

## The Influence of E-Commerce and E-Payment on Purchasing Decisions: Fashion Model as A Moderating Variable

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### Abstract

*One aspect that can lead to consumer purchasing decisions is the influence of information in electronic or online media. The information in such media is more effective compared to the ones in social life. The electronic media have greater accessibility and greater reach since consumers use online media with the aim of sharing their own experiences to a brand, product, or service that they have experienced. In the case of fashion model, the consumers use electronic commerce (e-commerce) electronic payment (e-payment) for purchasing. Using the fashion model as a moderating variable, this study shows that e-commerce has a positive and significant impact on purchasing decisions. At the same time, e-payment has a positive and significant effect, fashion models have a positive and significant effect.*

**Keywords:** *e-commerce, e-payment, purchase decision, moderating variable*

### Background

To survive in a business competition, companies must have something that can influence purchasing decision of their consumers. Consumers tend to combine useful knowledge to evaluate and compare two or more alternatives products that meet his needs. One of the things that can influence decisions of consumers to purchase is existing information in electronic media or the so-called with electronic word of mouth. Information in the electronic media or online media is more effective than information that is communicated in offline world or real social life. This is because of its bigger and higher accessibility since the consumers use internet media for the purpose of sharing their own experience of a brand, product, or service what they have experienced.

One of the changes that happening in Indonesia is the increasing number of people who use the internet as a means their shopping activities. Shopping activities using the service of online shopping or electronic commerce (e-commerce) cannot be denied. There are many people who have used e-commerce services as a means of their shopping activities. With this method the shopping experience will be the easier without the hassle go straight to the store. There are a lot of e-commerce trade using the application of technology information and communication in the field of retail business (Ardhi et al., 2020). The trend of online shopping is starting to be in demand because online shopping decision process is not as complex as offline shopping decisions. Online shopping is easy and time-saving, and less costly compared to traditional shopping.

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A step in online shopping decision process usually starts with information seeking. The consumers compare the available alternatives to decide. At the stage of searching for information, consumers will look for references online from anywhere (such as search engines or online store). Information they are looking for is in the form of testimony or opinions from other people who have benefited from purchased product.

E-commerce is not only just buy and sell products online. E-commerce includes the whole process from development, marketing, sales, delivery, services, and payment of customers, with support from network of business partners globally. Digital marketing is currently supported by a payment system that is very user friendly. The meaning of electronic commerce is buying, selling and marketing of goods and services through electronic system (Malau, 2017, p.299). Hence, e-commerce is more than just buying and sell products online (Mewoh et al., 2019).

Meanwhile, electronic payment (e-payment) is an easy payment model that offers convenience transaction methods. Included in electronic payments are ATMs, e-money, internet banking, credit or debit cards, mobile payment, and mobile banking. This system can also be interesting for consumers in online purchases, because consumers can pay products and services online without have to meet with the seller. Therefore, the seller also benefits from this since there are also many potential customers in various regions to reach.

The world of fashion has grown very quickly and people also aware of the need for fashion not only for dressing but also for social status. Continuous fashion trend changes quickly make people don't want to be left behind. The growth of the fashion industry in the last few years can contribute to change of consumer habits towards fashion. Consumers are more fashion conscious and adaptable with the latest fashion trends (D'Aveni, 2010). People are competing to follow the trend with looking for the latest fashion.

## **Research Hypothesis**

A study prove that social media play an important role in influence purchasing decisions consumers in Mumbai, India. Part large (75%) Mumbai population use social media to looking for information before decide to buy the product (Indriyani & Suri, 2020). Research conducted by Gul et al (2014) explained that social media have an influence on behavior consumer purchases. Moreove, Khatib (2016) explaines that the influence of the biggest of social media happened at the information search stage and purchase decision stage. Another study by Madni (2014) shows that 53% of consumers will search information and reviews on social media before doing purchase. Based on the results of simple linear regression analysis, the direction of influence of e-commerce varies on purchasing decision variables. This is evidenced by researchers (Mewoh et al., 2019). Based on the description above then the first hypothesis (H1) is as following:

H1: E-commerce has an effect on buying decision

### ***Effect of E-Payment on Buying Decision***

In the e-payment payment system, the instrument used is e-money. E-money provides a variety of the advantages such as speed, convenience, and efficiency compared to non-cash payment instruments (Priambodo & Prabawani, 2016). In decision purchase, one of the factors that influences it is the good service (Kotler & Keller, 2012). For consumers who want to buy products, services affect the occurrence of a purchase decisions made by consumers. With the service of digital payment system, consumers can make the e-payment service as the stages to be passed before decide to purchase a product. A research explains that e-payment has an effect on buying decision (Firdaus, 2019). Based on the description above then the second hypothesis (H2) is as following:

