variables that may affect consumers' decisions to buy.

Numerous research have been carried out to determine the elements that affect customers' choices when they make purchases on E-commerce platforms. Several previous studies have highlighted the importance of price in attracting consumers and influencing consumers purchasing decisions (Kasmad, 2022).

In addition, promotions that attract consumers interest and provide additional incentives to purchase products. Effective promotions, such as discounts or special offers, help increase product appeal, influence the perception of product value in the eyes of consumers, and ultimately encourage consumers to make purchasing decisions. (Anggraini et al. (2020)).

Online Customer Ratings furthermore plays a crucial part in assisting customers in evaluating the caliber of goods and services prior to making a purchase, thereby increasing their confidence in making purchasing decisions. With a good ratings, consumers feel more satisfied and confident in the existing product choices, which ultimately influences their decision to purchase (Priangga and Munawar, 2021).

A number of previous studies, such as those conducted by Rahman, & Sarah (2024), Hutasoit, & Saputro, (2024), and Lestari, & Ali, (2024) have demonstrated that on E-commerce platforms, pricing, promotion, and online customer ratings significantly impact consumers' decisions to buy.

However, most of these studies focus on platforms such as Shopee and Lazada. Meanwhile, TikTok Shop, which combines creative video content with online shopping features, has not been explored in depth. This study attempts to fill this gap by exploring how these factors of price, promotion, and online customer ratings contribute to customers' decisions to buy on E-commerce platforms in relation to regional brands.

The following analysis presents a concept to identify strategies that can support Sheona Go in increasing its competitiveness in the E-commerce market. It focuses on price, promotion, and online customer ratings and analyzes whether these factors contribute significantly to purchasing decisions. This analysis provides deeper insights into important elements that may not have been discussed in previous studies.

This study has the main objective to identify and analyze the extent to which price, promotion, and online customer ratings influence Sheona Go consumers purchasing decisions in E-commerce. Fauziah, & Sarah, (2024) research supports the idea that pricing and promotion have a partial impact on consumer choices. It is anticipated that the study's findings would offer useful insights for business marketing strategies, particularly when it comes to formulating plans to boost customer loyalty and sustain the growth of local fashion product sales in E-commerce.

2. Literature Review

2.1 Marketing Management

Panjaitan (2020) The goal of marketing management is to efficiently and successfully accomplish organizational objectives by planning, implementing, and supervising or regulating marketing operations inside an organization. By developing, offering, and communicating superior products or services to customers, business managers hope to locate, draw in, keep, and expand their target clientele. Kotler and Armstrong (2016) The analysis, planning, execution, and oversight of programs aimed at establishing, growing, and sustaining profitable interactions with target consumers in order to accomplish corporate objectives is known as marketing management.

2.2 Buying decision

Research conducted by Aisyah, & Rosyidi, (2023) indicates that purchasing decisions are simultaneously influenced by price and promotion. Wardhana (2024) Purchasing decisions involve a series of choices made by consumers before making a purchase. This process begins after consumers have a desire to fulfill a certain need. Consumers must make decisions regarding the place of purchase, the desired brand, product model, purchase amount, transaction time, amount of money to be spent, and payment method. Consumer behavior, which examines how individuals, communities, and organizations select, pay for, use, and discard goods, services, ideas, or experiences to fulfill their needs and desires, includes the act of making purchases (Kotler & Armstrong, 2016:177).

According to Kotler and Armstrong (2016: 200) explains the purchasing decision indicators used in this study are:

1. Needs Recognition.
2. Information Search.
3. Alternative Evaluation.
4. Purchase Decision.
5. Post-Purchase Behavior

2.3 Price

Research conducted by Qur'ani, Saputro, & Herlinawati, (2024) indicates that price significantly influences purchasing decisions. Mahemba, & Rahayu, (2019) The phrase "price" describes the monetary quantity or other non-monetary elements, such as certain utilities needed to purchase an item. Price plays two crucial parts in the buyer's decision-making process, according to Tjiptono (2015) the role of price allocation and the part about price information. Consumers can use the price function to determine how to get the best utilities or advantages based on their purchasing power. The information role of pricing also explains the relationship between price and product quality.

According to Tonce and Yoseph (2022) price indicators, namely:

1. Price Affordability
Affordable prices are customer expectations before making a purchase. Customers can look for products that are affordable for them.
2. Price Suitability with Product Quality
For certain products, customers usually don't mind paying a relatively high price as long as the product quality is good. But customers want products with low prices and good quality.
3. Price Competitiveness
Organizations determine the selling price of a product by considering the prices of products

sold by their competitors so that their products can compete in the market.

4. Price Suitability with Benefits

Customers often pay attention to the price of the product but are more concerned with the benefits of the product.

2.4 Promotion

Research conducted by Rahman, F., & Sarah, S. (2024) shows that promotion is a factor that greatly influences consumer purchasing decisions in the TikTok Shop marketplace. Zahara and Sembiring (2020) define promotion as the process of educating the audience about the products that will be offered in order to stimulate their interest in making a purchase.

According to Wangsa et al. (2022) there are five promotion indicators, namely:

1. Advertising, forms of promotion used include mass media, broadcast, internet, and television.
2. Sales promotion, forms of promotion used include discounts, coupons, displays, and sweepstakes.
3. Personal selling, forms of promotion used include presentations, trade shows and incentive programs.
4. Public relations, forms of promotion used include sponsorships, special events and the web.
5. Direct marketing, forms of promotion used include brochures, kiosks, and telephone marketing.

2.5 Online Customer Ratings

Research conducted by Oktaviana, Sarah, & Wijaya, (2024) confirmed that online customer ratings influence purchasing decisions. Auliya, Umam, & Prastiwi (2017) Online customer ratings are a consumer's evaluation on a specific scale; assigning stars is a common rating system for online retailers. More stars indicate a higher seller rating. It can also be concluded that online customer ratings greatly influence prospective buyers who want to shop at the online store, by seeing how many stars consumers give.

Online customer ratings indicators, according to Komariyah (2022) are:

1. Credible
The information contained in the ratings can build great trust for consumers.
2. Expert
Making it possible for consumers to become professionals in assessing a product after observing the ratings and there are benefits for consumers in terms of prioritizing quality.
3. Likeable
Consumers act as sources of information and recipients of information so that they feel pleasure and interest in buying a product arises.

3. Research Method

3.1 Research Methods

The study was conducted using quantitative methods, data collected from a survey of Sheona Go consumers who purchase Sheona Go products in E-commerce to examine the influence of Price, Promotion, and Online Customer Ratings in E-commerce. The population for this study of consisted Sheona Go consumers who purchase Sheona Go products in E-commerce as the

main market segment of Sheona Go, with samples selected through purposive sampling based on criteria relevant to this study.

3.2 Data Collection Techniques

The population in this study are consumers who have purchased Sheona Go products on E-commerce. The sampling technique used is the Purposive Sampling Technique. Sugiyono (2019:133) states that the Purposive Sampling Technique is a determination technique with certain considerations. The considerations used are that samples are taken from consumers who have made purchases at the Sheona Go online store. The sample used in this study was 100 respondents, with the aim of obtaining a more representative sample. This sample is a homogeneous sample consisting of Sheona Go online store consumers.

3.3 Sampling Techniques

The sampling technique used in this study is Non Probability Sampling with the Purposive Sampling method, which is a method of determining samples based on certain criteria.

Sample Determination:

1. E-commerce Users
2. Age 15-25 years
3. Have shopped or visited Sheona Go online store
4. Fans or users of fashion products

The conclusion of the sample taken must be able to represent the population of Sienna Go consumers. To determine the sample size, the author uses the following Slovin formula:

$$n = \frac{N}{1 + Ne^2}$$

Description:

n = Number of samples taken

N = Population

e = Percentage of uncertainty allowance

From the formula above, the population of 13,320 per month with a tolerable error rate of 10% (0.1) can be found in the following way:

$$n = \frac{13,320}{1 + 13,320 (0,1)^2} = 99,99 \sim 100$$

It can be seen that the number of samples taken in this study was 100 respondents.

A structured questionnaire with a Likert scale was used to gather data in order to examine each of the variables under study. A number of criteria, including price affordability, price compatibility with product quality, price competitiveness, and price suitability with its benefits, were used to measure price (X1). Promotion (X2) was evaluated based on elements such as the form of promotion used including mass media, broadcast, brochures, and discounts. For Online Customer Ratings (X3), the aspects analyzed included the number of positive ratings, ratings quality, and the level of credibility of the ratings. Meanwhile, The Purchase Decisions (Y) was measured through purchase interest, visual impression, and the desire to recommend the product to others.

Research Model

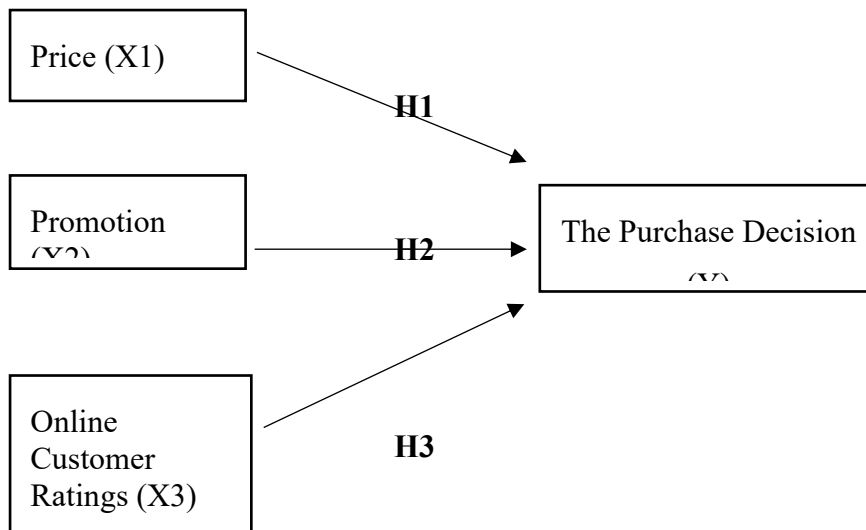


Figure 3. Research Model

4. Findings and Discussions

4.1 Findings

This study involved 100 respondents who had purchased Sheona Go fashion products on the E-Commerce platform. Descriptive statistics from each research variable provide an overview of respondents' perceptions of price, promotion, and online customer ratings.

The Price variable has an average score of 18.21 (scale 1–5), with a minimum value of 9 and a maximum of 25. A standard deviation of 3.29 indicates that respondents' perceptions of price tend to be consistent, with most scores around the average value.

The Promotion variable has an average score of 9.62, with a minimum value of 4 and a maximum of 15. A standard deviation of 2.65 indicates that there is a level of variation in respondents' assessments of promotions carried out by Sheona Go.

The Online Customer Ratings variable shows an average score of 17.88, with a minimum value of 11 and a maximum of 25. A standard deviation of 3.60 indicates that respondents' perceptions of online customer ratings have greater variation than other variables.

These descriptive statistics show that the majority of respondents gave positive assessments towards price and promotions, while perceptions towards online customer ratings were more varied, which may reflect varying levels of trust towards customer reviews and ratings on E-Commerce platforms.

Validity Test

Table 1. Validity Test Results

Variable	No. Item	Pearson Correlation	R table	Conclusion
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Purchase Decision (Y)	I am satisfied with my decision to purchase Sheona Go products after considering the price, promotions, and ratings offered.	0,799	0,1966	Valid
	My decision to purchase Sheona Go products was in line with my expectations for the product.	0,738	0,1966	Valid
	I feel that the price, promotion, and rating given for Sheona Go products have met my needs as a consumer.	0,755	0,1966	Valid
	Sheona Go products on E-Commerce because there are many product choices, very complete and varied.	0,634	0,1966	Valid
	Buy Sheona Go Products on E-Commerce because the payment is easy.	0,695	0,1966	Valid
Price (X1)	I feel that the price of Sheona Go products is in accordance with the quality offered.	0,671	0,1966	Valid
	Product price is the main factor that influences my decision to buy Sheona Go products on E-Commerce	0,593	0,1966	Valid
	I feel that the prices of Sheona Go products are affordable compared to other similar fashion brands.	0,723	0,1966	Valid
	I feel that the prices of Sheona Go products are affordable compared to other similar fashion brands.	0,638	0,1966	Valid
	The price of Sheona Go is in accordance with the quality of the product offered.	0,527	0,1966	Valid
Promotion (X2)	I am more interested in buying Sheona Go products when there are promotions or discounts.	0,726	0,1966	Valid
	I always look for promotions before buying fashion products on E-commerce.	0,841	0,1966	Valid

Online Customer Rating (X3)	Promotions such as free shipping increase my interest in purchasing Sheona Go products.	0,856	0,1966	Valid
	The high rating on Sheona Go products increases my confidence in the quality of the products.	0,665	0,1966	Valid
	I am more likely to purchase a product with a 4 – 5 star rating than a product with a rating below 4.	0,708	0,1966	Valid
	The positive ratings on Sheona Go influenced my decision to purchase the product.	0,633	0,1966	Valid
	Ratings on Sheona Go make it easy to evaluate a product.	0,618	0,1966	Valid
	Sheona Go prices represent consumer opinions on a certain scale on E-Commerce	0,581	0,1966	Valid

Source: Data Processed by Researchers (2024)

According to Table 1, the Pearson correlation value or correlation coefficient for each of the variables Purchase Decisions (Y), Price (X1), Promotion (X2), and Online Customer Ratings (X3) is higher than the R table. to demonstrate the validity of the instrument and its suitability for research or testing research ideas.

Reliability Test

Table 2. Reliability Test Results

Variables	Cronbach Alpha	Criteria	Information
The Purchase Decisions (Y)	0,772	0,6	Reliable
Price (X1)	0,619	0,6	Reliable
Promotion (X2)	0,735	0,6	Reliable
Online Customer Ratings (X3)	0,634	0,6	Reliable

Source: Data Processed by Researchers (2024)

The factors Price, Promotion, Online Customer Ratings, and Purchase Decisions are all dependable, according to the dependability test results. This is demonstrated by the reliability test results, which have an amount greater than the Croanbach Alpha coefficient since every item has a value larger than 600, indicating that every item satisfies the reliability test's requirements.

Classical Assumption Test Results

Normality Test

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	3,22620697
Most Extreme Differences	Absolute	,070
	Positive	,070
	Negative	-,066
Test Statistic		,070
Asymp. Sig. (2-tailed)		,200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Data Processed by Researchers (2024)

Table 3 clearly shows that the Kolmogorov Smirnov probability value for the study is 0.200, which is greater than 0.005 or $\alpha = 5\%$. As a result, the residual can be said to have a normal distribution.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistic	
		B	Std. Error	Beta			T	VIF
1	(Constant)	5.881	2,168		2,713	.008		
	Price	,316	.109	.276	2.901	.005	.833	1.200
	Promotion	,294	.133	.207	2.215	.029	.863	1,158
	Online Customer Rating	.236	.100	.225	2.364	.020	.829	1.207
a. Dependent Variable: Purchase Decision								

Source: Data Processed by Researchers (2024)

The Multicollinearity Test indicates that the VIF value of the three variables is less than 10 and their tolerance value is greater than 0.10. Thus, it may be concluded that multicollinearity is not present in the study's data.

Heteroscedasticity Test

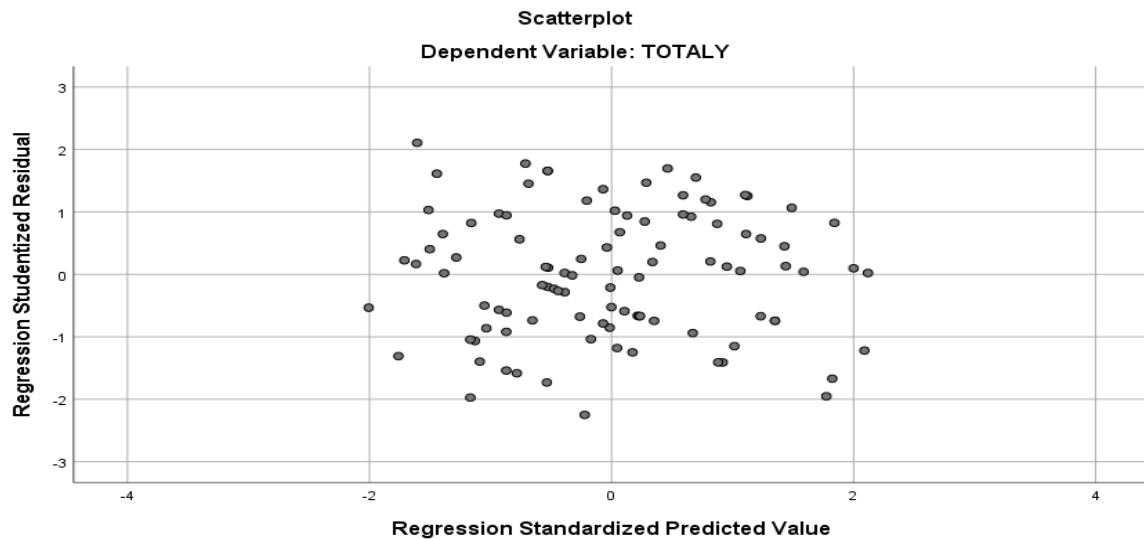


Figure 4. Heteroscedasticity Test Results

Source: Data Processed by Researchers (2024)

According to the heteroscedasticity test findings, the points on the X and Y axes are both above and below zero, suggesting that this study does not exhibit heteroscedasticity.

Multiple Regression Analysis

Multiple Regression Analysis Test Results allow for the formulation of the regression equation as follows:

$$Y = 5,881 - 0,316X1 + 0,294X2 + 0,236X3$$

Information:

Y = Purchase Decision

A = Constant

X1 = Price

X2 = Promotion

X3 = Online Customer Ratings

From the equation obtained, the meaning and significance of the regression coefficient can be explained, namely: a = 5.881, meaning that if the price, promotion, and online customer ratings have the same value as zero (0), the purchasing decision will have a value of 5.881.

b1 = 0.316 is positive, meaning that if the price increases with the assumption that other variables are constant, then the purchasing decision will decrease by 0.316.

b2 = 0.294 is positive, meaning that if the promotion increases with the assumption that other variables remain constant, then the purchasing decision will also increase by 0.294.

b3 = 0.236 is positive, meaning that if the online customer ratings increases with the assumption that other variables are constant, then the purchasing decision will also increase by 0.236.

Hypothesis Testing

T-Test

The following findings were attained based on the t-test analysis results displayed in Table 4:

1. The Price has a significance value of $0.005 < 0.05$ and a t-count value larger than the t-table ($2.901 > 1.984$).
Therefore, in E-commerce, the Price variable affects the Purchase Decisions (Y).
2. The Promotion has a significance value of $0.029 < 0.05$ and a t-count value higher than the t-table ($2.215 > 1.984$).
Therefore, in E-commerce, the Promotion variable affects the Purchase Decisions (Y).
3. The Online Customer Ratings has a smaller significance value of $0.020 < 0.05$ and a t-count value larger than the t-table ($2.364 > 1.984$).
Thus, the Purchase Decisions (Y) are influenced by the Online Customer Ratings variable.

F Test

Table 5. F Test

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	394,567	3	131,522	12,253	.000 ^b
	Residual	1030,433	96	10,734		
	Total	1425,000	99			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Online Customer Rating, Promotion, Price

Source: Data Processed by Researchers (2024)

With a significance threshold of $0.000 < p = 0.005$, the F value, according to statistical computations, is 12.253. This demonstrates that Price (X1), Promotion (X2), and Online Customer Ratings (X3) are significant predictors of The Purchase Decisions (Y). This means that Online Customer Ratings (X3), Price (X1), and Promotion (X2) all have a simultaneous impact on The Purchase Decisions (Y) in E-commerce, which is statistically accepted (significant).

Coefficient of Determination

Table 6. Results of the Determination Coefficient Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbing Watson
1	.526 ^a	.277	.254	3.276	1,995
a. Predictors: (Constant), Online Customer Rating, Promotion, Price					
b. Dependent Variable: Purchase Decision					

Source: Data Processed by Researchers (2024)

Three primary variables—online customer ratings, promotion, and price—account for 27.7% of the variation in the purchase decisions (Y), according to the Model Summary Table's R square value of 0.277. All things considered, these findings show that price, promotion, and online customer ratings greatly influence customers' purchasing decisions, and the model employed in this study is accurate enough to forecast future trends in consumer purchasing

decisions.

4.2 Discussions

The results of this study indicate that price, promotion, and online customer ratings simultaneously have a significant effect on purchasing decisions for Sheona Go fashion products on E-Commerce ($F = 12.253$, $p < 0.05$). Partially, the price variable has the most dominant influence compared to promotion and online customer ratings ($t\text{-count} = 2.901 > t\text{-table} = 1.984$, $p < 0.005$). This finding is in line with the research of Pradana, BAY, & Ali, H. (2023) which found that price and online customer ratings can increase customer trust and encourage purchasing decisions on the E-Commerce platform.

However, this result is also different from the research of Ernawati, Dwi, & Argo, (2021) which states that promotion is the most influential variable in attracting consumer buying interest. This difference can be caused by shifts in consumer behavior in the digital era, where E-Commerce customers trust online reviews and ratings more than conventional promotions.

Thus, this study provides a new contribution by emphasizing that price and online customer ratings are key factors in product purchasing decisions on the E-Commerce platform. This provides a new insight into consumer behavior on social E-Commerce platforms and strengthens the theory of Consumer Behavior, which states that information from other users (customer ratings), prices, and promotions influence purchasing decisions.

5. Conclusion

Price, promotion, and online customer ratings significantly influence consumers' decisions to buy, according to the analysis's findings. This analysis shows that consumers are more influenced by competitive prices, active promotions, and good online customer ratings will greatly influence Sheona Go purchasing decisions on E-commerce, especially on Shopee and TikTok Shop.

Sheona Go is expected to focus on strengthening prices and optimizing promotional strategies to increase competitiveness in the increasingly competitive online fashion market. This can serve as a benchmark and basis for the company's consideration when promoting its products to customers and help the company achieve its long-term goals.

By shedding light on the varying effects of pricing, promotion, and online customer ratings on buying decisions in the context of e-commerce for regional clothing manufacturers, this study adds to the body of knowledge on digital marketing. In the digital age, the study's implications can assist local brand owners and marketers in creating more successful marketing plans.

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Consumer Decision-Making in E-Commerce: How Brand Image, Advertising Appeals, and Reviews Influence the Purchase of Dhozen Apparel on Shopee

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Abstract

This study addresses the issue of declining sales of Dhozen products on Shopee, which is concerning amid the growing trend of online fashion shopping. This research aims to analyze the influence of brand image, advertising appeal, and consumer reviews on the purchase decisions of Dhozen products. The data were through a survey of university students in Bandung. The regression analysis results show that the three variables have a significant influence on purchase decisions. However, partially, the consumer reviews variable does not have a considerable impact, Due to brand image and advertising appeal being particularly strong for Dhozen products, consumers might prioritize these factors over review, This study concludes that strengthening brand image and managing advertising appeal are crucial strategies for Dhozen to enhance its competitiveness in the market. Furthermore, this research contributes to the digital marketing literature by providing insights into effective marketing strategies for local brands on e-commerce platforms.

Keywords: Brand Image, Advertising Appeal, Consumer Reviews, Purchase Decision, E-Commerce

1. Introduction

In recent years, the trend of online *fashion* shopping has continued to rise, especially in Indonesia, where e-commerce platforms like Shopee have become one of the main platforms for consumers to access a wide range of *fashion* products. Amid this phenomenon, several local brands have successfully capitalized on the significant opportunities to boost sales and expand their market share. However, not all local brands have been able to optimize these opportunities. One such example is *Dhozen*, a local *fashion* brand that has experienced a decline in sales on Shopee, despite its substantial potential driven by the growing consumer demand in the online *fashion* sector.

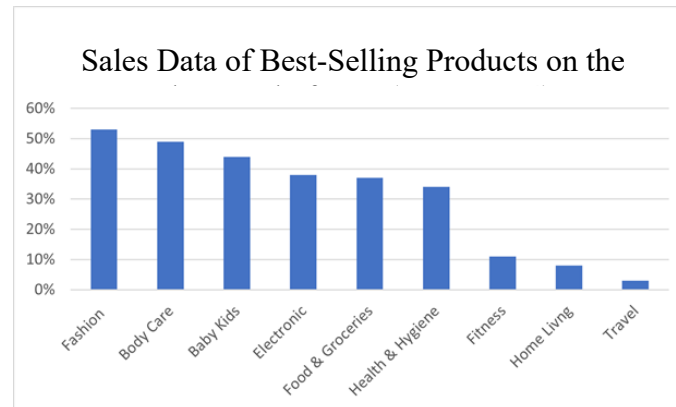


Figure 1. Best-Selling Product Data on Shopee
Source : Processed by the Researcher

Sales trend data from Shopee show that fashion products consistently rank among the best-selling categories. However, this success does not extend to Dhozen, whose sales remain relatively low over specific years. In contrast, other brand in the same industry, established around the same time as Dhozen, have achieved higher sales figures. This discrepancy is suspected to be influenced by several variables, including brand image, advertising appeal, and customer reviews.

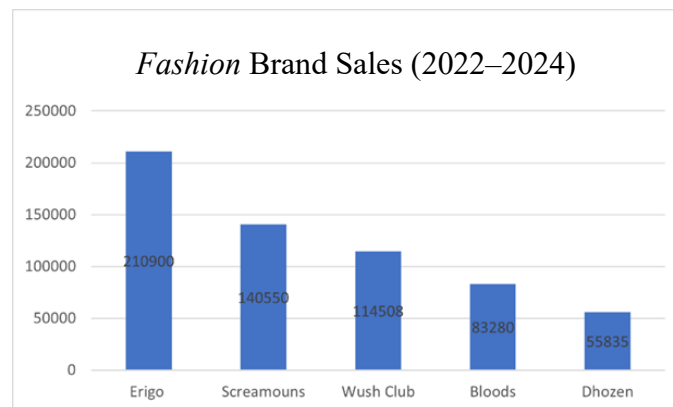


Figure 2. *Fashion Brand Sales Data (2022–2024)*
Sources: Processed by the Researcher

Based on Figure 2, Dhozen's sales remain low compared to its competitors, such as Erigo and Screamouns, which dominate the *fashion* category on Shopee. This indicates that Dhozen's marketing strategy needs to be adjusted to compete more effectively with other, more prominent brands on the platform.

This study explores Consumer Decision-Making in E-Commerce: How Brand Image, Advertising Appeals, and Reviews Influence the Purchase of Dhozen Apparel on Shopee. Brand image is a crucial factor in building loyalty and driving purchase decisions. As (Keller, 2023) noted, positive brand perception can enhance consumer preferences. This is supported by research from (Muttaqin R and Lestari 2024), which found that brand image significantly impacts purchase decisions, while promotions are effective only when combined simultaneously. Additionally, advertising appeal involving creativity and interactive elements has been proven to increase consumer engagement, strengthen purchase interest, and foster a stronger emotional connection with the brand (Ford, 2021). On the other hand, customer

reviews are a key factor in purchase decisions on e-commerce platforms like Shopee, as consumers often rely on the experiences of others to shape their perception of product quality before making a purchase (Chiu & Lai, 2018). The combination of these three factors forms an integrated and effective marketing strategy to influence consumer buying behavior.

According to Hutasoit and Saputro, A, H (2024), advertising and service quality significantly influence consumers repurchase intentions, while purchasing experience does not show a significant impact. Their study focuses on marketing factors within e-commerce platforms, particularly Lazada, emphasizing the effectiveness of marketing strategies in maintaining customer loyalty. Their findings indicate that elements such as appealing advertisements and high-quality service can significantly affect repurchase decisions in a highly competitive digital marketplace.

Although previous studies have extensively discussed the influence of brand image, advertising appeal, and customer reviews on purchasing decisions, most have focused on well-established brands with strong appeal. This study seeks to fill this gap by exploring the impact of these three factors in the context of a local brand like Dhozen on the Shopee e-commerce platform. By highlighting the potential and challenges faced by local brands, this research aims to provide deeper insights into effective marketing strategies for emerging brands.

According to Febrianti R and Ali M M (2024), product quality, brand image, and price significantly influence purchasing decisions. These three factors demonstrate a strong relationship in shaping consumer purchase intention, as observed in the case of Downy products at Borma Dago. This study aligns with the broader focus on understanding how key marketing elements can affect consumer purchasing decisions, particularly in the context of brands operating in both local and global markets.

This study proposes a framework to identify strategies that can help Dhozen enhance its competitiveness in the e-commerce market. It focuses on strengthening brand image, managing advertising appeal, and optimizing customer reviews. It also aims to determine whether these three factors significantly contribute to purchasing decisions and to provide deeper insights into key elements that may have been overlooked in previous research.

This research aims to investigate how brand image, advertising appeal, and customer reviews impact purchasing decisions for Dhozen products on Shopee. This study aims to offer valuable insights to brand owners, digital marketers, and scholars in developing more effective marketing strategies for promoting local brands in the digital age.

2. Literature Review

2.1. Brand Image

A strong brand image plays a crucial role in building trust and enhancing consumer loyalty. A consistent brand image that aligns with consumer values increases the likelihood of its products being chosen over competitors (Keller, 2023). This is further reinforced by the findings of Munawaroh A and Herlina L (2024), who discovered that a 'brand image has a substantial impact on purchasing decisions,' contributing a significant percentage of 87.4%

2.2. Advertising Appeal

Advertising appeal is a factor that can directly attract consumer interest. Compelling visuals and credible messaging in advertisements have been proven to increase consumer interest in products (Kasman, 2023). However, excessive or manipulative advertising may lead to

skepticism, reducing purchase intention. Additionally, according to Wijaya F (2024), advertising appeal significantly influences purchasing decisions, with a contribution of 1.098 units in the regression model of the study. These findings highlight that engaging and creative advertising strategies play a vital role in influencing consumers to purchase a product.

Customer Reviews

Customer opinions play a significant role in influencing the perspectives of potential buyers. Positive reviews can enhance consumer trust and support purchasing decisions (Banerjee et al., 2017). On the other hand, even a small number of negative reviews can significantly reduce purchase intention, as they are often perceived as indicators of poor product quality (Gvili & Levy, 2021).

3. Research Method

This study employs a quantitative method with a survey approach to examine the influence of brand image, advertising appeal, and consumer reviews on purchasing decisions for Dhozen products on Shopee.

3.1. Research Population

The population in this study consists of students residing in Bandung City. Based on the latest data from the Central Bureau of Statistics (BPS) and various universities in Bandung, the student population in Bandung exceeds 150,000 individuals. Students were chosen as the population because they represent the primary market segment for fashion products, particularly those sold on e-commerce platforms like Shopee. Students have a high level of internet usage and tend to be active in online shopping, making them a relevant target population for this research.

The sample size for this study was calculated using Slovin's formula:

Where:

- sample size
- population size (150,000)
- margin of error (10% or 0.1)

Calculation:

However, due to time and resource constraints, this study only included 104 respondents. This number was purposively selected to ensure that the data collected remained relevant and could be effectively analyzed. Although smaller than the result of Slovin's calculation, this sample size is considered sufficient to represent the population within the context of this research.

Sampling Technique

The sampling technique employed was purposive sampling. This technique was chosen as it allows the selection of respondents based on specific criteria relevant to the research. The criteria used were as follows:

1. Students who have purchased fashion products on Shopee within the last six months.
2. Students who are familiar with or have seen the "Dhozen" brand on Shopee.

Purposive sampling was selected because the study focuses on active consumers with

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experience purchasing fashion products on Shopee, particularly those related to the Dhozen brand.

Sampling Method

The sampling method involved distributing questionnaires online using the Google Forms platform. The questionnaire link was shared through social media and student groups, such as WhatsApp and Telegram. This approach was chosen to facilitate questionnaire distribution and reach respondents that meet the research criteria. Additionally, the online distribution enabled efficient data collection within a limited timeframe.

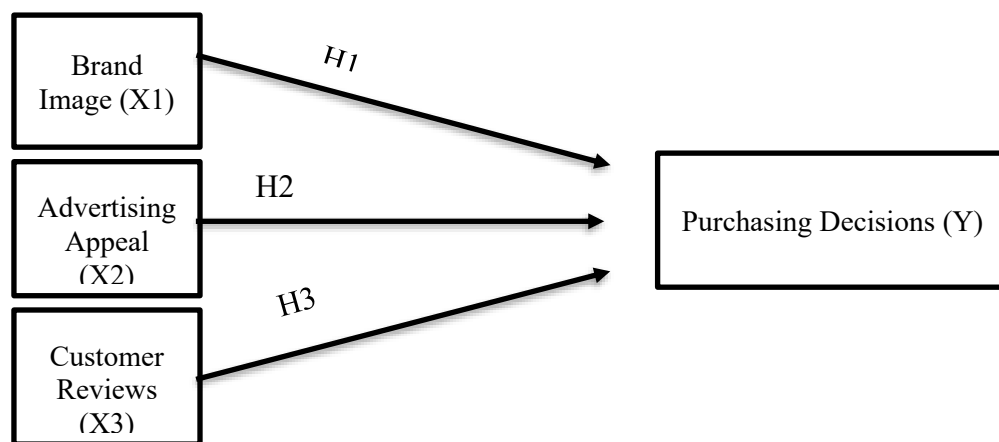


Figure 3. Research Model

Sources: Processed by the Researcher

Figure 3 depicts the research framework, illustrating the interconnections among the variables examined. Brand image (X1), advertising appeal (X2), and customer reviews (X3) are anticipated to affect purchasing decisions (Y). Data collection was carried out using a structured questionnaire, employing a Likert scale to evaluate respondents' levels of agreement with each variable under study.

Data were collected using a structured questionnaire with a Likert scale to explore each research variable in greater depth. The brand image variable (X1) was measured through aspects such as emotional attachment, brand reputation, and how well consumers feel the brand aligns with their identity. Advertising appeal (X2) was assessed based on engaging visuals, message credibility, and creativity levels. For the customer reviews variable (X3), the measured aspects included the number of positive reviews, review quality, and review credibility. Meanwhile, purchasing decisions (Y) were evaluated through purchase interest, visual impressions, and the willingness to recommend the product to others.

Data analysis was conducted using quantitative statistical tests, including correlation and regression analyses, to determine the extent to which these variables influence purchasing decisions.

4. Findings and Discussions

The data collected is the result of distributing questionnaires to 104 respondents who met the specified criteria. The processed data then provides the respondent profile, as presented in Table

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Table 1. Respondent Profile

Category	Number	Percentage (%)
Gender		
Male	51	51%
Female	53	53%
	104	100%
Student Status In Bandung		
Agree	94	94%
Disagree	10	10%
	104	100%

Source : Processed by the Researcher (2024)

4.1. Verificative Analysis

a. Validity Test

The purpose of the validity test is to confirm that the research instrument is accurate and can serve effectively as a dependable tool for data collection (Sekaran & Bougie 2016). A questionnaire instrument must meet validity requirements to ensure that the results obtained are trustworthy. In this study, the validity test was conducted using the Pearson Product Moment Correlation method, which correlates the score of each item with its total score. A questionnaire item is considered valid if the obtained r-value surpasses the critical r-value (r table) with a significance threshold of 0.05. With 104 respondents in this test, the degree of freedom (df) is (n-2) or $df = (104-2)$, resulting in a critical value of 0.165 at a 0.05 significance level. Based on the test results, 8 statements were found valid for the brand image variable (X1), 3 statements for the advertising appeal variable (X2), 4 statements for the consumer review variable (X3), and 5 statements for the purchase decision variable (Y). All items were declared valid and suitable for use in data collection

Table 2. X1 (Brand Image)

No	R Calculated	R Tabel	Description
Apakah Anda familiar dengan produk-produk fashion yang dipromosikan di Shopee?	0,593301	0.1927	Valid
Apakah Anda pernah memperhatikan brand-brand tertentu yang sering muncul dalam promosi di Shopee	0,654790	0.1927	Valid
Apakah Anda biasanya mengenali brand yang sering muncul dalam iklan atau promosi di Shopee?	0,802291	0.1927	Valid
Apakah anda mengenal Brand Dhozen?	0,808705	0.1927	Valid
Apakah Brand Dhozen sering dibicarakan di lingkungan Anda?	0,800643	0.1927	Valid
Apakah reputasi Dhozen sebagai merek sangat kuat sehingga menjadi pilihan utama di kalangan anak muda?	0,772499	0.1927	Valid

Apakah Anda cenderung memilih Dhozen dibandingkan dengan merek terkenal lainnya saat berbelanja fashion di Shopee?	0,841726	0.1927	Valid
Apakah Anda merasa bahwa kualitas produk Dhozen selalu memenuhi harapan Anda sebagai konsumen yang mencari produk terbaik?	0,836573	0.1927	Valid

Source : Processed by the Researcher (2024)

According to Table 2, the r-values calculated for items X1_1 through X1_8 exceed the r-table value. Therefore, it can be inferred that all eight statements related to the Brand Image variable (X1) are valid

Table 3. X2 (Advertising Appeal)

No	R Calculated	R Tabel	Description
Do you feel that you have a deep understanding of Dhozen as the primary brand you choose in fashion?	0,846287	0.1927	Valid
Do you think Dhozen has an exceptional appeal compared to other brands on Shopee?	0,87157	0.1927	Valid
Do you consider Dhozen's promotions highly relevant and appealing to your needs and lifestyle?	0,911371	0.1927	Valid

Source: Processed by the Researcher (2024)

Referring to Table 3, the computed R-values for X2_1 through X1_3 exceed the critical r-value (r table). Consequently, it can be determined that all eight items associated with the Advertising Appeal variable (X2) are valid.

Table 4. X3 (Customer Reviews)

No	R Calculated	R Tabel	Description
Do you feel that Dhozen's brand image is stronger compared to other fashion brands on Shopee?	0,916074	0.1927	Valid
Do you think Dhozen has a very unique impression that sets it apart from other fashion brands?	0,924659	0.1927	Valid
Is Dhozen's brand image on Shopee significantly stronger than that of other famous fashion brands?	0,787089	0.1927	Valid
Do you perceive Dhozen as a highly innovative brand that consistently offers products with unique characteristics?	0,883084	0.1927	Valid

Souce : Processed by the Researcher (2024)

Referring to Table 4, the computed R-values for X3_1 to X1_4 surpass the critical r-value listed in the r table. Thus, it can be inferred that all four indicators of the Consumer Review (X3) variable are considered valid.

Table 5. Y (Purchasing Decisions)

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No	R Hitung	R Tabel	Keterangan
Does Dhozen's brand image convey an exclusive and premium impression that makes you want to own it?	0,926542	0.1927	Valid
Do you feel that Dhozen deserves to be the primary brand you consider when choosing fashion products on Shopee?	0,908131	0.1927	Valid
Is Dhozen's reputation as a fashion brand strong enough to make it your top choice?	0,941443	0.1927	Valid
After browsing products from other brands on Shopee, do you still find yourself more attracted to Dhozen's products?	0,93888	0.1927	Valid
Do you feel confident about purchasing Dhozen products on Shopee after seeing their reviews or advertisements, as the information provided is convincing or comprehensive?	0,910148	0.1927	Valid

Source: Processed by the Researcher (2024)

According to Table 5, the computed r-values for Y_1 to Y_5 exceed the critical r-value as outlined in the r table. As a result, it is determined that all five indicators of the Purchase Decision (Y) variable are valid. Furthermore, it can be confirmed that every statement item in this research is considered valid.

b. Reliability Test

The reliability test is conducted to ensure the consistency and stability of measurement results when the instrument is applied to the same subject under similar conditions. Reliability reflects the instrument's ability to produce consistent and dependable data over time (Sekaran & Bougie, 2016). In this study, the Cronbach's alpha formula is used, with a threshold of >0.6 .

Table 6. Reliability Test Table

Variables	Cronbach Alpha	Criteria	Information
The Purchase Decisions (Y)	0,957	0,6	Reliable
Brand Image (X1)	0,896	0,6	Reliable
Adversiting Appeal (X2)	0,847	0,6	Reliable
Customer Reviews (X3)	0,901	0,6	Reliable

Source: Processed by the Researcher (2024)

Referring to Table 6, the reliability test results indicate that the variables Brand Image, Advertising Appeal, and Consumer Reviews include four reliable variables. The variables X1, X2, X3, and Y are deemed reliable as their Cronbach's alpha values surpass the threshold of 0.6.

4.2. Classical Assumption Test

Before performing regression analysis, verifying that the data adheres to the assumptions required by classical tests, which involve assessments of normality, multicollinearity, and heteroscedasticity is crucial. The goal of these classical assumption tests is to confirm that the

regression analysis results are reliable and not skewed due to statistical problems in the dataset.

- **Normality Test**

Table 7. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		104
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,169983969
Most Extreme Differences	Absolute	.102
	Positive	.102
	Negative	-,087
Test Statistic		,102
Asymp. Sig. (2-tailed)		,009 ^d
Exact Sig. (2-tailed)		.210

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source : Processed by the Researcher (2024)

According to Table 7, the normality test results indicate a significance value of 0.210, which is greater than 0.05. This suggests that the residuals are normally distributed.

- **Multicollinearity Test**

Table 8. Multicollinearity Test

Model		Unstandardized Coefficients		t	Sig.	Collinearity Statistic	
		B	Std. Error			T	VIF
1	(Constant)	-.316	.708	-.447	.656		
	Brand Image (X ₁)	.223	.069	3.223	.002	.142	7.019
	Advertising Appeal (X ₂)	.1.098	.134	8.224	.000	.205	4.869
	Kepercayaan Konsumen (X ₃)	.021	.116	.183	.855	.185	5.393

Source: Processed by the Researcher (2024)

Based on Table 8, the results of the multicollinearity test show that the tolerance values for Brand Image (X₁) is 0.142, Advertising Appeal (X₂) is 0.205, and Consumer Review (X₃) is 0.185, all of which are greater than 0.10. Additionally, the VIF values for Brand Image (X₁) is 7.019, Advertising Appeal (X₂) is 4.869, and Consumer Review (X₃) is 5.393, all of which are less than 10. Therefore, it can be concluded that the regression model in this study does not exhibit multicollinearity.

Heteroscedasticity Test

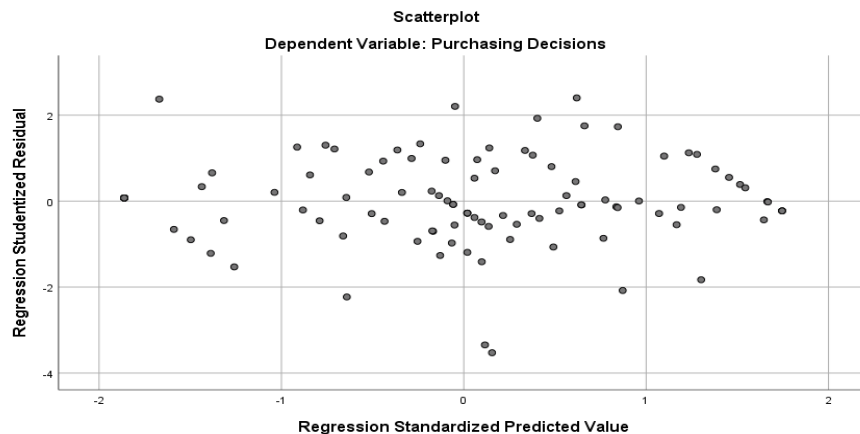


Figure 4. Heteroscedasticity Test

Source: Processed by the Researcher (2024)

Referring to Table 9, it can be seen that the data points are dispersed randomly without any discernible pattern. Therefore, it can be inferred that heteroscedasticity is not present in this study.

4.3. Multiple Regression Analysis

The multiple linear regression method is applied to assess how the independent variables Brand Image (X1), Advertising Appeal (X2), and Consumer Reviews (X3)—affect the dependent variable, specifically Purchase Decision (Y).

The results of the regression model calculations are presented in the table below.

Based on Table 7, the regression analysis indicates that brand image and advertising appeal significantly influence purchase decisions, while consumer reviews do not significantly influence them.

From the regression analysis results above, the regression equation is formulated as follows:

- The constant (-0.316) indicates that when all independent variables (Brand Image, Advertisement Appeal, and Reviews) have a value of zero, the purchase decision value will be -0.316.
- The coefficient for Brand Image (X1), which is 0.223, indicates that every 1-unit increase in brand image will increase the purchase decision by 0.223 units, assuming other variables remain constant.
- Advertisement Appeal (X2) has the highest coefficient, which is 1.098. This means that every 1-unit increase in advertisement appeal will result in a 1.098-unit increase in the purchase decision.

The coefficient for Reviews (X3), which is 0.021, indicates that the contribution of reviews to the purchase decision is relatively small compared to the other two variables.

4.4. Hypothesis Testing

T-Test

The t-test is often used to determine whether there is a significant difference between two groups of data in a study or to assess the extent of the influence between independent and dependent variables.

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Based on Table 8, the t-test was conducted to examine the partial influence of each independent variable on the dependent variable. The results of the t-test are as follows:

- The Influence of Brand Image on Purchase Decisions: Based on the t-test results, the t-value for the Brand Image variable is 3.223 with a significance level of 0.002. Since the significance value is less than 0.05, it can be concluded that brand image has a significant positive influence on purchase decisions. This suggests that enhancing brand image can positively influence consumers purchase decisions.
- The Influence of Advertisement Appeal on Purchase Decisions: The t-test results show that the Advertisement Appeal variable has a t-value of 8.224 with a significance level of 0.000. The significance value, which is well below 0.05, confirms that advertisement appeal has a significant positive influence on purchase decisions. This underscores that advertisement appeal plays a crucial role in influencing consumers to make purchases.
- The Influence of Reviews on Purchase Decisions: For the Reviews variable, the t-value is 0.183 with a significance level of 0.855, which is far above the 0.05 significance threshold. These results indicate that customer reviews do not have a significant influence on purchase decisions. Consumers appear to be more influenced by visual elements and promotional efforts than by the opinions or experiences of other buyers shared through reviews.

F-Test

The research model is tested to analyze the combined influence of independent variables on the dependent variable through the use of an F test

Table 10. Table of Anova

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3373.055	3	1124.352	231.851	.000 ^b
	Residual	484.945	100	4.849		
	Total	3858.000	103			

a. Dependent Variable: Purchasing Decisions

b. Predictors: (Constant), Customer Reviews, Adversiting Appeal, Brand Image

Source: Processed by the Researcher (2024)

The statistical analysis shows that the F-value is 231.851 with a significance level of 0.000, which is less than $p = 0.005$. This indicates that the variables of brand image, advertising appeal, and reviews are suitable for predicting purchase decisions. In other words, brand image, advertising appeal, and reviews have a significant positive simultaneous effect on purchase decisions.

4.4. Coefficient of Determination

Table 11. Table Of Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.935 ^a	.874	.871	2.20215
a. Predictors: (Constant), Customer Reviews, Adversiting Appeal, Brand Image				
b. Dependent Variable: Purchasing Decisions				

Source: Processed by the Researcher (2024)

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According to the Model Summary Table, an R-square value of 0.874 reveals that 87.4% of the variation in Purchase Decisions (Y variable) is attributable to the three key variables: Reviews, Advertising Appeal, and Brand Image. These three variables have a significant influence on purchase decisions, while the remaining 12.6% is explained by other factors not included in this research model.

The R-value of 0.935 indicates a strong correlation between the independent variables (brand image, advertising appeal, and reviews) and purchase decisions. This high correlation suggests that when these three variables increase or change, significant changes in consumer purchase decisions are likely.

The Standard Error of the Estimate value of 2.20215 indicates the average error in predicting purchase decision values using the model. With this relatively low standard error, it can be interpreted that the model's predictions of purchase decisions are fairly accurate, as a lower standard error generally indicates better predictive accuracy.

Overall, these results indicate that Reviews, Advertising Appeal, and Brand Image play a highly significant role in shaping consumer purchase decisions. Furthermore, the model used in this study is reliable enough to predict future purchase decision patterns.

5. Conclusion

Based on the results of this study, the variables of brand image and advertising appeal have a significant influence on purchasing decisions for Dhozen products on Shopee, while the consumer reviews variable does not show a significant partial effect. These findings are consistent with the research conducted by Keller (2023), which states that a positive brand image enhances consumer preferences and drives purchasing decisions. This study also supports the findings of Munawaroh, A and Herlina, L (2024), who revealed that brand image contributes significantly to purchasing decisions, up to 87.4%.

Furthermore, the significant influence of advertising appeal on purchasing decisions aligns with the research of Wijaya, F (2024), which found that advertising appeal plays a major role in increasing consumer purchase interest through creativity and engaging messages. This underscores the importance of creative and relevant advertising strategies to emotionally connect with consumers.

However, the results of this study differ from the findings of Banerjee et al. (2017) and Gvili & Levy (2021), which stated that consumer reviews are one of the main factors influencing purchasing decisions in e-commerce. In the context of this research, the limited influence of consumer reviews may be attributed to the stronger dominance of brand image and advertising appeal in shaping purchasing decisions for Dhozen products. This suggests that consumers may prioritize visual and emotional aspects over the experiences of other users.

Overall, this study provides a new contribution to the digital marketing literature, particularly regarding effective marketing strategies for local brands on e-commerce platforms. The findings indicate that enhancing brand image and advertising appeal can serve as key strategies for local brands like Dhozen to compete in an increasingly competitive market.

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The Effect of Product Quality, Service Quality, and Customer Relationship Management on Customer Loyalty Mediated by Customer Satisfaction of BPJS Employment Branch Office Palembang

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Abstract

This study examines the impact of Customer Relationship Management (CRM), Customer Satisfaction, Product Quality, and Service Quality on Customer Loyalty in a specific company. The aim is to identify the most influential factors in enhancing customer loyalty. The research employs a quantitative survey design, collecting data from 350 customers selected through a purposive sampling technique. Variables include CRM, Customer Satisfaction, Product Quality, Service Quality, and Customer Loyalty, measured using a structured questionnaire. Data analysis utilizes Structural Equation Modeling (SEM) to evaluate relationships among variables and ensure instrument validity and reliability. Key findings reveal that CRM and Customer Satisfaction significantly influence Customer Loyalty, whereas Product Quality and Service Quality show no significant effect. These results underscore the importance of CRM and Customer Satisfaction over traditional drivers, contributing valuable insights for customer retention strategies. This study highlights the evolving dynamics of loyalty in competitive markets, suggesting a shift towards relational and satisfaction-focused management.

Keywords: Customer Relationship, Customer Satisfaction, Product Quality, Service Quality, Customer Loyalty

1. Introduction

Participant satisfaction is a comparison of performance or results with what consumers want, namely a person's emotional level. Therefore, satisfaction results from the difference between achieved performance and expectations (Tešić, 2020). Customer satisfaction helps achieve many important aspects, such as building customer loyalty, improving the company's reputation, reducing price elasticity, and reducing operational and transaction costs in the future, thereby increasing staff efficiency and productivity (Fuchs & Fangpong, 2021; Shih & Montes, 2022). As consumers play an increasingly active role in ensuring their wants and needs are met, competition between businesses increases and customer satisfaction becomes a focus (Demir et

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al., 2020). Satisfaction is the result of consumer evaluation of the performance of a product against consumer expectations. Strategies commonly implemented by businesses and organizations to ensure participant satisfaction (AM et al., 2022; Krizanova et al., 2019). This research refers to three independent variables, namely product quality, service quality, and Customer Relationship Management. One of them is product quality. Product quality reflects a company's ability to perform optimally, including overall durability, reliability, accuracy, ease of use, product repairability, and other product characteristics (Gorji & Siami, 2020). One of the variables that influences consumer satisfaction is service quality.

Service quality is closely related to customer satisfaction. Service quality motivates customers to build long-term, mutually beneficial relationships with the company (Harmen et al., 2022). This emotional connection allows businesspeople to better understand consumer expectations and desires (Cempena et al., 2021). As a result, companies can increase customer satisfaction by maximizing valuable and enjoyable customer experiences and avoiding or minimizing less memorable or unpleasant experiences (Huang et al., 2022). Apart from product and service quality, customer satisfaction can also be achieved through customer relationship management. Customer Relationship Management is the use of CRM programs such as continuity marketing, one to one marketing, and partnering programs to build and maintain long-term, profitable relationships with customers through providing valuable and satisfying services (Pornpitakpan & Han, 2013; Sjödin et al., 2019). Sustainable marketing is about maintaining, building and increasing customer loyalty through specific long-term services.

Customized marketing programs are individually implemented programs designed to meet specific and unique customer needs (Manko, 2022). Cooperatives or joint marketing are cooperation programs between BPJS and other companies to meet customer needs and desires. The Employee Social Security Business Entity is a public service program that provides protection to employees who use social security mechanisms in its implementation (Sakinah & Yunengsih, 2021). The social security system for Indonesian workers includes Work Accident Compensation Guarantee (JKK), Death Guarantee (JKM), Pension Guarantee (JHT), and Pension Guarantee (JP). This plan is a basic protection plan for workers which aims to guarantee safety and certainty in facing socio-economic risks, so that employers can bear the social risks of their workers.

Implementing a social security plan is the state's responsibility to provide social and economic protection to local communities in accordance with the financial capabilities of the Indonesian state and other developing countries, and formulating a social security plan based on the social security plan is one of its tasks (Lasena, 2020). Social insurance that is funded by members is still limited to the public sector worker community. Customer satisfaction is also determined by the employment social security program which can guarantee the survival of workers (Wahyudi, 2022). Therefore, from the explanation above it can be concluded that increasing participant satisfaction can be directly influenced by the social insurance program that the employees themselves participate in. Satisfaction can affect the functionality of a product or service.

From the results of observations carried out at the Palembang branch of BPJS Employment, it was found that there was a lack of interaction between employees. There are no regulations regarding the implementation of employment social insurance and the implementation of the Jamsostek program between employers and workers. Participants also felt dissatisfied with the products and services provided by BPJS Employment, the services provided by BPJS

Employment did not match customer expectations, so participants also felt dissatisfied with the content of the service, because the procedures and time for pension insurance payments were too long and the duration of request execution not being too alert in serving customers so that customers feel that the service provided by BPJS Employment is less than satisfactory. Based on the background above, the author is interested in researching further about The Effect of Product Quality, Service Quality and Customer Relationship Management on Customer Loyalty Mediated by Customer Satisfaction of BPJS Employment Branch Office Palembang.

2. Literature Review

2.1 *The Influence of Product Quality on Customer Loyalty*

Improving product quality is currently a hot topic of discussion, because superior product quality can help you survive the competition (Sari & Nuswantara, 2017). One way to stay ahead of the competition is to retain your existing customers because looking for new customers is more expensive than retaining existing customers (Kaharuddin et al., 2021). Customer satisfaction and loyalty are determined by product quality and price. Each company tries to attract customers in different ways, one of which is by providing information about the quality of its products. Product quality is one of the determining factors for customer loyalty, because if the quality is good then customers will be loyal. Satisfied customers usually buy the same product again (Intarti & Khoriah, 2018). Quality is an important factor in increasing customer satisfaction. So it can be concluded that Product Quality has an influence on Customer Loyalty. This research is in line with research calculation results showing that the influence of product quality with the consumer loyalty variable has a significant effect.

2.2 *The influence of Service Quality on Customer Loyalty*

Service quality refers to the quality of services if consumers expect and perceive and has a significant impact on a company's competitiveness (McIlwraith et al., 2018). Customer loyalty refers to a customer's desire to make repeat purchases and recommend a product to friends and acquaintances. It can be concluded that Service Quality has an influence on Customer Loyalty (Ishlahah & Oktariyanda, 2023). This research is in line with research in research related to customer loyalty which explains that there is service quality which plays a positive and significant role in influencing customer loyalty. Customer Relationship Management is an organizational structure where planning, management before and after implementing proposals to customers is carried out in an integrated system, and operations are carried out based on good relationships with customers. CRM is designed to increase sales by building customer loyalty (Siswadi, SE., MM, 2020). So, it can be concluded that Customer Relationship Management has a significant influence on Customer Loyalty. This research is in line with research conducted by related parties which partially has a significant effect on customer loyalty.

2.3 *The Influence of Product Quality on Customer Satisfaction*

When product quality improves, customer loyalty tends to increase. Improving product quality maintains high customer satisfaction and increases motivation for subsequent purchases (Intarti & Khoriah, 2018). Product quality is also one of the factors that customers consider when making purchasing decisions. Satisfaction occurs when customers actively assess the fact that the product meets their needs (Nurliza & Oktoriana, 2021). Customer satisfaction can be interpreted as a customer's feeling of happiness or disappointment when comparing the customer's perception of the performance of a product or service with the desired expectations (Tariq, 2013). Therefore, customer satisfaction becomes important, leads to the

economic success of the company, and contributes to the company's sustainable development. It can be concluded that there is a significant influence between Product Quality and Customer Satisfaction. This research is in line with research that shows the results of Product Quality have a significant effect on Customer Satisfaction.

2.4 The Influence of Service Quality on Customer Satisfaction

Service quality is determined by the ability of a particular company or institution to meet the needs of customers and visitors, depending on their hopes and desires. Customer satisfaction, on the other hand, is a comparison between expectations and what they feel after using the product (Alimohammadi et al., 2021). It can be concluded that service quality influences customer satisfaction (El-Adly, 2019). Customers can feel that the service provided is in accordance with their needs and are very satisfied. This research is in line with research where the results show that there is a significant influence on service quality and customer satisfaction.

2.5 The Influence of Customer Relationship Management on Customer Satisfaction

Customer relationship management (CRM) aims to increase customer satisfaction with the products or services provided by the company. Through CRM, companies can develop closer relationships with consumers by discovering their needs and offering product and service options that match those desires. Consumers feel satisfied when the company knows exactly what its customers need. It can be concluded that Customer Relationship Management has a significant influence on Customer Satisfaction. This research is in line with research which shows that there is a significant positive relationship between CRM and customer satisfaction.

2.6 The Influence of Customer Satisfaction on Customer Loyalty

Customer satisfaction highlights that customer satisfaction is a moderating variable of the relationship between value in brand experience and customer engagement. Satisfaction can only be met when the performance produced by the company exceeds customer expectations. Customer loyalty is reflected in the tendency of a customer to choose a product or service from a brand again without considering other brands on the market (Cempena et al., 2021). This happens because customers are satisfied with their previous experience with the brand, both in terms of product or service quality, price, customer service and other added value. It can be concluded that customer satisfaction has a significant influence on customer loyalty (Wilson, 2019). This research is in line with research which shows a positive and significant relationship between customer satisfaction and customer loyalty.

2.7 The influence of Customer Satisfaction is a mediator on Product Quality work on Customer Loyalty

Customer satisfaction is a comparison between expectations and what they feel after using the product. Product quality refers to the functional and psychological benefits that a product provides and is the most important criterion when purchasing. A product is said to be of high quality if it can perform its function satisfactorily. Does the product provide benefits and satisfy consumers according to product specifications? Customer loyalty refers to a customer's desire to buy a product again and again over a long period of time and to recommend the product to friends and acquaintances. It can be concluded that Customer Satisfaction, Product Quality and Customer Loyalty have a relationship that influences each other, if the quality of service is good then customer loyalty will increase and so will product quality. If the product quality is good, customer loyalty will increase (Andani & Wahyono, 2018; Minh et al., 2015). Which means

there is a significant influence on Customer Satisfaction which is a mediator of Product Quality work on Customer Loyalty.

2.8 The influence of Customer Satisfaction is a mediator on Service Quality work on Customer Loyalty

Satisfaction is a person's feeling of happiness or disappointment that occurs after comparing performance, results, or expected results. Before consumers gain loyalty, they must first obtain satisfaction that is close to their desires. Quality service plays an important role in shaping customer satisfaction and is also closely related to company profits. The higher the quality of service provided by a company, the higher the customer satisfaction (Kankam, 2022). Loyalty is a firm commitment to repurchase a selected product or service in the future despite situational influences or marketing efforts that may cause a change in behavior (Sharma & Srivastava, 2018). If consumers are satisfied, loyalty will continue. On the other hand, they will become disloyal if the service product they receive does not meet their expectations. It can be concluded that Customer Satisfaction, Service Quality and Customer Loyalty influence each other, meaning that there is an influence of Customer satisfaction as a mediator on Service Quality work on Customer Loyalty.

2.9 The influence of Customer Satisfaction is a mediator in Customer Relationship Management on Customer Loyalty

Customer satisfaction is a feeling of pleasure or disappointment that arises when comparing their perception of the performance (results) of a product with their expectations. CRM is the process of building relationships between a company and its customers by increasing customer satisfaction and creating optimal value for customers (Nunan et al., 2018). Business people need to pay attention to how they communicate with customers, how they market their products/services, and how they serve customers through traditional media such as products, prices, promotions and distribution (Arora & Narula, 2018). Building customer loyalty is one of the keys to a company's success, and this strategy allows companies to understand what their consumers want and provide added value to the products and services offered so that customers continue to buy their products and services. It can be concluded that Customer Loyalty, Customer Relationship Management and Customer Loyalty influence each other, meaning that there is a significant influence on Customer Satisfaction which is a mediator in Customer Relationship Management on Customer Loyalty.

3. Research Method

3.1 Research Design

This research is a quantitative survey (Creswell, 2022) that focuses on the influence of product quality, service quality, and customer relationships as independent variables, on customer loyalty as the dependent variable, with customer satisfaction as a mediating variable.

3.2 Population and Sample

The population in this study were all participants of BPJS Ketenagakerjaan Palembang Branch. The research sample consisted of 108 people selected using probability sampling techniques, specifically the simple random sampling method. Sample selection was carried out randomly from the available population list, so that everyone in the population has an equal chance of being selected as a respondent. Determination of sample size was carried out by considering the feasibility and representation of the research population.

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3.3 Techniques of Data Collection

Data was collected through a questionnaire that reflects respondents' concerns and opinions regarding work stress and workload performance as well as job satisfaction of BPJS Employment employees. This questionnaire is filled out by putting a checklist mark (✓) in the column selected by the respondent.

3.4 Techniques of Data Analysis

Data analysis was carried out using the Structural Equation Model Partial Least Square (SEM-PLS) method with the help of SmartPLS software. This model consists of two main parts: a Measurement Model (Outer Model) which evaluates the validity and reliability of indicators, and a Structural Model (Inner Model) which assesses the relationship between latent variables (Anwar et al., 2024). The validity test was carried out by measuring convergent validity, discriminant validity and composite reliability, while the significant relationship test between latent variables was carried out using the t-statistical test via the bootstrap method (AM et al., 2023; Am & Setiawati, 2023). In addition, model quality is evaluated using measures such as R², effect size (f²), predictive relevance (Q²), and Goodness of Fit Index (GoF).

