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The Determinants of Mcdonalds Purchasing Decisions

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ABSTRACT:

In today's era of globalization, the business environment is evolving rapidly, presenting both opportunities and challenges. This evolution is reflected in the increasingly fast-paced lifestyle, which fuels a growing demand for immediacy, particularly in the realm of food, where people now expect quick or instant service. Consequently, it is unsurprising that fast food has become a preferred choice for many. McDonald's, one of the most recognized fast food chains worldwide, has established a strong presence in Indonesia. Over the past three years, McDonald's has consistently held the second position in the Top Brands Index, just behind Kentucky, with its growth in the index outpacing that of other fast food competitors. In light of this, researchers are prompted to examine "The Determinants of McDonald's Purchasing Decisions." This study aims to identify the factors that influence customer decisions, focusing on brand image, service quality, and customer satisfaction. The research is designed as a conclusive study, a form of inferential research that tests specific hypotheses either through detailed analysis of a particular issue (descriptive) or by exploring the relationships between variables (correlative) that involve both independent and dependent variables. The findings of the study indicate that while brand image positively impacts customer satisfaction, the effect is not significant, though it does significantly boost customer loyalty. Service quality has a positive and significant effect on customer satisfaction, though its impact on purchasing decisions is positive but not significant. However, customer satisfaction has a strong positive influence on purchasing decisions. Furthermore, brand image has a positive but insignificant indirect effect on purchasing decisions through customer satisfaction, whereas service quality has a positive and significant indirect effect on purchasing decisions via customer satisfaction.

Keywords: Brand Image, Service Quality, Customer Satisfaction, Purchase Decision.

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1. Introduction

In the current phase of globalization, the business landscape is undergoing rapid expansion, creating both prospects and hurdles. This swift advancement is paralleled by a fast-paced lifestyle that drives individuals to seek convenience, particularly in matters of food, where the expectation for quick or instant service has become prevalent. As a result, it is hardly surprising that fast food has gained considerable popularity in today's society. McDonald's, a leading global fast food chain, has made a significant mark in Indonesia, with around 227 outlets providing services such as drive-thru, delivery, take-away, and dine-in to accommodate customer preferences. Impressively, some McDonald's locations operate around the clock to meet the demands of their customers.

The expansion of the fast food franchise market has led to intensified competition within the industry. This increasing rivalry presents a considerable challenge for McDonald's and other businesses, necessitating the development of diverse strategies to achieve market dominance. Several fast food establishments have successfully secured positions in the Top Brand Index, as depicted in the table below.

Tabel 1. Top Brand Index

Brand	Top Brand Index 2020	Top Brand Index 2021	Top Brand Index 2022
KFC	26,4%	27.2%	27.20%
McDonald's	22,8%	26.0%	26.20%
Hoka-Hoka Bento	6,5%	8,5%	9,40%
A & W	5,9%	7,9%	7,60%
Richeese Factory	4,9%	5,9%	4,70%

Sources: Top Brand Index 2023

From Table 1, it is evident that McDonald's has consistently maintained its position as a Top Brand, ranking second from 2020 to 2022. In 2020, McDonald's held a 22.8% share, which increased to 26.0% in 2021, and further rose to 26.20% in 2022. This table also highlights that KFC remains the leading Fast Food Brand in Indonesia; however, McDonald's shows a steady increase in its index percentage each year. This upward trend is also observed among other competitors, whose performance tends to improve annually.

To secure the top spot and excel in the competitive market, McDonald's must develop effective strategies to attract consumer interest, ensuring that customers choose McDonald's products when making purchasing decisions. According to the consumer decision-making model, the process of buying and consuming goods and services involves several stages: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior [1]. A company can outperform its competitors if it successfully creates and retains customers, thereby fostering a positive brand image based on their experiences with the company's products and services, leading them to make purchase decisions. Brand image plays a critical role in influencing purchasing decisions [2], although some studies have shown that brand image may not significantly impact purchasing decisions [3-5].

In addition to brand image, providing high-quality service is another key factor in influencing purchasing decisions. Companies that are committed to quality and consistently deliver excellent service gain a competitive advantage, making it easier to enhance purchasing decisions and cultivate successful customer relationships. Service quality is thus a crucial element in an organization's success. While perceived service quality directly impacts customer

satisfaction [6], some research indicates that service quality may not significantly affect customer satisfaction [7]. Nonetheless, effective customer service quality has a positive and significant impact on purchasing decisions [8], with some studies confirming that service quality directly influences purchase behavior [9].

