



Determinants of Purchase Intention on the Marketplace

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Abstract

The behavior of the community, especially in Indonesia, is currently undergoing changes. Initially shopping conventionally switched to shopping online. To meet the needs of the community, the marketplace is an option to meet daily needs. Marketplace is an online-based business platform that involves good transactions between related parties. Various determining factors in encouraging consumers to determine purchase intent on a marketplace various determining factor in encouraging consumers to determine purchase intent on a marketplace. The purpose of creating a marketplace is to provide facilities in the form of business interaction and collaboration on online platforms. The purpose of this study is to test the influence of functional value, social value, emotional value, brand awareness on purchase intention in a marketplace. The research was conducted by involving people in the Jabodetabek area who had made transactions on a marketplace. The sampling technique used in the study was non-probability sampling with convenience sampling technique. The sample size involved 122 respondents. Research data were obtained by distributing questionnaires through Google-Form. The analysis technique uses the SEM program SmartPLS 4.0. The results showed that functional value has a positive and significant influence on purchase intention. Social value has a positive but not significant influence on purchase intention. Emotional value has a positive but not significant influence on purchase intention. Brand awareness has a positive and significant influence on purchase intention. The results of the study are expected to make consideration of a marketplace to increase functional value and brand awareness because this can affect people's purchase intentions.

Keywords: *Purchase Intention; Functional Value; Emotional Value; Social Value; Brand Awareness; Marketplace*

Introduction

In 2022, there is an economic downturn that occurs, especially in Indonesia. Based on data from the Central Statistics Agency (BPS, 2020), Indonesia experienced an economic decline of -2.07 percent.

This is supported by the phenomenon of the spread of the Covid-19 pandemic. The Covid-19 pandemic has caused the Indonesian government to issue various policies to reduce the chain of spread of the Covid-19 pandemic (Kompaspedia, 2020). One of the government's policies, namely Large-Scale Social Restrictions (PSBB), has caused lockdowns to several major cities so that the Indonesian economy declines (Muhyiddin, 2020). Based on survey data obtained by databooks (2021) related to increasing public expenditures, including:

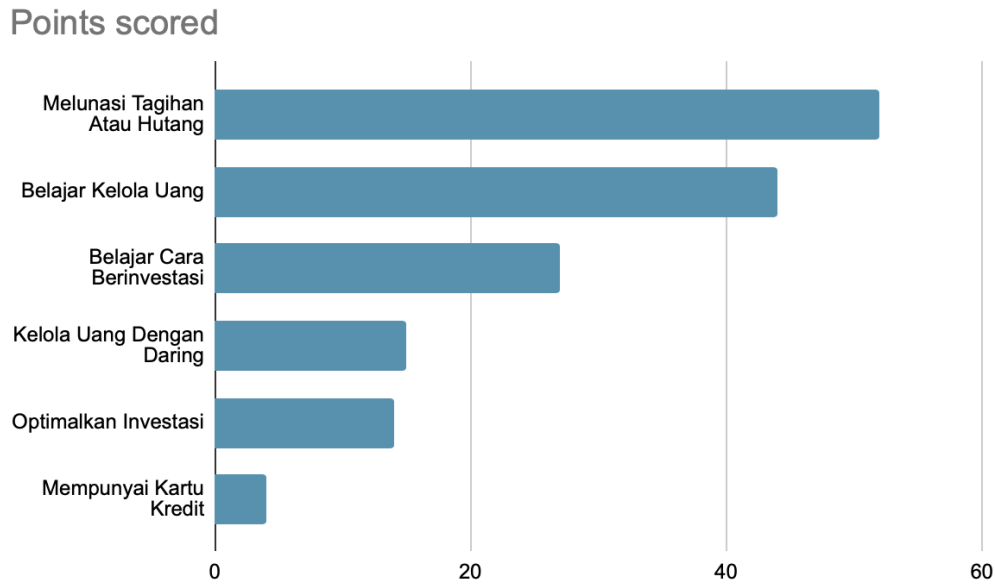


Figure 1. Community Needs Data

According to survey data from databooks distributed to 2,491 respondents in Indonesia, the majority of people consider paying off bills or debts as their top priority. This condition was stated by 52.2% of respondents. Furthermore, the needs of the community regarding learning to manage finances, which was stated by 44.6% of respondents. In addition, respondents who considered learning how to invest and manage finances online were the needs of 27.3% and 15.5%, respectively.