4. Findings and Discussions

4.1 Outer Model

In this outer model analysis, researchers use three measurement criteria to measure the outer model, namely convergent validity, discriminant validity and composite reliability. The structural model before outlier and after outlier is as follows:

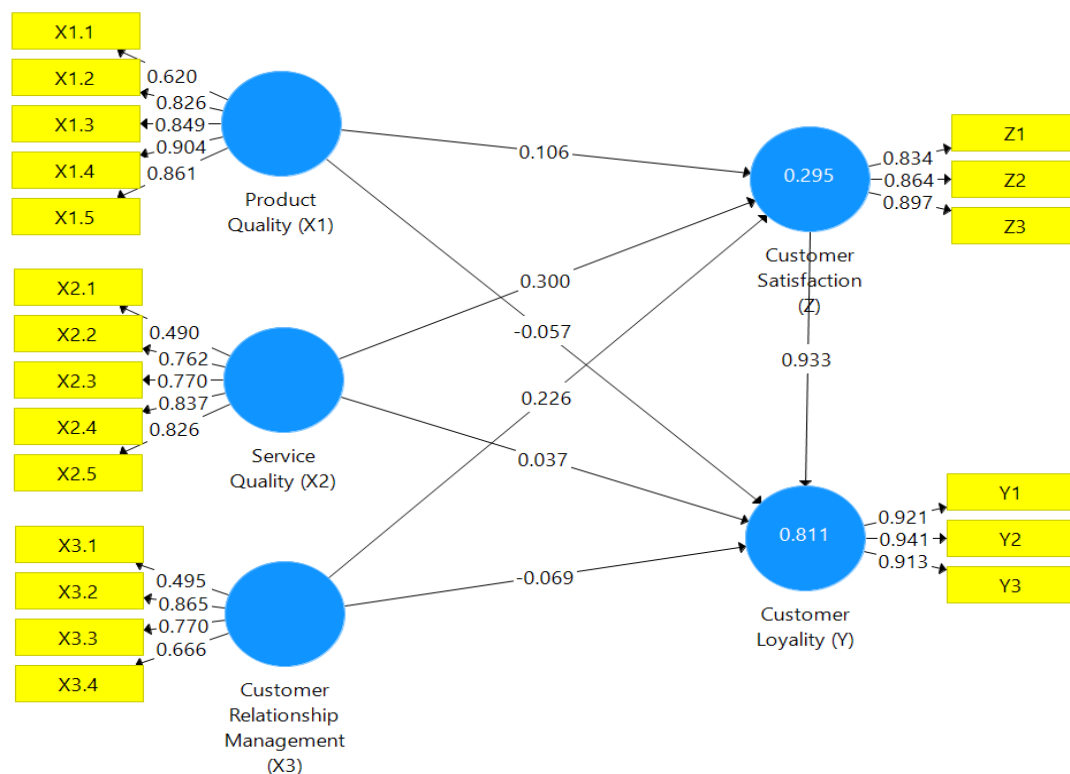


Figure 1. Outer loading before outliers

Source: Output SmartPLS 3 Version

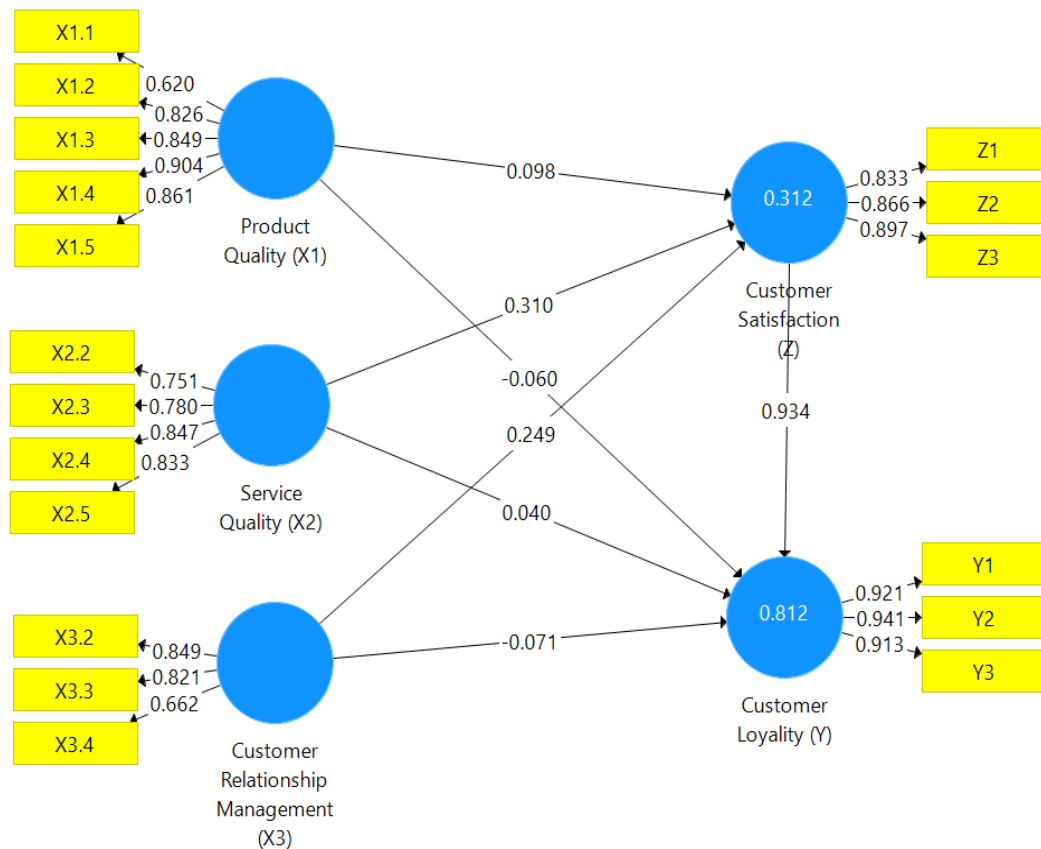


Figure 2. Outer Loading After Outlier.

Source: Output SmartPLS 3 Version

4.1.1 Convergent Validity Test

In testing the convergent validity of the measurement model using a reflective type of indicator, it is based on individual item reliability tests using standard loading factors which represent the magnitude of the correlation between each indicator and the variable. Researchers used the criteria for a loading factor value > 0.50 because the reported value was considered sufficient. It can be seen from the results of the following analysis:

Table 1. Convergent Validity

Items	Customer Loyalty (Y)	Customer Relationship Management (X3)	Customer Satisfaction (Z)	Product Quality (X1)	Service Quality (X2)
X1.1				0.620	
X1.2				0.826	
X1.3				0.849	
X1.4				0.904	
X1.5				0.861	
X2.2					0.751

X2.3		0.780
X2.4		0.847
X2.5		0.833
X3.2	0.849	
X3.3	0.821	
X3.4	0.662	
Y1	0.921	
Y2	0.941	
Y3	0.913	
Z1		0.833
Z2		0.866
Z3		0.897

Source: Output SmartPLS 3 Version

Table 1 shows that some of the indicators observed have loading factors that exceed the predetermined criteria, namely more than 0.50 because the 0.50 criterion is considered sufficient. For several variables such as customer loyalty, customer satisfaction and service quality it exceeds 0.70. Therefore, it can be concluded that these results identify the consistency and reliability of the measurements used in assessing the variables in the study. Thus, the convergent validity results provide confidence about the quality of the variable measurements used in the research and confirm that the variables reflect good Customer Loyalty.

4.1.2 Discriminant Validity

Distriminant validity is used to test whether the indicators of one construct are not highly correlated with indicators of other constructs. Where we have to pay attention to the heterotrait ratio (htmt) value for each pair of variables (Anwar et al., 2024). Researchers use criteria, namely the htmt value must be smaller than 0.90 to confirm that the constructs measured by the instrument are unique and different from one another. Table 2 presents the results of discriminant validity analysis, namely as follows:

Table 2. Discriminant Validity

Variables	Customer Loyalty (Y)	Customer Relationship Management (X3)	Customer Satisfaction (Z)	Product Quality (X1)	Service Quality (X2)
Customer Loyalty (Y)	0.925				
Customer Relationship Management (X3)	0.360	0.782			
Customer Satisfaction (Z)	0.897	0.470	0.866		
Product Quality (X1)	0.296	0.500	0.395	0.818	
Service Quality (X2)	0.437	0.555	0.503	0.558	0.804

Source: Output SmartPLS 3 Version

From the results of the analysis in the table above, it shows that all pairs analyzed have met the discriminant validity criteria with an htmt value of less than 0.90, this shows that the constructs measured by the instrument are unique and different from each other. It can be concluded that the measurement instrument used is capable of distinguishing between different cankers in this analysis. Thus, the results of this discriminant validity analysis provide confidence that the variables analyzed are unique and different, and there is no overlap between the constructs measured by the instrument.

4.1.3 Reability Composite

Reability composite is used to evaluate how reliable a measurement instrument is. Table 3 presents the analysis results from the reliability test for the observed variables, including product quality, service quality, customer relationship management, customer satisfaction and customer loyalty variables. In this analysis, we pay attention to the Cronbach's, rho_A, composite reliability and AVE values to assess the reliability of the instrument used. The criteria used are that the AVE value must be greater than 0.50, while the Cronbach's Alpha and composite reliability (rho_c) values must be greater than 0.70 to indicate adequate level of reliability. The results of the analysis are as follows.

Table 3. Reality Composite

Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Customer Loyalty (Y)	0.916	0.918	0.947	0.856
Customer Relationship Management (X3)	0.697	0.752	0.824	0.611
Customer Satisfaction (Z)	0.833	0.846	0.900	0.750
Product Quality (X1)	0.877	0.945	0.909	0.669
Service Quality (X2)	0.818	0.827	0.879	0.646

Source: Output SmartPLS 3 Version

The results of the analysis above show that all the variables analyzed have met the predetermined reliability criteria. For example, the customer validity variable has a Cronbach's Alpha value of 0.916, rho_A of 0.918 while the Composite Reability (rho_c) and AVE values are 0.947 and 0.856. Likewise, other variables have met the reliability criteria. It can be concluded that the measurement instrument used in this research is reliable in measuring the variables analyzed. The results of the composite reliability analysis can provide confidence in the reliability of the measurement instrument and the validity of the construct used.

4.2 Inner Model

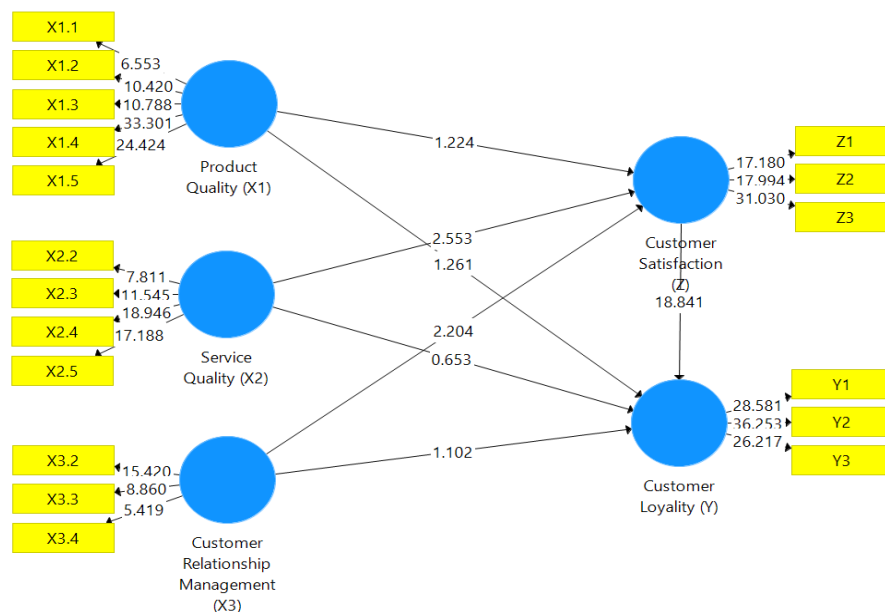


Figure 3. Inner Model

Source: Output SmartPLS 3 Version

4.2.1 Multicollinearity Test

The multicollinearity test is used to evaluate how strong the relationship is between the independent variables in the regression model. Collinearity statistics (VIF) for each independent variable measures how much of the variance of the independent variable can be explained by other independent variables in the model. The criterion used is that the VIF value must be less than 10 to determine that there is no significant multicollinearity problem in the regression model. From the results of the analysis above, it can be seen that overall there is no multicollinearity in the indicators because the VIF value is <10 . So it can be concluded that the results of this multicollinearity test mean that the regression model can be relied on in analyzing the relationship between the variables in this research.

4.2.2 Coefficient of Determination

The coefficient of determination is an important metric in evaluating how well a regression model fits the data being analyzed. The criteria used to assess the strength of the model are that the R Square value should be between 0.25 to 0.50 to indicate a moderate model, and a value above 0.50 indicates a strong model. It can be seen from the results of the following analysis.

Table 4. R Square

Variables	R Square	Adjusted R Square
Customer Loyalty (Y)	0.812	0.804
Customer Satisfaction (Z)	0.312	0.290

Source: Output SmartPLS 3 Version

From the results of the analysis above, it shows that the coefficient of determination (R Square) for the customer loyalty variable is 0.812, while the Adjusted R Square is 0.804. This shows that the model built explains around 81.2% of the variability in the customer loyalty variable. Thus, this value means that this model has a strong model in explaining the loyalty variable.

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For customer satisfaction, the coefficient of determination (R Square) is 0.312 and the adjusted R Square is 0.290. This shows that the model built explains around 31.2% of the variability in the customer satisfaction variable. With this value, it can be said that this model has a moderate model in explaining the customer satisfaction variable. Therefore, it can be concluded that the results of this analysis are able to provide confidence that the regression model used is able to explain the customer loyalty variable well.

4.2.3 Effect Size

Effect Size is used to evaluate how much influence the independent variable has on the dependent variable in the regression model. The criteria used to assess effect size are that an F Square value of 0.02 indicates a small or low impact, a value of 0.15 indicates a medium or medium impact, and a value of 0.35 indicates a large or strong impact. With this framework, the results of the following analysis can be explained. Table 4.6 explains the F Square value for the customer loyalty variable and customer satisfaction variable.

Table 5. F Square

Variables	Customer (Y)	Loyalty	Customer (Z)	Satisfaction
Customer Relationship Management (X3)	0.016			0.058
Customer Satisfaction (Z)	3,184			
Product Quality (X1)	0.012			0.009
Service Quality (X2)	0.005			0.082

Source: Output SmartPLS 3 Version

From the results of table 5, the analysis above shows that the customer relationship management variable has an F Square value of 0.016, which shows that this variable has a moderate impact on customer loyalty and on customer satisfaction it has a large impact, namely 0.058. For product quality it has an F Square value of 0.012 and for customer satisfaction it is 0.009 which shows a weak impact, for the service quality variable it has an F Square value of 0.005 showing a weak impact on customer loyalty and for customer satisfaction it has a strong impact, with a value of 0.085. From this analysis, to improve customer loyalty and need to pay attention to customer relationship management, product quality and service quality.

4.3 Proving Hypothesis

4.3.1 Direct Effect (Path Coefficient)

Table 6 presents the path coefficient values for each hypothesis tested, including product quality, service quality, customer relationship management, customer satisfaction and customer loyalty. The criteria used to determine the significance of the direct effect are that a P-Value value of less than 0.05 indicates a significant effect, while a P-Value value of greater than 0.05 indicates an insignificant effect.

Table 6. Path Coefficients

Path Analysis	T Statistics	P Values	Information
Customer Relationship Management (X3) -> Customer Loyalty (Y)	1,102	0.271	Not Significant

Customer Relationship Management (X3) -> Customer Satisfaction (Z)	2,204	0.028	Significant
Customer Satisfaction (Z) -> Customer Loyalty (Y)	18,841	0,000	Significant
Product Quality (X1) -> Customer Loyalty (Y)	1,261	0.208	Not Significant
Product Quality (X1) -> Customer Satisfaction (Z)	1,224	0.222	Not Significant
Service Quality (X2) -> Customer Loyalty (Y)	0.653	0.514	Not Significant
Service Quality (X2) -> Customer Satisfaction (Z)	2,553	0.011	Significant

Source: Output SmartPLS 3 Version

Based on the results of the analysis that has been carried out, the influence of product quality on customer loyalty shows that P Value > 0.05, which means that product quality does not have a significant influence on customer loyalty. This can be seen from the results of the t-statistics value of 1.224 and the P value of 0.208. Therefore, Hypothesis 1 (H1) is rejected. The results of this research are not in line with research conducted by (Khairawati, 2019). The calculation results show that the influence of product quality on the consumer loyalty variable has a significant effect. This proves that the product quality of BPJS Employment Palembang Branch is lacking, therefore it is necessary to improve product quality so that BPJS participants feel that what they want is appropriate. If product quality is low, then customer loyalty will be low.

Based on the results of the analysis carried out by researchers regarding the influence of service quality on customer loyalty, it shows that P Value > 0.05, which means that service quality does not have a significant influence on customer loyalty. This can be seen from the results of the t-statistics value of 0.653 and the P value of 0.514. Therefore hypothesis 2 (H2) is rejected. The results of this research are not in line with research conducted in research related to customer loyalty which explains that there is service quality which plays a positive and significant role in influencing customer loyalty. This shows that the service quality of BPJS Employment Palembang Branch is lacking in terms of customer loyalty, meaning that service quality needs to be emphasized so that BPJS participants feel good service and what the BPJS participants expect is in line with their expectations. If service quality is low, then customer loyalty will also be low.

Based on the results of the analysis carried out by researchers regarding Customer Relationship Management's influence on Customer Loyalty, it shows that the P Value is > 0.05, which means that Customer Relationship Management does not have a significant influence on customer loyalty. This can be seen from the results of the t-statistics value of 1.102 and the P value of 0.2271, so Hypothesis 3 (H3) is rejected. The results of this research are not in line with research conducted by (Nanda Vinilia Putri, 2023) related parties with partial significant influence on customer loyalty. This shows that the Customer Relationship Management of BPJS Employment Palembang Branch needs to be improved so that BPJS participants can feel the comfort provided by BPJS Employment, because this can influence customer loyalty. If Customer Relationship Management is low then customer loyalty will decrease.

Based on the results of the analysis that has been carried out regarding the influence of product quality on customer satisfaction, it shows that the P value is >0.05, which means that the

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influence of product quality does not have a significant influence on customer satisfaction. This can be seen from the t-statistics value of 1.224 and the P value of 0.222. Therefore hypothesis 4 (H4) is rejected. The results of this research are not in line with research conducted by (Pribanus Wantara, 2019) which shows that the results of Product Quality have a significant effect on Customer Satisfaction. This shows that the results of the BPJS Employment Palembang Branch product quality need to be improved further so that BPJS participants can experience the products given to them. This greatly affects customer satisfaction. If the product quality does not match the expectations of BPJS participants, then participant satisfaction will also be less with the BPJS Employment Branch. Palembang.

Based on the results of the analysis carried out by researchers regarding the influence of service quality on customer satisfaction, it shows that the P value is <0.05 , which means that service quality has a positive and significant influence on customer satisfaction. This can be seen from the t-statistics value of 2.553 and the P value of 0.011. This means that hypothesis 5 (H5) is accepted. The results of this research are in line with research conducted by (Fauzi et al., 2020) where the research results show that there is a significant influence on service quality and customer satisfaction. This shows that the service quality of BPJS Employment Palembang Branch has met the expectations of BPJS participants. Which provides good quality service to BPJS participants and provides the results expected by BPJS participants. If service quality is good, customer satisfaction will also increase.

Based on the results of the analysis carried out by researchers regarding the influence of Customer Relationship Management on customer satisfaction, it shows that the P value is <0.05 , which means that Customer Relationship Management has a positive and significant influence on Customer satisfaction. This right can be seen from the t-statistics value of 2.204 and the P value of 0.028. This means that hypothesis 6 (H6) is accepted. The results of this research are in line with research conducted by (Prentice et al., 2020) showing that there is a significant positive relationship between CRM and customer satisfaction. This shows that the Customer Relationship Management of BPJS Employment Palembang Branch is quite good at serving BPJS participants and providing good service for BPJS participants. This can provide high satisfaction for BPJS Employment Palembang Branch participants. If Customer Relationship Management is good, then customer satisfaction will also increase.

Based on the results of the analysis carried out by researchers regarding the influence of customer satisfaction on customer loyalty, it shows that the P value is <0.05 , which means that customer satisfaction has a positive and significant influence on customer loyalty. This can be seen from the t-statistics value of 18.841 and the P value of 0.000. The results of this research are in line with research conducted by which shows a positive and significant relationship between customer satisfaction and customer loyalty. This shows that customer satisfaction has a very big relationship with customer loyalty. It can be concluded that BPJS participants are very satisfied with BPJS Employment Palembang Branch which provides good service to BPJS participants. So, if customer satisfaction increases, customer loyalty will also be higher.

4.3.2 Indirect Effects

Indireict eiffeiet analysis beirguina uintuik meinguiji the hypothesis of influence is not direct according to the variable that impeingaruihi (eiksogein) against the inteirveining variable (eindogein) which is mediated by suiatui inteirveining variable (mediation variable). The criteria used to determine the significance of the direct effect are that a P-Value value of less than 0.05 indicates a significant effect, while a P-Value value of greater than 0.05 indicates an

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insignificant effect.

Table 7. Path Coefficients

Path Analysis	T Statistics	P Values	Information
Customer Relationship Management (X3) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	2,138	0.033	Significant
Product Quality (X1) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	1,206	0.228	Not Significant
Service Quality (X2) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	2,658	0.008	Significant

Source: Output SmartPLS 3 Version

Based on the results of the analysis carried out by researchers regarding customer satisfaction which is a mediator in the influence of work product quality on customer loyalty, it shows a P value > 0.05 , which means that Customer Satisfaction is not a mediator and has no significant effect on product quality on Customer Loyalty. It can be seen from the results of the t-statistics value of 1.206 and the P value of 0.228. It can be concluded that customer satisfaction of BPJS Employment Palembang Branch does not mediate product quality on customer loyalty, meaning that it is necessary to increase product quality to increase satisfaction of BPJS participants and likewise customer loyalty and product quality, both BPJS participants will feel high loyalty towards BPJS Employment Palembang Branch (Aristiawan & Istiyono, 2020; Tungpantong et al., 2022).

Based on the results of the analysis carried out by researchers regarding Customer Satisfaction as a mediator on the influence of work Service Quality on Customer Loyalty, it shows a P Value of < 0.05 , which means that Customer Satisfaction can mediate and have a significant positive influence on service quality on Customer Loyalty. With a t-statistics value of 2.658 and a P value of 0.008. This shows that customer satisfaction of BPJS Employment Palembang Branch can mediate the influence of service quality. This means that the service quality of BPJS Employment Palembang Branch is very good so that BPJS participants feel the service they want and provide high loyalty to BPJS Employment Palembang Branch.

Based on the results of the analysis carried out by researchers regarding Customer Satisfaction as a mediator on the influence of Customer Relationship Management on Customer Loyalty, it shows a P value < 0.05 , which means that Customer Satisfaction is a mediator and has a significant positive influence on Relationship Management on Customer Loyalty. With a t-statistics value of 2.138 and a P value of 0.033 (hypothesis 10 is accepted). This shows that the Customer Relationship Management of BPJS Employment, Palembang Branch is good and meets the expectations of BPJS participants so that what is provided by BPJS Employment makes participants very satisfied with the services provided and can increase consumer loyalty.

5. Conclusion

Based on the results of the research that has been conducted, it can be concluded that the Customer Relationship Management (CRM) and Customer Satisfaction variables have a significant influence on Customer Loyalty, while Product Quality and Service Quality do not show a significant influence. This indicates that increasing customer loyalty is more influenced by managing customer relationships and the satisfaction they feel, rather than the quality of the

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product or service provided. In addition, the results of the outer model analysis show that the measurement instruments used in this research are valid and reliable, both in terms of convergent, discriminant validity and composite reliability, so they can be relied on to measure the variables studied.

As a suggestion, this research provides recommendations for companies to focus more on strategies to improve Customer Relationship Management and Customer Satisfaction to increase customer loyalty. Improving the quality of customer interactions and experiences with a company can be key in maintaining and strengthening customer loyalty. In addition, it is recommended to conduct further research by considering other factors that might influence customer loyalty, as well as expanding the research sample so that the results obtained are more generalizable. Further research could also explore the use of different approaches in analyzing the relationship between these variables, such as considering mediating or moderating factors that can provide deeper insight into the dynamics of customer loyalty

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Analysis of Public Service Development Strategies of the Transportation Department of Kampar District

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Abstract

This study aims to determine the most appropriate strategy for developing public services of the Department of Transportation of Kampar Regency. The sample of this study amounted to 10 people, including echelon III and echelon IV officials and functional officials of the Kampar Regency Transportation Office who have 5-10 years of experience and knowledge or more related to the Kampar Regency Transportation Office. Research data processing was carried out by SWOT Analysis (*Strenght, Weakness, Opportunity, Threat*), namely by analyzing internal factors (*Internal Strategic Factors Analysis Summary / IFAS*) and external factors (*External Strategic Factors Analysis Summary / EFAS*) of the Kampar Regency Transportation Office. The results showed that the strategic position map of the Kampar Regency Transportation Agency is in Quadrant I with a value of +0.89 on internal factors and a value of +0.50 on external factors, meaning that the agency can establish aggressive policies because it has great potential in improving public services by taking advantage of existing opportunities or by implementing the right strategy, namely using the SO strategy. These strategies include utilizing the right management and organizational structure to implement local government programs, coordinating well with ministries, provinces and other districts to improve Human Resources (HR), utilizing the development of Information Technology, especially in terms of public services to all existing departments and Technical Implementation Units (UPT), increasing the income of Regional Original Revenue (PAD) with the support of other stakeholders and utilizing the role of the private sector through *Corporate Social Responsibility* (CSR) funds to support public services to the wider community.

Keywords: Strategy, SWOT Analysis, IFAS, EFAS, Public Service.

JEL Codes: M1, M11, M48

1. Introduction

Public service is one of the things that needs attention today in Indonesia. The President of the Republic of Indonesia said that public services are the concrete face of the state's presence in people's daily lives. The state is said to be present if it is able to organize excellent, fast, professional, and equitable public services. The President also asked all levels of government, both central and regional, to continue to improve public services to the community in a results-

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oriented manner (Wijaya & Senen, 2024).

Public Services in Indonesia are contained in Law Number 25 of 2009 concerning Public Services, which is a mandate of the 1945 Constitution of the Republic of Indonesia. Public Service is an activity or series of activities in order to fulfill service needs in accordance with laws and regulations for every citizen and resident for goods, services, and / or administrative services provided by public service providers. Article 5 paragraph 2 reads the scope of services

Public sectors include education, teaching, employment and business, housing, communication and information, environment, health, social security, energy, banking, transportation, natural resources, tourism, and other strategic sectors.

The Department of Transportation of Kampar Regency is a regional apparatus that has the main task of assisting the Regent of Kampar in carrying out government affairs in the field of transportation which is the regional authority and assistance tasks assigned by the Regional Head of Kampar Regency (Regulation of the Regent of Kampar Number 50 of 2016). The main tasks of the Kampar Regency Transportation Office in the field of transportation are policy formulation, policy implementation, evaluation and reporting in the fields of traffic and road transportation, railways, shipping, and aviation.

As in the Strategic Plan (Renstra) of the Kampar Regency Transportation Office for 2023-2026, the Kampar Regency Transportation Office in carrying out its duties refers to the vision of the Kampar Regency region, namely "Realizing Kampar Regency as a Cultured, Empowered Country in an Agamis Community Environment in 2025". The agency's mission is to carry out the 5th (fifth) mission of the Kampar Regency region, namely "Realizing balanced regional development that can ensure the quality of life in a sustainable manner". To carry out the vision and mission, the Transportation Department of Kampar Regency has one of the development goals and objectives, namely "Improving Land Transportation Performance" with the development target "Improving the Performance of Land Transportation Facilities and Infrastructure Services".

The performance indicators of the Kampar Regency Transportation Office are the Number of Public Transportation Kir Tests, the Number of Terminals/Airports/Stations managed, the Percentage of Land Transportation Services, the Number of Road Equipment Installations, the Ratio of Road Length per Number of Vehicles, the Number of General Passenger Flows and the Number of People / Goods Through Terminals / Airports / Stations. The performance achievement of the Kampar Regency Transportation Agency in 2022 was 56.8% and increased in 2023 by 62.6%, but has not yet reached the target at the end of the 2023-2026 Strategic Plan, which must reach 100%.

The Kampar Regency Transportation Office has several types of public services located at the Kampar Regency Public Service Mall (MPP), the types of services include motor vehicle testing services, urban and rural transportation route permit services, parking information, traffic impact analysis recommendations and public street lighting information.

In order for services to run well, the need for community participation in the services that are running, the Kampar Regency Government prepares a Community Satisfaction Survey (SKM) in electronic form (e-SKM) to be used by all regional apparatus that carry out public services.

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The Community Satisfaction Survey (SKM) is made to determine the community's assessment of public service delivery as measured based on 9 (nine) elements of service indicators such as Requirements (U1), Systems, Mechanisms and Procedures (U2), Completion Time (U3), Costs / Tariffs (U4), Product Specifications Type of Service (U5), Executor Competence (U6), Executor Behavior (U7), Facilities and Infrastructure (U8) and Handling Complaints, Suggestions and Feedback (U9) as contained in the Regulation of the Minister of Administrative Reform and Bureaucratic Reform (Permenpanrb) Number 14 of 2017 concerning Guidelines for Preparing Community Satisfaction Surveys (SKM) for Public Service Delivery Units.

The element that has the highest value in 2022 and 2023 is the 9th element (U9) Handling of Complaints, Suggestions and Feedback with a value of 3.99 and 4.00 while the lowest element value is in the 4th element (U4) Cost / Tariff with a value of 3.00, followed by the next lowest value in the 3rd element (U3) Completion Time, which in 2022 received a value of 3.05 and in 2023 received a value of 3.01.

Based on the Regulation of the Minister of Administrative Reform and Bureaucratic Reform Number 14 of 2017, it explains that what is meant by Handling Complaints, Suggestions and Feedback is the procedure for implementing complaint handling and follow-up. Then the Cost / Tariff is the cost imposed on service recipients in managing and / or obtaining services from the organizer, the amount of which is determined based on an agreement between the organizer and the community (Wijaya, Waspada, et al., 2024). Furthermore, what is meant by Completion Time is the period required to complete the entire service process of each type of service.

The SKM score of the Kampar Regency Transportation Agency has not yet reached the set target, namely the Very Good (A) performance target. In 2022 the realization of the SKM value was

83.00 and in 2023 the SKM value decreased to 82.25. This means that the community considers the public service of the Kampar Regency Transportation Office to be running well but must continue to improve services, especially at the time of service completion.

Facilities and Infrastructure are an integral part of an organization. In Permenpanrb No. 14 of 2017, Facilities are everything that can be used as a tool in achieving goals and objectives. Infrastructure is everything that is the main support for the implementation of a process (business, development, project). Facilities are used for moving objects (computers, machines) and infrastructure for immovable objects (buildings).

The condition of the infrastructure of the Kampar Regency Transportation Agency is quite good, but all infrastructure must be improved. Improvements are intended so that infrastructure can make employees as service providers and the community as service recipients feel comfortable and safe while at the Kampar Regency Transportation Agency.

Facilities at the Kampar Regency Transportation Agency consist of office equipment such as computers and printers that function to assist in administrative service tasks, motor vehicle testing equipment for technical services, besides that there are also cars, buses and official motorbikes that are used to provide services in the field.

In the increasingly complex conditions of public services in providing excellent service to the

community, the right service strategy balanced with integrated steps is very necessary, including policies that utilize the right management and organizational structure, coordinate well with the Ministry, Governors and other Regents / Mayors, maximize information technology, increase the income of Regional Original Revenue (PAD) and Corporate Social Responsibility (CSR) funds of private companies, all of which aim to implement a public service development strategy (Wijaya, Rahayu, et al., 2024).

The data and conditions described above show that the Kampar Regency Transportation Office's performance is not optimal, so the authors are interested in conducting research titled "Analysis of Public Service Development Strategies of the Kampar Regency Transportation Office."

2. Literature Review

2.1 Strategy

According to Chitpin, (2021), and Steinerowska-Streb et al., (2024) Strategy is a continuous and adaptive response to external opportunities and threats, as well as internal strengths and weaknesses, that can affect the organization.

The definition of strategy according to (Siagian, 2004) is a large-scale plan that is oriented towards the far future and determined to enable the organization to interact effectively with its environment in competitive conditions. It is directed at optimizing the achievement of the organization's goals and objectives.

Strategy describes how the company aims to create value for stakeholders, customers and society. Strategy is not a stand-alone management process, it is one step in a logical continuum that moves an organization from a high-level mission statement to the work done by front- and back-office employees (Kaplan, 2024). Strategies are developed and evolve over time to meet the changing conditions posed by the external environment and internal capabilities.

Hamel et al., (2022) said that strategy is an action that is incremental (always increasing) and continuous, and is carried out based on the perspective of what customers expect in the future. Meanwhile, Chandler (Rangkuti, 2015) defines strategy as a tool to achieve corporate goals in relation to long-term goals, follow-up programs, and resource allocation priorities.

2.2 SWOT Analysis

According to (Oswald et al., 2019) SWOT compares strengths, weaknesses, opportunities and threats. Strengths and weaknesses are reviewed to determine current and future opportunities and threats. The clearer the knowledge of strengths and weaknesses, the smaller the opportunities that are not achieved. Good opportunities can be used to counter threats, and weaknesses can be overcome through the company's strengths.

According to Wijaya & Teny, (2022), SWOT analysis is one of the powerful analytical instruments if used properly. As for the division of strategic factors in SWOT analysis, such as factors in the form of strengths, what is meant by the strength factors possessed by a company including business units therein are, among others, special competitions contained in the organization which result in the possession of comparative advantages by business units in the market. Weakness factors are limitations or deficiencies in terms of resources, skills and abilities that are a serious barrier to the appearance of satisfactory organizational

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performance. Opportunity factors are various environmental situations that are favorable for a business unit. Threat factors, meaning threats are the opposite of the notion of opportunities, namely environmental factors that are not favorable to a business unit.

According to Rangkuti, (2015), SWOT analysis is a systematic identification of various factors to formulate company strategy. This analysis is based on logic that can maximize strengths (*Strengths*) and opportunities (*Opportunities*), but can simultaneously minimize weaknesses (*Weaknesses*) and threats (*Threats*). The strategic decision-making process is always related to the development of the Company's mission, goals, strategies and policies.

According to Rangkuti, (2015) the process of preparing strategic planning in SWOT analysis through 3 stages of analysis, namely the data collection stage, this stage is not only data collection activities, but also classification and pre-analysis activities. At this stage the data is divided into two, namely external data (obtained from the environment outside the company) and internal data (obtained within the company itself). The analysis stage, after collecting all the information that affects the survival of the company, the next stage utilizes the information in quantitative models. The tool used to compile the company's strategic factors is the SWOT matrix. This matrix can clearly illustrate how the external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses. This matrix can produce 4 (four) sets of possible strategic alternatives. The decision-making stage, at this stage, reviews the four strategies that have been formulated in the analysis stage. After that, a decision is made in determining the most profitable, effective and efficient strategy for the organization based on the SWOT Matrix.

Research shows that a combination of internal and external factors can determine company performance. Both factors must be considered in a SWOT analysis. SWOT analysis compares external factors *Opportunities* and *Threats* with internal factors *Strengths* and *Weaknesses*. Rangkuti, (2015). The analysis results are placed in several quadrants, such as Quadrant 1 is a very favorable situation. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive *growth policy (Growth oriented strategy)*. Quadrant 2 means that despite facing various threats, company still has internal strengths. The strategy that must be applied is to use strengths to take advantage of long-term opportunities by means of a diversification strategy (product / market). Quadrant 3 means that the company faces enormous market opportunities, but on the other hand, it faces several internal constraints/weaknesses. The focus of this company is to minimize the company's internal problems so that it can seize better market opportunities. Quadrant 4 is a very unfavorable situation, the company faces various threats and internal weaknesses.

2.3 Public Service

Public Service consists of two words, namely service and public. According to the Big Indonesian Dictionary (KBBI), the meaning of the word service is in the Indonesian dictionary as an effort to serve the needs of others. Meanwhile, in the Oxford Dictionary (2000) service is defined as "a system that provides something that the public needs, organized by the government or a private company" or service will function as a system that provides what is needed by the public, organized by the government or private companies.

According to Groonros in (Wijaya & Adib, 2019) that service is an activity or a series of

activities that are invisible (not palpable) that occur as a result of interactions between consumers and employees or other things provided. by service delivery companies that are intended to solve consumer/customer problems.

According to Law Number 25 of 2009 concerning Public Services, public services are activities or a series of activities in order to fulfill service needs in accordance with laws and regulations for every citizen and resident for goods, services, and / or administrative services provided by public service providers. Public services must be based on public interest, legal certainty, equal rights, balance of rights and obligations, professionalism, participation, equality of treatment / non- discrimination, openness, accountability, facilities and special treatment for vulnerable groups, timeliness, and speed, convenience, and affordability. In Article 5 of Law Number 25 of 2009 concerning Public Services, there are 3 (three) scopes of services, including services for public goods, services for public services and administrative services. In Article 6 of Law Number 25 of 2009 concerning Public Services, in order to ensure the smooth implementation of public services, a coach and person in charge are needed. The coach has the task of providing guidance, supervision and evaluation of the implementation of the duties of the person in charge. Supervisors consist of leaders of state institutions, leaders of ministries, leaders of non-ministerial government agencies, leaders of state commissions or similar institutions, and leaders of other institutions. Governors at the provincial level, Regents at the regency level and Mayors at the city level.

According to Aher, (2019) every service must have service standards which become a benchmark for service providers (service providers) to service recipients, service standards include predetermined service procedures, completion time when submitting applications to service completion including complaints, costs and service delivery budgets. Results or products according to the service provisions that have been applied. Adequate service facilities and infrastructure and the competence of dedicated and qualified officers both in terms of knowledge, skills, attitudes and behavior.

Regulation of the Minister of Administrative Reform and Bureaucratic Reform Number 14 of 2017 concerning Guidelines for Preparing Community Satisfaction Surveys for Public Service Delivery Units. Public service providers are required to conduct periodic Community Satisfaction Surveys at least 1 (one) time a year, to obtain a Community Satisfaction Index. In carrying out community satisfaction surveys, it is carried out by paying attention to principles such as transparency, participation, accountability, sustainability, fairness and neutrality. The Community Satisfaction Survey must contain elements of requirements, systems, mechanisms, and procedures, completion time, costs/tariffs, product specifications of service types, executor competence, executor behavior, handling complaints, suggestions and input, and facilities and infrastructure.

3. Research Methods

In this study, researchers used a qualitative approach, where the data collected was not in the form of numerical data, but data derived from interview scripts, field notes, personal documents, notes or memos and other supporting official documents. The purpose of the qualitative approach is so that researchers can describe the empirical reality behind the phenomena that occur related to the role of the Kampar Regency Transportation Office in improving public services in the transportation sector.

The population in this study were echelon III and echelon IV officials and functional officials. who have 5-10 years of experience and knowledge or more at the Kampar Regency Transportation Office with a total population of 10 people, namely, the Secretary of the Office, Head of Division, Head of Section and Functional Officials. All populations were used as research samples.

Primary data used through interviews were recapitulated or grouped, then scoring was carried out on the research data. In the SWOT analysis, the *Strength* (strength) and *Weakness* (weakness), *Opportunity* (opportunity) and *Threats* (threat) were weighted. The amount of weight is determined based on the scoring of the research results with the maximum weight for each factor being 1 (one). The weighted value is determined by the researcher with the consent of the respondent.

The way the factors are weighted is that each factor variable has a different importance value for the Kampar Regency Transportation Agency. This value is obtained through an assessment of qualitative data which is converted into numbers using a Rensis Likert scale of 1-5, namely very small = 1, small = 2, medium = 3, large = 4, very large = 5.

Determining the weight of each factor variable is calculated from the results of dividing the importance value that has been determined for that variable divided by the number of importance values on internal / external factors.

Table 1. Internal Strategic Factor Analysis Summary (IFAS) Weighting Matrix

IFAS	Weight	Rating	Weight x Rating
Strength			
1.			
2. etc			
Weakness 1.			
2. etc			
Total	1,00		

Table 2. External Strategic Factor Analysis Summary Weighting Matrix (EFAS)

IFAS	Weight	Rating	Weight x Rating
Strength			
1.			
2. etc			
Weakness 1.			
2. etc			
Total	1,00		

To be able to see the position of the placement of the analyzed agency conditions, it can be depicted in a *Cartesian* diagram.

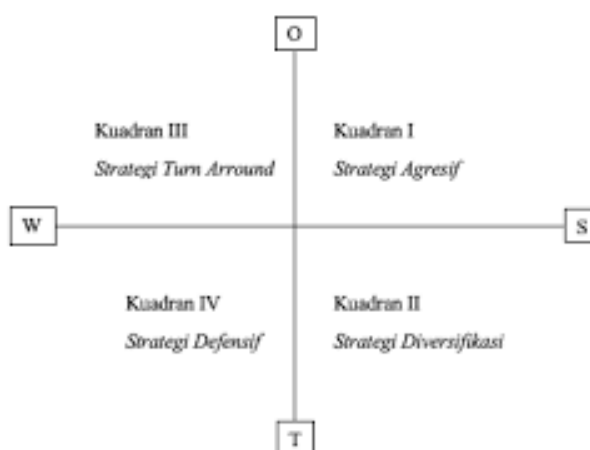


Figure 1. Cartesian diagram

Source: Freddy Rangkuti, 2014:20

Description:

Quadrant 1: In this position the Kampar Regency Transportation Agency has opportunities and strengths so that it can take advantage of existing opportunities, the strategy that can be applied in this condition is an aggressive policy.

Quadrant 2: In this position the Kampar Regency Transportation Agency faces various threats, but still has internal strengths.

Quadrant 3: In this position the Kampar Regency Transportation Agency has enormous opportunities, but on the other hand, it can face several internal constraints / weaknesses.

Quadrant 4: In this position the Kampar Regency Transportation Agency faces various internal threats and weaknesses.

4. Results and Discussion

4.1 Research Results

This research was conducted at the Department of Transportation of Kampar Regency, based on document sources (History of the Department of Transportation of Kampar Regency, 2019) in the Department of Transportation of Kampar Regency a brief history of the department from the first time it was established until now can be explained.

During the New Order era, the authority in the transportation sector, which included transportation, roads, transportation of people and goods, terminals, and parking, was vested in the Department of Transportation. For Level I Riau Province, the Department of Transportation established a Regional Office whose authority covers the entire area of Level I Riau Province. Furthermore, the Regional Office (Kanwil) of Level I Riau Province established an Assistant Regional Office in each Level II Regency. In 1993, the Kampar Regency Level II Region, included in the Region Level I of Riau Province, formed three Assistant Regional Offices, each covering several sub-districts. After the rolling of regional autonomy, the authority of Transportation was given to the Regional Level II Regency. For

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Kampar Regency, the Regional Office changed to the Road Transportation Traffic Office which was led by a Head of Service whose formation was based on regional regulations. The sequence of changes in the names of the Kampar Regency Transportation Office is the Kampar Regency Road Transport Traffic Office, the Kampar Regency Road Transport Traffic Office, the Kampar Regency Tourism and Cultural Arts Transportation Office, the Kampar Regency Information and Communication Transportation Office, and the Kampar Regency Transportation Office (until now).

In general, activities at the Kampar Regency Transportation Agency include supervision and regulation, school bus services, motor vehicle testing, and parking management. All activities are led and carried out by the Head of Service, Secretary of Service, Transportation and Facilities Division, Traffic Division, Development and Safety Division, Infrastructure Division and Technical Implementation Unit.

In this study, researchers collected data by interviewing 10 (ten) employees who have expertise in the field of transportation or Expert Judgment. Primary data obtained through interviews were recapitulated and grouped based on internal factors (strengths and weaknesses) and external factors (opportunities and threats). Furthermore, scoring was carried out on the research data. The amount of weight is determined based on the scoring of the research results with the maximum weight for each factor is 1 (one). The weighted value is determined by the researcher with the consent of the respondent.

The way the factors (internal and external) are weighted is that each variable (strengths, weaknesses, opportunities and threats) has a different importance value for the Kampar Regency Transportation Agency. This value is obtained through an assessment of qualitative data which is converted into numbers using a Rensis Likert scale of 1-5, namely very small = 1, small = 2, medium = 3, large = 4, very large = 5. Determining the amount of weight for each factor variable is calculated from the results of dividing the importance value that has been determined for that variable divided by the number of importance values in the factors (internal and external).

The results of the analysis of the variables included in the internal factors and external factors at the Kampar Regency Transportation Office. Internal factors include strengths and weaknesses while external factors consist of opportunities and threats.

a. *Strenghts*

Strengths that describe all things owned by the Kampar Regency Transportation Agency, where the strengths provide advantages for the agency.

- 1) Availability of management and organizational structure;
- 2) Data and information publication;
- 3) The service is one of the sources of regional PAD income;
- 4) There is good coordination between the Ministry, the Province and other districts/cities; and
- 5) The existence of a Technical Implementation Unit (UPT).

b. *Weakness*

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Weaknesses describe limitations or deficiencies in one or more resources at the Kampar Regency Transportation Agency.

- 1) The number of human resources who have Transportation competence is still small;
- 2) Inadequate agency budget;
- 3) Office facilities and infrastructure are inadequate;
- 4) The vision and mission of the agency are still dependent on the region; and
- 5) Lack of rewards and punishments for employees.

c. *Opportunity*

Favorable situations outside the agency (external) that can be utilized by the Kampar Regency Transportation to assist in achieving its performance.

- 1) Budget support from local government;
- 2) Cross-sector support (PUPR, POLRI, KOMINFO, and others);
- 3) The development of information technology in the field of Transportation;
- 4) Regional cooperation with the Ministry of Transportation; and
- 5) Increased role of private sector (CSR fund) and stakeholders in infrastructure sector

d. *Threats*

- 1) Threats are conditions outside the agency (external) that can be an obstacle for the Kampar Regency Transportation Agency in carrying out its duties and functions,
- 2) Regional disparities in access to transportation services;
- 3) Placement of employees in the agency is not in accordance with competence;
- 4) The development or proliferation of information in the community;
- 5) The ease with which people can own private vehicles, especially motorcycles; and
- 6) The low socio-cultural awareness of traffic safety among the public

Table 3. Internal Factor Score (IFAS)

No.	Variable Strength	Weight	Rating	Score
1	Availability of management and organizational structure	0,12	4,50	0,53
2	Data and information publication	0,09	3,60	0,34
3	The service is one of the sources of regional PAD income	0,11	4,20	0,46
4	Good coordination between ministries, provinces and other districts/cities	0,12	4,50	0,53
5	The existence of a Technical Implementation Unit (UPT)	0,12	4,40	0,51
Total		0,56		2,38
Variable Weaknesses				
1	The number of human resources who have	0,09	3,60	0,34

	Transportation Competence is still small			
2	Inadequate official budget	0,08	3,20	0,27
3	Inadequate office facilities and infrastructure	0,09	3,50	0,32
4	The vision and mission of the agency is still dependent on the region	0,08	3,20	0,27
5	Lack of rewards and punishments for employees	0,09	3,30	0,29
Total		0,44		1,49
Internal Value		1,00		
Strength Score - Weakness Score				0,89

In Table 3, the weight value of each variable is obtained from the results of dividing the importance value that has been determined for that variable divided by the number of importance values in the internal factors. The value of 0.12 in the Availability of management and organizational structure received an average value of 4.5 from 10 respondents, this value, then divided by the number of importance values in internal factors of 38.

In Table 3, it can be seen that the total value (score) of the internal factors of the Kampar Regency Transportation Office is 0.89 where the strength variable gets a score of 2.38 with indicators of management and organizational structure and the existence of fairly good coordination between the Ministry, Province and other districts / cities has the highest score of 0.53. The weakness variable gets a score value 1.49 with indicators of weakness variables that must be of great concern, namely the number of human resources who have the competence of Transportation is still small and office facilities and infrastructure are not adequate, the factor score value is 0.34.

Table 4. External Factor Score (EFAS)

No.	Variable Opportunity	Weight	Rating	Score
1	Budget support from local and central government	0,12	4,50	0,54
2	Cross-sector support (PUPR, POLRI, KOMINFO, and others)	0,10	3,60	0,35
3	The development of information technology in the field of Transportation	0,11	4,10	0,45
4	Regional cooperation with the Ministry of Transportation	0,11	4,20	0,47
5	Increased role of private sector (CSR fund) and stakeholders in infrastructure sector	0,10	3,60	0,35
Total		0,53		2,15
Threat Variables				
1	Regional disparities in access to transportation services	0,10	3,60	0,35
2	Placement of employees in the agency is not in accordance with competence	0,09	3,20	0,27
3	The development or proliferation of bad information in the community	0,08	3,00	0,24
4	society own vehicle	0,10	3,70	0,37

5	especially motorcycles There is still a low socio-cultural awareness of traffic safety.	0,11	4,00	0,43
Total		0,47		1,65
External Value		1,00		
Opportunity Value - Threat Value				0,50

Source: Processed Data, 2024

In Table 4, it can be seen that the total value (score) of the external factors of the Kampar Regency Transportation Office is 0.50 where the opportunity variable gets a score of 2.15 with the indicator Budget support from the Regional and Central Government has the highest score of

0.54. The threat variable gets a score value of 1.65, which indicates a weakness variable that must be of great concern, namely the low level of socialization.

Public culture to be aware of traffic safety with a factor score value of 0.43.

Based on Table 3 and Table 4, the total value (score) of the Kampar Regency Transportation Agency's internal factors is higher (0.89) than the total value (score) of external factors (0.50). This means that the Kampar Regency Transportation Office's existing strengths can take advantage of existing opportunities to improve public services.

The research analysis of the Kampar Regency Transportation Office's public service development strategy revealed the strategic position map of the Kampar Regency Transportation Office in providing public services, which can be seen in the Cartesian diagram image.

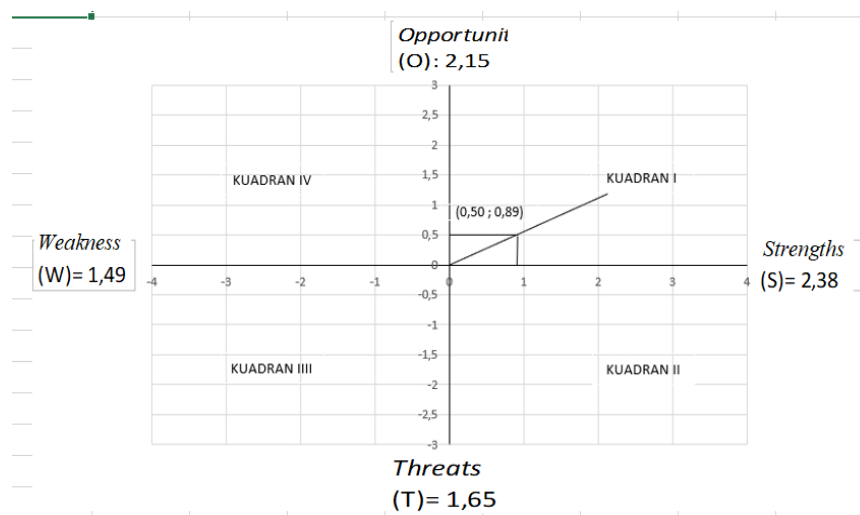


Figure 2. Strategic Position Map of Kampar Regency Transportation Agency
Source: Processed Data, 2024

From Figure 2, it can be seen that the strategic position map of the Kampar Regency Transportation Office is located in Quadrant I. The Department of Transportation of Kampar

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Regency can implement aggressive policies by having great potential in improving public services because it has quite high opportunities.

Alternative strategies with the SWOT matrix are used to answer how the external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses.

Table 5. Formulation of SWOT Matrix

EFAS \ IFAS	<i>Strengths</i>	<i>Weakness</i>
<i>Opportunities</i>	SO strategy $= 2,38 + 2,15$ $= 4,53$	WO Strategy $= 1,49 + 2,15$ $= 3,64$
<i>Threats</i>	ST Strategy $= 2,38 + 1,65$ $= 4,03$	WT Strategy $= 1,49 + 1,65$ $= 3,14$

Source: Processed Data, 2024

Table 5 explains that the right strategy in this study is the SO strategy, which has a value of 4.53. This strategy uses strengths to take advantage of opportunities.

Table 6. SWOT Matrix Strategy Alternatives

IFAS \ EFAS	<i>Strengths</i>	<i>Weakness</i>
	1. Management and organizational structure. 2. Good coordination between ministries, provinces and other districts/cities. 3. The existence of a Technical Implementation Unit (UPT). 4. Source of regional PAD income. 5. Data and information publication.	1. There are still few human resources who have Transportation Competence. 2. Office facilities and infrastructure are inadequate. 3. Lack of rewards and punishments for employees. 4. Inadequate agency budget. 5. The vision and mission of the agency is still dependent on the region.
<i>Opportunities</i>	SO strategy 1. Utilize appropriate management and organizational structures to implement established local	WO Strategy 1. Utilize regional and ministerial cooperation for the provision of transportation staff. 2. Utilize budget support from

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3. The development of information technology in the field of Transportation. 4. Cross-sector support (PUPR, POLRI, KOMINFO, and others). 5. Increased Role of Private Sector (CSR Fund) and	government programs. 2. Coordinate well with ministries, provinces and other districts to improve the agency's human resources. 3. Utilizing development Technology Information	the Regional Government to provide facilities and infrastructure for the office. 3. Using technological advances to assess employee performance.
stakeholder at infrastructure	especially in terms of public services to all existing departments and UPT. 4. Increase PAD income with the support of other stakeholders. 5. Utilize the role of the private sector through CSR funds to support public services to the wider community.	4. Utilize CSR Funds in providing transportation facilities and infrastructure. 5. Develop a vision and mission by guiding the agency's job description and other sector support.
Threats 1. Low public awareness of traffic. 2. The ease with which people can own private vehicles, especially motorcycles. 3. Disparities regional access to transportation services. 4. Placement of employees in the Office is not in accordance with competence. 5. Growing or the proliferation of bad information in the community.	ST Strategy 1. Maximize management and organizational structure to conduct traffic safety socialization. 2. Good coordination with ministries, provinces and other districts to collaborate to improve public transportation. 3. Utilize existing UPTs in providing services to the community, especially in areas with distant and difficult access. 4. Utilize the increase in the office's PAD revenue as support from the head of the region to improve the competence of human resources. 5. Utilize the publication of data and information to the public to improve the image of the agency to the community.	WT Strategy 1. HR competency level in mastering transportation knowledge, especially in traffic safety. 2. Provide public transportation facilities and infrastructure for the wider community. 3. Improve employee performance according to existing competencies in accordance with applicable regulations, especially for rewards and punishments. 4. Provide a budget to facilitate public services to communities whose access areas are far and difficult to reach. 5. Strengthen the vision and mission of the agency to provide fast, easy and transparent public services, so that later the image of the agency will be good. in the midst of society.

Source: Processed Data, 2024

4.2. Discussion

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Utilizing the right management and organizational structure to implement local government programs that have been set, the response of the Kampar Regency Transportation Agency has carried out each task according to the direction of the regional head, each task is given to the field.

who are responsible for these tasks. One of the tasks that must be carried out is public services, such as motor vehicle testing, traffic supervision and regulation, school bus services, and parking management.

Currently, the Kampar Regency government is also preparing changes to the organizational structure, namely simplifying the existing main tasks and functions so that later regional apparatus organizations can carry out their duties appropriately.

If the task is carried out well, the regional head will help increase the budget for improving public services, such as the provision of facilities and infrastructure. The local government will support any proposed activities.

The Kampar Regency Transportation Office coordinates well with ministries, provinces, and other districts/cities to improve service human resources. Its response is well coordinated with other agencies. Every activity or work in the Kampar Regency area always involves the Kampar Regency Transportation Office.

Likewise, in terms of improving human resources/employees of the Kampar Regency Transportation Office, through the Ministry of Transportation, a Cooperation Agreement has been implemented for the nursery pattern of regional children who can take education at the Ministry of Transportation's official school, which after graduation will work at the Kampar Regency Transportation Office. It is hoped that employees who are graduates of this official school can have a positive influence by providing guidance and teaching to other employees, so that later they can all work optimally, especially in providing public services to the community.

In addition, the Department of Transportation of Kampar Regency collaborates with the Ministry of Transportation regarding Community Empowerment Training to develop and guide human resources and better understand the transportation sector.

While in the Riau Provincial Government, several regions' cooperation related to Pekansikawan agglomeration mass transportation (Pekanbaru, Siak, Kampar, Pelalawan). Coordination and other cooperation in several neighboring districts such as Pekanbaru City and Solok Regency of West Sumatra Province related to people and freight transportation services.

Utilizing the development of Information Technology, especially in terms of public services to all existing departments and UPTs, the response to current technological advances is very important for the Kampar Regency Transportation Agency such as the existence of technology makes it easier to identify accident-prone areas, which later before the incident occurs the government has prepared safety facilities in the area.

The Kampar Regency Transportation Office has also provided CCTV (*Closed Circuit Television*) Roads but currently it is still in several sub-districts, it is hoped that later all sub-districts will have road CCTV. The Kampar Regency Transportation Agency can also improve motor vehicle testing services through SIM (Management Information System)

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Motor Vehicle Testing at the Vehicle Testing UPT which makes it easier for the public to receive these services and the test results are in the form of Electronic Test Passing Evidence (BLUe).

Increasing PAD income with the support of other stakeholders, the Transportation Department of Kampar Regency, as one of the agencies that is a source of PAD (Regional Original Revenue), is responding through parking fees. The Department of Transportation of Kampar Regency cooperates with other stakeholders, such as the Civil Service Police Unit (Satpol-PP), the Regional Revenue Agency (Bapenda), and the One-Stop Integrated Investment and Service Office (DPMPTSP) to curb unauthorized parking locations in Kampar Regency. With the increase in PAD, the Kampar Regency Transportation Office can receive appreciation from the Regional Head through a budget used to improve public services.

Utilizing the role of the private sector through CSR funds to support public services to the wider community, the response to the role of companies operating in the Kampar Regency area must be a concern of the Kampar Regency local government, especially the Kampar Regency Transportation Office. CSR (*Corporate Social Responsibility*) Fund assists in the provision of school buses, bus stops, road equipment, and other things in accordance with company rules regarding the use of CSR Funds.

5. Conclusion

The Kampar Regency Transportation Office's public service development strategy is in quadrant I. The Office can establish aggressive policies (strengths and opportunities) because it has great potential for improving public services and quite high opportunities.

Policies that can be implemented by the Department of Transportation of Kampar Regency include (1) Utilize the right management and organizational structure to implement the local government programs that have been set. (2) Coordinate well with ministries, provinces and other districts to improve the agency's human resources. (3) Utilize the development of Information Technology, especially in terms of public services to all existing departments and UPT. (4) Increase PAD income with the support of other stakeholders. (5) Utilize the role of the private sector through CSR funds to support public services to the wider community.

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The Effect of Content Marketing and Online Customer Reviews on Purchasing Decisions on PVN Brand Shoe Products on The TikTok Application In Bandung City

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Abstract

With progress in the *fashion* industry, shoes are now more than just foot protection; they are an inseparable component of clothing. One of the most popular products among the Indonesian people is shoes. This study aims to determine and analyze the influence of *content marketing and online customer reviews on purchase decisions regarding* PVN brand shoes. Samples were taken using the Lemeshow formula. Data was collected by distributing questionnaires to 96 respondents through a *Google Forms link*. The data analysis method uses the multiple linear regression analysis method and path analysis by conducting classical assumption testing first. Based on the results of the multiple linear regression test, it can be concluded that the constant value is 5.375. The results of this study, namely *Content Marketing and Online Customer Review*, significantly affect Purchase Decisions. The F-test (Simultaneous) results of the two independent variables simultaneously affect the dependent variable.

Keywords: Content Marketing, Online Customer Review, Buying decision

1. Introduction

The local shoe brand PVN Shoes, produced by PT Jaya Sukses Internasional, is currently in great demand by consumers, especially women. Customers are interested in PVN products because they are easy to obtain, affordable, good quality, and available in various motifs. PVN Shoes also uses social media to market its products, using content marketing that attracts consumers' attention. With affordable prices, which range from Rp. 139,000 to Rp. 169,000 consumers can get shoes of good quality and models that are very up-to-date and comfortable for daily use, which can compete with even big shoe brands. A very detailed and attractive marketing strategy is needed to make the PVN Shoes brand known by the entire community and influence purchase decisions.

According to Kotler & Keller, (2016) states that the purchase decision is a In the evaluation stage, the consumers form preferences among the brands in the choice set and may also form an intention to buy the most preferred brand. According to (Nurwidayani et al., 2024)(Kotler & Keller, 2016) The purchase decision has six dimensions: product choice, brand choice, distributor choice, purchase time, purchase amount, and payment method.

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Table 1. Top 10 best local Shoe brands in 2024

No	Shoe Brands	Total Sales on the Tiktok Application
1	Aerostreet	3 million
2	Ventela	329,8 thousand
3	Geoff Max	170,9 thousand
4	Brodo	109,7 thousand
5	Joemen	97 thousand
6	Compass	6.882
7	Kodachi	5.535
8	Patrobas	4.000
9	League	615
10	NAH Project	265

Source: id.mybest2024

Based on the table above, Aerostreet is the first best local shoe brand, with 3 million total sales on the TikTok application. For various reasons, PVN brand shoes are not included in the top ten best local brands. Content marketing must be considered when making a purchase decision.

Content marketing has a great influence on purchasing decisions. (Oktavianti et al., 2024). Previous researchers prove this, it is known that influencer marketing and content marketing work very well when combined with payment systems that facilitate transactions and increase consumer purchase demand. (Oktaviana et al., 2024) and (Mubarok, 2016) The pre-survey for comparing the Content Marketing of PVN Shoe brands with other Shoe brands is in the image below.

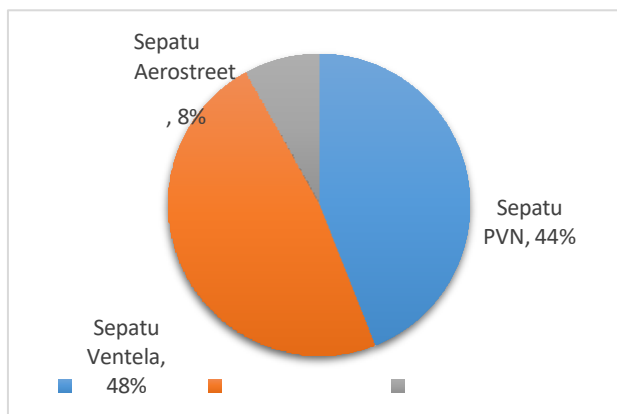


Figure 1. Pre-Survey Results of Local Brand Shoes that Have Interesting Content Marketing

Source: Data processed by researchers, 2024

Based on the image above, the results of the pre-survey of local brand shoes with interesting content marketing are on Ventela brand shoes with a total of 48% with a total of 25 respondents.

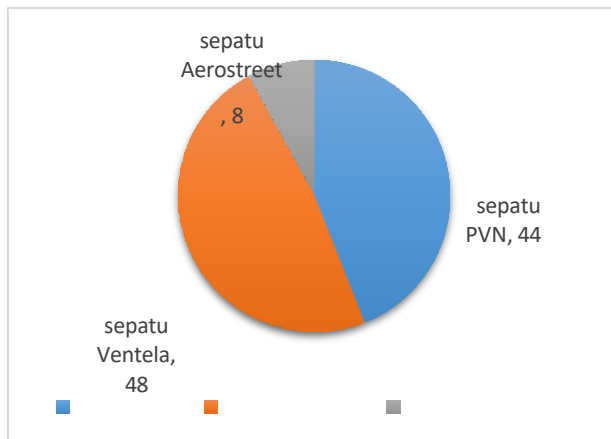


Figure 2. Pre-Survey Results of Local Brand Shoes that Have Informative Marketing Content

Source : Data processed by researchers, 2024

Based on the image above, the results of the pre-survey of local brand shoes that have informative content marketing are on Ventela brand shoes with a total of 48% with a total of 25 respondents.

