The Effect of Advertising, Sales Promotion and Public Relations on Consumer Purchase Decisions Using E-Commerce Shopee During the Covid-19 Pandemic on Employees of PT. PNM (Persero)

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Abstract:- The rapid development of the digital era today is no longer a taboo subject, because as we know that everyone around the world can access all information, communicate with each other even remotely, make buying and selling transactions easily from anywhere in real time using access. Internet. In the midst of the Covid-19 pandemic which has had a huge impact on every aspect of human life, especially the economic aspect, the digital era provides convenience that helps trade transactions with e-commerce. E-commerce is the distribution, purchase, sale, marketing of goods and services through electronic systems, such as the internet or television, or other computer networks. With the presence of several e-commerce sites in Indonesia, competition using the best marketing communication strategy is one of the critical success factors to attract the attention of every consumer. This study aims to analyze the influence of communication models in marketing, namely advertising, sales promotion and public relations which have the most influential factors on consumers in making purchasing decisions whose financial system is affected during the Covid-19 pandemic using Shopee's e-commerce media. The sample of this research is 109 employees at PT. PNM (Persero). The data analysis technique used Structural Equation Modeling (SEM) AMOS version 24.0 program to test the relationship between the research hypotheses. The conclusions obtained from this analysis can be used as a useful guide for market orientation in times of troubled economic conditions.

Keywords:- Advertising, Sales Promotion, Public Relations, Consumer Purchase Decisions, E-Commerce.

I. INTRODUCTION

The Covid19 pandemic or also known as coronavirus is a type of virus that has been identified as the cause of respiratory diseases and was first detected in the city of Wuhan, China, according to data from the Compa, according to the Center for Control and Disease Prevention. article.com. In the Kompas.com article, the World Health Organization (WHO) declared a global emergency against coronavirus. WHO chief Tedros Adhanom Ghebreyesus said the state of emergency is not due to the spread of the virus in China, but to the fact that it has spread widely in many countries. The effects of the coronavirus outbreak (Covid19) are not only detrimental to health, but also have a significant impact on the economies of countries around the world, including Indonesia.

The three main impacts on the Indonesian economy are a decline in economic growth, an increase in unemployment and an increase in poverty, according to data from the National Kontan article. All activities normally carried out on a daily basis must be discontinued due to the increasing number of positive patients and the number of victims requiring self-quarantine to reduce the spread of the virus to unexposed people. As a result, many companies and employees are unable to work as usual and production decreases, so the company suffers losses that ultimately lead to layoffs. Hidayat Amir, head of the Macroeconomic Policy Center of the Treasury Department's Fiscal Policy Agency, said the economic loss due to the spread of the coronavirus (Covid19) was drastic as seen in Indonesia's economic growth in the first quarter of 2020, which was drastic in the opinion. The cast in the Merdeka.com article has dwindled. This success declined annually by 5.07 percent in the first quarter of 2019 and from 4.97 percent in the last 3 months in the fourth quarter of 2019.

In early April 2020, Jakarta as the nation's capital which is the center of Indonesia's economy became the first province to implement a Large-Scale Social Restriction (PSBB) policy in response to the corona virus disease, which includes temporary cessation of activities in schools and workplaces, restrictions on religious activities, and restrictions on activities in public places or facilities. This policy also stopped buying and selling transactions which caused all shops and even big malls in Jakarta to be temporarily closed. This problem forces people to think of alternative ways to easily obtain their daily needs without having to leave the house and interact with other people. The ultimate solution leads to online or e-commerce purchases. Based on the Liputan 6 article, Head of the Payment System Policy Department of Bank Indonesia (BI), Filianningsih Hendarta said that e-commerce transactions were increasing due to the outbreak of the corona virus, so that it could drive the digital economy in Indonesia. E-commerce transactions increased 26 percent during the coronavirus pandemic. Not only that, daily transactions also increased to 4.8 million and e-commerce sales increased 26 percent. Then
the new consumer 51 percent, which means demand and supply increased. Digital payments are also increasing with the massive use of technology in everyday life. In May 2020, economic activity in e-commerce is claimed to have increased by 40.6 percent.

