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The Influence of Price and Product Quality on Online Purchasing Decisions with Customer Testimonials as a Moderating Variable for Palangka Raya Students (Case Study of Shopee Users)

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Abstract

This research aims to investigate the influence of price and product quality on online purchasing decisions among Palangka Raya students, with a focus on users of the Shopee platform. This research method uses a case study design with customer testimonials as a moderating variable. Data is collected through analysis and statistics used to find relationships between price, product quality, customer testimonials and purchasing decisions. It is hoped that the results of this research will provide valuable insight into the factors that influence online purchasing behavior among students, as well as the potential role of customer testimonials in measuring the influence of product price and quality. These findings can be useful for online merchants, business owners, and academics in understanding the dynamics of the e-commerce market in the region.

Keywords price, product quality, online purchasing decisions.

1. Introduction

In the digital era and the increasingly developing Modern Era, trade or e-commerce has introduced a new paradigm in how to shop. Regardless of Social and geographical background, online shopping has become a global phenomenon that is changing the way we get products and services. This is no exception for students who are often quite active online consumers.

E-commerce has offered unprecedented convenience and accessibility, allowing shoppers to browse products, and compare prices to make purchasing decisions in a matter of seconds (Fernández-Bonilla et al., 2022). However, in this process a number of factors influence online purchasing decisions. One factor that remains the main focus is price. Price, a key factor in consumer decision making, plays a central role in the online purchasing process. The decision to buy a product or service is often influenced by a comparison of price and the benefits provided by the product (Dumanska et al., 2021). In this case, the role of customer testimonials is taken as a moderating variable. Customer testimonials describe previous experiences of buyers, which can moderate the relationship between price and purchasing decisions (Suharto et al., 2022).

This research aims to investigate the relationship between price and online purchasing decisions

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among Palangka Raya students who use Shopee as an e-commerce platform, and consider how customer testimonials that reflect previous online shopping experiences can influence this relationship. Thus, this research also aims to gain deeper insight into students' online shopping behavior and the role of customer testimonials in changing purchasing decisions.

Online purchasing has become an integral part of the modern lifestyle, especially in this digital era. More and more consumers are choosing to purchase goods and services online (Hendricks & Mwapwele, 2023), making e-commerce platforms such as Shopee one of the main places to shop. In this context, price is a very important factor in influencing online purchasing decisions (Mustafa et al., 2022). Shopee is the leading online shopping platform in Southeast Asia and Taiwan. Launched in 2015, Shopee is a platform tailored to each region and provides an easy, safe and fast online shopping experience for customers through strong payment and logistics support. Price is not only a cost element, but also a signal of the quality and value of the product or service offered. Consumers often consider price before they decide to make an online purchase. Therefore, it is important to understand how price influences online purchasing decisions, especially among students in Palangka Raya who are a consumer group who are active in shopping online. On the other hand, customer testimonials or product reviews also have an important role in shaping consumer perceptions about certain products or services. Customer testimonials can provide valuable insight into other users' experiences and moderate the effect of price on purchasing decisions. However, there remains little understanding of the extent to which customer testimonials moderate the relationship between price and online purchasing decisions among college students. or this reason, this research aims to investigate the influence of price on online purchasing decisions among Palangka Raya students who use the Shopee platform as a case study. In addition, this research will explore whether customer testimonials act as a moderator variable in the relationship between price and their purchasing decisions. By better understanding how these factors interact, this research is expected to make an important contribution in the context of online marketing and help online merchants to better understand their consumer behavior. In addition, this research will also provide insight to marketing students, researchers and practitioners on how these factors can be used to improve online marketing and sales strategies.

2. Literature Review

The Influence of Prices and Product Reviews on Decisions to Purchase Fashion Products Online at Shopee. One of the factors that can influence purchasing decisions is price. The potential of the internet as a marketing and trade medium has been widely discussed, this discussion has resulted in a view regarding e-commerce, namely trading via the internet (Kawasaki et al., 2022). One of the currently popular e-commerce sites is Shopee. Shopee is a type of e-commerce for consumer to consumer (C2C). When deciding to buy online, there are usually many considerations such as reviews and price. The consumers studied will tend to pay attention to reviews given by previous buyers which are available on features on the Shopee marketplace, in order to reduce the risk of shopping. Reviews are also used as a basis for consumers to be more confident that the products offered are in line with what consumers

