

### **SMEs E-commerce Buying Intention: How the Effect of Perceived Value, Service Quality, Online Customer Review , Digital Marketing and Influencer Marketing**

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#### **Abstract**

The purpose of this study was to analyze Relationship between digital marketing and buying intention, influencer marketing on buying intention, online customer reviews service quality on buying intention, perceived value on buying intention.service quality on buying intention.The data is obtained through questionnaires distributed online through social media, the respondents of this study were 550 employees of the SMEs in Banten who were selected through simple random sampling method. Analysis of data processing using Structural Equation Modeling (SEM) with SmartPLS 4.0 software tools. The stages of PLS analysis using smartpls 3 include 3 stages, namely: The outer model testing phase to test the validity & reliability of indicators and constructs, the Goodness of fit model testing phase to test the model's predictive power and model feasibility, The inner model testing phase to test the significance the effect of exogenous variables on endogenous variables. From the research results obtained, it can be concluded Based on the analysis, it can be concluded that Digital Marketing has a positive effect on buying intention, influencer marketing has a positive effect on buying intention, and online customer reviews have a positive effect on buying intention. Digital marketing has an effect on buying intention, considering that the reach to be achieved is very broad. Influencer marketing has an effect on buying intention, while unattractive influencers will cause the decision to buy will also decrease. Online customer reviews have an effect on buying intention.

**Keywords:** SMEs Digital Marketing, Online Buying intention, Online Customer Review

#### **Introduction**

The development of e-commerce in Indonesia is increasing, people are slowly starting to abandon their conventional shopping habits and switch to shopping online. E-commerce is used as a solution as a buying and selling medium that can save time and costs. The ease with which e-commerce reaches local and foreign articles makes people more interested in buying and selling in e-commerce. Transactions are carried out without having to meet between sellers and buyers, buyers make purchases online. According to Afriti et al. (2021) The role of information technology in various business activities is increasingly important, especially information technology which is a means of exchanging information. At this time the media used to promote tourism is far more than the previous period and advances in information technology are one of the driving factors. Online shop business is one of the business world that uses information technology. According to Ilyas et al. (2021) The times, require business people to be able to make this change one of the strengths in carrying out their business operations. If not, it can be said that these business people are left behind by the times. Therefore, online shop businesses are highly required to apply technology in these businesses.

According to Blazheska et al. (2020) In this digital era, the development of e-commerce in Indonesia is increasing, people are slowly starting to abandon their conventional shopping habits and switch to online shopping. E-commerce is used as a solution as a buying and selling medium that can save time and costs. The ease with which e-commerce reaches local and foreign articles makes people more interested in buying and selling in e-commerce. Transactions are carried out without having to meet between sellers and buyers, buyers make purchases online. Technological advances from the internet have led to changes in consumer lifestyle. The change in question is that consumers are starting to shift the way they shop for a product. Consumers are now more interested in online shopping activities. According to Afitri et al. (2021);Haudi et al. (2022); Ilyas et al. (2021)

According Purwanto et al.(2022) perceived value is a consumer's overall assessment of the benefits of a product based on what they receive and what they provide. Broadly speaking, consumer value is the comparison between the perceived benefits of a product and the costs incurred to obtain the product. To get customer value in accordance with customer perceptions, a company must always follow suit by providing appropriate products or services, because customer value changes all the time. Service Quality or Servqual is a method of measuring service quality through aspects of perception and expectation. This method can also measure how far the company is able to answer consumer needs. If the company provides good service, it is likely to win the hearts of consumers will be very large, and in the end will have an impact on income and consumer confidence. The results of measurements using Service Quality can be used by companies to analyze customer satisfaction. If something is felt to be lacking, the company must immediately fix it so that consumer satisfaction increases. Companies must be nimble in providing services to consumers and must be able to answer all consumer questions. If this is done well, consumers will feel satisfied and will not hesitate to come back. After consumers are satisfied with the services provided, consumers will be willing to come. return.Indirectly, Service Quality can help companies to create customer loyalty.

According to Indumathi (2018), buying intention are a series of choices made by consumers after they want to buy and before making a purchase. In the evaluation stage, consumers form preferences among brands in the choice set and can also form intentions to buy the most preferred brand. Complex decision-making processes often involve several decisions, a decision involves a choice between two or more alternative courses of action. According to Lies et al. (2019) Online Buying intention is a selection process that combines knowledge to evaluate two or more alternative behaviors and choose one of them that has a strong relationship with personal characteristics, vendor/service, website quality, attitude at the time of purchase, intention to buy online and decision making.