Therefore, people use the marketplace to meet the needs of the community. Marketplace is an online-based business platform that involves transactions between individuals, groups and related organizations. States that the Kawa & Wałęsiak (2019) marketplace is a platform that provides product offers and services to sellers that can be provided to the public. With the existence of a marketplace in the community, not only are the needs easy to meet instantly, but also people's purchasing intentions on the marketplace are getting higher. This can happen because there are so many offers given to the public such as free shipping vouchers, discounts on various products and many more.

The research conducted related to marketplaces with purchase intention is supported by previous research according to which is related to people's interest in buying products and can be assumed to be a direct antecedent of the community. Based on a survey conducted by researchers, it was concluded that the factors that influence people's Toufani et al., (2017) purchase intention to shop using the "x" marketplace include promotions, celebrity endorsements, and value provided to the community. The purpose of the study was to find out whether functional value, social value, emotional value, brand awareness can affect purchase intention for the marketplace "x". The research was conducted with the hope of improving the performance of marketplace companies in Indonesia.

Literature Review

Based on the understanding of functional value, it is a benefit that can make a product in demand by the public based on its use, ability, and also function that can affect the value of the product. Supporting factors that can affect functional value are price, quality and quantity. Price is one of the dominant factors for functional value because according to Gurein (2003, in Sudarso 2016) it is stated that price is part of the "value for money". From a public point of view, functional value has its own interest in the product being marketed based on the rationality relationship produced by the product.

Social value is a benefit that can make the product can influence a person through information that can be obtained whether it comes from a family. This is similar to the research Sheth et al., (1991) states that "Social value comprise the normative value imposed by others, such as family and friends, reference groups, and even society at large". Social value was created to provide an additional view to the public on products that can contribute and can be applied to the activities of a business so that business actors can get maximum profits.

Emotional value is a benefit that can affect a person or more if the product has an impact that can affect a person's feelings to buy and own the product. This is similar to the research states Sheth et al., (1991) that *emotional value* is defined as: "*The perceived utility acquired from an alternative's capacity to arouse feelings or affective states*". *Emotional value* has an important role in maintaining the relationship between the company and society at a certain period of time. According to Irham Khairin Ibn Hatta (2015) emotional value, it is divided into 3 factors, including experience, personal interests, and interpersonal relationships. According to experience, it can reduce the possibility of risk because according to Henning-Thuruau et al., (2001) that personal interest is part of the elements that are considered positive by society continuously towards the company so that interpersonal relationships between the company and the community are established in accordance with their respective capacities.

Brand awareness is a benefit that can influence people to buy products for a brand based on the memory and brand recognition that the community has of the brand. This is similar to previous research according to Aaker (1991) that *brand awareness* is: "*The ability of a potential buyer to recognize or recall that a brand is a member of a certain product category*". Brand awareness has several levels, including: unaware of brand which means customers are not fully aware of the brand's presence, secondly brand recognition which means customers need supporting tools to know a brand, thirdly brand recall which means customers are able to remember the brand without being given a stimulus.

Purchase intention is a benefit that can influence the public in purchasing the product based on the desire to buy the product. Purchase intention serves as a measuring tool for people's tendency to buy a product. However, based on research, it is relatively difficult to measure because it is natural to measure Liu et al., (2019) purchase intention as a substitute for some concrete behaviors. Therefore, Toufani et al., (2017) explained that the components of society and products are getting stronger so that people's desire to buy products is higher.

Research Methods

The research was conducted using a descriptive quantitative approach. The reason researchers use this approach is because the information is taken based on numerical data that is managed using certain statistical techniques so that they can obtain interpretations from the researched. The sampling method used in the study was non-probability sampling with convenience sampling techniques for researchers. The sample size involved 122 respondents. Research data were obtained by distributing questionnaires through Google-Form. The questionnaire conducted by the researcher consisted of variables functional value, social value, emotional value, brand awareness and purchase intention.

The instruments contained in the functional value variable consist of 5 items: efficiency in operating the marketplace, product offerings, information delivery and public pride in the marketplace. The second instrument on the Toufani *et al.*, (2017) social value variable consists of 5 items: trust, reputation, recognition, and authentic of the marketplace. The third instrument, namely Toufani *et al.*, (2017) emotional value, consists of 5 items: service to the community, trust, ease of making transactions and convenience of shopping. The fourth instrument is Toufani *et al.*, (2017) brand awareness consisting of 5 items: the community's favorite marketplace, a marketplace identity that is easy for the public to remember, an introduction to the commercial marketplace to the public Grinder *et al.*, (2017) and Hutter *et al.*, (2013). The fifth instrument is purchase intention consisting of 5 items: consumer priority using the marketplace, public response will use the marketplace. Influencer recommendations, buying interest in the marketplace to the public, and public recommendations to shop on the marketplace. The analysis technique uses the SEM program Sun *et al.*, (2022) SmartPLS 4.0. Here are the indicators used by researchers.

