
**THE EFFECT OF PROMOTIONS AND ONLINE CUSTOMER REVIEWS ON
PURCHASE DECISIONS MEDIATED BY BRAND IMAGE ON ERIGO
PRODUCTS ON SHOPEE E-COMMERCE**

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Abstract

This study aims to analyze the effect of promotions and online customer reviews on purchase decisions mediated by the brand image of Erigo products in Shopee e-commerce. Data were collected through questionnaires distributed to Erigo consumers who shop through Shopee. The data analysis method used is Partial Least Squares (PLS) with the help of SmartPLS application. This study concludes that promotions and online customer reviews directly influence purchase decisions; however, brand image is not a significant mediator in this relationship. These findings imply that effective promotion strategies and online customer review management can enhance purchase decisions, even though the brand image does not directly mediate this relationship for Erigo products on Shopee.

Keywords: Promotion, Online Customer Reviews, Brand Image, Purchase Decision

INTRODUCTION

In the era of globalization, the internet can be accessed and obtained everywhere, because the internet has become a daily necessity that can reach other activities (Nurussofiah et al., 2022). The internet can also now be used for teaching and learning activities and even online shopping orders. Therefore, with the development of existing technology, e-commerce tries to always understand what is needed by consumers. Current technological developments have an impact on the general public, which raises problems in their behavior (Isma et al., 2023). E-commerce stands for Electronic Commerce which means the marketing system through the internet or through electronic media that can be accessed everywhere (Ghaffar, 2023).

Erigo is a renowned fashion brand in Indonesia. Established on November 28th, 2010, initially under the name Selected and Go, Erigo was founded by Muhammad Saddam. The brand offers a wide variety of products for both men and women, including t-shirts, shirts, jackets, and other items targeting millennials with a need for travel (Nobel, 2022). Erigo Official Shop is known for its constantly updated products and affordable prices. Moreover, Erigo Official Shop is one of the Indonesian brands that has gained international recognition. Erigo Official Shop has numerous stores spread across Indonesia, but it also leverages social media for online marketing. Since joining e-commerce platforms, Erigo has experienced a significant impact (Putra, 2021). Throughout 2020, Erigo recorded an order increase of more than tenfold compared to the previous year. One of Erigo Official Shop's marketing methods is through Shopee and Tokopedia, with Shopee being the favorite for purchasing Erigo products. Purchases of Erigo products on Shopee, TikTok, and Tokopedia currently have a following of 5.8 million users (Nobel, 2022). in the study (Gienov et al., 2023) said that there is a phenomenon that talks about whether Erigo products are marketable products so that there is a decrease in the decision to buy the product.



Figure 1
Survey on Erigo Product Purchase in Bekasi Regency

In the image above, the researcher displays the results of the pre-survey conducted by the researcher, namely from 30 people in Bekasi Regency, people buy Erigo products from online stores, including through Shopee and Tokopedia. The results of the survey resulted in 83% of people in Bekasi Regency buying Erigo products from the Shopee application, and 17% buying from the Tokopedia application, this is because on the Shopee application there are many reviews by buyers who are satisfied with the product which makes people interested and decide to buy this product from Erigo.

REVIEW OF LITERATURE

Purchase Decision

According to Dharmmesta and Handoko in (Naafi, 2020), a purchase decision is a problem-solving approach in human activities to buy goods or services to meet their wants and needs. This process consists of recognizing needs and wants, searching for information, evaluating purchase alternatives, making the purchase decision, and post-purchase behavior. Similarly, Kotler and Keller in (Alfatiha & Budiarmo, 2020) state that a purchase decision is a decision made by consumers to purchase a product through stages that include perceived needs, pre-purchase activities, usage behavior, and post-purchase feelings. According to Tjiptono (Hidayat & Sudarwanto, 2022), a purchase decision is a process in which consumers identify their problems, seek information about specific products, and evaluate each alternative that can solve the problem, leading to a purchase decision. Based on the opinions of experts regarding purchase decisions, it can be concluded that a purchase decision is a decision-making process that begins with problem recognition, followed by evaluation, and

ultimately results in deciding whether or not to purchase a product based on certain considerations.