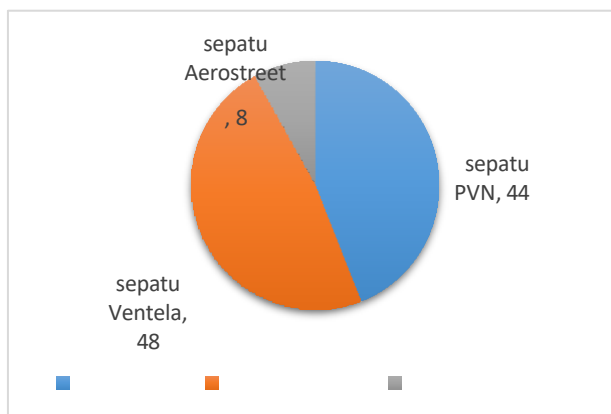


Figure 3 Pre-Survey Results of Local Brand Shoes that Make Content Marketing from a Consumer Perspective

Source : Data processed by researchers, 2024

The pre-survey was distributed to 25 respondents, based on the figure above, it shows that more respondents choose Ventela Shoes products with an average of 50.6%. Based on the pre-survey, Ventela Shoes products have more interesting content marketing, have informative content marketing, and make content marketing from a consumer perspective than PVN and Aerostreet Shoes products

In addition to content marketing, online customer reviews can also be an influence in determining purchase decisions. Online Customer Reviews are information that is considered credible and trustworthy by the Company to assist consumers in determining the products they buy (Banjamahor, 2021). Online Customer Reviews are the most honest opinions conducted online and are considered a means of promotion (Hartanto & Indriyani, 2022) Literature Review

2. Literature Review

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2.1 Content Marketing

Content as a marketing strategy through websites, social media, blogs, and podcasts is important in conveying the company's values (Yazgan Pektas & Hassan, 2020). Creating content marketing aims to increase sales, brand awareness, and consumer interest. Product reviews from previous consumers are accompanied by material that interests consumers; in this way, content marketing, interest in making a purchase, and the decision to make a purchase are all interconnected. Yazgan Pektas & Hassan (2020) stated the dimensions of content marketing, which are as follows:

1. Reliability

The ability of a company's content marketing to convey accurate information is a liability. The following indicators are used to measure the reliability dimension:

- a. Provides important information about the product
- b. Providing informative content
- c. Provides useful information
- d. Providing the correct information

2. Disbelief

The level of consumer confidence in the correctness of the information presented is correlated with Disbelief. The following indicators are used to measure the dimensions of Disbelief :

- a. Consumers can save time when looking for information because the material is clear and complete.
- b. Provide trustworthy information

3. Persuasion Knowledge

Persuasion Knowledge relates to a company's approach to content marketing. The following indicators are used to measure the dimension of Persuasion Knowledge:

- a. Deliver content marketing in a clear and easy-to-understand way
- b. Content marketing doesn't look persuasive to buy a product

2.2 Online Customer Review

According to Zhao & Ma, (2017) and Palupi Permata Rahmi et al., (2023) stated that "Online Customer Review is positive, negative, or neutral information about a product or service launched on the internet by a customer". Zhao & Ma, (2017) proposed several dimensions and indicators of Online Customer Review as follows:

1. Uses Online Review

The usefulness of Online Reviews is a benefit that can be obtained from online reviews about a product. Reviews from other consumers are considered useful for consumers. The following indicators are used to assess the usefulness of Online Reviews:

- a. Online Customer Reviews can make consumers feel easy to search and find information about the products to be purchased
- b. Online Customer Reviews can make it easy for consumers to shop online

2. Time Range Online Review

Information about the latest and most recent product online reviews is described in the Online Review Timeframe. Consumers are presented with a lot of relevant information related to a certain period of time during the information search process. The latest consumer reviews will be of concern to consumers. The Online Review Time Range Indicator is as follows:

- a. The latest consumer reviews can be trusted by consumers.
- b. Comparing recent and past consumer reviews

3. Sum Online Review

The number of Online Reviews can show how many consumers are interested based on previous purchases and product experiences. The indicators of the Number of Online Reviews are:

- a. If the number of positive consumer reviews increases, then the product's reputation will also be better
- b. The large number of consumer reviews shows the popularity of the product

4. Value given Online Review

The extent to which the data submitted represents a favorable or unfavorable aspect of a product is the Value Given by Online Review. The indicators of the Score Given by Online Review are:

- a. Positive consumer reviews can influence consumers' opinions to buy a product
- b. Look for alternative products if there are negative consumer reviews on a product

5. Completeness Online Review

The term "Complete Online Review" describes how comprehensive the reviews uploaded by consumers are. Online Customer Reviews reveal a variety of messages, ranging from straightforward advice to more complex and thorough advice based on factual explanations. Indicators of Online Review Completeness are:

- a. Consumer reviews on the product provide information about the advantages and disadvantages of the product being reviewed
- b. A complete and detailed review will attract consumers' attention

6. Review Expertise

Because they have first-hand experience and are considered experts, someone who posts an Online Customer Review will encourage others to talk about it. Indicators of the Reviewer's Expertise are:

- a. Trust in online customer review companies
- b. Trust the reviews given by other consumers

7. Uses Online Customer Review

The advantages or applications obtained from online product reviews are known as the usefulness of online customer reviews. The advantages or applications obtained from online customer reviews are known as the usefulness of online customer reviews. Indicators of the Usability of Online Customer Reviews are:

- a. Online Customer Reviews make it easier for consumers to shop online
- b. Consumers can easily search and find information about products thanks to Online Customer Reviews

8. Time Range Online Review

The Online Review Time Range provides information about online reviews of the latest and most modern products. When consumers search for information, they are presented with relevant information related to a specific time span. Consumers will pay more attention to the latest reviews. The indicators of the Online Review Time Range are:

- a. Consumers can trust the latest consumer reviews.
- b. Previous and recent consumer reviews can be compared

9. Sum Online Review

The high number of online product reviews on the internet explains why there are so many online reviews. The number of consumer reviews can be used to measure how many customers are curious about previous purchases and product experiences. The indicators of the Number of Online Reviews are:

- a. The more good reviews a product receives, the higher its reputation.
- b. The high volume of consumer reviews shows how much you like the product.

10. Value given Online Reviews

Valence is the extent to which the information uploaded reflects a positive or negative aspect of a product. The indicators used for Valence of online reviews are as follows:

- a. Positive reviews influence consumer opinions to buy products.
- b. Looking for alternatives to other products when there are negative reviews on a product.

11. Completeness of Online Reviews

The comprehensiveness of online reviews leads to the completeness or not of a review uploaded by consumers. Online consumer reviews contain a variety of different messages conveyed, ranging from simple recommendations to more detailed and complex recommendations based on an explanation of the facts. The indicators used for Comprehensiveness of online reviews are as follows:

- a. Reviews on products provide consumers with information about the advantages and disadvantages of the products being reviewed.
- b. Detailed reviews will attract the attention of consumers.

12. Review Expertise

Reviewer expertise refers to the author's expertise. A person who provides online reviews about information, will invite someone else to discuss it because the person has experienced it before and is considered an expertise. The indicators used for Reviewer expertise are as follows:

- a. Trust the online consumer reviews feature provided by the company.
- b. Trust the reviews given by other consumers.

2.3 Purchase Decision

Consumer Purchase Decisions are the part of consumer behavior that studies how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas or experiences satisfy consumer relationships and desires Kotler & Keller, (2016). Kotler & Keller, (2016) suggest that the following dimensions influence purchasing decisions:

1. Product Options

Consumers can make the decision to buy a product or use their money for other purposes. In this case, the company must focus its attention on people who are interested in buying a product and the alternatives they are considering.

2. Brand Choice

Consumers have to make decisions about the brand, the name to buy, each brand has its own differences. In this case, the company must know how consumers choose a brand.

3. Distributor Options

Consumers must make decisions about which distributors to visit. Each consumer is different in terms of determining a distributor due to the factors of close location, low prices, complete inventory of goods, convenience in shopping, low prices, complete inventory of goods, convenience in shopping, and the size of the place.

4. Purchase Time

Different consumers make different decisions regarding when to buy. Some choose to buy daily, weekly, bi-weekly, and so on.

5. Purchase Amount

Consumers are free to choose how many items to buy at once. They may decide to make some purchases. In this situation, companies have to make a wide variety of products to meet various needs.

6. Payment methods

Consumers have control over the process when choosing which payment method to use for goods or services. In addition to environmental and family factors, the technology used in transactions also impacts purchase decisions.

2.4 Previous Research Journals

Table 2 Previous Research Journals

No	Research Title	Researchers	Differences/Similarities	Conclusion
1	The Influence of Marketing Content and Brand Image on Purchase Decisions Mediated by Buying Interest in Tokopedia Application Users.	Ustadriatul Mukarromah et al., 2022	Differences: There are carefully Branded Image and Interest variables Equation: Researching Content Marketing and Purchase Decisions.	Content Marketing impacts buying interest positively, and marketing content affects buying interest. The brand image does not influence the purchase decisions. Buying interest influences Purchase decision

2	Analysis of Istikomah & Hartono, 2022	Difference: There is a variable Free Shipping Promo Equation: Analyzing how a variable affects buying decisions.	The free shipping promo on Shopee affects the purchase decision where the buyer's perception with the free shipping promo can be more cost-saving as a result of which they are more excited to buy or make transactions with the application.
3	The Influence of Online Customer Review, Online Customer Rating, and Consumer Trust on Purchase Decisions at Tiktok Shop on the People of Bandar Lampung City.	Anggraini et al., 2023	Differences: Consumer trust and online customer rating are two factors. Equation: Talking about the tiktok application's Online Customer Rating variable.
4	The Influence of Brand Equity on Purchasing Decisions	Sya'idah, 2020	Differences: Discussing the Brand Equity variable Equation: Analyzing how a variable affects buying decisions.
5	The Influence of Brand Image and Celebrity Endorsements on Purchase Decisions.	Nugroho & Sarah, 2021	Differences: Discuss brand image and celebrity endorsement variables. Equation: Discusses a variable that affects the Purchase Decision.

Source : Processed by Researcher, 2024

3 Research Method

3.1 Population and Sample

The sampling technique used in this study is the *accidental sampling* technique is a sampling method based on one of the suitable, which means that the sample obtained by a researcher by chance without any prior planning and the researcher believes that the person is worthy of being used as a source of information for his research (Sugiyono, 2019). According to (Hatmawan., 2020), the calculation of samples with the Lemeshow formula approach can be used to calculate the number of samples with a total population that cannot be known for certain. In the sample study, the criteria used are:

- Consumers who have bought PVN Shoes on the TikTok application in the city of Bandung.

- Male and female consumers who are 19 years old and older.

3.2 Data Collection Techniques

1. Questionnaire

A questionnaire is a method of gathering data in which informants or respondents are given a list of written questions.

2. Literature Studies

A literary study is a written synopsis of books, journals, articles, and other materials that includes information from the past or present that is pertinent to the topic of the study.

- The sample was taken using Lemeshow's formula. Data was collected by distributing questionnaires to 96 respondents via a google form link.

3.3 Variable Operationalization

Table 3. Variable Operationalization

Research Variable	Dimensions	Indicator	Scale	Quest No
Purchasing Decisions (Y) Stating consumer purchasing decisions consumer purchases are part of consumer behavior, namely the study of how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas or experiences satisfy their needs and desires. According to Kotler and Keller (2016)	Product Selection	I bought PVN shoe products on the TikTok application because of the various product options.	Ordinal	1
	Brand Choice	I bought shoe products on the TikTok application because of various brand choices.	Ordinal	2
	Choice of Distributor	I bought PVN shoes because they are available on various platforms	Ordinal	3
	Purchase Time	I bought PVN Shoes on the Tiktok application because it can be done anytime.	Ordinal	4
	Purchase Amount	I bought PVN Shoes products using the TikTok application because I can determine the desired purchase amount.	Ordinal	5
	Payment Method	I bought PVN Shoes products using the TikTok application because there are various payment methods.	Ordinal	6
Content Marketing (X1) explains that content as a marketing strategy through websites, social media, blogs, videos and podcasts has an	Reliability	PVN Shoe Content Marketing conveys the right information	Ordinal	1
		PVN Shoes content marketing conveys important information according to the brand or product	Ordinal	2
		Content Marketing of PVN Shoes delivers informative content	Ordinal	3

important role in conveying company value. Yazgan Pektas and Hassan (2020)	Disbelief	PVN Shoe Content Marketing delivers valuable content	Ordinal	4
		PVN Shoe Content Marketing conveys reliable information	Ordinal	5
		PVN Shoe Content Marketing conveys complete and clear information so as to help consumers save time in searching for information	Ordinal	6
	Persuasion Knowledge	PVN Shoes content marketing does not look too persuasive to buy a product	Ordinal	7
Online Customer Review (X2) "Online Customer Review is positive, negative, or neutral information about a product or service launched on the internet by a customer". Zhao et al. (2017)	The usefulness of Online Review	Online customer reviews make consumers feel easy to shop online	Ordinal	1
		Online customer reviews make consumers feel easy to search and find information about products	Ordinal	2
	Time span of online review	Reviews posted recently or recently can be trusted	Ordinal	3
		Comparing recent reviews with previous reviews	Ordinal	4
	Number of online reviews	The more the number of positive reviews, the better the product's reputation.	Ordinal	5
		The large number of reviews shows the popularity of the product	Ordinal	6
	Value is given by the online review	Positive reviews influence consumer opinions to buy products	Ordinal	7
		Looking for alternative products if there are negative reviews on a product	Ordinal	8
	Completeness of online review	Reviews on products provide consumers with information about the advantages and disadvantages of the products reviewed	Ordinal	9
		Detailed reviews will attract consumer attention	Ordinal	10

Expertise of the reviewer	Trust in the online customer review feature provided by the company	Ordinal	11
	Believe in reviews provided by other consumers	Ordinal	12

Source : Data processed by researchers, 2024

4 Findings and Discussions

4.1 Characteristics Responden

Table 4. Characteristics Respondent

Characteristics Responden			
Item	Description	(%)	
Gender	Man	16,7%	
	Woman	83,3	
Usia	17 – 22 years old	57,3%	
	23 – 28 years old	38,5%	
	29- 34 years old	2,1%	
	>40 years old	2,1%	
Work	PNS	1%	
	Private Employees	51%	
	Student	35,4%	
	Housewives	2,1%	
	Salesperson	2,1%	
	Self employed	1%	
	Retail	1%	
	Pegawai Toko	1%	
	Waiters	1%	
	Sales	1%	
	Nurse	1%	
	Midwife	1%	
Where to buy PVN Shoes	Shopee	45,8%	
	Tiktok	42,7%	
	Tokopedia	7,3%	
	Lazada	1%	
	Mall	1%	
Reasons to buy PVN shoes	Engaging Content Marketing	27,1%	
	Trustworthy Online Customer Reviews	34,4%	
	Attractive promotions	26%	
	Low price	1%	
	Cheap and attractive design	1%	
	Good material	1%	

Source : Data processed by researchers, 2024.

4.1 Validity Test

The validity test aims to determine how well a measuring instrument (questionnaire) performs its measurement function. The validity value must be measured based on the statement items in the questionnaire. The validity value can be seen in the output results of the calculated (*Corrected Item-Total Correlation*) table. In this study, the researcher used a sample of 96 respondents, so the r table obtained was 0.199.

Table 5 Validity Test Results

Variable	Item	r count	r table	Sig. 2- tailed	Sig. 2- tailed <0,05	Inform ation
Purchase Decision (Y)	I bought PVN shoe products on the tiktok application because there are various product options	0.91404	0,199	0,000	<0,05	Valid
	I bought shoe products on the tiktok application because there are various brand choices	0.90643	0,199	0,000	<0,05	Valid
	I bought PVN shoes because they are available on various platforms	0.9427	0,199	0,000	<0,05	Valid
	I bought PVN Shoes on the Tiktok application because it can be done at any time	0.93777	0,199	0,000	<0,05	Valid
	I bought PVN Shoes products on the Tiktok application because I can determine the desired purchase amount myself	0.93707	0,199	0,000	<0,05	Valid
	I bought PVN Shoes products on the Tiktok application because there are various payment methods	0.93506	0,199	0,000	<0,05	Valid
Content Marketing (X1)	PVN Shoe Content Marketing conveys the right information	0.95368	0,199	0,000	<0,05	Valid
	PVN Shoes content marketing conveys important information according to the brand or product	0.98043	0,199	0,000	<0,05	Valid
	Content Marketing of PVN Shoes delivers informative content	0.94556	0,199	0,000	<0,05	Valid
	PVN Shoe Content Marketing delivers useful content	0.94796	0,199	0,000	<0,05	Valid
	PVN Shoe Content Marketing conveys reliable information	0.93552	0,199	0,000	<0,05	Valid

	PVN Shoe Content Marketing conveys complete and clear information so as to help consumers save time in searching for information	0.93914	0,199	0,000	<0,05	Valid
	PVN Shoes content marketing does not look too persuasive to buy a product	0.91239	0,199	0,000	<0,05	Valid
	PVN Shoes content marketing is delivered in a clear and easy-to-understand way	0.95033	0,199	0,000	<0,05	Valid
Online Customer Review (X2)	Online customer reviews make consumers feel easy to shop online	0.94706	0,199	0,000	<0,05	Valid
	Online customer reviews make consumers feel easy to search and find information about products	0.94707	0,199	0,000	<0,05	Valid
	Reviews posted recently or recently can be trusted	0.9145	0,199	0,000	<0,05	Valid
	Comparing recent reviews with previous reviews	0.91035	0,199	0,000	<0,05	Valid
	The more the number of positive reviews, the better the product's reputation.	0.97172	0,199	0,000	<0,05	Valid
	The large number of reviews shows the popularity of the product	0.93711	0,199	0,000	<0,05	Valid
	Positive reviews influence consumer opinions to buy products	0.95936	0,199	0,000	<0,05	Valid
	Looking for alternative products if there are negative reviews on a product	0.90282	0,199	0,000	<0,05	Valid
	Reviews on products provide consumers with information about the advantages and disadvantages of the products reviewed	0.9216	0,199	0,000	<0,05	Valid
	Detailed reviews will attract consumer attention	0.95331	0,199	0,000	<0,05	Valid
	Trust in the online customer review feature provided by the company	0.95285	0,199	0,000	<0,05	Valid
	Believe in reviews provided by other consumers	0.92581	0,199	0,000	<0,05	Valid

Source: output results, 2024

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4.2 Reliability Test

Reliability tests are employed to demonstrate the stability and consistency of a questionnaire score. Stability indicates the ability of a questionnaire to remain stable or not susceptible to any change in the situation; in other words, a research questionnaire is tested on the same group even though the results are different at different times. In this study, the researcher used *Cronbach Alpha*; if Cronbach Alpha is greater than or equal to 0.60, it will indicate adequate reliability, with the meaning that the statement item can be said to be reliable. The outcomes of each variable's reliability test, are listed below.

Table 6 Reliability Test Results

Variable	Reliability Values	r - table	Information
Purchase Decision (Y)	0,963	0,60	Reliabel
Content Marketing (X1)	0,976	0,60	Reliabel
Online Customer Review (X2)	0,981	0,60	Reliabel

Source : output results, 2024

4.3 Classical Assumption Test

A statistical criterion for multiple linear analysis is the classical assumption test, which must be satisfied for the equation to be considered a decent regression equation.

4.3.1 Normality Test

A statistical criterion for multiple linear analysis is the classical assumption test, which must be satisfied for the equation to be considered a decent regression equation.

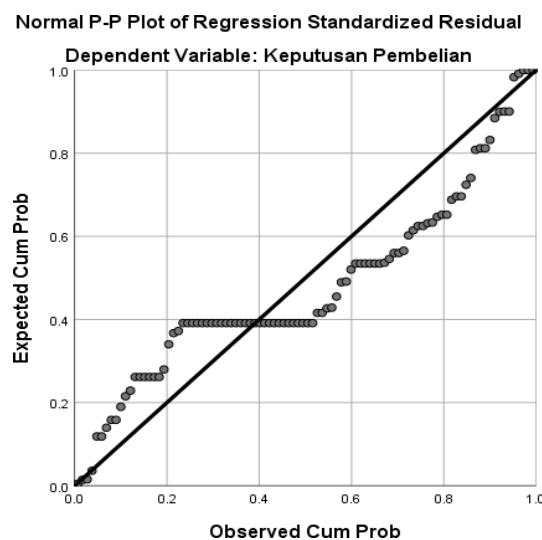


Figure 4 Results of the normality test

Based on Figure 4 in the normality test using the P-P Plot, it is known that the data spreads around the diagonal line and follows the direction of the diagonal line, so it can be concluded that the regression model used in this study has a normal distribution.

4.3.2 Heteroscedasticity Test

The Heteroscedasticity test aims to test the occurrence of variant inequality from the residuals

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of one observation to another. The heteroscedasticity test was conducted in this study using the Scatterplot graph test. The test findings were as follows:

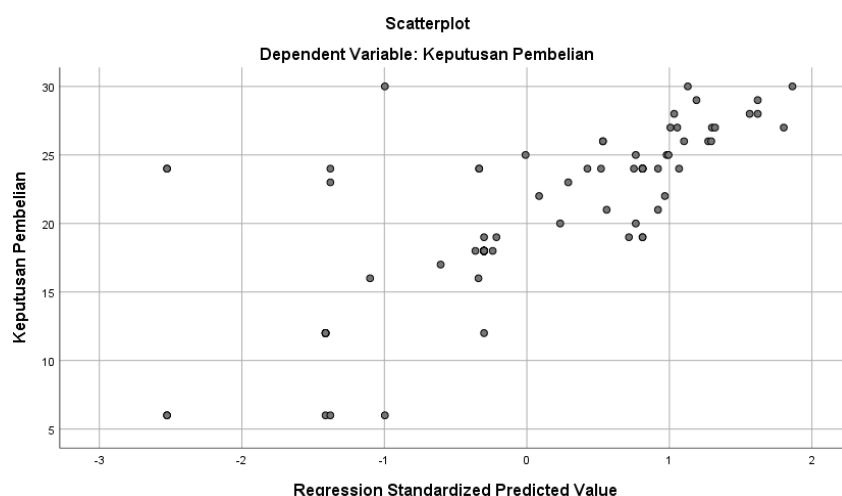


Figure 5 Heteroscentity Test Results

Source: Processed primary data, 2024

Figure 5 illustrates how the dots disperse and fail to create a distinct pattern. Thus, it can be said that heteroscedasticity does not exist.

4.3.3 Multicollinearity Test

The Multicollinearity Test aims to evaluate the relationship between the regression model's free variables. To test multicollinearity by looking at the VIF of each

independent variable, if the VIF value is < 10 or then it can be concluded that the data is free of multicollinearity symptoms.

Table 7 Multicollinearity Test

	B	Std. Error	t	sig	Tolerance	VIF
(Constant)	5.375	1.587	3.387	.001		
Content Marketing	.196	.065	3.029	.003	.686	1.458
Online Customer Review	.250	.039	6.340	.000	.686	1.458

Based on the results of table 7, it can be seen that:

1. In the *Content Marketing* variable (X1), the VIF value is $1,458 < 10$ with a Tolerance value of $0.686 > 10$.
2. In the *Online Customer Review* (X2) variable, the VIF value is $1,458 < 10$ with a Tolerance value of $0.686 > 10$.

Based on this explanation, it can be concluded that there is no multicollinearity phenomenon among the independent variables in this study.

4.4 Multiple Linear Regression Test

Based on table 7, the multiple linear regression equation is obtained as follows:

$$Y = 5,375 + 0,196 X1 + 0,250 X2$$

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1. The constant (α) of 5,375 indicates that if Content Marketing and Online Customer Review are worth 0 and there is no change, then the Purchasing Decision will still be 5,375.
2. The regression coefficient value of the Content Marketing variable (X_1) of 0.196 has a positive effect, meaning that if Content Marketing increases by 1 unit assuming the Online Customer Review variable is constant or constant, the Purchasing Decision increases by 0.196 units.
3. The regression coefficient value of the Online Customer Review variable (X_2) of 0.250 has a positive effect, meaning that if the Online Customer Review increases by 1 unit assuming the Content Marketing variable (X_1) is constant or constant, the Purchasing Decision increases by 0.250.

4.4.1 Uji Hipotesis

Test t (partial)

Assuming that the other independent variables remain constant, the t-test is designed to ascertain the degree of significance of each independent variable's influence on the dependent variable. The table that follows displays the t-test findings:

Table 7's findings indicate that the following significant values between the variables demonstrate how each independent variable affects the dependent variable:

1. The t-value of the table in Content Marketing is 1,985 with a Significance Rate (α) of 5%. Table 8 shows that the Content Marketing variable has a calculated t-value of 3.029 which means greater than the t-value of the table ($3.029 > 1.985$), as well as a significant value of $0.003 < 0.05$. Therefore, it can be concluded that H_0 is rejected and H_a is accepted, or there is a partial influence of Content Marketing variables on Purchase Decisions on PVN Shoe products.
2. The t-value of the table on the Online Customer Review is 1,985 with a significance level (α) of 5%. Table 4.17 shows that the Online Customer Review variable has a calculated t-value of 6.340 which means that it is greater than the t-value of the table ($6.340 > 1.985$), as well as a significant value of $0.000 < 0.05$. Therefore, it can be concluded that H_0 is rejected and H_a is accepted, or there is a partial influence of the Online Customer Review variable on Purchase Decisions on PVN Shoe products.

Test F (Simultaneous)

To ascertain whether independent variables collectively had a substantial impact on dependent variables, the f test was employed.

Table 8 Test Results F

ANOVA ^a					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	1603.933	2	801.966	51.684	.000b
Residual	1443.057	93	15.517		
Total	3046.990	95			

a. Dependent Variable: Keputusan Pembelian

b. Predictors: (Constant), Online Customer Review, Content Marketing

Source: Processed primary data, 2024

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Based on table 8, it shows that the f-value is calculated at $51.684 > f$, table 3.09 and the value of $\text{Sig}.0.000 < \text{probability of } 0.05$, then H_0 is rejected and H_a is accepted, meaning that the variables of Content Marketing and Online Customer Review simultaneously influence the Purchase Decision.

4.5 Coefficient of Determination Test

Table 9 Determination Coefficient Test Results

R	R Square	Adjusted R Square	Std. Error of the Estimate
.726 ^a	.526	.516	3.939

a. Predictors: (Constant), Online Customer Review, Content Marketing
Source: Processed primary data, 2024

Based on Table 9, R Square has a value of 0.526, which shows that 52% of the influence of Content Marketing and Online Customer Reviews on Purchase Decisions is influenced by these factors, and the remaining 48% is influenced by other factors that are not studied.

4.6 Discussion

4.6.1 The Influence of Content Marketing on PVN Shoe Product Purchase Decisions

Based on the results of the research that has been conducted, it has been found that Content Marketing has a significant effect on the Purchase Decision of PVN Shoe products, this statement is evidenced by the results of hypothesis testing which shows a t-value calculated $> t$ table ($3.029 > 1.985$), and with a significance value of $0.003 < 0.05$. The results of the partial correlation test between Content Marketing and Purchase Decision are 0.567 which is at a correlation value of 0.60 – 0.799, which means that there is a strong positive correlation between Content Marketing and Purchase Decision. The results of the partial determination coefficient of the Content Marketing variable showed a result of 0.322 which means that Content Marketing contributes to the influence of Purchase Decisions by 32% and the rest are other factors that are not studied.

In making a purchase decision on social media, the first thing to consider is Content Marketing. Previous research has shown that Content Marketing is accompanied by influencer marketing which is very effective in helping marketing coupled with a payment system that facilitates transactions that make people tend to want to make purchases.

4.6.2 The Influence of Online Customer Reviews on Purchase Decisions of PVN Shoes

Based on the results of the research that has been conducted, it has been found that Online Customer Review has a significant effect on the Purchase Decision of PVN Shoe products, this statement is evidenced by the results of hypothesis testing which shows the t- value of the t- calculation $> t$ table ($6.340 > 1.985$), and with a significance value of $0.000 <$

0.05 . The results of the partial correlation test between Online Customer Reviews and Purchase Decisions are 0.693 at a correlation value of 0.60 – 0.799, which means that there is a strong positive correlation between Online Customer Reviews and Purchase Decisions. The results of the partial determination coefficient of the Online Customer Review variable showed a result of 0.480 which means that Online Customer Reviews contributed to the influence on Purchase Decisions by 48% and the rest were other factors that were not studied.

Online customer reviews can be an influence in determining purchase decisions. According to Banjarnahor et al., (2021:181), Online customer reviews are information that is considered

credible and trustworthy by companies to help consumers in determining products. According to (Hartanto & Indriyani, 2022), online customer reviews are the most honest opinions that are carried out online and are considered a means of promotion.

Online Customer Reviews are consumer reviews of a product that they buy. Online Customer Reviews can be in the form of positive comments that can increase the seller's rating and can be in the form of negative comments that can bring down the seller. Usually, before consumers buy an item through an online store, they will read other consumer reviews about the item they will buy to determine the purchase decision.

5 Conclusion

The following conclusions can be made in light of the findings of the study and debate on the impact of online customer reviews and content marketing on decisions to buy PVN brand shoe products:

1. According to the findings of the descriptive analysis of purchase decisions, the respondents' answers led to an evaluation that fell into the "good" category. Based on the 6 (six) questions asked, statements that fall into the good category are statements from the dimensions of distributor choice, Purchase Time, Purchase Amount, and Payment Method, while dimensions that fall into the poor category are the dimensions of Product Choice, and Brand Choice.
2. According to the findings of the descriptive study of content marketing, the responses of the respondents yield evaluations that fall into the "good" category. Based on the 8 (eight) questions asked, statements that fall into the good category are statements from the dimensions of conveying correct information, conveying important information in accordance with the brand or product, conveying informative *content*, conveying useful information, reliable information, and complete and clear information provided so as to help consumers save time in searching for information. While the dimension that falls into the category of poor is the *content marketing dimension* that does not look too persuasive so that buying a product and *content marketing* is delivered in a clear and easy-to-understand way.
3. The descriptive analysis of online customer reviews revealed that the respondents' answers led to an evaluation in the "good" category. Based on the 12 (twelve) questions asked, statements that fall into the good category are statements from the online dimension of customer reviews that make consumers feel easy to shop online, online customer reviews make consumers feel easy in finding and finding information about products, the more positive reviews the better the reputation of the product, the number of Reviews show the popularity of the product, reviews positively influence consumer opinions to buy the product, reviews on the product provide consumers with information about the advantages and disadvantages of the product being reviewed. In contrast, the dimensions that fall into the category of not good are the dimensions of the most recent or most posted reviews that are reliable, comparing the most recent reviews with earlier reviews, searching for alternatives to other products if a product has negative reviews, believing in the company's online customer review feature, and trusting the reviews left by other customers.
4. Based on the findings of the test of the impact of content marketing on purchase decisions, H_a is accepted, and H_0 is rejected because the value of t computed on the content marketing variable is higher than t in the table, and the significance is lower than the probability. This indicates that, at least in part, content marketing has a big impact on purchase decisions.

5. Based on the test results on the influence of online customer reviews on purchase decisions, it is possible to conclude that H_0 is rejected and H_a is accepted. These show that the value of t calculated in the Online Customer Review variable is greater than the t of the table, and the significance is less than the probability. This indicates that online customer reviews considerably impact purchase decisions, at least in part.

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The Influence of Service Quality and Customer Satisfaction on Customer Loyalty at J&T Express Citeureup Branch, Cimahi, West Java

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Abstract

This research was conducted to determine the effect of service quality and customer satisfaction on customer loyalty at the J&T Express branch in Citeureup Cimahi. This research uses a quantitative and verificative approach, namely, using a questionnaire instrument. The primary data used is in the form of tabulated results from questionnaire responses. The sample used by the researcher consists of customers who sent goods for 1 month at J&T Express on Jl. Kamarung No 14B, Cimahi Utara District, Cimahi City, West Java, with 96 respondents. Determination of the sample size, the researcher used the Rao Purba formula. Based on the research results that have been conducted show that service quality and customer satisfaction simultaneously have a positive and significant impact on customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java. This means that the increase in service quality and customer satisfaction together can influence the level of customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty

1. Introduction

The rapid growth of the business world today has made companies face intense competition. This is clearly evident as many companies seek market share and new markets in various ways, one of which is by creating innovations in the products and services they produce. One of the companies facing intense competition is the courier service company. The courier service business has undergone changes due to technological advancements. These changes have led to the emergence of new businesses in the world of e-commerce shipping. E-commerce offers easy buying and selling through the internet, making information available to consumers, providing convenience, speed, and efficiency for sellers and buyers to avoid wasting time on direct transactions. This allows many companies, from small to large retailers, to grow their businesses by entering the marketplace. In addition to being able to reach a wider market, marketing or selling through the internet is also more efficient and can reduce marketing costs.

According to (Hendarko, 2020), J&T Express, commonly referred to as J&T, is one of the logistics and expedition companies that is growing in Indonesia. J&T Express was founded on

August 20, 2015, by the founder and owner of J&T Express, Jet Lee. J&T, officially named PT. Global Jet Express, began operations in early September 2015. This company has its headquarters in Pluit, North Jakarta. As a company with service coverage throughout Indonesia, this company is certainly built on a strong foundation and work ethic. J&T is a relatively new courier service company, having started operations in 2015 and continuing to this day. As a relatively new logistics company, J&T Express has shown that it is capable of competing and surviving in a highly competitive environment with many long-established companies.

The competitive situation can change very quickly and dynamically, requiring strategies that not only address current competition, where the logistics industry is rapidly growing and many new companies are emerging in the logistics sector. Therefore, the company is obliged to provide quality and satisfactory service so that customers do not decrease or even disappear due to unsatisfactory service. The decision of consumers to use the shipping service depends on whether the company can provide good service quality with the quality and benefits received by the consumers, as this will increase customer loyalty.

Customer loyalty is a commitment created by the company to reach its customers while making them addicted to its products and making competitors appear ordinary in the eyes of the customers (Taufik et al., 2022). Therefore, maintaining customer loyalty becomes very crucial, as loyal customers are the main pillar of a company. Loyal customers are those who make repeat purchases of products or services regularly, buy across product or service lines, refer others, and show resistance to the allure of other companies. By improving the quality of service, it is hoped that consumers will feel satisfied and consumer loyalty will be achieved on its own (Mubarok, 2016).

Customer satisfaction is an emotional response to the evaluation of the consumption experience of a product or service, which includes the gap between expectations and the performance or results obtained. Customer satisfaction is very important to ensure the continuity of a business, especially for companies operating in the service sector. Customer satisfaction encompasses various levels of importance and perceived performance or results, and understanding customer satisfaction is something that companies hope to improve in the future (Tarmidi et al., 2021). However, even though the company's efforts are made to improve customer satisfaction, there are certainly limitations or obstacles that prevent the company from achieving a higher level of customer satisfaction. Therefore, the company must always pay attention to the quality of the products or services offered so that the level of consumer satisfaction can continue to increase in a good and optimal manner (Oktavianti et al., 2024).

2. Literature Review

2.1. Customer Satisfaction

According to Kotler and Keller in (Sesaria, 2020), customer satisfaction is an emotional response to the evaluation of the consumption experience of a product or service. Customer satisfaction encompasses the difference between expectations and the performance or results obtained. Customer satisfaction is the activity of fulfilling the needs and desires of customers, with the fulfillment of these needs and desires resulting in feelings of happiness or disappointment from customers regarding the comparison between perceived performance and expected performance (Nida Salma Fahriani & Intan Rike Febriyanti, 2022). Customer satisfaction is very important to ensure the continuity of a business, especially companies operating in the service sector. Customer satisfaction encompasses various levels of importance

and perceived performance or results, and understanding customer satisfaction is something that companies hope to improve in the future (Tarmidi et al., 2021).

2.2. Customer Loyalty

Customer loyalty is a commitment created by the company to reach its customers while making them addicted to its products and making competitors appear ordinary in the eyes of the customers (Taufik et al., 2022). Next, Griffin in Rifa'i (2019) mentions that customer loyalty is a commitment held firmly by customers to consistently purchase or prioritize a product in the form of goods or services, which leads to repeat purchases of the same brand, even though the customer may be influenced by situational factors or marketing from competitors to switch to another brand.

2.3. Service Quality

Service quality is the level of service related to customer expectations and needs. Quality service is when the company can provide products and services that meet customer expectations (Hapsari et al., 2021). Service quality is something important that must be maintained by everyone who is an employee of the company. Good service quality is very important to create value for both customers and the company, by providing a satisfying experience in a more efficient manner, this can increase long-term profits for the company. Because the service process determines the quality of the results received by customers (Surahman et al., 2020). Quality service involves how we serve, prepare, manage, and fulfill the needs and desires of consumers, both individually and in groups, with the aim of exceeding their expectations (Dedy & Alfandi, 2022).

Here is the research model that illustrates the influence of the independent variable on the dependent variable:

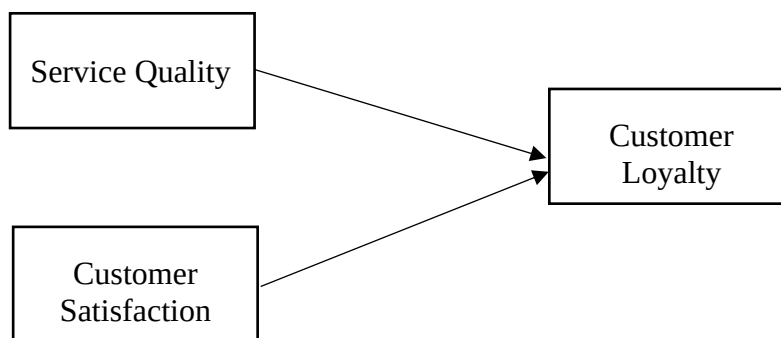


Figure 1 Research Model

Source: Processed by the Researcher 2024

2.4. Hypothesis

1. There is an influence of service quality on customer loyalty.
2. Customer satisfaction influences customer loyalty.
3. There is an influence of service quality and customer satisfaction on customer loyalty.

2.5. Previous Research

In conducting this research, the study is also informed by previous research related to the research problem as a reference. Research references greatly assist researchers in understanding everything from formulating problems to their resolution.

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Table 1 Results of Previous Research

No	Title	Author	Research Results	Difference	Equation
1	The Influence of Service Quality and Price on Consumer Satisfaction and Its Impact on Customer Loyalty at J&T Express Blangkarejen.	Inten Sueni, Perman a Honney ta Loebis (2019)	The results of this study indicate that service quality has a positive and significant impact on J&T Express Blangkejeren, and price has a significant impact.	Both use the variables of service quality, consumer satisfaction, and customer loyalty, as well as classical assumption analysis tools and hypothesis analysis.	Using 4 variables, namely service quality, price, customer satisfaction, and customer loyalty, and employing the purposive sampling method. Using 4 variables, namely service quality, price, customer satisfaction, and customer loyalty, and employing the purposive sampling method.
2	The Influence of Service Quality and Trust on Customer Loyalty in J&T Express Delivery Services.	Ratna Yunita Dewi, Sri Yanthy Yoseph a (2020)	The results of this study show that service quality has a positive influence. Trust has a positive and significant impact on consumer loyalty, and service quality and trust together significantly influence the consumer loyalty variable.	Both use 3 variables and employ classical assumption analysis tools and hypothesis testing analysis.	Using the sampling method, namely non-probability sampling with the purposive sampling method, while the researcher uses the number of indicators for sampling.

No	Title	Author	Research Results	Difference	Equation
3	The Influence of Service Quality on Customer Satisfaction at PT. Astra International Tbk. – Daihatsu Malalayang.	Gisyel Angely, Johny Revo Elia Tampi, Danny David Samuel Mukua n (2019)	The research results significantly influence service satisfaction at PT. Astra International Tbk. Daihatsu Malalayang. And the variable that most dominantly affects service satisfaction at PT. Astra International Tbk.	Both use service quality and customer satisfaction variables as well as employ multiple linear regression analysis tools.	Using 2 variables, namely service quality and customer satisfaction, while the researcher uses 3 variables and the sampling technique, namely convenience sampling.
4	The Influence of Service Quality on Customer Loyalty with Customer Satisfaction as an Intervening Variable (Study on J&T Express Users in Purworejo).	Umi Silfana, Budiya nto, Wij ayanti (2022)	The results of the research and discussion can be concluded that, 1) Service quality has a positive and significant effect on customers. 2) Service quality has a positive and significant effect on customer satisfaction among consumers. 3) Customer has a positive and significant influence on customer loyalty among consumers.	Both use 3 variables, namely service quality, consumer satisfaction, and consumer loyalty.	Using the purposive sampling technique, while the researcher uses the number of indicators in the sample selection.
5	The influence of digital service quality on consumer satisfaction (A study on the delivery service of PT. J&T Express in Mataram City).	Dena Marlina Afsari (2020)	The research results show that the digital service quality provided by PT. J&T is rated as very good, and they express great satisfaction in choosing PT. J&T as their goods delivery company for their needs.	Both are researching the variables of service quality and consumer satisfaction and using the same analytical tools, namely descriptive analysis, classical test analysis, and hypothesis analysis.	Using 2 variables, namely service quality and customer satisfaction, as well as the research location at J&T Express in Mataram City.

3. Research Method

3.1. Type of Research

According to Purba et al. (2021), descriptive research is the collection of data to test hypotheses or answer questions about the current status of the research subjects, which is a factual research method about the status of a group of people, an object, a condition, a system of thought, or an event at present with the correct interpretation.

3.2. Population and Sample

In this study, the researcher used a non-probability sampling technique, namely purposive sampling, to determine the sample that would be used in the research. Sugiyono (2019) states, "Purposive sampling is a technique for determining a sample with certain considerations."

In this study, the researchers will use an infinite number of customers who made shipments for one month at J&T Express on Jl. Kamarung No 14B, Cimahi Utara District, Cimahi City, West Java. A sample will be taken from this population.

According to Sugiyono (2019), a sample is a part of the quantity and characteristics possessed by the population. The research sample taken from the population must be truly representative. To obtain a sample that represents the characteristics of the population, an appropriate sampling method is required. Because the population size is unknown in this study, the researcher used the Rao Purba formula to determine the sample size, namely:

$$n = \frac{z^2}{4(Moe)^2}$$

Explanation:

n : Sample size

Z : The level of normal distribution at a 5% significance level = 1.96

Moe : The margin of error, the maximum error rate is 10%.

With a confidence level of 95% or Z = 1.96 and a margin of error of 10%, the sample size is determined as follows:

$$n = \frac{(1,96)^2}{4(10\%)^2}$$

$$n = 96$$

Based on the formula above, the sample size obtained is 96.04, but to make it easier for the researcher to perform the calculations, the researcher rounded the sample size to 96 respondents.

3.3. Data Collection Method

Data collection in this research was carried out using a questionnaire designed based on a series of questions related to three main variables, namely customer loyalty (Y), service quality (X1), and customer satisfaction (X2). The assessment of the variables in this study uses a Likert scale, where respondents are asked to provide detailed evaluations based on their level of agreement, with a score range of: 1 = strongly disagree; 2 = disagree; 3 = somewhat disagree; 4 = agree; 5 = strongly agree.

The steps in preparing a frequency distribution table are as follows:

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1. Determining the number of class intervals, the researcher set 5 classes.
2. Determining the data range, which is the highest value minus the lowest value
 - a. Highest Value = (Highest Score × Number of Questions × Number of Respondents)
 - b. Highest Value = (Lowest Score × Number of Questions × Number of Respondents)
3. Determine the internal with the formula:

$$i = \frac{(\text{highest score} - \text{lowest score})}{\text{number of classes}}$$

Using data from the Customer Loyalty (Y), Service Quality (X1), Customer Satisfaction (X2) questionnaire at J&T Express Citeureup Cimahi Branch regarding statements and/or questions with a sample size of 96 respondents with the following score criteria and score categories:

1. To answer the first research question, namely regarding Customer Loyalty (Y), the researcher used descriptive analysis with interval categories on the tabulation of questionnaire data as follows:

$$\frac{(\text{highest score} \times \text{question} \sum N) - (\text{lowest score} \times \text{question} \sum N)}{\text{criteria}}$$

- a. For all questions and/or statements totaling 4 questions and/or statements with a total of 96 respondents:

$$\frac{(5 \times 4 \times 96) - (1 \times 4 \times 96)}{5} = 307,2$$

- b. To answer each question and/or statement contained in the following variable:

$$\frac{(5 \times 1 \times 96) - (1 \times 1 \times 96)}{5} = 76,8$$

2. To answer the second problem formulation, which is Service Quality (X1), the researcher used descriptive analysis by utilizing interval categories based on the tabulated results of the questionnaire data as follows:

$$\frac{(\text{highest score} \times \text{question} \sum N) - (\text{lowest score} \times \text{question} \sum N)}{\text{criteria}}$$

- a. For all Questions and/or statements totaling 5 questions and/or statements with a total of 96 respondents:

$$\frac{(5 \times 5 \times 96) - (1 \times 5 \times 96)}{5} = 384$$

- b. To answer each question and/or statement within the variable, calculations are performed:

$$\frac{(5 \times 1 \times 96) - (1 \times 1 \times 96)}{5} = 76,8$$

3. To answer the third problem formulation, which is Customer Satisfaction (X2), the researcher uses descriptive analysis by utilizing interval categories on the tabulated results of the questionnaire data as follows:

$$\frac{(\text{highest score} \times \text{question} \sum N) - (\text{lowest score} \times \text{question} \sum N)}{\text{criteria}}$$

- a. For all questions and/or statements totaling 5 questions and/or statements with a total of 96 respondents, they are as follows:

$$\frac{(5 \times 5 \times 96) - (1 \times 5 \times 96)}{5} = 384$$

- b. To answer each question and/or statement within the eating variable, the calculation is performed as follows:

$$\frac{(5 \times 1 \times 96) - (1 \times 1 \times 96)}{5} = 76,8$$

3.4. Operational Variables

In more detail, the operationalization of variables in this study can be seen in the following table:

Table 2 Operationalization of Variables

Variabel	Variables and Their Definitions	Indicator	Measurement Scale
Customer Loyalty (Y)	Customer loyalty is a commitment held firmly by customers to consistently purchase or prioritize a product in the form of goods or services, which leads to repeat purchases of the same brand, even when the customer is influenced by situational factors or marketing from competitors to switch to another brand (in Rifa'i, 2019).	a. Making purchases outside the product/service line (Purchases across Product and service lines) b. Recommending products (Refers other) c. Do not want to switch to using similar products from competitors d. The suitability of expectations	Ordinal
Service Quality (X ₁)	Defining service quality or service quality as a measure of how well the level of service provided meets customer expectations. the quality of service received by consumers is expressed as the magnitude of the difference between consumer expectations and desires with their level of perception (Cahyono et al., 2020).	a. Direct evidence b. Reliability c. Responsiveness d. Guarantee e. Empathy	Ordinal
Customer Satisfaction (X ₂)	Customer satisfaction is the activity of fulfilling customer needs and desires, with the fulfillment of these needs and desires resulting in feelings of happiness or disappointment from customers regarding the comparison between perceived performance and expected performance	a. Satisfaction with the product b. Satisfaction with the price c. Satisfaction with the service d. Satisfaction with	Ordinal

Variabel	Variables and Their Definitions	Indicator	Measurement Scale
	(Nida Salma Fahriani & Intan Rike Febriyanti, 2022).	emotional factors e. Cost and Convenience	

Source: Processed primary data, 2024

3.5. Analysis Technique

3.5.1. Analysis of Linear Regression

Hypothesis Testing In this study, the researcher used a multiple linear regression equation because there are 2 independent variables. Therefore, the multiple linear regression equation is used with the following formula:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Explanation:

Y	= Customer Loyalty
a	= Constant Value
b	= Regression Coefficient Parameter
X1	= Service Quality
X2	= Customer Satisfaction
e	= Error

3.5.2. Hypothesis Testing

1. Partial Hypothesis Testing (t-test)

The t-test is used to analyze when the researcher intends to determine the effect or understand the relationship between the independent and dependent variables, where one of the independent variables is held constant/controlled. So, partial correlation is a number that indicates the direction and strength of the relationship between two or more variables, after one variable is suspected to influence the relationship of the other variable while being held constant.

According to Sugiyono (2019), the formula for the t-test is as follows:

$$t = \frac{b}{SE_b}$$

Explanation:

t	: t-test value
b	: Koefisien regresi variabel independen (X).
SE _b	: Standar error dari koefisien regresi (b)

2. Simultaneous Hypothesis Testing (F-Test)

The F-test according to Juanim (2020) can use the following formula:

$$F_h = \frac{R^2/k}{(1 - R^2)/(n - k - 1)}$$

Explanation:

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R = Coefficient of multiple correlation

k = Number of independent variables

n = Number of sample members

The basis of the analysis used in the F-test:

- If $F_{\text{calculated}} \leq F_{\text{table}} (k; n - k)$, then H_0 is accepted and H_a is rejected.
- If $F_{\text{calculated}} > F_{\text{table}} (k; n - k)$, then H_0 is rejected and H_a is accepted.
- If the significance value $\geq$ actual rate (0.05), then H_0 is accepted and H_a is rejected.
- If the significance value $<$ the real alpha (0.05), then H_0 is rejected and H_a is accepted.

4. Results and Discussion

4.1. Multiple Linear Regression Analysis

The multiple linear regression analysis test aims to measure the extent of the influence of the independent variable (X) that correlates with the dependent variable (Y) being tested. The results in multiple linear regression are used to determine the influence of service quality variables and customer satisfaction on customer loyalty. The results of the multiple linear regression analysis in this study can be seen in the following table.

Table 3 Multiple Linear Regression Test

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	1.810	1.689	1.072	.287
1 Service Quality	.467	.074	6.350	.000
Customer Satisfaction	.548	.095	5.757	.000

Source:

Processed primary data, 2024

Table 3 shows that the regression coefficient for the service quality variable is 0.467 and for customer satisfaction is 0.548, resulting in a constant of 1.810. Thus, the multiple linear regression equation in this study is as follows:

$$Y = a + b_{1x1} + b_{2x2}$$

$$Y = 1,810 + 0,467 + 0,548$$

The multiple linear regression equation above can be explained as follows:

- The value of a (constant) of 1.810 is the constant or state when the variable of customer loyalty has not yet been influenced by other variables, namely the service quality variable (X1) and customer satisfaction variable (X2). If the independent variables are absent, then the customer loyalty variable does not change.
- B1 (the regression coefficient value of X1) of 0.467 indicates that the service quality variable has a positive effect on customer loyalty, meaning that every increase of 1 unit in the service quality variable will affect customer loyalty by 0.467, assuming that other variables are not examined in this study.
- B2 (the regression coefficient value of X2) of 0.548 indicates that the customer satisfaction variable has a positive effect on customer loyalty, meaning that every increase of 1 unit in

the customer satisfaction variable will affect customer loyalty by 0.548, assuming that other variables are not examined in this study.

4.2. Correlation Coefficient Analysis

Here are the data processing results that will show the relationship between service quality and customer satisfaction towards customer loyalty using Pearson product-moment correlation analysis.

Table 4 Correlation Coefficient Test

		Service Quality	Customer Satisfaction	Customer Loyalty
Service Quality	Pearson Correlation	1	.628**	.752**
	Sig. (2-tailed)		.000	.000
	N	96	96	96
Customer Satisfaction	Pearson Correlation	.628**	1	.735**
	Sig. (2-tailed)	.000		.000
	N	96	96	96
Customer Loyalty	Pearson Correlation	.752**	.735**	1
	Sig. (2-tailed)	.000	.000	
	N	96	96	96

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Processed primary data, 2024

1. Based on the correlation coefficient table, X1 has a value of 0.752, which falls within the "0.60 – 0.799" range according to the correlation interpretation scale, indicating a strong relationship between service quality and customer loyalty.
2. Based on the correlation coefficient table, X2 has a value of 0.628. According to the correlation interpretation scale, this value falls within the range of "0.60 – 0.799," which indicates a strong relationship between customer satisfaction and customer loyalty.

4.3. Analysis of the Coefficient of Determination

The coefficient of determination (R²) test is used to measure the extent of change in the dependent variable (Y) caused by the independent variable (X). The results of the determination test in this study can be seen in the table below.

Table 5 Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824 ^a	.680	.673	1.653

Source: Processed primary data, 2024

Based on the formula for the coefficient of determination test, $Kd = r^2 \times 100\%$, it is obtained that $Kd = 0.680 \times 100\%$ equals 68%. In the coefficient of determination test table, it can be seen that the R Square value is 0.680, indicating that the influence of the independent variable on the dependent variable simultaneously or together is 68%. Meanwhile, the remaining 32% is explained by other variables outside the regression model.

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4.4. Hypothesis Testing

1. Partial Testing (t-test)

In the t-test, it is used with the aim of examining the partial influence of service quality and customer satisfaction variables on the dependent variable of customer loyalty in multiple linear regression. If $t_{hitung} > t_{tabel}$ and the significant value < 0.05 , then the hypothesis is accepted, and the independent variable partially affects the dependent variable. The partial significant values obtained from this study are as follows.

Pay attention to table 3 above In finding the formula $t_{tabel} = (a/2; n-k-1) = (0.025; 93)$. Thus, the table value t_{tabel} obtained is 1.985. The results of the calculations for each independent variable against the dependent variable are as follows:

- The influence of service quality on customer loyalty In the service quality variable (X1), the t-value (6.350) $>$ t-table (1.985) and the significant value $0.000 < 0.05$, it can be concluded that the hypothesis is accepted. The service quality variable partially has a significant effect on customer loyalty at J&T Express Branch Citeureup Cimahi, West Java.
- The influence of customer satisfaction on customer loyalty In the customer satisfaction variable (X2), the t-value (5.757) $>$ t-table (1.985) and the significant value $0.000 < 0.05$, it can be concluded that the hypothesis is accepted. The customer satisfaction variable partially has a significant effect on the customer loyalty of J&T Express Branch Citeureup Cimahi, West Java.

2. Simultaneous Testing (F Test)

In the simultaneous test (F test), it is conducted with the aim of determining the overall independent variables, namely service quality and customer satisfaction, on one dependent variable, namely customer loyalty. Collectively, with the condition of significance, if the significant value < 0.05 then the hypothesis is accepted, and if the significant value > 0.05 then the hypothesis is rejected. Next, using the value F_{tabel} , it can be obtained from the F distribution table with the formula $F_{tabel} = (k-1; n-k)$, thus (3-1:96-3) yielding F_{tabel} of 3.09. With the condition $F_{hitung} > F_{tabel}$.

Table 6 F Test (Simultaneous)

	Model	Sum of Squares	df	Mean Square	F	Sig.
Source: Processed primary data, 2024	Regression	539.286	2	269.643	98.648	.000 ^b
	Residual	254.204	93	2.733		
	Total	793.490	95			
a. Dependent Variable: Customer Loyalty						
b. Predictors: (Constant) : Service Quality, Customer Satisfaction						

In the F-test result

table, it is known that the obtained significance value is $0.000 < 0.05$ and F_{hitung} (98.648) $>$ F_{tabel} (3.09), thus it can be concluded that the hypothesis is accepted that the service quality variable (X1) and customer satisfaction (X2) simultaneously and significantly affect the customer loyalty variable (Y).

4.5. Discussion

After all the data has been tested, the next stage is the discussion of the research results for the overall data obtained from the respondents for each research variable, which can be discussed as follows:

1. The Influence of Service Quality on Customer Loyalty

Based on the results of multiple regression, the service quality variable (X1) has a positive multiple regression coefficient of 0.467. This means that if the service quality (X1) is improved by 1 unit, customer loyalty (Y) will increase by 0.467. Next, the result of the simple correlation coefficient value r from service quality (X1) to customer loyalty (Y) is 0.752. This value falls within the correlation range of 0.60 – 0.799, which can be interpreted as both variables having a very strong correlation. Because the SPSS output is positive, it can be said that if the level of service quality increases, it will affect customer loyalty. Then the coefficient of determination (R Square) value of 0.680 indicates that changes in customer loyalty are influenced by service quality by 68 percent.

This indicates that there are still other factors that can increase customer loyalty at J&T Express Branch Citeureup Cimahi West Java by 32 percent. Lastly, the hypothesis testing of the significance level on the service quality variable (X1) shows that the calculated t -value (6.350) > table t -value (1.985) and the significant value $0.000 < 0.05$, thus it can be concluded that the hypothesis is accepted. The service quality variable partially has a significant effect on customer loyalty.

2. The Influence of Customer Satisfaction on Customer Loyalty

Based on the results of multiple regression, the customer satisfaction variable (X2) has a positive multiple regression coefficient of 0.548. This means that if customer satisfaction (X2) is increased by 1 unit, it will increase customer loyalty (Y) by 0.548. Next, the result of the simple correlation coefficient, r , from customer satisfaction (X1) towards customer loyalty (Y) is 0.628. This value falls within the correlation range of 0.60 – 0.799, which can be interpreted as both variables having a very strong correlation. Because the SPSS output is positive, it can be said that if customer satisfaction increases, it will affect customer loyalty. Then the coefficient of determination (R Square) value of 0.680 indicates that changes in customer loyalty are influenced by customer satisfaction by 68 percent.

This indicates that there are still other factors that can increase customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java, by 32 percent. Finally, the hypothesis testing of the significance level on the customer satisfaction variable (X2) shows that the calculated t -value (5.757) > table t -value (1.985) and the significant value $0.000 < 0.05$. Therefore, it can be concluded that the hypothesis is accepted; the customer satisfaction variable partially has a significant effect on customer loyalty.

3. The Influence of Service Quality and Customer Satisfaction on Customer Loyalty

Based on the analysis results, the coefficient of determination (R Square) is 0.680, indicating that changes in customer loyalty are influenced by service quality by 68 percent. This indicates that there are still other factors that can increase customer loyalty at J&T Express Branch Citeureup Cimahi West Java by 32 percent. Based on the results of the simultaneous hypothesis testing (F-Test), the significant value for the service quality variable (X1) and customer satisfaction (X2), simultaneously on customer loyalty (Y), is $0.000 < 0.05$ and $F_{hitung} (98.648) > F_{tabel} (3.09)$. Therefore, it can be concluded that the hypothesis is accepted, indicating that the service quality variable (X1) and customer satisfaction (X2) simultaneously and significantly affect the customer loyalty variable (Y).

5. Conclusion

Based on the research results and discussion regarding the influence of service quality and customer satisfaction on customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java, the following conclusions can be drawn from this study:

1. The service quality variable descriptively has good results, meaning consumers perceive good service quality at J&T Express Branch Citeureup Cimahi West Java.
2. The customer satisfaction variable descriptively has good results, meaning the majority of respondents feel that J&T Express Citeureup Branch in Cimahi, West Java, has provided good customer satisfaction.
3. The partial service quality has a positive and significant impact on customer loyalty at J&T Express Citeureup Cimahi West Java branch, which means that an increase in service quality can affect the level of customer loyalty at J&T Express Citeureup Cimahi West Java branch.
4. Customer satisfaction partially has a positive and significant effect on customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java, which means that an increase in customer satisfaction can influence the level of customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java.
5. The quality of service and customer satisfaction simultaneously have a positive and significant impact on customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java, which means that the increase in the quality of service and customer satisfaction together can influence the level of customer loyalty at J&T Express Citeureup Branch, Cimahi, West Java.

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Preparation of Information Security Risk Management Based on Iso / IEC 27001: 2022 at Diskominfo West Java Province

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Abstract

Information security and awareness of the dangers of information leakage are the most important things in information technology, especially information that is classified and has strategic value. Information security risk management is an approach organizations use to identify, distribute, measure, and manage risks related to information security, which, if left unchecked, can paralyze existing business process activities in the organization. In carrying out its business processes, the West Java Province Diskominfo still has risk problems, namely that information security incidents often disrupt institutional business processes, where some incidents can be handled directly (reactively) in the field. However, several other incidents require planning and time. There are quite a few solutions, and there is no proper supervision and planning in managing data and information security, so Information Security Risk Management based on ISO/IEC 27001:2022 is needed. The results of this research show that there are forty-one information security risks in the West Java Province Diskominfo, and recommendations have been given for each risk in accordance with the ISO/IEC 27001:2022 standard.

Keywords— Information Security, Information Security Risk Management, ISO 27001:2022

1. Introduction

Technological advances are positively utilized in the process of governance. The utilization of technological advances is to improve the efficiency, effectiveness, transparency and accountability of public services through electronic-based government services in accordance with Presidential Regulation No. 95/2018 on Electronic-Based Government Systems (Budiarto, 2017).

Through the application of technology in the governance process, the government can optimize the development of advances in information technology in the bureaucratic process by forming a network of integrated management systems and work processes (Mahardika, 2017). This causes government agencies to work in an integrated manner, making it easier and simpler to access government information and public services so that the public and other stakeholders can optimally utilize government information and public services through various websites and public service applications to attract investment, provide information and improve public

services. The negative impact caused by the large number of public service applications creates vulnerabilities in information and communication system transactions (Matondang et al., 2018).

Information security and vigilance against the danger of information leakage are the most important things in the use of information technology, especially classified and strategic information (Wijaya et al., 2024). Any information must be guaranteed security and confidentiality from all threats such as access, use, disclosure, interference, modification or destruction from unauthorized parties. So whatever form of information is used, whether stored or disseminated, it must always be protected.

In line with the increasing amount of information presented by the government as part of the service, the greater the challenge to information security (Wijaya & Senen, 2024) (Indonesia, 2023). Information security concerns confidentiality, integrity, and availability. All parties, especially policy-making officials, must understand the importance of information security and realize all potential vulnerabilities in information and communication system transactions, one of which can identify existing risks. risks can occur by managing staff who have insufficient competence, can also occur for losses that are closely related to single events that are not expected but have the potential to have a serious impact if the risk actually occurs, for example internal and external fraud, system failure, and natural disasters. From these risks, it is necessary to manage good information security risk management.

Information security risk management itself is an approach used by organizations to identify, evaluate, measure, and manage risks related to information security which if left unchecked can paralyze business process activities in the organization (Syahindra et al., 2022). In the International Standard Organization (ISO) 27001 document which is an international standard for information security management, it is used by many organizations as requirements and best practices that organizations must comply with to ensure that their information security management system (ISMS) is effective in protecting sensitive and important data and information. ISO 27001 is designed to help organizations identify, evaluate, manage and mitigate information security risks (Fajri & Harwahu, 2024). ISO 27001 promotes a risk-based approach to information security management. Organizations should identify information security risks, evaluate their impact and probability, and take appropriate action to mitigate them. The advantage of ISO 27001 is that it promotes a risk-based approach in information security management that helps organizations better identify and manage risks, which in turn can reduce potential losses and impacts (Fajri & Harwahu, 2024).

The West Java Provincial Government, in this case the Communication and Informatics Office of West Java Province, is a government agency that has the main task in accordance with West Java Governor Regulation Number 60 of 2017 concerning Tasks, Functions, Details of Unit Tasks and Work Procedures of the Communication and Informatics Office of the Regional Government of West Java Province, namely carrying out regional government affairs in the field of communication and informatics, including E-Government, Informatics Applications, Public Information and communication, coding and information security and statistics, which are the authority of the Provincial Region, carrying out deconcentration tasks and carrying out assistance tasks in accordance with their fields of duty, based on statutory provisions. In accordance with its duties, the Diskominfo of West Java Province is required to carry out good and sustainable information security governance so as to avoid information security incidents. Poor management of information security governance can have an impact on the low quality

of service so that it can affect the reputation of the Diskominfo of West Java Province and cause risks that can be detrimental.

In carrying out its business processes, Diskominfo of West Java Province still has risk problems, namely the frequent occurrence of information security incidents that cause disruption to the institution's business processes where some incidents that occur can be resolved directly (reactive) in the field, but some other incidents require planning and a lot of time to solve them and there is no proper supervision and planning in managing data and information security (Rilyani et al., 2015).

There are several problems after the researchers conducted an initial survey of the problems in the field: Diskominfo West Java Province faces increasing information security threats, both from external cyber attacks and internal weaknesses. This can have an impact on the confidentiality, integrity and availability of public information that is managed. Risk Management The information security risk management process has not been structured in accordance with international standards, potentially leading to inefficiencies in risk identification, mitigation and control. Compliance with ISO/IEC 27001:2022: With the update of the ISO/IEC 27001 standard to version 2022, there is an urgent need to align information security risk management with the latest principles to remain relevant and effective in facing modern challenges. Gaps in Human Resources Capacity and Technology There are still gaps between the technology needs and skills of human resources and the standards required by ISO/IEC 27001:2022, which may hinder the optimal implementation of information security management systems. Impact on Public Services: Information security risks that are not managed properly can affect the quality of public services, especially in the context of transparency and accountability of information that the public needs.

Based on the background, this research is discussed and focused on the preparation of "Information Security Risk Management Based on ISO 27001: 2022 at Diskominfo West Java Province".

2. Literature Review

2.1 Standard ISO/IEC 27001:2022

The ISO/IEC 27001:2022 update introduced several significant changes compared to previous versions, mainly to address evolving cybersecurity challenges and enhance digital trust. One of the key updates is the restructuring of Annex A, in line with the revised ISO/IEC 27002:2022, which reflects a more streamlined and comprehensive set of security controls (Vinet & Zhedanov, 2011a). This restructuring includes the introduction of eleven new security controls, primarily addressing the protection of cloud computing services, which have become increasingly important to businesses (Malatji, 2023). The update also emphasized the integration of the standard with the National Institute of Standards and Technology (NIST) Cybersecurity Framework, particularly enhancing the Protect Function, which maintains a high-frequency distribution of security controls similar to the 2013 version (Malatji, 2023). Furthermore, implementation of the updated standard has shown practical improvements in information security management systems (ISMS), such as improved confidentiality, integrity, and availability controls, leading to a significant reduction in security incidents (Chavez et al., 2024). These improvements make ISO/IEC 27001:2022 a more robust framework for organizations aiming to protect their information assets in a rapidly changing digital landscape (Chavez et al., 2024).

The relevance of information security standards in government agencies is underscored by the increasing threats to sensitive data, which require a strong legal and technical framework to protect state and commercial secrets. Legal provisions play an important role in building the foundations of information security, as highlighted by Seydvalieva, who emphasizes the need for legislative measures and international cooperation to protect government data (Seydvalieva, 2024). The implementation of standards such as ISO 27001 is essential in identifying vulnerabilities and ensuring compliance with security protocols, as demonstrated in educational institutions where these standards help reduce risk and improve data security (Ahmedi & Ibrahimi, 2024).