H2: E-Payment has an effect on buying decision The Influence of

### ***Fashion Models on Buying Decision***

Fast Fashion is the term used to describe a collection of clothes that most used on trend of current fashion (Indriyani & Suri, 2020). Fast fashion defined as a trend phenomenon that is fast-changing with mass-produced products ready to use. The fast development is supported by the internet, technological innovation progress and globalization. Based on the description above then the third hypothesis (H3) is as following

H3: influential fashion model on purchasing decisions

### ***Fashion models can Moderate the Effect of E-Commerce on Decisions Purchase***

According to Mewoh et al. (2019), PT. Matahari Department Store Tbk is a retail company largest in Indonesia that moves in the field of fashion. The influence that the largest share of social media occurred in information search stage and stage buying decision. Other research by Madni (2014) shows that 53% of consumers will search for information and reviews on social media especially before making a purchase. Yusnidar et al. (2014) analyzes the influence of trust on the interest in buying fashion products online. The study suggests that the trust influence consumers' interest to buy fashion online. Following this, then the fourth hypothesis (H4) is as following:

H4: Fashion models are able to moderate the influence of e-commerce against purchase decision.

### ***Fashion models can Moderate the Effect of E Payment on Decisions to Purchase***

Compared to cash payment instruments, e-payment gives benefits in a way it is easy to use (Priambodo & Prabawani, 2016). There is a positive influence between payment systems online to decision buying made by respondents. This research proves that between the variables independent and dependent variable, there is a positive relationship. Based on the description above then the fifth hypothesis (H5) is as following

H5: Fashion models are able moderate the influence of e-payment to the Purchase Decision.

## Research Methods

The type of research in this study is quantitative research using the survey method in data collection. Information is collected from respondents using the Framework Questionnaire Thoughts. Respondents in this study are 114 people, namely Shoppe<sup>2</sup> users as representative respondents. They are asked to provide information regarding self-identity such as the type of gender, age, last education, and working status.

*Table 1 Characteristics of Respondents by Type Sex Gender*

<b>Gender</b>	<b>Amount (Person)</b>
Male	50
Female	64
Quantity	114

The table above shows that characteristics of respondents are based on gender between male and female. The male is 50 people and the female is 64. Hence it shows that Shoppe users are dominated by female. Meanwhile, the Age from respondents is as follow:

*Table 2 Characteristics of Respondents Age*

<b>Age</b>	<b>Amount (Person)</b>
<20 years	20
20 - 25 years	60
25 - 30 years	30
>30 years	4
Quantity	114

The table above shows that more Shoppe users are aged 20-25 years with a total of 56, aged <20 years is 17 people, 25-30 is 22 people and > 30 year is 4 people. Meanwhile, respondents by their last education are as follow:

*Table 3 Characteristics of Respondents Based on Last Education*

<b>Education Level</b>	<b>Amount (Person)</b>
SMA / SMK	75
Diploma	9
S1 (Bachelor)	30
Quantity	114

<sup>2</sup> One of the biggest online market places in Indonesia.

The table above shows that more Shopee users are at the last obtain education level of SMA/SMK with a total of 75 people, Bachelor 30 people and Diploma 9 people.

## Results

### Validity test

Indicators can be declared valid if they have results from data processing  $> 0.5$ . The outer loading value is the correlation between the indicator and its construct. The higher the correlation, the higher the level of validity. It also shows that the high value of data processing results shows good results. See the table below.

*Tabel 4 Outer Loading E-Commerce*

Descriptio n	Origin al Sample (O)	Samp le Mean (M)	Standa rd Deviat ion (STDE V)	T Statistics ( O/STDE V )	P Valu es
XIP1 <- E-COMMERCE	0.813	0.813	0.043	18.739	0.000
XIP2 <- E-COMMERCE	0.758	0.758	0.049	15.451	0.000
XIP3 <- E-COMMERCE	0.838	0.839	0.039	21.592	0.000
XIP4 <- E-COMMERCE	0.784	0.786	0.039	19.952	0.000
XIP5 <- E-COMMERCE	0.807	0.811	0.032	25.364	0.000

*Source: Data processed by SEMPLS 2021*

The table above can be explained that the indicator is said to be valid if the results of processing the outer loading data have amount of  $> 0.5$  to the target construct. It is concluded that the product quality variable is declared valid.

