Analysis of Online Purchase Decisions with Modeling Structural Equation Based on Variance

Sonny Indrajaya¹ and Melati Pangestu²

¹²Management Study Program, Faculty of Economics and Business, Mercu Buana University Jakarta

Email address: sonny.indrajaya@mercubuana.ac.id

Abstract: The purpose of this study is to be able to test what can influence online purchasing decisions at PT. Go Online Goals. The independent variables obtained from the preliminary survey results are Promotion, Perception of Prices, and Image for Brands. The dependent variable is the decision on the purchase. This research method for analysis using data as well as Variance-Based Structural Equations using the Partial Least Square (PLS) tool. The population is residents who live in the DKI Jakarta area with a sample size of 200 respondents. The sampling technique uses convenience sampling. By using a quantitative descriptive approach. The results showed that promotion had a positive and significant effect on purchasing decisions, perceived price also had a significant positive effect on purchasing decisions, and for brand image there was a positive and significant effect on purchasing decisions.

Keywords: Promotion, Price Perception, Brand Image, Purchase Decision.

INTRODUCTION

The development of technology in the modern era certainly has a significant impact on various fields, one of which is the economy. In maintaining the survival of a company
there is one aspect that is very important in the company, namely the marketing aspect. With so many market challenges and global competition, companies must continue to innovate the promotion program strategy in order to be more competitive in the market (Nugroho and Ariyanti 2018). The world of marketing has never escaped the name of competition, one of the conditions what a company should fulfill in order to achieve success in competition is an attempt to achieve goals and create and retain customers. In order to achieve the goal, every company must strive in production and also in delivering goods and services to consumers at reasonable prices (Katili et al., 2018). The development of communication technology media in Indonesia is increasingly sophisticated. Like the increasing number of people who use communication media (Siti, 2017).

The development of internet users and smartphone penetration increased from 2016 to 2017, this can encourage business people to implement an online system, this opportunity is seen by business people engaged in travel services and the growth of companies engaged in travel services has increased significantly. Significantly enough in Indonesia, many business people have been managing offline businesses online, in addition to saving costs while making it easier for consumers to enjoy the products offered by the company.

The most important thing for business people who sell services or products online is the information provided. Information will have great meaning if delivered quickly and precisely. The tourism sector will be the main driver of the world economy in the 21st century, and become one of the globalizing industries. Indonesian tourists are increasingly using online applications to meet their needs, including travel, i.e. using online travel agent services that can be done anywhere and anytime. This becomes an additional point in the selection of travel for a vacation because with the online system, tourists can check in terms of price, facilities, to the promo offered accurately. Accommodation is a very important factor for tourists who expect comfort, good service, cleanliness and others.

The presence of a number of start up companies that manage airplane and hotel ticket provider and application services, or so-called online travel agencies (OTA), make it easier for you to take a vacation. With just a click click, everything can be solved easily on your laptop or cell phone. By just ordering tickets via online, we no longer need to queue to buy tickets on the spot which is draining time, energy and money. Even with the presence of the site and the ticket booking application we can get low prices

<table>
<thead>
<tr>
<th>Table 1. Airplane Ticket and Hotel Sales Website</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand</strong></td>
</tr>
<tr>
<td>Traveloka</td>
</tr>
<tr>
<td>Pegipegi.com</td>
</tr>
<tr>
<td>Tiket.com</td>
</tr>
<tr>
<td>Wego.co.id</td>
</tr>
<tr>
<td>Nusatrip.com</td>
</tr>
</tbody>
</table>

Source: Top Brand Index (TBI)

Based on Table 1 above, the ranks of the top 2 brands in 2017 and decreased in 2018 in rank 3, this is evidence that the development of online travel agents in Indonesia has been very fast and competing with each other. Today's business has grown very rapidly and is changing constantly. One example of this change is in terms of changes in technology and
people's lifestyles where this cannot be separated from the effects of globalization that is now happening (Fure et al., 2015). This increasingly tight competition demands that business people must be able to maximize all of their company's performance in order to compete (Polla et al., 2018). Every company wants to be successful. In achieving this, the company has to create a strategy, to face increasingly intense competition. There are all challenges in order to achieve company success.

To anticipate this, companies are demanded to be able to work well by using a variety of available resources to be accepted in the market (Utomo and Khasanah, 2018). The conditions that must be met by companies in achieving success in competition must strive to achieve goals by creating and retaining customers, every company in order to understand the survival of its organization by striving to fulfill all wants and meet the needs of consumers related to consumer behavior (Gerung et al., 2017).