Given the research context outlined above, the growth of fast food businesses continues to rise alongside the increasingly hectic lifestyle of individuals who prefer dining out. As competition in the fast food industry intensifies, businesses must devise appropriate strategies to meet consumer expectations, encouraging them to make purchasing decisions. Quality service and a strong brand image become critical factors that influence customers' decision-making processes, leading them to repeatedly choose a particular product.

Problem Objectives and Research Questions

Research objective

1. To investigate whether brand image impacts customer satisfaction.
2. To determine whether brand image influences purchasing decisions.
3. To assess whether service quality affects customer satisfaction.
4. To explore whether service quality influences purchasing decisions.
5. To evaluate whether customer satisfaction impacts purchasing decisions.
6. To examine whether brand image indirectly affects purchasing decisions through customer satisfaction.
7. To analyze whether service quality directly influences purchasing decisions through customer satisfaction.

Based on the description provided above, the research questions for this study are as follows:

1. Does brand image have a direct effect on customer satisfaction?
2. Does brand image have a direct effect on purchasing decisions?
3. Does service quality have a direct effect on customer satisfaction?
4. Does service quality have a direct effect on purchasing decisions?
5. Does customer satisfaction have a direct effect on purchasing decisions?
6. Does brand image have an indirect effect on purchasing decisions through customer satisfaction?
7. Does service quality have a direct effect on purchasing decisions through customer satisfaction?

Literature Review and Hypothesis Formulation

Brand Image

Brand image encompasses aspects of a brand that are identifiable but not necessarily verbalized, such as symbols, distinctive typography or color schemes, and the perceptions customers hold about the product or service associated with the brand [10]. In a highly competitive business environment, companies must cultivate a positive brand image to stand out. The components that shape brand image include: (i) the manufacturer's image, which consists of the associations consumers form regarding the company producing a product or service, (ii) the product image, which comprises the associations consumers form about the product itself, (iii) the user image, which involves the associations consumers make about the individuals who use the product or service, and (iv) brand image, which plays a critical role in a customer's willingness to engage with a company [11]. A strong brand image significantly impacts customer loyalty, often mediated through customer satisfaction [12]. Brand image can enhance customer satisfaction by offering superior and competitive products, as well as products that are priced affordably, allowing companies to remain resilient under various economic conditions [13]. The

relationship between brand image and customer satisfaction is well-established [14], with multiple studies confirming the impact of brand image on satisfaction [15, 16]. For instance, bank managers must consistently uphold their institution's brand image to bolster customer satisfaction [17]. Additionally, brand image has been shown to have a significant influence on purchasing decisions [2, 3].

H1: Brand image positively influences customer satisfaction.

H2: Brand image positively influences purchasing decisions.

Service Quality

Quality refers to the overall characteristics and attributes of products and services that affect their ability to fulfill stated or implied customer needs [18]. Service quality, often measured by the "Servqual" model, consists of five key aspects:

a. Tangibles (Direct Evidence): This includes physical elements such as tangible objects, the physical environment, employee tools, and communication channels. Consumer perceptions are influenced by the quality of these tangibles, which also play a role in shaping consumer expectations. This aspect assesses the appearance and condition of physical facilities where services are provided.

b. Reliability: This refers to the ability to deliver services in a consistent, timely, and satisfactory manner. Reliability is crucial in ensuring that customer needs are met without fail.

c. Responsiveness: This aspect measures the willingness and readiness of employees to assist customers and provide prompt services. The effectiveness and speed of responses to customer inquiries and requests are key indicators of responsiveness.

d. Assurance: Assurance encompasses the competence, courtesy, reliability, and trustworthiness of service providers. It involves creating a sense of security and trust for customers, free from risk or uncertainty.

e. Empathy: Empathy involves understanding and addressing customer needs effectively. It includes the ability to establish effective communication channels, utilize appropriate tools, and show genuine concern for the customer's individual circumstances [19,20].

The alignment of services with consumer expectations fosters customer satisfaction [21]. Perceived service quality has a direct impact on both customer satisfaction and loyalty [6]. In the banking sector, the adoption of e-banking services has been shown to enhance customer satisfaction levels [22]. Numerous studies have confirmed that service quality exerts a positive and significant influence on customer satisfaction [23, 24]. Moreover, service excellence, as a component of service quality, plays a crucial role in shaping consumer value [25]. The SERVQUAL model highlights the impact of five key dimensions on customer satisfaction within banking services [26].