2.2 Implementation in Government Organizations

Adopting ISO/IEC 27001 in the government sector presents several challenges and barriers, as highlighted by various studies. One significant challenge is the immature communication between management and the information security landscape, which complicates risk assessment activities. This issue is particularly noted in the implementation of standards in Malaysian government agencies, where effective communication is critical to aligning security objectives with organizational goals (Awang et al., 2016). In addition, the integration of national regulations with international standards can be complex, as seen in the case of the Pedro Moncayo Cantonal Property Registry in Ecuador. This integration is necessary to ensure that public data security is maintained at a high standard, but requires careful coordination and adaptation of existing legal frameworks (Tintin & Hidalgo, 2023). Furthermore, the implementation process itself demands a shift from subjective perceptions of security to an objective understanding of security needs, which can be a cultural and operational hurdle for public institutions (Carvalho & Marques, 2019). Despite these challenges, successful implementation, as demonstrated by the Property Registry, can lead to significant improvements in data security and trust in public data management (Tintin & Hidalgo, 2023). However, achieving such success requires a commitment to continuous improvement and adaptation of security controls, as well as fostering a culture of security awareness within the organization (Carvalho & Marques, 2019).

2.3 Information Security Risk Management

The information security risk management process according to ISO/IEC 27001 involves a systematic approach to identify, assess and mitigate risks to ensure the confidentiality, integrity and availability of information. This process begins with the establishment of an Information Security Management System (ISMS), which is central to ISO/IEC 27001 and provides a framework for securely managing sensitive information (Vinet & Zhedanov, 2011b). The implementation plan for an ISMS includes a methodological cycle with phases and activities designed to facilitate the entire process, ensuring compliance and operational continuity (Hernandez et al., 2024). Risk management under ISO/IEC 27001 involves identifying potential risks, assessing their impact and likelihood, and implementing appropriate controls to mitigate them. For example, a study using the Failure Mode and Effect Analysis (FMEA) methodology identified and prioritized risks based on their severity, leading to targeted mitigation strategies (Wicaksono et al., 2022). The process also involves continuous monitoring and review to adapt to evolving threats, as demonstrated by a government agency's risk management efforts that identified 15 risks and 50 threats, with 42% categorized as moderate impact. In addition, ISO/IEC 27001 encourages a security-first culture within the organization, promoting awareness and best practices across departments (Folorunso et al.,

2024). Despite challenges such as resource constraints and the need for continuous updates, the adoption of ISO/IEC 27001 improves the organization's cybersecurity posture and aligns with regulatory compliance requirements(Folorunso et al., 2024). Overall, the risk management process under ISO/IEC 27001 is integral to developing a proactive cybersecurity strategy, ensuring the organization is resilient to information security threats.

2.4. Diskominfo West Java Province

Diskominfo, or the Office of Communication and Information Technology, plays an important role in managing information security at the provincial level by implementing comprehensive IT governance and cybersecurity measures. Diskominfo's responsibilities include ensuring accountability, reliability, and trustworthiness of information within the institution, which are critical for effective information security governance(Fahmi Rifai et al., 2023). In addition, Diskominfo is tasked with securing web servers against vulnerabilities and potential attacks, such as cross-site scripting, by using tools such as OWASP scanners to provide recommendations for improving web server security(Wijayanto et al., 2020). Effective IT governance is also a key responsibility, as demonstrated by the use of frameworks such as COBIT 4.1 and COBIT 2019 to assess and improve IT governance maturity levels, ensuring that IT resources are managed efficiently and risks are mitigated(Ringga, 2022). In addition, Diskominfo contributes to building cybersecurity resilience by establishing a Computer Security Incident Response Team (CSIRT) to manage cyber risks, analyze threats, and develop countermeasures, thereby increasing the overall cyber awareness and resilience of the provincial government(Patrick et al., 2018). This responsibility highlights Diskominfo's integral role in safeguarding information and ensuring the continuity of government operations in the face of evolving cyber threats.

2.5 Research Gaps

In researching the literature on Discominfo West Java and ISO/IEC 27001:2022, several research gaps emerged, particularly in the context of operational excellence and information security management. A systematic literature review by Kovilage et al. highlighted a lack of focus on the impact of operational and dynamic capabilities on operational excellence, as well as shortcomings in theoretical frameworks to explain this phenomenon across different industry sectors and geographical regions(Kovilage et al., 2022). This gap is pertinent to Discominfo West Java, as understanding these capabilities can improve the implementation of ISO/IEC 27001:2022, which is critical for information security management. Furthermore, Holt's exploration of online black markets underscores the need for further research into the social dynamics and practices of market participants, which can inform the development of more robust security measures under ISO/IEC 27001:2022(Holt, 2017). Lastly, Sin and Jusoh emphasize the importance of systematically identifying and prioritizing research gaps, which is critical to advancing the understanding and application of ISO/IEC 27001:2022 in diverse organizational settings(Sin & Jusoh, 2019). Collectively, these insights point to the need for more comprehensive research in the integration of operational excellence and information security standards, particularly in the context of Discominfo West Java.

3. Research Methods

The method used uses a measurement framework based on ISO / IEC 27005: 2022. The ISO 27005:2022 method used includes 4 (four) parts, namely risk identification, risk analysis, risk

evaluation, and risk treatment (Supradono, 2009) which are explained using the diagram 1 below:

Problem Identification: The first step of this research is to identify problems in the Communication and Informatics Office of West Java Province by conducting observations and interviews. **Literature Study:** A Literature Study is a method of collecting data by collecting documents, books, or other reference media that support solving research problems, which are then studied in order to find a solution to the problem. Data will be collected through interviews with SMK managers of work units at the Diskominfo of West Java Province as respondents of this study. The questions for the interview are as follows Table 1:

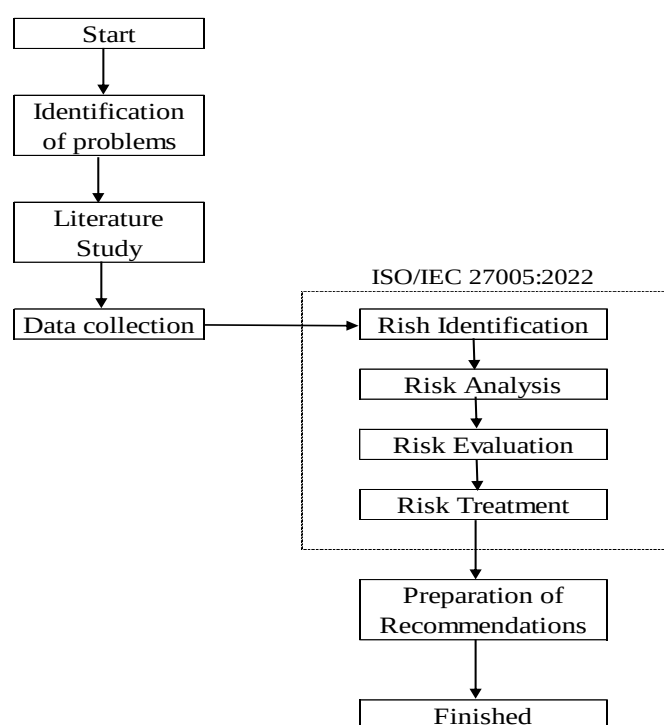


Figure 1. Methodology Diagram

Table 1 Question List

No.	Question	Control ISO/IEC 27001:2022
1.	What are the information assets that are important to the organization? How are these assets identified and categorized?	Clause 8.1 (Operational planning and control), Annex A.8.1 (Asset inventory)
2.	What are the main threats faced by information assets in organizations?	Clause 6.1.2 (Information security risk assessment)
3.	Is there a process in place to assess the impact in the event of a breach of these information assets?	Annex A.8.1 (Asset inventory), Clause 6.1.2 (Information security risk assessment)

No.	Question	Control ISO/IEC 27001:2022
4.	What controls have been implemented to reduce information security risks?	Clause 6.1.3 (Handling information security risks), Annex A.12.1 (Operational procedures and responsibilities)
5.	How does the organization identify and evaluate vulnerabilities that could be exploited by the threat?	Klausul 6.1 (Tindakan untuk mengatasi risiko dan peluang)
6.	What controls have been planned to reduce information security risks?	Clause 6.1.3 (Handling information security risks), Annex A.12.1 (Operational procedures and responsibilities)
7.	How is the effectiveness of these controls monitored and measured?	Clause 9.1 (Monitoring, measurement, analysis and evaluation), Annex A.12.1 (Operational procedures and responsibilities)

2.1. Risk Identification

The preparation of Information Security Risk Management based on ISO/IEC 27001 at Diskominfo, West Java Province, involves a comprehensive approach to risk identification, which is an essential component of an Information Security Management System (ISMS). The ISO/IEC 27001 standard provides a structured framework for implementing an ISMS, emphasizing the need for a thorough risk assessment process that includes risk identification, analysis, and evaluation. Risk identification, as highlighted in the literature, has traditionally been asset-centric, which can be complex and subjective, relying heavily on the expertise of information security practitioners. However, innovative methodologies propose to move away from this approach by incorporating Risk Indicators, which allow for a more objective and scientific analysis, thus increasing stakeholder confidence. In practice, risk identification involves documenting potential risks and their causes, as demonstrated in a study conducted at a private university in Surabaya, which faced incidents such as hacking, underlining the importance of preventive, detective and corrective security measures. In addition, the integration of ISO/IEC 27001 with local regulations, such as Indonesia's Personal Data Protection Law, can provide a strong framework for data protection, aligning international standards with local legal requirements (Nugraha & Nasyuha, 2024). This integration is crucial for organizations like Diskominfo to ensure comprehensive data protection and compliance with global and local mandates. Overall, the risk identification process at Diskominfo should leverage these insights to build a resilient information security posture that addresses both technical and regulatory challenges.

2.2. Risk Analysis

The preparation of information security risk management based on ISO/IEC 27001 involves a structured approach to identify, analyze and mitigate risks associated with information systems. Implementing an Information Security Management System (ISMS) according to ISO 27001 requires a comprehensive plan that includes a series of stages and activities to ensure the confidentiality, integrity, and availability of information, as demonstrated in a case study of a higher education institution (Hernandez et al., 2024). The process starts with setting the context, followed by risk identification, analysis, evaluation, and maintenance, as outlined in a study of a telecommunications company using ISO 27005, which supports the requirements of ISO 27001 (Jaya Putra et al., 2020). Failure Mode and Effect Analysis (FMEA) methodology is another approach used to assess risks, resulting in a Risk Priority Number to prioritize risks

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from highest to lowest, as applied in a national government agency(Wicaksono et al., 2022). This method helps in categorizing risks into high, medium, and low levels, which are then mitigated using the ISO 27002 standard(Wicaksono et al., 2022). In addition, recommendation PN-ISO/IEC 27005:2014-01 provides a qualitative method for evaluating IT risks, focusing on threats that can damage telecommunication systems and information resources. Collectively, these methodologies and standards provide a robust framework for managing information security risks, ensuring that organizations can effectively protect their information assets.

2.3. Risk Evaluation

The preparation of information security risk management based on ISO/IEC 27001 involves a systematic approach to identifying, evaluating, and mitigating risks associated with information technology assets. The ISO 27001 standard provides a framework for establishing, implementing, maintaining and continuously improving an information security management system (ISMS). A key component of this process is risk evaluation, which can be done effectively using methodologies such as Failure Mode and Effects Analysis (FMEA). These methods assist in determining the Risk Priority Number (RPN) to prioritize risks from highest to lowest, as demonstrated in a case study of a national government agency where 14 risk classifications were identified, with varying levels of risk that were then mitigated using the ISO 27002:201 standard(Wicaksono et al., 2022). In the telecommunications sector, ISO 27005 complements ISO 27001 by providing guidelines for risk management, emphasizing the importance of selecting appropriate control objectives to support the ISMS. This involves establishing context, risk identification, analysis, evaluation, and treatment, resulting in prioritized impact scenarios and controller objectives(Jaya Putra et al., 2020). In addition, the implementation of ISO 27001 in academic environments, such as at Surabaya State University, has shown a positive impact on data security by addressing cyber threats and physical risks, thus improving the integrity and protection of sensitive information(Intan Mafiana et al., 2023). Overall, continuous risk evaluation and the implementation of appropriate controls are essential to maintaining a robust information security management system in various sectors.

Risk Evaluation, which is determining which risks require treatment and how to prioritize the treatment carried out at this stage, namely defining existing controls to reduce the impact and possibility of risks that have been running in accordance with the ISO / IEC 27001: 2022 standard which is evidenced in filling out the form as follows:

Likelihood Criteria

2.3.1 Likelihood Criteria

Likelihood criteria are criteria for defining, determining or measuring objectively or subjectively the likelihood of threats to assets which are expressed qualitatively as follows (West Java Governor Regulation Number 6 of 2023).

Table 2. Likelihood Criteria

Level	Frequency of Occurrence
Very Low (1)	Threat occurs once > 5 years
Low (2)	The threat may occur once over 2 to 5 years
Intermediate (3)	The threat may occur once in 1-2 years
Height (4)	Threats may occur several times a year
Very High (5)	Threats occur almost every day/month

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2.3.2 Impact Criteria

Impact Criteria (Impact or Consequences) specify the degree or cost that the West Java Provincial Diskominfo must bear in the event of an incident or attack on information assets, quantified as follows: (West Java Governor Regulation Number 6 of 2023).

Table 3. Impact Criteria

Level	Financial Impact	Operational Impact	Quality Impact/Month	Reputation Impact
Not Significant (1)	Causing a loss of funds of less than Rp. 10,000,000,-	Disrupts system function (less than 5 hours)	Number of complaints less than 5	There is negative news but it does not result in a decrease in trust
Small (2)	Causes a loss of funds of Rp. 10,000,000 to Rp. 50,000,000	Disrupts system function (5 hours to 1 day)	Number of complaints 5 to 10	There is negative news that can affect performance and policies.
Intermediate (3)	Causing a loss of funds of more than Rp. 50,000,000,- to Rp. 200,000,000,-	Disrupting system function (more than 1 day to 7 days)	Number of complaints more than 10 to 20	There is negative news that reduces stakeholder trust
Big (4)	Causing a loss of funds of more than Rp. 200,000,000,- to Rp. 1,000,000,000,-	Disrupting system function (more than 7 days to 1 month)	Number of complaints more than 20 to 30	Deterioration/losses of stakeholder trust
Very Big (5)	Causing a loss of funds of more than Rp. 1,000,000,000,-	Causes disruption to system function (more than 1 month)	Number of complaints more than 30	Giving rise to legal claims

2.3.3 The Risk Value

The risk value is the level of risk determined based on the value (criteria) of impact and the value (criteria) of probability expressed quantitatively as follows: (West Java Governor Regulation Number 6 of 2023).

Table 4. The Risk Value

Likelihood	Impact (<i>Impact/Consequences</i>)				
	Not Significant (1)	Small (2)	Intermediate (3)	Big (4)	Very Big (5)
Very Low (1)	Low (1)	Low (2)	Low (3)	Low (4)	Intermediate (5)

Low (2)	Low (2)	Low (4)	Intermediate (6)	Intermediate (8)	Intermediate (10)
Intermediate (3)	Low (3)	Intermediate (6)	Intermediate (9)	Height (12)	Height (15)
Height (4)	Low (4)	Intermediate (8)	Height (12)	Very High (16)	Very High (20)
Very High (5)	Intermediate (5)	Intermediate (10)	Height (15)	Very High (20)	Extreme (25)

2.4. Risk Treatment

Information Security Risk Management (ISRM) based on ISO/IEC 27001 is a structured approach to managing risks associated with information systems, ensuring the confidentiality, integrity, and availability of information. The ISO/IEC 27001:2022 standard provides a comprehensive framework for ISRM, emphasizing the identification, evaluation, and treatment of risks to reduce potential threats to information security (Paksoy, 2023). The process begins with setting the context, followed by risk identification, analysis, evaluation, and treatment, as outlined in ISO 27005, which complements ISO 27001 by providing detailed guidance on the risk management process (Jaya Putra et al., 2020). The integration of the ISO/IEC 27005:2018 and NIST SP 800-30 frameworks further enhances risk assessment and management, especially in sectors such as insurance, where vulnerabilities exist (Putra & Soewito, 2023). Effective ISRM involves continuous monitoring and improvement, with organizations required to adapt their security measures to evolving threats and technological advances (Hernandez et al., 2024). Despite the availability of these standards, many organizations still face challenges in implementing adequate security measures, underscoring the need for comprehensive risk management strategies and software tools to facilitate compliance and reporting (Paksoy, 2023). The implementation of ISRM in various sectors, such as telecommunications and higher education, demonstrates the importance of a customized risk control program that aligns with organizational objectives and the specific requirements of ISO 27001 (Jaya Putra et al., 2020) (Hernandez et al., 2024). Risk Treatment is a stage to select options that can reduce or eliminate the impact and possibility of risk occurrence (Supristiowadi & Sucahyo, 2018).

2.5. Drafting Recommendations

The preparation of recommendations for preparing information security risk management based on ISO/IEC 27001 involves a comprehensive approach that integrates various methodologies and frameworks to ensure robust security measures. The implementation of an Information Security Management System (ISMS) based on ISO/IEC 27001:2013, as demonstrated in higher education institutions, involves a structured methodological cycle that includes phases and activities designed to facilitate the entire implementation process, ensuring process and continuity (Hernandez et al., 2024). This approach is essential for linking personnel to compliance with standards and raising awareness about the importance of information security. In addition, the integration of frameworks such as NIST CSF 2.0 and CIS Control v8 with ISO/IEC 27001:2022 provides a synthesis of key components such as risk management processes, security policy implementation, and incident response planning, which are essential for developing comprehensive information security measures (Tanjung et al., 2024). In the university context, the rapid development of information technology requires managing information security through standardized risk-based documents, including policy documents,

procedure guidelines, and work instructions to address emerging threats (Fitriani, 2022). Furthermore, in clinical laboratories, risk assessment using ISO/IEC 27001 involves the identification, analysis and evaluation of risks to ensure effective information security controls, highlighting the need for vigilance in the use of information systems (Susanto et al., 2023). These studies collectively underscore the importance of a multi-faceted approach to information security risk management, emphasizing the need for continuous improvement and adaptation to technological advances.

Preparation of Recommendations is the last stage of this research. The aim is to provide recommendations for the resolution of known risks based on the ISO / IEC 27001: 2022 standard so that later the existing risks can be properly mitigated.

2.6 Previous Research

Table 5. Previous Research

No.	Authors	Conclusion	Difference from Research Title	Similarity with Research Title
1	Syahindra et al., 2022	Evaluation of information security at the XYZ Province Diskominfo using KAMI Index and ISO/IEC 27005:2011 showed that the institution had not optimally implemented information security risk management, leading to internal and external incidents.	Focuses on evaluating information security risks using ISO/IEC 27005:2011 at XYZ Province Diskominfo.	Discusses information security risk management at government institutions (Diskominfo) with the ISO/IEC 27001 approach.
2	Alberto & Karyati, 2023	The design of an Information Security Management System (ISMS) based on ISO 27001:2022 at the Tangerang Selatan Diskominfo Data Center showed that the institution lacked a structured ISMS, necessitating appropriate ISMS design.	Case study on the Tangerang Selatan Diskominfo Data Center focusing on ISMS design.	Utilizes ISO 27001:2022 standards in designing information security management at government institutions.
3	Khamil, 2022	The readiness level evaluation of information security at the Gianyar Regency Diskominfo using KAMI Index 4.2 and ISO/IEC 27001:2013 resulted in a "Not Eligible" status to meet ISO/IEC 27001 standards, necessitating improvement recommendations.	Conducted at Gianyar Regency Diskominfo using KAMI Index 4.2 and ISO/IEC 27001:2013.	Evaluates information security readiness at government institutions with ISO/IEC 27001 standards.

4	Yuze et al., 2016	The analysis of the Information Security Management System (ISMS) at the Directorate of Higher Education Information Systems using ISO/IEC 27001:2013 highlighted the need for maturity level improvements and a recommended system model using Data Flow Diagram.	Focuses on an educational institution (Directorate of Higher Education Information Systems) and ISO/IEC 27001:2013 analysis.	Uses ISO/IEC 27001 standards for information security management analysis.
5	Asriyar & Manurung, 2016	The application of information security risk management based on ISO/IEC 27001:2013 at PT. XYBASE Indonesia proved effective in reducing vulnerability levels by 30%.	Case study on a private company (PT. XYBASE Indonesia) focusing on risk management application.	Employs ISO/IEC 27001:2013 in information security risk management.

4. Results and Discussion

Researchers explained the description of the object of research, namely Diskominfo West Java Province, starting from the data collection process and analyzing information security risks from the results of data collection. The results of data collection that the author has carried out during the preparation of this research are as follows:

Determination of Context

From the results of interviews that have been conducted referring to the main tasks and functions at the Diskominfo of West Java Province, the scope of SMKI at the Diskominfo of West Java Province is obtained as follows:

1. Network and data center services
2. Government administration application services
3. General application services
4. Information security services
5. Data and information services
6. Internal facilities and infrastructure services
7. Public information and communication services

Identifikasi Aset

Assets that have been identified in the existing services at Diskominfo of West Java Province are:

1. Information assets in the form of both print and electronic
2. Software assets in the form of applications, systems and development tools
3. Hardware and software infrastructure assets
4. Assets of supporting facilities and infrastructure (utility)
5. Human resource assets and third parties

3.1. Risk Identification

From the interviews that have been conducted with resource persons, the information security risks that exist in the Diskominfo of West Java Province can be identified as follows:

From the results of risk identification that has been carried out, there are 41 (forty-one) information security risks consisting of 16 (sixteen) information risks (print / electronic), 13 (thirteen) software risks (applications, S / W systems, development tools), 5 (five) hardware and network infrastructure risks, 3 (three) risks of facilities and supporting facilities (utility) and 4 (four) risks of human resources and third parties that can be identified and spread across 7 (seven) work units at Diskominfo West Java Province.

The risk identification process in preparing Information Security Risk Management at Diskominfo, West Java Province, based on ISO/IEC 27001, involves a comprehensive approach to understanding and mitigating potential threats to information systems. The study by Kanka Wiemas N.G. and Jarot S. Suroso highlighted the identification of 15 risks and 50 threats, with 42% of these risks categorized as having a moderate impact, emphasizing the importance of a structured risk management process to maintain information confidentiality. Similarly, research conducted at SMAN 12 Bandung showed the implementation of ISO 27001:2013, where the risk assessment revealed a risk opportunity of 45% and a risk severity of 47%, indicating the need for continuous monitoring and improvement through the PDCA cycle to enhance the Information Security Management System (ISMS) (Pamungkas et al., 2024). In a clinical laboratory setting, Eddy Susanto et al. identified 35 significant risks within the Busdev&IT Department, underscoring the need for vigilant information security practices to protect sensitive data (Susanto et al., 2023). Furthermore, a study at XYZ Institute using the FMEA method identified various levels of risk, including 4 high-risk threats, which require targeted security measures to ensure operational continuity (Kusnandar et al., 2024). Finally, Jevelin and Ahmad Faza's evaluation of a private contractor's ISMS maturity highlighted the challenges of meeting the ISO 27001 standard, reinforcing the need for a robust security framework and continuous improvement to achieve certification (Jevelin & Faza, 2023). Collectively, these studies illustrate the critical role of risk identification and management in maintaining information security in various sectors, guided by the principles of ISO/IEC 27001.

3.2. Risk Analysis

From the risks identified above, the next step is to analyze the identified security risks based on the likelihood described in table 2 likelihood criteria and their impact based on table 3 impact criteria so that the risk value is obtained as a result of multiplying the likelihood value and impact value so that the risk category described in table 4 risk value is obtained. For example, there is an application repository risk with a likelihood value of 4 with a frequency of threat events that may occur several times a year and an impact value of 4 with a quality impact per month the number of complaints is more than 20 to 30 so that the risk value is 16 with a very high category. The risks that have been analyzed are described in the following table:

From the results of risk identification that has been carried out, there are 41 (forty-one) information security risks consisting of 16 (sixteen) information risks (print / electronic), 13 (thirteen) software risks (applications, S / W systems, development tools), 5 (five) hardware and network infrastructure risks, 3 (three) risks of facilities and supporting facilities (utility) and 4 (four) risks of human resources and third parties that can be identified and spread across 7 (seven) work units at the Diskominfo of West Java Province.

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Risk analysis to prepare for information security risk management based on ISO/IEC 27001 at Diskominfo, West Java Province, involves understanding the current state of information security and identifying potential risks and threats. The implementation of ISO/IEC 27001:2022 in government agencies in Indonesia revealed 15 risks and 50 threats, with 42% of these risks having a moderate impact, highlighting the importance of risk management in maintaining information confidentiality and security. Similarly, the implementation of ISO/IEC 27001:2013 in educational institutions, such as SMAN 12 Bandung, showed a high level of compliance with security procedures, reaching an implementation rate of 81.43%, which underscores the effectiveness of a structured risk management framework in improving information security (Pamungkas et al., 2024). In a clinical laboratory, the use of the ISO/IEC 27001 standard identified significant risks, especially in the Busdev&IT Department, which required increased vigilance and effective risk control measures to secure sensitive information (Susanto et al., 2023). In addition, the use of Fuzzy FMEA based on ISO/IEC 27001:2013 in another study identified 13 very high priority risks, indicating the need for improved documentation and compliance with security policies to increase public trust (Kusnandar et al., 2024). Finally, a gap analysis at Madiun City Diskominfo showed 71% readiness for ISO/IEC 27001:2013 certification, with significant improvements needed in planning to fully meet the requirements of the standard. These findings collectively emphasize the critical role of ISO/IEC 27001 in systematically managing information security risks and improving organizational readiness and resilience to potential threats.

3.3. Risk Evaluation

The evaluation of information security risk management at Diskominfo, West Java Province, based on ISO/IEC 27001, involved a comprehensive assessment of the current Information Security Management System (ISMS) and alignment with ISO standards. This research highlights the importance of robust data security measures, as demonstrated by the evaluation of a private contractor's ISMS, which revealed a maturity level below the ISO 27001 benchmark, emphasizing the need for improvement through the PDCA cycle (Jevelin & Faza, 2023). Similarly, the implementation of ISO 27001:2013 in educational environments, such as SMAN 12 Bandung, showed a high level of compliance with the standard, with a risk rating of 49% and control implementation at 100%, indicating effective risk management practices (Pamungkas et al., 2024). In a government agency, the risk management process identified 15 risks and 50 threats, with 42% of risks having a moderate impact, underscoring the need for ongoing risk mitigation strategies. In a clinical laboratory, an information security risk assessment revealed significant vulnerabilities, particularly in the Busdev&IT Department, requiring increased vigilance and risk control measures (Susanto et al., 2023). Furthermore, the use of the FMEA method at XYZ Institution identified varying levels of risk, highlighting the need for focused attention on high-risk threats to ensure information security (Kusnandar et al., 2024). Collectively, these studies underscore the important role of ISO/IEC 27001 in guiding risk evaluation and management, ensuring that organizations such as Diskominfo can effectively protect their information systems against potential threats.

From the results of the risk evaluation that has been carried out, a risk evaluation is carried out by identifying the controls that have been carried out and re-evaluating the impact criteria and the possibility arising from these risks which can be seen in the following table: From the results of the risk evaluation that has been carried out based on existing control, there is still 1 (one) risk with a high category and 15 (fifteen) risks with a medium category.

3.4. Risk Treatment

The implementation of ISO/IEC 27001 for information security risk management at Diskominfo, West Java Province, involves a comprehensive approach to identifying, assessing and mitigating risks associated with information systems. The study by Kanka Wiemas N.G. and Jarot S. Suroso highlighted the identification of 15 risks and 50 threats, with 42% of these risks categorized as having moderate impact, emphasizing the need for effective risk mitigation strategies (Wiemas N.G. & Suroso, 2024). In the same vein, a study conducted at SMAN 12 Bandung showed the implementation of ISO 27001:2013, where risk opportunity and severity were found to be around 45% and 47% respectively, with a high implementation rate of 81.43% for ISMS procedures, indicating a robust risk management framework (Pamungkas et al., 2024). Furthermore, a study at XYZ Institution using the FMEA method identified various levels of risk, including 4 high-risk threats, underscoring the importance of prioritizing information security to ensure operational continuity (Kusnandar et al., 2024). In addition, a study of a clinical laboratory in Jakarta revealed significant risks within the Busdev&IT Department, requiring increased vigilance and control measures to secure sensitive information (Susanto et al., 2023). Finally, a study of the XYZ Population Office using a fuzzy FMEA approach identified 13 very high priority risks, indicating the need for increased compliance with the ISO/IEC 27001:2013 standard to improve information security and public trust (Kusnandar et al., 2024). Collectively, these studies underscore the critical role of ISO/IEC 27001 in structuring an effective risk management process, highlighting the need for continuous evaluation and adaptation of security measures to address evolving threats.

From the results of the risk evaluation stage, it is obtained that the risk status is still in the middle to upper category. At this risk, it is required to have risk treatment for each risk. The risk treatment that has been prepared is as follows: From the results of the risk treatment that has been planned, there is 1 (one) risk with a medium category and 40 (forty) have a low category.

3.5. Drafting Recommendations

The development of recommendations for information security risk management based on ISO/IEC 27001 at Diskominfo, West Java Province, can draw valuable insights from various studies on the implementation and evaluation of the ISO 27001 standard. The evaluation of an Information Security Management System (ISMS) for ISO 27001 certification highlights the importance of the PDCA (Plan, Do, Check, Act) cycle in achieving compliance, although it also shows the need for improvement to fully meet the certification requirements (Jevelin & Faza, 2023). In the education sector, the implementation of ISO 27001:2013 in a web-based application showed a high level of compliance, with 81.43% of procedures effectively implemented, suggesting that a structured approach to risk management can significantly improve ISMS maturity (Pamungkas et al., 2024). In addition, integrating ISO 27001 with local regulations, such as Indonesia's Personal Data Protection Law, can provide a comprehensive framework that aligns international standards with local legal requirements, thus improving data protection strategies (Nugraha & Nasyuha, 2024). In government agencies, the risk management process based on ISO/IEC 27001:2022 has identified many risks and threats, with most categorized as medium impact, underscoring the need for continuous risk assessment and mitigation (Wiemas N. G. & Suroso, 2024). Finally, the maturity level of information security controls in academic settings, as measured by the ISO 27001 System Security Engineering Capability Maturity Model, suggests that adherence to standardized procedures can lead to

stable and secure information systems (Nurbojatmiko et al., 2024). These findings collectively suggest that Diskominfo should adopt a comprehensive risk management strategy that incorporates the PDCA cycle, aligns with local regulations, and continuously assesses and mitigates risks to improve their ISMS maturity and compliance with the ISO/IEC 27001 standard.

At this stage, the author will provide recommendations for all risks that have been identified referring to the ISO/IEC 27001: 2022 annex. The recommendations that have been prepared for the existing risks at the Diskominfo of West Java Province are as follows:

By implementing the above recommendations, it is expected that the organization can increase resilience to security threats, ensure compliance with international standards, and protect information assets from potential losses. The author encourages the implementation and continuous monitoring of the suggested policies and procedures to create a safe and secure working environment. Periodic evaluation and policy adjustments will also support adaptation to changing technologies and evolving threats, ensuring that information security remains a top priority in every aspect of operations.

5. Conclusion

The implementation of ISO/IEC 27001 for information security risk management at Diskominfo of West Java Province is a strategic step to improve data protection and align with international standards. The integration of ISO/IEC 27001:2022 with Indonesia's Personal Data Protection Law provides a comprehensive framework that addresses international and local regulatory requirements, emphasizing a risk-based approach and data subject rights. This is particularly important for Diskominfo, as current systems, such as employee attendance applications, face challenges in data processing efficiency and security, which can be mitigated by adopting a structured information security management system (ISMS). The experience of other institutions, such as IT Telkom Purwokerto, highlights the importance of a detailed risk management plan that includes asset identification, risk assessment, and business impact analysis, all of which are integral parts of ISO 27001 compliance. By adopting these practices, Diskominfo can effectively manage information security risks, ensuring the confidentiality, integrity and availability of its data assets, thereby improving its operational efficiency and confidence in public services.

Based on the results of the identification of information security risks that have been carried out at the Diskominfo of West Java Province, there are five assets/processes/services that can affect the failure of the running business process. The five assets/processes/services are information (print/electronic), software (applications, systems, development tools), hardware and network infrastructure, facilities and supporting facilities (utility) and human resources and third parties. These risk sources have risks that can affect the organization's operational processes, including the source of information risk (print / electronic) has sixteen risks, namely synchronization of SMKI policies and other policies, internal and external IT audit results, IT security incident reporting, official email, application repository, application development, main PPID, social media accounts, micro data services (podes, susenas, sakernas), exempted data, LAN cable labeling documentation and internal office network topology mapping, IP DHCP, data center documentation, network documentation, IT access issuance documents and source code. Furthermore, the source of software risk (applications, systems, development tools) has thirteen risks, namely information security support applications, use of open source applications, encryption, application architecture design, authentication, SSRF, web

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defacement, malware, application management, personal data, cloud services, division of workspace environment for application development and device assets and portable computers. Then the source of hardware and network infrastructure risk has five information security risks, namely office access, internet and intranet network infrastructure for data centers, network security devices, jabar cloud servers and public cloud servers. Furthermore, the source of risk for facilities and supporting facilities (utility) has three risks, namely the Work Unit Workspace, precision air conditioner and data center generator. Furthermore, the source of risk for human resources and third parties has four information security risks, namely the condition of human resources and the condition of concern for information security, contractual agreements with goods / services providers, the number of information security human resources and the condition of human resources and the condition of concern for information security.

From the risks that have been successfully identified, risk control is carried out to minimize the risk categories that have been analyzed. At the stage of risk without control (inherent risk) there are two risks with extreme categories, nine risks with very high categories, sixteen risks with high categories, eleven risks with medium categories and three risks with low categories. Then identification is carried out based on existing controls that have been carried out so that the current risk after existing control has one risk in the high category and fifteen risks in the medium category. Thus, the risk control that has been implemented by the Diskominfo of West Java Province is quite effective in reducing the risk category.

The information security risk mitigation plan that will be carried out by Diskominfo West Java Province to continue to reduce one risk with a high category and fifteen risks with a medium category refers to the clauses and annexes in ISO / IEC 27001:2022, namely providing account misuse information to the user's alternative email and to the employee's work unit email, socializing awareness of email usage to all employees and work units, adjusting repository service SOPs, adding special repository accounts for third parties, developing information service business processes through the PPID website, developing information service features on the PPID website to make it more interactive, making SK / SP regarding the person in charge of managing social media accounts, checking the history of changes in computer network cable labeling and computer topology mapping, periodic review of user access to data center documentation, periodic review of user access to network documentation, reviewing remote access rights, implementation of secure bridging system for private data exchange, environment separation, different domain names and public IP selection for staging and production environments, periodic QA code review to ensure no hardcoded credentials or configurations in application source code, database separation for staging and production, use of different accounts for staging and production, periodic user testing before the application is uploaded from the staging environment to production, installation/extend antivirus licenses on all computer/laptop devices, add a layer of security with a web application firewall to prevent massive attacks and with specific targets, perform document labeling, periodic monitoring of pacs, periodic heating of generators and propose additional employees.

Based on the results of the analysis that has been carried out, the advice that can be given to the Diskominfo of West Java Province regarding information security risk management is that the Diskominfo of West Java Province can implement the risk mitigation recommendations that have been prepared based on ISO / IEC 27001: 2022 and monitor the risk controls that have been made to continue to be implemented and the risk mitigation plan that has been

planned to be realized in accordance with the agreed targets and can evaluate information security risks regularly to ensure that the services provided by the Diskominfo of West Java Province can run optimally and optimally.

The shortcomings in this study are the need for more detailed risk identification of applications developed by Diskominfo of West Java Province so that each application developed has its own list of risks along with mitigation steps for each application. So that the advice that can be given by researchers for further research is that it is hoped that research related to information security risk management can be an option for conducting research carried out, especially for information security risk management for applications.

To prepare for ISO/IEC 27001-based information security risk management at the Diskominfo of West Java Province, it is important to follow a structured approach that integrates international standards and local regulatory requirements. Implementing an Information Security Management System (ISMS) based on ISO/IEC 27001:2013 involves a series of phases, including risk identification, analysis and evaluation, as demonstrated in the clinical laboratory study, which identified 35 significant risks that require treatment based on risk appetite. A gap analysis, similar to the one conducted at Madiun City Diskominfo, can be instrumental in assessing current readiness and identifying areas that need improvement, such as planning, which has the lowest percentage of readiness. In addition, integrating ISO/IEC 27001 with Indonesia's Personal Data Protection Law can provide a strong framework for data protection, ensuring compliance with international standards and local legal requirements. The experience of Central Java Province Bapenda highlights the importance of asset identification and risk mitigation using controls from NIST and ISO-IEC 27001:2013, which can be customized to effectively manage high-risk assets. Finally, a comprehensive implementation plan, such as the one developed for the IUB university institution, can facilitate the process by scheduling activities and raising awareness among personnel on the importance of information security, ensuring the ISMS is fully operational within the set timeline. This multi-faceted approach will help the Diskominfo of West Java Province achieve effective information security risk management and ISO/IEC 27001 certification.

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Intellectual Capital and Performance of Indonesian Islamic Banks: A Maqasid Sharia Perspective

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Abstract

This study aims to determine how intellectual capital (IC) affects Islamic general banks' maqashid sharia performance from 2018 to 2022. The components of IC, namely Human Capital (IB-VAHU), Capital Employed (IB-VACA), and Structural Capital (IB-STVA), are the three independent variables under investigation. This study employs a secondary quantitative research design, as determined by Econometric Views (E-Views) version 12's panel data linear regression approach. The study's participants are Islamic Commercial Banks registered with the Financial Services Authority (OJK). With a sample size of 11 businesses, the sample was chosen using the purposive sampling technique, making a total of 13 banks included in the study. Secondary data was employed in this investigation. The data collection process uses the documentation method accessed via each Islamic commercial bank's official website. The study's findings show the positive relationship between human capital and maqashid sharia performance; the higher a company's human capital, the better its maqashid sharia performance. Capital Employed has no bearing on how well Maqashid Sharia works. The performance of maqashid sharia is negatively impacted by structural capital; the coefficient value, which is pointing in the negative direction, shows that the more human capital a corporation has, the lower its maqashid sharia performance.

Keywords: Maqashid Sharia Index, Intellectual Capital, Maqashid Syariah Performance, iB-VAIC

1. Introduction

Islamic banks are institution finances that must be base all over activity its finances on the principles Islamic sharia law. Therefore that, all transactions in Islamic banks must be fulfil rules and conditions that apply to the contract in jurisprudence transactions Mutia & Musfirah, (2018). Islamic banking, often called as banking Islam, already exist and develop rapid in a number of decade final along with development global economy. Growth significant the most likely influenced by many factors, namely factor economy, politics social, cultural, geographical and defense security.

This development is inseparable from the characteristics of the Islamic banking system compared to the conventional *dual-banking system*. Islamic banking, whose operations refer to

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the principle of profit sharing, provides various choices of mutualistic banking systems for customers and banks, and prioritizes elements of justice in its transactions, ethical investment, prioritizing various values of togetherness and family in its implementation, and avoiding speculative activities in its financial transactions. Seeing this development, it is hoped that the contribution of banking in supporting the national economy will be increasingly significant (Sri, 2020).

In recent years Islamic banking in Indonesia has shown significant growth. However, despite the rapid development, the industry still faces a number of challenges accordance with Maqasid Shariah related to optimizing performance and implementing sharia principles. One of the key factors in improving the performance of Islamic banks is the management of Intellectual Capital (IC), which includes intangible assets such as knowledge, skills, organizational culture, and innovation

In the context of Islamic banking, Intellectual Capital plays a vital role because it not only influences financial performance but also contributes to the achievement of social and sustainability goals desired within the framework of Maqasid al-Shariah (the objectives of sharia). Maqasid al-Shariah focuses on achieving the welfare of the people through five core values, namely the preservation of religion, life, reason, descendants, and property. In Islamic banking, good IC management can improve operational efficiency, product and service innovation, and provide positive social impacts, all of which are in line with the principles of Maqasid al-Shariah (Muchlis et al., 2022).

However, research on the relationship between Intellectual Capital and the performance of Islamic banks in Indonesia from the perspective of Maqasid al-Shariah is still relatively limited. Therefore, it is very important to explore further how IC management can affect the performance of Islamic banks in achieving social and economic goals that are not only focused on financial profit, but also on the welfare of the community. This study aims to fill this gap by providing a deeper understanding of the importance of IC management in improving the performance of Indonesian Islamic banks, both from the financial aspect and the social impact that is in line with Maqasid al-Shariah (Ghadas et al., 2019; Muchlis et al., 2022). The problems experienced by Islamic banks are: measurement performance companies that are still prioritize on aspects finance compared to with non- financial. Islamic banking is a system banking based on Islamic sharia (law).

Islamic banks must have traits or traits that set them apart from other businesses in terms of matter-oriented performance since they are operating organizations founded on sharia standards. Islamic banking success must be evaluated from non-financial perspectives, such as draft objective sharia (maqashid sharia), rather than only financial performance because it's still There is a need to measure the performance of Islamic banking in accordance with objective sharia (maqashid sharia) since far too many Islamic banks prioritize economic optimization or the development of large profits over fulfilling their functions. This is to determine whether Islamic banking and performance banking are currently in line with social functions. Islamic banking performance measurement approach that shows Utilizing performance maqashid sharia is the goal of sharia. This is For know whether performance banking applied Islamic banking has in accordance with function social or not yet. Measurement model performance Islamic banking which reflects The purpose of sharia is use performance maqashid sharia or Can called with *Maqashid Syariah Index* (MSI) by Mohammed & Razak (2015).

Knowledge based industries in the global economy in the last two decades has complemented the previously dominant physical resource-based industries. (Widiyaningrum, 2014). Thus, it is clear how the pattern of measuring business value has shifted. Usually the value of a business is measured based on tangible assets, namely physical forms that can be touched and seen, such as cash, office inventory, machines, and buildings. But over time, such measurement patterns have faded, replaced by measuring business value based on intangible assets, which are intangible but very valuable, such as the company's intellectual property, its brand, or its human resources (Walidayni, 2017). Information about intellectual capital is very important to disclose. By disclosing the intellectual capital it has, the company can demonstrate its ability to face existing business competition (Mayangsari & Reditha, 2016).

Since intellectual capital disclosure can boost business performance and generate value, intellectual capital is a highly valuable intangible asset that is essential to the organization (Rivandi, 2018). Information regarding the value creation efficiency of the company's tangible and intangible assets is presented using the value added intellectual coefficient (VAICTM) approach, which was created by Pulic (1998). A tool for evaluating the effectiveness of a business's intellectual capital is the VAICTM.

Intellectual capital in Islamic banking, such as human resources, systems and operations are very likely to still adopt and be derived from conventional banking as the parent company (Ramadhan et al., 2018). Islamic banks in carrying out their duties as financial service providers must re-evaluate the objectives of Islamic banks themselves in accordance with maqashid sharia. This is to ensure that Islamic banks are not only profit-oriented, but also consider other aspects in accordance with the initial objectives of the formation of the Islamic bank. If the performance of Islamic banking and conventional banking is measured using the same indicators, there will be values that are not in accordance. This is because Islamic banking has a wider measurement object than conventional banking (Mutia & Musfirah, 2018).

This study is important because it provides a deeper understanding of how Intellectual Capital (IC) — which includes knowledge, skills, organizational culture, and innovation — can play a role in improving the performance of Islamic banking. Nowadays, Islamic banking faces challenges to compete with conventional banking, and good IC management can provide competitive advantages, especially in terms of product innovation, service development, and increasing operational efficiency. This study is also important because it looks at the performance of Islamic banks not only from the aspect of financial profit alone, but more holistically, by considering social aspects, the welfare of the community, and sustainability which are the focus of Maqasid al-Shariah. This study highlights the relationship between the socio-economic objectives of Islamic banks and IC management, which is often overlooked in existing banking literature. In Indonesia, the development of Islamic banks shows great potential to contribute to the economy and the welfare of the community. This study will fill the existing gap by providing an understanding of how IC can be optimized in the context of Islamic banks in Indonesia, which is certainly different from the context of conventional banks. This could pave the way for new strategies in managing Islamic banks that are more sustainable and efficient.

Most of the existing research on Islamic banks in Indonesia focuses more on the financial performance aspect without considering the social and spiritual impacts that are the main objectives of Islamic banks. This study will fill this gap by integrating Maqasid al-Shariah in measuring the performance of Islamic banks, which includes social impacts, sustainability, and

the welfare of the community, not just financial profit alone. Although there are several studies that discuss the management of Intellectual Capital in banking, research that links IC to the achievement of Maqasid al-Shariah in the context of Islamic banking is still very limited. This study provides a new perspective by focusing on how IC management can affect not only financial performance, but also the extent to which Islamic banks can meet social goals in accordance with Maqasid al-Shariah.

Although Islamic banks in Indonesia are growing rapidly, many existing studies have not specifically analyzed IC management and Islamic bank performance from an Indonesian perspective. This study is expected to provide relevant empirical contributions in the Indonesian context, especially in connecting theory with practices that occur in the field. Many previous studies have not deeply explored the role of human resources and innovation in IC management in Islamic banks. This research will highlight how human resource management, product innovation, and technology can help Islamic banks to not only improve financial performance, but also achieve the desired sustainability and social impact.

2. Literature Review

2.1 Previous Research Review

Ramadhan et al (2018) research tested the performance of *intellectual capital* and the performance of *maqashid sharia* of Islamic banking in Indonesia. The researchers found that the allocation of personnel burdens on the measurement of *human capital* owned by Islamic banking was able to create high *added value to the company*. In the third finding, *structural capital* did not affect the performance of *maqashid sharia* in Islamic banking. This indicates that the total cost or investment in infrastructure and operational activity systems issued by the company was unable to provide *added value* to the fulfillment of *maqashid sharia*.

Hartono (2018) conducted research with the object of 11 Islamic general banks in Indonesia. In his research, *the Islamic Corporate Governance* (ICG) variable used the content analysis method, *Intellectual Capital* (IC) proxied by iB-VAIC and the current method for the *Maqashid Syariah Index* (MSI)., iB-VAIC has a positive and significant effect on MSI of Islamic banks in Indonesia. Optimization of IC (*customer, human and structural capital*) will have an impact on increasing the achievement of *maqashid sharia* goals.

The results of the study showed Septiani et al. (2021) that *Capital Employed* owned by Islamic banking in the form of physical assets in the company's operational activities For fulfil regulation or just formality only, in matter This operational Islamic banking yet based on principle *maqasid sharia*. High Human *Capital* No make Islamic banks have performance high *maqashid sharia* as well. This is can happen Because number sufficient salary height and allowance employee No ensure productivity workers are also high. Lastly, *Structural Capital* (iB -STVA) has an influence negative No significant towards the Performance of *Maqashid Syariah*. This is can happen Because every practices and activities banking For managing structural capital only refers to the action legitimacy that seeks create mark company only, or structural capital The same with conventional.

Studies conducted Rehman et al., (2022) give proof that performance of Islamic banks (IB) especially driven by investment in ICE. The results show that structural capital efficiency (SCE) and relational capital efficiency (RCE) are booster important values in reach performance high in Islamic banks. The results disclose that efficiency source Power human (HCE) influence negative to IB performance. Bank size and ownership foreigners are also

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identified as booster significant IB performance. This study help IB to maintain their ICE assets Because they is booster main For maintain superiority competitive as well as increase bank productivity.

The results of a study conducted by Ozkan, et al. (2017) which tested the relationship between intellectual capital performance and financial performance in 44 banks operating in Turkey between 2004 and 2015, calculated using the Value Added Intellectual Coefficient (VAIC) according to bank type, proved that the regression results showed that Human Capital Efficiency (HCE) and Capital Employed Efficiency (CEE) had a positive effect on bank financial performance. CEE had a greater effect on financial performance compared to HCE. Therefore, the banking sector in Turkey must use its financial and physical capital if it wants to achieve a higher level of profitability. Structural Capital Efficiency (SCE) did not have a significant effect on bank financial performance.

Researchers Abbas, et al. (2021) studied influence *human capital* towards performance company study at PT Safaat Musma Indah stated that there is influence between human capital with performance finance. *Human capital* is combination from skills, knowledge, innovation and abilities from the workers so that can create a mark For to reach purpose. If employee Work with good performance, then will influential positive for organization For reach optimal goals.

Management *human capital* and *structural capital* according to researcher Kafidin (2020) in appropriate will can increase performance company. In general efforts made by management company is with method ensure that available employee with competence in accordance with need company as well as help create culture and environment stimulating work growth quality performance, providing form appreciation and commitment company to welfare at the source Power human owned shown through giving service guarantee health and security day old.

2.2 Theoretical basis

2.2.1. Resource Based Theory (RBT)

Resource Based Theory is a theory that describes that companies can increase competitive advantage by developing resources so that the company is able to survive in the long term (Barney, 1991). Meanwhile, according to Grant (1991) quoted in (Ramadhan et al., 2018), *Resource Based Theory* is a theory that describes that by developing existing resources, it can direct companies to survive in the long term and can increase competitive advantage. RBT states that companies have resources that can provide competitive advantage, and have the potential to achieve good long-term performance (Ulum et al., 2017).

2.2.2. Stakeholder theory

Stakeholder theory according to Hermawan (2018) assumes that companies that tend to make their stakeholders better are companies that are able to maintain support, and their participation will continue to grow over time. In the theory, it is stated that stakeholders *are* groups whose existence can be influenced or affect the company. It can be concluded that stakeholders are an important part of the company's sustainability.

2.2.3. Intellectual Capital

The definition of intellectual capital according to Stewart, quoted by Ulum, (2017) defines intellectual capital as the sum of all people in a company that provide a competitive advantage in the market, namely intellectual material knowledge, information, intellectual property, and experience that can be used to create wealth. *Intellectual capital components* can generally be

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classified into 3 parts, namely *human capital*, *structural capital* and *capital employed*.

2.2.4. *Maqashid Sharia*

Linguistically, it consists of two words, namely *maqashid* which means goal and *sharia* is everything that has been determined and explained by Allah to His servants related to legal matters (Shidiq, 2009). So it can be concluded that *maqashid sharia* is the goal of realizing the welfare of humanity both in this world and in the hereafter (Ramadhan et al., 2018)

2.3. *Connection between Variables Research*

2.3.1 *The Relationship between Human Capital and Maqashid Syariah Performance*

One of the HC measurements is by using Value Added Human Capital (VAHU) which explains how much added value can be generated with funds spent on labor (Muhanik & Septiarini, 2017). The relationship between HC and VA includes showing HC's ability to create company value (Ulum, 2017). Furthermore, according to Ulum (2017) referring to stakeholder theory, employees as an important part of stakeholders will maximize their intellectual abilities to create value for the company.

2.3.2 *Connection Capital Employed with Maqashid Syariah Performance*

Based on RBT theory, source Power human (HR) or in matter This employee companies that have skills and competencies tall will become superior compete for company If utilized and managed with okay then matter This can have an impact on increasing productivity employee (Lusda et al., 2017). The relationship with performance *maqashid sharia*, namely if Islamic bank employees do good service according to Islamic norms or in accordance with standard Islamic banking, will add trust Customers to Islamic banks.

2.3.3 *The Relationship between Structural Capital and Maqashid Syariah Performance*

Structural capital plays a role in performance banking, that is, with the provision of infrastructure and a system or good procedure for supporting work employees effectively (Ramadhan, 2017). In relation to performance *maqashid sharia* , based on the RBT concept that If Keep going increasing structural capital in the form of infrastructure and also system or procedure appropriate transaction sharia principles, company Islamic banking will can compete in business banking and will more good performance too the resulting sharia *maqashid* (Ramadhan et al., 2018).

3. Research Method

This quantitative investigation examines [research topic] through hypothesis testing, statistical analysis, and data-driven findings (Sugiyono, 2018). The data used by the researcher is cross *section* data , in the form of annual financial reports of Islamic banks for 2018-2022 which are available on the official websites of each Islamic bank. This research examines Indonesian Islamic Commercial Banks with publicly available annual financial reports during the 2018-2022 observation period.

The population of Islamic Commercial Banks in Indonesia is 14 banks. After through the process of taking sample based on criteria sample , has taken sample of 11 Islamic Commercial Banks in Indonesia. This research investigates Maqashid Sharia performance, conceptualized as individual education, justice, and welfare promotion, following Abu Zarah (2014) and Mohammed (2015).

The dependent variable used by the researcher is *Intellectual Capital*, the components of which

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are divided into X1 = Islamic banking- *human capital*, X2 = Islamic banking- *capital employed*, X3 = Islamic banking- *structural capital*. Ulum (2013) developed a method for measuring *intellectual capital* using a standard Islamic accounting approach so that it is suitable for Islamic banking in Indonesia or the measure is called Islamic Banking- *Value Added Intellectual Capital* (iB-VAIC), which consists of *structural capital* (SC), *human capital* (HC), *capital employed* (CE)

Table 1. Operationalization Variables

Concept (purpose)	Dimension (D)	Element (E)	Performance Ratio
Educating Individuals	D1. Advancing knowledge	E1. Educational assistance E2. Research	R1. Educational assistance/total burden R2. Research load/total load
	D2. Implement and improve new skills	E3. Training	R3. Training load/total load
	D3. Creating awareness of Islamic banking	E4. Publication	R4. Promotion expenses/total expenses
Upholding justice	D4. Fair return	E5. Fair return	R5. Undivided profit sharing/Net income or investment
	D5. Affordable products and services	E6. Distribution function	R6. Mudharabah & musyarakah financing/total financing
	D6. Eliminate negative elements that can create injustice	E7. Interest-free products	R7. Interest-free income/total income
Maintaining the Public Interest	D7. Profitability	E8. Profit ratio	R8. net profit/total assets
	D8. Income & welfare levy	E9. Individual income	E9. Zakat paid/net assets
	D9. Investment in the real sector	E10. Investment ratio in the real sector	R10. Real sector investment/total investment

Table 2. Conceptual Weight and Measurement Elements of *Maqashid Syari'ah*

Purpose (Concept)	Average Weight(%)	Element (E)	Average Weight (%)
T1. Educating Individuals	30	E1. Educational Assistance	24
		E2. Research	27
		E3. Training	26
		E4. Publication	23
		Total	100
T2. Upholding Justice	41	E5. Fair Return	32

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		E6. <i>Fair Price</i>	32
		E7. Interest-free products	38
		Total	100
T3. Public Welfare	29	E8. Profit ratio	30
		E9. Transfer of income	33
		E10. Investment ratio in the real sector	37
Total	100	Total	100

1. Calculating iB-Value Added (iB-VA)

The first stage is to calculate the iB-Value Added (iB-VA), the concept is to measure the added value generated by employees for the company, iB-VA is calculated in the following way:

$$iB - VA = OUT - IN$$

OUT (Output): Total income obtained from:

Net income from sharia activities = main operating income from sharia activities + other operating income – third party rights to profit sharing and contemporary partnership.

IN (input): Business/operational expenses and non-operational expenses except personnel/employee expenses

Value added (iB-VA) can also be calculated from the company's accounts as follows:

$$iB - VA = OP + EC + D + A$$

Information:

OP = *Operating Profit* (operating profit/business profit)

EC = *Employee Costs* (employee expenses)

D = *Depreciation*

A = *Amortization*

2. Calculating iB- Value Added Capital Employed (iB-VACA)

The second stage is by calculating *Value Added Capital Employed* (iB-VACA). iB-VACA is an indicator for iB-VA created by one unit of human capital. This ratio shows the contribution made by each unit of CE to the company's *value added*.

$$iB - VACA = \frac{VA}{CE}$$

Information:

iB-VACA = *Value Added Capital Employed* : the ratio of iB-VA to CE

iB-VA = *Value Added*

CE = *Capital Employed* : available funds (total equity)

3. Calculating iB-Value Added Human Capital (iB-VAHU)

iB-VAHU shows how much iB-VA can be generated with the funds spent on labor. This ratio shows the contribution made by each rupiah invested in HC to the organization's *value added*.

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$$iB - VAHU = \frac{VA}{HC}$$

Information:

iB-VAHU = *Value Added Human Capital* : the ratio of iB-VA to HC

iB-VA = *Value Added*

HC = *Human Capital* : employee burden

4. Calculating *Structural Capital Value Added* (iB-STVA)

This ratio measures the amount of SC required to generate one rupiah of iB-VA and is an indication of how successful the SC is in value creation.

$$iB - STVA = \frac{SC}{VA}$$

Information:

iB-STVA = *Structural Capital Value Added* : ratio of SC to IB-VA

SC = *Structural Capital* (iB-VA – HC)

IB-VA = *Value Added*

5. Calculating the *Value Added Intellectual Coefficient* (iB-VAIC™)

IB-VAIC™ indicates the intellectual capability of an organization which can also be considered as BPI (*Business Performance Indicator*). iB-VAIC™ is the sum of the three previous components, namely iB-VACA, iB-VAHU, and iB-STVA.

$$iB - VAIC^{TM} = iB - VACA + iB - VAHU + iB - STVA$$

4. Findings and Discussions

4.1 Statistics Descriptive

Table 3. Statistics Descriptive Variables Study

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Sample: 2018 2022

	Y	X1	X2	X3
Mean	0.368458	2.831041	0.325266	0.278127
Median	0.401116	2.839010	0.332230	0.668141
Maximum	0.451859	6.385628	0.649587	3.607604
Minimum	-0.259809	-4.736759	-0.188004	-27.66108
Std. Dev.	0.130044	1.853226	0.204207	3.891711
Skewness	-3.560026	-1.142144	-0.391035	-6.885871
Kurtosis	15.55202	6.815107	2.462907	50.12663
Jarque-Bera	477.2360	45.31316	2.062733	5524.246
Probability	0.000000	0.000000	0.356519	0.000000
Sum	20.26521	155.7073	17.88961	15.29700
Sum Sq. Dev.	0.913217	185.4600	2.251820	817.8524

Observations	55	55	55	55
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Source : output proses

From the results analysis, Descriptive Table 4.3 provides descriptive statistics for each variable research. Related variables study This is performance proxied maqashid sharia Maqashid Syariah index (MSI) (Y) as variable dependent and variable independent. His is variable intellectual capital per component, including Human Capital or iB -VAHU (X1), Capital Employed or iB -VACA (X2), and *Structural Capital* or iB -STVA (X3).

Within the period 2018-2022, MSI has marked a maximum and minimum of 0.45 banks and - 0.25, with an average value of 0.368458 and a standard deviation as big as 0.130044. The value of the mean is bigger than the standard deviation, which means that if the data increases uniformly (homogeneously) or shows a level, its deviation is small.

maximum and minimum values of *Human Capital* (iB -VAHU) are 6.38 and -4.73. Meanwhile, the mean value is bigger than the mark deviation, with a 2.831041 value mean and a 1.853226 value For deviation. This means the data homogeneous, and the deviation relatively small.

Capital Employed (iB -VACA) has homogeneous data. Because the mark mean is bigger, 0.325, while the deviation has a value of 0.204, the mark variable tends to have minimal deviation. The highest value is 0.64, while the bank obtained the lowest value, -0.188.

Structural Capital or iB -STVA has minimum and maximum values of 3,607 and -27,661. While the mark mean is 0.278127 and the value deviation is 3.891711, the value mean is smaller than the mark deviation, so it matters. This shows that the data does not vary enough and has a deviation that tends to be too big.

4.2 Assumption Test Classic

The results of the normality test show that the normality test has a value of Jarque-Bera of 96.22602 and a mark probability of 0.058701. So, from that, we can conclude that the model in the study is normally distributed because the mark probability is more big from 0.005.

The multicollinearity test results on variables independent show no one with a VIF value higher than 10. Then, you can conclude that there is no problem with multicollinearity between variables free.

The results of heteroscedasticity show that the values of probability variables X1 0.1128, X2 0.1114, and X3 0.509 indicate a mark with a probability greater than 0.05. There are no symptoms of heteroscedasticity. The probability that shows a mark less than 0.05 is variable Y, and then heteroscedasticity happens.

4.3 Panel Data Regression Model Selection Test

The results of the *chow test* on the *Common Effect Model* vs *Fixed Effect Model* show that the Probability *Cross-section Chi-square value* is $0.0000 < 0.05$, so the H_0 hypothesis is rejected and H_1 is accepted, so the Fixed Effect Model (FEM) is more appropriate to use.

Table 4. Model Test Results Using *the Chow Test*

Model Test Results Using *the Chow Test*
Redundant Fixed Effects Tests
Equation: Untitled
Cross-section fixed effects test

Effects Test	Statistics	df	Prob.
Cross-section F	7.352160	(10.41)	0.0000
Cross-section Chi-square	56.495526	10	0.0000

Source: *Output process*

The results of the Hausman test on the Random Effect Model vs Fixed Effect Model show that the random cross-section probability value is $0.0000 < 0.05$, then the hypothesis H_0 is rejected and H_1 is accepted, so the Fixed Effect Model (FEM) is more appropriate to use.

Table 5. Model Test Results Using *Hausman test*

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Cross-section random effects test			
Test Summary	Chi-Sq. tatistic	Chi-Sq. df	Prob.
Random cross section	67.674587	3	0.0000

Source: *Output Process*

The Lagrange test multiplier in the Common Effect Model vs The Random Effect Model shows that the Breusch-Pagan Cross-section value is $0.0046 \leq 0.05$, so the hypothesis H_0 is rejected and H_1 is accepted, so the Random Effect Model (REM) is more appropriate to use.

Tabel 6. Model Test Results Using Lagrange Multiplier Test
Hypothesis Testing

	Cross section	Time	Both
reusch Pagan	8.015831 (0.0046)	1.745261 (0.1865)	9.761092 (0.0018)
Honda	2.831224 (0.0023)	-1.321083 (0.9068)	1.067831 (0.1428)
King Wu	2.831224 (0.0023)	-1.321083 (0.9068)	0.396834 (0.3457)
Standardized Honda	3.398027 (0.0003)	-1.121653 (0.8690)	-1.736208 (0.9587)
Standardized King Wu	3.398027 (0.0003)	-1.121653 (0.8690)	-2.285987 (0.9889)
Gourieroux, et al.	--	--	8.015831

Source: Output Process

Based on the test results carried out through the *Chow test*, *Hausman test* and *Lagrange test multiplier*, it can be concluded that the panel data regression model of the three models aims to strengthen the conclusions of the panel data regression method used. Therefore, the panel data regression model that will be used is the *Fixed Effect Model* (FEM) to further analyze in this study.

Table 7. Panel Data Regression Test Results Using *Fixed Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.341244	0.027932	12.21683	0.0000
X1	0.023015	0.009240	2.490892	0.0169
X2	-0.105111	0.118932	-0.883794	0.3820
X3	-0.013496	0.002694	-5.009872	0.0000

Table 8. Effects Specification

Cross-section fixed (dummy variables)			
Root MSE	0.061672	R-squared	0.770934
Mean dependent variable	0.368458	Adjusted R-squared	0.698303
SD dependent var	0.130044	SE of regression	0.071429
Akaike information criterion	-2.224892	Sum squared residual	0.209187
Black criterion	-1.713934	Log-likelihood	75.18453
Hannan-Quinn critter.	-2.027301	F-statistic	10.61445
Durbin-Watson stat	2.199074	Prob(F-statistic)	0.000000

Source: Output Process

From the equation above, it can be interpreted as follows:

1. The constant value is 0.341244, which means that the constant value shows that the magnitude of *Maqashid Syariah Performance* is 0.341244 if all independent variables are 0.
2. The regression coefficient value of X1 (*Human Capital*) is 0.023015, state that every addition variable X1 (*Human Capital*) is 1% then mark variable Y (*Maqashid Syariah Performance*) increased of 0.023015 with assumption variable free other size constant. Coefficient worth positive, meaning There is connection direct between *Human Capital* with the Performance of *Maqashid Syariah*.
3. The regression coefficient value of X1 (*Capital Employed*) is -0.105111, state that every decline variable X1 (*Capital Employed*) is 1% in value variable Y (*Maqashid*

Syariah Performance) decreased of -0.105111 with assumption variable free other size constant

Table 9. Analysis Panel Data Regression with Random Effect Model

<i>Variable</i>	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-Statistic</i>	<i>Probability</i>
C	0.293645	0.407632	0.720369	0.4738
CR	-0.044837	0.084371	-0.531425	0.5969
ROE	1.489513	0.310414	4.798473	0.0000
DER	-0.117372	0.258444	-0.454148	0.6512

Source : Secondary data processed (2019).