Pegipegi (PT. Go Online Destination) is one of the online-based online travel agents whose purpose is to provide convenience in arranging and designing trips both in terms of transportation and accommodation which currently focuses on consumers who have middle to upper segmentation. With prospective customers pegipegi can make hotel reservations or airline tickets at low cost and convenience in terms of transactions. Pegipegi was founded on January 1, 2012. Although this travel agent is still relatively new, pegipegi already has many affiliations with hotels and airlines throughout Indonesia. Until now, recorded pegipegi has been connected directly with more than 7,000 hotels in Indonesia, but the phenomenon that occurs is the user of PT. Go Online Destinations switch to using another application, the price of pegipegi is quite expensive, while at Traveloka the price is more affordable. In the promotion of PT. Go Online Destinations is lacking in promotion because other online travel agents are very aggressive in terms of promotion, but PT. Go Online Destinations lack promotion. Then in Brand Image when the promotion is lacking and the price is quite expensive, PT. Go Online Destinations does not have a good brand image in the community.

THEORETICAL REVIEW

Marketing Management. (Kotler and Keller, 2015). said to market something is a stage of social process, where it is for individuals and groups to get what they need and want, this is done by creating and offering, and also by exchanging products and providing valuable services with others. Marketing is a human activity that can and can be directed to meet their needs and fulfill desires through the exchange process. Marketing where the process in the company is to create value from customers which can also build strong customer relationships, this is useful for capturing value from customers in the context of remarketing in orders in return (Kotler and Armstrong, 2015)

Understanding Marketing Management is an art and knowledge that must select target markets in order to obtain and maintain and grow consumers by creating and delivering and communicating with added value to consumers (Kotler and Keller, 2015). Marketing management means the science and art of selecting target markets, which can be affordable and can maintain and develop customers, how to create it, convey it can also communicate with customers with superior values (Kotler and Keller, 2015)
**Consumer behavior.** The things that underlie consumers to make purchasing decisions. The definition of consumer behavior according to (Sangadji and Sopiah, 2013). Behavior in consumers is all activities and actions as well as psychological processes that can provide encouragement to take action before buying, as well as when buying, and using, and spending products and services after that evaluation performs the above activities. Another opinion put forward by (Morissan, 2014) consumer behavior is the processes and activities involved when people can search, be selective, can buy and use also evaluation or will dispose of the product, all these services are to satisfy all the needs, desires of the customer. From all the definitions described above, it can be concluded that consumer behavior is an activity of consumers or customers before making purchasing decisions for the goods or services they need.

**Promotion.** According to (Kotler and Keller, 2015) the dimensions of the promotional mix are as follows: (1) Advertising is a form of presentation not only for individuals but for promotion, it can be in the form of ideas or promotion in the form of goods and services, this is done by paid sponsors. (2) Sales Promotion is to provide various incentives for the short term that can be or are used to stimulate the purchase or sale of products and services. (3) Public relations is a program design effort to improve, maintain or protect a company (4) Personal selling Personal selling is a verbal presentation in conversation with one or several potential buyers to make a sale. (5) Direct marketing (direct marketing) Direct communication that is used from email, telephone, fax, or the internet to get direct responses from consumers clearly.

**Price Perception.** According to (Buchari, 2013) that for price is an exchange rate that can be equated with money or other goods, where this is to benefit from a good or service to a person or also to a group with a certain time and place. According to (Fure, 2013), the price dimension consists of (1) Prices are in accordance with benefits. (2) Price Perceptions and Memory. (3) The price of goods is affordable. (4) Price Competition (5) Appropriate price with quality.

**Brand Image.** (Irvandy, 2013) stated that image is an reality, therefore if market communication does not match reality, reality will normally win. The image eventually becomes good, when consumers have sufficient experience with new realities. Brand Image According to (Mohammad, 2017). A brand image provides an illustration of the impression a brand creates on customers. Placement of brand image in the customer's mind. This is done in a sustainable way so that the brand image that has been created can remain strong and accept positively. products that already have a strong and positive brand image, the product brand will remain in the mind and with a great opportunity will buy the brand again.