Service quality not only enhances customer satisfaction but also significantly influences purchasing decisions. Research indicates that high-quality customer service positively and substantially affects purchasing decisions [8, 27]. The direct impact of service quality on purchase behavior is well-documented [9, 28], with evidence showing that superior service quality consistently leads to favorable purchasing outcomes [29]. Service excellence influences purchasing decisions significantly [30]. In their research, Oscar and Keni in 2019, stated that service quality influences purchases positively and substantially [31].

H3: Service quality influences customer satisfaction

H4: Service quality influences purchasing decisions

Customer Satisfaction

Customer satisfaction is an emotional response reflecting an individual's happiness or dissatisfaction that results from evaluating the actual performance of a product relative to their expectations [1]. Customer satisfaction can be categorized into two types: psychological satisfaction, derived from intangible attributes, and functional satisfaction, which is based on the utility or performance of a product. Essentially, customer satisfaction measures the extent to which an individual's emotional response aligns with their anticipated expectations. Typically, these expectations are based on assumptions or projections about what consumers anticipate receiving when they purchase or use a product (whether goods or services) [32].

The primary goal of a company's marketing strategy is to enhance both the quantity and quality of its customer base. An increase in quantity signifies a significant and periodic growth in the number of customers, while an increase in quality indicates that customers are more profitable and capable of generating higher revenue for the business [33].

There are five key factors that influence customer satisfaction:

- a. **Product Quality:** Customers experience satisfaction when they purchase or use high-quality products. The key components of good product quality include performance, durability, features, reliability, consistency, and design.
- b. **Price:** For price-sensitive consumers, low prices provide significant satisfaction as they feel they are receiving good value for their money.
- c. **Service Quality:** The quality of service is influenced by three main elements: systems, technology, and people, with human factors playing a critical role, accounting for 70% of service quality. Due to the importance of human interaction, achieving consistent service excellence can be challenging and difficult to replicate, as it requires behaviors that align with business objectives.
- d. **Emotional Component:** Emotional satisfaction is derived from using products associated with a strong brand name, which can enhance the overall customer experience and lead to higher satisfaction [34].

The Link Between Customer Satisfaction and Purchasing Choices

Consumer purchasing choices are notably and positively shaped by the degree of customer satisfaction [27]. The level of satisfaction experienced by customers plays a pivotal role in shaping their purchasing behavior [35]. Moreover, customer satisfaction exerts a favorable and significant impact on their inclination to make repeat purchases [36].

H5: Customer satisfaction exerts an influence on purchasing decisions.

