

THE IMPACT OF SERVICE QUALITY, BRAND AWARENESS, AND BRAND IMAGE ON PURCHASING DECISIONS AT TOKOPEDIA IN THE MILLENNIAL GENERATION IN SURABAYA

Nabilah Atika Rachman, S. ST¹, Dr. Ronny, S.Kom., M.Kom., MH²

^{1,2}Marketing Management/Master of Management/Hayam Wuruk University Perbanas Surabaya

¹ Nabilahatikarachman@gmail.com

² Ronny@perbanas.ac.id

Info Artikel

Received January, 2024

Revised January 20, 2024

Published March 30, 2024

Kata Kunci:

Service quality, brand awareness, brand image, purchasing decisions

Abstract

The aim of this research is to analyze the influence of service quality on brand awareness, the influence of service quality on brand image, the influence of service quality on purchasing decisions, the influence of brand awareness on decisions and the influence of brand image on purchasing decisions. The data analysis technique used is PLS-SEM (Partial Least Squares Structural Equation Modeling). The research results showed that service quality had a positive influence on brand awareness, service quality had a positive influence on brand image, service quality had a positive influence on purchasing decisions, brand awareness had a positive influence on purchasing decisions, and brand image had a positive influence on purchasing decisions.

INTRODUCTION

In the current era of globalization, the digital technology revolution has shaped society into an information age that allows unlimited sending and receiving of information from and to as many people as possible. The presence of the internet in



computer devices, even smart telephone systems, in everyday life allows humans to communicate with other humans regardless of time and place limits and access, collect and store the information needed (Brandt & Henning, 2002). According to Kotler & Keller (2012) the rapid development of the internet can provide many benefits for companies in the field of marketing, including: companies can use the internet as an information and sales channel that has high influence, can collect more complete and comprehensive information about markets, customers, and competing companies, can use the internet to introduce products and brands more widely, and channel delivery of coupons and company product samples. Companies are required to always improve marketing programs, innovate products and services, pay attention to customer needs, and always look for new opportunities rather than just relying on existing capabilities.

Technological progress is also marked by the increasing growth of e-commerce in Indonesia. Currently, there are more and more people's use and need for online shopping. More people choose to shop online compared to offline because it is considered more efficient and easier. Indonesia is one of the countries with very fast e-commerce growth. This statement is supported by government data which records that the value of economic transactions in e-commerce in the first quarter of 2022 has reached IDR 108.54 trillion, where this achievement has experienced growth of 23% compared to the same period in 2021. The fairly rapid growth of e-commerce is due to by several factors, namely the market is starting to become digitally oriented, the large number of young consumers or the millennial generation who are very familiar with digitalization, the increasing participation of MSMEs, the increasing growth of investment, and the support from the government for this era of digitalization.

The increasingly rapid potential of digital commerce in Indonesia has encouraged increased use of e-commerce which continues to grow and compete. Some e-commerce that is widely used by the public includes Tokopedia, Shopee, Zalora, Lazada, Blibli, and others. This potential increase in the use of e-commerce is the author's background for analyzing and evaluating service quality, brand awareness and brand image of e-commerce among millennials in Surabaya.

According to Mowen (2002) in Consumer Behavior, 4th Edition, the definition of service quality is a consumer's evaluation of the perfection of service performance. Service quality encourages customers to commit to a company's products and services, so that it has an impact on increasing the market share of a product. Currently, almost all companies attach great importance to service to maintain the main quality of their products. Good or bad service quality will influence consumer perceptions of the brand, and consumer perceptions will influence brand image and brand awareness. Wijaya et al., (2020) in their research argue that service quality has a significant influence on brand image. To improve the brand image of a company, it is necessary to improve the quality of service to consumers. Apart from brand image, brand awareness or brand awareness in marketing is also a very important factor in building consumer awareness to buy a product. Through consumer awareness of a brand, potential consumers can remember and

become familiar with the brand and decide to make a purchase. And this also allows consumers to only purchase products with that brand for several product categories. Research conducted by Ayu et al., (2022) proves that service quality has a positive and significant effect on brand awareness. This positive influence is that the better the quality of service a company has, the more brand awareness it will increase.