**Buying Decision.** According to (Kotler and Armstrong, 2016), a purchase decision are The purchase decision process will go through a stage where the buyer actually decides to choose one product from a wide selection of products offered. Decision-making is an activity that directly involves individuals in order to obtain and use used goods. Purchasing Decisions are part of the elements inherent in individual consumers called consumer behavior that will refer to a physical action is something that can be seen directly, and can also be measured by other people (Getrycia, 2013). The process for purchasing decisions, this is a basic
psychological process that gives an important role, how to understand consumers actually make their buying decisions (Kotler and Armstrong, 2016).

**Hypothesis Development**

**Promotion and Buying Decision.** Promotion simultaneously has a positive and significant influence on purchasing decisions. Which goes hand in hand with research (Rafida and Hidayati, 2019), (Hidayat and Sutopo, 2016), (Yuliantiningsih and Rahardjo, 2016), then Hypothesis 1

(H1): Promotion has a positive effect on purchasing decisions.

**Price Perception and Buying Decision.** Price Perception simultaneously has a positive significant effect on purchasing decisions, this is in line with research conducted by (Utomo and Khasanah, 2018), (Wang and Zheng, 2016), then Hypothesis 2

(H2): Price Perception, has a positive influence on Buying Decision.

**Brand Image and Buying Decision.** Brand image simultaneously has a positive, significant influence on purchasing decisions, this result is also the same as the research (Djatmiko and Pradana, 2016), (Sukma and Suryani, 2016), (Samit and Lynn, 2016) then Hypothesis 3

(H3): Brand Image will have a positive effect on Purchasing Decisions.

**Research Framework.** It is based on developing a hypothesis so that a Framework for Research can be made:

![Figure 1. Research Framework](image-url)

The research framework and relationships between variables are used as references and research conducted by (Rafidan and Hidayati, 2019), concluded that promotion has a
positive, and significant effect on purchasing decisions. Other research by (Hidayat and Sutopo, 2016) found that promotion had a positive and significant effect on purchasing decisions. Research by (Yuliantiningsih and Rahardjo, 2016) found that promotion has a positive effect or also significant influence on purchasing decisions. Other research conducted by (Utomo and Khasanah, 2018) found that price perceptions have a positive effect; is also significant on purchasing decisions, while (Wang and Zheng, 2016) said that the perception of prices will also have a positive, significant effect on purchasing decisions. The results of research by (Sri and Muhammad, 2019) have a positive-sigificant effect on price perceptions on purchasing decisions. Based on research by (Djatmoko and Pradana, 2016). Brand image has a positive and significant influence on purchasing decisions, (Sukma and Suryani’s, 2016) shows that brand image has a positive and significant effect on purchasing decisions. (Samit and Lynn, 2016) found that Brand Image will have a positive effect; significant in purchasing decisions.

There are 3 hypotheses:

H1. Promotion is there to have a huge influence on purchasing decisions
H2. For the product price will affect the purchase decision
H3. A good brand image will influence buying decisions

METHODS

Time and Place of Research. Process will begin September 2018 until dengan November 2019. The research will be conducted in the Jakarta area. For the population in this study all people in the West Jakarta area who have used at least 1 pegipegi service.

Research design. The authors determine this study is causality research. According to the theory the word causal comes from the English verb to cause which means to cause and influence. Therefore it can be interpreted that causal research has the main objective to prove causal relationships or relationships that influence and are influenced by the variables studied (Istijanto, 2015).

Variable Definition. According to (Sugiyono, 2014). Variables are everything. This will be determined by the researcher himself, what will be examined in order to obtain information and then a conclusion can be drawn. In this research, the writer will consist of two variables, namely the independent variable also on the dependent variable.

Independent variable (Exogenous Variable). Often referred to as stimulus and input variables, also predictors, antecedent. For the independent variable, it is the one that has influence and which can lead to the extinction of a dependent variable (Sugiyono, 2014). The exogenous variables, in this study are promotion, price perception, and brand image.

Dependent Variable (Endogenous Variable). (Sugiyono, 2014), says that this is a variable that is influenced by the independent variable, for dependent variables called endogenous variables. The endogenous variable in this study is the purchase decision.
Variable Measurement Scale. According to (Sugiyono, 2014). Explaining that this scale measurement is, this will be used as a guideline for determining the length and short intervals of a measuring instrument, and can provide quantitative data. In this study, an ordinal scale was used. The scale allows for sorting data from the lowest level to the highest level or vice versa, with intervals not necessarily the same. Occasional ordinal measurements provide information about the relative number of different characteristics possessed by certain objects or individuals (Noor, 2011). Each variable in this study will be measured using a Likert scale, this is a method for measuring attitudes and opinions, as well as perceptions in groups of people regarding social phenomena that occur (Sugiyono, 2014).

