

THE EFFECT OF E-SERVICE QUALITY AND PRICE ON ONLINE PURCHASE INTENTION DURING COVID 19

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Abstract. This research was conducted during COVID-19 pandemic, since people prefer to do online shopping to fulfill their basic needs. This is realistic considering going out of the house and shopping at the center of the crowd is quite risky. COVID- 19 has an impact on consumer behavior towards the intention to buy a product in order to meet their daily needs. The pandemic also influences consumer behavior sentiments in the purchase intention of a product. Research method used in this study was a quantitative method, and SPSS ver.20 application was used to analyze the data. Data was collected by distributing questionnaires to 300 Trisakti Institute of Transportation and Logistics students. The purpose of this study is to identify the influence of E-service quality and price on purchase intention in online purchasing application during COVID-19 pandemic. This research shows that E-Service Quality and Price partially and simultaneously have a significant positive effect on Purchase Intention.

Keywords: COVID-19, E-Service Quality, Price, Purchase Intention, Online Purchasing

1. Introduction

The world is currently being hit by Covid-19. This pandemic does not only attack health, but also the world economy. It causes a chaos that affects the economic condition of individuals, households, small businesses, medium and large companies, and even affects the economy of a country. In December 2019, COVID-19 began to spread to almost every country and was declared as a global health emergency by the World Health Organization. (Guo et al., 2020; WHO, 2020). Viral infections in global economic supply chains have caused the existence of businesses and consumer confidence. The price of accommodation, international tourism and travel businesses fell dramatically in demand, and even there was the lack of demands for imported goods and services by customers (Boone et al., 2020).

Based on a survey conducted by Mskinsey, it was revealed that consumers started to do online buying and selling transactions during the Covid pandemic. This is reasonable considering going out of the house and shopping is quite risky. Covid 19 has an impact on consumer behavior towards the intention to buy products in order to meet their daily needs. It also influences consumer behavior sentiments in the purchase intention of a product (Mckinsey 2020). One of the factors that drives consumers to do online shopping during the pandemic is the presence of their health threats that forces them to make online transactions. The reason behind why consumers purchase and make online transactions is very much influenced by the price. Purchase intentions during this pandemic have positive things where customers will feel safer making online purchases compared to doing conventional purchases. This is in line with the result of the study conducted by Jamil and Mat, (2011), that Purchase intention has a positive and actual influence on online purchases, purchase intentions also greatly affect customers in determining the tastes and quality of consumers towards a product.

Service quality can be recognized by comparing consumer perceptions of services provided by the company with the factual quality of service they received. If the service received is as the consumers expected, the perceived quality of service is good and satisfying. On the other hand, if the service received is lower than the customers' expectation, the quality of service is perceived as poor. Therefore, the quality of services provided by a company must be as effective and efficient as possible. According to Parasuraman, Zeithaml, and Malhotra, (2005)

in their study about service quality, that the quality of electronic services greatly influences the extent to which online stores provide and facilitate effective and efficient shopping and purchasing and shipping. Service in this case is defined as services provided by the company in the form of comfort, speed, relationships, abilities and hospitality aimed at attitudes and property in providing services for customer satisfaction.

Price is very influential in the process of determining consumer decisions and is considered as the most important factor by Yadav and Pathak, (2017). This is in line with the result of the study conducted by Kukar-Kinney et al., (2012) argue that there is a negative relationship between price and purchase intention. From the above theory, it can be concluded that prices can determine purchase decisions and purchase intentions for the product obtained

E-Service Quality

Since the global expansion of the Internet, many companies have adopted multi-channel policies for the operation and marketing of electronic services. In this case, it must be emphasized that service quality plays an important role in e-commerce; it is defined as a customer's long-term evaluation of the performance of electronic service providers (Wu and Li, 2018). Evaluating service quality is more complex than evaluating product quality. The perception of service quality is obtained by comparing customer expectations with the quality of service performance available and then assessing the quality of service results and the process of providing those services (Roses et al., 2009). Chang et al. (2009) in their study about E-service quality, state that one indicator can be used as three benchmarks of the quality of electronic services to customers, namely fulfillment, privacy, and efficiency. E-Service Quality has an important role in business because it has a long-term effect on the quality of customer service performance.