The purchasing decision making process is influenced by many factors and does not just happen. Companies must pay attention to the needs of their consumers to be able to meet consumer expectations and needs. Good service quality, as well as brand awareness and a good brand image can increase consumer purchasing decisions. This is in accordance with the research results of Novansa & Ali (2017) which stated that if brand awareness and brand image are increased, repeat purchase decisions will increase.

In this research, the author uses Tokopedia as a research subject with research objects including service quality, brand awareness and brand image. Based on an article written by Suharno (2022), at the 2022 Seluler Award event organized by Selular.ID as a form of appreciation for the telecommunications and technology industry, Tokopedia succeeded in winning four awards at once. The four awards include the Most Trusted category, MSME's Most Favorite E-Commerce, Best E-Commerce, and Excellence in Performance for Tokopedia's co-founder and vice chairman, Leontinus A Edison.

Tokopedia is more focused on providing sales of types of products in the form of electronics, medical devices, gadgets, household necessities and room decoration needs, so that the percentage of consumers using these types of products is higher than other e-commerce. Apart from the wide range of products sold, another advantage of Tokopedia is that it has a simple user interface and minimalist design which is dominated by green which looks fresh in the eyes of users as well as neat product arrangement and applications that are lighter than other e-commerce. Tokopedia's advantages also encourage authors to analyze purchasing decisions that are influenced by service quality, brand awareness and brand image. The large number of consumers who use Tokopedia e-commerce does not necessarily indicate that consumers are satisfied with the quality of the services provided due to various factors and obstacles that are very likely to influence purchasing decisions.

In accordance with the explanation above, this research will be carried out using the variables of service quality, brand awareness, brand image and purchasing decisions on Tokopedia e-commerce. The data collection method used is a questionnaire. The researcher formulated the research title as follows: "The Influence of Service Quality, Brand Awareness, and Brand Image on Purchasing Decisions on Tokopedia in the Surabaya Millennial Generation".

RESEARCH METHODS

This research design was created based on four aspects, namely research objectives, type of data used, data collection techniques, and data analysis methods. Based

on its objectives, this research is explanatory research because the aim is to explain the causal relationship between variables through hypothesis testing and building a conceptual framework in which the variables are the focus of the research. This research was conducted with the aim of determining the influence of service quality, brand awareness and brand image on purchasing decisions at Tokopedia among the millennial generation in Surabaya.

The research method used is quantitative research. The type of data used in this research is primary data, where the data is collected directly by researchers using data collection techniques using online questionnaires. Respondents to the questionnaire are millennials who have made purchases at Tokopedia in Surabaya.

The first stage after the questionnaires have been collected is to carry out validity and reliability testing. In this research, the analytical tool used to test the hypothesis is Wrap PLS. This method is an alternative to the structural equation model (SEM). The program that researchers use for data analysis is Wrap PLS. The stages of data analysis that researchers form are descriptive analysis, statistical analysis, model conceptualization, algorithm analysis method, resampling method, drawing path diagrams, outer model analysis, inner model analysis, and hypothesis testing.

RESULTS AND DISCUSSION

The first stage carried out in testing after getting the respondent's results, namely analyzing the outer model which contains validity and reliability tests.

Table 1. Convergent Validity Test

Variable	Indicator	Service Quality	Brand Awareness	Brand Image	Buying decision	P Value
Service Quality	KL1	(0.721)	0.014	0.165	-0.082	<0.001
	KL2	(0.822)	-0.073	0.067	-0.198	<0.001
	KL3	(0.813)	-0.040	-0.045	0.163	<0.001
	KL4	(0.642)	0.128	-0.214	0.138	<0.001
Brand Awareness	KM1	0.048	(0.611)	0.429	-0.141	<0.001
	KM2	-0.083	(0.848)	-0.233	0.011	<0.001
	KM3	0.050	(0.816)	-0.080	0.095	<0.001
Brand Image	CM1	0.041	0.254	(0.777)	-0.154	<0.001
	CM2	0.161	-0.095	(0.850)	0.018	<0.001
	CM3	-0.218	-0.150	(0.775)	0.134	<0.001
Buying	KP1	0.150	-0.221	0.336	(0.775)	<0.001