Research population. (Sugiyono, 2014), said that for a population in an area and it can be generalized it consists of objects as well as subjects and researchers already have their own qualities and characteristics to study and made observations, which can then be concluded. Population can make it easy for researchers to conduct research. This research is for the population in all communities in the West Jakarta area and who have used pegipegi services at least once.

Research sample. (Sugiyono, 2014). The sample is part of a population, that has the characteristics of that population. For the population is large enough and the researcher may not be able to study everything in the population, Then to take the research sample under study will be carried out by nonprobability sampling using purposive sampling technique, in this case the researcher will determine the sample itself that will be taken with certain considerations. Samples will be taken randomly, but determined by the researchers themselves. This technique was chosen because it is relatively easy to apply for people who live in West Jakarta. (Hair et al., 2011), said in the equation method for SEM the appropriate sample size is between 100 to 200 and will also depend on the number of parameters to be measured, namely the sample size of 5 to 10 multiplied by the number of indicators, the number of indicators is 6 x 33 = 198, then this study will use a minimum sample of 198.

Data types and sources. The author in this study will use the primary data obtained from the first source both from individuals as well as through the results of a questionnaire. Primary data is information material that can be recognized so that it can provide correct information for this research. this data was obtained directly from field research through the distribution of questionnaires to people in the West Jakarta area. The data generated will help the writer to discuss and answer the problems encountered.

Data Collection Techniques. To achieve successful research, data collection techniques can be used properly, this will have an impact on the maximum results. The technique used in collecting and collecting data for this research with a questionnaire is an instrument that can collect data, in which the respondent will fill in the questions prepared by the researcher (Sugiyono, 2014).

Questionnaire. The questionnaire was conducted by providing a list of questions that had been prepared in advance and given to respondents to be filled in by respondents. Questionnaires is a technique in collecting data efficiently and as information for
researchers so that it can be known on the variables measured and also expected from the respondent.

**Online questionnaire method.** The online questionnaire method for respondents will be given a list of questions that have been prepared by the researcher. The questionnaire will be distributed using a digital application site, Google docs, e-mail and Google spreadsheets can be selected. Based on the description above, the researcher will distribute the questionnaire to respondents who are around West Jakarta, that is, those who have already made a purchase at Pegegegi.

**Data analysis method** is a way and systematic steps in processing data.

**Descriptive Analysis.** Statistical data depiction will use minimum, maximum, mean and sum, standard deviation, variance, range, and others. Measuring the distribution of data using skewness and kurtosis (Priyatno, 2014). The opinion of (Sugiyono, 2016) which states that descriptive analysis is a statistic that can be used for data analysis in a descriptive way and can be made to illustrate the previously collected data as it is and this is not done to make conclusions; or to generalize it is accepted generally. Research conducted for the population (without sampling) will use descriptive statistics in the analysis, but if the research is carried out with samples, the analysis will be able to use descriptive and inferential statistics. The data comes from respondents' answers to the items contained in the questionnaire and will be obtained by grouping and tabulating and then given an explanation. Descriptive Respondents. In this study, researchers describe respondents in the following categories: Gender, Age, Education Level, Work.

**Descriptive Answer / Questionnaire.** Describe the respondent's questionnaire by looking at the average answers and how many respondents answered 5 (SS or Strongly Agree), 4 (S or Agree), 3 (N or Neutral), 2 (TS or Disagree), 1 (STS or Strongly Disagree).

**Instrument testing** was conducted for research using primary data, by testing the validity and reliability. The validity test shows the ability of the tool to measure variables. Reliability test is an internal test for whether or not there is consistency in the indicators of a construct, the point is to know and show a general latent construct / factor. Validity test in this study uses the Confirmatory Analysis technique (confirmatory factor analysis). Confirmatory analysis aims to test whether constructing indicators are valid indicators as a measure of latent constructs. Indicators can be said to be valid if, first, they are statistically significant. Second, The convergent validity value or loading factor on each indicator must have a value of 0.7, so this has good validity in the study. On the loading factor, the value must be 0.5 - 0.6, so it can be said that it can be accepted in the initial research (Ghozali, 2014).

