

The Impact of E-Service Quality and Sales Promotion on Purchase Decisions in the Zalora Online Shopping Application (Case Study on Zalora Consumers in Surabaya)

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ABSTRACT

This study aimed to examine the impact of e-service quality and sales promotion on Surabaya consumers' purchasing decisions on the online shopping application Zalora. This study's population comprises Surabaya residents who have utilized the Zalora online shopping application. This method employs quantitative research. Non-probability sampling with a purposive sampling technique yielded 99 respondents, and the Partial Least Square (PLS) method was utilized for data analysis. The findings of this study indicate that 1) e-service quality has a positive and statistically significant impact on purchasing decisions. 2) sales promotion has a significant and positive impact on purchasing decisions.

INTRODUCTION

The development of information technology, specifically the internet, has simplified numerous aspects of life today. The internet makes it very easy to find information, and a smartphone is required for many tasks or activities. The Internet is utilized not only as a search engine but also as a business intermediary. Due to its efficiency and effectiveness in terms of time and energy, e-business or electronic-based business is extremely popular among various groups.

By accessing online shopping sites or e-commerce, people can better meet their primary and secondary needs due to the increasing internet penetration. In tandem with the growth of digital consumers, the E-commerce market in Indonesia is expanding rapidly. Because E-commerce has a greater reach and is more cost-effective, it can meet people's needs more efficiently. Through e-commerce, transactions occur between sellers and buyers without them having to meet in person. Consumers can directly visit the application or e-commerce site they are going to, then view the available product catalog, and then directly select the desired product and choose the type of payment method and shipping method that will be used to deliver the product to the consumers' hands.

ZALORA Indonesia (www.zalora.co.id) is a fashion hub in Indonesia that provides insight into global fashion trends. Established in 2012 in Asia, starting from Singapore, Indonesia, Malaysia & Brunei, Hong Kong, Taiwan and Philippines. ZALORA is a subsidiary of Global Fashion Group, the largest online fashion retailer for emerging markets. Men's and women's clothing, shoes, accessories, and beauty products from the highest quality international and local brands are available on ZALORA's local website. Zalora's benefits include a 30-day return policy, websites and applications that make shopping easier, original or authentic products, regular vouchers and discounts, detailed product descriptions, free and fast delivery within 1-3 days, and easy payment transactions, including credit card, bank transfer, e-wallet, and Cash on Delivery (COD).

Customers who shop online generally expect a high level of service quality to facilitate transactions or shopping on an online shopping site or e-commerce platform. E-service quality refers to the service quality in e-commerce. According to Chase et al. (2014), Saragih (2019) defines E-service quality as a broader service quality with internet media that effectively and efficiently connects sellers and buyers to shop.

As an e-commerce company that provides various types of fashion necessities, Zalora needs to provide consumers with adequate electronic services. This is supported by numerous customer complaints that demonstrate Zalora's inadequate electronic service levels. Even though Zalora has a high rating of 4.90 in the app store, many consumer complaints about Zalora's electronic services exist. Providing superior electronic service will enhance consumers' purchasing decisions and encourage them to continue using the Zalora online shopping application. In accordance with Nurmanah and

Nugroho's (2021) findings that Electronic Service Quality (E-service quality) has a significant impact on purchasing decisions.

In addition to encouraging consumers to make more purchases through the quality of its E-services, Zalora also offers a variety of attractive sales promotions. Peter and Donnelly (2013), cited in Irwinskyah and Nurlatifah (2020), define sales promotion as an activity or material that provides various parties with a purchasing incentive. This encouragement can take the form of coupons, lottery prizes, or return guarantees and is a value-added incentive for the product. Sales promotion or sales promotion is an essential element of marketing strategy. Sales promotion aims to communicate with consumers or prospective customers who are anticipated to influence purchasing decisions. Businesses must offer various enticing sales promotion programs to receive positive consumer feedback that makes consumers' shopping experiences more enjoyable so they can make purchasing decisions.

The researcher intends to study the effect of e-service quality and sales promotion on purchasing decisions on the Zalora online shopping application in Surabaya based on the listed phenomena and descriptions.