decision	KP2	0.057	-0.040	-0.212	(0.812)	<0.001
	KP3	0.010	0.282	-0.270	(0.724)	<0.001
	KP4	-0.229	0,000	0.145	(0.742)	<0.001

Table 1 shows the results of the convergent validity test showing that all indicator elements of the 4 variables used in this research (marked with blue columns) have a loading factor greater than 0.6 and can be said to be valid.

Table 4.2 Average Variance Extracted Value

Variable	AVE
Service Quality	0.567
Brand Awareness	0.586
Brand Image	0.642
Buying decision	0.583

Table 2 shows the Average Variance Extracted value for each construct, where the AVE value for each construct is greater than 0.5. From the test results above, overall the indicator elements of the service quality variables, brand awareness, brand image and purchasing decisions have met the convergent validity criteria. This means that each statement item in each variable in this research questionnaire combines with one item and another and has a high correlation.

Table 3. Discriminant Validity Test

Variable	Service Quality	Brand Awareness	Brand Image	Buying decision
Service Quality	(0.753)	0.493	0.604	0.596
Brand Awareness	0.493	(0.766)	0.607	0.537
Brand Image	0.604	0.607	(0.802)	0.593
Buying decision	0.596	0.537	0.593	(0.764)

Table 3 shows that each latent variable meets the discriminant validity criteria where overall all latent variables in this study have an AVE root value that is greater than the correlation value between the latent variables. This means that each statement item in one variable has a different meaning from the statement item in another variable.

Reliability testing is used to determine whether the question items from the questionnaire are reliable or not. A reliability test can be said to be reliable if the results of the respondents' answers are stable. The reliability test is measured using Cronbach's Alpha and Composite Reliability where a measurement system is said to be reliable if the Composite Reliability value is above 0.70 and the Cronbach's Alpha value is > 0.6 .

Table 4. Reliability Test

Variable	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	Information
Service Quality	0.741	0.838	Reliable
Brand Awareness	0.638	0.807	Reliable
Brand Image	0.720	0.843	Reliable
Buying decision	0.761	0.848	Reliable

Based on table 4, the Cronbach's Alpha value for all variables is greater than 0.6 and the Composite Reliability value for all variables is greater than 0.7, so it can be concluded that each variable is reliable for this research. This means that the data produced is consistent, so the data used in this research can be trusted.

In WrapPLS, the resulting output shows four fit indicators from the results of the fit and quality indices model, namely Average Path Coefficient (APC), Average R-Squared (ARS), Average Adjusted R-Squared (AARS), and Average Block VIF (AVIF). The results of these four indicators are as follows:

Table 5. Evaluation of Goodness of Fit Structural Equation Model

<i>Average Path Coefficient (APC)</i>	0.386, $P < 0.001$
<i>Average R-Squared (ARS)</i>	0.376, $P < 0.001$
<i>Average Adjusted R-Squared (AARS)</i>	0.370, $P < 0.001$
<i>Average Block VIF (AVIF)</i>	2,084, acceptable if ≤ 5 , ideally ≤ 3.3