*Table 5 Outer Loading E-Payment*

Descriptio n	Origin al Sample (O)	Samp le Mean (M)	Standa rd Deviat ion (STDE V)	T Statistics ( O/STDE V )	P Valu es
X2P1 <- E-PAYMENT	0.862	0.861	0.034	25.073	0.000
X2P2 <- E-PAYMENT	0.827	0.830	0.038	21.543	0.000
X2P3 <- E-PAYMENT	0.844	0.844	0.033	25.272	0.000
X2P4 <- E-PAYMENT	0.924	0.925	0.015	62.169	0.000
X2P5 <- E-PAYMENT	0.883	0.885	0.041	21.682	0.000

*Source: Data processed by SEMPLS 2021*

Similarly, based on the table above, it is concluded that the facility completeness variable is declared valid.

Tabel 6 Outer Loading Model Fashion

Description	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
ZP1 <- MODEL FASHION	0.870	0.872	0.026	33.309	0.000
ZP2 <- MODEL FASHION	0.842	0.840	0.034	24.985	0.000
ZP3 <- MODEL FASHION	0.899	0.897	0.022	40.854	0.000
ZP4 <- MODEL FASHION	0.775	0.779	0.034	23.078	0.000
ZP5 <- MODEL FASHION	0.835	0.832	0.038	22.256	0.000

Source: Data processed by SEMPLS 2021

Similarly, based on the table above, it is maintained that the after-sales variable is valid.

Table 7 Outer Loading Buying Decision

Description	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Value
YP1 <- DECISION BUYING	0.761	0.763	0.039	19.627	0.000
YP2 <- BUYING DECISION	0.759	0.759	0.047	16.061	0.000
YP3 <- BUYING DECISION	0.798	0.798	0.033	24.240	0.000
YP4 <- BUYING DECISION	0.830	0.832	0.029	28.639	0.000
YP5 <- BUYING	0.788	0.791	0.038	20.810	0.000

<b>DECISION</b>					
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Source: Data processed by SEMPLS 2021

Again this is concluded that the variable of customer satisfaction is also valid

**Reliability Test**

The next analysis of convergent validity is construct reliability by taking into account the Composite Reliability (CR), Cronbach's Alpha (CA) and Average Variance Extracted (AVE) values. Composite Reliability (CR), Cronbach's Alpha (CA) and Average Variance Extracted (AVE) values can be seen in the table below:

Table 8 Composite Reliability

Description	Composite Reliability
<b>E-COMMERCE</b>	<b>0.899</b>
<b>E-PAYMENT</b>	<b>0.939</b>
<b>FASHION MODEL</b>	<b>0.926</b>
<b>BUYING DECISION</b>	<b>0.891</b>

Source: Data processed by SEMPLS 2021

The table above shows that the composite reliability value for all constructs with a value above 0.7 means that all constructs in the estimated model meet the discriminant validity criteria. The highest composite reliability value is as much as 0.939, namely the payment construct.

Table 9 Cronbach's Alpha

Description	Average Variance Extracted (AVE)
<b>E-COMMERCE</b>	<b>0.641</b>
<b>E-PAYMENT</b>	<b>0.754</b>
<b>FASHION MODEL</b>	<b>0.714</b>
<b>BUYING DECISION</b>	<b>0.620</b>

Source: Data processed by SEMPLS 2021

The table above can explain that the AVE value is above 0.5 for all constructs contained in the research model. The highest value of AVE is 0.754 in the e-payment construct, while the lowest value of 0.620 is found in the purchase decision construct.

**Hypothesis test**

Data can be accepted if it shows T-stat > 1.96 and significant if P - value < 0.05. The positive or negative influence between variables can be seen from the original sample value. If the original sample value is positive then the influence between variables is positive, if the

original sample value is negative then the influence between variables is negative. Based on table above, the following is an explanation of the relationship between variables and comparisons with previous research:

In proving the hypothesis, we compare the results of data processing obtained from the respondent's statement with the opinions of previous researchers.

Table 10 Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
E- COMMER CE-> BUYING DECISION	0.217	0.214	0.104	2.098	0.036
E- PAYMENT -> BUYING DECISION	0.430	0.437	0.093	4.642	0.000
MODEL FASHION-> BUYING DECISION	0.359	0.359	0.082	4.365	0.000
Moderating Effect 1 -> BUYING DECISION	-0.144	0.152	0.069	2.088	0.037
Moderating Effect 2 -> BUYING	0.069	0.076	0.074	0.936	0.350
AN BUYING					

Source: Data processed by SEMPLS 2021

Based on the table above, the following is an explanation of the relationship between variables and comparisons with previous research:

**Proof of the first hypothesis: The effect of e-commerce on purchasing decisions**

The table above produces the Original Sample value = 0.217. T Statistics = 2,098 > 1.96. P Value = 0.036. This is evidenced by another study by Madni (2014) that shows 53% of consumers will seek information and reviews on social media before making a purchase. Based on the results of a simple linear regression analysis, a positive regression coefficient value is obtained. So it can be said that the direction of the influence of the e-commerce variable on the purchasing decision variable is positive. This is in line with a study by Mewoh et al. (2019). From the previous explanation it can be concluded that "H1 is accepted"



***Proving the second hypothesis: The effect of e-payment on purchasing decisions***

The table above produces the Original Sample value = 0.430. T Statistics = 4,642 > 1.96. P Value = 0.000. This shows that the effect of e-payment on purchasing decisions is positive and significant. Thus, this study was accepted and the results were in accordance with previous research conducted by Huda (2016) which stated that the completeness of the facilities had a positive and significant effect on purchasing decisions. According to Firdaus (2019), e-payment has an influence on purchasing decisions. From the previous explanation it can be concluded that "H2 is accepted"

***Proving the third hypothesis: The influence of fashion models on purchasing decisions***

The table above produces the Original Sample value = 0.359. T Statistics = 4,642 > 1.96. P Value = 0.000. This shows that the after-sales effect on customer satisfaction is positive and significant. Thus the third hypothesis is accepted. These results are supported by research a previous study (Indriyani & Suri, 2020) which proves that social media plays an important role in influencing consumer purchasing decisions. Most residents use social media to seek information before deciding to purchase a product.

***Proving the fourth hypothesis: The effect of e-commerce on purchasing decisions is moderated by the fashion model***

The table produces the Original Sample value = -0.144. T Statistics = 2.088 > 1.96. P Value = 0.037. This shows that after-sales moderation is able to weaken the effect of product quality on customer satisfaction. Thus the fourth hypothesis is accepted. The higher the risk that consumers perceive in an online store, the lower the buying interest will be. The test results show that the risk perceived by consumers has a positive influence on buying interest. Thus, it can be concluded that the fourth hypothesis (H4) is accepted

***Proving the fifth hypothesis: The effect of e-payment on purchasing decisions is moderated by the fashion model***

The table above produces the Original Sample value = 0.069. T Statistics = 0.936 < 1.96. P Value = 0.350. The results conclude that the fifth hypothesis was rejected. This study is not the same as previous research, explaining that there is a positive influence between online payment systems on purchasing decisions made by respondents. This study proves that between the independent variable and the dependent variable, there is a positive relationship. Based on the results above, it can be concluded that the fashion model has a positive and insignificant effect.

### ***Coefficient of Determination***

In essence, it measures how far the model's ability to explain variations in the dependent variable (Imam, 2011). The value of the coefficient of determination is between zero to one. For every additional independent variable, R<sup>2</sup> must increase no matter whether the variable has a significant effect on the dependent variable. So many researchers recommend using the adjusted R<sup>2</sup> value when evaluating which regression model is the best.

In accordance with the measurement model that the influence of product quality and completeness of facilities on customer satisfaction is moderated by after-sales, it can be seen in the table below;

*Table 11 R Square*

Description	R Square
Buying Decision	0.825

*Source: Data processed by SEMPLS 2021*

Based on the table above, it can be seen that the construct value in purchasing decisions (Y) = 0.825. This implies that the effect of product quality (X1) and completeness of facilities (X2) on customer satisfaction (Y) is 0.825% while the remaining 17.5% is influenced by other factors not examined in this study.

### **Conclusion**

This study aims to determine the effect of e-commerce, e-payment and fashion models on purchasing decisions. The conclusions obtained from the research are described in the following points. (1) E-commerce has a positive effect on purchasing decisions, meaning that the easier e-commerce is provided it will make consumers feel comfortable to shop online. (2) E-payment has a positive effect on purchasing decisions, meaning that the easier the online payment method, the more comfortable consumers will purchase online. (3) Fashion models have a positive effect on purchasing decisions. This means that the better the quality of the product provided to consumers, the higher the satisfaction felt by consumers. (4) Fashion model is able to strengthen the influence of e-commerce significantly on purchasing decisions. This means that the better the attractiveness of the advertisements carried out and the suitability of the product to consumers, the greater the tendency for the level of purchasing decisions to be.

This study suggest that the price offered in online market places must be in accordance with the quality of the product being sold. Sellers should always pay attention to what customers need so that there are no problems in payment or delivery of online purchases. They also have to continuously evaluate and improve services, especially prioritize customer desires. This is because sellers are able to provide information on fashion models that are currently being hit with more attractive advertisement.

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