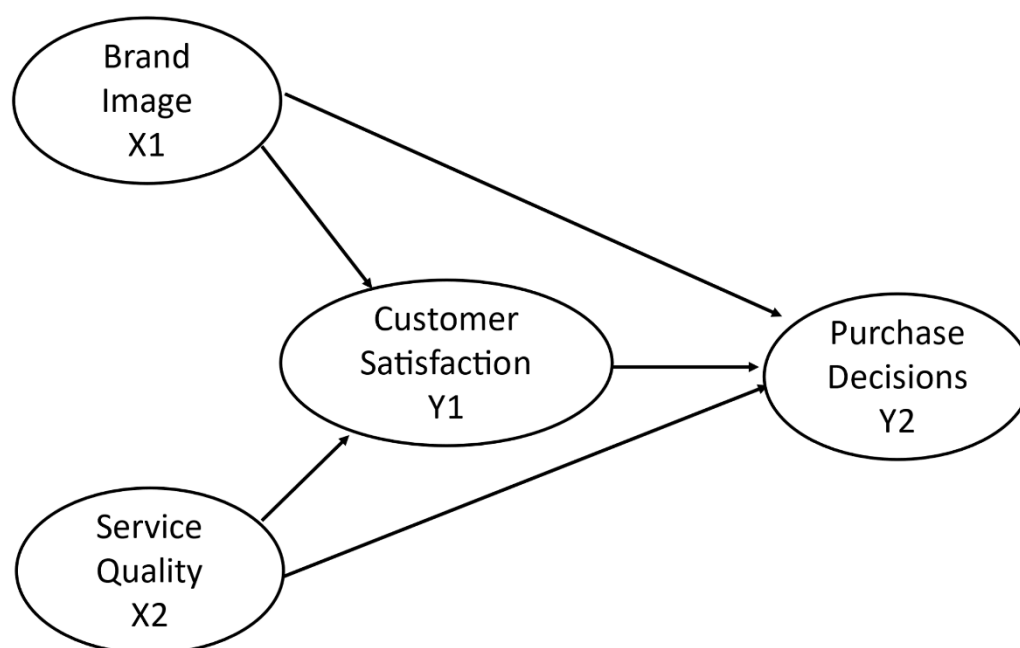
Buying Decision

The purchase decision represents the subsequent step after a buyer's intentions or desires have been established [37]. At the core of consumer decision-making lies the process of integration, wherein consumers amalgamate their knowledge to assess two or more alternative actions and select one [38]. The purchasing decisions of consumers are heavily influenced by a range of factors, including cultural, social, personal, and psychological aspects [39]. The consumer decision-making process typically involves five stages that a consumer undergoes before reaching a purchase decision, followed by post-purchase behavior. These stages are: 1) Problem Recognition, 2) Information Search, 3) Evaluation of Alternatives, 4) Purchase Decision, and 5) Post-Purchase Behavior [1].

H6: Brand image indirectly influences purchasing decisions through customer satisfaction.

H7: Service quality indirectly influences purchasing decisions through customer satisfaction.

Based on the theoretical overview presented earlier, the research framework is illustrated as follows:



Gambar 2. Kerangka Pemikiran

2. Research Method

To address the research questions, a quantitative approach was adopted. This approach is aimed at evaluating the research model, determining the significance of relationships between variables and factors, and testing the hypotheses [40]. The process involved four main activities: conducting a pre-test survey, establishing the research model, carrying out a confirmatory study, and performing data analysis [41]. The study was conducted at Universitas Mercu Buana and Institut Transportasi dan Logistik Trisakti in Jakarta, Indonesia. In quantitative research, the probability sampling technique is typically employed. The survey population comprised all students from Universitas Mercu Buana and Institut Transportasi dan Logistik Trisakti Jakarta. The study utilized a quantitative method by distributing questionnaires to a targeted group of respondents, specifically students from both universities. The survey was conducted through online questionnaires featuring preliminary closed-ended questions, which were measured using a five-point Likert scale, and distributed to 90 students. The collected data was analyzed using partial least squares structural equation modeling (PLS-SEM) version 3.2.3, employing a two-phase analytical process. The first phase involved the measurement model, and the second phase focused on the structural model [42].

3. Results and Discussion

The respondents for this study were students from Universitas Mercu Buana and Institut Transportasi dan Logistik Trisakti Jakarta. The questionnaire was created using Google Forms, allowing respondents to complete it online. A total of 90 respondents submitted their completed questionnaires. The participants included 26 men and 64 women, representing 28.8% male and 71.2% female respondents. Regarding age distribution, 70 respondents (77.82%) were between 20 and 25 years old, 8 respondents (8.8%) were aged 25 to 30 years, 5 respondents (5.6%) were between 30 and 35 years old, and 7 respondents (7.8%) were over 35 years of age.

Result of the measurement model (confirmatory factor analysis)

In this study, the evaluation of the reflective measurement models involves several key metrics: the loading factor to assess indicator validity, composite reliability to measure internal consistency, and average variance extracted (AVE) to determine both convergent and discriminant validity (Hair et al., 2014). An AVE value of 0.50 or above signifies that the construct, on average, explains more than half of the variance of its indicators. Conversely, an AVE below 0.50 suggests that more error remains in the items than the variance explained by the construct [42].

Figure 3 presents the results obtained from the SmartPLS program. As shown in Figure 3, certain indicators, such as hands X11, exhibit loading factor values below 0.5, indicating that they are not suitable for the variables and should be excluded. Consequently, the constructs for all other variables are considered valid. For hypothesis testing, only indicators with a loading factor greater than 0.5 are utilized, as they have achieved convergent validity. A variable factor value exceeding 0.5 is regarded as having a strong load [43].