Thus , from the results of Table 8 above can formulated form The multiple linear regression analysis equation is as follows :

$$RS_{it} = \alpha + \beta_1 CR_{it} + \beta_2 ROE_{it} + \beta_3 DER_{it} + \varepsilon \dots\dots\dots (3.12)$$

$$RS_{it} = 0.293645 - 0.044837 CR_{it} + 1.489513 ROE_{it} - 0.117372 DER_{it} \dots (4.1)$$

In the equation regression said, can explained as follows:

1. The constant value in the regression equation model is 0.293645. This means that if *the current ratio, return on equity, and debt-to-equity ratio variables* are 0 (zero), then the stock return variable is 29.3645%.
2. Variable X_1 (*Current Ratio*) has a negative regression coefficient of -0.044837. This means that if the current ratio variable increases by 1%, the stock return variable will decrease by 4.4837%, assuming that *the return on equity and debt-to-equity ratio variables* are constant.
3. Variable X_2 (*Return on Equity*) has a regression coefficient of 1.489513. This means that if the return on equity variable increases by 1%, the stock return variable will increase by 148.9513%, assuming that the current ratio and debt-to-equity *ratio variables* are constant.
4. Variable X_3 (*Debt to Equity Ratio*) has a negative regression coefficient value of -0.117372. This means that if the debt to equity ratio variable increases by 1%, the stock return variable will decrease by 11.7372%, assuming that the *current ratio and return on equity variables* are constant.

4.4. Hypothesis Testing

The purpose of this test is to determine whether each independent variable has an influence on the dependent variable. Here are the results of the t-test:

Table 10. Results of Individual Parameter Significance Test (T Statistic Test)

<i>Variable</i>	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-Statistic</i>	<i>Prob.</i>
C	0.341244	0.027932	12.21683	0.0000
X1	0.023015	0.009240	2.490892	0.0169
X2	-0.105111	0.118932	-0.883794	0.3820

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X3	-0.013496	0.002694	-5.009872	0.0000
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Source: Output process

1. Hypothesis first (H₁) influences *human capital* towards performance *purpose of sharia* produce mark significance $0.0169 < 0.05$ with mark *t-statistic* of 12.21683. This shows that the probability is influential to the performance of Maqashid Sharia, so the hypothesis (H₁) that the researcher proposed was accepted.
2. Hypothesis first (H₂) influence *Capital Employed* against performance *purpose of sharia* produce mark significance $0.3820 > 0.05$ with mark *t-statistic* is -0.883794. This shows the probability of No influence on the performance of maqashid sharia, so the hypothesis (H₂) that was proposed was rejected.
3. Hypothesis first (H₃) influences Structural Capital to the performance *purpose of sharia* produce mark significance $0.0000 < 0.05$ with a mark *t-statistic* of -5.009872. This shows that the probability is influential in the performance of Maqashid Sharia, so the hypothesis (H₃) that the researcher proposed was accepted.

4.5. Interpretation and Discussion of Research Results

4.5.1. The Influence of Human Capital (iB -VAHU) on the Performance of Maqashid Syariah

The hypothesis test that has been done previously shows that Intellectual Capital from component Human Capital (IB-VAHU) has a positive influence on variable performance *Maqashid Syariah* (MSI). This shows that the allocation of personnel burden on the measurement of *human capital* owned by Islamic banking is able to create high *added value to the company*. Supported by research by Ramadhan et al. (2018), *Human capital* has a significant positive effect on the performance of maqashid syariah of Islamic banking. As well as researcher Septiani et al. (2021).

4.5.2. Influence Capital Employed (iB -VACA) on Maqashid Performance

From the hypothesis test that was conducted previously, it was shown that *Intellectual Capital* from the *Capital Employed component* (IB-VAHU) has no effect on the performance variable of *Maqashid Syariah* (MSI). The results of this study indicate that *Capital Employed* in the form of physical and financial asset values owned by Islamic banking in the company's routine processes may only be implemented to fulfill regulations or just formalities, but has not been based on the principles of maqashid sharia. Islamic banking still manages its resources based on concepts taken from conventional banking to Islamic banking, so that the sharia concept that should be applied is only limited to the creation of company value alone. This is in line with the opinion of Ramadhan et al. (2018) which states that Islamic banking services in Indonesia are felt to have no significant difference with conventional banking, Islamic banking services are more dominant in banking products than in aspects of customer service. Thus, these results indicate that the efficiency of working capital use in Islamic banking, especially for employees, has not met good maqashid sharia performance.

4.5.2. Influence Structural Capital (iB -STVA) on Maqashid Performance

From the hypothesis test that has been done previously show that the Intellectual Capital of component *Structural Capital* (iB -STVA) influential negative to variable performance *Maqashid Syariah* (MSI). Researcher's results Septiani, et al (2021), namely *structural capital* has an influence negative to performance *maqasid sharia* matter This show that Structural

aspects within the organization, such as systems, procedures, or infrastructure, do not support the optimal achievement of sharia objectives .

5. Conclusion and Suggestion

5.1 Conclusion

Based on the results research that has been done , then can concluded things as following :

1. *Human capital* (iB -VAHU) has an influence positive to performance *maqashid sharia* . This shows that the allocation of personnel burden on the measurement of *human capital* owned by Islamic banking is able to create high *added value to the company*.
2. *Capital employed* (iB -VACA) no influential to performance *maqashid sharia* . This is can due to that *Capital Employed* in the form of physical and financial asset values owned by Islamic banking in the company's routine processes may only be implemented to fulfill regulations or merely as a formality, but is not yet based on the principles of *maqashid sharia*.
3. *Structural capital* (iB -STVA) has a negative effect on performance *maqashid sharia*. This shows that Structural aspects within the organization, such as systems, procedures, or infrastructure, do not support the optimal achievement of sharia objectives.

Based on the conclusions presented above, the writer submits some suggestions from study this, namely as following :

1. For Companies

The study's results are expected to provide information for Islamic banking to continue developing its ability to optimally empower intellectual capital. It should realize the importance of good management in managing all its assets, including intangible assets, and not forget that the goal of Islamic general banks is to differentiate itself from conventional banks.

2. For Researchers Furthermore

It is expected to be used as a material reference in developing similar research and as a reference in the development theory of *Islamic banking- intellectual capital* and *maqashid sharia* index. It is recommended For developing research. Development can done with method Can test with other objects such as company non - bank Sharia finance (insurance, *multifinance*, pawnshops and others), taking the sample in a company abroad so that you can compared , and Can with add variable research , adding term time or period research , and add sample company for research own variation new and more complete.

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Influence Of Taxation Socialization, Tax Sanctions, Tax Knowledge On Individual Taxpayer Compliance (At The Bandung Soreang Primary Tax Office)

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Abstract

This study analyzes the effect of tax socialization, tax sanctions, and tax knowledge on individual taxpayers' compliance at the Soreang Tax Office (KPP Pratama Soreang). Taxpayer compliance is one of the most crucial indicators of the success of Indonesia's tax system. The causes of non-compliance with tax obligations often stem from factors such as a lack of public understanding of their tax responsibilities, insufficient socialization, and inconsistent enforcement of tax sanctions. This study employs a quantitative method, including descriptive and confirmatory measurements. Data was collected by surveying 100 taxpayers at the Soreang Tax Office. The findings reveal that tax socialization positively and significantly impacts taxpayer compliance by giving individuals a stronger understanding of their tax obligations. Tax sanctions also play a significant role, with compliance improving through the consistent application of sanctions. Tax knowledge is a critical factor, as informed taxpayers tend to comply with reporting requirements more promptly. Together, these three variables significantly contribute to enhancing compliance. These findings underscore the importance of expanding tax socialization programs, implementing tax regulations effectively, and educating the public about tax matters to support the success of Indonesia's tax system

Keywords: Tax Socialization, Tax Sanctions, Tax Knowledge, Compliance Tax

1. Introduction

Taxes are lawful (and enforceable) commitments made by citizens to the state treasury to cover open consumption without accepting anything specifically certifiable in return (Mardiasmo, 2019). Taxes are one source of state income, which is utilized to carry out government and advancement exercises and encourage financial activities. Currently, most of the government's wage comes from assessed incomes. Since in Indonesia, to date, more than 50% of state income, namely charge income, is most needed to guarantee the victory and smoothness of the country's advancement (Wajib & Muhtarudin, 2023).

Banks have a major effect on a country's economy. Thus, banks must operate effectively, successfully, and efficiently. Making the best use of funds and assets, improving operational efficiency, and strengthening financial position are the main factors that determine the stability

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of a banking situation (Retno Nur Alfanti et al., 2024).

Taxes are mandatory contributions from taxpayers that directly benefit the national interest and the welfare of the country's society, especially Indonesia. The government uses tax money to help ensure smooth access to facilities and infrastructure for all Indonesian citizens (Kasir, 2023).

According to the SPT (Tax Return), taxpayer compliance must be carried out on time as per the DJP, which is also the leading indicator for determining taxpayer compliance. Starting in 2022, the number of taxpayers in compliance was 83.2 million, and the number of reported notifications was 15.8 million. Meanwhile, in 2021, taxpayer compliance was 84.7% from 15.97 million taxpayers out of 19 million taxpayers. (Santika, 2023).

The following is Table 1 on the level of compliance of individual taxpayers at KPP Pratama Soreang:

Table 1. Taxpayers

TAX YEAR	SPT Individual	Tax Revenue In rupiah
2018	69,372	1,640,845,453,484
2019	79,912	2,020,979,681,860
2020	94,397	1,642,769,719,962
2021	113,067	1,160,188,053,520
2022	95,244	1,128,119,339,927

Source: KPP Pratama Soreang

As the above table illustrates, there have been growths and shrinks over the last five years. The largest growth was in 2021, during which there were 113,067 taxpayers, but in 2022, there was a 17.8% fall to 95,244 taxpayers. The total revenue of KPP Pratama Soreang fluctuated, reaching its largest gain in 2019 at Rp2,020,979,681,860 and its lowest in 2022 at Rp1,128,119,339,927. Because the COVID-19 epidemic lasted until 2022, there was a decrease in SPT reporting.

The decline in compliance reporting is not solely due to the availability of online tax office services. A similar trend was observed at KPP Pratama Bandung Cicadas, as highlighted in research conducted by (Mustari & Kasir, 2024). The annual SPT reporting decreased from 4,616 to 4,472, indicating a similar occurrence at the Cicadas Tax Office.

Similarly, at KPP Pratama Majalaya, a study conducted by (Kartika & Ginting, 2024) found that SPT reporting also decreased from 85,185 in 2021 to 59,799 in 2022, marking a significant decline. In this KPP, 361,649 SPTs were reported, whereas only 59,799 were reported in 2022.

In addition, an immense percentage of taxpayers at KPP Soreang lack technical expertise, particularly those taxpayers who live in the tax districts of Ciweday and Pangalengan. According to preliminary surveys given to 30 respondents, the following findings indicate that low taxpayer compliance is also a result of phenomena pertaining to tax understanding and sanctions:

KPP Pratama Soreang Pre-Questionnaire on Taxpayer Compliance

According to KPP Pratama Soreang's Tax Compliance Obligation survey, 57.6% of respondents are neutral, 24.2% agree, 15.2% strongly agree, and 3% disagree. This suggests that the level of individual tax compliance remains low.

KPP Pratama Soreang's Pre-Questionnaire on Tax Socialization

KPP Pratama Soreang's Pre-Questionnaire on Tax Socialization The pre-questionnaire on tax socialization at KPP Pratama Soreang indicated that 36.7% of respondents agreed, 10% strongly agreed, and less than 6.3% disagreed, while 46.7% remained neutral. These results highlight the ongoing confusion among KPP Pratama Soreang taxpayers regarding tax socialization. Changes made: Adjusted "those polled" to "respondents" for more formal language. Replaced "objected" with "disagreed," which is more.

Tax Knowledge Pre-Questionnaire at KPP Pratama Soreang

According to the findings of the pre-questionnaire on tax knowledge at KPP Pratama Soreang, 67.7% of respondents were neutral, 22.6% agreed, 6.7% strongly agreed, and 3% disagreed. This indicates that tax literacy remains relatively low.

In light of the above findings, the author is considering the title "The Influence of Tax Socialization, Tax Sanctions, and Tax Knowledge on the Compliance of Individual Taxpayers at KPP Pratama Soreang."

2. Literature Review

2.1 Tax Compliance

(Peraturan Menteri Keuangan Nomor 199/PMK.03/2007 Tahun 2007 Tentang Tata Cara Pemeriksaan Pajak, 2007), stating that the act of taxpayers meeting their tax responsibilities in conformity with the current tax regulations in a nation is known as tax compliance”.

According to the statement (Rahayu, 2017)"Taxpayers must adhere to the applicable regulations.” When taxpayers comply with the relevant rules and regulations, they are fulfilling their tax duties.

Based on the aforementioned viewpoints, it may be inferred that citizens have a duty to pay taxes in compliance with the law.

2.2 Tax Sosialization

Menurut Pedoman Penyuluhan Perpajakan, 2013), Another term applied in the rules regarding tax socialization is tax guidance, namely: the action of providing tax information to the public, business institutions, the government, and non-governmental organizations. The purpose of tax consultation is to develop insights and skills related to taxation and guide taxpayer behavior so that they understand and are enabled to use their rights and fulfill their tax obligations with greater understanding, awareness, and commitment.

The Directorate General of Taxes launched the Tax Socialization program to educate the public and taxpayers, particularly about tax laws (Muhamad, 2019).

The following are indicators of tax socialization: implementation of tax socialization, tax socialization through media, and the benefits of tax socialization activities (Maxuel & Primastiwi (2021).

From the above opinions, it can be concluded that tax socialization is an effort by the DJP to provide and disseminate tax information in the form of suggestions for fulfilling tax obligations and tax knowledge.

2.3. *Tax Sanction*

Tax sanctions, according to are (Rahayu, 2017), "a form of control or supervision carried out by the government to ensure that the public complies with the laws and regulations, thereby preventing violations in fulfilling their tax obligations".

According to the statement (Mardiasmo, 2018), tax sanctions are as follows: "Tax sanctions aim to ensure that regulations comply with tax laws (tax norms)".

In other words, tax sanctions are preventive measures to deter taxpayers from violating tax norms. Based on the opinion mentioned above, tax sanctions are essentially actions taken by the state to monitor and prevent taxpayers from violating tax laws.

2.4. *Tax Knowledge*

Tax knowledge in the context of taxation is everything that is known and understood based on tax legislation, both substantive and formal tax regulations (Mardiasmo, 2018).

Tax knowledge refers to the knowledge required to implement the tasks of tax administration management, such as estimating the tax owed, preparing tax returns, filing tax returns, understanding tax collection regulations, and other matters related to tax obligations (Rahayu, 2019).

Based on the above opinions, it can be concluded that tax knowledge is knowledge about tax regulations, how to calculate taxes, how to fill out tax returns, understanding taxpayers, and so on.

The Relationship Between Tax Socialization and Individual Taxpayer Compliance

The term tax socialization refers to the process of disseminating information about taxes with the aim of increasing tax awareness among citizens or taxpayers and enhancing their knowledge and compliance with tax laws. Tax socialization allows for the obligation. Research shows that tax socialization does not affect the compliance of individual taxpayers at the Pratama Tax Service Office in Wonokolo, Surabaya. The lack of effectiveness in socialization may also be caused by various other factors. One of the reasons for the investigation is because the Pratama Wonokolo Surabaya Tax Service Office, which had been conducting direct socialization, was forced to take measures to prevent the spread of COVID-19, as there was no global COVID-19 pandemic at that time, and as a result, gatherings were prohibited. That's why the place is blocked. Pandemic. And socialization has decreased because the general public does not understand tax policies, especially through socialization (Khunaina , 2021).

The Relationship Between Tax Sanctions and Individual Taxpayer Compliance

According to (Mardiasmo, 2018), "Tax sanctions aim to ensure compliance with tax legislation (tax norms). In other words, tax sanctions aim to prevent taxpayers from violating tax norms". Meanwhile, according to (Rahayu, 2017), tax sanctions are "as a control or supervision by the government to ensure that taxpayers comply with the regulations so that there are no violations in fulfilling their tax obligations".

This is consistent with a study (Alamsyah et al., 2024). that found that the tax punishment variable significantly and favorably affects the degree of compliance of individual taxpayers at

KPP Pratama Cicadas. Tax penalties have an effect on taxpayer compliance, as indicated by this result's t-value of less than 0.05.

On the other hand, the research found that tax sanctions at KPP Setiabudi IV do not affect taxpayer compliance, with many taxpayers ignoring tax sanctions and many taxpayers still not submitting their tax returns on time. finding that sanctions were imposed for not reporting it (Sulastiningsih et al., 2023.)

The Relationship Between Tax Knowledge and Individual Taxpayer Compliance

Any knowledge and comprehension of tax rules, including both substantive and procedural tax laws, is referred to as tax knowledge (Mardiasmo, 2018). The research conducted by (Nasiroh & Afiqoh, 2023), tax knowledge does not positively impact the compliance of Individual Taxpayers. The research conducted by (Daur et al., 2024), at KPP Bandung Bojonagara states that the variables significantly influence variable Y. The research conducted by (Ananda Putri & Ginting, 2024), indicates that the tax knowledge t-value significance is lower than 0.05 and affects the significance of variable Y.

Research Framework

(Ghozali, 2018), asserts that the framework of mind serves as the foundation for our deductive investigation. It comprises logic that develops, elucidates, and builds upon the correlations between variables identified through literature reviews, interviews, and observations deemed relevant to answering research questions.

Based on the description above, it is assumed that the framework is like this:

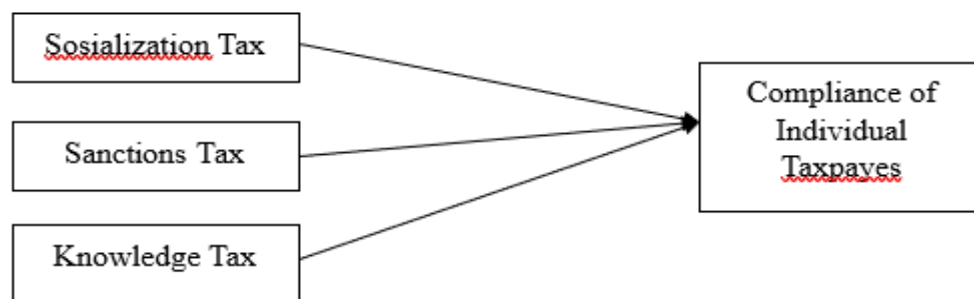


Figure 1. Research Model

Hypotesis:

Based on the description above, the following hypothesis can be concluded.:

- H₀ Taxpayers compliance is affected by Sosialization tax
- H₁ Taxpayers compliance is affected by Sosialization tax
- H₀ Taxpayers compliance is unaffected by Sanction tax
- H₂ Taxpayers compliance is affected by Sanction tax
- H₀ Taxpayers compliance is affected by Knowlodge tax
- H₃ Taxpayers compliance is affected by Knowlodge tax
- H₄ Taxpayer compliance simultaneously affects Tax Socialization, Tax Sanctions, and individual tax knowledge.

Previous Research

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Tabel 2. Previous Research

No	Research	Tittle	Research Result	Different
1.	Nasiroh & Afiqoh, 2023	The Influence of Tax Knowledge, Taxawareness, And Tax Sanctions On The Compliance Of Individual Tax Obligations	1. tax knowledge does not have a positive impact on the compliance of Individual Taxpayers 2. Tax awareness has a positive effect on the compliance of Individual Taxpayers. 3. Tax sanctions have a positive effect on the compliance of Individual Taxpayers.	1. Research site 2. time
2.	Alamsyah et al., 2024	The Influence Of Taxation Knowledge, Taxpayer Awareness, And Tax Sanctions On Individual Taxpayer Compliance (At The Bandung Cicadas Primary Tax Office)	1. tax punishment variable significantly and favorably affects the degree of compliance of individual taxpayers at KPP Pratama Cicadas 2. Taxpayer awarenees significantly and affects the degree of compliance of individual taxpayers 3. Tax Knowlewge variable significantly and favorably affects the degree of compliance of individual taxpayers at KPP Pratama Cicadas	1. Research site 2. Time
3.	Khunaina, 2021	The Influence Of Tax Knowledge, Tax Socialization, And The Implementation Of The E-Filing System On The Compliance Of Individual Tax Obligations At The Primary Tax Service Office Surabaya Wonocolo	1. Tax socialization unaffect the compliance of individual taxpayers at the Wonocolo Surabaya tax office valid because the value is greater than 0.05 so it is valid. 2. The Impact of Implementing the E-Filing System on Individual Taxpayer Compliance Affects Individual Taxpayer Compliance 3. The influence of tax knowledge on individual taxpayer compliance affects individual taxpayer compliance.	1. Research Site 2. Time
4.	Ananda Putri & Ginting, 2024	Kpp Tegallega Bandung's Invidual Taxpayer	1. Tax Knowlwge variable significantly and favorably	1. Research Site

		Compliance: The Impact Of Tax Adminisration Modernization, Tax Knowledge, And Tax Sanctions	affects the degree of compliance of individual taxpayers at KPP tegallega 2. Tax sanctions variable significantly and favorably affects the degree of compliance of individual taxpayers at KPP tegallega 3. Tax Administration variable significantly and favorably affects the degree of compliance of individual taxpayers at KPP tegallega	2. Time
5.	Sulastiningsih et al., 2023	The Influence Of Tax Knowledge And Understanding, Tax Awareness, And Tax Sanctions On The Compliance Of Individual Tax Obligors At The Primary Tax Office Of Yogyakarta City	1. The knowledge and understanding of taxpayers have a significantly positive impact on the compliance of individual taxpayers. 2. Tax awareness has a significantly positive effect on the compliance of individual taxpayers. 3. Tax sanctions have a significant positive impact on the compliance of individual taxpayers.	1. Research Site

3. Research Methodology

This study employs several methodical procedures, starting with the operationalization of variables, followed by the identification of data sources and methods, technical analysis, and hypothesis testing. Descriptive and verificative approaches are used in this quantitative study (Arismutia, 2024). According to (Sudaryono, 2018), research techniques are "a branch of science that discusses research methods based on observed facts and phenomena".

Descriptive approach, according to (Sugiyono, 2020), is research to determine the value of a variable independently without making comparisons or through other variables. Meanwhile, the verificative approach, according to (Sugiyono, 2020), is research conducted on a specific population or sample with the aim of testing the established hypothesis. In this research, the verificative method is used to determine the relationship between variables and test the hypothesis regarding the influence of tax socialization, tax sanctions, and tax knowledge on the compliance of individual taxpayers at KPP Pratama Soreang Bandung.

Operationalization of variables, according to (Sugiyono, 2020), is the attribute or characteristic or value of a person, object, or activity that is determined by the researcher to be studied and then concluded. In this study, the variables being operated are Tax Socialization (X1), Tax Sanctions (X2), Tax Knowledge (X3), The type of data used is quantitative data, which consists of numbers and figures. The source of data used is primary data, obtained through the

distribution of questionnaires at KPP Pratama Soreang. The data collection technique involves individuals at KPP Pratama Soreang using interview techniques and questionnaire distribution.

Samples and Populations

The Soreang Bandung Tax Office in 2022 had 95,244 individual taxpayers whose objectives will be considered in this study. In this investigation. So in this case the Solvin formula is used for sampling:

$$n = \frac{N}{1 + N(e)^2}$$

n=Sample survey

N=Populations

e= error value slovin calculated,

based on the above Solvin method from 95,244 in 2022 it can be concluded that:

$$n = \frac{95,244}{1 + 95,244 (0,1)^2}$$

n= 95,45 or 100 taxpayers

The instruments used in this study underwent validity and reliability testing, and the data was analyzed using multiple linear regression, determination, product-moment correlation coefficient, and traditional assumption tests. The hypothesis testing procedure (f-tests) used both partial tests (t-tests) and simultaneous tests (t-tests).

Tabel 3. Variabel Operationalitation

Variable	Variabel Contept	Indicator	Scale	No questionnaire
Tax Payers Compliance (Y)	Taxpayers must adhere to the applicable regulations." When a taxpayer complies with the relevant rules and regulations, they are fulfilling their tax duties. (Rahayu, 2017)	1. Tax Returns Filed on Time 2. Reporting Income Accurately 3. Finish Tax Payment Due 4. Honor for Tax Laws 5. Document Retention	Ordinal	1-5
Sosialization Tax (X1)	The Directorate General of Taxes launched the Tax Socialization program to educate the public and taxpayers, particularly about tax laws (Muhamad, 2019)	1. Improved Information on Tax Laws 2. Improved Knowledge of Tax Procedures 3. Rate of Engagement in Socialization	Ordinal	1-5

		Activities 4. Taxpayers' Behavioral Changes 5. Feedback and Participant Satisfaction		
Sanction Tax (X2)	Tax sanctions aim to ensure compliance with tax legislation (tax norms).”In other words, tax sanctions aim to prevent taxpayers from violating tax norms. (Mardiasmo, 2018)	1. Decrease in Tax Infractions 2. An increase in voluntary compliance 3. Paying Penalties on Time 4. Knowledge of Tax Sanctions 5. Effect of Deterrence	Ordinal	6-11
Tax Knowledge (X3)	Any knowledge and comprehension of tax rules, including both substantive and procedural tax laws, is referred to as tax knowledge. (Mardiasmo, 2018)	1. Knowledge of Laws Concerning Substantive Taxation 2. Knowledge of Procedural Tax Laws 3. Knowledge of Rights and Duties 4. Understanding Tax Penalties and Sanctions 5. Capacity to Implement Tax Laws	Ordinal	11-16

4. Analysis and discussion

Validity Test

Tabel 4. Validity Result Test

Variabel	No Item	Pearson Correlation	Correlation Level
Tax Compliance (Y)	Do you pay your taxes on time?	.630	,196
	Do you look for expert help when it comes to declaring your income? Why not?	.664	,196
	What resources or techniques do you employ to guarantee the accuracy of revenue reporting?	.644	,196
	Have you ever had trouble correctly disclosing your earnings? If so, please provide more details.	.692	,196

	Do you know what the penalties are for paying taxes after the deadline?	.742	,196
Tax Socialization (X1)	Do you think it's easy to find and comprehend information on tax laws?	.524	,196
	How pleased are you with the assistance that local tax officials have given you?	.579	,196
	What aspects of following tax laws do you consider important?	.696	,196
	Have you taken part in any tax-related socializing events, such as webinars or seminars?	.735	,196
	If so, how frequently have you gone to seminars or meetings that go over tax procedures?	.661	,196
Tax Sanction (X2)	What precautions do you take to stay clear of tax violations?	.469	,196
	What encourages you to voluntarily adhere to tax laws?	.604	,196
	To what extent do existing tax penalties effectively deter non-compliance?	.714	,196
	Do you know what happens if you don't pay your taxes on time?	.731	,196
	What impact does your knowledge of tax penalties have on your tax behavior? Do you know what happens if you don't pay your taxes on time?	.663	,196
Tax Knowledge (X3)	Have you had any trouble implementing tax rules in your particular circumstance?	.532	,196
	Have you participated in any training or courses on substantive tax laws?	.560	,196
	To what extent do you feel comfortable adhering to the measures involved in tax compliance?	.783	,196
	As a taxpayer, are you aware of your rights?	.763	,196
	Are you aware of the penalties for inaccurate files or late tax payments?	.580	,196

Source: Data Primer

From the above correlation, it can be interpreted that 3 variables (X) and 1 variable (Y) are valid because the variable values are more significant than .196 can be construed as these 3 variables being considered valid.

Reability Test

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Tabel 5. Reability Result Test

Variabel	Cronbach Alpha	Correlation Level	Conclusion
Tax Compliance (Y)	0.701	0,600	Valid
Tax Sozialization (X1)	0.753	0,600	Valid
Tax Sanction (X2)	0.752	0,600	Valid
Tax Knowledge (X3)	0.755	0,600	Valid

Sumber: Data Primer 26

From the conclusion above, it is explained that the variable values of these three variables are considered valid because the values of variable 3 (X) and 1 (Y) exceed 0.600.

Normality Test

Tabel 6. Normality Result Test

Test Statistic	.69
Asymp. Sig. (2-tailed)	.200

Sumber: Data Primer 26

Based on the above, according to the results presented by Kolmogorov-Smirnov, the evidence for a dataset being significantly influential is $\alpha = 5\%$, so the above data can be classified as normal data.

Multicollinearity Test

Tabel 7. Multicollinearity Result Test

Multicollinearity Statistics	
Tolerance	VIF
0.155	6.418
0.139	7.183
0.435	2.297

Sumber: Data Primer 26

VIF correlation can be used in interpretation:

1. The VIF value of 6.418 for the Tax Socialization variable (X1) is less than 10 as shown in the table above.
2. The VIF value of 7.183 for the Tax Penalty variable (X2) is less than 10.
3. The VIF value of 0.435 for the Tax Knowledge Variable (X3) is less than 10.

t-Test

Tabel 8. Result T-test

Model	T	Sig
Constant	8.391	.000
X1	2.990	.004
X2	- 9.193	.000
X3	4.722	.000

Source: Data Primer 26

1. The Sig. value of .000 for the Tax Socialization variable (X1) is less than .005 as shown in the table above, and the t-value is greater than 1.984.
2. The Sig value of .004 for the Tax Socialization variable (X1) is less than .005 as shown in the table above, and the t value is less than 1.984.
3. The Sig. value of .000 for the Tax Socialization variable (X1) is less than .005 as shown in the table above, and the t-value is greater than 1.984.

F-Test

Tabel 9. Result F-Test

F	Sig
30.437	.000

Source: Data Primer 26

F=calculate $30.437 > 2.70$ can be interpreted that taxpayer compliance can be concluded positively with the combination of Tax Socialization (X1), Tax Sanctions (X2), Tax Knowledge (X3). The estimated $F = 30.437 > 2.70$ indicates that taxpayer compliance is positively impacted by tax socialization (X1), tax sanctions (X2), and tax knowledge (X3). Together, these factors have a large and positive impact, as evidenced by the F-value, which is higher than the critical threshold of 2.70. This demonstrates their combined importance in shaping taxpayer behavior, enhancing understanding, and promoting greater compliance with tax regulations, making them crucial areas for improvement. This conclusion suggests that the three primary elements that should be strengthened by policies aimed at boosting tax compliance are tax socialization, sanctions, and knowledge. Supporting public education on tax obligations via effective socialization initiatives may raise awareness and encourage voluntary compliance. Ensuring that tax penalties are appropriately imposed in the interim may deter non-compliance and encourage accountability. Furthermore, improving taxpayers' understanding of tax laws and their rights may lead to higher compliance and wiser choices. Therefore, a thorough plan that includes these elements is required to create long-lasting improvements in tax compliance across various businesses.

5. Conclusion

In the T-test above, tax compliance shows that tax socialization (X1) has a partial influence on tax compliance (Y) like the research conducted by (Khunaina, 2021), but there is a difference if the research (Khunaina, 2021), does not have an effect whereas what I am researching has an effect on Variable Y, while tax sanctions (X2) indicate a significant but negative influence on the compliance variable, like the research conducted by (Alamsyah et al., 2024), but there is a difference if the research (Alamsyah et al., 2024), partially and simultaneously affects, whereas what I am researching does not have a partial effect but has a simultaneous effect on Variable (Y). the variable "tax knowledge" (X3) has a partial influence on the variable "tax compliance" (Y), like the research conducted by (Ananda & Ginting, 2024), partially tax knowledge has a partial and simultaneous effect. However, in the case of the Soreang Primary Tax Service Office, the simultaneous F-test shows that the value in the F-table explains the simultaneous influence of the tax socialization variable (X1), tax sanctions (X2), and tax knowledge (X3). The value of 2.70 indicates that the three variables simultaneously have a significant effect on the compliance variable. Although the kind and strength of these impacts

vary depending on the circumstances, it is clear from the T-test and F-test results that tax socialization (X1), tax sanctions (X2), and tax knowledge (X3) all have distinct effects on tax compliance (Y).

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The Influence of Social Media Marketing and Influencers on Purchase Decisions of Culinary MSMEs in Bandung Regency

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Abstract

Purchase decision is a crucial concept in marketing because various elements that support or hinder a purchase decision significantly affect the choice to acquire a good or service. One element that affects the purchase decision is social media marketing and influencers. This research was carried out to understand the extent of the impact of marketing through social media and influencers on purchase decisions. This research method implements qualitative and quantitative analysis using questionnaire data collection techniques. Sampling was done by probability sampling with simple random sampling involving 100 respondents. To analyze the data to answer the research question, validity and reliability tests, descriptive analysis, classical assumption testing, multiple linear regression, and hypothesis testing both partially and simultaneously were used. The results showed that (1) every aspect of the purchase decision received a positive rating in the good category. (2) respondents also gave a good rating on social media marketing in all questions (3) for influencers; they scored good on 4 and a fair rating on 2. (4) Social media marketing positively influences individual purchasing decisions. (5) Influencers positively impact purchase decisions (6) Simultaneously, social media marketing and influencers positively and significantly influence purchase decisions. That way, if the marketing strategy on social media and the use of influencers in promotions in the MSME culinary sector are more effective, then it will affect the level of consumer purchase decisions for MSME culinary.

Keywords: Social Media Marketing, Influencer, Purchase Decision, Culinary, MSME

JEL Codes: M3, L81, D12

1. Introduction

The development of the information and communication technology era has brought significant changes to many aspects of life, including in the marketing field. Marketing through social media and influencers is one form of digital marketing that is currently popular and impacts consumer behavior. Social media is a fairly effective platform for product and service

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promotion in various industries, including the culinary industry of MSMEs (Micro, Small, and Medium Enterprises). Rahman., R & Sarah.,S (2024) stated that social media marketing is a process that supports someone to promote through a website or other services through a Social Media platform to communicate directly with various parties by utilizing a much larger community that can carry out modern marketing compared to face-to-face advertising channels. It can be concluded that social media marketing is a marketing strategy that utilizes social media platforms to reach consumers more widely and effectively (Muchtar et al., 2024).

Research shows that online promotion conducted through social media has a positive influence on consumer purchasing interest in the culinary business sector. As one example, a study conducted in Palembang identified that online promotion and endorsement on social media significantly increased consumer purchasing intention in the culinary business of MSMEs. This can be convincing that social media can effectively increase consumer awareness and interest in MSME culinary products.

In addition to social media marketing, the use of influencers is also a powerful strategy in influencing consumer purchase decisions. (Novianti et al., 2024). Influencers are individuals who have a large influence on social media and can influence their followers' behavior and purchasing decisions. Research in East Java shows that influencers who have honesty, trustworthiness, and good knowledge about the product can significantly increase consumer purchase intention. (Sahati et al., 2024). Influencers who have a good relationship with the product and can convey messages interestingly and credibly can change consumer behavior and increase their purchase intention so that they can make purchasing decisions (Rizky et al., 2023).

Bandung Regency is one of the areas that has many MSME business people, especially in the culinary field (Wijaya et al., 2024). We can see and feel the many culinary product innovations we can find in Bandung Regency, both directly and through social media platforms such as Instagram and Tiktok. Every business owner hopes that the business they are engaged in can develop better and be widely known by consumers. The tight competition between MSMEs and technological advances certainly indirectly requires them to continue to innovate and aggressively carry out promotions in order to develop their business and convince consumers to decide to purchase.

Tokopedia's Head of Category Development, Pranidhana Mahardhika, concluded in his article that changes in consumer behavior in the field ultimately pushed culinary MSME entrepreneurs to inevitably enter the digital era, as evidenced by the increasing number of MSME businesses in the Bandung Regency area in 2022 – 2023 (Herlinawati et al., 2019).

According to existing data and trends, the number of MSMEs in Bandung Regency is expected to continue to increase until 2024. In this case, they can utilize social media marketing strategies and the use of influencers as a strategy to increase their sales. The use of social media marketing and Influencers for MSME behavior in Bandung Regency has an impact on reaching wider consumers and increasing brand awareness not only for local residents, but also outside the area. In addition, by choosing the right influencer, MSMEs in Bandung Regency can build consumer trust and increase product purchasing value (Oktavianti et al., 2024).

According to a survey by We Are Social, the trend of social media users in 2024 in Indonesia will reach 167 million users (60.4%) of the total population of 276.4 million people with WhatsApp as the most widely used social media platform. Based on the description above, the author has the intention and purpose to find out how Social Media Marketing and Influencers

can influence consumer purchasing decisions (Rizkya et al., 2024). So the author is interested in taking the title "The Influence of Social Media Marketing and Influencers on the Purchase Decision of Culinary MSMEs in Bandung Regency".

2. Literature Review

2.1 Understanding Purchase Decision

The influence of purchasing decisions or what is commonly called Purchase Decision is an important concept in marketing because consumer purchasing decisions are greatly influenced by various factors that encourage or inhibit them in purchasing a product or service.

In (Lombardi et al., 2022) Research shows that purchase Decision is a process in which consumers evaluate the various product options available to them, considering the emotional and psychological aspects and the value they will receive after purchase. This decision is often influenced by factors such as brand trust and previous consumer experiences.

According to (Chaudhuri & Holbrook, 2001) Purchase Decisions are now influenced not only by product information but also by the emotional experience resulting from interactions with the brand or product. They also noted the importance of social media and online comments in increasing consumer confidence in their decisions.

Hsu, (2022) The concept of Purchase Decision has been updated to emphasize that it is no longer linear. Consumers often move back and forth between the stages of information search, alternative evaluation, and final decision due to changes in preferences influenced by digital experiences and external factors such as social media and product reviews.

2.2 Social Media Marketing

Asante-Asamani et al., (2022) social media marketing uses platforms such as Facebook, Instagram, LinkedIn, and Twitter to promote products and services through integrated content and advertising strategies. He believes that social media marketing is a very effective way to increase brand awareness, build customer loyalty, and increase sales by reaching a wider audience through more targeted and data-driven methods. I believe this is a useful tool. Using social media platforms can be very helpful in promoting your products and services, especially through content and advertising, which are common today.

Kotler et al., (2021) explain that social media marketing is the use of social media platforms to build relationships with consumers and promote brands or products in a more interactive and targeted manner. They also emphasize that social media allows companies to communicate directly with their audiences, create stronger levels of engagement, and increase brand awareness through various types of content, including images, videos, and customer reviews. There are several important elements that must be present in a marketing strategy via social media according to Jason McDonald in his book entitled Social Media Marketing Workbook namely: Relevant and Interesting Content, Audience Engagement, Paid Advertising, Analysis and Measurement, Consistency and Publishing Schedule.

2.3 Understanding Influencers

In her book *Discovering Public Relations: An Introduction to Creative and Strategic Practices* (Doz, 2020), Karen Freberg defines influencers as people who have a strong influence on social media and are able to influence their audience to make decisions, whether it is a purchasing decision or a certain behavior. Influencers can come from various fields such as fashion, beauty, health, or technology, and they use social media platforms to share content that shapes the

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opinions and actions of their audience.

Palumbo et al., (2020) Influencers are individuals who have a significant number of followers on social media platforms, and are known for their authority, trustworthiness, or reputation in a niche or product category. These influencers can influence their audiences through communication based on credibility and built relationships.

According to Wright et al., (2020) An influencer is someone who can move their audience through the content they create and distribute on social media. Influencers can use platforms such as Instagram, YouTube, or TikTok to share their views and influence the opinions of their followers, often resulting in purchasing decisions or other social influences.

According to Kotler & Keller, (2016), Influencers are people who have the talent to influence other people's decisions because their position is considered to have authority, expertise, or influence in a particular field. Influencers are often used in marketing strategies to help build credibility and consumer trust for a specific brand.

According to experts, it is concluded that influencers are individuals with great influence on social media who have the ability to influence their audience's decisions through the credibility, trust, and relationships they build. They usually have a large and active following on social media platforms, which allows them to influence consumer behavior or opinions. There are several indicators that can be used to determine the strength of an influencer: Dependence, Attraction (Charm), Expertise

2.4 Previous Research

Table 1. Previous Research

NO	JOURNAL TITLE	WRITER	RESEARCH RESULT	EQUALITY	DIFFERENCE
1	The Influence of <i>Digital Marketing and Influencers</i> on the Decision to Purchase Culinary MSME Products in Tangerang City During COVID-19	Wiliana & Purwaningsih, 2022	The results of the study show that <i>Digital Marketing and Influencers</i> influence the Purchase Decision of Culinary MSME Products in Tangerang City During COVID-19	The independent variables studied were <i>Influencers</i> and the dependent variable was Product Purchase Decisions.	In other independent variables, the researcher did not add the independent variable <i>Digital Marketing</i> .
2	The Influence of Social Media Usage on Purchasing Decisions at Jiksau Food UMKM	Mustapa et al., 2022	Based on the research results, it can be concluded that social media has a positive and significant	The independent variables studied were social media and the dependent	In other independent variables, the researcher added the independent variable <i>Influencer</i> .

			influence on variable was purchasing purchasing decisions at the Jiksau Food UMKM.		
3	The Influence of <i>Social Media Marketing</i> , Product Quality and <i>Influencers</i> on UNIQLO Product Purchase Decisions	Lionawan, Daniel Christian Tarigan, 2023	Based on the results of the hypothesis test, it is concluded that the quality of UNIQLO products has a significant influence on consumers who are influenced by influencers. This shows that consumer perceptions of product quality can affect their interest in UNIQLO products.	The independent variables studied were <i>Social Media Marketing</i> and <i>Influencers</i> and the dependent variable was purchasing decisions.	In other independent variables, the researcher did not add the independent variable Product Quality.
4	The Influence of <i>Social Media Marketing</i> on Consumer Purchasing Decisions at Culinary Tourism Destinations in Denpasar City	Narottama & Moniaga, 2022	Based on the research results, it can be concluded that <i>social media marketing</i> has an influence on consumer purchasing decisions.	The independent variables studied were <i>social media marketing</i> and the dependent variable was purchasing decisions.	In other independent variables, the researcher added the independent variable <i>Influencer</i> .
5	The Influence of Instagram Influencer Endorsements on Purchasing Decisions at PKP JIS High School	Puspita & Handayani, 2024	There is a positive and significant influence where the results of testing the influence of Endorsement Influencer on purchasing decisions	The independent variables studied were Influencers	In other independent variables, the researcher added the independent variable Social Media Marketing.

statistically
show positive
and significant
results. This is
proven by the
value of the T-
test results
which show
that t_{count}
 $29.936 > t_{table}$
 0.344 and sig.
 $0.001 < \alpha 0.05$.
S

3. Research Method

3.1 Research Methods

Research method is a scientific way to obtain information and can be used to solve a problem. In this study, the author uses quantitative methods. According to (Sugiyono, 2019) Quantitative research methods can be interpreted as research methods based on the philosophy of positivism. They are used to research certain populations or samples, collect information using research instruments, and analyze quantitative information with the aim of testing established hypotheses. This method is used to answer the problem formulation, namely, how Social Media Showcasing and Influencers can influence the Buy Choice of culinary UMKM.

3.2 Data Collection Techniques

According to Sugiyono, (2019), an expert in research methodology, data collection techniques are defined as steps or methods taken by researchers to collect information to answer problems faced in research. These techniques include various methods, such as observation, interviews, questionnaires, documentation, and questionnaires, all of which are adjusted to the objectives of the research.

In this study, several data collection techniques were used: Questionnaires, Literature Studies, and Online Research.

3.3 Sampling Techniques

In the sample determination process, the author uses the *Slovin formula* to calculate the sample size (number of respondents), namely:

$$n = \frac{N}{1 + N (e)^2}$$

Information:

n = Number of samples

N = Number of population

e = Percentage of allowance for inaccuracy

So :

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$$n = \frac{3.831.505}{1+3.831.505 (0.1)^2}$$

$$n = 100$$

Based on this formula, the population calculated is 3,831,505. By setting the error rate at 10%, a sample consisting of 100 respondents can be taken.

Research Model

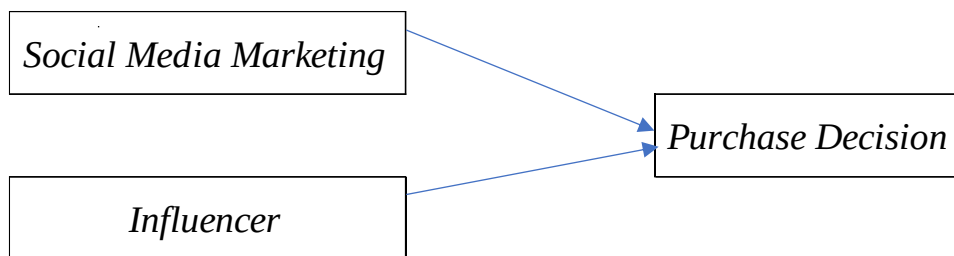


Figure 1. Research Model

4. Findings and Discussions

4.1 Findings

Respondents were grouped into 2 genders, namely male and female. Respondents were grouped into 4 age categories, namely <21 years, 21 - 30 years, 31 - 40, and >41 years. Respondents were grouped into 4 categories of employment status, namely Students, Civil Servants, Employees and others.

Validity Test

Table 2. Validity Test

Variables/Indicators	r Count	r Table	Information
<i>Purchase Decision</i>			
Interest in a product, product diversity and product quality	0.723	0.195	Valid
The affordability of prices that consumers get compared to competitor prices in large malls	0.787	0.195	Valid
Feeling satisfied with the culinary products of MSMEs purchased based on information from <i>Influencers</i> on <i>Social Media</i>	0.841	0.195	Valid
Ease of obtaining a product and product availability	0.801	0.195	Valid
Willing to recommend UMKM culinary products to family/friends	0.791	0.195	Valid
<i>Social Media Marketing</i>			
Using more than 3 hours/day on social media	0.788	0.195	Valid
Find out many culinary references for MSMEs through social media	0.690	0.195	Valid
Always look for information via social media first before deciding to purchase.	0.692	0.195	Valid

<i>Social Media Marketing</i> makes it easier for consumers to find price and discount information.	0.656	0.195	Valid
High ratings on social media are very helpful in deciding on a purchase.	0.672	0.195	Valid
Customer reviews and testimonials on social media are very helpful in making purchasing decisions	0.698	0.195	Valid
<i>Influencers</i>			
Culinary products from MSMEs that have been recommended by an <i>influencer</i> have their own appeal to be purchased.	0.834	0.195	Valid
Culinary content for MSMEs created by <i>Influencers</i> is always interesting and informative	0.877	0.195	Valid
The ratings given by <i>influencers</i> influence a person's decision to buy a product.	0.831	0.195	Valid
The more <i>Influencers</i> share their experiences with a product, the more they influence someone's decision to buy that product.	0.788	0.195	Valid
<i>Influencers</i> have knowledge about how to describe MSME culinary products	0.840	0.195	Valid
Following the social media account of an influencer who often recommends UMKM culinary products	0.822	0.195	Valid

Based on the results of Table 2, the calculated r value of all tested indicators is greater than the r table. It can be concluded that all of the indicator items have positive values and are declared valid so that they can be used for analysis in further research.

Classical Assumption Test Results

Normality Test

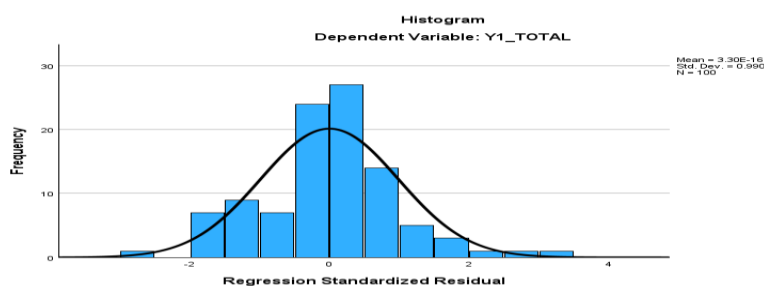


Figure 2. Histogram Normality Test Results

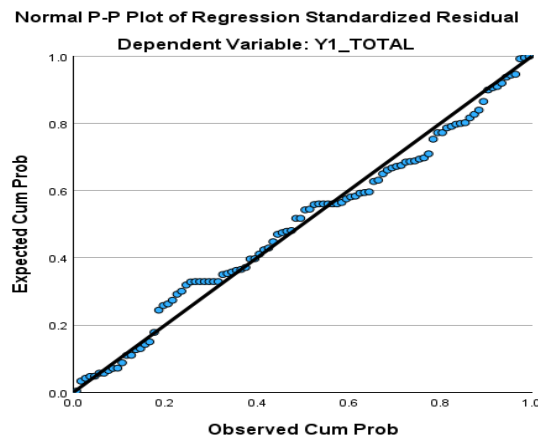


Figure 3. Results of the P-Plot Normality Test

Based on Figures 2 and 3, it can be concluded that the research is normally distributed because there is an upward curved line in Figure 3 which shows that the research is normally distributed and it can be seen from the research results using P-Plot that there are dots spread in the diagonal line area which also shows that the research is normally distributed.

Heteroscedasticity Test

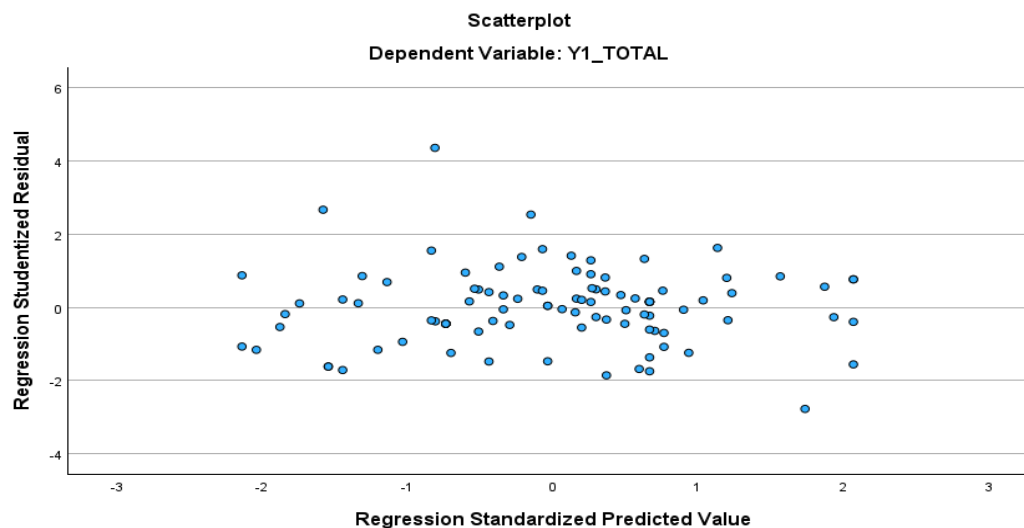


Figure 4 Scatterplot Heteroscedasticity Test Results

Source: Processed Data 2025

From Figure 4, it can be seen that if the distribution of points has no pattern or is spread randomly from the number 0 on the Y axis, this means that there are no symptoms of heteroscedasticity in the regression model and it is suitable for use in research.

Multicollinearity Test Results

Table 3. Multicollinearity Test Results

	B	Std. Error			Tolerance	VIF
1 (Constant)	5.902	1.392	4.239	0.000		
<i>Social Media Marketing</i>	0.242	0.078	3.109	0.002	0.596	1.677
<i>Influencer</i>	0.329	0.070	4.675	0.000	0.596	1.677

Sumber: Data Diolah 2025

Table 3 shows that the tolerance value of the independent variable *Social Media Marketing* is 0.596, and *Influencer* is 0.596. Both have values greater than 0.1. In the VIF value, the independent variable of *Social Media Marketing* is 1.677, and the *Influencer* is 1.677. Both have values smaller than 10. So, it can be concluded that there are no symptoms of multicollinearity in the study.

Multiple Linear Regression Test

Based on the data processing results in Table 3, the constant value or a value is 5.902, *Social Media Marketing* (β_1) is worth 0.242 and *Influencer* (β_2) is worth 0.329. Then the multiple linear regression equation can be obtained as follows:

$$Y = 5.902 + 0.242X_1 + 0.329X_2$$

It means:

1. The constant value of *Purchase Decision* (Y) of 5.902 indicates that if there is a change in the *Social Media Marketing* (X1) and *Influencer* (X2) variables, then *Purchase Decision* (Y) is 5.902.
2. *Social Media Marketing* has a positive multiple linear regression coefficient of 0.242, meaning that if *Social Media Marketing* (X1) is increased once, then *Purchase Decision* (Y) will increase by 0.242.

Influencers have a positive multiple linear regression coefficient of 0.329, meaning that if *Influencer* (X2) is increased once, *Purchase Decision* (Y) will increase by 0.329.

Partial Test (t-Test)

Based on the testing criteria, if the value is not greater than 0.05 then H0 is rejected. From Table 3 the results of the hypothesis testing of each variable are as follows:

- a. The significance level on the *Social Media Marketing* variable (X1) is 0.002 and the value is less than 0.05, so H0 is rejected and H1 is accepted. It can be concluded that *Social Media Marketing* (X1) affects *Purchase Decisions* (Y).
- b. The level of significance for the *Influencer* variable (X2) is 0.000. If the value is less than 0.05, then H0 is rejected, and H1 is accepted. It can be concluded that the *Influencer* (X2) affects the *Purchase Decision* (Y).

Simultaneous Test (f-Test)

Table 4. Simultaneous Test Hypothesis (FTest)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	590,020	2	295,010	41,904	<.001 ^b
	Residual	682,890	97	7,040		
	Total	1272.910	99			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Influencers, Social Media Marketing

Source: Processed Data 2025

Based on Table 4, the sign value is <0.001 and the calculated F is 41.9. When compared with the alpha (α) used, the sign (<0.001) < alpha (0.05). It can be concluded that the *Social Media Marketing variable (X1)* and *Influencers (X2)* jointly influence the *Purchase Decision (Y)* of UMKM Culinary.

4.2 Discussions

From the data that has been tested as a whole, a discussion is then made of the research results for all the data that has been obtained from respondents in each research variable, which is described as follows:

The Influence of Social Media Marketing on Purchase Decisions

From the results of multiple regression, *Social Media Marketing (X1)* has a positive value of 0.242, which means that if *Social Media Marketing (X1)* is increased every 1 time, *Purchase Decision (Y)* will increase by 0.242. Furthermore, from the results of the simple coefficient correlation, an r value of 0.585 is obtained which is located at a correlation of 0.40 - 0.599, which means that the relationship between the two variables is quite strong and in the same direction. The coefficient of determination value is 0.343, which means that changes in *Purchase Decision* are influenced by *Social Media Marketing* by 34.3% and are influenced by other factors that can increase *Purchase Decision* by 65.7%.

Social Media Marketing hypothesis test (X1) obtained a significance level of 0.002 and is smaller than 0.05. So from these results H0 is accepted and H1 is rejected, meaning that *Social Media Marketing (X1)* has a significant effect on *Purchase Decision (Y)*.

The Influence of Influencers on Purchase Decisions

From the results of multiple regression, *Influencer (X2)* has a positive value of 0.329, which means that if *Influencer (X2)* is increased every 1 time, *Purchase Decision (Y)* will increase by 0.329. Furthermore, from the results of the simple coefficient correlation, an r value of 0.640 is obtained which is located at a correlation of 0.60 - 0.799, which means that the relationship between the two variables is considered strong and in the same direction. The coefficient of determination value is 0.410, which means that changes in *Purchase Decision* are influenced by *Influencers* by 41.0% and are influenced by other factors that can increase *Purchase Decision* by 59.0%.

Influencer hypothesis test (X2) the significance level is 0.000 and is smaller than 0.05. So from these results H0 is accepted and H1 is rejected, meaning that *Influencer (X2)* has a significant

effect on *Purchase Decision* (Y).

5. Conclusion

Based on the results of research and discussion related to the Influence of Social Media Marketing and Influencers on Culinary Purchase Decisions of MSMEs, the following conclusions can be drawn:

1. Purchase Decision (Y) variables for respondents are assessed both on each question/statement item and in total. This shows that consumers tend to choose MSME products in deciding their purchases in the culinary field. This is evidenced by the high scores on each statement/questionnaire that has been distributed.
2. The Social Media Marketing variable (X1) for respondents is assessed well for each question/statement item and as a whole. This shows that consumers have utilized Social Media Marketing in helping to decide on purchasing UMKM culinary. This is also proven by the high score on each statement/questionnaire that has been distributed.
3. The Influencer variable (X2) for respondents was considered good for 4 questions/statements and was considered less good for 2 other questions/statements. However, the overall value still shows a good category. This shows that consumers tend to need recommendations from Influencers in deciding to purchase MSME culinary. This is also evidenced by the score obtained for each statement/question in the questionnaire that has been distributed.
4. From the research results, it was concluded that there was an influence of Social Media Marketing (X1) on Purchase Decision (Y) as shown by the results of partial testing where the significance level was $0.002 < 0.05$, which indicated a positive influence on Purchase Decision (Y).
5. From the research results, it was concluded that there was an influence of Influencer (X2) on Purchase Decision (Y) as shown by the partial test results where the significance level was $0.000 < 0.05$, which indicated a positive influence on Purchase Decision (Y).
6. Between Social Media Marketing and Influencers with Purchase Decision has a strong and unidirectional relationship. This can be proven by simultaneous hypothesis testing with a sign value of < 0.001 and F count of 41.9 which states that Social Media Marketing and Influencers have a simultaneous effect on Purchase Decision in Culinary UMKM.

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The Influence of Work Discipline, Motivation and Work work-life balance on Employee Engagement at PT Bank Syariah Indonesia (BSI) KCP Buah Batu

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Abstract

This research aims to analyze the influence of work discipline, motivation, and work-life balance on employee engagement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2, using quantitative research methods and descriptive and verification analysis approaches. The primary data was obtained through pre-surveys, questionnaires, document collection, and interviews with Bank Syariah Indonesia (BSI) KCP Buah Batu 2 employees. The research sample was taken using a non-probability sampling method, namely the assessment sample technique, which resulted in 31 people employees as the population and research sample. The results of the regression analysis show that work discipline, motivation, and work-life balance have a significant effect on employee engagement. The coefficient of determination shows a value of 0.699 or 69.9%, which means that overall, the variables of work discipline, motivation and work life balance simultaneously contribute 69.9% to employee engagement. In comparison, 30.1% is influenced by other factors.

Keywords: Work Discipline, Motivation, Work-Life Balance, Employee Engagement

JEL CODE: J24, M12, J28

1. Introduction

Bank Syariah Indonesia (BSI) is the largest financial institution in Indonesia that operates based on Islamic sharia principles. Founded in 2021, BSI is the result of a merger of three state-owned Sharia banks: Bank Syariah Mandiri, BNI Syariah, and BRI Syariah. This merger aims to strengthen the sharia banking industry and increase sharia financial inclusion in Indonesia. As the largest Sharia bank, BSI provides financial services according to Sharia principles, such as savings, financing, and investment. BSI also supports the development of the Sharia economy, in line with the government's vision of making Indonesia a global Sharia financial center. Employee Engagement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2 can be seen through attendance data reflecting their discipline and attendance level. High employee engagement reduces employee absenteeism significantly (Nugroho, 2024). Factors such as work-life

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balance and satisfaction with company policies were found to play an important role in increasing engagement.

Table 1 Data on employee attendance at Bank BSI Buah Batu 2 for the period September - November 2024

No	Month	Number of employees	Working days	Employees are late	Total
1.	September	31	25	5	5
2.	October	31	26	11	11
3.	November	31	26	8	8

Based on Table 1, the employee attendance level of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 in the period September to November 2024 is still less than optimal. This can be seen from the increasing number of employees who are late for work every month. The set entry time is 08.00 WIB, but many employees arrive after 08.05 WIB. In September, 5 employees were recorded as being late, in October 11 employees, and in November 8 employees. Companies need to immediately improve regulations to improve work discipline which will have an impact on employee engagement.

The causes of employee engagement can be influenced by work discipline and motivation that occurs at Bank Syariah Indonesia (BSI) KCP Buah Batu 2. It can be seen from table 1 above that employees who are often late and do not complete tasks on time, this causes inefficiency at work and a lack of motivation. This can reduce the level of employee engagement. Based on research (Vallennia, 2020) that consistently applied work discipline reduces the level of unauthorized absences. This phenomenon is supported by conducting a pre-survey of 31 employees as supporting data.

Table 2 Recapitulation of Pre-Survey Results of 31 Employees of Bank Syariah Indonesia KCP Buah Batu 2 Regarding Employee Engagement

No	Statement	Number of employees	Answer	
			Percentage Yes	Percentage No
1	I feel enthusiastic when carrying out my daily work.	31	42%	58%
2	I rarely feel tired at work, even though my job is very busy.	31	32,2%	67,8%
3	I feel proud of the work I do and the contribution I make to the company.	31	35,5%	64,5%
4	I feel that my work has a clear purpose and has a positive impact on the organization.	31	48,3%	51,7%
5	When working, I don't feel like I lose time when doing the tasks I do.	31	22,5%	77,5%
6	I felt so involved in my work that it was difficult to separate myself from the task at hand.	31	48,3%	51,7%
Average			38%	62%

Based on Table 2 Pre-Survey Results of 31 Employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 regarding Employee Engagement, 62% of employees answered no and 38% answered yes. It can be seen that most of the employees feel lost with their work. As many as 77.5% of employees answered that they felt they had lost sense of time during their current job. Employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 also feel very involved in their work, so it is difficult for them to separate themselves from the task at hand.

Apart from complaints regarding the lack of employee engagement, researchers also found several other complaints from Bank Syariah Indonesia (BSI) KCP Buah Batu 2 employees. One was regarding work discipline such as decreasing employee attendance levels and employees arriving late to the office. From table 1, it can be seen that there are still many employees who commit violations in carrying out agency regulations with a high number of delays made by employees every month. The most violations occurred in October 2024, when as many as 11 people were late. This shows poor discipline and must be corrected immediately. Discipline is a crucial variable in HRM. Discipline itself influences various variables, one of which is performance. (Bramantri & Arie Hendra Saputro, 2024; Saputro & Muttaqin, 2023), and job satisfaction (Bilady et al., 2024; Rosmiati et al., 2023) which is an output that is widely discussed in various studies. In this research, discipline is thought to influence Employee Engagement under several studies which state that Work Discipline influences Employee Engagement (Syafitri & Iryanti, 2022).

In the context of Bank Syariah Indonesia (BSI), work discipline is very important to ensure that all sharia banking processes run in accordance with established sharia principles. Bank Syariah Indonesia (BSI), as a sharia-based financial institution, has a series of strict rules in banking operations, including managing customer funds and implementing sharia transactions. Therefore, work discipline is important to ensure productivity and efficiency in the organization. High work discipline can increase productivity and create a positive work environment. However, varying levels of discipline among employees can influence how they carry out their duties and responsibilities. So it can increase a high level of discipline and the results can influence employee engagement.

Another complaint experienced by employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 regarding low work motivation can be seen from attendance data which shows that employees who are often late may be due to a lack of motivation. This reflects a lack of encouragement to feel involved in work, thus impacting their time discipline. Based on research (Nurhasanah, 2023) shows that intrinsic motivation such as a sense of responsibility and job satisfaction has a significant effect in reducing employee absenteeism levels. Employees who feel appreciated and have clear work goals tend to be more disciplined in their attendance.

Table 3 Recapitulation of Pre-Survey Results of 31 Employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 Regarding Motivation

No	Statement	Number of employees	Answer	
			Percentage Yes	Percentage No
1	I feel motivated to achieve challenging and ambitious goals at work.	31	38,7%	61,3%
2	I feel proud of my achievements at work, especially those that exceed expectations.	31	32,2%	67,8%

No	Statement	Number of employees	Answer	
			Percentage Yes	Percentage No
3	I feel more enthusiastic when I can influence the direction or policy of an organization.	31	45,2%	54,8%
4	I feel appreciated when my contribution can influence important decisions in the organization.	31	29%	71%
5	I feel more motivated when working in a team that has good communication and collaboration.	31	42%	58%
6	I feel more comfortable working when I have a good social relationship with my boss.	31	48,3%	51,7%
7	I feel motivated to have more influence in decision making at work.	31	38,7%	61,3%
Average			39%	61%

Based on Table 3, Pre-Survey Results of 31 Employees of Bank Syariah Indonesia (BSI) Buah Batu 2 Regarding Work Motivation, 61% of employees answered no and 39% answered agree. Employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 feel underappreciated for important decisions within the organization. This can result in reduced work enthusiasm and motivation, because they feel that the organization does not recognize their contribution. So it can be seen that 71% of employees feel less appreciated for important decisions in the organization.

From the results of interviews with employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2, there are work-life balance problems that affect employee engagement, such as limited working time which becomes a challenge when the workload increases, so employees often have to work overtime to complete their tasks. This triggers employee complaints, because work often piles up so that it can interfere with their personal lives and they also feel they cannot fully enjoy their free time. Based on research (Sari, A., & Nugroho, 2021) at a manufacturing company in West Java, it was found that employees with a good work-life balance tend to be more productive and involved in work. Factors such as flexible leave policies, reasonable work hours, and mental health programs increase employee engagement significantly.