Digital marketing is a marketing activity including branding that uses various web-based media such as blogs, websites, e-mail, Adwords, or social networks. Digital marketing is the use of the internet and the use of other interactive technologies to create and link information between companies and consumers in the form of web sites, search engine marketing, web banners, social networking, viral marketing, e-mail marketing and affiliate marketing. At a time when the effectiveness of traditional marketing is declining, new methods in the world of marketing are experiencing significant growth. Research results According to Indumathi, R. (2018); Juwaini et al. (2022); Kulova et al. (2018); Lies et al. (2019) states that digital marketing has a significant positive effect on the purchasing decision variables.

H1: Digital Marketing has a positive effect on buying intention

Influencers or celebrities are in great demand by sellers to advertise their products, because the message conveyed by an interesting source will get greater attention and it will be very easy to remember. Meanwhile, according to Brown and Hayes, (2008) is a tool for cost efficiency with low marketing costs but can reach a wide market, influencers are people who have the power to influence the purchase intentions of others because of their popularity, authority, knowledge, position. The results of research conducted by Rose, (2020), Yogastrian, (2020) state that the use of influencers significantly influences buying intention.

H2: Influencer Marketing has a positive effect on buying intention

According to Wijayaa et al. (2021) defines online customer reviews as a source of consumer information about products and brands being sold. Another definition of online customer review is the evaluation of information on goods and services attached to third-party sites and retailers, created by consumers. According to him, people can take the number of reviews as an indicator of the popularity of a product or the value of a product that will affect the willingness to buy a product. Online customer reviews can be categorized as a form of electronic word of mouth. Online customer reviews are also customer opinions on a certain scale. A popular rating scheme for rating in e-commerce is to give a star. The more stars you give, the better the seller's rating. The results of research conducted by Marzuki et al. (2021); Nuseir et al. (2020); Omar et al. (2020) stated that online customer reviews have a significant effect on buying intention.

H3: Online Customer Reviews Service Quality have a significant effect on buying intention.

H4: Perceived Value have a significant effect on buying intention.

H5: Service Quality have a significant effect on buying intention.

The purpose of this study was to analyze Relationship between digital marketing and buying intention, influencer marketing on buying intention, online customer reviews service quality on buying intention, perceived value on buying intention.service quality on buying intention.

### Method

This research analysis method uses quantitative methods through online surveys with social media. Data were obtained through questionnaires distributed online through social media, the respondents of this study were 550 SMEs employees in Banten who were selected through simple random sampling method. Data analysis used Structural Equation Modeling (SEM) with SmartPLS 4.0 software. The stages of PLS analysis using smartpls include 3 stages, namely: The outer model testing phase to test the validity & reliability of indicators and constructs, the Goodness of fit model testing phase to test the model's predictive power and model feasibility, the inner model testing phase to test the significance of the effect of exogenous variables on endogenous variable

The hypothesis of this research is

H1: Digital Marketing has a positive effect on buying intention

H2: Influencer Marketing has a positive effect on buying intention

H3: Online Customer Reviews Service Quality have a significant effect on buying intention.

H4: Perceived Value have a significant effect on buying intention.

H5: Service Quality have a significant effect on buying intention.

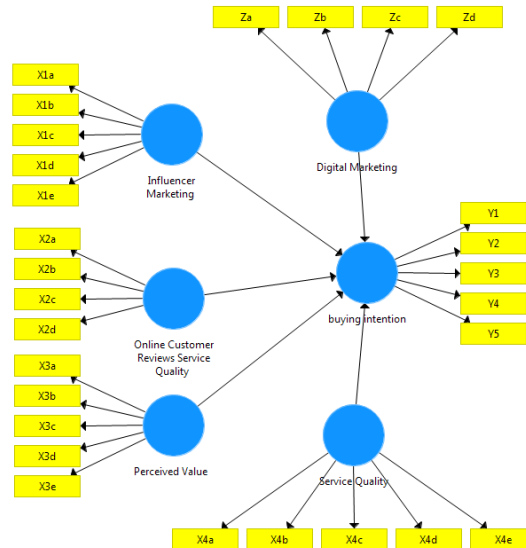


Fig 1. Research Model

### Results, Discussion and Opinion

#### Convergent Validity

Individual reflective measure is said to be high if it has a correlation of more than 0.70 with the construct to be measured. However, for research in the early stages of developing a measurement scale, a loading value of 0.50 to 0.60 is considered sufficient.