Brand Image

Brand image is the perception or distinct image of an object compared to others (Musay, 2023). Many assume that an image is worth a thousand words, which can be illustrated through photos, icons, symbols, and characters, each creating a visual rich in stimuli. The brand image also influences consumers' evaluations of the brand in a market; this perception can be formed based on personal experiences or hearing about the brand from others (Mahiri, 2020). If the brand is easily remembered by consumers, its appeal improves. Conversely, if the brand is difficult for consumers to recall, it will affect the product's market value and, consequently, its sales potential.

Promotion

According to Gitosudarmo in (Bongsu, 2018), promotion is an activity aimed at influencing consumers so that they become familiar with the products offered by the company, grow to like them, and eventually purchase them. Lupiyoadi in (Claudy & Dharmawan, 2021) states that promotion involves activities such as advertising, personal selling, sales promotion, and public relations. Meanwhile, Kotler & Keller in (Dharmawan, 2022) describes promotion as an activity that communicates the advantages of a product and influences the target customers to buy it. According to (Suryani & Syafarudin, 2021) in an international journal, promotion is a crucial factor in achieving a company's sales objectives. For consumers to become regular customers, they must first try or examine the products produced by the company, ensuring their confidence in the products.

Online Customer Reviews

According to Sutanto & Aprianingsih (2016), online customer reviews are a form of electronic word of mouth and can be considered a new marketing communication that influences and plays a role in the purchase decision process. Online customer reviews are evaluations provided by consumers related to information about various aspects of a product. This information allows consumers to assess the quality of the product they are searching for based on reviews and experiences written by those who have purchased the product from an online seller (Mo, Li & Fan, 2015). According to Khammash (2008:79), online customer

reviews can be understood as a medium for consumers to see reviews from other consumers about a product, company services, and how a company operates. Product reviews provide product information from the consumer's perspective, and as a source of recommendations, they reflect the recommendations of previous consumers (Liu et al., 2020).

RESEARCH METHOD

Population is the entire research object/subject, while the sample is a part or representative that has representative characteristics of the population. The population in this study is all Shopee users in Bekasi Regency whose number is unknown. A sample is a portion of the population to represent the entire population (N. F. Amin et al., 2023). The determination of the number of samples in this study was carried out using the formula from Lemeshow because the number of the population is unknown or infinite. So, the sample obtained is 97 samples. The sample used was Nonprobability Sampling. Meanwhile, the determination of the number of respondents (samples) was determined using the Incidental Sampling method. This type of research is quantitative by using the SmartPLS 3.0 application to process tabulation data.

RESULTS AND DISCUSSION

The outer model design is used to connect independent variables to bound variables and mediate. The design of the outer path model can be described as follows:

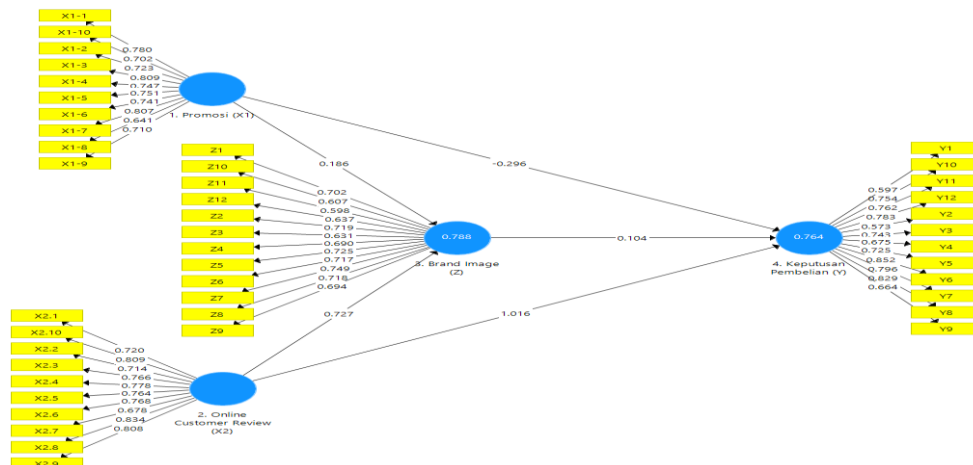


Figure 1
Outer Model

Source: Smart PLS 3.0 primary data, 2024

Convergent validity

Convergent validity is the correlation between reflexive indicator values and latent variable values. Convergent validity is measured by the outer loading parameter. A reflective measure is given a high score if it correlates more than 0.70 with the construct it wants to measure. However, in the early stages of research, an outer loading value of 0.50 is considered sufficient (Wardani et al., 2022).

Table 1
Outer Loading

Variable	Indicator	Outer Loading	Information
Promotion (X1)	X1-1	0,780	Valid
	X1-2	0,723	Valid
	X1-3	0,809	Valid
	X1-4	0,747	Valid
	X1-5	0,751	Valid
	X1-6	0,741	Valid
	X1-7	0,807	Valid
	X1-8	0,641	Valid
	X1-9	0,710	Valid
	X1-10	0,702	Valid
Online Customer Review (X2)	X2.1	0,720	Valid
	X2.2	0,714	Valid
	X2.3	0,766	Valid
	X2.4	0,778	Valid
	X2.5	0,764	Valid
	X2.6	0,768	Valid
	X2.7	0,678	Valid
	X2.8	0,834	Valid
	X2.9	0,808	Valid
	X2.10	0,809	Valid
Brand Image (Z)	Z1	0,702	Valid
	Z2	0,719	Valid
	Z3	0,631	Valid
	Z4	0,690	Valid
	Z5	0,725	Valid
	Z6	0,717	Valid
	Z7	0,749	Valid
	Z8	0,718	Valid
	Z9	0,694	Valid
	Z10	0,607	Valid

	Z11	0,598	Valid
	Z12	0,637	Valid
Purchase Decision (Y)	Y1	0,597	Valid
	Y2	0,573	Valid
	Y3	0,743	Valid
	Y4	0,675	Valid
	Y5	0,725	Valid
	Y6	0,852	Valid
	Y7	0,796	Valid
	Y8	0,829	Valid
	Y9	0,664	Valid
	Y10	0,754	Valid
	Y11	0,762	Valid
	Y12	0,783	Valid

Source: Smart PLS 3.0 primary data, 2024

Based on Table 4.4, it can be concluded that the outer loading value of all research variables is > 0.5 . This shows that many variables have been satisfied and each variable has a high level of validity.

Discriminant validity

Measurement of discriminant validity using cross-loading score and mean sampling variance (AVE) score. The results of this sample mean-variance (AVE) test show that the AVE value produced by each variable used is greater than 0.5, so it meets the conditions and limits of 0.5 to ensure that AVE is achieved.

Table 2
Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Promotion (X1)	0,552
Online Customer Review (X2)	0,586
Brand Image (Z)	0,568
Purchase Decision (Y)	0,539

Source: Primary Data Processed, 2024

Based on Table 2 above, the AVE value in the research variables has reached a value above 0.5, which shows that the discriminant value contained in these variables has justifiable validity. Therefore, the research can proceed to the next stage.

Hypothesis

The results of hypothesis testing of this study are presented in the following table:

Table 3
Hypothesis Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Promotion (X1) -> Purchase Decision (Y)	-0,363	-0,362	0,098	3,706	0,000
Online Customer Review (X2) -> Purchase Decision (Y)	1,018	1,019	0,085	12,047	0,000
Promotion (X1) -> Brand Image (Z)	0,102	0,099	0,101	1,006	0,315
Online Customer Review (X2) -> Brand Image (Z)	0,773	0,778	0,089	8,659	0,000
Brand Image (Z) -> Purchase Decision (Y)	0,133	0,134	0,119	1,121	0,263