Result and Discussion

Uji Validitas

Hair *et al.*, (2011) state that convergent validity will be considered absolute if AVE (*Average Variance Extracted*) has a value above 0.50 (>0.50). The following table 1 shows the AVE results above 0.5 where the study was declared valid. In the research conducted, it shows that the variables used in the research conducted are declared valid. The following are the results of data calculations carried out

Table 1. *Average Extracted Variance Analysis Results*

Variabel	<i>Average Variance Extracted (AVE)</i>
<i>Brand awareness</i>	0.611
<i>Emotional value</i>	0.593
<i>Functional value</i>	0.661
<i>Purchase intention</i>	0.593
<i>Social value</i>	0.646

Analysis of the coefficient of determination (r^2) that has been taken into account by the researchers, shows that purchase intention (dependent variable) can be described to purchase intention, social value, emotional value and brand awareness (independent variable) with data acquisition of 60% and the remaining 59.3% can be explained in other variables. The result of the value of the coefficient of determination on the purchase intention variable has a moderate rate (0.6 - 0.79). The following is a table of data from the analysis of the coefficient of determination analysis (r^2)

Table 2. *Coefficient of Determination Analysis*

Variabel	R-square	R-square adjusted
<i>Purchase intention</i>	0.606	0.593

According to the data obtained related to the effect size (f^2) results, it shows that the functional value (independent variable) has a moderate effect ($0.105 \leq f^2 \leq 0.35$) with data acquisition of 0.105 on purchase intention (dependent variable).

Table 3. *Effect Size (f²)* Result

Variabel	BA	EV	FV	PI	SV
<i>Brand awareness</i>				0.105	
<i>Emotional value</i>				0.018	
<i>Functional value</i>				0.210	
<i>Purchase intention</i>					
<i>Social value</i>				0.000	

According to Hair *et al.*, (2019) p-value in research that research can signal that the result of a significant hypothesis on p-value signifies a significant hypothesis result and must be smaller than the significant level in the bootstrapping algorithm which is worth 0.5. Based on the data obtained by the researcher, it is explained that the bootstrapping method provides data in the form of t-statistic, p-value, and original sample values (path coefficients). The t-statistic value is required to be above the value of 1.96 (.1.96) and the p-value is required to be below 0.05 (<0.05) to state that the data acquisition is significant. If the original sample value is close to the value of 1, it will test positive, while for values close to -1 it will test negative.