Online sales information e-release services enable online customers to learn about seller behavior, which will increase customer confidence in online sellers, expand communication networks that can be used as opportunities with sellers, and strengthen relationships between customers and sellers online (Gefen et al., 2003). Satisfying services for customers will affect these customers in using the products or services again in the future. However, previous research states that electronic services are very different and superior to conventional electronic services because electronic services are able to provide location-based, customer, personalization, and context-based services by taking advantage of E-commerce devices (Choi, Seol, Lee, Cho, & Park, 2008; Hong, Thong, & Moon, 2008). As a consequence, the development of electronic service quality measures must take into account the main features of this electronic commerce to develop a comprehensive understanding of what drives a good customer rationale regarding critical service adoption measures.

Price

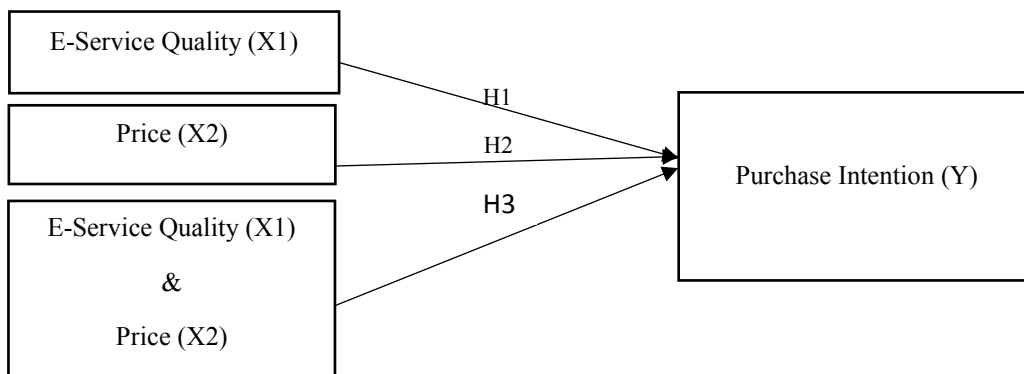
According to Yadav and Pathak, (2017) in their study about price, that Price is very influential in the process of determining consumer decisions and is considered as the most important factor. Therefore, price has been considered as an important variable on strategic marketing which has a large influence on consumer buying behavior (Konuk, 2015). From the perspective above, price is the most important factor in determining consumer decisions and making purchases. Previous research found that prices can easily be transformed into sensitive constructs that can influence customer purchase intention decisions (Chua et al., 2015; Han and Hyun, 2015). Consequently, customers will find a balance in every price range where they will think it makes sense or does not make sense when making a purchase of a product (Oh, 2000). It can be concluded that to get goods or services a customer must sacrifice an amount of prices offered to get the goods or services.

Price is a medium of exchange that can be equated with money or other goods for the benefits derived from an item or service, in other words the price is important to get a product or service. In the opinion of Basu Swastha (2000) price is the amount of money needed to obtain several combinations of goods and services. According to Kotler and Armstrong (2001: 493) in their study about price, that price is the amount of money charged to a product or service, or the amount of value that can be exchanged with customers for the benefits to obtain or use the product or service. As it is stated by Stanton (1998: 308), there are four indicators that serve as benchmarks for this price, namely: 1. Affordable prices, 2. Competitive prices, 3. Suitability of prices with quality of a product, 4. Suitability of prices with benefits of products purchased.

Purchase Intention

Many experts define the customer's purchase intention as a tendency for personal behavior towards the brand of the product being purchased. They also concluded that buying intention is different from buying attitude. Buying attitude means evaluating the product to be purchased, while buying intention is the customer's motivation in the sense of its intention to conduct product purchase behavior. Another definition states that purchase intention is an awareness of customer behavior to make an effort to buy a product brand by Shabbir, M.S., Kirmani, S., Iqbal, J., & Khan, B. (2009). This is in line with the result of the study conducted by Park, J. (2002) believe that buying intentions are "what we think, that is what we will buy". From the perspective above, buying intention is different from buying. Purchase intention may not necessarily buy the product because the customer is still thinking about the quality of the product to be purchased.