Source: Primary Data Processed, 2024

Table 4
Hypothesis path coefficients

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Promotion (X1) -> Brand Image (Z) -> Purchase Decision (Y)	0,014	0,012	0,020	0,688	0,492
Online Customer Review (X2) -> Brand Image (Z) -> Purchase Decision (Y)	0,103	0,105	0,095	1,086	0,278

Source: Smart PLS 3.0 primary data, 2024

According to Table 3 and Table 4, Based on the results of testing and data processing carried out by the author using the SmartPLS 3.0 application, the following are the conclusions obtained for each hypothesis in this study:

The Influence of Promotion (X1) on Purchase Decision (Y)

The results of this study show that the parameter coefficient of t-statistics for Promotion -> Purchase Decision is significant, indicating that H_0 is rejected and H_a is accepted. This means that Promotion has a positive and significant influence on Purchase Decisions. This finding is consistent with research conducted by Made et al. (2019), Octadya et al. (2023), and Simangunsong & Morina (2021), which also stated that promotion has a significant positive effect on Purchase Decisions. This is relevant to my research, which examines the influence of promotion on the purchase decision of Erigo products on the Shopee e-commerce platform. In the current digital era, promotions on e-commerce platforms like Shopee play a crucial role in attracting consumer attention. Questionnaire statements such as "X1.2 The Erigo brand in print media can attract consumer interest to buy" and "X1.4 Promotions in the form of bonuses (e.g., Buy 1 Get 1) offered by the Erigo brand can attract consumer interest to buy" illustrate various promotional tactics and their effects on purchase decisions. Shopee frequently uses various promotional strategies, such as large discounts, shopping vouchers, and flash sales, which can increase consumer interest in purchasing Erigo products. Effective promotions on Shopee not only increase the visibility of Erigo products but also create urgency for consumers to purchase before the promotion ends. The study's findings indicate that promotion has a positive and significant impact on purchase decisions.

The Influence of Online Customer Review (X2) on Purchase Decision (Y)

The results of this study show that Online Customer Review -> Purchase Decision is significant, indicating that H_0 is rejected and H_a is accepted. This means that Online Customer Review has a significant positive influence on Purchase Decisions. This finding is consistent with research conducted by Ardianti & Widiartanto (2019), Nafingatunisak & Hirawati (2022), and Ramadan et al. (2021), which stated that online customer reviews have a significant positive effect on Purchase Decisions. This is particularly relevant for Erigo products on the Shopee e-commerce platform, where online customer reviews serve as a

crucial source of information for consumers. Questionnaire statements such as "X2.1 It is easier for me to make a purchase decision for Erigo products on Shopee with product reviews" and "X2.5 I will purchase Erigo products after seeing the advantages conveyed by previous consumers" highlight the importance of reviews in the decision-making process. Positive reviews from previous customers provide a realistic view of the quality and satisfaction with Erigo products, thereby increasing new consumers' trust in making purchase decisions. Reviews that include positive experiences tend to create a word-of-mouth effect, expanding marketing reach organically. Considering current consumer habits, where they tend to seek online product reviews before making a purchase decision, customer reviews play a significant role in their decision-making process. With consistent positive reviews, consumers feel more confident and motivated to purchase Erigo products. Therefore, companies need to manage customer reviews well, including promptly addressing complaints and providing satisfactory solutions to maintain a positive product image in consumers' eyes.

The Influence of Promotion (X1) on Brand Image (Z)

The results of this study show that Promotion \rightarrow Brand Image is not significant, indicating that H_0 is accepted and H_a is rejected. This means that Promotion does not influence Brand Image. This finding is consistent with research by Hanafiah & Kasmu (2019) and Nugroho (2018), which stated that promotion does not significantly influence brand image. It shows that although promotion can attract consumer attention and increase sales, it does not necessarily succeed in forming or strengthening Brand Image. Questionnaire statements such as "X1.9 Erigo brand promotions in the form of sponsorships can attract consumer interest to buy" highlight specific promotional efforts that may not significantly contribute to a strong brand image. In the case of Erigo products on Shopee, promotions often focus on discounts and short-term offers, which may not be sufficient to build a strong and lasting brand image. A strong Brand Image is usually formed by a combination of factors, including product quality, customer service, and consistency in brand communication.