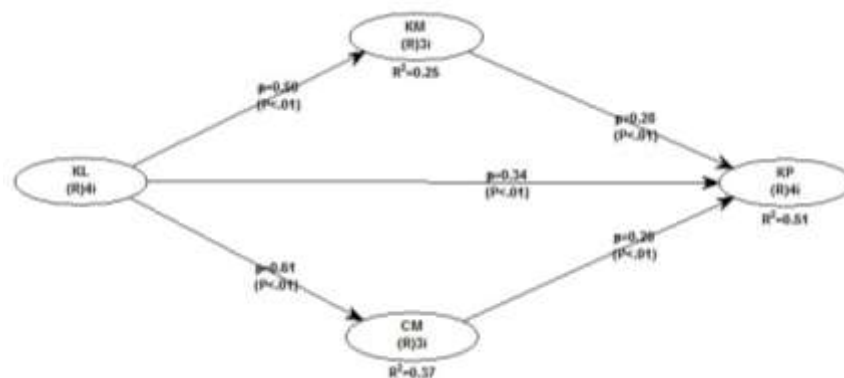
The P-Value of APC, ARS, and AARS is significant because it is less than 0.05, thus indicating that the model fits the data used. Meanwhile, the Average Block VIF (AVIF) value is 2.084, indicating that there is no multicollinearity because the value is less than 5 and is still classified as an ideal value because it is less than 3.3. Overall, the results of the model fit and quality indices show that the goodness of fit criteria of the structural equation model have met the criteria.

Table 6. R-Square and Q-Square values

Variable	R-Square Value	Q-Square Value	Information
Service Quality	-	-	-
Brand Awareness	0.250	0.252	> 0.00
Brand Image	0.366	0.362	> 0.00
Buying decision	0.513	0.503	> 0.00

The results of the R-Square for the brand awareness variable are 0.250 which is classified as weak. This shows that 25% of the distribution of the brand awareness variable can be explained by the service quality variable. The results of the R-Square for the brand image variable are 0.366 which is classified as moderate. This shows that 36.6% of the distribution of brand image variables can be explained by service quality variables. The results of the R-Square of the purchasing decision variable are 0.513 which is classified as a strong category. This shows that 51.3% of the distribution of purchasing decision variables can be explained by service quality variables. Overall, the R-Square value for brand awareness, brand image and purchasing decisions is greater than zero, so it meets the goodness of fit requirements.

The Q-Square value of the brand awareness variable is 0.252, brand image is 0.362, and purchasing decisions is 0.503. This shows that the overall Q-Square value meets the goodness of fit requirements because the value is greater than zero. It can be concluded that the variables used by researchers in this research are able to explain one another.



Picture 1. Model estimation results

Figure 1 shows the model estimation results obtained from the WrapPLS output results. In this picture you can see the values of the Path Coefficients and P-Value for each variable. To find out the output results of the Path Coefficient by looking at the significant value of the P-Value. The significant value that can be used is if the P-Value



value is <0.05 (Ghozali, 2015). From table 4.18 it can be seen that the service quality variable has a significant positive effect on brand awareness where the Path Coefficients value is 0.500 and P-Value < 0.001 (less than 0.05). The service quality variable has a significant positive effect on brand image with a Path Coefficients value of 0.605 and P-Value < 0.001 (less than 0.05). The service quality variable has a significant positive effect on purchasing decisions with a Path Coefficients value of 0.344 and P-Value < 0.001 (less than 0.05). The brand awareness variable has a significant positive effect on purchasing decisions with a Path Coefficients value of 0.276 and P-Value < 0.001 (less than 0.05). The brand image variable has a significant positive effect on purchasing decisions with a Path Coefficients value of 0.203 and a P-Value of 0.005 (less than 0.05)

1. The Influence of Service Quality on Brand Awareness on Tokopedia

The first hypothesis in this research is that service quality has a positive effect on brand awareness on Tokopedia. Based on the results of this research, it shows that the first hypothesis is accepted. This means that improving service quality will increase brand awareness on Tokopedia. Aspects of service quality at Tokopedia include ease of carrying out transactions, guaranteed delivery of goods, consumer data protection provided by Tokopedia, and access provided without any technical obstacles. This was confirmed by the results of respondents' responses which stated that the quality of service provided by Tokopedia was good, thus influencing awareness of the Tokopedia brand as an e-commerce brand.