An epidemic or pandemic outbreak can cause major disruptions to production, investment and consumer spending. But on the other hand, a pandemic can be a new way of doing business towards success (Jung, H., Park, M, Hong, K. and Hyun, E., 2016). Previous studies have shown that mass intake and social media influence in assessing the severity of the crisis, thus impacting the shopping experience (Kaur, K., Kunasegaran, M., Singh, J., Salome, S., Sandhu, S.K., 2020). Various communication strategies in marketing the business to attract consumer buying interest must be carried out so that there are no more losses. This kind of strategy is known as a marketing communication strategy. The marketing literature shows that the main purpose of marketing action is to build and maintain long-term, profitable relationships with customers and to increase customer loyalty. In particular, marketing communications and database marketing are very important for increasing loyalty (Seric, M., Ozretic-Lecturer, D., Skare, V., 2019). The Covid-19 pandemic is forcing everyone to stay at home, other marketing communication strategies like direct selling and the buying process have to take place elsewhere to stay alive like digital marketing from the internet. The direct sale of goods and services over the internet is known as electronic commerce. E-commerce is defined as a commercial transaction involving the exchange of value through or using digital technology between individuals (Laudon and Traver, 2017). Media e-commerce involves using the internet, the world wide web, and applications or browsers on mobile or mobile devices to transact business. The mobile platform is the latest development in the Internet infrastructure of various mobile devices such as smartphones and tablets via a wireless network (wifi) or cellular telephone service. At the beginning of the development of e-commerce, the only digital media was a web browser, but nowadays the more widely used media is through mobile applications (Laudon and Traver, 2017).

This research was conducted to obtain and test the most important communication model in marketing communication strategies that leads consumers to choose to buy products through e-commerce when the Covid19 pandemic hits Indonesia. The marketing communication models used in this study are advertising, sales promotion, public relations, personal selling, and direct marketing. The focus is on the main factors that influence and have the greatest impact on the purchase decision of consumers through the marketing communication model. This study uses three variables of marketing communication strategies that have the greatest impact on the purchasing decisions of consumers who use e-commerce as a vehicle to acquire their needs. The three variables are advertising, sales promotion, and public relations.

II. LITERATURE REVIEW

A. Marketing

According to Sulaksana (2003), with the development of the science of marketing, the purpose of communication today is no longer limited to promoting the first purchase, but also to ensure customer satisfaction after the purchase process, to increase the possibility to repeat purchases and buy for loyalty. Become a customer. Communication is necessary to inform consumers about the availability of an offer and the unique benefits of the offer, where and when the offer can be obtained and used. According to Kotler and Armstrong (2006, in the book Principles of Marketing), marketing is broadly defined as a social and administrative process in which individuals and groups obtain what they need and want through the creation and exchange of value with others. In a more limited business context, marketing involves building profitable and valuable exchange relationships with customers.

B. E-Commerce

According to Sulaksana (2003), with the development of the science of marketing, the purpose of communication today is no longer limited to promoting the first purchase, but also to ensure customer satisfaction after the purchase process, to increase the possibility to repeat purchases and buy for loyalty. Become a customer. Communication is necessary to inform consumers about the availability of an offer and the unique benefits of the offer, where and when the offer can be obtained and used.

Electronic commerce is defined as the process of buying, selling, transferring or exchanging products, services or information through a computer network via the Internet. (Kozinets, 2010). Electronic commerce is widely accepted as part of electronic commerce (Kim, 2006; Pavic, 2007). Electronic business activities and applications range from simple email to supply chain management that supports electronics (Fusilier and Durlabhji, 2003; Parker and Castleman, 2007). Electronic commerce, on the other hand, is defined more strictly as the buying and selling of products or services over the Internet (Grandon and Pearson, 2004).

C. Marketing Communication Strategy

Marketing strategy focuses on the long-term objectives of the company and involves planning a marketing program to achieve the objectives of the company. Businesses rely on marketing strategies to bring product or service lines to market, including new products and services. The marketing strategy is the process of planning and implementing the guidelines of the company to achieve the objectives of the company in accordance with the vision of the company (Hermawan, A. 2012).

D. Consumer behavior

According to Schiffman and Kanuk (2007), consumer behavior is the behavior of consumers when they search, buy, use, evaluate and discard products and services that they hope to satisfy their needs. According to Kumar (2008), consumer behavior can be defined as individual behavior regarding the purchase, use and disposition of products, services, ideas or experiences. Consumer behavior focuses on how individuals...
make decisions about how to spend their available resources (time, money, effort) on consumer-related goods.