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expect, whether positive reviews or negative reviews because these reviews are actually given by other consumers and given by other consumers who have shopped. Not only product reviews, price also plays a significant role in influencing someone to make a purchase. Comparison of the same product at different prices from sellers is important for consumers in deciding to buy a product (Fatmawati & Nurhidayati, 2022). Pricing on the Shopee marketplace is very competitive. It will be easier for consumers to get the best price because consumers can see the price of the product they are looking for and can also sort the prices from lowest to highest, of course with the quality commensurate with the price (Andonov et al., 2021). The purchasing decision process goes through several stages carried out by consumers, these stages will result in a decision whether to buy or not and after buying the consumer will be satisfied or not. The purchasing decision process consists of five stages, namely: (a) need recognition, the purchasing process begins when the purchaser recognizes a problem or need. These needs can be triggered by internal or external stimuli. (b) information search, an aroused consumer will be encouraged to seek more information. At this level, people are simply more sensitive to product information. At the next level, the person may begin to actively seek information: looking for reading material. (c) Evaluation of alternatives, there is no single simple evaluation process used by all consumers or one consumer in all purchasing situations. (d) Purchase decision, at this stage the consumer will carry out an evaluation to form a preference for the brand that has the choice set. (e) post-purchase behavior, purchasing the marketer's task does not end when the product is purchased by the consumer, but continues into the post-purchase period. After purchasing a product, consumers will experience a level of satisfaction or dissatisfaction. Consumer satisfaction or dissatisfaction will influence subsequent consumer behavior. Based on existing definitions, it can be concluded that product reviews are articles written by consumers in columns prepared by e-commerce that reflect the actual quality of goods such as color problems, inconsistent specifications, problems with use or high quality, and good experiences. The hypothesis developed in this research is based on theoretical foundations, literature review and previous research, so the research framework is structured as follows: Hypothesis 1: It is suspected that price has a significant effect on the decision to purchase fashion products online at Shopee. Hypothesis 2: It is suspected that product reviews have a significant influence on online purchasing decisions for fashion products on Shopee.

The Influence of mobile quality prices and product quality with customer confidence as a moderation variable on online purchase decisions on the shopee site. Product quality is the ability of a product to perform its function, this includes overall durability, reliability, accuracy, ease of operation and product repair as well as other product attributes. Product quality is a potential strategic weapon to beat competitors. The ability of product quality to demonstrate various functions including durability, reliability, accuracy and ease of use (Hancock et al., 2001). The results of this research state that mobile quality has a significant effect on purchasing decisions. This shows that an increase in monile quality is followed by an increase in purchasing decisions. This means that the better the mobile brand an online shop has, the higher the consumer's purchasing decisions will be at that online shop. This also explains that good mobile quality has operational qualities that allow buyers to carry out their shopping activities easily

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and efficiently. The consumer's process in deciding to make a purchase begins with a thorough evaluation process about a product or service. The results processed by PLS, 2020 are Hypothesis 1: Mobile quality has a significant effect on purchasing decisions. Hypothesis 2: Price has a significant effect on purchasing decisions. Hypothesis 3: Product quality has a significant effect on purchasing decisions. Hypothesis 4: Trust moderates the influence of mobile quality on purchasing decisions. Hypothesis 5: Trust moderates the effect of price on purchasing decisions. Hypothesis 6: Trust moderates the influence of product quality on purchasing decisions.

The influence of product quality, testimonials and price on consumer product purchasing decisions. The results of this analysis indicate that Ma-sum consumers do not pay much attention to aspects of the Testimonial variable (X2). The highest answer to the Testimonial variable (X2) is question The results of this research are in accordance with previous research conducted by (Martini et al., 2022) that word of mouth influences purchasing decisions, and the results of this research explain the significant value of testimonials, and explain that testimonials play a positive role in purchasing decisions. The results of this analysis indicate that Ma-sum consumers do not pay attention to aspects of the Price variable (X3). The highest answer to the Price variable (X3) is question -sum because Ma-sum has affordable prices and the quality you pay matches the price. The results of this research are not in accordance with previous research conducted by Nuning, N. N. D., & Rudi, R. W. (2020) and Tri Ajrina and Apriatni Endang Prihatini (2020) that price has a positive and significant effect on purchasing decisions, whereas in research conducted by The author's price does not have a positive effect because the significant value shown is not appropriate. The results of the F test carried out show that the independent variables, namely, Product Quality (X1), testimonials (X2) and price (X3) simultaneously influence the dependent variable, namely purchasing decisions (Y). This is known from the significance value being smaller than 0.05, so it can explain that the variables Product Quality (X1), Testimonials (X2) and Price (X3) simultaneously and simultaneously influence the Purchasing Decision variable (Y). It can be concluded that Ma-sum consumers pay attention to the Purchasing Decision (Y) aspect and the highest mean value for the Purchasing Decision (Y) variable is found in statement Y.1, namely "I am confident in Ma-sum products" with an average of 3.57, This means that mass consumers see a convincing product purchasing decision. The results of this research support previous research conducted by (Zeqiri et al., 2023)