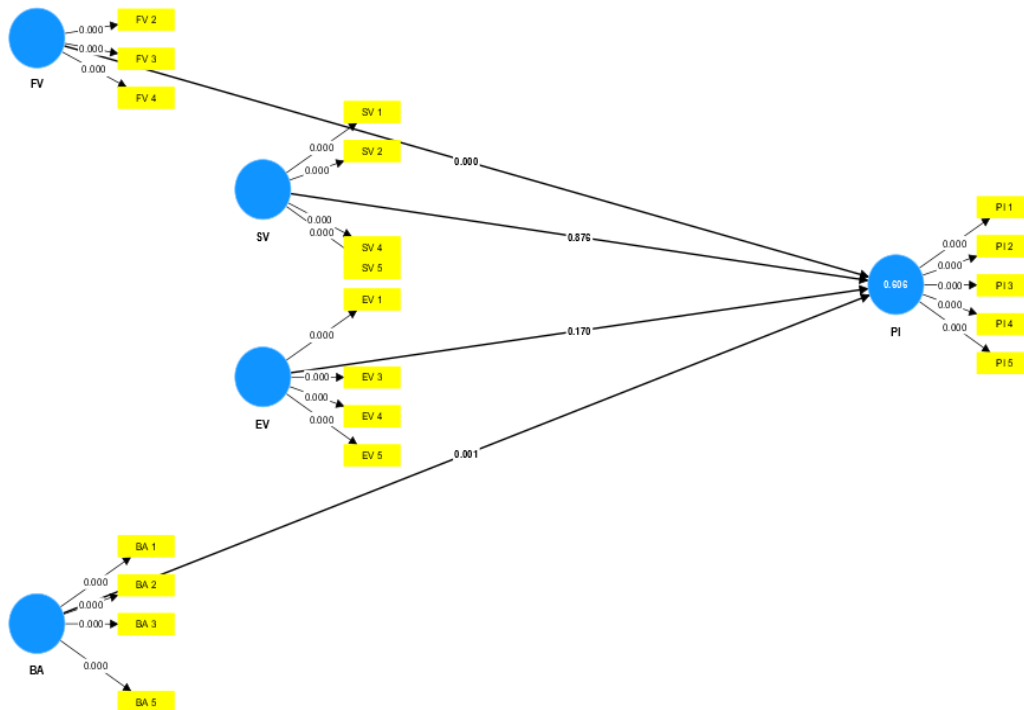


Figure 2. Bootstrapping Analysis Results (Direct Effect)

Table 4. *Boostrapping Analysis Results (Direct Effect)*

Variabel	Original Sample (O)	T statistic ($ O/STDEV $)	P value
BA -> PI	0.310	3.195	0.001
EV -> PI	0.135	1.372	0.170
FV -> PI	0.434	4.727	0.000
SV -> PI	0.019	0.155	0.876

Discussion

Based on the results of the analysis of the first hypothesis (H1) Proves that functional value on purchase intention has a positive and significant influence. The results of the research analysis are supported by previous research by Peng *et al.*, (2019); Kartini & Ajeng (2015) who stated that functional value has a positive and significant effect on purchase intention. The results of the study were obtained based on t-static data of 4,727 which is greater than 1.96 (>1.96) and a p-value of 0.000 smaller than 0.05 (<0.05), so the resulting research is significant. The research conducted was positive because the original value produced had a data gain of 0.434. Based on the results of the analysis, the functional value in the marketplace community "x" in the Jabodetabek area has a significant influence on purchase intention.

Based on the results of the analysis of the second hypothesis (H2) Proves that social value on purchase intention has a positive but not significant influence. The results of the research analysis are supported by previous research by Wu *et al.*, (2018); Hsiao & Chen (2018) which states that social value has a positive but not significant effect on purchase intention. The results of the study were obtained based on t-static data of 0.155 which is smaller than 1.96 (<1.96) and a p-value of 0.876 greater than 0.05 (>0.05), so the resulting research is not significant. The research conducted is positive because the original value produced has a data gain of 0.019. Based on the results of the analysis, the social value in the marketplace community "x" in the Jabodetabek area has an insignificant influence on purchase intention.

Based on the results of the third hypothesis analysis (H3) Proves that emotional value towards purchase intention has a positive but not significant influence. The results of the research analysis are supported by previous research by Hsu & Lin (2015) which states that social value has a positive but not significant effect on purchase intention. The results of the study were obtained based on t-static data of 1,372 which is smaller than 1.96 (>1.96) and a p-value of 0.170 greater than 0.05 (>0.05), so the resulting research is not significant. The research conducted was positive because the original value produced had a data gain of 0.135. Based on the results of this analysis, the emotional value in the marketplace community "x" in the Jabodetabek area has an insignificant influence on purchase intention.

Based on the results of the fourth hypothesis analysis (H4) proves that brand awareness of purchase intention has a positive and significant influence. The results of the research analysis are supported by previous research by Chen *et al.*, (2022); Hutter *et al.*, (2013) which states that brand awareness has a positive and significant effect on purchase intention. The results of the study were obtained based on t-static data of 3,195 which is smaller than 1.96 (>1.96) and a p-value of 0.001 smaller than 0.05 (<0.05), so the resulting research is significant. The research conducted was positive because the original value produced had a data gain of 0.310. Based on the results of the analysis, brand

awareness in the marketplace community "x" in the Jabodetabek area has an insignificant influence on purchase intention.

Conclusion

Based on the research conducted and tested, the research can be concluded as follows:

1. Functional value has a positive and significant influence on purchase intention in the marketplace x community in the Jabodetabek area.
2. Social value has a positive and insignificant influence on purchase intention in the marketplace x community in the Jabodetabek area.
3. Emotional value has a positive and insignificant influence on purchase intention in the marketplace x community in the Jabodetabek area.
4. Brand Awareness has a positive and significant influence on purchase intention on the marketplace x community in the Jabodetabek area.

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