Based on Pavlou's (2003) statement, online purchase intentions are conditions where customers are willing and intended to engage in online purchase transactions. Online transactions can be valued as activities where the process of obtaining information, transferring information, and purchasing products is carried out (Pavlou, 2003). It can be concluded that Purchase intention in the customer's view has a big influence before getting the product they want, so that customers will feel satisfied with the product purchased. Hence, it is very important to evaluate the concept of online purchase intentions in this study.



H1: E service quality has a positive influence on purchase intention.

H2: Price has a positive influence on purchase intention

H3: Quality of electronic services and prices simultaneously has a positive influence on purchase intentions

Method

The research method used in this study was a quantitative method based on primary and secondary data from international journals related to research. The time interval for case studies was from June to July 2020.

2.1 Data collection techniques and analysis

Data were taken from questionnaires which were completed by students Trisakti Institute of Transportation and Logistic as respondents. A 5-point Likert Scale consisting of "strongly disagree" (1) to "strongly agree" (5) is used as a measure of attitude for independent and dependent variables.

This study used the SPSS ver.20 application to analyze data from the results of the questionnaire.

2.2 Population and sample

The population of this study is 1200 students of 2017 and was conducted at Trisakti Institute of Transportation and Logistic.

Slovin formula was used to determine the number of samples from particular population. The number of respondents is 300 students.

Discussion and Result

Table 1 is the data profile of respondents based on gender and age from our research.

Table 1. Characteristics of Respondents

Frequency			%
Gender	Male	174	58
	Female	126	42
	Total	300	100
Age (years)	< 20	4	1.3
	20	44	14.7
	21	221	73.7
	22	23	7.6
	> 22	8	2.7
	Total	300	100

- Validity**

Table 2.1 is about the research data on validity.

Table 2.1 Validity Results

Indicators	E service quality	Price	Purchase intention
ESQ1	0.664**		
ESQ2	0.720**		
ESQ3	0.610**		
ESQ4	0.655**		
ESQ5	0.604**		
ESQ6	0.576**		
P1		0.441**	
P2		0.489**	
P3		0.472**	
P4		0.470**	
P5		0.393**	

PI1			0.467**
PI2			0.451**
PI3			0.383**

Source: Validity tests by using SPSS, 2020.

$r_{\text{arithmetic}} > r_{\text{table}} = \text{Valid}$

The table above shows that all indicators used for measuring the variables in this study have a correlation coefficient greater than $r_{\text{table}} = 0.113267$ (r_{table} value for $N = 300$), It can be concluded that the indicators are all valid.

- **Reliability**

The Reliability from the variables of E-Service quality, price, and purchase intention can be seen in table 2.2.

Table 2.2 Reliability Results

Variables	Cronbach's alpha	Cronbach's alpha based on standardized items	N of item
E Service Quality	0.711	0.709	6
Price	0.761	0.763	5
Purchase Intention	0.612	0.609	3

Source: Reliability tests by using SPSS, 2020.

The construct reliability level of 0.6 was stated to be quite good (Bagozzi; Yi, 1988). The table above shows that all variables have a Cronbach Alpha that is large enough that is above 0.60 so that it can be said that all measuring concepts of each variable from the questionnaire are reliable and fit to be used as a measurement tool in which each indicator can form variables.

The Data of partial hypothesis test from E-Service Quality and Price is presented in Table 3.

Table 3. Partial hypothesis test (T-Test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.012	.641		3.137	.002
	E-Service Quality (X1)	.152	.034	.250	4.409	.000
	Price (X2)	.334	.035	.535	9.433	.000

Source: Simultaneous hypothesis tests by using SPSS, 2020.

Dependent Variable: Purchase Intention (Y)

- If the sig value < 0.05 , the hypothesis is accepted.
- If $T_{\text{arithmetic}} > T_{\text{table}}$, the hypothesis is accepted.