The influence of price, product quality and trust on online purchasing decisions. E-commerce companies certainly see this big opportunity and immediately take advantage of it through today's sophisticated internet. According to Yom, education circles are recorded as having the most users (59%), followed by business circles (21%), government (14%) and the rest are individual users. According to Chandra, the biggest strength of the internet which makes it the main choice for consumers in shopping in the future is that the process of searching, evaluating choices and actualizing shopping is very fast, comfortable, and can be done anywhere and at any time (Jain et al., 2023). The search process via the internet can be strengthened by discussion. via chat or news group among fellow consumers or potential consumers, then an

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evaluation process to compare and build decision criteria, then the purchase transaction process.

Online shopping is a buying and selling activity or electronic commerce that allows consumers to directly purchase goods or services from sellers via the internet using a Web Browser (en.wikipedia.org). Online shopping makes it easier for us to shop without spending time and energy. Apart from considering price, consumers must also consider the quality of the products they buy according to the costs they sacrifice or not (Sun et al., 2021). Product quality is also a consideration for online purchases where every consumer wants good product quality. Product quality is the overall characteristics of a product or service from design to delivery of the product to customers as expected without repeated manufacturing (Setyowati, 2010: 3). The quality of a company's products can provide indirect marketing benefits to other potential consumers. The existence of uncertainty and risk in shopping online apparently does not discourage online consumers from making purchases online. Seeing this phenomenon, researchers want to know how consumers still make purchases online even though the reality contains many risks and uncertainties about the products they buy. Apart from that, researchers also want to see how price can influence buyers regarding product quality that is not yet visible and how much trust they have in online sellers so that they decide to buy products online.

The hypothesis in this research is:

H1: Price influences online purchasing decisions.

H2: Product quality influences online purchasing decisions.

H3: Trust influences online purchasing decisions.

H4: Price, product quality and trust simultaneously influence online purchasing decisions.

3. Research Method

This research is descriptive research which aims to see how much influence price and product quality have on online purchasing decisions with customer testimonials as a moderating variable for Palangka Raya students (case study of Shopee users). This research uses data analysis using SmartPLS software, which is run using computer media (Vivy Kristinae, 2019). PLS (Partial Least Square) is a variant-based structural equation analysis (SEM) that can simultaneously measure measurement models as well as test structural models. The measurement model is used to test validity and reliability. Meanwhile, the structural model is used to test causality. Furthermore, the structural model shows the strength of estimates between latent variables or constructs (Kristinae et al., 2020). The inner model aims to test the relationship between the indicators that make up the variables. The series of tests in the structural model or inner model is to calculate the R-Squares value

4. Finding and Discussion

Research on the relationship between the influence of price on online purchasing decisions shows that there is a positive relationship between these two factors. The results show that all the indicators are valid and reliable from the Cronbach alpha value > 0.7 and the convergent

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value > 0.6 , the results are in table 1, so the analysis can be continued. This means that the data is reliable and valid for further testing.

Tabel 1. Construct Reliability and validity

Variable	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)
Price	0.897	0.950	0.916	0.650
Online Purchasing Decisions	0.971	0.980	0.979	0.921
Product Quality	0.941	0.952	0.955	0.808
Testimonials	0.848	0.914	0.905	0.663

Based on previous empirical studies, it is stated that the relationship between two independent and dependent variables shows that there is an influence in each relationship, the direction of the variable circle is determined from the results of the instrument/indicator with an outer loading value of > 0.7 so that it is declared correctly as a characteristic of the variable. Here are the results:

Tabel 2. Path Coefficient

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics	P-Value	Results
Price $\rightarrow$ Online Purchasing Decisions	0.589	0.487	0.135	3.481	0.001	Significant
Price $\rightarrow$ Testimonials	0.323	0.318	0.143	2.160	0.003	Significant
Product Quality $\rightarrow$ Online Purchasing Decisions	0.637	0.535	0.170	4.507	0.002	Significant
Product Quality $\rightarrow$ Testimonials	0.745	0.746	0.100	7.427	0.000	Significant
Testimonials $\rightarrow$ Online Purchase Decisions	0.483	0.478	0.258	1.872	0.061	Non-Sig

From the results of Hypothesis 1 research, it shows that price has a positive and significant effect on online purchasing decisions as seen from the t-test of $3.481 > 1.97$ and a significance value of $0.001 < 0.05$. These factors are considered as factors that can influence online purchasing decisions. Therefore, price have a significant effect on online decisions in influencing Shopee users' interest in Palangka Raya University students

Hypothesis 2 shows that price has no significant effect on testimonials from the results of the t-test $2.160 < 1.97$ and the significance value is 0.003 (significant). This shows that the price

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results are very good or have an effect on customer testimonials when shopping on Shopee for Shopee users, Palangka Raya University students

Furthermore, hypothesis 3 shows that product quality has an influence on online purchasing decisions. The t-count/T statistic results are $4.507 > 1.97$ and the significant value is 0.002 (significant), meaning that furthermore, product quality have a very important role in making decisions. The occurrence of online purchasing decisions for Palangka Raya student Shopee users

For Hypothesis 4, it shows that product quality has a significant value in improving and providing testimonials for products found on Shopee (OnlineShop) from the t-count/statistic value of $7,427 > 1.97$ and a significant value of $0.000 < 0.05$, meaning that product quality has a significant effect on customer testimonials when making online purchases for Palangka Raya University students who make online purchases at Shopee.

Hypothesis 5 research shows that testimonials have not significant effect on online purchasing decisions, where the t-count/statistic value is 1.872 and the significant value is 0.061 (non-significant), meaning that customer testimonials in making online purchasing decisions do not have a significant effect on student Shopee users. Palangka Raya

This research also shows that the focus of Shopee users in the Palangka Raya University student environment on indicators and factors of price and product quality alone is not enough to make online purchasing decisions for Shopee users, but product quality is seen based on customer testimonials as a moderation for making online purchasing decisions, p. This is very influential in achieving superior Shopee Products in Making Online Purchases.

5. Conclusion

The research results prove that the relationship between price and online purchasing decisions has significant influence on online purchasing decisions among students. Lower testimonials that match the desired purchase decisions do not really increase the tendency and desire of Palangka Raya University students to buy online when making purchases on Shopee. Furthermore, product quality with testimonials also has a good role in encouraging Palangka Raya University students to make online purchases on Shopee. However, among Palangka Raya University students with product quality as a variable, it does not really show significant (non-significant) results because the quality of a product according to Nurmansyah (2018): 122) product quality is the ability of a product to carry out its duties which includes durability, reliability, strength, and ease of use, product repair. Customers tend to choose products with good quality because they cannot or see them in person before purchasing, this shows that product quality may not play a significant role in online purchasing decisions.

Furthermore, customer testimonials, as a moderating variable, play a role in strengthening or weakening the influence of price and product quality on purchasing decisions. Customer testimonials can influence students' perceptions of product price and quality.

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This conclusion is based on the results of data analysis from research and can be a guide for decision makers at Shopee or Palangka Raya university students who want to understand the factors that influence online purchasing decisions.

These results can also provide valuable insight for business people and online marketers to understand the factors that influence the purchasing decisions of students at Palangka Raya University who use Shopee. With a better understanding of the role of price, product quality, and customer testimonials, they can optimize their marketing strategies to attract customers and increase sales effectively. Based on these findings, here are some suggestions for parties involved in online business and further research: (1) Sellers: Consider competitive pricing strategies to attract students as customers, as well as improve product quality and pay attention to customer feedback. Promote positive testimonials from customers to increase trust and purchasing decisions. (2) Shopee: Provide training to sellers on how to use customer testimonials effectively by updating the platform to improve user experience and make it easier for buyers to find customer testimonials. (3) Further Research: Considering additional factors that influence online purchasing decisions, such as promotions and environmental factors, more in-depth research can be conducted to understand the role of customer testimonials in a broader context.

These conclusions and suggestions can be the basis for improving marketing strategies and online purchasing decision making, especially among students in Palangka Raya who use Shopee.

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