LITERATURE REVIEW

E-Service Quality

According to Zeithaml et al. (2000), Irwansyah & Mappadeceng (2018) define E-service quality as the overall interaction that occurs between consumers and the website, where the website provides ease and efficiency in shopping, purchasing, and delivering its products to consumers. Moreover, according to Tjiptono (2011) in Pudjarti et al. (2019), E-service quality encompasses all stages of consumer interaction via the website, i.e., the extent to which the website facilitates the provision of these services efficiently and effectively. According to Jain & Kumar (2011) in Riyanto & Fardhani (2021), the following are E-Service Quality indicators: (1) Efficiency, relating to the ease and speed with which consumers can place orders through the application. (2) Fulfillment relates to the accessibility of services required by consumers in the application. (3) System Reliability (System Availability) is when and where an application functions as expected. (4) Security or Privacy Guarantee (Security/Privacy), about the application provider's guarantee of the security of consumer data.

Sales Promotion

Ningsih and Cahya (2022) cite Kotler and Armstrong's (2012) definition of sales promotion as a collection of techniques businesses or organizations employ over brief periods to stimulate consumer demand for the promoted product. Belch and Belch (2015), as cited in Felita and Oktivera Elsie (2019), define sales promotion as a marketing strategy that offers supplementary value or incentives to sales personnel, distributors, or primary customers to expedite sales. The authors Dianti and Dewantara (2021) have identified several indicators of sales promotion as outlined by Kotler and Armstrong (2016).

These indicators are as follows: The three common types of promotional offers in the retail industry are coupons, rebates, and price packs/ cents-off deals.

Purchase Decision

As per Br Marbun et al. (2022) findings, Kotler & Armstrong (2012) assert that purchasing entails a problem-solving process whereby individuals evaluate alternative behaviors and select the most suitable course of action. This initial step is regarded as crucial in the decision-making process. Peter and Donnelly (2011), as cited in Irwinsyah and Nurlatifah (2020), have characterized purchasing decisions as the ultimate determination of the brand to be procured. The purchase process entails various factors, such as the product category, the brand, the model, the choice of store, and the available payment options. The authors Misnawati and Sumarni (2022) have identified several purchasing decision indicators outlined by Kotler and Keller (2016). These indicators are as follows: (1) Product stability, (2) Consumer purchasing habits, (3) Word-of-mouth recommendations, and (4) Repeat purchases.

Relationship between E-Service Quality and Purchase Decision

E-Service Quality refers to the quality of electronic services offered on websites, which can enhance consumer satisfaction and efficiency during shopping. Chang et al. (2009) as cited in Hartono et al. (2021) define E-Service Quality as providing consumer-oriented facilities on websites that enable efficient and effective shopping experiences. Social proof is widely acknowledged to significantly impact online consumers' decision-making process, rendering online services more appealing and efficacious. Marketplaces can leverage this phenomenon to enhance their sales performance and secure a more significant number of successful transactions. According to Nurmanah and Nugroho's (2021) research, there is a positive and significant correlation between the E-Service Quality variable and purchasing decisions at Bukalapak. The findings indicate that the impact of E-Service Quality on purchasing decisions is more significant than that of Trust, as E-Service Quality is a crucial factor in ensuring transaction success on the Bukalapak platform. This implies that an increase in E-Service Quality will lead to a corresponding increase in purchasing decisions.

H1 : It is assumed that E-Service Quality has a positive effect on Purchase Decisions in Zalora E-commerce in Surabaya.

Relationship between E-Service Quality and Purchase Decision

Sales promotion is a marketing strategy that companies employ to encourage consumers to make purchases or boost sales promptly by providing supplementary benefits or incentives, such as coupons, sweepstakes, and assured refunds, within a limited time frame. The research conducted by Neslin (2002), as cited in Akbar (2018) found that sales promotion substantially impacts consumer behavior, particularly in generating interest and influencing purchase decisions. This is attributed to the benefits that sales promotion provides to consumers. The statement above aligns with the findings of a recent study conducted by Ningsih and Cahya (2022), which demonstrated that sales

promotion exerts a significant positive impact on consumer purchasing decisions within the e-commerce platform of Shopee. This implies that an effective sales promotion can lead to an increase in purchasing decisions.