Table 4 Recapitulation of Pre-Survey Results of 31 Employees of Bank Syariah Indonesia (BSI) KCP Buah Batu 2 Regarding Work Life Balance

No	Statement	Number of employees	Answer	
			Percentage Yes	Percentage No
1	I feel satisfied with long working hours.	31	25,8%	74,2%
2	I am able to balance my personal life with work.	31	32,2%	67,8%
3	I feel like I can enjoy time with family and friends without the distraction of work.	31	48,3%	51,7%
4	I feel calm/don't feel stressed because work	31	29%	71%

No	Statement	Number of employees	Answer	
			Percentage Yes	Percentage No
	demands support my personal life.			
5	I have a lot of time in social life.	31	35,5%	64,5%
6	I have a lot of time for myself.	31	38,7%	61,3%
	Average		35%	65%

From table 4 it can be concluded that the work and personal lives of Bank Syariah Indonesia (BSI) Buah Batu 2 employees are not balanced. 65% of employees answered no and 35% answered yes. Because work often affects the quality of personal time. Piling up tasks, tight deadlines, and long working hours often make it difficult for them to enjoy time with the people closest to them. So it can be seen that 67.8% of employees feel unable to balance their personal life with work.

Employees who do not have work life balance can experience a negative impact on employee engagement. High work demands interfere with time with family, causing employees to lose emotional attachment to work. The stress and tension that arises reduces their commitment and enthusiasm for the organization.

2. Literature Review

2.1 Human Resource Management

According to (Siswanto, 2021), human resource management includes planning, organizing, coordinating, implementing and supervising various aspects of employment to achieve organizational goals. (Hasibuan, 2017) adds that management is the art of managing the relationships and roles of the workforce so that they are effective and efficient in supporting the goals of the company, employees and society. (Robbins S. P. & Coulter M., 2015) defines management as the process of coordinating work activities to be effective and efficient through other people. (Mathis R. L. & Jackson J. H., 2017) calls it a formal system for managing human talent in an organization to achieve goals.

2.2 Employee Engagement

(Luthans, 2016) defines employee engagement as the involvement of organizational members in physical, cognitive and emotional roles when carrying out their duties. According to Kruse in (Yuniatin, 2015), employee engagement is a condition where employees are emotionally committed to the organization and its goals. (Lodahl, T. M. & Kejner, 2014) stated that employee engagement reflects the extent to which someone considers their work important and how involved they are in that work.

2.3 Work Discipline

According to Singodimedjo in (Sutrisno, 2019), discipline is a person's willingness to comply with applicable norms, which influences the achievement of company goals. (Hasibuan, 2017) states that work discipline is awareness and willingness to comply with agency regulations and social norms.

2.4 Motivation

Motivation is the energy that encourages employees to achieve organizational goals (Siswanto,

2021). Motivation is a process that influences a person's strength, direction and persistence in achieving goals (Robbins & Judge, 2022). Motivation as a way to direct the potential of subordinates to work productively. Herzberg in (Priansa, 2014) sees motivation as an external factor that influences behavior, while Robbins defines it as the willingness to try hard to achieve organizational goals, while meeting individual needs.

2.5 Work-Life Balance

Work life balance is a person's ability to balance work responsibilities with personal life (Ganapathi, 2016). Work life balance is the ability to balance work demands with personal and family needs, so that individuals can carry out their roles both inside and outside the organization well (Schermerhorn, 2015:12).

2.6 Framework Of Thinking

This framework explains the relationship between research variables through three levels of theory: Grand Theory, Middle Theory, and Applied Theory. Grand Theory represented by Human Resource Management according to (Mangkunegara, 2021), provides a broad conceptual framework for workforce management in achieving organizational goals. Middle Theory narrows its focus by outlining operational functions such as procurement, development, remuneration, and workforce maintenance. This function was stated by (Mangkunegara, 2021).

Applied Theory which focuses on the variables of work discipline, motivation, and work life balance provides practical applications of previous theories. Work discipline based on Singodimedjo's views in (Sutrisno, 2019), relates to compliance with norms that influence company goals. Motivation according to (Mangkunegara, 2021), is the energy that encourages employees to achieve organizational goals. Work life balance as explained by (Schermerhorn, 2015), refers to an individual's ability to balance work demands and personal needs. These three variables interact with each other and contribute to increasing employee engagement, which is defined by (Luthans, 2016) as physical, cognitive and emotional involvement in work roles.

The following is a research model that describes the influence of the independent variable on the dependent variable :

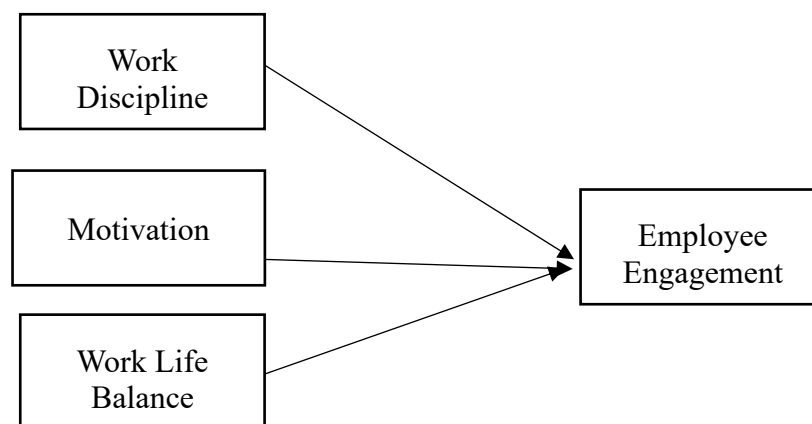


Figure 1 Research Model

Source: Author's Processed Data, 2025

2.7 Hipotesis

1. Work discipline influences employee engagement.
2. There is an influence of Motivation on Employee Engagement.
3. There is an influence of Work Life Balance on Employee Engagement.
4. There is an influence of Work Discipline, Motivation, and Work-Life Balance on Employee Engagement.

2.8 Previous Research

In conducting this research, this research was also motivated by previous research related to this research problem as a reference. Research references really help researchers understand everything from formulating problems to solving them.

Table 5 Results of Previous Research

Title	Writer	Research result	Equality	Difference
The Influence Of Compensation On Work Discipline And Impact Against It Product Employee Work Activities At Pt. Global Future View Branch Bandung	Aditya Yudanegara Gurawan Dayona Feby Mega Pratiwi (2017)	Research result this is pointing That's Compensation Influences work discipline and work productivity among employees	Research equation this is work discipline, motivation	The difference in this research is that there is no Work Life Balance and Employee Engage ment
The Influence Of Training And The Defender Bangan Career To Employee Enga Gement At Pt Andalan Finance Indonesia	Gurawan Dayona Nur Rinawati (2016)	The results of this research indicate that training and development Career development influences Employee Engagement	What this research has in common is Employee Engagement	The difference in this study is that there is none Work discipline, motivation and work life balance
The Influence Of Organizational Culture And Work Motivation On Performance Employees At Cv. Jaya Abadi Together	Hj. M A Hamda Roni Enka Riyani (2017)	Research result this is pointing It is clear that organizational culture and motivation influence employee performance	The equation of this research is Motivation	The difference in this study is that there is none Work discipline, Work Life Balance and Employee Engagement
The Influence Of	Muhamad	Research result	What this	The

Title	Writer	Research result	Equality	Difference
Motivation And Work Discipline To Employee Performance	Ekhsan (2019)	this is pointing That's Motivation and Berpe Work Discipline influences employee performance	research has in common is Work Discipline and Motivation	difference in this study is that there is none Work Life Balance and Employee Engagement ment
The Influence Work-Life Balance Towards rganizational Commitment On Hybrid Lecturer Working	Alifia Nissa Choeriyah Ayu Tuty Utami (2023)	Research result This shows that Work Life Balance has an Influence on the Organizational Commitment of Hybrid Working Lecturers	The equation for this research is Work Life Balance	The difference in this research is that there is no Work Discipline, Motivation and Employee Engage ment

Data Source: Processed by the Author, 2025

3. Research Method

3.1 Types of research

The research method used by researchers is a quantitative method with a descriptive and verification approach. Quantitative research is a method based on the philosophy of positivism (Sugiyono, 2020). This method is used to conduct research on certain populations or samples, by collecting data through research instruments. Data analysis is carried out quantitatively or statistically, and the aim is to test a predetermined hypothesis.

This research uses a descriptive and verification approach. The descriptive approach aims to describe the object or research results. According to (Sugiyono, 2020), the descriptive method functions to provide an overview of the object being studied using data or samples that have been collected, without carrying out analysis or drawing general conclusions..

The descriptive method according to (Sugiyono, 2020) is "Research carried out to determine the value of independent variables, either one or more variables (independent) without making comparisons or connecting one variable with another variable. (Sugiyono, 2020) also states that, "The verification method is defined as research carried out on a certain population or sample with the aim of testing a predetermined hypothesis." Descriptive and verification research in this research was carried out to determine the description and answer the problem formulation related to the influence of work discipline, motivation and work life balance on employee engagement at PT Bank Syariah Indonesia (BSI) KCP Buah Batu 2.

3.2 Operational Variables

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Table 6 Operational Variables

Variable	Variable Concept	Indicator	Scale
Employee Engagement (Y)	Employee engagement is a positive psychological condition where employees feel involved, enthusiastic and committed to their work. Employees who are fully involved in work show high energy, enthusiasm and focus, which in turn can improve their performance and well-being, and have a positive impact on the organization (Schaufeli, W. B., & Bakker, 2016)	a. Employee readiness to work b. Physical strength to complete work c. Mental strength in completing work d. An employee's strong involvement with their work e. Feel the meaning of his work f. Enthusiastic in completing his work g. Always concentrate fully h. Always feel late or lost in completing work	Ordinal
Work Discipline (X1)	Discipline is an attitude of a person's readiness and readiness to obey and comply with everything that applies in the organization. According to (Sutrisno, 2019:96)	a. Employee compliance regarding work hours b. Employee compliance with applicable SOP c. Employee compliance with the values and norms that apply in the agency d. Compliance with instructions from leadership even outside the job description	Ordinal
Motivation (X2)	Motivation is the drive or desire within an individual to achieve a goal, which arises from a strong need or desire to achieve something. McClelland stated that motivation can be influenced by various factors, and he emphasized more on the concepts of the need for achievement (need for achievement), the need to relate to other people (need for affiliation), and the need for power (need for power) according to David McClelland in (Suryana, 2013:50)	a. The desire to achieve high results b. Ability to accept challenges c. The urge to influence or control others d. The desire to be a leader or decision maker e. Establish harmonious relationships with other people f. Avoids conflict and seeks social acceptance	Ordinal

Variable	Variable Concept	Indicator	Scale
<i>Work Life Balance</i> (X3)	According to (Pangemanan, S. S., 2017) work life balance refers to conditions in which individuals can manage and balance work demands with other needs and activities in their personal lives. This includes time management, psychological engagement, and the level of satisfaction felt both in work and life outside of work. In other words, work-life balance refers to a person's ability to achieve an adequate balance between work and personal life, which in turn can improve the individual's overall well-being.	a. Working time balance level b. Ability to balance work time with rest time c. Balance level of employee involvement during work d. Balance level of commitment to completing work with personal life e. Feel satisfied with work time and personal life f. Work life does not interfere with the enthusiasm of personal life	Ordinal

Source: Author's Processed Data, 2025

4. Findings and Discussions

4.1 Validity Test

Table 7 Validity Test Results

Statement	r-Count	r-Table	Information
I feel very excited when I start work every day.	0,481	0,355	VALID
I don't feel tired easily even though I work for a long time or face hard physical work.	0,547	0,355	VALID
I can manage stress well when facing tight deadlines.	0,439	0,355	VALID
I feel proud to be part of the company where I work.	0,529	0,355	VALID
I feel that my work provides valuable experiences in my life.	0,681	0,355	VALID
I feel enthusiastic when working on new tasks at my job.	0,497	0,355	VALID
I am able to maintain full concentration while doing my assignments.	0,497	0,355	VALID
I always focus until I lose track of time while working.	0,838	0,355	VALID
I always try not to be late for work.	0,521	0,355	VALID
I always follow the instructions in the SOP to maintain the quality of work.	0,798	0,355	VALID
I always comply with the values and norms in the workplace.	0,509	0,355	VALID
I feel it is important to obey instructions from the leadership even though the task is not part of my responsibilities.	0,441	0,355	VALID

Statement	r-Count	r-Table	Information
I always try to give my best in every task I do.	0,779	0,355	VALID
I am always ready to accept new challenges at work.	0,530	0,355	VALID
I feel that I can motivate my colleagues to achieve higher goals.	0,405	0,355	VALID
I feel interested in taking on a leadership role in a team.	0,414	0,355	VALID
I feel building supportive relationships with others in the workplace is important.	0,727	0,355	VALID
I try always to maintain positive social relationships with coworkers, even if that means avoiding arguments.	0,753	0,355	VALID
I can manage my work time well between work and personal life.	0,441	0,355	VALID
I feel I can manage my time between work and rest effectively throughout the work day.	0,535	0,355	VALID
I feel fully involved in the tasks I perform while working.	0,727	0,355	VALID
I can manage my work time well so that I can enjoy my personal life.	0,411	0,355	VALID
I feel that I have enough time for personal activities even though I have a busy job.	0,602	0,355	VALID
I feel less stressed because of work so I can still enjoy my personal time with passion.	0,547	0,355	VALID

Source: Author's Processed Data, 2025

Based on the table data above, with 8 questions from 1 to 8 on the Employee Engagement variable (Y), 4 questions from 9 to 12 on the Work Discipline variable (X1), 6 questions from 13 to 18 on the Motivation variable (X2), 6 questions from 19 to 24 in the Work Life Balance (X3) variable shows that all calculated r results are greater than the r table so it can be concluded that all questionnaire statements are declared valid and can be used as research analysis.

4.2 Reliability Test

Table 8 Reliability Test Results

Number of Statements	Cronbach's Alpha	Condition	Information
24	0,907	0,6	Reliable

Source: Author's Processed Data, 2025

Based on the reliability analysis results, this instrument had 24 statements. The resulting Cronbach's Alpha value was 0.907, exceeding the minimum requirement, 0.6. Therefore, this instrument is declared reliable.

4.3 Descriptive Analysis

Table 9 Variable interpretation results Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Work Discipline	31	8,00	17,00	13,3548	2,45694
Motivation	31	10,00	26,00	18,6129	4,07167

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Work Life Balance	31	7,00	23,00	11,2581	3,99973
Employee Engagement	31	10,00	30,00	22,4194	5,03835
Valid N (listwise)	31				

Source: Author's Processed Data, 2025

Based on the results of the descriptive test above, we can describe the distribution of data obtained by researchers:

1. Work Discipline Variable (X1), from this data it can be described that the minimum value is 8 while the maximum value is 17, the average value of Work Discipline is 13.3548 and the standard deviation of the Work Discipline data is 2.45694.
2. Motivation variable (X2), from this data it can be described that the minimum value is 10 while the maximum value is 26, the average value of Motivation is 18.6129 and the standard deviation of the Motivation data is 4.0716.
3. Work Life Balance variable (X3), from this data it can be described that the minimum value is 7 while the maximum value is 23, the average value of Competency is 11.2581 and the standard deviation of Competency data is 3.99973.
4. Employee Engagement (Y) variable, from this data it can be described that the minimum value is 10 while the maximum value is 30, the average value is 22.4194 and the standard deviation of Job Satisfaction data is 5.03835.

4.4 Test classical assumptions

a. Normalization test

Table 10 Normalization Test Results One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		31
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,76536202
Most Extreme Differences	Absolute	,086
	Positive	,086
	Negative	-,063
Test Statistic		,086
Asymp. Sig. (2-tailed)		,200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Author's Processed Data, 2025

Based on table 10, it can be seen that the Kolmogorov Smirnov probability value is 0.200. This value exceeds the value of $\alpha = 0.05$, which means that the residual is declared to have a normal contribution at a significance level (α) = 0.05.

b. Multicollinearity Test

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Table 11 Multicollinearity Test Results

Model	Unstandardized Coefficients			
	B	Std. Error	t	Sig.
1 (Constant)	,410	2,968	1,010	,997
Work Discipline	,388	,327	3,638	,001
Motivation	,265	,213	2,504	,002
Work Life Balance	,352	,162	2,809	,002

Source: Author's Processed Data, 2025

Based on table 11, it can be seen that the tolerance value for the Work Discipline variable (X1) is 0.440, the Motivation variable (X2) is 0.377, and the Work Life Balance variable (X3) is 0.671. And the VIF value of Work Discipline (X1) is 2.674, the Motivation variable (X2) is 2.655, and the Work Life Balance variable (X3) is 3.491. All variables show a tolerance value greater than 0.100 and a VIF value greater than 10. It can be concluded that there was no multicollinearity in this study.

c. Heteroscedasticity Test

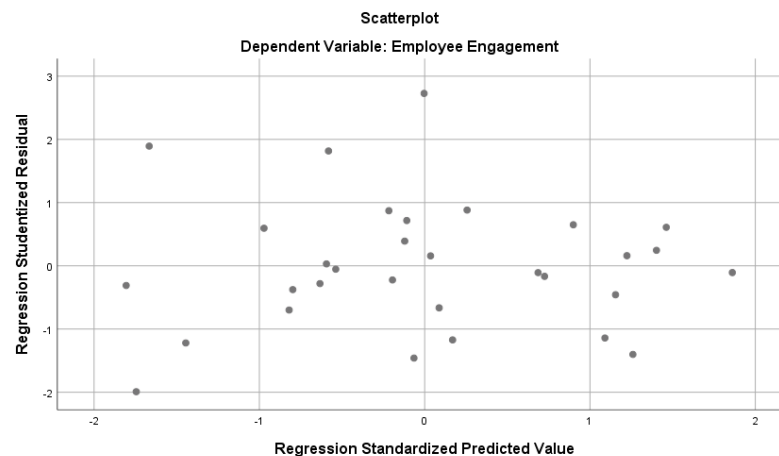


Figure 2 Heteroscedasticity Test Results

Source: Author's Processed Data, 2025

In Figure 2, the results show that the points are distributed irregularly and do not form a structured pattern, with most of the points being around zero. This shows that there is no real heteroscedasticity problem.

4.5 Multiple linear regression analysis

The multiple linear regression analysis test aims to measure the influence of the correlated independent variable (X) on the dependent variable (Y) being tested. The results of multiple linear regression are used to determine the influence of the variables Work Discipline, Motivation, and Work-Life Balance on Employee Engagement. The results of the multiple linear regression analysis in this study can be seen in the following table.

Based on the results of the analysis above (Table 11), the multiple linear regression model is as follows:

$$\hat{Y} = 0,410 + 0,388 + 0,265 + 0,352$$

Based on the regression equation model, the following can be interpreted :

1. A constant value of 0.410 indicates an average value of the Employee Engagement variable of 0.410 provided that the variable value of work discipline, motivation and work life balance is constant.
2. B1: The regression coefficient value for variable X1 (Work Discipline) is 0.388 or 38.8%, indicating that for every one-unit change in the work discipline variable, Employee Engagement increases by 38.8%.
3. B2: The regression coefficient value for variable X2 (Motivation) is 0.265 or 26.5%, indicating that for every one-unit change in the motivation variable, Employee Engagement increases by 26.5%.
4. B3: The regression coefficient value for variable X3 (Work Life Balance) is 0.352 or 35.2%, indicating that for every one-unit change in the work-life balance variable, Employee Engagement increases by 35.2%. This result is derived from SPSS data analysis.

4.6 Analysis of the Coefficient of Determination

The coefficient of determination test (R^2) measures how much change in the dependent variable (Y) is caused by the independent variable (X). The results of the determination test in this research are shown in the following table.

Table 13 Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,836 ^a	,699	,665	2,91495

Source: Questionnaire results processed

Based on the coefficient of determination test formula, namely $Kd = r^2 \times 100\%$, we get $Kd = 0.699 \times 100\%$, which is 69.9%. In the determination coefficient test table, it can be seen that the R Square value is 0.699, so the influence of the independent variable on the dependent variable simultaneously or together is 69.9%. Meanwhile, the remaining 30.1% is explained by other variables outside the regression model.

4.7 Hypothesis Testing

1. Partial Testing (t Test)

The t test is used with the aim of seeing the partial influence of the service quality and customer satisfaction variables on the dependent customer loyalty variable in multiple linear regression. If $t_{count} > t_{table}$ and the significant value is < 0.05 then the hypothesis is accepted, the independent variable partially influences the dependent variable. The partial significant values obtained based on this research are as follows.

In finding the formula $t_{table} = (a/2; n-k-1) = (0.025; 27)$. So we get t_{table} of 2,051. The results of the calculation of each independent variable on the dependent variable are as follows (Table11):

a. The influence of work discipline on employee engagement

In the work discipline variable (X1), the value $t_{count} (3.638) > t_{table} (2.051)$ and the significant value is $0.01 < 0.05$, so it can be concluded that the hypothesis is accepted,

the work discipline variable partially has significant and influential results on employee engagement at PT Sharia Bank Indonesia (BSI) KCP Buah Batu 2.

b. The influence of motivation on employee engagement

In the motivation variable (X2), the value $t_{count} (2.504) > t_{table} (2.051)$ and the significant value is $0.02 < 0.05$, so it can be concluded that the hypothesis is partially accepted that the motivation variable has significant and influential results on employee engagement at PT Bank Syariah Indonesia (BSI) KCP Buah Batu 2.

c. The influence of work life balance on employee engagement

In the work life balance variable (X3), the value $t_{count} (2.809) > t_{table} (2.051)$ and the significant value is $0.02 < 0.05$, so it can be concluded that the hypothesis is partially accepted that the work life balance variable has significant and influential results on employee engagement in PT Bank Indonesian Sharia (BSI) KCP Buah Batu 2.

2. Simultaneous Testing (F Test)

In the simultaneous test (F test) it is carried out to know all the independent variables, namely work discipline, motivation and work life balance on one dependent variable, namely employee engagement. Together with the significant conditions, if the significant value is < 0.05 then the hypothesis is accepted and if the significant value is > 0.05 then the hypothesis is rejected. Next, using the value F_{table} , it can be obtained from the F distribution table with the formula $F_{table} = (k-1; n-k)$ then $(4-1:31-4)$ we get F_{table} of 2.96. With the condition $F_{count} > F_{table}$.

Table 15 F Test (Simultaneous)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	532.132	3	177.377	20.875	.000b
Residual	229.417	27	8.497		
Total	761.548	30			

Source: Author's Processed Data, 2025

In the F test results table, it is known that the significant value obtained is $0.000 < 0.05$ and $F_{count} (20.875) > F_{table} (2.96)$ so it can be seen that the hypothesis is accepted for the work discipline (X1), motivation (X2) and work life balance variables. (X3) simultaneously and significantly influences the employee engagement variable (Y).

5. Discussion

After all the data has been tested, the next stage is a discussion of the research results. The entire data obtained from respondents for each research variable can be discussed as follows:

1. The Influence of Work Discipline on Employee Engagement

Based on the results of multiple regression, the Work Discipline variable (X1) has a positive multiple regression coefficient of 0.388. If Work Discipline (X1) is increased once, it will increase Employee Engagement (Y) by 0.388. Then the coefficient of determination (R Square) is 0.699, which indicates that changes in Employee Engagement are influenced by Work Discipline by 69.9%. This shows that other factors can increase Employee Engagement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2 by 30.1%. Lastly, testing the hypothesis of the level of significance on the Work Discipline variable (X1), the value $t_{count} (3.638) > t_{table} (2.051)$ and the significant value is $0.01 < 0.05$, so it can be concluded that the hypothesis is accepted, the Work

Discipline variable has partial influence results and significant to Employee Engagement. There are several influences from this variable according to previous research (Karimah Azzahra et al., 2024).

2. The Influence of Motivation on Employee Engagement

Based on the results of multiple regression, the Motivation variable (X2) has a positive multiple regression coefficient of 0.265, this means that if Motivation (X2) is increased once, it will increase Employee Engagement (Y) by 0.265. Then the coefficient of determination (R Square) is 0.699, which indicates that changes in Employee Engagement are influenced by Motivation by 69.9%. This shows that there are still other factors that can increase Employee Engagement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2 by 30.1%. Lastly, testing the hypothesis of the level of significance on the Motivation variable (X2), the value $t_{count} (2.504) > t_{table} (2.051)$ and the significant value is $0.002 < 0.05$, so it can be concluded that the hypothesis is partially accepted. The Motivation variable has partial and significant influence on the results. Employee Engagement. There are several influences from this variable according to previous research (Novianty et al., 2024), (Gustami et al., 2024).

3. The Influence of Work Life Balance on Employee Engagement

Based on the results of multiple regression, the Work Life Balance (X3) variable has a positive multiple regression coefficient of 0.352, this means that if Work Life Balance (X3) is increased once, it will increase Employee Engagement (Y) by 0.352. Then the coefficient of determination (R Square) is 0.699, which indicates that changes in Employee Engagement are influenced by Work Life Balance by 69.9%.

This shows that there are still other factors that can increase Employee Engagement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2 by 30.1%. Finally, testing the hypothesis of the level of significance on the Work Life Balance variable (X3), the value $t_{count} (2.809) > t_{table} (2.051)$ and the significant value is $0.002 < 0.05$, so it can be concluded that the hypothesis is partially accepted for the Work Life Balance variable, there are significant and influential results. to Employee Engagement. There are several influences from this variable according to previous research (Afifah et al., 2024).

4. The influence of work discipline, motivation and work life balance on Employee Engagement

Based on the results of the analysis of the coefficient of determination (R Square) of 0.699, which indicates that changes in Employee Engagement are influenced by service quality by 69.9%. This shows that there are still other factors that can increase Employee Engagement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2 by 30.1%. Based on the results of simultaneous hypothesis testing (F Test), it can be seen that the significant values for the variables Work Discipline (X1), Motivation (X2) and Work Life Balance (X3), simultaneously for Employee Engagement (Y) are $0.000 < 0.05$ and $F_{count} (20,875) > F_{table} (2.96)$ so it can be seen that the hypothesis is accepted that the variables Work Discipline (X1), Motivation (X2) and Work Life Balance (X3) simultaneously and significantly influence the Employee Engagement (Y) variable. There are several influences from this variable according to previous research (Baktiar et al., 2024).

6. Conclusion

Based on the results of descriptive analysis, there is significant variation in the level of

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employee engagement of respondents. Overall, the data shows that respondents have moderate levels of work discipline, motivation, work life balance and employee engagement with quite large variations. Multiple linear regression analysis reveals that work discipline, motivation, and work life balance have a positive and significant effect on employee engagement. These three variables, both individually and together, make a real contribution to increasing the level of employee engagement, with a total contribution of 69.9%.

To increase employee involvement at Bank Syariah Indonesia (BSI) KCP Buah Batu 2, this can be done by strengthening work discipline, motivation, and work-life balance. In terms of discipline, establishing firm and consistent rules, a fair system of rewards and sanctions, and supportive supervision can encourage employees to work more responsibly and efficiently. In the motivation aspect, it is important to create a comfortable work environment, reward achievements, involve employees in decision making, and support their welfare through adequate facilities. Meanwhile, work-life balance can be developed with flexible working hours, reduced workload, mental and physical health support, and a supportive work environment. These steps aim to increase productivity, work morale, and overall employee engagement.

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MSME Sustainability, E-Commerce, Capital Management: An Analysis of Islamic Perspective in the Context of the Digital Economy

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Abstract

This study discusses the role of E-Commerce transactions and capital analysis in supporting micro, small, and medium enterprises (MSMEs) from an Islamic perspective. This study is qualitative with a descriptive approach, using triangulation as a data collection technique through observation, interviews, and documentation. This study focuses on culinary industry business actors in Segara Jaya Village, Bekasi City. The results of the study show that most respondents believe that the application of Islamic principles in capital and using the E-Commerce platform in business management is a good thing. This includes maintaining product quality, using halal-labeled raw materials, and prioritizing customer satisfaction. Respondents are committed to ensuring that every aspect of their business reflects the values and principles of Islamic teachings, making their business legally valid and based on Islamic ethics. These beliefs and practices positively impact the sustainability of their business. Furthermore, maximizing the potential of E-Commerce can help MSMEs adapt to the era of digital economic growth, thus providing opportunities for them to improve their business performance and sustainability in the digital world. Providing valuable guidance for entrepreneurs, governments, and related stakeholders. For culinary MSMEs, understanding that implementing E-Commerce is not a universal solution and the need for effective capital management can help in strategic decision-making. The government and MSME support institutions can utilize findings on the challenges of implementing E-Commerce to design more targeted support programs, including online marketing training and mentoring.

Keywords: E-Commerce, Capital, Msmes, Sustainability, Islamic Perspective.

JEL CODE: M13, M21, L26

1. Introduction

The 1997 monetary crisis and the COVID-19 pandemic have had serious impacts on the Indonesian economy, including SMEs. The economic crisis triggered by the weakening global economic conditions in the past posed a significant threat to the sustainability of the Indonesian economy. Therefore, structured and sustainable empowerment efforts for Micro, Small, and

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Medium Enterprises (MSMEs) are needed to maintain economic stability. Furthermore, this initiative needs to consistently stimulate and support the development of new entrepreneurs who have higher levels of economic resilience and sustainability (Thohir et al., 2023).

According to a survey conducted by the Central Statistics Agency (BPS) in 2020 on MSMEs, microenterprises, and agriculture in Indonesia with 34,559 respondents, 84.20% of MSMEs experienced a decrease in income (BPS RI, 2020). Meanwhile, as quoted by Bank Indonesia (BI), according to the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), with MSMEs accounting for 99% of the total business units, this sector is the backbone of the country's economy. Furthermore, MSMEs' contribution to the Gross Domestic Product (GDP) reached 60.5%, indicating a significant impact on national economic growth. Not only that, MSMEs also play a crucial role in job creation. With a contribution of 96.9% to the total national employment, the MSME sector is the main pillar in creating job opportunities. This not only supports economic stability but also enhances societal welfare through employment opportunities (bi.go.id, 2022).

Considering the previously presented data, it can be concluded that MSMEs not only significantly impact economic growth through their contribution to GDP but also play a crucial role in reducing unemployment rates and enhancing societal welfare through job creation. Therefore, supporting the development and maintaining the sustainability of the MSME sector is a strategic step in strengthening Indonesia's economic foundation as a whole.

The utilization of E-Commerce by MSMEs in the digital era presents new potentials and challenges, especially in the context of Islamic perspectives emphasizing business ethics such as the prohibition of usury and fair business practices. MSMEs must ensure compliance with Islamic values in all aspects of their E-Commerce operations, including payments, pricing, and transparency. Islamic banks and financial institutions support MSMEs with financing under Sharia principles, helping to avoid usurious practices. E-Commerce enables MSMEs to reach a broader and more efficient market, enhancing their competitiveness in the global market through technology.

However, MSMEs have not fully realized the potential of utilizing E-Commerce from an Islamic perspective. Some realities that must be considered include a limited understanding of Sharia principles, technological resource constraints, and financial issues. MSMEs often face uncertainties in pricing structures, difficulties accessing technology infrastructure, and constraints in obtaining financing according to Sharia principles. To address this, greater efforts are needed to educate and guide MSMEs in utilizing E-Commerce with Islamic business ethics, so that they can overcome challenges and realize their full potential.

Some MSMEs have begun to adopt online store integration with inventory management systems, enabling them to more efficiently manage product inventory, provide a better shopping experience for customers, and enhance the competitiveness and quality of MSME services in the digital era (Harto et al., 2023). Active developments in online business have a positive impact on company sustainability, involving responsibility to protect the environment, ensure global sustainability, and create balance in economic, social, and environmental aspects through the implementation of sustainability concepts in E-Commerce processes (Sun et al., 2021). Capital availability is a crucial aspect in establishing a company as it affects the company's ability to operate and the level of risk it faces (Mais et al., 2023).

Research on E-Commerce transactions in productive businesses or sectors such as micro, small, and medium enterprises (MSMEs) has been extensively conducted previously (Almunawar et

al., 2022; Budiarti & Akbar, 2021; Putranto & Rani, 2022; Rizaldi & Madany, 2021; Shahabuddin et al., 2022). Likewise, its relation to how E-Commerce or capital plays a role in the sustainability of MSMEs themselves has also been explored (Amornkitvikai et al., 2022; Gao et al., 2023; Khurana et al., 2021; M. K. Mahes et al., 2022; Phonthanukitithaworn et al., 2023; Prasanna et al., 2019; Sun et al., 2021; Vásquez et al., 2021). Although many researchers have analyzed E-Commerce transactions and capital in sustaining sustainability, resilience, income, or similar aspects of MSMEs, knowledge development through research continues to deepen our understanding of a researched topic. For example, from various perspectives such as the Islamic perspective (Fida et al., 2021; Husna, 2022; Mais et al., 2023; Nurmayantri, 2023; Putra, 2023; Viva & Huda, 2023). The previously presented research efforts serve to develop and refine our understanding of the phenomena around us. As an initial step, research is often inspired by previous findings conducted by earlier researchers. Based on this understanding, this research is inspired and emerges as an evolution of previous research investigated by Mais et al., (2023).

The researcher is interested in re-examining the findings of several previous studies, considering the selection of the research subjects in Segara Jaya Village, which has a number of culinary MSMEs utilizing E-Commerce. The case study in Segara Jaya Village reflects current business trends where many culinary entrepreneurs utilize E-Commerce platforms. This research can provide insights into the adaptation of MSMEs to technology and consumer trends, as well as the economic and social impacts of E-Commerce presence in the village community, including the potential for increased income, job opportunities, and changes in community lifestyle.

2. Literature Review

Buying and selling refer to the transaction process in which the seller delivers goods to the buyer after reaching an agreement regarding the items to be sold. This process involves organized steps, starting from offering goods, negotiation, reaching an agreement, followed by the seller's delivery of the goods to the buyer, and the buyer's acceptance of the goods as part of the previously agreed-upon agreement. This buying and selling transaction involves the exchange of goods with a certain value represented by payment or other agreed-upon compensation by both parties (Rezki et al., 2023). Buying and selling goods and services have been common activities in human life since ancient times, intended to meet needs. The passage of time has transformed the methods of buying and selling from simple bartering to more efficient online transactions, reflecting significant changes in how humans interact and conduct business. E-Commerce transactions, or online buying and selling, fall under the category of muamalah in the trade or business sector, which is the activity of individuals or groups to fulfill their respective needs (Nurmayantri, 2023).

E-Commerce is a modern form of buying and selling transactions driven by technological innovation, involving electronic agreements through online platforms without direct physical exchange between buyers and sellers. Unlike conventional trade, E-Commerce has a global scope that enables market access expansion to an international level, introducing a stronger globalization aspect in the trading world (Nurmayantri, 2023). E-Commerce is a system where goods or services can be distributed, bought, sold, and marketed through electronic platforms such as the internet. With globally accessible coverage, E-Commerce provides convenience in attracting customers and increasing revenue for businesses, creating opportunities to reach a wide customer base and expand the potential for revenue growth in business (Mais et al., 2023).

The concept of sustainability has an ambiguous meaning, but in this research, it is interpreted as the continuity, growth, development, and resilience of MSMEs. According to Islam, sustainability reflects the ability to maintain and preserve a condition or system in the long term without causing significant damage to natural resources or the quality of life for future generations. This concept is important in various fields and has broad relevance in the contexts of nature, economics, social issues, and culture. As the meaning contained in the Quran, Surah Al-A'raf verse 31, states:

“O children of Adam! Wear your beautiful apparel at every place of worship, and eat and drink, but do not be wasteful. Indeed, Allah does not like the wasteful”.

SMEs are one of the largest economic sectors in Indonesia, contributing significantly to national economic growth and playing a crucial role in creating significant job opportunities for domestic workers. This helps reduce the unemployment rate in the country (Fuadi et al., 2022). The restrictions imposed due to PSBB have resulted in a decrease in the number of buyers and the turnover of businesses, prompting SMEs to switch to E-Commerce platforms and utilize digital technology to expand their market share. From an Islamic perspective, electronic commerce is considered in line with Islamic legal principles, with moral principles and commitment in E-Commerce transactions being important (Fida et al., 2021). The empirical study by Husna (2022) indicates that technically, E-Commerce transactions such as the sale of goods or services, especially involving physical goods, can be compared to al-salam transactions regulated in Islamic law since the early development of this religion. With the condition of understanding and agreement from both parties, the use of E-Commerce in Indonesia is permitted. This research can also provide guidance to E-Commerce users in conducting their business.

The majority of SMEs have adhered to business ethics in accordance with Islamic Sharia principles, such as maintaining product quality, using high-quality raw materials, providing good and friendly customer service, and setting affordable prices. Most SMEs have also understood and implemented the bai'as-salam contract well in E-Commerce transactions, although some still require deeper understanding due to knowledge limitations (Mais et al., 2023). The presence of E-Commerce in companies can bring benefits, primarily its ability to reach a larger number of consumers and reduce excessive expenditures. In building E-Commerce, there are several aspects to consider, such as adapting to the company's scale and understanding business regulations (Rizaldi & Madany, 2021). SMEs have experienced progress and better growth through E-Commerce adoption, allowing them to leverage technology to market and expand their businesses, creating various product and service innovations (Budiarti & Akbar, 2021).

E-Commerce has a significant and positive influence and plays a crucial role in the sustainability of SMEs' E-Commerce in Thailand. It was found that out of 18 barriers reported by Thai SMEs, 13 of them were identified as the most significant obstacles to their E-Commerce sustainability. For instance, many customers are still unfamiliar with E-Commerce, and there is a belief that Thailand lacks adequate security measures to prevent hacking and malware, along with several other barriers (Amornkitvikai et al., 2022). Statistical analysis conducted by Gao et al., (2023) on 212 SMEs in three districts in Bangladesh showed that E-Commerce adoption significantly influences the financial performance and sustainability of SMEs during the COVID-19 pandemic. These findings also indicate that digital marketing strategies significantly affect the financial performance of SMEs. However, there is no significant evidence of a correlation between Digital Marketing adoption and SMEs'

sustainability. The primary role in bridging the relationship between E-Commerce adoption and sustainability is the financial performance of these micro, small, and medium enterprises.

3. Research Method

The research method employed by the researcher in this study is qualitative research of a descriptive nature. The aim is to describe and deeply understand the phenomenon of the culinary industry in Segara Jaya village. According to Fadli (2021), qualitative research focuses on gaining in-depth understanding of issues in social life. This approach involves research in realistic or natural settings with a holistic, comprehensive, and complex framework. The goal is to detail and present a comprehensive picture of the social aspects under investigation. By adopting a single case study approach, as this research addresses a single case, namely micro, small, and medium enterprises (MSMEs) in the culinary field in Segara Jaya village, Bekasi, this approach is taken to answer the research questions about how E-Commerce transactions and capital contribute to sustaining MSMEs from an Islamic perspective.

The data of MSMEs utilizing E-commerce were obtained by the researcher using a smartphone through the platforms Go-Food, Grab-Food, and Shopee-Food, totaling 50. Those registered on the Google Maps platform were only 21 MSMEs, with only 9 of them having dine-in facilities. The selection of these 6 informants was made to facilitate participatory observation or observation, aiming to enhance familiarity and trust between the researcher and informants, creating a collaborative environment conducive to the disclosure of honest, richer, contextual, and valid information.

4. Findings and Discussions

Based on the research by the informants were MSME actors in the culinary field selling their products through E-Commerce platforms in Segara Jaya village, Bekasi. The researcher conducted initial observations by first determining the research location through searching for business data via food delivery applications such as Go-Food, Grab-Food, and Shopee-Food. The data obtained amounted to 48 MSMEs, which were then searched for location information through the Google Maps application. Approximately 21 MSMEs were registered on both E-Commerce and Google Maps. After obtaining sufficient data, the researcher conducted direct observations at the business locations. However, only 9 out of the 21 MSMEs had facilities for dining in, such as benches or tables, for conducting participatory observations. From these 12 MSMEs visited, only 7 business owners met the criteria to be interviewed as informants. They had relevance to the research topic, were directly involved with the phenomenon or context under investigation, were cooperative, and willing to spare their time for interviews.

The advancement of technology, the role of E-Commerce in supporting Micro, Small, and Medium Enterprises (MSMEs) has become increasingly significant. To gain a deeper understanding of how E-Commerce can sustain MSMEs' businesses, particularly in the context of sustainability, the researcher conducted a series of interviews with MSME owners and entrepreneurs. These interviews aimed to detail their knowledge of how the implementation of E-Commerce has affected various aspects of their business sustainability. Through these interviews, MSME entrepreneurs shared their thoughts, experiences, and perspectives on the role of E-Commerce in supporting business sustainability, as expressed by the informants, including the following:

"The role of E-Commerce is indeed very influential, especially in spreading information about our merchandise marketing like Fried Rice, Bihun Goreng, and Mie Godok, which

can be accessed through E-Commerce platforms such as Grab-Food or Go-Food; it's really good in my opinion" (Mrs. AB).

"The role of E-Commerce for me is quite helpful, but not too important, because most buyers here usually come directly, they usually eat with family or friends" (Mr. MM).

"Yes, it's important. With E-Commerce, hopefully, this business can progress even further" (Mr. ZA).

"Alhamdulillah, it plays quite a role. Until now, I've been smoothly using E-Commerce platforms like Grab-Food, Go-Food, or Shopee-Food" (Mr. TO).

"Well, E-Commerce does help. With E-Commerce, it provides additional income besides offline purchases. However, more people come directly because Ibu Noeng's Warung is a concept of sitting together, so usually, many people come directly in groups" (Mrs. DS).

The interview results revealed varied perspectives regarding the role of E-Commerce in expanding market reach and disseminating information. Most informants stated that E-Commerce plays a crucial role in reaching a broader consumer base. They acknowledged that through E-Commerce platforms, users can efficiently disseminate and access product or service information. However, there were differing views among informants regarding the importance of E-Commerce in the culinary business. Some informants argued that E-Commerce is not as crucial for certain types of businesses because most customers prefer direct experiences in enjoying food and the atmosphere of culinary establishments. These factors, such as direct experience and social interaction, remain primary considerations for most customers, which can influence their purchasing decisions.

In this context, it is expected to explore the obstacles business operators face in implementing E-Commerce in Segara Jaya village. The interviews conducted aim to delve into their experiences and perspectives regarding the obstacles that may arise while using E-Commerce platforms. These challenges may encompass various aspects, ranging from technical to non-technical, which could affect the effectiveness and sustainability of businesses. Therefore, it is hoped that a better understanding of the aspects that need to be considered in efforts to enhance E-Commerce usage among business operators can be created, along with designing strategies to address the emerging challenges. Below are the statements provided by the informants:

"The obstacle, well, our main obstacle is like the increase in percentage of prices, you see, on Grab-Food or Go-Food, it has to be quite high; if not, we can't recoup the investment, we end up losing money. We have to raise the prices by at least 28%-30%" (Mrs. AB).

"Maybe there are quite a few obstacles, like limitations in our promotions, and then the marketing management hasn't been done optimally yet, it's still considered lacking or just average" (Mr. MM).

"Well, as for obstacles faced while using E-Commerce, there aren't any, everything's been smooth sailing" (Mr. ZA).

"Alhamdulillah, there are none, in fact, it's brought in more customers and greatly helped my business" (Mr. TO).

"It's fortunate that we haven't faced any, but we never really use promotions; sales are steady as usual, not too many though" (Mrs. BC).

Based on the informant statements regarding the challenges in implementing E-Commerce, there are various understandings and experiences highlighted. Some informants mentioned that they did not encounter significant obstacles, indicating that the use of E-Commerce proceeded relatively smoothly. However, there were also informants who noted several challenges, including pricing adjustments that raised concerns and a lack of knowledge and understanding of marketing strategies through E-Commerce. The interview results regarding the challenges in implementing E-Commerce indicate that its adoption among Micro, Small, and Medium Enterprises (MSMEs) has varied impacts. While some have successfully integrated E-Commerce without major hurdles, there are still some MSMEs facing challenges, especially regarding pricing adjustments and a lack of understanding in online marketing strategies. Thus, this phenomenon reflects the need for more holistic support and approaches to assist MSMEs in optimizing the benefits of E-Commerce and overcoming potential barriers.

The Role of Capital in Sustaining Businesses. In the dynamics of business, capital plays a central role in ensuring the sustainability of operations, especially for Micro, Small, and Medium Enterprises (MSMEs). This context aims to deepen the understanding of how capital contributes to supporting the sustainability of micro, small, and medium enterprises. Interviews conducted with owners and business operators in Segara Jaya village through MSMEs are intended to explore their experiences and perspectives regarding the role of capital in supporting the continuity of operations and business sustainability. Here are the opinions from some informants:

"The role of capital for the sustainability of the business is indeed significant. Essentially, it's been our allowance since the beginning; it helps pay employee salaries, purchase our business needs, and yes, it's crucial because we started this business completely self-funded, with roughly nearly a hundred million in personal investment" (Mrs. AB)

"When it comes to the role of capital, it's much more important; it's one of the main factors to drive the advancement of a business or company" (Mr. MM)

"As for the capital, it's already provided by the boss (business owner), so I think it's important, especially for daily business expenses and for sales because I'm just an employee" (Mr. AB).

"Capital is indeed crucial, it's essential especially for starting a business and also for maintaining stock availability" (Mr. TO).

"Yes, it's very important, especially now when the prices of raw materials are high, like chili, onions, they fluctuate, and other expenses are needed for daily shopping, and it's not guaranteed that there will be a large number of customers every day, so if there's insufficient capital for tomorrow, then it's necessary to add capital; the money comes from personal savings or from yesterday's sales" (Mrs. DF).

According to the statements provided by several informants, capital plays a crucial role in various aspects of business, particularly during the startup phase, including establishing operational foundations, driving business progress, paying employee salaries, and preparing raw material stocks for future business sustainability. However, some informants expressed concerns regarding unstable raw material prices and reluctance to use external capital due to a preference for personal funds for security and financial freedom. In conclusion, the analysis of the interview findings indicates that the success of businesses and the financial stability of

informants are closely linked to effective capital understanding and management. Although there are limitations in understanding certain capital sources, such as government assistance or other external aid, that may come with various requirements and restrictions, informants prefer to use personal funds that provide a sense of peace and freedom in full control over management and utilization.

Many entrepreneurs, particularly in the capital sector, encounter various obstacles that often pose significant challenges when realizing the dream of starting a business. In this context, the aim is to deepen understanding of the challenges faced by individuals embarking on entrepreneurship, particularly in the aspect of capital. Interviews conducted with business owners are designed to explore their experiences and perspectives regarding the obstacles that arise when entering the business world. By highlighting the urgency and relevance of a profound understanding of the challenges encountered when starting a business, especially in terms of capital, the success and sustainability of businesses in the early stages often depend on how entrepreneurs can overcome these obstacles. Through the interview results provided by the informants, the following insights were gathered:

"First of all, the challenges we faced weren't apparent initially. In the beginning, we first purchased new tables, benches, and all cooking equipment, then renovated the room and the shop as well. But later on, there's a demand to enrich the menu or unexpected purchases and expenses require additional capital, while the initial capital has already been depleted" (Mrs. AB)

"As for the challenges, surely every business has them, but it's been prepared for from the start in terms of capital, so personally, I don't feel much of a shortage" (Mr. MM)

"Surely there are challenges, especially for a small business like this, especially in the beginning, finding customers was quite difficult. There are quite a lot of competitors selling martabak and other snacks, and the turnover of purchases is also quite challenging, so I have to carefully manage the capital" (Mr. AB)

"As for the capital, there are no challenges; everything runs smoothly. I used personal capital for the initial capital, obtained from the proceeds of previous sales since 1998, saved for savings, rather than borrowing or taking out a lot of loans, which carries many risks" (Mr. TO)

"As for the challenges in the initial capital, I'm not really sure because my sister was the one who established or started the Warung Ibu Noeng business. But as far as I know, we haven't faced a shortage of capital so far, both for the initial phase and until the development of this warung" (Mrs. DS)

Most informants agree that every business at some point will face capital challenges, not only at the outset but also in subsequent development stages. Business readiness, particularly in predicting or preparing capital to address unforeseen expenses, becomes key to success along the business journey. Some entrepreneurs encounter hurdles by imposing large capital usage at the outset of establishing their businesses, resulting in a lack of emergency funds to address challenges in the future. Financial preparedness and a good understanding of capital dynamics are crucial to ensuring business sustainability. Prospective entrepreneurs need to understand the importance of having emergency funds to address unforeseen obstacles so that the business journey can proceed more smoothly and sustainably.

This research highlights the relevance of disclosing interview findings regarding transactions

applied within a business context and the extent of their compliance with Islamic religious teachings. Transactions conducted in accordance with the principles of Islamic Sharia have a significant impact on the integrity of ethics and business sustainability. Interviews with business operators conducting transactions in accordance with Islamic religious teachings provide deep insights into how religious values influence every aspect of the transactional process in the business world.

"According to me, the E-Commerce transactions I've been doing so far comply with Islamic law" (Mrs. AB)

"According to Islamic teachings, it's clearly compliant because the products sold are clearly labeled halal, including the raw materials, including everything, and the management applied also complies with Islamic law" (Mr. MM)

"Well, according to me, everything is already in compliance. As for the product quality, it also needs to be maintained because I'm afraid of disappointing customers" (Mr. AB)

"Well, according to the scholars I've studied, maybe from watching YouTube, all the transactions are indeed correct. The important thing is that debts and credits must be paid immediately, not exaggerated or reduced" (Mr. TO)

"Yeah, I don't know much about that because the transactions use conventional banks, so I don't understand much" (Mrs. DS)

The interview results revealed varying perspectives regarding adherence to Islamic principles in implementing transactions through E-Commerce among business operators. Some informants stated that their transactions aligned with Islamic principles, based on an understanding of maintaining product quality, permissibility, and implementing management in accordance with Islamic law. However, some informants expressed concerns about their limited understanding of Islamic law in a business context, such as regulations regarding riba (interest), highlighting the importance of deeper understanding in conducting business transactions. Analysis of the interview results regarding the suitability of E-Commerce transactions applied by business operators with Islamic religious teachings emphasizes the importance of a profound understanding of Islamic principles in a business context, especially when involving transactions through E-Commerce platforms. A better understanding of Islamic law can assist business operators in ensuring compliance with Sharia principles in all aspects of their business operations.

In the context of business sustainability, Islamic Sharia principles play a key role in managing capital. This research analyzes the interview results with business operators who conduct their businesses in line with Islamic principles, particularly concerning the use of capital. Capital is not only seen as a financial resource but also as a trust that must be managed with caution and compliance with Islamic ethical values. This discussion highlights the importance of understanding how capital management contributes to sustaining business operations and adhering to Islamic principles. In this context, interviews with business operators conducting their operations in accordance with Sharia principles provide profound insights into how capital is valued, managed, and directed to achieve goals aligned with Islamic values. This, as expressed by several informants, encompasses perspectives from business operators among them:

"According to me, the capital used in running my business is already in accordance with Islamic principles. For example, allocating capital and profits to employees is very

transparent. Every month, we always do closing, and even every night when we close the store, all sales are recorded in the cashier. We keep track of how much capital is in the cashier, how much is left, and how much spending (on any purchases) we have. We have a record book for it, and at the end of the month, everything will be detailed for the employees" (Mrs. AB).

"It's in accordance, because personally, I don't violate the applicable norms, especially Islamic principles" (Mr. MM).

"Hopefully, it's halal, because we're the ones providing the capital, the boss, right? Inshallah, it's halal. It should all be halal for the business, and the distribution of employee wages is all going smoothly, alhamdulillah" (Mr. WA).

"Inshallah, it's already in accordance with Islamic law 100%" (Mr. TO).

"Inshallah, it's already in accordance. As for the turnover aspect, it's also in accordance, usually when we receive money, for example from sales, we calculate and then the next day for shopping. If there's any leftover, it's saved for the monthly employee wages, that's it" (Mrs. DS).

Based on the interview results, it can be concluded that all informants are confident that the use of capital in their businesses has been in accordance with Islamic principles. They believe that all forms of capital used have followed the guidelines as well as the Sharia principles and norms applicable in Islam. However, some informants acknowledge shortcomings in their understanding of the sources of capital used in their businesses. They do not have full control over the initial capital invested in the business, thus experiencing difficulties in understanding the origin and allocation of capital. Despite acknowledging limitations in understanding the sources of capital, the informants still believe that the capital used must adhere to the principles of Islamic Sharia.

They demonstrate sensitivity to compliance with Islamic ethical values and laws in their businesses, reflecting the complexity of the relationship between business owners and operators in managing capital sources. The analysis of the interview results emphasizes the importance of comprehensive understanding of the sources and use of capital in accordance with the principles of Islamic religion in running a business. Although many informants are confident that the capital used is in line with Sharia principles, enhancing understanding, especially for those involved in making business capital decisions, becomes crucial. The interview findings conclude that to sustain culinary MSMEs, it is important to understand the role of E-Commerce contextually. While the majority of informants acknowledge the importance of E-Commerce in expanding market reach, some of them state that not all culinary businesses depend on or require E-Commerce. Challenges in implementing E-Commerce, especially regarding pricing and understanding marketing strategies, indicate the need for a holistic approach to support MSMEs.

Furthermore, the success and financial stability of MSMEs heavily rely on effective capital management. Although external capital sources such as government assistance are available, informants prefer using personal capital to have more control over its management and utilization. Awareness of the importance of emergency funds in overcoming unforeseen obstacles is a crucial factor in ensuring business sustainability. The importance of a deep understanding of Islamic principles in E-Commerce transactions and the conformity of capital with Islamic teachings also emerge as key factors. Understanding Islamic law helps business

owners ensure compliance with Sharia principles in business operations and capital utilization. Therefore, a comprehensive understanding of these principles is essential to maintain the long-term sustainability of culinary MSMEs.

5. Conclusion

Based on the findings and analysis presented in this study, it can be concluded that E-Commerce has an important role in supporting MSMEs, although there are challenges in its implementation caused by the lack of digital literacy and understanding of applicable E-Commerce regulations, so that it can suppress the potential of the E-Commerce platform to the maximum or cause losses. The success and financial stability of an MSME is determined by careful and efficient capital management as a foundation for starting, developing, and maintaining long-term sustainability so that MSMEs can improve their business performance. The use of E-Commerce and capital in MSMEs requires guidance that is in line with Islamic values to ensure transparency, fairness, compliance with Sharia principles, and avoidance of sin. The selection of halal products, the use of usury-free financing, marketing ethics, and consumer protection are the focus of MSMEs in maintaining sustainability in this study. Awareness of the lack of knowledge and skills in informants is an understanding that can enable MSMEs to support their businesses. Suggestions for further research are to involve more diverse industrial sectors or business sectors to expand the scope of observation. Thus, the generalization of findings can better represent different types of businesses, thereby increasing the relevance and contribution of the research in the overall business context.

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The Effect of Brand Image, Price, and Electronic Word of Mouth on Student Interest in Choosing a Private College in Bandung City (Study at Pasundan 2 Cimahi High School)

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Abstract

Instruction plays a critical part in the advancement of Indonesia, but there are still inequalities in higher education opportunities. This study looks at the effect of Brand Image, Cost, and Electronic Word of Mouth (e-WOM) on prospective students' interest in choosing a Private University (PTS) in Bandung City centred on Pasundan 2 Cimahi High School. This is done to analyze the effect of Brand Image, Cost, and e-WOM on interest in choosing PTS in Bandung City using a quantitative strategy with a purposive sampling method. Information was analyzed through validity, reliability, multiple linear regression, and F and T tests with an error rate of 5%. The results showed that Brand Image (X1) and e-WOM (X3) have a significant influence ($p = 0.000 < \alpha = 0.05$). Thus, H1 and H3 are accepted, while H2 is rejected. This finding emphasizes that Brand Picture and e-WOM influence student interest, while Price has a smaller impact. This shows the importance of positive branding and computerized engagement for HEIs to remain competitive in attracting students. This research provides insights for educational institutions to develop strategies to address these factors and increase their attractiveness to prospective students amidst the increasingly fierce competition in higher education.

Keywords: Brand Image, Price, E-WOM, Interest in Choosing, Private College.

JEL CODE: D12, I23, L15

1. Introduction

Education is an important foundation for Indonesia's development. According to Ki Hajar Dewantara, argues that education is an effort to improve or develop character (inner strength, mind, and character), as well as the physical and mental strength of children. This is in line with Law No. 20 of 2003 which states that "education is a conscious and planned effort to create a learning atmosphere and learning process so that students can actively develop their potential, to have the spiritual and religious strength needed, both for themselves, society, and the nation and state." The government's efforts in developing the education system in Indonesia are quite

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significant from time to time, for example, curriculum system development, teacher development, student learning process development, and educational institution development (Website of Ministry of Education, 2024)

In this digital era, there is an important impact on the development of education. The increasing complexity and changes in the global environment have brought about great challenges, opportunities, and responsibilities in the field of higher education (Astomo et al., 2021) (Barrow & Zamzuri, 2024). In Indonesia, there is inequality in the opportunity to pursue higher education. For example, universities in Indonesia are divided into two, namely State Universities (PTN) and Private Universities (PTS). (Serfiyani, 2020).

Interest in entering PTN in Indonesia is still very high, according to the 2021 Akupintar Survey, 81.5% of respondents chose a PTN as a place to study and 42% of respondents said that university reputation is very important in determining where to study. PTN in Bandung are known for their strong reputation, reliable quality of education, and more affordable tuition fees (Karamang et al., 2024). However, the selection process for entering state universities in Indonesia through the Higher Education Entrance Test Institute (LTMP) severely limits students' opportunities to be accepted. Covering data from SNPMB BPPP 2024, the presentation of new student admission quotas at PTN is only 34.68% of the total 785,058 participants. The number will increase every year, so the opportunity to compete is even higher. Therefore, students who cannot pass the selection of PTN will take alternative steps such as choosing PTS.

In contrast to PTN, interest in entering PTS is still low, for example in Bogor, students have a presentation of only 15.61% of the total 302 respondents who are interested in choosing private universities (Yoesdiarti et al., 2018). The Association of Private Universities reports that the number of new student applicants is shrinking by 15% per year. Meanwhile, students are the main resource of universities, especially private universities, in obtaining funds to support their operations (Nas, 2021). This can result PTS reducing the quality of education and Indonesia will lack graduates with superior human resources.

In Indonesia, there are at least 2370 PTS spread throughout its territory. Meanwhile, there are 145 PTN (Website of Ministry of Education, 2024). This indicates that there are many options for students in the process of selecting PTS as a place of higher education. This condition requires students to know well about what they are interested in. For example, Bandung is the second education city in Indonesia with a presentation of 45% of students choosing Bandung as a place to pursue education (GoodStats Survey, 2023). This makes the process of choosing a campus to be fast, because Bandung has 32 academies, 14 polytechnics, 63 high schools, 4 institutes, and 28 PTS (PDDIKTI).

For students, the decision to choose a college is a major life decision. So, it needs to go through a long and complicated process. Launching from the results of the 2014 Mix Marcomm Survey, at least students in determining their choice to choose a college pay attention to important factors such as the reputation or brand image of the college and the suitability between costs and benefits obtained. A university with a good brand image can provide high benefits, because indirectly prospective students tend to recommend it to others. Conversely, if the image created is negative, it is inevitable that prospective students will spread this bad information to the community (Karamang, 2023).

Brand Image is a public response to a company or institution. where an image is formed

naturally or cannot be engineered but can be recommended(Costa & Pelissari, 2017) & (Patlán Pérez & Martínez Torres, 2017). Brand image has a very strong and positive influence on buying interest, and is proportional and brand image is the first step to introducing a product to consumers (Fauziah et al., 2019). This research is in line with the findings of (Muhamad Azriel Ardiansyah et al., 2023), who concluded that partially, Brand Image has an effect on interest. Thus, the Brand Image of higher education also has an influence on student decisions in choosing PTS and Brand Image shows a greater influence than Social Media Marketing (Karamang, 2023) Therefore, PTS must have positive branding to keep winning the competition among other PTS.

Furthermore, the cost of tuition has a major impact on the decision to attend a PTS (Qasim et al., 2021). For example, the system of PTN & PTS fees is different, PTN uses a system, namely the Single Tuition Fee (UKT), while PTS is quite diverse and includes fees such as registration, donations to institutions, re-registration, and tuition fees (Purnomo & Saifullah, 2022);(Putri, 2021). Price is defined as the total of all values that consumers pay in exchange for the benefits of owning or using a product or service(Kotler & Armstrong, 2020) , Although PTS in Bandung generally offer high-quality education (Karamang et al.,2024), the high fees charged can be a major determining factor in prospective students' decision to choose the institution, because price has a significant influence in the decision-making process (Ali & Suciana, 2019).

In contrast to PTN, which have a UKT system that can be adjusted to the financial condition of students and supported by government assistance, so that tuition fees at PTN are more affordable than PTS (Karamang et al.,2024) Therefore, competition has become competitive and PTS must have effective strategies to attract prospective students (Putri, 2021).

Further still, in today's modern era, times are changing significantly, and the use of technology is becoming an important thing that students and universities, especially PTS, must master. In general, people tend to look at advertisements, reviews, and recommendations available on the Internet, such as on social media. Initially, communication was done directly through oral conversation (WOM), but along with the rapid development of the social media world, the Internet presents a universal source of communication called Electronic Word of Mouth (e-WOM)(Elseidi et al., 2016). Electronic Word of Mouth is marketing that utilizes the internet to generate word-of-mouth effects to support marketing efforts and objectives (Kotler et al., 2019). E-WOM has emerged as an essential means of promotion via social media, effectively drawing consumer buying interest (Kadek et al.,2023). Consequently, Electronic Word of Mouth exerts a considerable impact on the intention to purchase (Elseidi et al., 2016).

This research looks into the impact of Brand Image, Price, and Electronic Word of Mouth (e-WOM) on the interest of students in selecting PTS in Bandung. Pasundan 2 High School in Cimahi City was the location where this research was conducted as a case study. This study is intended to enhance understanding of the factors influencing students' decisions to choose private universities, especially across Bandung region.

2. Literature Review

2.1 Brand Image

Brand image is a consumer response to a brand that has been formed through information and past experiences, which serves as a synthesis of all symbols and visual elements used by the brand to build an emotional connection with its consumers. (Wardhana, 2024). Brand Image is also considered as “a factor related to the perception of corporate image, from the point of view

of distance students in public universities” (Costa & Pelissari, 2017). According to (Patlán Pérez & Martínez Torres, 2017). Brand Image is a response that a person feels towards an object, item, or organization as a whole and then stored in the consumer's memory.

2.2 Price

Price is the amount of money given for a particular product (Sunyoto in Kotler & Keller, 2019). According to (Kotler & Keller, 2019), “Price is the amount of money charged for a product or service, or the amount of value charged to customers for the benefits derived from owning or using a product or service.” This implies that price is the cost of a product or service. This amount is equal to the value that customers exchange in order to receive a benefit, ownership, or use of the product or service. The price is the amount consumers must pay to acquire these goods or services (Ismanto, 2020). As defined by (Kotler & Armstrong, 2020), price is the monetary sum demanded or the value expended by consumers to get these products or services.

2.3 Electronic Word of Mouth

Electronic Word of Mouth (e-WOM) is both positive and negative communication expressed by consumers and previous users regarding goods or services offered by companies via the internet. (Kotler & Keller, 2019). E-WOM is considered capable of encouraging promotion and shaping the desired corporate image (Mariasih & Setyaningrum, 2021). E-WOM is a statement made by users about a product through various platforms that facilitate this communication. Types of E-WOM in the form of opinions, online tools, feedback, reviews, comments, or experiences on the internet through various online communication platforms (Mishra & Satish, 2016)

3. Research Method

3.1. Research Metode

This study employs a quantitative approach and survey methodology to get data from respondents using questionnaires and Purposive Sampling data collecting methods. This research investigates brand image, pricing, and e-WOM as independent factors that affect the dependent variable, which is the interest in opting for a private college in Bandung City. Data analysis occurred through simple linear regression through SPSS version 26 software.

3.2. Data Collection Techniques

The sample in this study included SMA Pasundan 2 Cimahi City grades 11 and 12 with a total population of 835 students divided into Science and Social Majors. (Sugiyono, 2017) This study explains that the number of samples must be at least ten times the number of variables studied, so that a sample of 130 respondents was obtained. The data collection technique used is purposive sampling, which is according to (Sugiyono, 2017), The sampling technique in this study is based on certain considerations. The number of samples was calculated using the Slovin formula by considering the factors described below:

1. Active Students with grades 11 and 12;
2. Have interest in studying at PTS.

Sample should accurately represent SMA Pasundan 2 Cimahi's population. The Slovin formula is used to determine sample size :

$$n = \frac{N}{1 + Ne^2}$$

With the above formula, the population of Pasundan 2 Senior High School in Cimahi City is 835 students divided from grades 10, 11, and 12. With an error tolerance of 10% (0.1), the results can be found as follows:

$$n = \frac{835}{1 + 835 (0.1)^2} = 89,305 \sim$$

The Slovin formula calculated the number of respondents obtained to be 89. However, the researcher set 130 respondents in this study due to the high enthusiasm shown by the respondents during the research process.