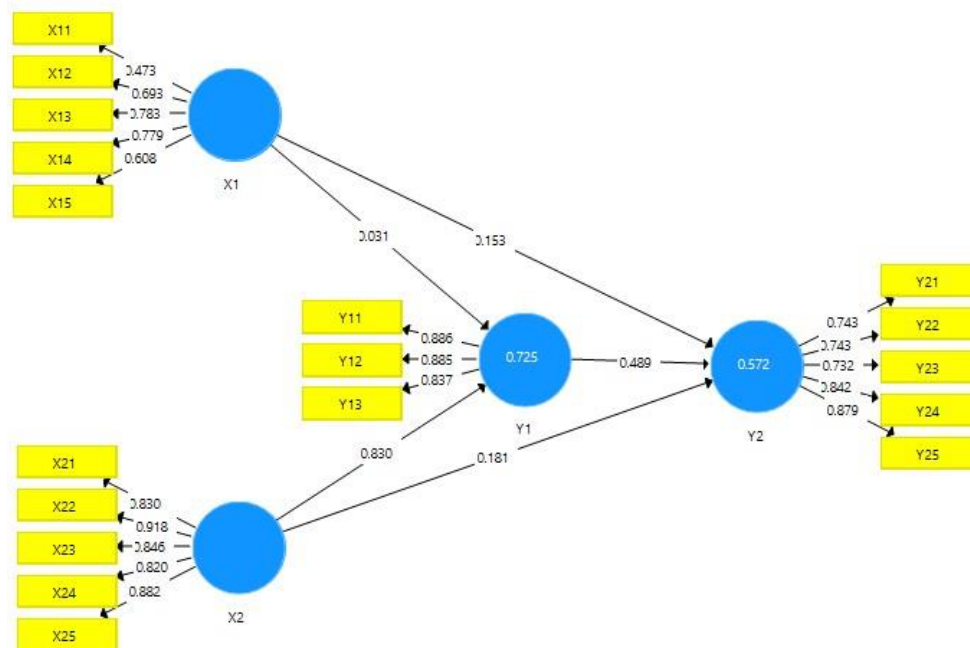
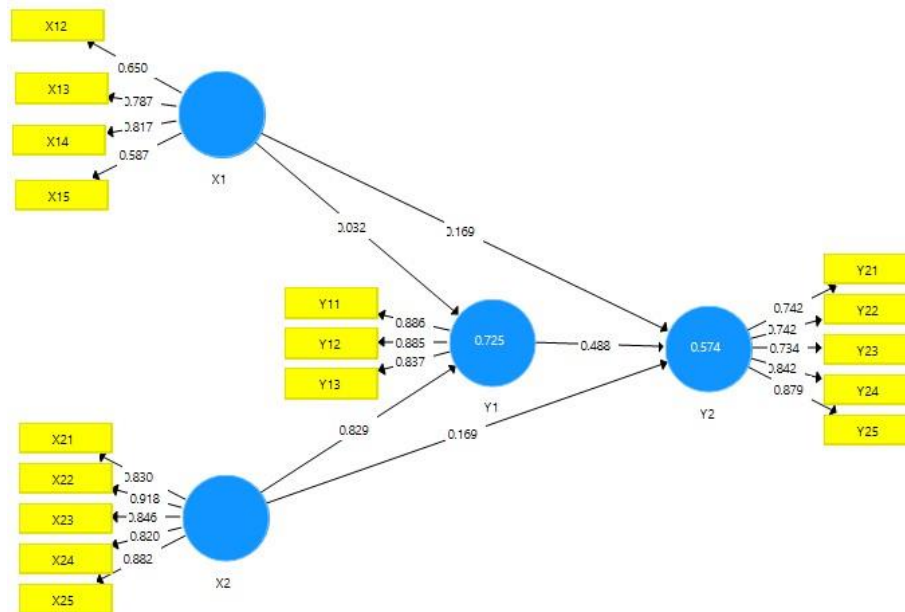


Figure 3. Evaluation of Factor Loading Value

Source: processed by the author (2023)

Figure 5 clearly illustrates that the loading factor values for each indicator fall within the required threshold of 0.50, based on the data processing results from SmartPLS. This indicates that the practical variables used in the model are appropriately applied.



Discriminant validity test

The validity of each research variable's dimensions can also be assessed through discriminant validity testing. This test involves analyzing the cross-loading values, which represent the correlation coefficients of each indicator with its respective construct compared to its correlation with other constructs. For a construct to demonstrate good discriminant validity, the correlation coefficient of an indicator with its own construct should be greater than its correlation with any other construct.