H2 :It is assumed that Sales Promotion has a positive effect on Purchase Decisions in Zalora E-commerce in Surabaya.

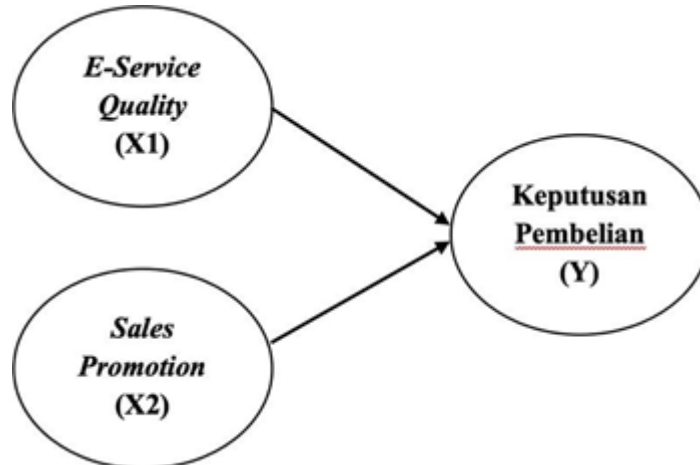


Figure 1. Conceptual Framework

METHODOLOGY

The research was carried out using quantitative methods; this study determined the population, namely users of the Zalora online shopping application who live in Surabaya. The research sample was obtained using non-probability sampling with a purposive sampling technique, namely the technique of determining the sample based on the criteria or characteristics of the respondents. The criteria used as respondents are: a) Respondents aged 17 years and over. b) Respondents are people who live in the city of Surabaya. c) Respondents are users of the online shopping application Zalora. d) Respondents have shopped through the online shopping application Zalora more than 1 time in the last 6 months. Determining the number of samples using sample measurements according to (Ghozali, 2013), namely 5 -10 times the total estimated parameters. The author uses 9 (five) parameters with 11 indicators. So the number of samples required is 99 respondents. In this study, data was collected using a questionnaire by distributing a list of questions to respondents who had purchased the Zalora online shopping application via the Google Form, which was distributed online. Data analysis was carried out using the component-based SEM method using Partial Least Square (PLS), which was selected as the analytical tool in this study.

RESEARCH RESULT AND DISCUSSION

Construct Measurement Model (Outer Model) Validity and Reliability

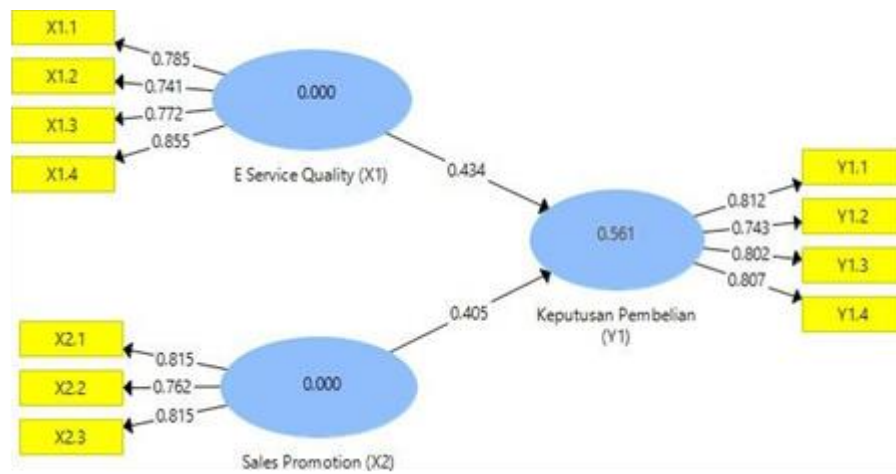


Figure 2. Outer Model PLS

The validity assessment comprises a convergent validity test. The convergent validity test examines each indicator's loading factor and the extracted variance (AVE) average value. The PLS model test results indicate that the convergent validity measure has been met, as evidenced by the generation of loading factor values exceeding 0.50 and AVE values exceeding 0.50.