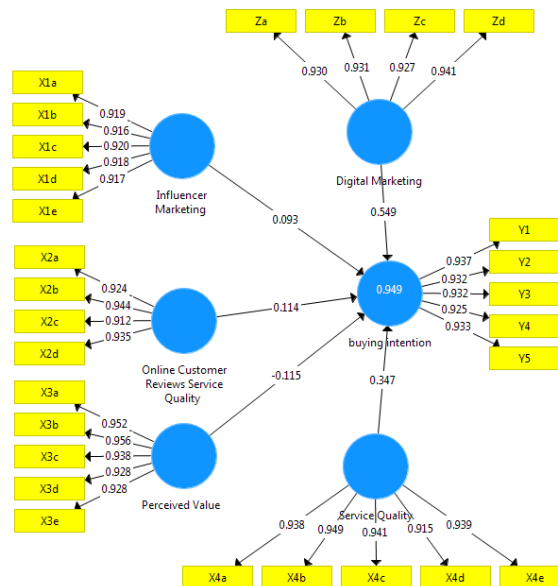


Fig 2. Validity Testing

Based on the measurement model above, all indicators are analysis on research variables with a loading factor greater than 0.50 so that it is declared significant or meets the requirements of convergent validity. Average Variance Extracted (AVE) and Latent Correlation Another method to assess discriminatory validity is to compare the value of the square root of average variance extracted (AVE) of each construct with the correlation between constructs and other constructs in the model. If the value of the square root of the AVE for each construct is greater than the correlation value between constructs and other constructs in the model, then it is said to have a good discriminant validity value (Forwell and Lacker, in Ghazali, 2011). The results of the AVE test can be seen in Table 1 below

Table 1. Reliability Testing Result

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Digital Marketing	0.865	0.865	0.923	0.876
Buying intention	0.843	0.834	0.943	0.876
Influencer Marketing	0.875	0.998	0.912	0.912
Online Customer Reviews	0.854	0.821	0.912	0.873
Perceived Value	0.821	0.912	0.954	0.871
Service Quality	0.812	0.823	0.921	0.976

The AVE value in the table above for all variables is  $> 0.50$  so it can be said that each indicator that has been measured has been able to reflect their respective variables validly. The next check of convergent validity is construct reliability with Testing Research Hypotheses To determine the stability of the proposed model in a population, the value of the relationship between one variable and other variables or the value of the path coefficient (rho) is determined by looking at the value of O (original sample) and the statistical T value as a statement of the value of the significance level of the relationship. between one variable and another (the significance level is taken at the 5% error level or is at T above 1.96).

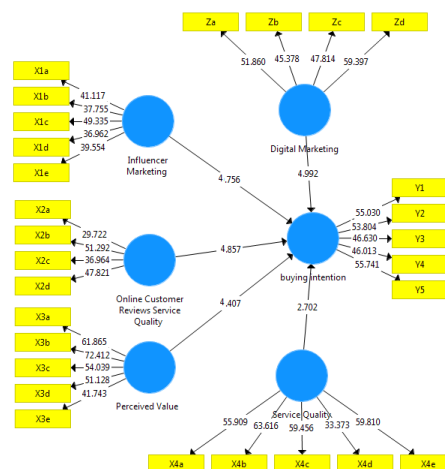


Fig 3. Hypotheses Testing

Table 2. Hypotesis Testing

Correlation	T Statistics	P Values	Note
Digital Marketing and buying intention	4.982	0.001	Significant
Influencer Marketing and buying intention	4,756	0.001	Significant
Online Customer Reviews Service Quality and intention.	4.857	0.000	Significant
Perceived Value and buying intention.	4.407	0.000	Significant
Service Quality and buying intention.	2.702	0.000	Significant

### Relationship of Digital Marketing to Buying intention

Digital Marketing has a significant and positive effect on buying intentions, this result is in line with the results of research by Silvia et al. (2019); Wandoko et al. (2022); Wijayaa et al. (2021) that Digital Marketing has a significant and positive effect on buying intentions. An increase in Digital Marketing variables will encourage an increase in buying intention variables. Online marketing targets people to actively select or visit the sites they want to visit and what information they will receive about which products and under what conditions (Kotler and Keller Lane., 2018). Marketing by using social to consumers through increasing social media marketing is even better then this will improve the structure of consumer buying intention for products. According to Silvia et al. (2019); Wandoko et al. (2022); Wijayaa et al. (2021) stated that the better digital marketing, the better buying intention. Digital marketing has a positive and significant effect on buying intention. In the empirical test of the results of the digital marketing variable regression analysis which has a significance value of  $0.001 < 0.05$ . This shows that the better digital marketing will improve buying intention. The results of this empirical test are in line with research conducted by According to Indumathi, R. (2018); Juwaini et al. (2022); Kulova et al. (2018); Lies et al. (2019) stated that digital marketing has a significant positive effect on online purchasing decision variables.