Table 1. Discriminant Validity Test

Variable	Brand Image (X1)	Service quality (X2)	Customer satisfaction (Y1)	Purchasing decision (Y2)	Information
X12	0,650	0,450	0,297	0,217	Valid
X13	0,787	0,435	0,362	0,313	Valid
X14	0,817	0,633	0,605	0,669	Valid
X15	0,587	0,374	0,324	0,213	Valid
X21	0,585	0,830	0,633	0,578	Valid
X22	0,641	0,918	0,742	0,610	Valid
X23	0,642	0,846	0,730	0,638	Valid
X24	0,483	0,820	0,740	0,560	Valid
X25	0,611	0,882	0,802	0,622	Valid
Y11	0,617	0,841	0,886	0,648	Valid
Y12	0,498	0,687	0,885	0,682	Valid
Y13	0,448	0,681	0,837	0,581	Valid
Y21	0,451	0,613	0,619	0,742	Valid
Y22	0,239	0,413	0,445	0,742	Valid
Y23	0,538	0,512	0,541	0,734	Valid
Y24	0,534	0,569	0,554	0,842	Valid
Y25	0,477	0,617	0,691	0,879	Valid

Source: Results of analysis using SmartPLS 3.2.3 (2023)

Table 2. Average Variance Extracted (AVE) Value

Research Variable	Average Variance Extracted (AVE)
Brand Image (X1)	0,513
Service quality (X2)	0,740
Customer satisfaction (Y1)	0,756
Purchasing decision (Y2)	0,624

Source: Results of analysis using SmartPLS 3.2.3 (2023)

Based on the test results, the AVE values were as follows: brand image had an AVE of 0.513, service quality 0.740, customer satisfaction 0.756, and purchasing decisions 0.6324, indicating that all constructs have AVE values greater than 0.50. This confirms that all constructs meet the validity criteria according to the Average Variance Extracted (AVE).

Reliability testing of the measurement model is assessed by examining Cronbach's alpha and composite reliability values. Cronbach's alpha measures the lower boundary of a construct's reliability, while composite reliability reflects the true reliability of a construct. A construct is considered reliable if Cronbach's alpha exceeds 0.70 and the composite reliability is also greater than 0.70. A Cronbach's alpha value above 0.7 is deemed satisfactory [44]. According to Table 4.3, it can be concluded that the measurement instruments used in this study are reliable, as the composite reliability for each indicator exceeds 0.7.

Reliability Test

The reliability test evaluates the degree to which a measurement instrument consistently captures the intended concept, emphasizing the steadiness and uniformity of the measurement. This assessment is carried out to verify that the items under examination yield consistent and stable results over time. The reliability test comprises two primary evaluations: composite reliability and Cronbach's alpha.

Tabel 3. Composite Reliability and Cronbach's alpha Value

Variable	Composite Reliability	Cronbach's Alpha	Information
Brand image (X1)	0,806	0,716	Reliabel
Service quality (X2)	0,934	0,912	Reliabel
Customer satisfaction (Y1)	0,903	0,839	Reliabel
Purchasing decision (Y2)	0,892	0,848	Reliabel

Source: Results of analysis using SmartPLS 3.2.3 (2023)

As shown in the table above, each variable has a composite reliability and Cronbach's Alpha value exceeding 0.7. Based on these results, it can be concluded that the research model is considered reliable, as it satisfies the thresholds for composite reliability and Cronbach's Alpha.

Determination Coefficient Test/ R Square (R²)

The evaluation of the inner model is conducted by examining the coefficient of determination (R-Square). The purpose of this coefficient is to assess the model's ability to explain the variance in the endogenous latent variables. Variations in the R-Square value can be utilized to determine whether specific exogenous latent variables have a substantive impact on the endogenous latent variables. According to the R-Square values, a model is considered strong if the value is 0.75, moderate if it is 0.50, and weak if it is 0.25 [45].

Tabel 4. Determination Coefficient Test/ R Square (R²)

Variable	R Square
Customer satisfaction (Y1)	0,725

Purchasing decision (Y2)	0,574
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Source: Results of analysis using SmartPLS 3.2.3 (2023)

The R-Square value for the customer satisfaction variable (Y1) is 0.725, indicating that 72.5% of the variance in customer satisfaction (Y1) can be moderately explained by brand image (X1) and service quality (X2). The remaining 27.5% is attributable to other factors not included in this study. Similarly, the R-Square value for the purchasing decision variable (Y2) is 0.574, suggesting that 57.4% of the variance in purchasing decisions (Y2) can be moderately influenced by brand image (X1), service quality (X2), and customer satisfaction (Y1), with the remaining 42.6% being affected by other variables outside the scope of this research.