Based on the results of the T test table, the variable E service quality has a value (4.409) $> T_{\text{table}}$ (1.967984), then H1 can be accepted with a 95% confidence level, so that the quality of electronic services has a positive influence on customer purchase intentions.

Based on the results of the T test table, the price variable has a value $(9.433) > T$ table (1.967984) , then H_2 can be accepted with a 95% confidence level, so the price has a positive influence on customer purchase intentions.

The Data of Simultaneous hypothesis test from regression and residual is presented in Table 4.

Table 4. Simultaneous hypothesis test (F-Test)
ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	342.985	2	171.492	176.483	.000 ^a
Residual	288.602	297	.972		
Total	631.587	299			

Source: Partial hypothesis tests by using SPSS, 2020.

- Predictors: (Constant), Price (X2), E-Service Quality (X1)
- Dependent Variable: Purchase Intention (Y)
 - a. If the sig value < 0.05 , the hypothesis is accepted.
 - b. If $F_{\text{arithmetic}} > F_{\text{table}}$, the hypothesis is accepted

In the Table 5 contain the result of determination Coefficient R Square

Table 5. The Result of Determination Coefficient R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 ^a	.543	.540	.98576

- a. Predictors: (Constant), Price (X2), E-Service Quality (X1)
b. Dependent Variable: Purchase Intention (Y)

Based on the results of the F test table in table 4, the E-service quality and price variable has a value $(176,483) > F$ table (3.026153) , then the H_3 hypothesis can be accepted with a 95% confidence level, so that E service quality and price have a positive influence simultaneously on customer purchase intentions.

The F test results in table 4 are strengthened through the results of the R square determination coefficient contained in table 5, where the effect of the independent variable on the dependent is 54.3% and the remaining 45.7% is caused by other factors.

The percentage results from 300 respondents on Google form show that the highest percentage results in indicator of buying is 53%, and the lowest percentage results in indicator of fulfillment is 0.12%. Referring to the lowest results on the percentage indicator of fulfillment which is equal to 0.12%, online food or drinks sellers must pay attention to the quality of electronic services, especially in fulfillment services.

Conclusion

This study shows that E-service quality and price have a significant positive effect on purchase

intentions either partially or simultaneously during the Covid period. The results of a questionnaire conducted through 300 students from the Trisakti Institute of Transportation and Logistic in 2017 show that the highest percentage were in indicator of buying which is 53%, and the lowest percentage of results in indicator of fulfillment is 0.12%. This proves that the pandemic is quite influential in changing consumers' behavior patterns in food or drinks shopping where consumers are more likely to buy food or drinks through online applications which resulted an increase in the percentage of buying via the online application indicator. However, the pandemic made food or drinks sellers care less in providing good quality electronic (fulfillment) services to customers, this can be seen from the results that there was a very small percentage of indicator fulfillments.

Limitation and Future Research

This study is limited to the influence of E-service quality and price on customer purchase intentions, especially during the Covid period and further research will be carried out by expanding research, namely on how all generations adapt to use constantly updated applications that have an impact on customer purchase intentions.

The parameter to be measured is the relationship and the effect of each variable on the purchase interest of food or drinks in an online application, where future research of the parameters to be tested is the effect of logistical performance and purchase intention (basic needs) on customer satisfaction.

In this study, the data were taken from 300 respondents of Trisakti Institute of Transportation and Logistics students of 2017, while further research is suggested to conduct a study towards different populations, for example housewives in Jakarta.

Demographic characteristics of the respondents used in this study, namely: a. gender, consisting of men and women b. age, consisting of <20 years, 20 years, 21 years, 22 years, and > 22 years. As with future research, demographics of respondents aged <20 years to > 40 years is suggested to be conducted.

For further research, it is necessary to look at customer purchase intentions in terms of how to adapt to increasingly sophisticated application updates that from time to time are which can affect customer satisfaction. Because there are some customers who are not familiar with the use of purchasing applications and there are some customers who stumble and feel uncomfortable in using the applications with sophisticated software when ordering food or drink.

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