The reliability test in this study, was calculated using composite (construct) reliability. The value of construct reliability indicates good reliability of 0.7 or more. Another way to calculate reliability is to use variance extracted ≥ 0.50. Variant extract reflects the total number of variants in the indicator explained by latent constructs.

**Partial Least Square Analysis.** The analytical method used is a model for structural equations based on components or variances, This will be used for data processing using the
Partial Least Square (Smart-PLS) analysis tool version 3.0. According to (Ghozali, 2014), which says the PLS tool can be used for the purpose of analyzing causal-predictions in high complexity situations and is supported by low theoretical support. The purpose of using PLS is to find optimal predictive linear relationships in the data, although this PLS can also be used to confirm the theory, PLS can also be used to explain whether there is a relationship between latent variables, as stated by Wold in (Ghozali, 2014) which said that Partial Least Square a method with a powerful analysis, therefore PLS cannot be based on many assumptions, so data is not required normally distributed multivariately, and the sample does not have to be large.

**Steps for PLS Analysis Testing.** The steps for testing the PLS analysis are carried out by:

**The Model for Measurement Evaluation (Outer Model),** is called the relational model, where the measurement for each indicator block is required to match the latent variable. The equation for the outer model in the reflective construct is as follows:

\[ x = \beta_x \xi + \epsilon_x \]
\[ y = \beta_y \eta + \epsilon_y \]

X and Y are indicators or manifest variables for exogenous - endogenous latent variables \( \xi \) and \( \eta \), while \( \beta_x \) and \( \beta_y \) contain a matrix describing simple regression coefficients that will relate latent variables and indicators. The rest will be measured by \( \epsilon_x \) and \( \epsilon_y \) this can be interpreted as a form of measurement error or noise (Ghozali, 2014).

**Convergent Validity Testing.** Used to calculate each construct indicator using the PLS (Partial Least Square) tool. According to (Ghozali, 2014) that an indicator has good validity if it has a value greater than 0.70 and for the loading factor value must be from 0.50 to 0.60, this is considered sufficient. The loading factor value is below 0.50, so it must be removed from the model.

**Discriminant Validity Test.** The reflection measurement model for each indicator to be assessed must be based on the cross loading measurement of the construct. An indicator will be declared valid if it already has the highest loading factor value in its construction, and it will also be compared with the loading factor value in other constructs, this will indicate that the latent construct is able to predict the indicators on the block, it must be greater than the indicators in other blocks. Another method is that we compare it to the square root value of AVE (average variance extracted) in each construct with the correlation value between each construct and other constructs in the model, so that it can be called good discriminatory validity (Ghozali, 2014).

**Composite Reliability Testing.** Has a goal to test the reliability instrument on the research model. The values for all latent variables are required for composite reliability and Cronbach alpha values \( \geq 0.7 \), that for the construct, the reliability is good, it can also be said that the questionnaire is consistent with being used for tools that help in research. (Ghozali, 2014).

**Structural Model or Hypothesis Test (Inner Model).** This test is a concept-based model and theory development, the point of which is to be able to make an analysis of the
exogenous variables have a relationship with endogenous variables, as explained in the conceptual framework.

**R-Square Value (R2).** To test the suitability of the model and to be able to see the results for endogenous latent variables with the values 0.67, 0.33, and 0.19 in the structural model, this will show whether this model is good or moderate, also weak.

**Model for the Goodness of Fit (GoF).** Can be used for predictive-relevance (Q2) values, and the R square value must be above zero or > 0, indicating that this model already has a predictive relevance value.

**Hypothesis Test with Path Coefficient Estimation.** The estimated values for the values must be significant for the relationships between paths in the structural model. Significant value will be done by bootstrapping process. The hypothesis is significant, it can be seen in the parameter coefficient value and the t-statistical significance value, it can also be seen in the report on the bootstrapping algorithm which already has a t statistical significance value.