Each research variable was tested using a Likert scale questionnaire. Each criterion used, such as age, current grade, and interest in PTS, was applied to measure Brand Image (X_1). Price (X_2) was evaluated based on elements such as price compatibility with the facilities obtained, price compatibility with the quality of education obtained, and scholarship offers provided. For E-WOM (X_3), the analyzed aspects include the number of comments on the university's website, positive reviews on the university's social media, and students' assessment of the university. Meanwhile, PTS interest in Bandung City (Y) is assessed by transactional, referential, preferential, and exploratory interest.

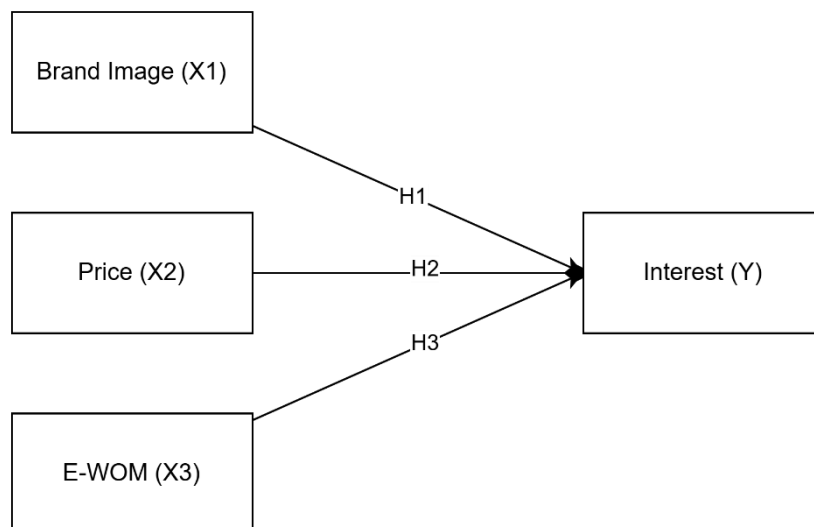


Figure 1. Research Model

4. Findings and Discussions

4.1 Validity Tests

Researchers conducted a validity test to determine whether or not each question item was valid on each variable, if the instrument can measure what will be measured, then the instrument is considered valid. (Sugiyono, 2017), The product moment correlation formula is used to measure the validity test, by comparing each item score with the overall item score of the question. The validity of an item can be known if the value of r counts with r table at a significance level of 5%. The number of samples is 130 with a significance level of 5%, the

validity test results are compared with the r table, resulting in $df = 130 - 2 = 128$ and the r table value is 0.1723.

Table 1. Results of Validity Test of Research Variables

Variable	No. Item	R count	R table	Desc
<i>Brand Image</i> (X_1)	1. I am interested in universities that have a good quality of education.	0.859	0.1723	Valid
	2. I am interested in a university with a clear vision and mission.	0.852		
	3. I want to study at a university that produces competent graduates.	0.848		
	4. I prefer universities that have social responsibility programs.	0.777		
	5. I am interested in universities that have professional human resources.	0.907		
	6. I am interested in a University with quality academic services.	0.9		
	7. I want to choose a University with quality administrative services.	0.829		
	8. I tend to choose a university that is able to compete with other universities.	0.582		
	9. I am more interested in a university that is recognized by society.	0.652		
	10. I am interested in a campus that supports open communication.	0.774		
	11. I am interested in a university that provides a comfortable place to study.	0.88		
	12. I want to choose a university that is able to provide positive stimulation to the surrounding environment.	0.887		
	13. I am attracted to universities that have a good identity.	0.872		
	14. I am interested in a university with a good reputation.	0.815		
	15. I prefer a university that has more value than other universities.	0.632		
Variable	No. Item	R count	R table	Desc
<i>Price</i> (X_2)	1. Tuition fees at this University influence my interest in choosing a study program that suits the educational facilities provided.	0.861	0.1723	Valid
	2. The cost of tuition at this University influences my interest in continuing my studies because it is comparable to the knowledge and skills that I will gain.	0.828		
	3. The offer of tuition fee waivers for outstanding students at this University increases my interest in enrolling.	0.837		
	4. The tuition fees at this campus, which are still affordable compared to other private universities, are one factor that influences my interest.	0.789		
Variable	No. Item	R count	R table	Desc

<i>e-WOM</i> (X_3)	1. I often access this University's information through social networking sites	0.769	0.1723	Valid
	2. I know this University because I often interact with other users on social media.	0.795		
	3. The number of reviews from social media that make me interested in studying at this University	0.845		
	4. I am interested in studying at this University because of the many positive comments written by other users on social media.	0.858		
	5. I am interested in studying at this University because of the many positive comments written by other users on social media.	0.869		
	6. I am confident to study at this University if many people study here.	0.802		
	7. I am sure to study at this University if it has good accreditation	0.708		
	8. I am confident to study at this University if the price is affordable	0.563		
Variable	No. Item	R count	R table	Desc
<i>Interest in Choosing</i> (Y)	1. I am interested in studying at this University in the near future	0.690	0.1723	Valid
	2. Before being interested in studying at this University I always consider the University	0.621		
	3. If I study at this University, I am interested in giving a review	0.756		
	4. If I study at this University, I am interested in recommending the University to Family / Friends / Siblings	0.743		
	5. I think this University is very good compared to other Universities	0.670		
	6. I have a very keen interest in this University	0.793		
	7. I always look for information about this University	0.713		
	8. I always look for positive information as a consideration for studying at the University	0.740		

Sources: Data managed by researchers (2025).

The computation results are compared with the r table according to the validity table. The r value is determined using the r table formula, namely $df = N - 2$. By substituting the value into the calculation, $df = 130 - 2 = 128$ is derived, resulting in a r value of 0.1723 at the 5% significant level. If the computed r value exceeds the r table value, the statement demonstrates strong construct validity. The calculation results indicate that the correlation coefficient r count exceeds r table, with a computed value more than 0.1723; thus, the assertions regarding the variables Brand Image (X_1), Price (X_2), e-WOM (X_3), and Interest in Choosing (Y) are deemed valid.

4.2 Reliability Test

A reliability test, as defined by (Sugiyono, 2017) An evaluation is performed to ascertain the reliability of a questionnaire employed as a measurement tool. The reliability of this study was evaluated using the Cronbach Alpha method. It was determined that the study is considered

reliable if the coefficient value α is more than or equal to 0.6 (Ghozali, 2018) A questionnaire reliability test assesses data measurement consistency. Reliability assessment results :

Table 2. Results of Reliability Test of Research Variables

Variable	Cronbach's Alpha coefficient	Limit Interval Description	Desc
Brand Image (X_1)	0.959	0.600	Reliable
Price (X_2)	0.848	0.600	Reliable
e-WOM (X_3)	0.905	0.600	Reliable
Interest in Choosing (Y)	0.863	0.600	Reliable

Source: Data managed by researchers (2025).

The brand image variable (X_1) is valued at 0.959 (> 0.600), according to the findings of the reliability test. Hence, it is considered reliable and appropriate for usage. The Price variable (X_2) is valued at 0.848, exceeding the threshold of 0.600, indicating that it is trustworthy. The e-WOM variable (X_3) exhibits a value of 0.905, which exceeds the threshold of 0.600, indicating its reliability. The interest in choosing the (Y) variable is valued at 0.863, exceeding the threshold of 0.600, thereby confirming the reliability and suitability of the instrument. The data for all variables in this study demonstrate consistent results.

4.3 Multiple Linear Regression Analysis

Research hypothesis testing was carried out with Multiple Analysis Regression. The results of linear regression analysis to test the hypothesis of this study are as follows:

Table 3. Multiple Linear Regression Analysis Results

Model	B	Std. Error	t	Sig
(Constant)	2.491	2.287	1.089	0.278
Total.BI	0.237	0.039	6.009	0.000
Total.P	0.214	0.134	1.592	0.114
Total.E	0.279	0.067	4.147	0.000

Source: Data managed by researchers (2025).

a. Dependent Variable: Interest in Choosing (Y)

The multiple linear regression equation is derived from the results of the regression analysis as follows:

$$Y = 2.491 + 0.237X_1 + 0.214X_2 + 0.279X_3$$

a. The constant value (a) is 2.491, a positive number. This positive indication denotes a unidirectional relationship between the independent and dependent variables. If all independent variables, namely Brand Image, Price, and e-WOM, are set to 0, the value of Interest in Choosing (Y) will be 2.491.

b. The regression coefficient for the brand image variable is 0.237, signifying a positive relationship. An increase of 1 in the variable will result in a 0.237 increase in the interest in selecting Y, assuming all other independent variables are held constant.

c. The regression coefficient for the price variable is 0.214, signifying a positive relationship. This indicates that a unit increase results in a 0.214 increase in interest in

choosing (Y), assuming that other independent variables remain constant.

d. The regression coefficient for the E-WOM variable is 0.279, signifying a positive relationship. This suggests that a unit increase will lead to a 0.279 increase in the likelihood of selecting Y, assuming other independent variables remain constant.

4.4. T Test (Partial)

The determination is ascertained by examining the significance value in the coefficient Table 3. Regression results are tested at a significance level of 5%. ($\alpha = 0.05$):

1. Accept H_0 and reject H_a if the t-test significant value exceeds 0.05. As a result, there is no correlation between the independent and dependent variables.
2. With a t-test significance value below 0.05, we can accept H_a as the alternative hypothesis and reject H_0 as the null. This proves that the independent and dependent variables are interacting with one another.

The results of the hypothesis test (t-test) indicate that the significance value for the Brand Image (X_1) and e-WOM (X_3) variables is 0.000, which is less than 0.05. This indicates that variables X_1 and X_3 affect Interest in Choosing (Y). The significance value for the Price variable (X_2) is 0.114, exceeding 0.05. This signifies that the X_2 variable exerts no impact on the Interest in Choosing (Y). The t-test results indicate that hypotheses H_1 and H_3 are accepted, however H_2 is rejected.

4.5 Model Feasibility Test (F-test)

Table 4. Anova^b

	Model	Sum of Squares	df	Mean Square	F	Sig
1	Regression	1649.244	3	549.748	47.095	.000 ^b
	Residual	1470.826	126	11.673		
	Total	3120.069	129			

Source: Data managed by researchers (2025).

The model feasibility table (F test) rejects H_0 and accepts H_1 . The calculated F value of 47.095 demonstrates this. The obtained significance value is 0.000, falling below the 0.05 threshold. So, this multiple regression model is valid, and the independent variables—Brand Image (X_1), Price (X_2), and e-WOM (X_3)—influence Interest in Choosing (Y).

4.6 Correlation Coefficient (R) and Determination (R^2)

Table 5. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.727 ^a	0.529	0.517	3.417

Source: Data managed by researchers (2025).

According to the results of the coefficient of determination test in the R^2 table, the corrected R-Square value is 0.517 (51.7%). The independent variables in this study account for 51.7% of the influence on the dependent variable, while the remaining 48.3% is attributed to external variables not included in this study.

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Future Energy: Palembang Public Perception of Briquettes as an Environmentally Friendly Energy Alternative

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Abstract

Non-renewable fossil fuels have raised global concerns due to their impact on the environment, including air pollution and climate change. As an alternative fuel, Briquettes offer an environmentally friendly solution by utilizing organic waste such as sawdust and coconut shells. This study explores Palembang residents' perception of briquettes as an alternative fuel, focusing on awareness, accessibility, price, and promotion. Interview findings indicate that although some residents know the benefits of briquettes, their adoption is hampered by uneven distribution, ineffective promotion, and less competitive prices. This study highlights the importance of technological innovation in improving the quality of briquettes as well as the role of the government in providing subsidies and education to the community. With the right strategy, briquettes have great potential to support the transition to more sustainable energy use.

Keywords: Briquettes, Alternative Energy, Public Perception, Technological Innovation, Promotion, Sustainability

1. Introduction

The decline of non-renewable fossil fuel sources has been a global concern for the past few decades. The use of fossil fuels not only depletes natural resources but also contributes greatly to air pollution and climate change. Therefore, more environmentally friendly alternative energy sources are needed (Haryanto, 2021). Briquettes, made from organic materials such as sawdust and coconut shells, have the potential to be an economical and environmentally friendly fuel. However, public acceptance of briquettes is still a major challenge, especially in urban areas such as Palembang (Widodo, 2019).

As one of the strategic cities in Indonesia, Palembang has great potential for the development of alternative energy. However, public awareness and understanding of the benefits of briquettes vary widely. The main barriers to briquette adoption include accessibility, price, and existing energy consumption habits (Santoso, 2020). Understanding public perceptions of briquettes is important for related parties, including the government and briquette producers, to design more effective strategies in promoting alternative energy (Rahman, 2023).

This study aims to identify the perception of the Palembang community towards briquettes and

explore strategies to increase their adoption. The results of this study are expected to contribute to environmental conservation efforts by raising awareness of environmentally friendly energy solutions and encouraging behavioral change. In addition, technological development in briquette production needs to be considered to increase its competitiveness. For example, the development of briquettes with low carbon emissions or higher combustion efficiency can attract urban consumers. Collaboration between academics, government, and industry is important to create a research ecosystem that supports briquette innovation (Hidayat, 2023).

3. Literature review

The global energy crisis emphasizes the importance of transitioning to renewable and sustainable energy sources (Haryanto, 2021). Briquettes, derived from organic waste, are considered a viable alternative to fossil fuels due to their economic and environmental benefits (Widodo, 2019). However, their adoption faces significant challenges in urban areas, where energy consumption patterns are deeply rooted (Santoso, 2020).

Previous studies have identified several barriers to briquette adoption. These barriers include limited availability in urban markets, perceived higher prices compared to conventional fuels, and lack of public awareness of its benefits (Lestari, 2022). Effective promotional and educational campaigns are considered important to increase public awareness and acceptance of briquettes (Rahman, 2023).

Technological innovation plays an important role in improving the quality of briquettes. Research shows that the development of briquettes with low emissions and better combustion efficiency can increase consumer interest and competitiveness in the market (Hidayat, 2023). In addition, government policies such as subsidies and regulations are needed to support the production and distribution of briquettes (Rahmatullah, 2021).

One of the key aspects in promoting the adoption of briquettes is the need for targeted marketing strategies. These strategies should focus on urban populations, where energy consumption is high and the dependence on conventional fuels is deeply ingrained (Mustafa, 2024). Engaging urban communities through social media platforms and collaborations with local influencers can help change perceptions and increase acceptance of briquettes as a viable alternative.

Furthermore, community involvement plays a significant role in the successful adoption of new technologies. Organizing workshops and training sessions can empower individuals to produce and use briquettes effectively. This can also foster a sense of ownership and responsibility towards sustainable practices.

Additionally, research by Akbar (2024) suggests that financial incentives such as tax breaks or subsidies for businesses that produce or use briquettes can stimulate market growth. Governments can also implement policies that set quotas for the use of renewable energy sources, including briquettes, in public buildings and infrastructure projects.

Moreover, investing in research and development is crucial. Continuous innovation can lead to the creation of more efficient and cost-effective briquette production methods, which can lower prices and make them more competitive with conventional fuels (Sari, 2023). Collaboration between academic institutions, private sector companies, and government bodies can accelerate technological advancements and facilitate the transfer of knowledge.

Finally, it's important to consider the environmental and health benefits of briquettes. Raising awareness about the reduction in greenhouse gas emissions and the improvement in air quality

that briquettes can provide may encourage more people to switch from traditional fuels. Highlighting these benefits in promotional campaigns can strengthen the case for briquettes as a sustainable energy solution (Pratama, 2023).

To address the barriers to the adoption of briquettes in urban areas, targeted marketing strategies are needed. For example, through social media campaigns involving local influencers to change perceptions and increase acceptance of briquettes as a viable alternative (Mustafa, 2024).

Additionally, community involvement also plays a significant role. By organizing workshops and training sessions, individuals can be empowered to produce and use briquettes effectively, fostering a sense of ownership and responsibility towards sustainable practices.

Research by Akbar (2024) also suggests that financial incentives, such as tax reductions or subsidies for businesses that produce or use briquettes, can stimulate market growth. Governments can also implement policies that set quotas for the use of renewable energy sources, including briquettes, in public buildings and infrastructure projects.

Investment in research and development is crucial. Continuous innovation can lead to the creation of more efficient and cost-effective briquette production methods, lowering prices and making them more competitive with conventional fuels (Sari, 2023). Collaboration between academic institutions, private sector companies, and government bodies can accelerate technological advancements and facilitate knowledge transfer.

In addition, we should consider the environmental and health benefits of briquettes. Raising awareness about the reduction in greenhouse gas emissions and the improvement in air quality that briquettes can provide may encourage more people to switch from traditional fuels. Highlighting these benefits in promotional campaigns can strengthen the case for briquettes as a sustainable energy solution (Pratama, 2023).

To address the barriers to the adoption of briquettes in urban areas, public-private partnerships can play a crucial role in scaling up briquette adoption. By collaborating with private companies, government agencies can leverage resources and expertise to create efficient distribution networks and marketing campaigns (Wijaya, 2024).

Establishing localized production facilities in urban areas can reduce transportation costs and make briquettes more accessible to consumers. These facilities can also create job opportunities and stimulate local economies (Ismail, 2024).

Governments can incentivize the use of renewable energy by offering subsidies or tax breaks to households and businesses that switch to briquettes. This can make briquettes more affordable and competitive with conventional fuels (Fatimah, 2024).

Addressing perception issues is key to changing consumer behavior. Highlighting success stories and testimonials from early adopters can help build trust and showcase the practical benefits of using briquettes (Agus, 2024).

Improving supply chain efficiency through better logistics and distribution channels can ensure a steady supply of briquettes to urban markets. This can help stabilize prices and make briquettes more attractive to consumers (Fajar, 2024).

Encouraging businesses to include briquettes in their corporate sustainability goals can drive demand. Companies that commit to using renewable energy sources can enhance their corporate social responsibility (CSR) profiles and attract environmentally conscious consumers (Nurul,

2024).

Using data and analytics can help identify target markets, optimize production processes, and monitor consumer preferences. This can lead to more effective marketing strategies and better resource allocation (Anwar, 2024).

Creating public awareness campaigns through television, radio, and print media can complement social media efforts. By reaching a wider audience, these campaigns can educate people on the benefits of briquettes, helping to shift public opinion and encouraging adoption (Putri, 2024).

Moreover, establishing community-driven initiatives can have a substantial impact. For instance, forming neighborhood groups that collectively invest in briquette production equipment and share resources can foster a sense of community and responsibility towards sustainable living (Rahman, 2024).

Introducing briquettes into school curriculums as part of environmental education can also play a critical role. Teaching children about renewable energy sources and the benefits of briquettes from a young age can help cultivate environmentally conscious future generations (Sari, 2024).

Furthermore, collaborating with large corporations can amplify efforts. Companies with substantial corporate social responsibility (CSR) programs can incorporate briquettes into their sustainability initiatives, thereby setting an example for other businesses and increasing overall demand (Handayani, 2024).

Implementing policy measures such as mandating the use of a certain percentage of briquettes in public transportation or government buildings can drive large-scale adoption. These policies can demonstrate government commitment to renewable energy and encourage private sector participation (Budi, 2024).

Finally, focusing on the health benefits of briquettes, such as reduced indoor air pollution and lower respiratory problems, can appeal to urban dwellers concerned about their health and well-being. Highlighting these personal benefits in promotional materials can make the switch to briquettes more compelling (Nuraini, 2024).

2. Research Method

This study uses a qualitative approach to gain in-depth insight into public perceptions of briquettes. The study was conducted in Palembang City involving 20 informants selected by purposive sampling. Data were collected through in-depth interviews and direct observation, using semi-structured guidelines to facilitate free but directed responses (Sugiyono, 2016).

1.1. Table. Interview indicators .

Aspect	Indicator	Sample Questions
Awareness	Knowledge about briquettes	"Do you know about briquettes as an alternative fuel?"
Understanding	Perception of the benefits of briquettes	"What are the main benefits of using briquettes?"
Accessibility	Availability of briquettes in the market	"Are briquettes easy to find in your area?"
Price	Perception of briquette costs	"What do you think about the price of briquettes?"

Ease of Use	Practicality of using briquettes	"Are the briquettes easy to use?"
Government Support	Government programs related to briquettes	"Are you aware of the government program regarding briquettes?"
Environmental Impact	Contribution to reducing pollution	"Do briquettes help reduce pollution?"
Preference	Willingness to choose briquettes	"Would you choose briquettes over other fuels? Why?"
Education/Promotion	Exposure to the campaign about briquettes	"Have you ever seen the briquette promotion campaign?"

Interview Data

Awareness

- Do you know about briquettes as an alternative fuel?
 - Al (25): "Yes, I've heard of it, but only briefly."
 - Mrs (26): "I know, especially from environmental campaigns on social media."

Understanding

- In your opinion, what are the main benefits of using briquettes?
 - Fr (24): "Helps reduce organic waste."
 - Wm (27): "Economical alternative to conventional fuels."

Accessibility

- Are briquettes easy to find around your place of residence?
 - Mn (28): "Not so easy, only available in certain stores."
 - Ls (29): "Hard to find in urban areas."

Price

- What do you think about the price of briquettes compared to other fuels such as gas or kerosene?
 - Rn (25): "Quite affordable, but not many people know about it."
 - Kp (30): "A little expensive compared to gas."

Ease of Use

- Do you find briquettes easy to use in daily activities?
 - Al (25): "It's a bit of a hassle compared to gas."
 - Mrs (26): "It takes longer to get used to."

Government Support

- Are you aware of any government programs that support the use of briquettes?
 - Fr (24): "I don't know much information."
 - Km (27): "I've heard about subsidies for alternative energy, but I don't really"

understand the details.”

Environment

- Do you think using briquettes helps reduce pollution or waste in your environment?
 - Mn (28): “Yes, it's more environmentally friendly.”
 - Ls (29): “Helps reduce organic waste.”

Preference

- If there were other fuel options available, would you choose briquettes? Why?
 - Rn (25): “Maybe, if it's more practical.”
 - Kp (30): “Only if it's cheaper than gas.”

Education and Promotion

- Have you ever seen an educational campaign or promotion about the use of briquettes? What is your response?
 - Al (25): “Haven't seen many promotions.”
 - Mrs (26): “I've been on social media, but it's not very interesting.”

Technology and Innovation

- What do you think about the current quality of briquettes? Are there any innovations that can make briquettes more attractive?
 - Rn (25): “Quite good, but still can be improved.”
 - Kp (30): “Not as good as conventional fuel, further innovation is needed.”

3. Interview Results

Interview results showed that although some respondents were aware of briquettes as an alternative fuel, their knowledge was still limited, and the information available was uneven. Respondents were generally aware of the benefits of briquettes, such as reducing organic waste and offering an economical alternative to fossil fuels. However, the main challenges in adopting briquettes included low accessibility, prices that were considered less competitive, and ease of use that was considered less practical than other fuels. Most respondents expressed the need for more massive and attractive promotions to increase public interest in briquettes. They also highlighted the importance of effective education to increase awareness of the benefits of briquettes, especially through social media and environmental campaigns. In addition, government support in the form of subsidies, regulations, or incentive programs was considered important to accelerate the adoption of briquettes as a more environmentally friendly alternative fuel. In terms of quality, although briquettes were considered quite good, respondents expected further innovation to increase competitiveness, such as improving combustion efficiency and reducing carbon emissions. Support that includes increasing distribution, reducing prices, and developing technology was considered crucial to make it easier for people to access and use briquettes. Overall, these interviews show that briquette adoption requires a holistic approach, involving increased public awareness, technological innovation, and government and producer support. With the right strategy, briquettes have great potential to become a more environmentally friendly and efficient alternative fuel in the future.

This study found that promotion and education about briquettes on social media are still minimal and have not attracted enough public attention. Many respondents admitted that they rarely see campaigns about briquettes, and those who do know about them feel that the content is not very interesting. Other findings show that the availability of briquettes in urban areas, such as Palembang, is still limited, making it difficult for people to access this product. This emphasizes the need to strengthen the distribution of briquettes and more effective marketing strategies to increase public awareness. In addition, the price factor is one of the main obstacles to the adoption of briquettes. Although some respondents feel that the price of briquettes is quite affordable, they said that without subsidies or incentives from the government, briquettes have difficulty competing with other fuels such as gas. This study also found that people tend to choose practical fuels, so the comfort aspect of using briquettes must be improved.

One important finding is the great potential to improve the quality of briquettes through technological innovation. Several respondents suggested that manufacturers develop briquettes that are more efficient in combustion and have lower carbon emissions. Thus, briquettes are not only more environmentally friendly but also more attractive to consumers who care about sustainability. The study concluded that the adoption of briquettes requires a holistic approach, including more attractive promotions, ongoing public education, price subsidies, and improving product quality through technological innovation. With the right strategy, briquettes have great potential to become an efficient and environmentally friendly alternative fuel, while encouraging the transition of society towards a more sustainable energy consumption pattern.

4. Results and Discussion

The results of the study showed varying levels of awareness and understanding among respondents. Some of the key findings include:

- **Awareness and Understanding:** Most respondents have only limited knowledge about briquettes. Promotion efforts, especially through social media, are considered less effective and unattractive.
- **Accessibility and Price:** Briquettes are not widely available in urban markets, and are considered less competitive without government subsidies.
- **Ease of Use:** Respondents stated that briquettes require more effort than conventional fuels, which reduces interest in using them.
- **Environmental and Economic Impacts:** Although environmentally friendly, briquettes' potential has not been optimally utilized due to a lack of awareness and practical challenges.

5. Conclusion

Briquettes have great potential as an environmentally friendly alternative fuel. However, their adoption is hampered by limited availability, ineffective promotion, uncompetitive prices, and usage constraints. This study highlights the importance of a holistic approach involving technological innovation, effective promotion, and government support to address these challenges. Further research is needed to explore the technical, logistical, and policy aspects to support briquette adoption.

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Online Shopping Behavior of Employees of PT Bukit Asam Tbk. Tanjung Enim Mining Unit

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Abstract

This study investigates the online shopping behavior of employees at PT Bukit Asam Tbk (PTBA) Tanjung Enim Mining Unit. Using a qualitative case study method, data were collected through in-depth interviews with ten purposively selected respondents. The findings highlight convenience, promotions, and social influences as key factors shaping online shopping habits, alongside challenges such as financial control and shopping addiction. The study provides insights into consumer behavior dynamics among mining employees and offers recommendations for improving financial management and online shopping platforms.

Keywords: Online Shopping Behavior, Case Study, PT Bukit Asam, Tanjung Enim, Mining Employees.

JEL Codes: M31, D12, L86

1. Introduction

The development of digital technology has changed the way people carry out their daily activities, including shopping behavior. Online shopping is now a phenomenon that not only involves urban communities, but also penetrates various levels of profession, including mine workers. PT Bukit Asam Tbk Tanjung Enim Mining Unit is one of the largest coal mining companies in Indonesia with thousands of employees spread across various divisions. PTBA Tanjung Enim employees have characteristics of dense work and work locations that are relatively far from the city center. This condition is thought to encourage employees to make more online transactions. This study aims to explore how online shopping behavior is formed among PTBA employees and the factors that influence this behavior.

This study focuses on changes in shopping behavior that occur among employees of PT Bukit Asam Tbk Tanjung Enim Mining Unit along with the development of digital technology. Along with advances in technology and the internet, online shopping has become part of a lifestyle that is not only limited to urban communities, but also spreads to various professions, including mine workers (Goh & Ang, 2020). PTBA, as one of the largest coal mining companies in Indonesia, has thousands of employees working in various divisions. Geographical conditions and dense work characteristics in locations quite far from urban centers are thought to be factors that encourage employees to make online transactions more often (Syarif & Rahayu, 2021). Along with the limited free time of employees who have to work in conditions far from shopping facilities, online shopping is a practical and efficient alternative. They can buy daily necessities or certain items without having to leave the workplace. This is especially relevant for those who work in hard-to-reach locations or have busy working hours (Syarif & Rahayu, 2021). In addition, easy access via smartphones and the internet gives them the opportunity to

shop anytime and anywhere (Katz & Rice, 2020).

One important factor in online shopping behavior is the role of social media. Many people, including PTBA employees, are influenced by product information they find on social media platforms such as Instagram, Facebook, and TikTok. The influence of colleagues or friends who share experiences about the products they have purchased can influence purchasing decisions (Mariani & Budi, 2022). Social media also allows them to see the latest trends and get product recommendations that are relevant to their needs (Harris, 2019). However, although online shopping provides convenience, the trust factor in the platform used remains a concern. PTBA employees, who may have concerns about transaction security or the reliability of the products purchased, tend to choose shopping platforms that already have a good reputation. (Harris, 2019). Transaction security, return policies, and payment methods that can be selected are important aspects in building buyers' confidence to continue shopping online. (Schneider & Keller, 2021).

Online shopping behavior is significantly influenced by various factors, with social media playing a pivotal role. Many individuals, including employees of PTBA, are often swayed by product information they encounter on platforms such as Instagram, Facebook, and TikTok. The experiences shared by colleagues or friends about their purchases can heavily impact purchasing decisions, creating a social proof effect (Mariani & Budi, 2022). Furthermore, social media serves as a window to the latest trends, offering product recommendations that align with users' needs and preferences (Harris, 2019).

However, while online shopping offers unparalleled convenience, it comes with its own set of concerns, primarily revolving around trust in the platforms used. For PTBA employees, concerns about transaction security and the reliability of purchased products often lead them to prefer well-established shopping platforms with solid reputations (Harris, 2019). Trust factors such as transaction security, comprehensive return policies, and flexible payment methods are essential in fostering buyer confidence and ensuring continued online shopping activity (Schneider & Keller, 2021).

To further elaborate, the role of social media in shaping online shopping behavior cannot be overstated. It not only offers a platform for product discovery but also for brand engagement. Brands can leverage social media influencers to create authentic connections with potential customers. Influencers, through their large following and perceived expertise, can significantly impact their audience's purchase decisions by showcasing products in a relatable and appealing manner.

Moreover, the interactive nature of social media allows consumers to engage directly with brands, ask questions, and receive instant feedback. This direct communication builds a sense of trust and loyalty, which is crucial in the digital marketplace. User-generated content, such as reviews and testimonials, also plays a critical role in influencing potential buyers. Seeing real-life applications and endorsements from other users can reduce uncertainty and boost confidence in the product and the purchasing platform.

Lastly, for PTBA employees and other consumers alike, the importance of a seamless online shopping experience cannot be overlooked. This includes having a user-friendly interface, efficient customer service, and robust security measures to protect personal and financial information. Platforms that prioritize these aspects are more likely to build and retain a loyal customer base.

In summary, social media not only shapes online shopping behavior by providing information and inspiration but also by facilitating a trustworthy and engaging shopping experience. As consumers become increasingly savvy, the emphasis on secure, reliable, and interactive shopping platforms will continue to grow.

Social media's role in shaping online shopping behavior is profound and multifaceted. For many PTBA employees and consumers worldwide, platforms such as Instagram, Facebook, and TikTok have become primary sources of product discovery and inspiration. The influence of colleagues, friends, and even strangers sharing their purchasing experiences can create a ripple effect, significantly impacting others' purchasing decisions (Mariani & Budi, 2022). This phenomenon, known as social proof, leverages the power of collective opinion and trust to drive sales.

Moreover, social media provides a dynamic environment where consumers can stay abreast of the latest trends and receive personalized product recommendations. Algorithms on these platforms analyze user behavior to suggest products that align with their interests, making the shopping experience more relevant and engaging (Harris, 2019). This personalized approach enhances the likelihood of impulse purchases and long-term customer loyalty.

Despite these advantages, the trust factor remains a critical concern for online shoppers, including PTBA employees. The fear of transaction fraud, counterfeit products, and inadequate customer service can deter potential buyers. As a result, consumers tend to gravitate towards established platforms known for their reliability and security measures (Harris, 2019). Factors such as robust transaction security, transparent return policies, and diverse payment options are essential in building and maintaining customer trust (Schneider & Keller, 2021).

Additionally, the interactive nature of social media allows brands to engage with their audience in real-time. This direct communication fosters a sense of community and trust, which is crucial for brand loyalty. For example, brands often respond to customer inquiries, address complaints, and even incorporate user feedback into their product development processes. This level of engagement not only humanizes the brand but also reassures customers that their voices are heard and valued.

Another significant aspect is the rise of influencer marketing. Social media influencers, with their vast followings and perceived authenticity, play a pivotal role in shaping consumer opinions and behaviors. Their endorsements can lend credibility to a brand and persuade followers to make purchases based on their recommendations. This strategy is particularly effective when influencers share personal stories and experiences with the product, creating a more relatable and convincing narrative.

In conclusion, the intersection of social media and online shopping behavior is a dynamic and evolving landscape. Social media platforms serve as powerful tools for product discovery, trend monitoring, and consumer engagement. However, the underlying trust factors, such as platform security and reliability, remain crucial in ensuring a positive and secure online shopping experience. As digital commerce continues to grow, the interplay between these elements will shape the future of how we shop and interact with brands online.

The integration of social media into everyday life has transformed how consumers, including PTBA employees, approach online shopping. Platforms like Instagram, Facebook, and TikTok have become essential channels for discovering new products and brands. The visual and interactive nature of these platforms enables users to engage with content more personally and

dynamically. For instance, Instagram's shopping features allow users to purchase items directly from posts and stories, making the transition from discovery to purchase seamless.

User-generated content (UGC) on social media, such as reviews, photos, and videos shared by other consumers, plays a crucial role in shaping purchasing decisions. UGC provides authentic and relatable perspectives on products, which can significantly influence potential buyers. Positive reviews and endorsements from fellow consumers can build trust and reduce the perceived risk associated with online purchases. This is particularly important for PTBA employees who might be cautious about the authenticity and quality of products available online.

In addition to UGC, brands often collaborate with social media influencers to reach broader audiences. Influencers, who have cultivated trust and authority within their communities, can drive significant engagement and conversions for brands. By showcasing products in their daily lives, influencers create a sense of authenticity and relatability that traditional advertisements often lack. This method of marketing is highly effective in influencing the purchasing behavior of their followers.

Moreover, social media platforms utilize sophisticated algorithms to tailor content to individual user preferences. These algorithms analyze user behavior, interests, and engagement patterns to recommend products and brands that are likely to resonate with them. For PTBA employees, this means they are more likely to encounter products that align with their tastes and needs, making their online shopping experience more personalized and enjoyable.

However, despite the convenience and appeal of social media shopping, trust remains a pivotal concern. PTBA employees, like many online shoppers, seek assurance that their transactions are secure and that they will receive the products as described. This trust is built through transparent communication, reliable customer service, and robust security measures. Established platforms with positive reputations are more likely to instill confidence in consumers, encouraging repeat purchases.

Furthermore, social media platforms offer brands the opportunity to engage directly with their customers. This direct interaction can address concerns, provide personalized assistance, and foster a sense of community. Brands that actively engage with their audience and demonstrate responsiveness are more likely to build lasting relationships and loyalty among their customers.

In conclusion, social media significantly influences online shopping behavior by providing a platform for discovery, engagement, and personalization. The combination of user-generated content, influencer marketing, and algorithm-driven recommendations enhances the online shopping experience. However, the importance of trust and security cannot be overlooked, as they remain fundamental to ensuring a positive and reliable shopping experience. As the digital landscape continues to evolve, the interplay between social media and online shopping will only become more integral to consumer behavior.

Through this study, it is expected to find a more comprehensive understanding of how online shopping behavior is formed among PTBA Tanjung Enim employees and the factors that influence it. In addition, this study also aims to provide recommendations to companies and online shopping platform providers on how to optimize the shopping experience for workers who live in areas far from shopping centers, so that they can create more efficient solutions for them.

2. Literature Review

2.1 Online Consumer Behavior

Consumer behavior encompasses how individuals or groups select, purchase, and use goods or services (Kotler & Keller, 2023). For instance, online shopping behavior is often shaped by the ease of access to multiple product categories and tailored promotions provided by e-commerce platforms (Turban et al., 2023). Additionally, studies indicate that digital reviews and peer recommendations significantly influence consumer trust and purchasing decisions (McQuail, 2023). The emergence of online shopping aligns with advancements in digital technology, offering flexible transaction processes (Chaffey & Ellis-Chadwick, 2023).

2.2 Factors Influencing Online Shopping Behavior

Convenience and Ease of Access: Flexibility in time and location drives online shopping, particularly for busy professionals like PTBA employees (Turban et al., 2023).

Promotions and Discounts: Attractive offers, such as discounts and free shipping, significantly impact consumer choices (Kurniawati, 2023).

Social Influence: Peer recommendations and trends on social media play a critical role in shaping consumer decisions (McQuail, 2023).

Transaction Security: Trust in secure payment systems and reliable platforms is a pivotal consideration (Schneider & Keller, 2021).

2.3 Challenges in Online Shopping

Financial Control: Promotions can lead to impulsive spending (Belk, 2023).

Product Quality: Items purchased online may not meet expectations (Strauss & Corbin, 2023).

Shopping Addiction: Easy access and constant promotions can foster excessive consumption (Kotler & Keller, 2023).

3. Research Method

This qualitative case study employed in-depth interviews, observations, and document analysis to explore online shopping behavior among PTBA employees. The data were analyzed using thematic analysis to identify recurring patterns and key themes related to shopping behavior. This approach was chosen for its ability to provide a deep understanding of the contextual and subjective factors influencing employee decisions, particularly in environments with unique constraints such as remote mining locations. Ten respondents were purposively selected based on the following criteria:

- Active employees at PTBA Tanjung Enim.
- Online shopping experience in the past three months.
- Willingness to participate in the study.

4. Findings and Discussions

4.1 Respondent Profile

The following is a general description of the respondent profile:

4 female employees and 6 male employees.

Age range 25-45 years.

Job positions vary: administrative, technical, and managerial.

<i>Initials</i>	<i>Age (years)</i>	<i>Gender</i>	<i>Division of Work</i>
<i>I</i>	26	Woman	Administration
<i>A</i>	32	Man	Operational Techniques
<i>S</i>	29	Woman	Administration
<i>N</i>	35	Man	Managerial
<i>R</i>	27	Woman	Finance
<i>D</i>	40	Man	Operational Techniques
<i>B</i>	31	Man	Managerial
<i>M</i>	28	Woman	Administration
<i>Y</i>	36	Man	Operational Techniques
<i>L</i>	42	Man	Finance

4.2 Motivation for Online Shopping

From the interview results, several main motivations for employees in shopping online were found :

Comfort:

Online shopping is more practical, no need to leave the house or go far to the city." (S, 29 years old)

"I'm busy at the mine, so online shopping is the most effective solution." (B, 31 years old)

Discounts and Promotions:

"Every end of the month there are big discounts, that's what makes me tempted to shop." (A, 32 years old)

"I often use e- commerce applications because there are free shipping vouchers ." (R, 27 years old)

Social Influence:

"Many of my office friends shop online , so I followed suit." (N, 35 years old)

"Often see product recommendations on social media." (I, 26 years old)

4.3 Challenges in Online Shopping Some of the challenges faced by employees include:

Financial Control:

"Sometimes it goes too far, spending becomes uncontrolled ." (D, 40 years old)

Product Quality:

"The item that arrived was not as expected." (M, 28 years old)

Transaction Security:

"I'm afraid of being scammed, so I'm more careful when transferring money." (Y, 36 years old)

4.4 Online Shopping Patterns and Frequency

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The research results show the following patterns and frequencies of online shopping:

<i>Shopping Patterns</i>	<i>Frequency</i>
<i>1-3 times per month</i>	70%
<i>4-6 times per month</i>	20%
<i>More than 6 times</i>	10%

Most employees shop 1-3 times a month. The most frequently used applications are Shopee, Tokopedia, and Lazada. The most frequently purchased products include household necessities, clothing, and electronics.

Research Implications

This research provides important implications for companies and e-commerce parties :

For Companies: Understanding employee spending habits can be a consideration in managing employee financial well-being.

For E-Commerce: Provide safer services and attractive promotions to increase customer loyalty.

5. Conclusion

Online shopping behavior among PTBA Tanjung Enim employees is driven by convenience, promotions, and social influence, but challenges such as financial control and transaction security persist. Future studies could explore strategies for fostering responsible shopping habits in similar professional environments.

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The Effect of Motivation, Discipline, and Satisfaction on Employee's Performance: PT Bank Sinarmas Palembang City

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Abstract

This research aims to determine the influence of work motivation, discipline, and job satisfaction on employee performance at PT Bank Sinarmas in Palembang City. This type of research is associative. Researchers use motivation, discipline, employee satisfaction, and performance variables. The sample in this research is employees of PT. Bank Sinarmas, Palembang City, totaling 86 people, was selected using Cluster Random Sampling. The primary data used in this research was collected through a questionnaire. The data analysis technique used is Multiple Linear Regression with the SPSS Program Application. This research shows that (1) Work Motivation, Discipline, and Job Satisfaction significantly affect employee performance. (2) Motivation has a positive and significant effect on employee performance, (3) Discipline has a positive and significant effect on employee performance, and (4) Satisfaction has a positive but not significant effect on employee performance at PT. Bank Sinarmas in Palembang City.

Keywords: Motivation, Discipline, Satisfaction, Performance.

JEL Codes: M50, M51, M52

1. Introduction

During the current era of modernization, entities are required to intensify the value of the company's profits and optimize the prosperity of owners and employees. Therefore, employees are a human resource (HR) capital crucial to its existence. Human resources (HR) are an essential factor in an organization or company's activities in achieving predetermined goals, these goals can be successful depending on the ability of human resources. According to Sedarmayanti (2018), human resource management is an approach to managing human problems based on three principles: Human resources are the most valuable and important assets owned by an organization because the success of the company is possible to achieve if the policies, procedures, and regulations related to humans from the company are interconnected and mutually beneficial to all parties involved in the company. The role of HR in managing human problems is crucial, as it reassures all parties involved in the company that their needs are being met and their concerns are being addressed. Employee performance has

several factors that can affect employee work productivity. Work performance can result in the quality and quantity an employee achieves in carrying out his duties according to his responsibilities. Sutrisno (2019) states that employee performance is the result of employee work, as seen from the aspects of quality, quantity, work time, and cooperation to achieve the goals set by the organization. Colquitt, lePine, and Wesson (in Wibowo 2016), employee performance is a result that contributes both positively and negatively to the completion of organizational goals. Also, the work results in quality and quantity achieved by a person in carrying out their duties by the responsibilities assigned to them. In practice, performance is divided into two types, namely individual performance and organizational performance; individual performance is the performance produced by a person, while organizational performance is the company's overall performance. However, employee performance is individual performance that supports organizational performance.

According to Kasmir (2019), factors that influence employee performance include ability, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, commitment, and work discipline. Based on interviews with several employees, the factors that influence low employee performance are lack of work motivation, work discipline, and job satisfaction, so employees sometimes delay work, which results in work piling up and being completed late.

One of the factors that influences low employee performance is work motivation. The company's efforts to improve employee performance to get maximum results include several activities, including motivating employees. According to Hartatik (2018), work motivation causes channels and supports human behavior so that they want to work hard and enthusiastically to achieve optimal results. What is meant by this is a symptom of mental processes, such as cognitive mental processes (reason) or affection (feelings). Specifically, motivation is included in the mental process or symptoms of the soul of conation, which is a person's will or desire. In addition, many factors still affect employee performance, one of which is work discipline, which is also an essential factor that affects employee performance. Work discipline is an obligation of the office or agency where work is required to pay attention to employee work discipline so that employee work improves more than before and employees do not do unimportant activities at will during working hours. Hasibuan (2017) discipline is a person's awareness and willingness to obey all company regulations and applicable norms. Thus, employees have poor work discipline if the company's rules and provisions are ignored.

Good performance does not just happen; many factors influence it, including employee job satisfaction. Job satisfaction is a pleasant inner atmosphere when carrying out work. If the work is carried out with a feeling of joy and happiness, it will achieve good results, which, in the end, will allow the implementation of the task to run as expected. Hasibuan (2017) defines job satisfaction as a form of emotional attitude that is pleasant or unpleasant. Employees who are satisfied with their jobs will appear in employee emotions. Employee satisfaction will make employees love their jobs. Job satisfaction is enjoyed in and outside of work, and a combination of inside and outside work.

Previous research studies were conducted by Yani & Andani (2024). The results of their research showed that motivation, discipline, and job satisfaction had a significant effect on employee performance. Putro (2020) the results of their research also explained that motivation, discipline, and job satisfaction significantly affected employee performance. Wulansari (2024) found that motivation, discipline, and satisfaction did not significantly affect employee performance.

Previous research studies were conducted by Yani & Andani (2024), whose research results showed that motivation significantly affects employee performance. Permana & Pracoyo (2021) whose research results also showed that motivation has a significant effect on employee performance. Husna, Yenni & Candra (2024), whose research results also showed that motivation significantly affects employee performance. Putro (2020) whose research results also explained that motivation has a significant effect on employee performance. Winanti (2018) revealed that work motivation significantly affects employee performance. This is in contrast to research conducted by Putro (2020), whose research results showed that motivation did not considerably affect employee performance. Daga, Hamu & Nugrawan (2021) whose research results showed that motivation did not have a significant effect on employee performance. Sanjaya & Prijati (2020) whose research results showed that motivation did not have a substantial impact on employee performance. Previous research studies were conducted by Yani & Andani (2024), whose research results showed that discipline did not significantly affect employee performance. Putro (2020) also explained that discipline significantly affects employee performance. Winanti (2018) revealed that work discipline significantly affects employee performance.

In contrast to the research conducted by Permana & Pracoyo (2021), the results showed that work discipline did not significantly affect employee performance. Husna, Yenni & Candra (2024) the results of their research also showed that work discipline did not considerably affect employee performance. Daga, Hamu & Nugrawan (2021) the results of their study showed that work discipline did not have a significant effect on employee performance. Sanjaya & Prijati's (2020) research showed that work discipline did not substantially affect employee performance. Previous research studies were conducted by Yani & Andani (2024), and the results showed that job satisfaction significantly affected employee performance. Husna, Yenni & Candra (2024) the results of their research also showed that job satisfaction had a significant effect on employee performance. Suardi (2019) also showed that job satisfaction significantly impacts employee performance. Putro (2020) also explained that job satisfaction significantly affects employee performance.

In contrast to the research conducted by Putro (2020), their study showed that job satisfaction did not significantly affect employee performance. Daga, Hamu & Nugrawan (2021) showed that job satisfaction did not significantly affect employee performance. PT Bank Sinarmas Tbk was established on August 18, 1989, based on Deed No. 52 dated August 18, 1989, from Buniarti Tjandra, S.H., Notary in Jakarta, under the name PT Bank Shinta Indonesia and has been amended by Deed No. 91 dated September 15, 1989, from the same notary. The Bank obtained the status as a Foreign Exchange Commercial Bank in 1995. In 2005, the Bank's journey entered a new chapter after PT Sinar Mas Multiartha Tbk., a financial services company under the Sinar Mas Business Group, took over 21% of PT Bank Shinta Indonesia shares. In December 2006, the Bank changed its name to PT Bank Sinarmas. The name change was approved through an Extraordinary General Meeting of Shareholders as stated in Deed No. 1 dated November 21, 2006, from Triphosa Lily Ekadewi, S.H., a notary in Jakarta.

2. Literature Review

The Influence of Work Motivation, Work Discipline and Employee Satisfaction on Employee Performance. Employee performance is a critical indicator of a company's success in providing direction and managing assigned work. It also reflects the level of support and the factors that can enhance performance within the company. As Kasmir (2019) points out, work motivation, work discipline, and employee satisfaction are key factors that can influence employee

performance. Key research findings by Yani and Andani (2024) revealed that motivation, discipline, and job satisfaction significantly influenced employee performance. Similarly, Putro (2020) found that these factors had a significant impact on employee performance. However, Wulansari (2024) presented a contrasting view, suggesting that motivation, discipline, and satisfaction did not significantly affect employee performance. Many things can cause poor employee performance, including poor performance motivation, employees feeling burdened with the tasks given, poor work discipline from employees, employees often arriving late, and employees who work not by SOP. Last is employee satisfaction; employees are not paid on time, and job promotions are not given based on work performance.

The Influence of Work Motivation on Employee Performance. Motivation is a skill in directing employees and organizations to work successfully so that the desires of employees and organizational goals are achieved at the same time. For employees to work more optimally, leaders must motivate their employees so that their performance can be improved. According to Kasmir (2019), factors that can affect employee performance include work motivation. Previous research studies were conducted by Yani & Andani (2024), whose research results showed that motivation significantly affected employee performance. Permana & Pracoyo (2021) whose research results also showed that motivation significantly affected employee performance. Husna, Yenni & Candra (2024) also showed that motivation significantly affects employee performance. Putro (2020) also explained that motivation significantly affects employee performance. Winanti (2018) revealed that work motivation significantly impacts employee performance. In contrast to the research conducted by Putro (2020), their research showed that motivation did not considerably affect employee performance. Daga, Hamu & Nugrawan (2021) the results of their study showed that motivation did not have a significant effect on employee performance. Sanjaya & Prijati's (2020) research showed that motivation did not substantially affect employee performance. In maximizing employee performance through motivation, managers and leaders need to understand what motivates their team, whether it is recognition, rewards, career development opportunities, or a positive work environment. Organizations can improve employee performance by creating a supportive environment and understanding individual motivational needs.

The Influence of Work Discipline on Employee Performance. Work discipline is critical to maintain because by enforcing discipline, employees can do their work according to the procedures and rules set to achieve optimal results. Good discipline from employees will show that a company can maintain the loyalty and quality of its employees. In addition, by knowing the employees' work discipline, the employees' performance value can also be known. According to Kasmir (2019), factors that can affect employee performance include work discipline. Putro (2020) conducted a previous research study, the results of which also explained that discipline has a significant effect on employee performance. Winanti (2018) revealed that work discipline is having a substantial impact on employee performance. In contrast to the research conducted by Yani & Andani (2024), their study showed that discipline did not significantly affect employee performance. Permana & Pracoyo (2021) the results of their research showed that work discipline did not considerably affect employee performance. Husna, Yenni & Candra (2024) also showed that work discipline has no significant effect on employee performance. Daga, Hamu & Nugrawan (2021) showed that work discipline does not significantly impact employee performance. Sanjaya & Prijati (2020) showed that work discipline does not considerably affect employee performance. In ensuring that work discipline contributes to good performance, companies must develop clear and consistent policies,

provide adequate training and support, and provide feedback and rewards to employees who demonstrate good discipline. Effective management and implementation of fair and transparent disciplinary policies will support creating a productive and high-performance work environment.

The Effect of Employee Satisfaction on Employee Performance. Job satisfaction is a form of pleasant or unpleasant emotional attitude. Employees who are satisfied with their work will appear in their emotions. Employee satisfaction will make employees love their jobs. Job satisfaction can be enjoyed in work, outside work, or a combination of inside and outside work. According to Kasmir (2019),

factors that can affect employee performance include employee satisfaction. Previous research studies were conducted by Yani & Andani (2024), whose research results showed that job satisfaction significantly affected employee performance. Husna, Yenni & Candra (2024), whose research results also showed that job satisfaction significantly affected employee performance. Suardi (2019), whose research results also showed that job satisfaction significantly impacts employee performance. Putro (2020) whose research results also explained that job satisfaction significantly affected employee performance. In contrast to research conducted by Putro (2020), results showed that job satisfaction did not significantly affect employee performance. Daga, Hamu & Nugrawan (2021) whose research results showed that job satisfaction did not have a substantial effect on employee performance. To improve employee performance through job satisfaction, companies must create a positive work environment, offer fair compensation, provide career development opportunities, and listen to employee feedback. This approach can achieve high levels of employee satisfaction, which in turn will have a positive impact on employee performance and the overall success of the organization.

3. Research Method

This significant research was conducted at PT Bank Sinarmas Company, which has six branches: Bank Sinarmas KC Palembang, Bank Sinarmas KCP Sudirman, Bank Sinarmas KCP Letkol Iskandar, Bank Sinarmas KCP Pasar 16 Ilir, Bank Sinarmas KCP Plaju, and Bank Sinarmas KCP KM 11. The findings of this study will provide valuable insights into the factors influencing employee performance in the banking sector. The data, crucial for this study, was meticulously obtained from the Bank Sinarmas KC Palembang Office located on JL and through the website www.absensi.banksinarmas.com. This comprehensive data collection process ensures the reliability and validity of the research findings. In this study, the five variables in question are variable X1 (Work Motivation), variable X2 (Work Discipline), variable X3 (Job Satisfaction), and Variable Y (Employee Performance) at PT Bank Sinarmas Palembang City. This research method determines the effect of work motivation, work discipline, and job satisfaction on employee performance at all Bank Sinarmas locations in Palembang City. The Independent Variables are Motivation (X1), Work Discipline (X2), Job Satisfaction (X3). The dependent variable is employee performance (Y). The findings of this study will provide practical insights for HR professionals and management at PT Bank Sinarmas to enhance employee performance. Employee performance indicators are quality, quantity, and time. Work motivation indicators are working conditions, work performance, and recognition from superiors. Work discipline indicators are attendance, obedience to rules, and obedience to work standards. Job satisfaction indicators are work, wages, and promotions. The population in this study were permanent employees in 6 Bank Sinarmas Offices in Palembang City, namely Bank Sinarmas KC Palembang, Bank Sinarmas KCP Sudirman, Bank Sinarmas

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KCP Letkol Iskandar, Bank Sinarmas KCP Pasar 16 Ilir, Bank Sinarmas KCP Plaju and Bank Sinarmas KCP KM 11. The sample in this study were all permanent employees, and with a population of 109, the number of samples was determined based on the Slovin formula, which had a 5% error rate of 86 samples. The sampling method used in this study was Cluster random sampling. The data collection methods used in this study are interviews and questionnaires, namely the respondents' answers to a series of related questions. The analysis method used in this study is multiple regression.

Operasionalisasi Variabel

Variabel	Definisi	Indikator	Item Pernyataan
Kinerja karyawan (Y)	Kinerja adalah hasil kerja yang dapat dicapai oleh karyawan dalam suatu perusahaan sesuai dengan wewenang dan tanggung jawab masing-masing dalam upaya pencapaian tujuan di PT. Bank Sinarmas	1) Kualitas 2) Kuantitas 3) Waktu	1 – 2 3 – 4 5 – 6
Motivasi Kerja (X1)	Motivasi adalah suatu akibat yang ada dalam jiwa karyawan untuk memberikan dorongan untuk menghadapi situasi tertentu yang bertujuan untuk mencapai tujuan yang ditentukan dalam waktu tertentu di PT. Bank Sinarmas.	1) Kondisi Kerja 2) Prestasi Kerja 3) Pengakuan dari Atasan	1 – 2 3 – 4 5 – 6
Disiplin Kerja (X2)	Disiplin kerja adalah perilaku yang wajib di tanamkan pada diri karyawan agar terciptanya kinerja yang baik dalam melakukan pekerjaan baik di tempat kerja atau di mana saja di PT. Bank Sinarmas.	1) Kehadiran 2) Ketaatan pada Aturan 3) Ketaatan pada Standar Kerja	1 – 2 3 – 4 5 – 6
Kepuasan Kerja (X3)	Kepuasan kerja merupakan sikap emosional karyawan yang menyebabkan karyawan merasa puas atau tidak dalam menajalani pekerjaan di PT. Bank Sinarmas.	1) Pekerjaan 2) Upah 3) Promosi	1 – 2 3 – 4 5 – 6

4. Findings and Discussions

This multiple linear regression analysis determines the influence of work motivation variables, discipline, and job satisfaction on employee performance. The results of the multiple linear regression analysis can be seen in the following table:

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Table 1. Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.073	1.068		1.005	.318
	Motivation	.448	.085	.461	5.245	.000
	Discipline	.382	.080	.353	4.775	.000
	Satisfaction	.129	.069	.161	1.877	.064

a. Dependent Variable: Y

Based on the table of multiple linear regression test results, the following multiple linear is obtained:

$$Y = 1.073 + 0.448 X_1 + 0.382 X_2 + 0.129 X_3$$

The table shows that the constant has a value of 1.073, which serves as a baseline for employee performance when motivation, discipline, and satisfaction are absent. This means that even in the absence of these factors, there is a positive level of performance. However, when these factors are present, employee performance is further enhanced. The work motivation regression coefficient value is 0.448 (positive), indicating that motivation positively affects the performance of Bank Sinarmas Palembang employees. The test value shows that if work motivation increases, employee performance will increase, and vice versa; if employee motivation decreases, employee performance will also decrease. The work discipline regression coefficient value is 0.382 (positive), indicating that work discipline positively affects the performance of Bank Sinarmas Palembang employees. The test value shows that if work discipline increases, employee performance will increase, and vice versa; if work discipline decreases, employee performance will decrease. It's important to note that while these factors have a significant impact on employee performance, there are other variables that could also influence performance. The work discipline regression coefficient is 0.129 (positive), indicating that job satisfaction has a positive effect on the performance of Bank Sinarmas Palembang employees. The test value shows that if job satisfaction increases, employee performance will increase, and vice versa; if job satisfaction decreases, employee performance will decrease.

The t value for Work Motivation (X1) is 5.245 > tTable 1.989 with a sig.t level of 0.000 < 0.05 (significant), then Ho2 is rejected and Ha2 is accepted, meaning that there is a significant influence of work motivation on the performance of Bank Sinarmas employees in Palembang. The t value for Work Discipline (X2) is 4.775 > tTable 1.989 with a sig.t level of 0.000 < 0.05 (significant), then Ha3 is accepted and Ho3 is rejected, meaning that there is a significant influence of work discipline on the performance of Bank Sinarmas employees in Palembang. The t value for Job Satisfaction (X3) is 1.877 < tTable 1.989 with a sig.t level of 0.064 > 0.05 (not significant), so Ha4 is rejected and Ho4 is accepted, meaning that there is no influence and no significant effect of job satisfaction on the performance of Bank Sinarmas employees in Palembang City.

The Influence of Work Motivation, Work Discipline, and Job Satisfaction on PT Bank Sinarmas Palembang City Employee Performance. The simultaneous hypothesis test revealed a significant influence of work motivation, work discipline, and job satisfaction on employee performance at Bank Sinarmas Palembang City. These findings underscore the importance of work motivation, work discipline, and job satisfaction in enabling employees to work

optimally, thereby enhancing their performance. The high value of Adjusted R Square in the regression model further confirms the substantial contribution of work motivation, work discipline, and job satisfaction to Bank Sinarmas Palembang City's employee performance. In summary, this study demonstrates that work motivation, work discipline, and job satisfaction are key factors affecting Bank Sinarmas Palembang City's employee performance.

The Influence of Work Motivation on Employee Performance. The results of the partial hypothesis test show that work motivation significantly influences employee performance at Bank Sinarmas in Palembang City. These results explain that whether the work motivation possessed by employees is good or bad will determine the good or bad performance of the employees. This study proves the hypothesis written at the beginning that work motivation influences the performance of Bank Sinarmas employees in Palembang City. In contrast to the research undertaken by Putro (2020), the study's results showed that motivation did not significantly affect employee performance. The reason this study is different from the research of Putro (2020) is because it is based on several aspects, namely, the use of measurement indicators used by Putro (2020), namely power motives, affiliation motives, achievement motives, while in this study using indicators of working conditions, work performance, and recognition from superiors. The sample used by Putro (2020) was 66 employees, while a sample of 86 employees was used in this study. The respondents' answers show that it significantly affects employee performance. It can be seen in the distribution of answers to respondents that there are the following problems: 1. There are still employees who feel burdened by difficult working conditions; 2. There are still employees who do not desire to excel; 3. There are still employees who do not get appreciation from their superiors. The consequences of these problems are the employees are unable to work according to organizational expectations, do not always meet the quantity of work, and do not always complete work on time. Based on the results of the study, the researcher suggests that the company should pay more attention to the working conditions carried out by employees where there are still employees who feel burdened by the amount of work done, in addition to the need to motivate employees so that employees have a high interest in achieving, and provide appreciation if employees complete the work targets that are their responsibility, this will affect employee performance. The study results explain that work motivation is an aspect that influences and improves employee performance, and these findings are of significant importance to the field of employee performance and management.

The Influence of Work Discipline on Employee Performance. The results of the partial hypothesis test show a significant influence of work discipline on the performance of Bank Sinarmas employees in Palembang City. These results explain that whether the work discipline of employees is good or bad will determine the good or bad performance of the employees produced. This study proves that the hypothesis written at the beginning is that work discipline significantly influences the performance of Bank Sinarmas employees in Palembang City. The results of this study are in line with previous studies conducted by Putro (2020) and Winanti (2018), which revealed that work discipline has a significant effect on employee performance. In contrast to research conducted by Husna, Yenni, and Candra (2024), their research also showed that work discipline did not have a significant effect on employee performance. This contrasts Husna, Yenni & Candra's (2024) research due to differences in indicators used as measuring tools. The sampling technique used by Husna, Yenni & Candra (2024) used saturated samples with 30 research samples, while in this study, cluster random sampling with 86 research samples. In addition, the analysis technique in the research of Husna, Yenni &

Candra (2024) used SEM with the help of the Smart PLS program. In this study, multiple linear regression analysis was used using the SPSS application. The existing differences can make the results of this study different from those of previous studies. The respondents' answers show that work discipline affects employee performance. It can be seen in the distribution of answers to respondents that there are the following problems: a. There are still employees who do not always arrive on time; b. There are still employees who are not always at work; c. There are still employees who do not always work according to the direction of the leader. The result of this problem is that there are employees who are unable to work according to the organization's expectations, employees do not always meet the quantity of work, and employees do not always complete work on time. For the problem of work discipline, the company can carry out more intensive supervision, primarily for undisciplined employees, such as employees who do not arrive on time, employees who are often not at work during working hours, and employees who do not follow the leader's direction. If these improvements are made, they can improve employee performance, where employees will be able to work according to company expectations, meet the quantity of work, and complete work on time. The results of the study explain that work discipline is an aspect that influences and improves employee performance.

The Effect of Job Satisfaction on Employee Performance. The results of the partial hypothesis test show that job satisfaction has no significant effect on the performance of Bank Sinarmas employees in Palembang City. These results explain that whether the employee's job satisfaction is good or bad will determine the employee's performance. This study's results align with previous research conducted by Putro (2020), which showed that job satisfaction did not have a significant effect on employee performance. Daga, Hamu & Nugrawan (2021) the results of their research showed that job satisfaction did not substantially affect employee performance. In contrast to the research conducted by Husna, Yenni & Candra (2024), their study also showed that job satisfaction significantly affects employee performance. The difference in research results is due to differences in the indicators used as research measuring tools. The sampling technique used by Husna, Yenni & Candra (2024) used saturated samples with 30 research samples, while in this study, cluster random sampling with 86 research samples. In addition, the analysis technique in the research of Husna, Yenni & Candra (2024) used SEM with the help of the Smart PLS program, while this study used multiple linear regression analysis using the SPSS application. The existing differences can make the results of this study different from those of previous studies. The reasons why job satisfaction variables have no significant effect on performance are: first because there are elements in indicators other than those asked by researchers that may affect performance, meaning that in this case, researchers conducting research only took three indicators that were close to the objectives in asking questions to respondents because according to researchers, these indicators are the indicators that best represent or are by the phenomena and facts when making observations. However, the results obtained by researchers from the questionnaires that have been distributed and processed state that job satisfaction variables have no significant effect on performance. Hence, the indicators used are also less appropriate. The study's results explain that job satisfaction is an aspect that affects and improves employee performance but is not significant. The researcher's suggestions play a crucial role in guiding the improvement of employee satisfaction, especially related to the work given to employees, the provision of wages that employees feel are not fair, and employee job promotions that have not been carried out openly, which results in employees feeling dissatisfied. If these improvements are made, it can improve employee performance, where employees will be able to work according to company expectations, employees will meet the quantity of work, and employees will complete work on

time.