Table 1. Validity and Reliability

	AVE	Composite Reliability
E-Service Quality (X1)	0.622770	0.868165
Sales Promotion (X2)	0.636390	0.839884
Keputusan Pembelian (Y)	0.626562	0.870180

The reliability test was carried out to assess the consistency of the respondents' responses. If the composite reliability coefficient is more than 0.70 the respondent's answers are considered consistent, and the research questionnaire is considered reliable.

Structural Model Testing Results (Inner Model)

The R-Square test assesses the inner model, specifically the accuracy model or accuracy test. A value of 0.75 indicates a robust model. In contrast, a value of 0.50 suggests a weak model, and a value of 0.25 indicates an inaccurate model (Ghozali & Latan in Pura & Madiawati, 2021). The findings indicate that the model exhibits a low level of strength, as evidenced by its R² value of 0.56. An alternate perspective suggests that E-Service Quality and Sales Promotion factors in Purchasing Decisions constitute 56.06% of the overall influence, with the remaining 43.94% being governed by additional variables.

Hypothesis Testing

Table 2. Path Coefficient

	Path Coefficients (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
E-Service Quality (X1) -> Purchase Decision (Y1)	0.434276	0.436505	0.085403	5.085006	0.000001
Sales Promotion (X2) -> Purchase Decision (Y1)	0.404694	0.402651	0.09083	4.455531	0.00001

1. E-Service Quality (X1) has a positive effect on Purchase Decision (Y) is acceptable, with a path coefficient of 0.434276 and a T-statistic value of 5.085006 greater than the Z value $\alpha = 0.05$ (5%) = 1.96 , then significant (positive)
2. Sales Promotion (X2) has a positive effect on Purchase Decision (Y) is acceptable, with a path coefficient of 0.404694 and a T-statistic value of 4.455531 greater than the Z value $\alpha = 0.05$ (5%) = 1.96 , then significant (positive)

The Effect of E-Service Quality on Purchasing Decisions

The research findings indicate a positive correlation between E-Service Quality (X1) and Purchasing Decisions (Y). This implies that a higher level of e-service quality offered by an application or website will likely increase consumer purchasing decisions. The present study is underpinned by Nurmanah and Nugroho's (2021) research findings, which demonstrated a positive and statistically significant relationship between the E-Service Quality construct and consumers' purchase decisions. The higher the caliber of electronic services a company renders to its clientele, the more appealing it becomes for the customers to make procurement choices.

The findings indicate that the Security or Privacy Assurance indicator holds the most significant influence over consumer purchasing decisions, as determined by the e-service quality outer loading variable. This pertains to the assurance of safeguarding customers' personal information provided by the Zalora application provider.

The Effect of Sales Promotion on Purchasing Decisions

The research findings indicate that sales promotion (X2) positively impacts purchasing decisions (Y), thereby signifying a correlation between sales promotion and purchasing decisions. Consumer purchase decisions. The present study is underpinned by the research conducted by Ningsih and Cahya (2022), which demonstrates that sales promotion positively and significantly impacts consumers' buying behavior. The efficacy of a company's sales promotion positively correlates with the likelihood of a consumer purchase decision.

The analysis of the outer loading variable indicates that Coupons have the highest impact on purchasing decisions among all the indicators of sales promotion. The provision of coupons is advantageous for consumers, as larger and more enticing coupons provided by the Zalora e-commerce platform are likely to incentivize consumers to make purchase decisions and expedite sales.

CONCLUSIONS AND RECOMMENDATIONS

Studies and discussions led to the following projections: (1) Good E-Service Quality can influence purchasing decisions on the Zalora online shopping application, and (2) Good Sales Promotion can influence purchasing decisions on the Zalora online shopping application.

Several recommendations for improving purchasing decisions are as follows, based on these findings: (1) Zalora hopes to maintain and enhance the security or privacy guarantees on its applications and websites to protect the personal information of its customers. With this, consumers will feel confident using the Zalora online shopping application for transactions. (2) It is expected that Zalora will maintain and increase the variety of coupons, as the various coupon variations can entice consumers to purchase from Zalora.

ADVANCED RESEARCH

Each study has limitations; thus, you can describe it here and briefly provide suggestions for further research.

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