**RESULTS**

**Outer Model**

**Convergent Validity Test**

*Table 1. Convergent Validity Test*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Outer Loadings</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>PR1</td>
<td>0.546</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR10</td>
<td>0.765</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR4</td>
<td>0.664</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR5</td>
<td>0.715</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR6</td>
<td>0.764</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR7</td>
<td>0.708</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR8</td>
<td>0.792</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PR9</td>
<td>0.720</td>
<td>Valid</td>
</tr>
<tr>
<td>Price Perception</td>
<td>PH1</td>
<td>0.834</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH2</td>
<td>0.864</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH3</td>
<td>0.862</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH4</td>
<td>0.752</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH5</td>
<td>0.788</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH6</td>
<td>0.795</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH7</td>
<td>0.805</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH8</td>
<td>0.774</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH9</td>
<td>0.835</td>
<td>Valid</td>
</tr>
<tr>
<td>Brand Image</td>
<td>CM1</td>
<td>0.759</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>CM2</td>
<td>0.858</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Table 1 above shows that all indicators have met the convergent validity, because the loading factor value is above 0.60.

### Average Variance Extracted (AVE) Test

**Table 2.** Average Variance Extracted (AVE) Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>0.508</td>
</tr>
<tr>
<td>Price Perception</td>
<td>0.661</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.663</td>
</tr>
<tr>
<td>Buying Decision</td>
<td>0.506</td>
</tr>
</tbody>
</table>

Source: Output Smart-PLS, (2019)

Table 2. Test results with AVE shows that all constructs have the potential reliability for further testing. This is because the AVE value in all constructs has been greater than 0.50.

### Discriminant Validity Test

**Table 3.** Discriminant Validity Test

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Promotion</th>
<th>Price Perception</th>
<th>Brand Image</th>
<th>Buying Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>0.713</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Perception</td>
<td></td>
<td>0.813</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td></td>
<td></td>
<td>0.814</td>
<td></td>
</tr>
<tr>
<td>Buying Decision</td>
<td></td>
<td></td>
<td></td>
<td>0.711</td>
</tr>
</tbody>
</table>

Source: Output Smart-PLS, (2019)

It can be concluded from Table 3, for the square root of the extracted mean variance ($\sqrt{\text{AVE}}$) in each construct is greater than the correlation between one construct and the
others in the model. For the AVE value in table 3, it is concluded that the construct for this model has met the criteria for discriminant validity.

**Reliability Test.** To ensure that there are no problems with measurement. The last step taken to evaluate the external model is to test the model reliability. This test uses the Composite Reliability indicator as well as Cronbach's Alpha.

**Test Composite Reliability dan Test Cronbach’s Alpha**

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>0.895</td>
<td>0.870</td>
<td>Reliable</td>
</tr>
<tr>
<td>Price Perception</td>
<td>0.946</td>
<td>0.936</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.887</td>
<td>0.829</td>
<td>Reliable</td>
</tr>
<tr>
<td>Buying Decision</td>
<td>0.910</td>
<td>0.891</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Output Smart-PLS, (2019)

In Table 4, there are the results of the composite reliability test and the Cronbach alpha test. The results obtained show that it is satisfactory for all latent variables to be reliable, this can be said that all latent variable values already have and have composite reliability and for Cronbach alpha values ≥ 0, 70. It can be said that the questionnaire used is reliable and consistent.

**Inner model**

**R-Square (R²) Value Test.**

<table>
<thead>
<tr>
<th>Variabel</th>
<th>R-Square (R²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying Decision</td>
<td>0.668</td>
</tr>
</tbody>
</table>

Source: Output Smart-PLS, (2019)

The data contained above has shown the conclusion that for the R-Square value of 0.668, variability in Purchasing Decisions will be explained by three independent variables in the Promotion and Price Perception model as well as the Brand Image, the value is 66.8% and the remaining value is (100 - 66.8): 33.2%, this is explained to be outside of this research model.

**Hypothesis Testing.** The basis for making hypotheses, we can compare the values in the t-table with the t-count with alpha 0.05 (5%) = 1.98. If the t-table is smaller than alpha 1.98 it can be said that this hypothesis is not accepted. Conversely, if the t table value> 1.96, it
can be said that this hypothesis is accepted or it can be stated that there is a significant influence between the two variables.

**Tabel 6. Hypothesis Testing**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion → Buying Decision</td>
<td>0.182</td>
<td>0.187</td>
<td>0.059</td>
<td>3.064</td>
</tr>
<tr>
<td>Price Perception → Buying Decision</td>
<td>0.560</td>
<td>0.555</td>
<td>0.071</td>
<td>7.873</td>
</tr>
<tr>
<td>Brand Image → Buying Decision</td>
<td>0.164</td>
<td>0.167</td>
<td>0.077</td>
<td>2.134</td>
</tr>
</tbody>
</table>

Source: Output Smart-PLS, (2019)

Original sample is 0.182, and the value of T Statistics > T table (3.064 > 1.98) and then hypothesis 1 in this case can be accepted. The value for the original sample is 0.560 and the value for T Statistical> T table (7.873 > 1.98). Hypothesis 2 can be said that it is accepted. The value in the original sample which is equal to 0.164 and comparing the value of T Statistics > T table is 2.134 > 1.98 and this is said to be accepted for hypothesis 3.