### Relationship of Influencer Marketing on Buying intention

Influencer Marketing has a significant and positive effect on buying intentions, this result is in line with the results of research by According to Indumathi, R. (2018); Juwaini et al. (2022); Kulova et al. (2018); Lies et al. (2019) that Influencer Marketing has a significant and positive effect on buying intentions. An increase in the Influencer Marketing variable will encourage an increase in the buying intention variable. According to Ardianti and Widiartanto., (2019) stating that the presence of influencers is indeed quite influential but does not necessarily trust 100% of influencers without considering other factors.

### Relationship of Perceived value on Buying intention

Perceived value has a significant and positive effect on buying intentions, this result is in line with the results of research by According to Indumathi, R. (2018); Juwaini et al. (2022); Kulova et al. (2018); Lies et al. (2019) that Perceived value has a significant and positive effect on buying intentions. An increase in the Perceived value variable will encourage an increase in the buying intention variable. The customer's perceived value will influence the customer's decision to make a purchase or not. Satisfaction has a very strong effect on repurchase interest compared to the influence of service quality variables.



Customer repurchase intention can be increased by offering added value and service quality. Customer return purchases are also often influenced by perceived values. When consumers have paid and get more benefits than what has been paid, it will lead to satisfaction for consumers, this satisfaction will then become a shopping experience for consumers and consumers will choose to shop again at the same place because it is a pleasant experience at that place. From the research that has been done, it can be concluded that perceived value has an effect on repurchase intention. The quality of service provided is good and satisfying, it will have an impact on consumer satisfaction and generate repurchase interest. Although service quality does not directly indicate the quality of the product, good and satisfactory service quality is able to show the social status of a product, which then with the addition of product quality and brand image, service quality becomes very important to be considered in increasing repurchase interest

### Relationship of Service Quality on Buying intention

Service Quality has a significant and positive effect on buying intentions, this result is in line with the results of research by According to Indumathi, R. (2018); Juwaini et al. (2022); Kulova et al. (2018); Lies et al. (2019) that Service Quality has a significant and positive effect on buying intentions. An increase in the Service Quality variable will encourage an increase in the buying intention variable. From the research conducted, it can be concluded that service quality has an effect on repurchase intention. According Renwarin (2021) the assessment of higher service quality causes repurchase intention to increase and when service quality decreases, it also causes lower repurchase intention. The suggestions proposed based on the conclusions of the research above are that Perceived value has an effect on repurchase intention and the lowest average value of perceived value is respondents received social recognition when using jewelry from SMEs. For this reason, the suggestion put forward is that SMEs owners should continue to increase promotions, both through social media and radio to introduce the existence of SMEs. Service quality has an effect on repurchase intention, but based on the average value of respondents' responses, it turns out that the lowest rating is on the indicator which states that SMEs are easy to contact.

### Relationship of Online Customer Review to Buying intention

Wandoko et al. (2022); Wijayaa et al. (2021) that Online Customer Review has a significant and positive effect on Buying intentions. An increase in the Digital Marketing variable will encourage an increase in the Buying intention variable. According to Silvia et al. (2019); Wandoko et al. (2022); Wijayaa et al. (2021) states that a feature that can help potential consumers to help provide an assessment of a product is online customer reviews. Electronic word of mouth communication through electronic media is able to make consumers not only get information about products and services from people they know, but also from a group of people from different geographic areas who have purchasing experience of products or services. Consumers take advantage of the experiences of others, when they want to buy something before finally deciding to make a purchase of an item or service. Based on table 5 online customer review (X3) has a positive and significant effect on buying intention. The empirical test results proved a significance value of  $0.000 < 0.05$ . So this shows that online customer reviews help potential consumers to see the ratings of consumers who have bought the product. The results of this empirical test are in line with the research conducted by According to Wandoko et al. (2022); Wijayaa et al. (2021) stated that online customer reviews have a significant effect on buying intention.

### Conclusion

Based on the analysis, it can be concluded that Digital Marketing has a positive effect on buying intention, influencer marketing has a positive effect on buying intention, and online customer reviews have a positive effect on buying intention. Digital marketing has an effect on buying intention, considering that the reach to be achieved is very broad. Influencer marketing has an effect on buying intention, while unattractive influencers will cause the decision to buy will also decrease. Online customer reviews have an effect on buying intention. Consumers who will make transactions will seek information from users when an assessment or response to a good product will affect buying intention. For further research, it is necessary to analyze variables outside of the studied variables such as viral marketing, buzz marketing and word of mouth. Further research should analyze using other methods and in other areas..

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