5. Conclusion

Based on the study results from the discussion, it can be concluded that 1. There is a significant influence of work motivation, work discipline, and job satisfaction on the performance of Bank Sinarmas employees in Palembang City; 2. Work motivation significantly influences the performance of Bank Sinarmas employees in Palembang City; 3. Work discipline substantially influences the performance of Bank Sinarmas employees in Palembang City; 4. Job satisfaction has an insignificant influence on the performance of Bank Sinarmas employees in Palembang City. The company should pay more attention to the working conditions carried out by employees where there are still employees who feel burdened by the amount of work done; in addition, it is necessary to motivate employees so that employees have a high interest in achieving, and giving appreciation if employees complete the work targets that are their responsibility, this will affect employee performance, so that if these improvements are made, they can improve employee performance, so that employees can work according to the organization's expectations, employees will carry out their duties optimally, and employees will complete work on time. The company can carry out more intensive supervision, primarily for undisciplined employees, such as employees who do not arrive on time, employees who are often not at work during working hours, and employees who do not follow the direction of the leadership. If these improvements are made, it can improve employee performance, where employees will be able to work according to company expectations, employees will meet the quantity of work, and employees will complete work on time. Companies need to pay attention to employee satisfaction, especially related to the work given to employees. Fair wages play a significant role in this, as they make employees feel valued and respected, thereby boosting their performance. If these improvements are made, it can improve employee performance, where employees will be able to work according to company expectations, employees will meet the quantity of work, and employees will complete work on time.

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The Effect of Leadership and Personal Factors on Employee's Performance with Motivation as an Intervening Variable: The Case of PT. Pupuk Sriwidjaja Palembang

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Abstract

This research aims to determine the influence of leadership and personal factors on employee performance at PT. Pupuk Sriwijaya Palembang, with motivation as an intervening variable. This is an associative study. The variables used in this research include leadership, personal factors, motivation, and employee performance. The sample consists of 120 PT employees. Pupuk Sriwidjaya Palembang, selected using Cluster Sampling. The primary data used in this research was collected through a questionnaire. Data analysis was conducted using Structural Equation Modeling (SEM) with the Lisrel application. Research Findings: 1. Leadership positively and significantly affects work motivation. 2. Personal factors have a positive and significant effect on work motivation. 3. Leadership has a positive and significant effect on employee performance. 4. Personal factors negatively but not significantly affect employee performance. 5. Motivation has a positive and significant effect on employee performance. 6. Motivation strengthens the influence of leadership on employee performance. 7. Motivation also strengthens the influence of personal factors on employee performance at PT. Pupuk Sriwidjaya Palembang.

Keywords: Leadership, Personal Factor, Motivation, Employee Performance.

JEL Codes: M50, M51, M52

1. Introduction

Human resources are essential for a business or company to run well. Human resources (HR) are productive individuals who work as drivers of the organization, be it an organization in an agency or company, and are irreplaceable resources and are important assets. Sedarmayanti (2017), human resource management is an approach to managing human problems based on three principles: Human resources are the most valuable and important assets owned by an organization because the success of the company is possible to achieve if the policies, procedures, and regulations related to humans from the company are interconnected and mutually beneficial to all parties involved in the company.

An organization must own human resources to achieve its goals. Human resources are the main element of the organization when compared to other resource elements such as technology,

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capital, and raw materials because humans can control other factors. So an individual who works as a driver of the organization either in an institution or company and as a valuable asset that must be trained and continuously developed

his abilities are called Human Resources.

Employee performance is individual because each employee has a different ability level in carrying out their duties. Management can measure employees based on the performance of each employee. Performance depends on a combination of ability, effort, and opportunity obtained. Performance is the quality and quantity of a person's or group's work in a particular activity resulting from natural abilities or abilities obtained from the learning process to achieve specific achievements. Kasmir (2019) states that employee performance results from work and work behavior achieved in completing tasks and responsibilities given in a certain period.

Employee performance can also be measured by completing tasks effectively and efficiently and carrying out their roles and functions, which is positively related to a company's success. Good performance is an optimal performance that meets organizational standards and supports achieving organizational goals. A good organization strives to improve the capabilities of its human resources because this is a key factor in improving employee performance. Improving employee performance will help the company to survive in an unstable business environment of competition. According to Busro (2020), work motivation is one of the factors that affect performance; providing motivation is very important in a company; employees who have very high work motivation will get encouragement from these employees to work more enthusiastically and can make a positive contribution to the work that has become their responsibility. To provide the right motivation, employees will be encouraged to do their best in carrying out their duties, and they all believe that with the organization's success in achieving its goals and various targets, their interests will be well maintained. Motivation is a movement from within an individual to accomplish specific activities to attain a goal. According to Busro (2020), leadership influences leaders and their followers, leading to changes and accurate results that reflect common goals.

Personal factors or individual factors are factors of thought patterns and behaviors that exist in employees and how they behave and carry out their work as employees. Personal factors also determine social interactions that shape employee behavior and affect the employees themselves. Employees are required to complete their jobs effectively and efficiently, which will affect performance, but in this case, employee development must be carried out as a step in the hope of behavioral change and better abilities in carrying out the work given by superiors. According to Sopiah (2018), personal factors are a way of looking at particular objects and trying to interpret what they see, including similarities in individual characteristics, emotional stress, a person's abilities, and social isolation. Several previous studies have linked personal factors, Leadership, and performance motivation; research conducted by Hasibuan and Bahri (2018) shows that Leadership has a vivacious and significant influence on employee performance. In contrast to research conducted by Rivaldo and Ratnasari (2020), their study also stated that Leadership does not significantly affect performance. Then, the previous research conducted by Yanoto (2018) stated that Leadership has a positive and significant impact on work motivation. In contrast, the study conducted by Soetopo, Kusmaningtyas, and Andjarwati (2018) stated that Leadership has a positive but not significant effect on motivation. Nopiani's study (2016) stated that individual factors significantly positively affect employee performance. In contrast to the survey conducted by Emiyanti, Rochaida, and Irsan (2020),

personal factors have a positive and insignificant effect on performance. In addition, the study conducted by Lumanauw (2022) also stated that individual factors do not significantly affect performance. Research that links employee performance with motivation was conducted by Suhasto, and Lestariningsih (2021) and Rosmaini, & Tanjung (2019). which shows that motivation significantly affects employee performance. Then, research by Farisi, Irnawati, & Fahmi (2020), Rosmaini & Tanjung (2019), and Astuti & Suhendri (2020); The study concluded that there is a positive and significant influence between work motivation variables and employee performance. In contrast to the research conducted by Emiyanti, Rochaida, and Irsan (2020), motivation has a negative and insignificant effect on performance. In addition, research conducted by Widjaja and Ginanjar (2022) also found that work motivation does not affect performance. Research conducted by Kridharta and Rusdianti (2019) stated that individual characteristics positively and significantly affect motivation. In contrast, research conducted by Soetopo, Kusmaningtyas, and Andjarwati (2018) stated that individual characteristics have no significant effect on motivation.

PT. Pupuk Sriwijaya Palembang is a State-Owned Enterprise (BUMN) engaged in industry, trade, and services in fertilizers, petrochemicals, agrochemicals, agroindustry, and other chemicals. This includes developing the Government's mission of distributing and selling subsidized fertilizers in support of national food security. This study focuses on employees in PT's human resources, finance, and general departments. Pupuk Sriwidjaya Palembang. In terms of performance, PT. Pupuk Sriwijaya Palembang is often faced with problems that can cause a decrease or increase in employee work performance in the last 5 years PT. Pupuk Sriwijaya Palembang has experienced a drastic reduction in the number of employees and the many senior employees who have retired. This will continue to occur for the next 5 years. This situation causes employee performance to decline because the typical Pusri employee is not used to sharing knowledge, so much knowledge is lost along with the decreasing number of senior employees (HC PT. Pupuk Sriwijaya Palembang).

2. Literature Review

The Influence of Leadership on Work Motivation. According to Sutrisno (2019), The factors that influence motivation can be distinguished into internal and external factors originating from employees, namely internal employee factors consisting of the desire to be able to live, the desire to be able to have, the desire to gain appreciation, the desire to gain recognition, the desire to power. External employee factors include work environment, compensation, Leadership, job security, status and responsibility, and flexible regulations. Previous research studies conducted by Yanoto (2018) stated that Leadership positively and significantly affects work motivation. In contrast to research conducted by Soetopo, Kusmaningtyas, and Andjarwati (2018), Leadership has a positive but insignificant effect on motivation. The phenomenon at PT Pupuk Sriwijaya Palembang was problems in its relationship with visionaries, clear strategy, communication, and caring for members. These problems significantly impact the need for achievement and the need for power, highlighting their importance in the context of work motivation.

The Profound Influence of Personal Factors on Work Motivation. According to Triono et al. in (Abbas, 2023), factors that influence motivation also come from personal or individual factors of employees, including achievement, recognition, self-development, self-potential, and responsibility as elements that can grow from within a person, with the growth of these elements, a person will feel motivated both to work well and to become a better person overall.

Previous research studies conducted by Nopiani (2016) stated that individual factors significantly positively affect employee performance. Then, research by Hajati, Artiningsih, Nurul, (2018) showed that individual characteristics significantly positively affect employee performance. In contrast to research conducted by Emiyanti, Rochaida, and Irsan (2020), personal factors have a positive and insignificant effect on performance. In addition, research conducted by Lumanauw (2022) also stated that individual factors do not significantly affect performance. The phenomenon that occurred at PT. Pupuk Sriwidjaya Palembang has problems in relation to the equality of personal characteristics, emotional pressure, and employee abilities. This has a profound impact on the need for achievement and the need for power, raising concerns about the well-being of the employees.

The Influence of Leadership on Employee Performance. According to Kasmir (2019), several factors influence employee performance, including leadership. Previous research studies conducted by Hasibuan and Bahri (2018) showed that leadership positively and significantly influences employee performance. Wardhani (2016) concluded that leadership partially has a positive and significant effect on employee performance. Inaray et al. (2016) and Astuti & Prayogi (2020) have studied the relationship between leadership and employee performance; the conclusion of the study showed that leadership has a positive and significant effect on employee performance. In contrast, research conducted by Azizah, Thoyib, and Irawanto (2017) found that leadership did not significantly affect performance. In addition, research conducted by Rivaldo and Ratnasari (2020) the results of their study also stated that leadership did not have a significant effect on performance. The phenomenon that occurred at PT. Pupuk Sriwijaya Palembang has a problem in its relationship with visionaries, has a clear, communicative strategy and cares about members. This has an impact on employee performance regarding work quality, punctuality, supervision, and relationships between employees.

The Influence of Personal Factors on Employee Performance. Armstrong and Baron in Wibowo (2017) mentioned several factors that influence performance, one of which is Personal Factors. Previous research studies conducted by Nopiani (2016) stated that individual factors significantly positively affect employee performance. Hajati, Artiningsih, Nurul, (2018) showed that individual characteristics significantly positively affect employee performance. In contrast to research conducted by Emiyanti, Rochaida, and Irsan (2020), personal factors have a positive and insignificant effect on performance. Lumanauw's (2022) research results also stated that individual factors do not significantly affect performance. The case of PT Pupuk Sriwidjaya Palembang, for instance, experienced problems related to the similarity of personal characteristics, emotional stress, and employee abilities. These issues had a clear impact on employee performance, particularly in relation to work quality, punctuality, supervision, and employee relationships, as highlighted by the research findings.

The Influence of Motivation on Employee Performance. According to Kasmir (2019), employee performance is influenced by several factors, including work motivation. Previous research studies conducted by Suhasto, and Lestariningsih (2021) and Rosmaini, & Tanjung (2019) showed that motivation significantly affects employee performance. Farisi et al. (2020), Rosmaini & Tanjung (2019), and Astuti & Suhendri (2020); the study concluded that there is a positive and significant influence between work motivation variables and employee performance. In contrast to research conducted by Emiyanti, Rochaida, and Irsan (2020), motivation has a negative and insignificant effect on performance. In addition, research conducted by Widjaja and Ginanjar (2022) also found that work motivation does not affect performance. The phenomenon that occurred at PT Pupuk Sriwidjaya Palembang is a problem

related to the need for achievement and the need for power. This has an impact on employee performance regarding work quality, punctuality, supervision, and relationships between employees.

3. Research Method

The object of the study is at the production head office of PT. Pupuk Sriwidjaya located on Jalan Mayor Zen, Kalidoni District, Palembang City 30118. The research method used in this study is quantitative research. The independent variables are leadership (X1), personal factors (X2), and motivation (Y1) as intervening variables, while the dependent variable is performance (Y2). The performance indicators are quantity, punctuality, supervision, and employee relationships. The motivation indicators are the need for achievement and the need for power. The leadership indicators are visionary and have a clear strategy, communicative and caring for members and the team. The personal factor indicators are similarities in personal characteristics, emotional pressure, and a person's abilities. The population used in this study were all employees in the HR, General, and Finance fields at PT. Pupuk Sriwidjaya Palembang totaling 165 people. The sample taken in this study was 120 employees from PT. Pupuk Sriwidjaya Palembang. The sampling technique used was probability sampling with the Cluster Sampling method. In this study, the data collection method used was a questionnaire. In this study, the data required are primary data obtained through questionnaires and secondary data obtained from the documentation of PT. Pupuk Sriwidjaya Palembang in the form of data on the number of employees and others. The analysis method used is structural equation modeling.

Tabel 1. Definisi Operasional Variabel

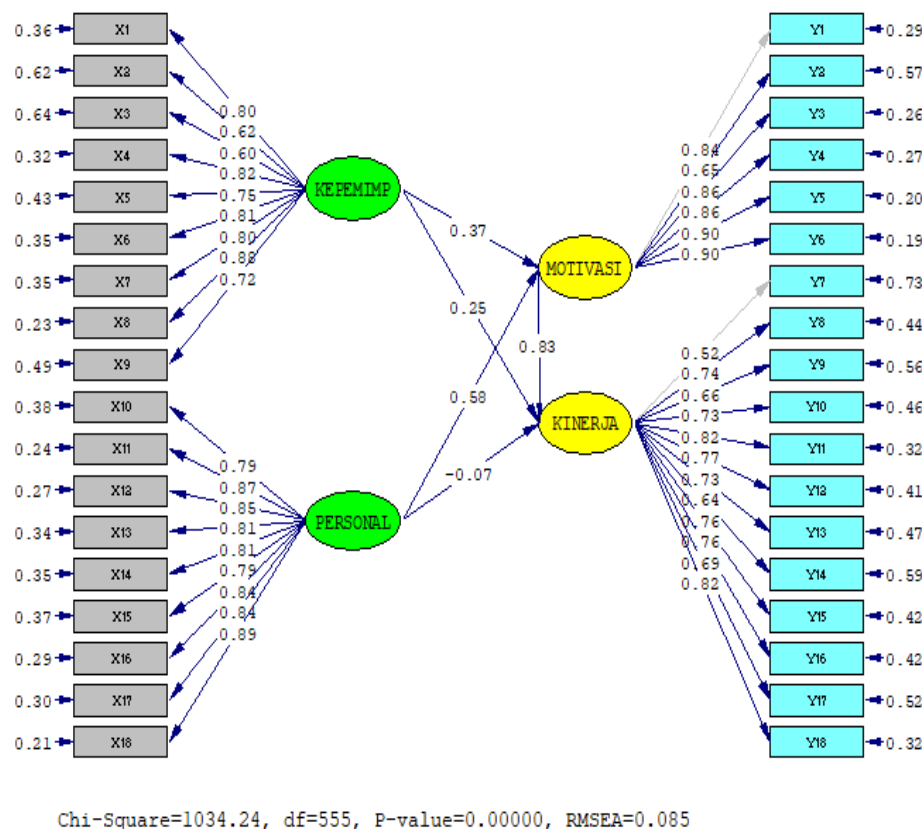
Variabel Penelitian	Pengertian Operasional	Indikator	Item Pernyataan
Kinerja(η_2)	Kinerja karyawan adalah hasil kerja secara kualitas dan kuantitas yang dihasilkan oleh karyawan di pengaruhi oleh berbagai faktor untuk mencapai tujuan organisasi sesuai dengan perannya di PT. Pupuk Sriwidjaya.	a. Kuantitas b. Ketepatan waktu c. Pengawasan d. Hubungan Antar Karyawan	1 – 3 4 – 6 7 – 9 10 – 12
Motivasi(η_1)	Motivasi kerja merupakan penggerak dari dalam diri menciptakan kegairahan kerja seseorang agar mereka mau bekerja sama, efektif dan berintegritas dalam serangkaian proses perilaku manusia dalam pencapaian tujuan di PT. Pupuk Sriwidjaya	a. Kebutuhan Akan Prestasi b. Kebutuhan Akan Kekuasaan	1 – 3 4 – 6
Kepemimpinan (ξ_1)	Cara seorang pemimpin mempengaruhi, menggerakkan orang lain untuk bekerja sama dan bekerja secara produktif untuk mencapai tujuan dan sasaran organisasi di PT. Pusri Palembang	a. Visioner dan memiliki strategi yang jelas b. Komunikatif c. Kepeduliaan terhadap anggota dan tim	1 – 3 4 – 6 7 – 9
Faktor Personal (ξ_2)	Cara memandang ke obyek, cara mengumpulkan dan mengelompokkan konsistensi reaksi seorang individu terhadap situasi yang sedang terjadi menjadi sadar dan menilai akan adanya sifat atau hubungan melalui indera yang mempunyai dampak yang langsung terhadap perilaku konsumen di PT. Pupuk Sriwidjaya	a. Persamaan karakteristik personal b. Tekanan emosional c. Kemampuan seseorang	1 – 3 4 – 6 7 – 9

Sumber : Berdasarkan teori (2024).

4. Findings and Discussions

Confirmatory Factor Analysis (CFA). This analysis is conducted on all constructs separately to test the measurement model by evaluating construct validity and reliability. The results show that all loading factor variables have values more significant than the error value. This indicates that the CFA (Confirmatory Factor Analysis) test at the initial stage shown in the Figure has met the requirements for further testing.

Figure 1. Confirmatory Factor Analysis



The following explains the symbols in the image above, Employee Performance, Motivation, Leadership, Personal Factors.

Tabel 2. Employee Performance and Motivation

Symbol Kinerja Pegawai Employee Performance	Statement	Symbol Motivasi (Motivation)	Statement
Y7	Employee work results always reach company targets	Y1	Employee get chance For excel in place Work
Y8	Employees can complete work according to targets and with expected results.	Y2	Every employee is given the opportunity to take part in training

Y9	The quantity of employee work always increases every day	Y3	Education and training the elders provided and financed by the company
Y10	Employees always complete work on time	Y4	Employees get equality in work
Y11	Employees utilize their time effectively at work	Y5	Employee No Once feel discriminated against at each work done
Y12	Employees never delay the work given	Y6	Employee always get power full on the work that becomes not quite enough the answer
Y13	Employees are happy with the supervision carried out by management while employees are working.		
Y14	Supervision is always carried out intensively		
Y15	Employees are always present during working hours		
Y16	Employees always help coworkers who have difficulties in working		
Y17	Employees have good working relationships with other co-workers.		
Y18	Employees never behave rudely to coworkers		

Table 3. Leadership and Personal Factor

Kepemimpinan Leadership	Statement	Symbol of Personal Factor (Personal Factors Symbols)	Statement
X1	Leaders provide clear direction to employees	X10	Employees are never ostracized by other employees
X2	The strategy created by the leader is clear and can be understood by the employees.	X11	Employees are always treated fairly by fellow co-workers
X3	The leader always gives the same direction to every employee	X12	Employees never discriminate based on ethnicity in their work

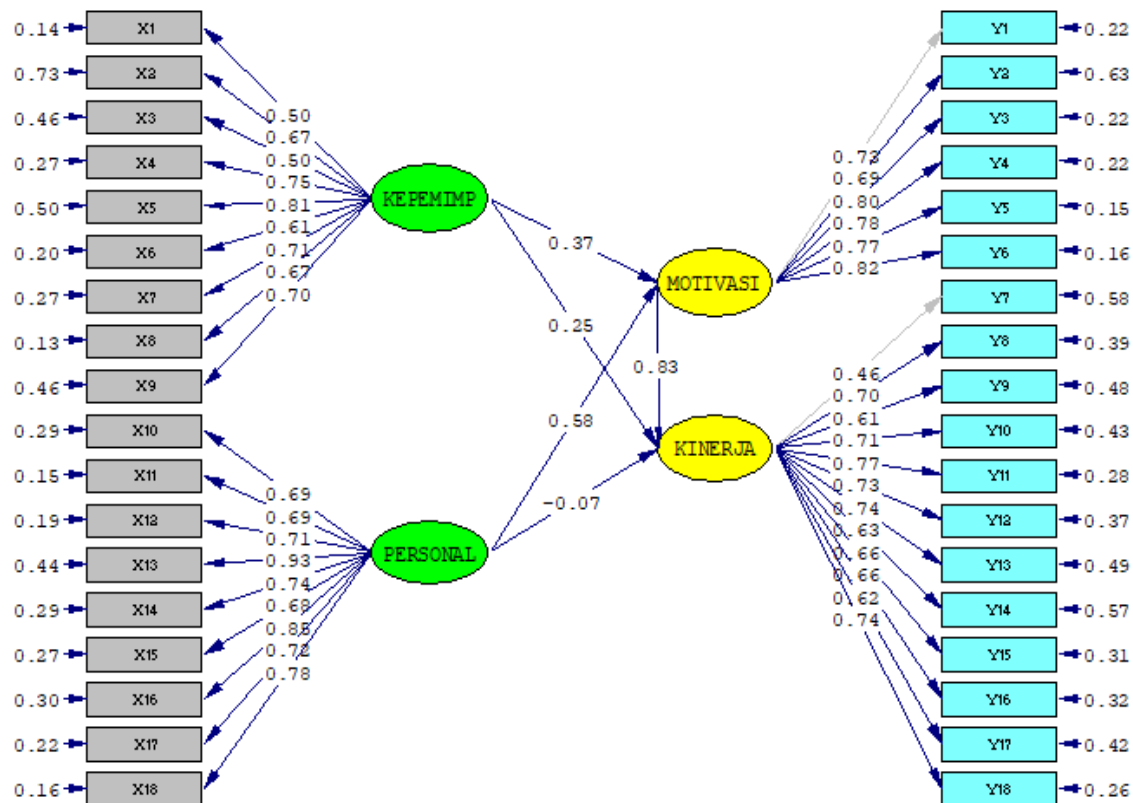
X4	Leaders provide messages and directions that employees can understand.	X13	Employees never mix work matters with problems outside of work.
X5	The leadership's delivery is easy for employees to understand	X14	Employees are always able to control their emotions
X6	The message conveyed to employees is conveyed clearly	X15	Employees are never provoked by emotions that could lead to mistakes at work.
X7	Leaders always pay attention to employees in their work	X16	Employees have a background that matches their job
X8	The leadership considers every employee the same and does not discriminate.	X17	Competent employees quickly get job promotions
X9	Leaders always give recognition in the form of awards to employees	X18	Employees are given the opportunity to improve their skills by taking part in training.

Table 1 shows the goodness of fit and it can be concluded that the model is good because the overall goodness of fit index criteria are in the good fit category.

Table 4. Goodness of Fit

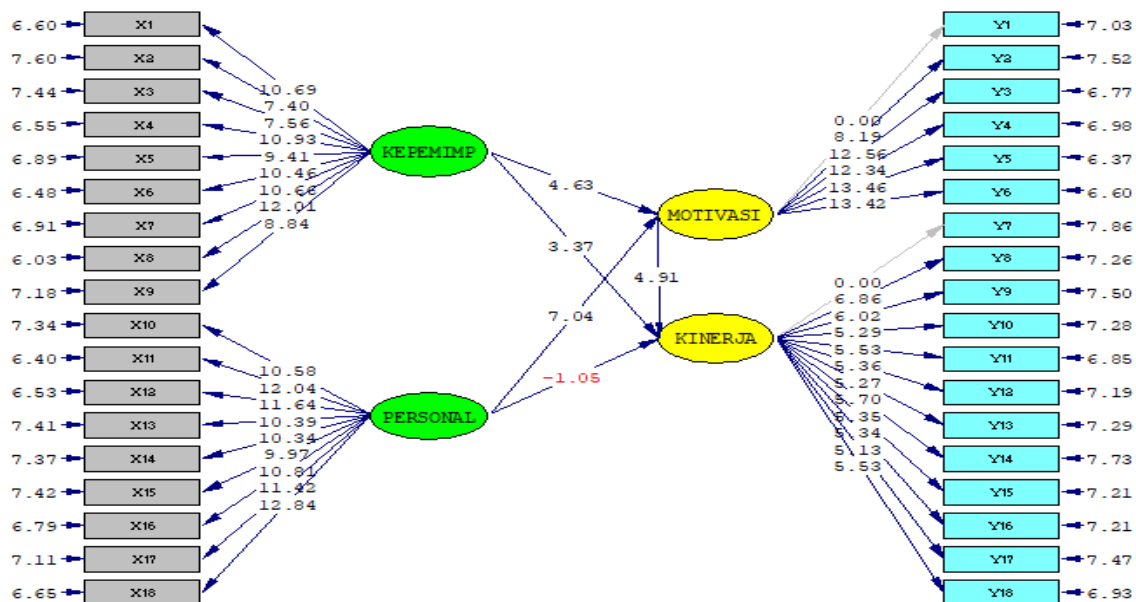
<i>Goodness Of Fit Index</i>	<i>Cut Of Value</i>	Hasil Analisis	Evaluasi Model
P-Value	$\geq 0,05$	0,	Fit
RMSEA	$\leq 0,1$	0,08	Good Fit
GFI	$\geq 0,90$	0,67	Fit
NNFI	$\geq 0,90$	0,97	Good Fit
SRMR	$\leq 0,1$	0,07	Good Fit
IFI	$\geq 0,90$	0,97	Good Fit
CFI	$\geq 0,90$	0,97	Good Fit
RFI	$\geq 0,90$	0,94	Good Fit
NFI	$\geq 0,90$	0,95	Good Fit

Figure 2 provides the structural equation modelling result and Figure 3 provides t-value.



Chi-Square=1034.24, df=555, P-value=0.00000, RMSEA=0.085

Figure 2. Coefficient Value



Chi-Square=1034.42, df=556, P-value=0.00000, RMSEA=0.085

Figure 3. t-value

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The Influence of Leadership on Motivation at PT. Pupuk Sriwidjaya Palembang. The test results, which were found to be statistically significant, demonstrate the positive impact of leadership on motivation at PT. Pupuk Sriwidjaya Palembang. Pupuk Sriwidjaya Palembang. The Lisrel application revealed a t-value of 4.63, exceeding the critical value of 1.96, thereby confirming the substantial influence of leadership on motivation. The results of this study, in line with Sutrisno's theory (2019), underscore the practical implications of leadership as a key factor influencing motivation in the workplace. This study is in line with research conducted by Yanoto (2018), which states that leadership has a positive and significant effect on work motivation. In contrast, research conducted by Soetopo, Kusmaningtyas, and Andjarwati (2018) states that leadership has a positive but not significant effect on motivation. Based on the results of respondents' answers show that leadership affects motivation. It can be seen in the distribution of answers to respondents that the problems are as follows: a. There are still employees who consider the strategy made by the leader to be unclear and cannot be understood by employees; b. There are still employees who state that the leader's delivery is not easy for employees to understand; c. There are still employees who think that leaders do not always pay attention to employees in their work. As a result of this problem, employee motivation is affected, namely that some employees are not allowed to participate in training. The company does not fund education or training attended by employees, and employees do not get equality at work. Given the findings that leadership quality significantly impacts employee motivation, the study strongly recommends a focus on improving leadership at PT. Pupuk Sriwidjaya Palembang. This includes enhancing the clarity of the leader's strategy, improving communication, and increasing leader-employee interaction.

The Influence of Personal Factors on Motivation at PT. Pupuk Sriwidjaya Palembang. The test results reveal that personal factors wield a substantial and positive influence on motivation at PT. Pupuk Sriwidjaya Palembang. Pupuk Sriwidjaya Palembang. The Lisrel application showed a t-value of 7.04, well above the threshold of 1.96, underscoring the significant impact of personal factors on motivation. The results of this study are based on Sutrisno's theory (2017), which states that personal factors influence motivation. Kridharta and Rusdianti's (2019) research found that individual characteristics positively and significantly affect motivation. This is in contrast to Soetopo, Kusmaningtyas, and Andjarwati's (2018) research, which found that individual characteristics have no significant effect on motivation. The results of the respondents' answers show that personal factors affect motivation. It can be seen in the distribution of answers to respondents that the problems are as follows: a. There are still employees who describe that employees think they have discriminated against ethnicities in their work; b. Some still state that they have mixed work matters with problems outside of work; c. Some still think they do not have a background that is in accordance with their work. The impact of this problem on employee motivation is that some employees are not allowed to take part in training. The company does not fund the education or training employees participate in; employees do not get equality in work. Researchers suggest paying attention to personal factors, especially those related to employee motivation, which is considered to have discriminated against ethnic groups in work, mixed other matters, and not having a background not by their work. Improvements are needed, and companies must also pay attention to employees so that employees feel cared for. Considering that this personal factor affects motivation, it is necessary to pay attention to and be able to improve personal factors.

The Influence of Leadership on Employee Performance at PT. Pupuk Sriwidjaya Palembang. Based on the test results, leadership positively and significantly affects employee performance

at PT. Pupuk Siwidjaya Palembang. The test results showed a t-value of $3.37 > 1.96$, so leadership positively and substantially affects employee performance. This study's results follow the theory according to Kasmir (2019), who said that leadership is one of the factors influencing employee performance. Research conducted by Hasibuan and Bahri (2018) showed that leadership positively and significantly influences employee performance. In contrast to research conducted by Azizah, Thoyib, and Irawanto (2017) in their study, they found that leadership did not significantly affect performance. The respondents' answers in Table IV.14 show that leadership affects employee performance. It can be seen in the distribution of answers to respondents that the problems are as follows: a. There are still employees who consider the strategies made by the leadership to be unclear and cannot be understood by employees; b. Some still state that the leader's delivery is not easy for employees to understand; c. There are still employees who think that the leader does not always pay attention to employees in their work. The impact of this problem is on employee performance, namely that employees cannot complete work according to targets and expected results, employees do not always complete work on time, employees are not happy with the supervision carried out by the leader when employees are working, employees often postpone the work given. The researcher suggests that the leadership that is owned is especially related to employee performance who consider the strategy made by the leader to be unclear and cannot be understood by employees, the delivery is not easy to understand and employees think that the leader does not always pay attention to employees. The company needs attention to improve the leadership it has in order to improve employee performance.

The Influence of Personal Factors on Employee Performance at PT. Pupuk Sriwidjaya Palembang. Based on the test results, personal factors negatively but not significantly affect employee performance at PT. Pupuk Sriwidjaya Palembang. The test results showed a t-value of $-1.05 < -1.96$, so it can be concluded that personal factors negatively but significantly affect employee performance. The results of this study follow the theory according to Armstrong and Baron in Wibowo (2017), which states that personal factors are one of the factors that influence performance. In a research study conducted by Emiyanti, Rochaida, and Irsan (2020), individual factors have an influence and are not significant on performance. This differs from research by Hajati, Artiningsih, Nurul, (2018), which shows that individual characteristics significantly positively affect employee performance. The reasons why personal factor variables have no significant effect on performance are: first, because the elements in the indicators other than those asked by the researcher, namely social isolation, if added, may affect performance, meaning that in this case, the researcher in conducting the study only took three indicators that were close to the goal in asking questions to respondents because according to the researcher, these indicators are the indicators that best represent or are following the phenomena and facts when making observations. However, the results obtained by the researcher from the questionnaire that had been distributed and processed stated that the personal factor variables had no significant effect on employee performance, so the indicators of personal factors that were not included in this study may have an impact on employee performance.

The Influence of Motivation on Employee Performance at PT. Pupuk Sriwidjaya Palembang. The test results show that motivation significantly affects employee performance at PT. Pupuk Sriwidjaya Palembang. The test results using the Lisrel application showed a t-value of $4.91 > 1.96$, so consumer satisfaction significantly affects consumer loyalty. Suhasto, and Lestariningsih (2021) and Rosmaini, & Tanjung research (2019) showed that motivation

significantly affects employee performance. In contrast to research conducted by Emiyanti, Rochaida, and Irsan (2020), motivation has a negative and insignificant effect on performance. The results of the respondents' answers show that motivation impacts performance. It can be seen in the distribution of answers to respondents that the problems are as follows: a. There are still employees who are not allowed to take part in training; b. There are still employees who do not get equality in work. The result of this problem is that employees are not happy with the supervision carried out by the leadership when employees are working, and the work given is delayed. The results of employee work do not always reach the company's targets. Researchers suggest paying attention to intrinsic motivation, especially related to the performance of employees who are not allowed to take part in training and get equality in work. There needs to be a change of employees to take part in training; the value has been given to employees who have never been so that all employees get equality in the workplace.

The Influence of Leadership on Employee Performance with Motivation as an Intervening Variable. Based on the results of the test, the direct influence of leadership on performance is 0.37, while the indirect influence of the leadership variable on performance with motivation as an intervening variable is 0.31. This means that motivation weakens the influence of leadership on performance. This statement is based on the results of the distribution of questionnaires and responses to the existing statement items showing that leadership influences employee performance through the intervening variable of motivation with the results of the questionnaire statements from the consumer satisfaction variable dominated by respondents' answers disagreeing and strongly disagreeing, even neutral, relatively high. However, out of 120 respondents, some respondents agreed and strongly agreed.

The Influence of Personal Factors on Employee Performance with Motivation as an Intervening Variable. Based on the results of the test, the direct influence of personal factors on motivation is 0.58, while the indirect influence of personal factors on employee performance with motivation as an intervening variable is 0.48. This means that motivation weakens the impact of individual factors on performance. This statement is based on the results of the questionnaire distribution and responses to the existing statement items indicating that personal factors influence employee performance through the intervening variable of motivation with the results of the questionnaire statements from the motivation variable dominated by respondents' answers disagreeing and strongly disagreeing, even neutral, relatively high, however, out of 120 respondents, some respondents agreed and strongly agreed.

5. Conclusion

It can be concluded that: 1. Leadership positively and significantly affects Work Motivation at PT. Pupuk Sriwidjaya Palembang; 2. Personal factors have a positive and significant effect on Work Motivation at PT. Pupuk Sriwidjaya Palembang; 3. Leadership has a positive and significant impact on Employee Performance at PT. Pupuk Sriwidjaya Palembang; 4. Individual factors have a negative but insignificant effect on Performance at PT. Pupuk Sriwidjaya Palembang; 5. Motivation has a positive and significant effect on Employee Performance at PT. Pupuk Sriwidjaya Palembang. So, it is necessary to provide attention and supervision to each employee and encourage employees to work better so that employees are motivated and their performance increases. Leadership on employee performance has a positive effect, so there must be an increase in terms of employee performance, such as employees are more total in carrying out tasks given by leaders, and the author advises employees to understand better and understand what tasks they will do so that they can be effective and efficient. Personal

factors/employee development continues to be carried out routinely for both new employees and senior employees in the Human Resources and General Affairs Department of PT. Sriwidjaya Palembang Fertilizer as a way to improve employee performance.

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Influence Product Quality, Prices and Social Media Marketing On Purchasing Decisions Product Gurita Bouquet (Flower Bouquet)

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Abstract

This investigation aims to evaluate the impact of product quality, price, and social media marketing on the purchasing decisions of Gurita Bouquet products in Bandung City. Companies must develop effective marketing strategies to pique consumer interest in the florist industry, characterized by intense competition. A quantitative methodology is implemented in this investigation, which includes 95 participants. This investigation employed A Purposive Sampling approach in conjunction with Non-Probability Sampling. A total of 95 questionnaires were distributed to respondents who are 19 years of age or older and have purchased Gurita Bouquet products to investigate the impact of product quality, price, and social media marketing on their purchasing decisions for Gurita Bouquet products. The questionnaires were successfully collected. The findings indicated that purchasing decisions were significantly influenced by product quality, price, and social media marketing. The r count and Cronbach Alpha values are above the standard, indicating that the validity and reliability tests yield satisfactory results. The t-test, which was employed to test the hypothesis, demonstrates that the three independent variables substantially impact purchasing decisions. The sig value is less than 0.05, and the t count exceeds the t table. The F test demonstrates that the three variables substantially impact purchasing decisions simultaneously. In general, the findings of this investigation indicate that the quality of the product, the pricing, and the use of social media marketing are significant factors in the decision-making process for Gurita Bouquet products.

Keywords: Quality Product, Price, Social Media Marketing, Purchasing Decision, Octopus Bouquet

JEL Code:

1. Introduction

Horticulture is one of the subsectors of agriculture that has the potential For develop Because its economy is sufficiently tall (Guampe et al., 2022). Indonesia is rich in it various product horticulture, supported by the diversity of plasma nutfah and varieties that make it possible

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development fruits, vegetables, and plant decoration. One of the commodity Featured in horticulture is plant decoration. Flowers as part from plant decorate Lots in demand Because mark its high economy, attractive colors, and capabilities produce flower in amount big. Some type flower popular in Indonesia include Orchids, Chrysanthemums, Roses, Carnations, Gladiolus, Gerbera and others (Vinet & Zhedanov, 2011).

Floriculture is part from horticulture which has potential big For developed (Hasibuan et al., 2022) . Indonesia, which is known with riches flora, has diverse plant unique and beautiful decoration. Potential This can utilized as commodity commercially valuable high, contributing to the increase income farmer plant decorate at a time support foreign exchange. Plants floriculture, especially flower bouquets, is unique and demanding products attention special. Its management need skills art, mastery technology cultivation, as well as ability market results production. Actors flower bouquet business must also capable guard freshness the product while serve artistic design, shape and color For interesting interest consumers.

View public to flower the more develop positive, so that its use now No Again limited as decor only. Flowers are also often given as saying congratulations, expression sympathy, in activity religious, wedding events, and various chance others. Along with with expansion use interest, competition in development commodity this is getting more and more strict. Innovation technology Keep going developed For create a flower bouquet with various colors, attractive designs, power stand high, and higher prices affordable (Pratiwi et al., 2024). Flower bouquet often utilized For decoration, ornament, or as a medium for convey saying congratulations and various expression others. In general, its function is add beauty and value aesthetics. Although the flower bouquet No long lasting, business This remains very promising. Along with development of the times and patterns think, beauty the more considered important. Changes view This make flower as symbol expressions, for example For celebrate moment happy, conveying feelings of love, or as form condolences.

One of The flower bouquet seller in Bandung City is " Gurita Bouquet ". Gurita Bouquet is a flower bouquet seller who provides various current designs and models hitz with luxurious and elegant concept. Not just a bouquet of flowers only for sale but various kinds of bouquets like food /snacks, chocolate, money and others in accordance customer orders. In addition That Gurita Bouquetat the moment This open a workshop for customers who want to Study stringing together flowers and held every weekend in various place, not only That only customers who attend this workshop No only from city Bandung but from share there is also a city. So online orders too from share city (Nugroho & Sarah, 2021) .

In Bandung City, at the moment This in words very much many businessmen are moving in florist services, opportunities efforts that make the amount competitor new that appears in industry assembly flower until competition the more strict on florist competitors for fighting for market share. The more Lots choice make the candidates consumer must deciding which florist is right for you with need they (Oktavianti et al., 2024) . Because of the competition between florists increasingly strict so that business people an effective marketing strategy is needed to be able to stand out in a competitive market This is felt by Gurita Bouquet who has Lots competitor especially in Bandung City, with the number of florists makes Gurita Bouquetmust Can compete with a florist who is considered has been developing for a long time and has more famous. Competition in business assembly flower or florist more and more tight, marketing strategy become an important strategy for florists, including Gurita Bouquetbecause of marketing strategy allow company reach candidate consumer more spacious and efficient

(Fahrulroji Rahman & Siti Sarah, 2024).

Octopus started experience desire - focused person For change hobby become A business. Official founded on March 20, 2020, Octopus has face various challenges, including competition strict with competitors. Challenges This succeed overcome through innovation products that have characteristics typical unique, making it difficult imitated by the party others. As part from its marketing strategy, Gurita utilise opportunity big in flower bouquet business that prioritizes workshops and sales flowers. In the cities big such as Jakarta, Bandung, Surabaya, and Bali, the prospects business this is very promising. Request will fresh flowers remain high, especially For various events such as wedding, birthday year, celebration company, as well as days special such as Mother's Day and Valentine's Day.

Along with growth industry marriage, needs will bouquet and flowers decor Keep going increase (Wardani et al., 2024). DIY (Do It Yourself) trends and experiences interactive which is loved by the generation Millennials and Gen Z create opportunity big for creative workshops like stringing together interest. The community does not only want to buy a bouquet, but also want to Study skills new that gives mark add. This workshop offer experience unique and interesting interest various circles, starting from lovers hobby, mother House stairs, up to professional young people looking for activity stress reliever.

Following is achievement Gurita Bouquet after held a DIY flower workshop which turned out to be Lots enthusiastic among them teenagers and adults. Gurita Bouquet utilizes social media Instagram as a tool marketing, Gurita Bouquet is trying to weave good relationship with consumers and potential consumer use create relation mutually positive profitable. This is done through effective communication, good in a way direct and also No directly, with utilise various channel For convey information (Rahmi et al., 2023) . Marketing through social media, which is often called as social media marketing, is form marketing that can used For increase awareness brand with utilise tool from social platforms that can accessed Where have you been.

Social media marketing is a series of marketing strategies, both of a physical nature direct and also No direct, which aims For increase awareness, recognition, and encouragement interaction related brand, business, product, individual, or entity other (Sahati et al., 2024) . With Thus, the factors This can give contribution significant to decision purchase somebody when they choose For buy product certain. Activities interaction via social media own ability For influence perception and belief consumer to product or brand the.

2. Literature Review

2.1 Purchasing Decision

Buying decision is a process in which a person choose For own a goods from two or more choice alternative. Every individual Certain Once consider various factor before take decision purchase. Purchasing decisions are a stage in which the consumer has the ability to make their own choice and is prepared to make a purchase or exchange money for the right to use or own a product or service (Kotler & Keller, 2016).

In his research (Rahardi et al., 2024) Explain purchasing decisions is the process of choosing between two or more choice alternative. In other words, a person must own a number of available options moment will take decision. There are five stages in the process of taking decision, namely introduction problem, search information, evaluation alternative, decision purchases, and behavior after purchase (Kotler & Keller, 2016)

There is four method applied measurements For evaluate decision purchase, according to (Kotler & Keller, 2016) , namely: 1. Choice Product : The consumer has the autonomy to determine whether they will purchase a product or allocate the funds to other purposes. In this context, the firm must concentrate on the individuals who are interested in purchasing the product, as well as the alternatives they have considered. 2. Brand Choice : Consumers must determine which brand will purchased, where each brand own unique characteristics. Therefore that, company must understand method consumer choose brand 3. Distributor Choice : Consumers need decide which distributor will they visit. Every consumer own different preferences in choose distributor, which can influenced by factors like location, price, availability goods, comfort shopping, and spacious Place. 4. Purchase Time : Consumer decisions about time purchase can varies ; some are shopping every daily, weekly, or two weekly, and so on. 5. Quantity Purchase : Consumers must also decide How many Lots the product you want bought at a time. Purchase Can more from one item, so that company need prepare stock product in accordance with various need consumers. 6. Methods Payment : Consumer determine method payment to be made used moment buy product or services. When this, decision purchase No only influenced by factors environment and family, but also by the technology used in the transaction process.

2.2 Quality Product

Quality product become factor important, because consumer will evaluate whether products offered in accordance with hope they. According to (Kotler & Keller, 2016) Quality product is the ability possessed a goods For give results or appropriate performance even exceed what to expect a Consumers. Good or the bad quality from a product will become factor determinant for consumer in do decision purchase. This means that product covers all things provided in the market for noticed, obtained, used, or consumed use fulfil desire or needs. Quality product covers all over combination characteristics from marketing, engineering, production, and maintenance that make product the fulfil hope customers. Therefore that, consumers pay close attention quality product before make decision purchase.

According to (Fandy Tjiptono, 2016) there is a number of dimensions perception quality product as following : Performance: related with characteristics base operational from a product, Durability: shows how long is a product can used before must replaced, where the power stand product tend more tall If frequency use increased, Conformance to specifications: to what extent the characteristics main a product in accordance with expected specifications consumer and free from defective. This reflect whether purchased products consumer in accordance with hope they, Features: refers to the characteristics additional designed For increase function product or interesting interest consumer, Reliability: refers to the possibility product can functioning with satisfying in term time certain. The more small risk damage, increasingly can reliable product the.

2.3 Price

The price is the sum of money that is paid to acquire a product or service, while also reflecting the value that consumers receive from using the product or service. Perception is the process by which an individual selects, organizes, and translates incoming information stimulus into a comprehensive picture, as per Rahardi et al. (2024). The price is. The manner in which consumers perceive price, as it is either high, low, or fair. In his research (Mubarak, 2016) price is amount of money spent For to obtain goods certain. Buyer consider price after consider various factors.

According to (Kotler & Keller, 2016) , price usually formed through the negotiation process between seller and buyer until achieved agreement. Based on definition said, the price can concluded as accumulation the value given For to obtain goods or service with objective get profit. Price has diverse form and function, such as For pay rent, dues, fees, wages, or commission. Prices can also be interpreted as one of the component in mix marketing that works produce income. Compared with element others, price is part of the easiest marketing programs For adjusted, while feature products, channels distribution, and communication need time longer for changed (Kotler & Keller, 2016) . Perception to price can rated through four indicators, namely accessibility price, suitability price with quality product, alignment price with benefits received, and level of Power competition price. Therefore that, the more affordable the price offered, the more tall possibility buyer For decide buy. On the other hand, if price No appropriate, potential purchase tend decreased. So that price become influencing factors in a way real and strong on decisions consumer For do purchase (Mubarok et al., 2023)

Indicators used For evaluate price, according to (Kotler & Keller, 2016) , consisting of as following : Price Affordability : Ability consumer For access set price. Suitability price with quality product or services : Assessment consumer to the right price with quality offered. Conformity price with Benefits : Considerations consumer about whether benefits obtained comparable with costs incurred. Researchers will use indicators described by (Kotler & Keller, 2016) as tool measuring For variable price, because indicator the relevant with theory the price that has been discussed previously by researchers.

2.4 Social Media Marketing

Social media marketing is a direct or indirect marketing strategy that utilizes social media tools, including blogging, microblogging, social media, social bookmarking, and content sharing, to increase awareness, recognition, recall, and retrieval of a brand, business, product, person, or other entity (Mubarok et al., 2023).

Kaur & Solomon, (2023) explain that with existence social media presence, marketing via social media has experience rapid development Because its efficiency in costs required For development, management connection with consumer, promotion brand, product idea development new, management Then cross user products, and most importantly, change customer become consumers.

According to (Kotler et al., 2021) state that social media marketing has three indicator main For measure effectiveness, namely : Quality writing : attractive captions/words on the product. Attractive photos : marketing product with design Photo quality. Frequency activity Posts : active promote products on social media.

3. Research Method

3.1 Research Methods

Study This use method quantitative with approach descriptive and verification methods. study quantitative is type research that has characteristics typical systematic, planned and structured in a way clear since beginning until stage design research. According to (Sugiyono, 2019) , method quantitative is also known as as study traditional Because has been used for a long time. Temporary that, Brion & Ampah-Mensah, (2021) explain that method quantitative used For test theory certain with analyze connection between variable.

Approach descriptive, as explained by (Sugiyono, 2019) , is the method used For analyze data or sample as existence, without do analysis deep or interesting the applicable conclusion general. As for the method verification, according to (Sugiyono, 2019) , aims For identify connection between variable independent and dependent, which then tested through analysis hypothesis.

3.2 Data Collection Techniques

Researchers employ data collection techniques to acquire the data and information required for their research. Data collection techniques used in study This includes : 1. Literature Study: This technique aiming For obtain theoretical data from the experts, which are relevant with variables studied. Data collected covers information related Quality Product, Price and Social Media Marketing. 2. Questionnaire : This technique involving data collection through a list of related questions with problem research. Questionnaire given to Respondent For get data. Method This used For know influence Quality Product, Price and Social Media Marketing on Purchasing Decisions, where respondents requested For answer based on condition the actual product.

Measurement in study This using a Likert Scale, which works For evaluate attitudes, opinions and perceptions individual or group to phenomenon social (Sugiyono, 2017). Through the Likert Scale, the variables measured detailed as base For designing instrument items, both in form statement and also question.

3.3 Sampling Techniques

Utilizing the technique sample employed in the investigation With the Purposive Sampling approach, this is Non-Probability Sampling. Methodology: This was accomplished by distributing a questionnaire online through Google Forms. Non-Probability Sampling is a sampling technique that does not provide equal opportunity to all members of the population, as per Sugiyono (2019). For the sample that was chosen. While that, Purposive Sampling, as explained by (Sugiyono, 2019) is method election sample based on consideration certain appropriate with criteria that have been set.

Election sample in study This done with consider size sample that can determined in a way statistics and also through estimate research, with still ensure characteristic representative. This means that the sample selected must capable describe characteristics population in a way overall. In determine sample in study This writer use Hair et al's formula is amount indicator variable times with size minimum sample 5-10. Based on Hair et al. formula, the author 's sample thorough amount to as following :

Amount Minimum Sample = Number Indicator Variables X 5

$$= 19 \times 5$$

$$= 95$$

Can concluded that amount required sample as many as 95 respondents.

Research Model

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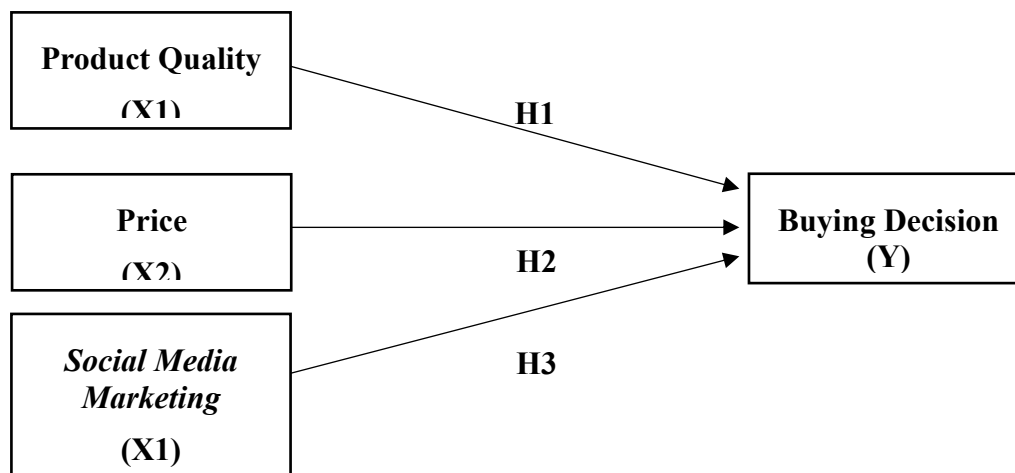


Figure 1. Framework Thinking

Operasional Variabel

Table 1. Operasional Variabel

VARIABEL & DEFINISI	DIMENSI	INDIKATOR	ITEM	SKALA
Product Quality (X1): Product quality is the capacity of an item to deliver results or performance that meet or surpass the expectations of a consumer. Consumers will base their purchasing decisions on the excellence of a product. Kotler and Keller (2016)	Kinerja (<i>Performance</i>)	Whether Gurita Bouquet products according to with desire customer	1	Likert
	Compliance with specification	The materials used for Gurita Bouquet are appropriate specification	2	
	Durability	Gurita Bouquet Long lasting product	3	
	Aesthetics Product	Attractive design on Gurita Bouquet	4	
	Perceived quality	Quality Good Gurita Bouquet product	5	
Price (X2): Price perception is the manner in which consumers perceive prices as high, low, or fair. Perception is the process by which an individual selects, organizes, and translates the information stimulus that contributes to a comprehensive picture. Muhatan and Soliha (2017).	Price Affordability	Affordable price product For Gurita Bouquet Customers	6	Likert
		Comparison price Gurita Bouquet products with others	7	
	Price Match With Quality Product Or Services	Price offered in accordance with Gurita Bouquet quality	8	
		Price offered make satisfied	9	
	Price Match With Benefit	Product price in accordance with benefit	10	
Social Media Marketing (X3): Social	Tulisan yang	Attractive captions on	11	Likert

media marketing encompasses any form of direct or indirect marketing that enhances awareness, recognition, recall, and action in favor of a brand, business, product, individual, or other entity. Blogging, microblogging, social media, social bookmarking, and content sharing are employed to structure this marketing. Gunelius in Mileva and DH (2018)	berkualitas	<i>products</i> Gurita Bouquet		
	Foto yang menarik	Market product with design Photo quality	12	
	Frequency activity Posts	Flower Bouquet's active promotion products on <i>Social Media</i>	13	
Purchase Decision (Y): Purchase decision is a stage in which the consumer has the autonomy to make a decision and is prepared to make a purchase or exchange money for the right to use or own products or services for 2016.	Choice Product	Decide which product will purchased	14	Likert
	Choice Brand Consumer	Determine which brand will purchased	15	
	Choice Distributor Consumer	Choose place Where will buy product	16	
	Purchase Time	When is the right time do purchase	17	
	Consumer Decisions	Decide buy because of the procedure easy payment	18	
	Amount Purchase Consumer	Decide How many Lots the product that will be purchased	19	

4. Findings and Discussions

4.1 Findings

Study This done on business bouquet flower namely "Gurita Bouquet" which is located in Bandung City, West Java. The technique of taking sample used is purposive sampling, with criteria Respondent that is consumer 19 years old to on as well as consumers who have buy and use product Octopus Bouquet. Research This aiming For analyze influence quality products, prices, and social media marketing towards decision purchase Product Octopus Bouquet. A total of 95 questionnaires has shared to respondents, and all succeed collected for the data tabulation process that will be used in stage study next. Instrument study consists of from two part, namely part identity respondents who meet the requirements criteria and parts statement about variables used in study

Validity Test

Table 2. Validity Test Results

Variables		r count	r table	Caption
Purchase Decision (Y)	Decide which product will purchased	0.865	0.202	VALID
	Determine which brand will purchased	0.909		
	Choose place Where will buy product	0.869		
	When is the right time do purchase	0.889		

	Decide buy because of the procedure easy payment	0.870		
	Decide How many Lots the product that will be purchased	0.861		
Quality Product (X1)	Whether Gurita Bouquet products according to with desire customer	0.904	0.202	VALID
	The materials used for Gurita Bouquet are appropriate specification	0.899		
	Gurita Bouquet Long lasting product	0.838		
	Attractive design on Gurita Bouquet	0.894		
	Quality Good Gurita Bouquet product	0.888		
Price (X2)	Affordable price product For Gurita Bouquet Customers	0.838	0.202	VALID
	Comparison price Gurita Bouquet products with others	0.724		
	Price offered in accordance with Gurita Bouquet quality	0.889		
	The price offered makes satisfied	0.920		
	Product price in accordance with benefit	0.914		
Social Media Marketing (X3)	Attractive captions on products Gurita Bouquet	0.898	0.202	VALID
	Market product with design Photo quality	0.883		
	Market product with design Photo quality	0.878		

Source: Data Processed by Researchers (2024)

Based on table on can known that all statements / questions on the questionnaire to Purchase Decision Variable, Quality Products, Prices and Social Media Marketing have r value count more big from r table. So that can stated that statements and indicators from variable the declared valid.

Reliability Test

Table 3. Reliability Test Results

Variables	Cronbach's Alpha	N of Item	Information
Purchase Decision (Y)	0.939	6	Valid
Quality Product (X1)	0.930	5	Valid
Price (X2)	0.907	5	Valid
<i>Social Media Marketing (X3)</i>	0.863	3	Valid

Source: Data Processed by Researchers (2024)

Based on table on Purchase Decision Variable, Quality Products, Prices and Social Media Marketing have Cronbach Alpha value > 0.6. So can concluded every variables used stated reliable or valid and can trusted.

Classical Assumption Test Results

Normality Test

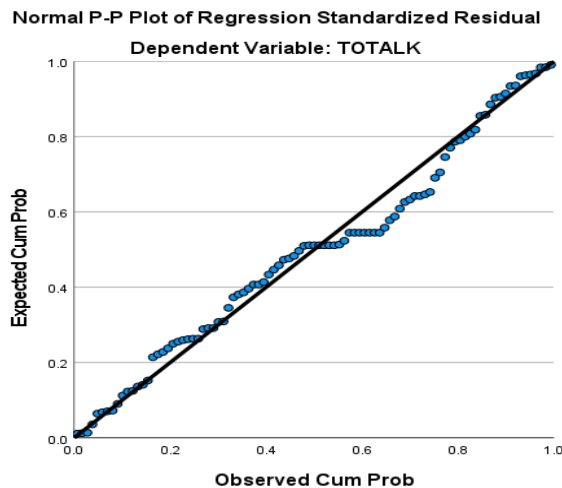


Figure 2. Normality Test Results

Source: Data Processed by Researchers (2024)

The picture shows that the overall point does Not follow the diagonal line, so this is results-proof if the data is distributed normally.

Multicollinearity Test

Table 4. Multicollinearity Test

Model	Coefficients	
	Collinearity Statistics Tolerance	VIF
(Constant)		
Quality Product (X1)	.251	3,991
Price (X2)	.242	4.133
<i>Social Media Marketing</i> (X3)	.283	3,536

Source: Data Processed by Researchers (2024)

Based on processing values in table 4.3, then results correlation between independent variable Quality Product (X1), Price (X2), and Social Media Marketing (X3), against dependent variable is the Purchase Decision (Y). Quality Value Product of $0.251 > 0.10$, Price $0.242 > 0.10$, and Social Media Marketing $0.283 > 0.10$ indicates that the data is not show existence multicollinearity.

Heteroscedasticity Test

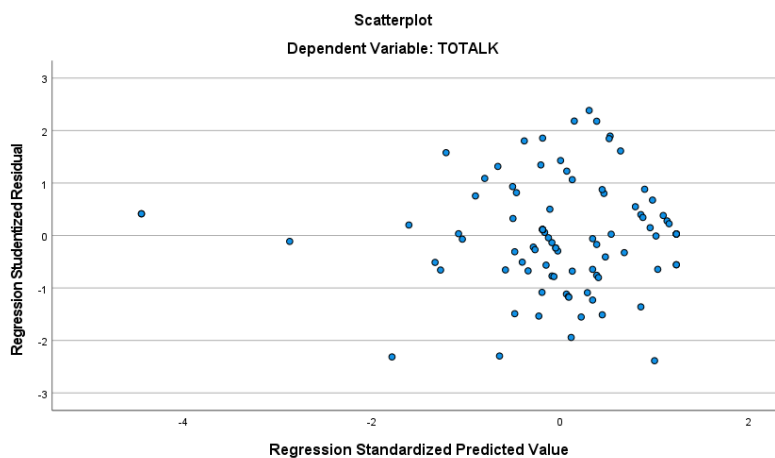


Figure 3. Heteroscedasticity Test

Source: Data Processed by Researchers (2024)

Based on the image above show that data points are not to form a clear pattern, but rather spread in a way random. Dots the spread with both above and below number zero on the Y axis. Therefore that, can concluded that No there is indication heteroscedasticity.

Hypothesis Test (T-Test)

Table 5. T-Test Results (Partial)

Model		Unstandardized Coefficients			Collinearity Statistics		
		B	Std. Error	t	Sig.	Tolerance	VIF
1	(Constant)	-.776	1.078	-.720	.473		
	Kualitas Produk (X1)	.427	.098	4.372	.000	.251	3.991
	Harga (X2)	.602	.096	6.278	.000	.242	4.133
	Social Media Marketing (X3)	.334	.151	2.208	.030	.283	3.536

Source: Data Processed by Researchers (2024)

- 1) Based on t-test findings show If Sig level is $0.001 < 0.05$ for variable Quality Products on the Purchase Decision variable. While the t - count results obtained which is 4,327 more big from the t table, namely $4.327 > 1.662$. Based on results said, then H_0 rejected, while H_1 accepted. This is signifies, variable Quality Product proven give influence significant to decision purchase.
- 2) t-test findings show If Sig level is $0.001 < 0.05$ for Price variable on the Purchase Decision variable. While the t - count results obtained which is 6,278 more big from the t table, namely $6.278 > 1.662$. Based on results said, then H_0 rejected, while H_2 accepted. This is show that variable price proven give influence significant to decision purchase.

- 3) The t-test findings show that If Sig level is $0.030 < 0.05$ for variable *Social Media Marketing* on the Purchase Decision variable. While the t - count results obtained which is 2,208 more big from the t table, namely $2.208 > 1.662$. Based on results said, then H_0 rejected, while H_3 accepted. It is prove that variable *Social Media Marketing* is proven give influence significant to decision purchase

Hypothesis Test (F Test)

Table 6. F Test Results (Partial)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1762.266	3	587,422	196,142	<.001 ^b
	Residual	272,534	91	2.995		
	Total	2034.800	94			

Source: Data Processed by Researchers (2024)

Calculation results show that Sig. value is <0.001 which means mark is < 0.05 and F count has a value of $196.142 > 0.05$. So H_0 is rejected, while H_4 is accepted. This is to signify that variable Quality Products, Prices, and Social Media Marketing in general overall hold significant influence on the variables decision purchase. So, hypothesis study This proven that these independent variables in a way overall influence dependent variable.

4.2 Discussions

Findings From the data analysis it is confirmed that every survey conducted declared valid and reliable because correlation every variable $> r$ table which is 0.202. As for the graph stated normality that overall point the No follow the diagonal line, so that This is results proof if the data is distributed normally. And also for the multicollinearity test show that variable Quality Product (X1), Price (X2), and Social Media Marketing (X3) > 0.10 indicates that the data is not show existence multicollinearity.

In study This proven that variable quality Product, price and social media marketing have an influence to decision purchase. Can seen from data processing that Quality Product (X1) has an effect significant and H_1 is accepted. This is signifies, variable Quality Product proven give influence significant to decision purchase. Next There is Price variable (X2) has an effect significant and H_2 is accepted. This is indicates, the Price variable is proven give influence significant to decision purchases. The Social Media Marketing variable (X3) has an influence significant and H_3 is accepted. This is indicates, the Social Media Marketing variable is proven give influence significant to decision purchase.

Based on study proven that Quality Products, Prices, and Social Media Marketing have influence Good in a way partial even though simultaneous to decision purchase product Octopus Bouquet

Context Study Previously

Study previously has explore connection similar between variable marketing and behavior consumers. For example:

Ghozali (2016) emphasized the importance of multicollinearity testing in the regression model For ensure variable independent No correlated excessive One each other. This is ensure that

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every variable contribute in a way unique For explain variance variable dependent.

Analysis Correlation: Coefficient correlation is very important in determine connection between variables. Strong correlation show that change in One variable associated with changes in variables others, which are in line with findings that Quality Products and Prices in general significant influence behavior purchase.

Analysis Marketing : Research highlight How multicollinearity can to blur strength predictive variable independent in analysis marketing . With overcome problem This through technique like analysis factor or Bayesian modeling, researcher can more understand the contribution of each correlated variable.

Studies Behavior Consumers : Study previously in a way consistent show that quality product and pricing strategy price is determinant important decision purchase Consumers. Social media marketing has appear as influencing factors in to form perception consumers and encourage purchases in the contemporary market.

As conclusion , study This built based on existing literature with confirm that Quality Products , Pricing, and Social Media Marketing in a way significant influence decision purchase while overcome potential problem multicollinearity through testing strict statistics.

5. Conclusion

Product Quality

Product quality has a substantial and positive impact on purchasing decisions. The superior quality of the product, the greater the number of consumer purchasing decisions. Research has demonstrated that consumer confidence is closely correlated with product quality, which in turn influences their purchasing decisions.

Price

Price also has a substantial and positive impact on purchasing decisions. Despite the fact that price is not always the primary determining factor, it remains a significant factor in the purchasing process. Consumer trust can be enhanced and purchasing decisions can be influenced by reasonable prices, according to research.

Social Media Marketing

Significant Positive Influence: Additionally, social media marketing has a substantial and favorable impact on purchasing decisions. Brands can enhance product visibility, engage with consumers, and cultivate new interest by utilizing digital platforms. Consumer purchasing decisions may be affected by any of these factors.

Integration Conclusion

Concurrently, the purchasing decision of Octopus Bouquet products is significantly and positively influenced by all three variables: product quality, price, and social media marketing.

Product Quality: Enhancing the quality of the product will ultimately lead to more positive purchasing decisions and increase consumer trust. **Price:** Setting a reasonable price can increase consumer trust and trigger faster purchasing decisions.

Social Media Marketing: Facilitating communication and interaction with customers through digital platforms can increase product visibility and generate new interest.

Therefore, a comprehensive integration of strategies including product quality improvement, proper price management, and active social media marketing implementation can increase the effectiveness of marketing campaigns and optimally promote Octopus Bouquet products.

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