2. The Influence of Service Quality on Brand Image on Tokopedia

The second hypothesis in this research is that service quality has a positive effect on Tokopedia's brand image. Based on the results of this research, it shows that the second hypothesis is accepted. This means that improving service quality will improve Tokopedia's brand image. Service quality can have a significant influence on brand image. Brand image is the general impression or perception that customers or stakeholders have of a brand. The results of the respondents' responses show that the service quality felt by consumers as respondents is very high, so it will have a positive effect on Tokopedia's brand image as an e-commerce brand.

3. The Influence of Service Quality on Purchasing Decisions on Tokopedia

The third hypothesis in this research is that service quality has a positive effect on purchasing decisions at Tokopedia. Based on the results of this research, it shows that the third hypothesis is accepted. This means that an increase in service quality will have a big impact on purchasing decisions on Tokopedia. In the process of making purchasing decisions, consumers tend to consider service quality when consumers interact with a particular brand or product. Consistency in providing quality service can shape consumer perceptions of a brand. Consumers tend to be more comfortable choosing brands that consistently provide positive service. The results of the respondents' responses show that the service quality felt by consumers as respondents is very high, so it will have a positive impact on purchasing decisions at Tokopedia.



4. The Influence of Brand Awareness on Purchasing Decisions on Tokopedia

The fourth hypothesis in this research is that brand awareness has a positive effect on purchasing decisions on Tokopedia. Based on the results of this research, it shows that the fourth hypothesis is accepted. This means that a high level of brand awareness will increase consumer purchasing decisions on Tokopedia. Aspects of brand awareness on Tokopedia include ease of remembering the brand, Tokopedia being an alternative choice among the many e-commerce brands, and the ability of consumers to remember the brand. This was confirmed by the results of respondents' responses which stated that consumers easily remember Tokopedia and make Tokopedia an alternative e-commerce choice, so that this influences consumers' purchasing decisions to carry out transactions.

5. The Influence of Brand Image on Purchasing Decisions on Tokopedia

The fifth hypothesis in this research is that brand image has a positive effect on purchasing decisions on Tokopedia. Based on the results of this research, it shows that the fifth hypothesis is accepted. This means that having a good brand image will increase consumer purchasing decisions on Tokopedia. Aspects of brand image on Tokopedia include the ease with which a brand is known, the uniqueness of the brand, and the reputation of a brand. This was confirmed by the results of respondents' responses which stated that consumers easily recognize Tokopedia and according to consumers Tokopedia has uniqueness and a good reputation, so this influences consumer purchasing decisions.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

This research concludes that service quality has a positive impact on brand awareness on Tokopedia. The influence of service quality on brand awareness is evident, as a higher level of service quality results in a greater awareness of Tokopedia's brand. Tokopedia's brand image is greatly influenced by the quality of its service. Service quality plays a crucial role in shaping brand image, as it directly impacts how Tokopedia is perceived by customers. The impact of service quality on purchasing decisions at Tokopedia is significant. The impact of service quality on consumer purchasing decisions on Tokopedia is significant. Additionally, it's worth noting that brand awareness plays a significant role in influencing purchasing decisions on Tokopedia. Brand awareness plays a crucial role in influencing purchasing decisions as it significantly boosts the chances of consumers making purchases on Tokopedia. In addition, the brand image plays a significant role in influencing purchasing decisions at Tokopedia. The influence of brand image on purchasing decisions is evident as consumers are more likely to make purchases when they have a positive perception of Tokopedia.

SUGGESTION

From the results of the analysis that has been examined in this research, the researcher provides suggestions that are useful and can be utilized by related parties as follows:



1. For Tokopedia Management

In e-commerce companies, service quality is one of the important things that management must pay attention to because service quality influences brand awareness. Aspects of service quality that need to be improved based on research include ease of carrying out transactions, guaranteed delivery of goods, protection of consumer data provided by Tokopedia, and access provided without any technical obstacles. Good service quality creates a positive consumer experience where a satisfying experience can make consumers more likely to remember and increase brand awareness, thus making Tokopedia the main alternative for consumers. Management is also expected to be able to maintain and improve service quality to improve the brand image to consumers because the better the level of service quality provided will improve the brand image.