**Figure 3. Test Results**

Sources; Output Smart-PLS (2019).

**DISCUSSION**

Discussion for the results of that research based on Partial Least Square (PLS) analysis, this section will discuss the results of calculations that have been done. This study aims to determine the factors that influence the purchase decision. Testing is shown through existing hypotheses so that we can find out how each variable affects the other variables.

**Effect of Promotion on Purchasing Decisions.** To test the first hypothesis (H1), it shows the results of Promotion have a positive, significant effect on Purchasing Decisions with an
Original Sample value of 0.182 and the value of T Statistics \( > T \) table \((3.064 > 1.98)\) and hypothesis 1 in this case is accepted, meaning that Promotion is proven to influence Purchasing Decisions at PT. Go Online Destinations. The results for this study are in line with previous research conducted by Rosady and Kusumawardhani (2018), showing that promotion has a positive and significant effect on purchasing decisions. Meanwhile, according to research by Hidayat and Sutopo (2016), it was found that promotion had a positive and significant effect on purchasing decisions. According to Yuliantiningsih and Rahardjo (2016) it was found that promotion was positive and had a significant effect on purchasing decisions.

**For Price Perception the influence on Purchasing Decisions.** Based on the second hypothesis test (H2), the results show that Perception on Price has a positive, significant effect on Purchasing Decisions because it has an Original Sample value of 0.560 and a T Statistics \( > T \) table value \((7.873 > 1.98)\), Hypothesis 2 in this case is accepted, meaning that price perceptions are proven to influence purchasing decisions at PT. Go Online Goals. Strengthening research with previous research conducted by (Utomo and Khasanah, 2018) for price perceptions has a positive and significant effect on purchasing decisions, while according to (Setiawan and Khasanah, 2016) it was found that price perceptions have a positive and significant effect on buying decisions. According to research by (Rafida and Hidayati, 2019), it was found that price perceptions also had a positive and significant effect on purchasing decisions. So that from these 3 studies, it can be concluded that price perception has a positive and significant effect on purchasing decisions.

**The Influence of Brand Image on Purchasing Decisions.** The third hypothesis testing (H3) has been found that the results of Brand Image have a significant positive effect on Purchasing Decisions, because the Original Sample value is 0.164 and the value of T Statistics \( > T \) table \((2.134 > 1.98)\) and hypothesis 1 is acceptable, meaning that the brand image is proven. Influence purchasing decisions at PT. Go Online Goals. The results of this study are in line with other research conducted by (Djatmoko and Pradana, 2016) showing that brand image has a positive and significant effect on purchasing decisions, then the research of (Bramantya and Jatra, 2016) found that brand image has a positive and significant effect on decisions. Purchase, and according to research by (Sukma and Nurcahya, 2016) it was found that Brand Image has a positive and significant effect on purchasing decisions. So from these 3 previous studies, it can be concluded that brand image has an effect on purchasing decisions.

**CONCLUSIONS**

The purpose of this research is to determine what factors influence purchasing decisions for purchasing services at PT. Go Online Destination. Based on the analysis of existing data and also from previous discussions. Research conclusions can be made: 1. Promotion has a significant positive effect on purchasing decisions. 2. Price perceptions have a positive and significant effect on purchasing decisions. 3. Brand Image has a positive and significant influence on Purchasing Decisions.
Suggestions. From the research conducted and the conclusions above, the researcher intends to provide some input: PT. Go Online Destinations (Pegipegi) must be more active on social media and directly with customers, when an event occurs. Pegipegi makes advertisements in print media so that it can be seen by people who still like to read magazines or newspapers to get information about Pegipegi and to pay more attention to the needs of users of online ticket booking services, and to receive input and also complaints given by consumers. For further researchers can expand the area of research with different respondent characteristics so that the research sample is more accurate, and examine other variables not studied: Customer Trust, Quality for Service, E-WOM, Customer Satisfaction.

REFERENCES