E. Consumer Purchase Decision

Marketing strategy focuses on the long-term objectives of the company and involves planning a marketing program to achieve the objectives of the company. Businesses rely on marketing strategies to bring product or service lines to market, including new products and services. The marketing strategy is the process of planning and implementing the guidelines of the company to achieve the objectives of the company in accordance with the vision of the company (Hermawan, A. 2012).

F. Theoretical Framework

Based on these theory above, it could be described a theoretical framework for these titles as follows:

G. Hypothesis

The hypothesis of this cases that could be seen as in follows:

H1: Advertising has a significant effect on e-commerce
H2: Sales promotion has a significant effect on e-commerce.
H3: Public relations have a significant effect on e-commerce
H4: Advertising has a significant effect on consumer purchasing decisions.
H5: Sales promotion has a significant effect on consumer purchasing decisions.
H6: Public relations have a significant effect on consumer purchasing decisions
H7: E-commerce has a significant effect on consumer purchasing decisions

III. METHODOLOGY

The data used in this study is only primary data with the unit of analysis of individual analysis originating from the respondents of employees of PT. PNM (Persero) by utilizing Shopee’s e-commerce during the Covid-19 pandemic as a medium to buy the fashion products needed. At the time of data collection, researchers distributed 208 questionnaires to employees through online questionnaires, but there were 69 questionnaires that did not meet the criteria, namely respondents who had never used Shopee to purchase fashion products so that a total of 139 questionnaires were collected which were feasible. After being processed in the IBM AMOS v24 application, there were 109 respondent data that were model fit.
According to Table 2, the CR value of each variable shows > 0.6. Therefore, all indicators of the research variables can be used as effective data collectors to study the problems as the research object.

**TABLE 2. RELIABILITY TEST RESULTS**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Construct Reliability (CR)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement</td>
<td>0.815</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>0.902</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Public relations</td>
<td>0.870</td>
<td>Reliabel</td>
</tr>
<tr>
<td>E-Commerce</td>
<td>0.839</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Consumer Purchase Decision</td>
<td>0.839</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

**G. Hypothesis Test**

Analyze the results of SEM model data processing at all stages using conformance testing and statistical testing. The data processing results of the analysis of the complete Structural Equation Modeling (SEM) model are as follows:

The results of the SEM analysis as a hypothesis testing step are as follows:

**TABLE 3. HYPOTHESIS TESTING**

<table>
<thead>
<tr>
<th>Hypothesis Testing</th>
<th>Estimate</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce (EC)</td>
<td>-</td>
<td>0.073</td>
<td>0.340</td>
</tr>
<tr>
<td>E-Commerce (EC)</td>
<td>-</td>
<td>0.816</td>
<td>2.217</td>
</tr>
<tr>
<td>E-Commerce (EC)</td>
<td>-</td>
<td>0.218</td>
<td>1.409</td>
</tr>
<tr>
<td>Consumer Purchase Decision (KP)</td>
<td>-</td>
<td>0.204</td>
<td>3.423</td>
</tr>
<tr>
<td>Consumer Purchase Decision (KP)</td>
<td>-</td>
<td>0.004</td>
<td>1.899</td>
</tr>
<tr>
<td>Consumer Purchase Decision (KP)</td>
<td>-</td>
<td>0.136</td>
<td>2.763</td>
</tr>
<tr>
<td>Consumer Purchase Decision (KP)</td>
<td>-</td>
<td>0.103</td>
<td>1.185</td>
</tr>
</tbody>
</table>

Based on table 3 then the hypothesis test is as follows:

**Hypothesis Testing 1**

The estimated parameter of the effect of advertising on e-commerce is 0.073. Testing the effect of these two variables shows the C.R value of 0.340 < 1.96 with probability = 0.73 (p > 0.05). So it can be concluded that advertising has no effect on e-commerce. Thus, hypothesis 1 is not accepted (not significant), meaning that there is no influence between advertising and Shopee e-commerce on fashion product purchasing decisions for employees of PT. PNM (Persero).

**Hypothesis Testing 2**

The estimated parameter of the effect of sales promotion on e-commerce is 0.616. Testing the effect of these two variables shows the C.R value of 2.217 > 1.96 with probability = 0.02 (p < 0.05). So it can be concluded that sales promotion has an effect on e-commerce. Thus hypothesis 2 is accepted (significant), meaning that there is an influence between sales promotion and Shopee e-commerce on fashion product purchasing decisions for employees of PT. PNM (Persero).