The Influence of Online Customer Review (X2) on Brand Image (Z)

The results of this study show that Online Customer Review \rightarrow Brand Image is significant, indicating that H_0 is rejected and H_a is accepted. This means that Online Customer Review has a significant positive influence on Brand Image. This finding is

consistent with research in journals by Angelique (2021) and Hanafiah & Kasmoo (2019), which stated that online customer reviews significantly affect Brand Image. Questionnaire statements such as "X2.4 I will purchase after seeing reviews from consumers who have used the product" illustrate how positive reviews not only influence purchase decisions but also strengthen Erigo's brand image. Good reviews reflect positive consumer experiences with the product, which in turn improves other consumers' perception of the brand. Therefore, Erigo needs to continuously monitor and encourage positive reviews from its customers to maintain and enhance its Brand Image on Shopee.

The Influence of Brand Image (Z) on Purchase Decision (Y)

The results of this study show that Brand Image \rightarrow Purchase Decision is not significant, indicating that H_0 is accepted and H_a is rejected. This means that Brand Image does not significantly influence Purchase Decisions. This finding is consistent with research in journals by Gienov et al. (2023) and Purnamasari & Murwatiningsih (2015), which stated that brand image does not directly influence purchase decisions. Questionnaire statements such as "Z1 Erigo is a brand known to the public" emphasize the importance of Brand Image, but in the context of Shopee e-commerce, purchase decisions are more influenced by direct factors such as promotions and customer reviews. This might be due to the nature of e-commerce, which allows consumers to quickly compare products and prices and read reviews directly before making a purchase. Therefore, while Brand Image remains important in the long term, purchase decisions on e-commerce platforms are more influenced by immediate factors like promotions and customer reviews.

The Influence of Promotion (X1) on Purchase Decision (Y) Through Brand Image (Z)

The results of this study show that Promotion \rightarrow Brand Image \rightarrow Purchase Decision is not significant, indicating that H_0 is accepted and H_a is rejected. This means that Promotion does not influence Purchase Decisions through Brand Image. This finding is consistent with research in journals by Rosmaniar et al. (2022) and Setiawan (2023), which stated that promotion does not affect purchase decisions through brand image, meaning that brand image cannot mediate or directly influence promotion's impact on purchase decisions. Questionnaire statements such as "X1.8 Erigo brand promotions in the form of sponsorships can attract consumer interest to buy" indicate that although promotions can directly attract

buyers, their influence on purchase decisions does not depend on Brand Image. Consumers are more influenced by direct promotional offers than by long-term changes in brand perception.

The Influence of Online Customer Review (X2) on Purchase Decision (Y) Through Brand Image (Z)

The results of this study show that Online Customer Review -> Brand Image -> Purchase Decision is not significant, indicating that H_0 is accepted and H_a is rejected. This means that Online Customer Reviews do not significantly influence Purchase decisions through Brand Image. This finding is consistent with research in journals by Febtiani (2021) and Larasati & Purmono (2023), which stated that online customer reviews do not affect purchase decisions through brand image, meaning that brand image cannot mediate the effect of online customer reviews on purchase decisions. Questionnaire statements such as "X2.8 Reviews from previous consumers provide a clearer picture of the product" emphasize that customer reviews directly influence purchase decisions without going through changes in Brand Image.

CONCLUSION

The study concludes that both promotion and online customer reviews have a significant positive influence on purchase decisions for Erigo products on the Shopee e-commerce platform, while the brand image does not have a direct significant impact on purchase decisions. Promotions effectively attract consumer interest and drive sales, and online customer reviews provide essential information that boosts consumer confidence in making purchase decisions. However, despite the importance of a strong brand image in the long term, it does not mediate the influence of promotions or online customer reviews on purchase decisions. Therefore, while brand image remains a crucial aspect of overall brand strategy, immediate promotional efforts and the management of online customer reviews play a more significant role in influencing consumer purchase decisions in the e-commerce context.

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