Apart from service quality, another thing that needs to be considered is brand image and consumer brand awareness of Tokopedia. Consumer memory regarding a brand is very important because consumers can consider that brand to choose in purchasing decisions. Consumers who have a high level of brand awareness are more likely to narrow their choices when shopping. Apart from that, consumers also tend to choose brands with a positive image. Brand image can influence consumer behavior in selecting, comparing and purchasing products or services. Some ways to increase brand awareness and brand image include increasing activity on social media by creating interesting and relevant content, creating content that provides added value for potential consumers, considering partnering with organizations or events that are in line with Tokopedia's brand values, and routinely evaluate and monitor consumer assessments both directly and through online media.

2. For Further Researchers

Future researchers are expected to be able to accompany respondents when filling out questionnaires or use direct data collection methods so that filling errors do not occur and cause bias in the data collected. In addition, because this research area only covers the city of Surabaya and the millennial generation, it is hoped that future researchers can use other, wider areas with different generations, so that their research results can be compared. Future researchers are also advised to increase knowledge and use other variables, such as word of mouth, price, perceived quality, etc.

REFERENCE

- Afif, H. ', Heri, B., Titis, P., & Dhewi, S. (2020). The Impact of E-Wom and Advertising on Purchase Decision Si.Se.Sa Syar'i Clothes With Brand Awareness As An Intervening Variables (A Study on Si.Se.Sa Fashion Consumers). *International Journal of Business, Economics and Law*, 23, 1. www.gbgingonesia.com
- Agustin, R., Hendriani, S., & Syapsan, S. (2020). The Effect of Brand Image and Service Quality on the Decision to Choose With Word of Mouth as Mediation Variable at



- Prof. Dr. Tabrani Hospital Pekanbaru. International Journal of Economics, Business And Applications, 5(2), 25. <https://doi.org/10.31258/ijeba.5.2.25-44>
- Ayu, I., Wulandari, L., & Rastini, N.M. (2022). The Role of Brand Awareness in Mediating the Influence of Service Quality on Brand Equity among JNE Courier Service Customers. 11(5), 1029–1048. <https://doi.org/10.24843/EJMUNUD.2022.v11.i05.p09>
- Ayu, DPI, & Nyoman RN (2021). The Effect Of Sales Promotion On Purchase Decisions Mediated By Brand Image (Study On E-Commerce Tokopedia In Bali). American Journal of Humanities and Social Sciences Research, 5, 21.
- Chandra, C., & Keni. (2019). The Influence of Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty on Customer Purchase Decisions. Muara Journal of Economics and Business, 3(No. 1).
- Gunawan, PA, & Kunto, YS (2022). The Influence of Brand Image and Nutrition Label on the Decision to Purchase Lemonilo Instant Noodles: Moderating Effect of Healthy Food Orientation. Journal of Marketing Management, 16(No. 1).
- Hendroyono, A. (2018). The Influence of YouTube Social Media, Perceptions of Price and Service Quality on Purchase Intentions Through Brand Awareness at Traveloka in Surabaya. Journal of Widya Mandala Catholic University Surabaya.
- Khan, M.A., Zubair, S.S., & Malik, M. (2019). An assessment of e-service quality, e-satisfaction and e-loyalty: Case of online shopping in Pakistan. South Asian Journal of Business Studies, 8, 3.
- Osak, D., & Pasharibu, Y. (2020). The Influence of Brand Ambassadors and Taglines on Online Purchasing Decisions Mediated by Brand Awareness. Udayana University Economics and Business E-Journal, 9.4.
- Umar, H. (2019). Company Management Research Methods. Gramedia Pustaka Utama.
- Wijaya, AFB, Surachman, S., & Mugiono, M. (2020). The Effect of Service Quality, Perceived Value and Mediating Effect of Brand Image on Brand Trust. Journal of Management and Entrepreneurship, 22(1), 45–56. <https://doi.org/10.9744/jmk.22.1.45-56>