**Hypothesis Testing 3**

The estimated parameter of the effect of public relations on e-commerce is 0.218. Testing the effect of these two variables shows a C.R value of 1.409 < 1.96 with probability = 0.15 (p < 0.05). So it can be concluded that the influence of society has no effect on e-commerce. Thus, hypothesis 3 is not accepted (not significant), meaning that there is no influence between public relations and Shopee e-commerce on fashion product purchasing decisions for employees of PT. PNM (Persero).

**Hypothesis Testing 4**

The estimated parameter of the influence between Advertising on consumer purchasing decisions is 0.094. Testing the effect of these two variables shows a C.R value of 1.899 < 1.96 with probability = 0.05 (p = 0.05). So it can be concluded that advertising has no effect on consumer purchasing decisions. Thus, hypothesis 4 is not accepted (not significant), meaning that there is no influence between advertising and consumer purchasing decisions on fashion products for employees of PT. PNM (Persero).

**Hypothesis Testing 5**

The estimated parameter of the influence of sales promotion on consumer purchasing decisions is 0.103. Testing the effect of these two variables shows the value of C.R 1.899 < 1.96 with probability = 0.23 (p = 0.05). So it can be concluded that sales promotion has no effect on consumer purchasing decisions. Thus, hypothesis 5 is not accepted (not significant), meaning that there is no influence between sales promotion and consumer purchasing decisions on fashion products for employees of PT. PNM (Persero).

**Hypothesis Testing 6**

The parameter estimation of the influence of Public relations on consumer purchasing decisions is obtained by 0.136. Testing the effect of these two variables shows the value of C.R 2.76 > 1.96 with probability = 0.00 (p < 0.05). So it can be concluded that the influence of society has an effect on consumer purchasing decisions. Thus hypothesis 6 is accepted (significant), meaning that there is an influence between public relations and consumer purchasing decisions on fashion products for employees of PT. PNM (Persero).

**Hypothesis Testing 7**

The estimated parameter of the effect of e-commerce on consumer purchasing decisions is 0.204. Testing the effect of these two variables shows the C.R value of 3.423 > 1.96 with probability = 0.00 (p > 0.05). So it can be concluded that e-commerce has an effect on consumer purchasing decisions. Thus hypothesis 7 is accepted (significant), meaning that there is an influence between e-commerce and consumer purchasing decisions for fashion products on employees of PT. PNM (Persero).

**TABLE 4. R SQUARE VALUE**

<table>
<thead>
<tr>
<th>Information</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce</td>
<td>0.723</td>
</tr>
<tr>
<td>Consumer purchasing decisions</td>
<td>0.875</td>
</tr>
</tbody>
</table>
Based on Table 4, the $R^2$ value of electronic commerce is 0.723, which means that the distribution of the dependent variables (consumer purchase decisions) by the independent variables (advertising, promotion, and public relations) was 72.3% and the remaining 27.7% not explained can be explained by the variable independently or can be explained by variables outside the research variable. While the $R^2$ value of the consumer purchasing decision variable is 0.875, the distribution of the dependent variables (consumer purchasing decisions) by independent variables (advertising, sales promotion, and public relations) can be 87.5% and the remaining 12.5% not by independent. The variables can be explained or they can be explained by variables outside the research variables.

V. CONCLUSION AND SUGGESTIONS

Conclusion
Based on the results of the analysis and hypothesis testing that has been done, it can be concluded that the Advertising and Public relations variables have no effect on e-commerce while Sales promotion has a significant effect on e-commerce. While the variables that affect consumer purchasing decisions are Public relations and E-commerce while Advertising and sales promotion have no effect on consumer purchasing decisions.

Suggestions
Restrictions can still be identified in the study, so this study is limited to the variables of advertising, sales promotion, and public relations. More research is needed on other variables that can influence consumer purchasing decisions, such as: At the time the questionnaire was distributed, researchers were still limited by the pandemic situation, making it impossible to meet with in-person respondents to delve into the open-ended questionnaire questions in this study. Of course, meeting in person will give the researcher an idea of how to see the phenomenon that the respondent is actually feeling.

REFERENCES