Goodness of Fit Index (GoF) test

The Goodness of Fit Index (GoF) test is employed to assess the overall performance of both the measurement model (outer model) and the structural model (inner model) together. The GoF is calculated using the Average Variance Extracted (AVE) values from the four research variables (customer value, service quality, customer satisfaction, and purchasing decisions) along with the R^2 values derived from the dependent and mediating variables (customer satisfaction and purchasing decision). The GoF categories are defined as follows: a small GoF value is 0.1, a medium GoF is 0.25, and a large GoF is 0.36 [45].

$$\text{GoF} = \sqrt{0,6582 \times 0,6495}$$

$$\text{GoF} = 0,6538$$

The calculation results indicate that the GoF Index value is 0.6534, which falls into the category of a large Goodness of Fit, as it exceeds 0.36. This suggests that the overall model is well-aligned and fits the data appropriately.

Result of the structural model (structural equation modelling)

After confirming that the construct measures are both reliable and valid, the subsequent step involves evaluating the structural model results. At this stage, the focus shifts to assessing the quality of the survey outcomes by thoroughly analyzing the structural model [46].

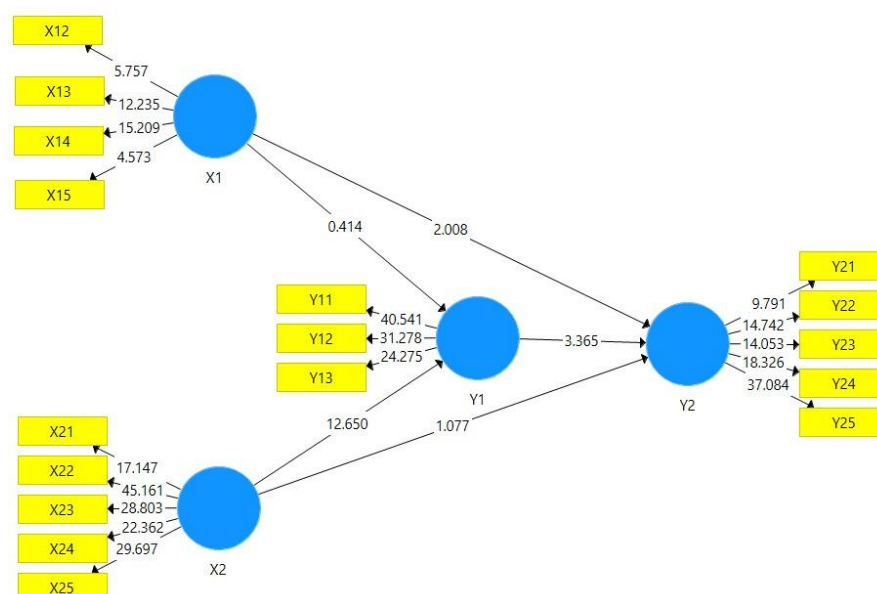


Figure 3 bootstrapping Value

Source: processed by the author (2023)

Table 5. Path Coefficient Value

Direct effect			
Relations between construct	Original Sample (O)	T Statistics (O/STDEV)	P Values
Brand image → Customer satisfaction	0,032	0,414	0,679
Brand image → Purchasing decision	0,169	2,008	0,045
Service quality → Customer satisfaction	0,829	12,650	0,000
Service quality → Purchasing decision	0,169	1,077	0,282
Customer satisfaction → Purchasing decision	0,488	3,365	0,001
Indirect effect			
Brand image → Customer satisfaction → Purchasing decision	0,016	0,396	0,693
Service quality → Customer satisfaction → Purchasing decision	0,404	3,152	0,002
Total effect			
Brand image → Purchasing decision	0,185	2,052	0,041
Service quality → Purchasing decision	0,573	3,365	0,001

Source: Results of analysis using SmartPLS 3.2.3 (2023)

Hypothesis 1 posits that brand image affects customer satisfaction. The results from the hypothesis test show that the path between brand image and customer satisfaction has a structural coefficient of 0.32 and a t-statistic of 0.414. This outcome indicates that Hypothesis 1 is not supported, as the t-statistic value of 0.414 is less than the t-table value of 1.988, suggesting that the relationship is not statistically significant.

Hypothesis 2 proposes that brand image influences purchasing decisions. The hypothesis test results reveal that the path between brand image and purchasing decisions has a structural coefficient of 0.169 and a t-statistic of 2.008. This finding supports Hypothesis 2, as the t-statistic value of 2.008 exceeds the t-table value of 1.988, indicating a significant and positive impact of brand image on purchasing decisions. These results align with previous research, which also found that brand image significantly influences purchasing decisions [2, 3].

Hypothesis 3 asserts that service quality affects customer satisfaction. The hypothesis test results show that the path between service quality and customer satisfaction has a structural coefficient of 0.829 and a t-statistic of 12.650. This result supports Hypothesis 3, as the t-statistic value of 12.650 is much greater than the t-table value of 1.988, confirming a significant positive relationship. These findings are consistent with prior research, which also demonstrates that service quality positively and significantly influences customer satisfaction [31, 32, 33, 47].

Hypothesis 4 suggests that service quality affects purchasing decisions. The results indicate that the path between service quality and purchasing decisions has a structural coefficient of 0.169 and a t-statistic of 1.077. This finding does not support Hypothesis 4, as the t-statistic

value of 1.077 is below the t-table value of 1.988, indicating that the relationship is not statistically significant.

Hypothesis 5 posits that customer satisfaction influences purchasing decisions. The hypothesis test results demonstrate that the path between customer satisfaction and purchasing decisions has a structural coefficient of 0.488 and a t-statistic of 3.365. This result supports Hypothesis 5, as the t-statistic value of 3.365 exceeds the t-table value of 1.988, indicating a significant positive influence. These findings are in line with previous studies, which have shown that customer satisfaction significantly impacts purchasing decisions and repurchase intentions [36, 41, 42].

Hypothesis 6 proposes that brand image influences purchasing decisions through customer satisfaction. The test results show that the path between brand image and purchasing decisions through customer satisfaction has a structural coefficient of 0.016 and a t-statistic of 0.396. This result does not support Hypothesis 6, as the t-statistic value of 0.396 is below the t-table value of 1.988, indicating that the relationship is not statistically significant.

Hypothesis 7 suggests that service quality influences purchasing decisions through customer satisfaction. The results indicate that the path between service quality and purchasing decisions through customer satisfaction has a structural coefficient of 0.404 and a t-statistic of 3.152. This finding supports Hypothesis 7, as the t-statistic value of 3.152 is greater than the t-table value of 1.988, confirming a significant positive influence.

The total influence of brand image on buying decisions

The direct impact of the brand image on purchasing decisions is 0.169, with an additional indirect effect of 0.016 through customer satisfaction. Consequently, the overall effect of brand image on purchasing decisions amounts to 0.185. This suggests that customer satisfaction significantly amplifies the influence of brand image on purchasing decisions.

Effect of total product quality on purchasing decisions

The direct impact of the service quality variable on purchasing decisions is 0.169, with an additional indirect effect of 0.404 through customer satisfaction. As a result, the total effect of service quality on purchasing decisions is 0.573. This indicates that customer satisfaction significantly amplifies the impact of service quality on purchasing decisions.

4. Conclusion

Practical Implication

The results indicate that the factor most significantly impacting customer satisfaction is service quality. The key indicator influencing service quality is the ability to provide quick service. Therefore, the company must consistently meet customer expectations by maintaining and enhancing its ability to deliver services promptly, ensuring that high service quality is sustained and improved.

Similarly, the findings reveal that customer satisfaction is the primary factor influencing purchasing decisions. The critical indicator affecting customer satisfaction is the alignment of service quality with customer expectations. To maintain and enhance customer satisfaction, the company must continue to meet and exceed these expectations by consistently delivering service quality that aligns with customer demands.

Theoretical contributions

The findings of this study demonstrate that brand image has a significant impact on purchasing decisions. This conclusion is consistent with previous research, which also indicates that brand image plays a crucial role in influencing purchasing decisions [2, 3].

Additionally, the study reveals that service quality significantly affects customer satisfaction. These results align with prior research showing that customer satisfaction in the banking sector improves with the use of e-banking services [31]. Moreover, customer satisfaction is positively and significantly influenced by service quality [32], and service quality has been shown to have a substantial and positive effect on customer satisfaction [33].

Limitations of research

This study did not investigate other variables that may also impact customer satisfaction and purchasing decisions, such as perceived product, perceived value, and perceived price. Additionally, the research was conducted at only one e-commerce platform, limiting the ability to generalize the findings to the broader e-commerce landscape in Indonesia. Since the measurement was taken at a single point in time, it remains unclear whether the conclusions will hold true in the long term.

Future Research

For future researchers aiming to conduct similar studies, it is advisable to consider additional variables beyond brand image, service quality, and customer satisfaction that may impact purchasing decisions. Since this study found some variables to have insignificant effects, these gaps can be explored in further research by incorporating other mediating variables, such as customer trust, customer value, and other relevant factors. Future studies could also expand the research scope to encompass not just Shopee, but the entire e-commerce industry. A longitudinal study might offer a more definitive answer regarding whether the conclusions drawn from this research hold true over time.

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