

## **THE INFLUENCE OF ADVERTISING, PERCEIVED EASE OF USE AND PERCEIVED USEFULNESS ON PURCHASE INTENTION AND ITS IMPACT ON PURCHASE DECISION ON INVESTMENT APPS**

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### **ABSTRACT**

Covid-19 is an obstacle for all corners of the world. This makes all people carry out various activities at home which makes the phenomenon of the increase in the use of technology and the development of technology getting higher. As an investment apps company, it is very important to know the factors that drive people's decisions to use investment apps. To achieve this goal, we propose a model that combines various variables, namely advertising, perceived ease of use and perceived usefulness, purchase intention and purchase decision. The method used in this study uses the SEM-PLS method. The results of this study indicate that advertising, perceived ease of use, perceived usefulness have a positive and significant influence on purchase intention, purchase intention has a positive and significant influence on purchase decisions.

**Keywords :** Advertising, Perceived Ease of Use, Perceived Usefulness, Purchase Intention, Purchase Decision

### **INTRODUCTION**

The spread of the COVID-19 outbreak in Indonesia created a slew of new issues for the public. One of them is in the economic sector, which urges people to adjust their behaviour in spending money to meet their basic needs, where they should begin to delay using the money for secondary needs. According to (Shofa, 2021) , the COVID-19 pandemic has encouraged individuals to postpone spending on consumptive items like entertainment and increase cash so that the fund can be used to invest, as stated by Ivan. Furthermore, the government's social restriction program or physical contact makes the community unable to carry out activities such as direct investment in banks. With the rise of these many sorts of impediments, people are overwhelmed to invest. According to Ezra, who quoted investor.id (2021) (Ardianto, 2021), digital means have grown increasingly popular with society when people need to avoid direct physical touch, particularly under emergency PPKM. Furthermore, digital channels enable investors to more easily manage their portfolios, making it more practical, cost-effective, and safer for their health. Taking a cue from (tajak.com,2022) (Keintani, 2022) is because in the

past if we wanted to invest or buy mutual funds, we had to go to the office where we wanted to buy the mutual funds and open an account there. Besides That is a lot of individuals who do not have more understanding connected to digital applications investment that has certification and is registered with the Financial Services Authority (OJK) creates quite a few people who are perplexed in determining the application investment that should be employed (Amarilisya, 2021).

Based on the issues raised above, it is possible to conclude that the issues are: difficulty and confusion in carrying out investment operations in this Covid-19 condition due to physical or societal constraints in Indonesia. As we know, many people have lost their employment and must begin to downsize as a result of the pandemic. People who wish to allocate their resources to prosper in these harsh pandemic conditions are out of luck. Furthermore, people experience anxiety and confusion when deciding which digital investment application to use because many new digital investment applications, whether registered or not registered with the Financial Services Authority (OJK), are advertised online, and each of these applications offers different types of benefits. This issue may reduce customer interest in purchasing investment units in digital investment applications.

Every customer must have a perspective of and comprehend the value and benefits of investing in digital investment applications before choosing and carrying out investment activities. One of the elements that can promote consumer interest in buying investment units to invest in the message gained from advertising. Because of the large number of digital investment applications available at this time, competition between digital investment applications will be fierce. It is critical for a digital investment application company to understand what factors can influence interest in purchasing investment units in digital investment apps, whether directly or indirectly.

## **RESEARCH METHODS**

The research method used in this study is the quantitative method, with the type of associative research and this method uses a cross-sectional data unit. The independent variables used in this study are advertising, perceived ease of use and perceived usefulness. While the dependent variable used in this study is purchase decision. The intervening variable used in this study is purchase intention. The sample in this study are people who have used and interest using digital investment apps. Using the sampling method with the type of non-probability sampling and based on the purposive sampling method. The number of samples is determined using the Solvin formula so that the minimum sample is 400 respondents and then the number of respondents is 428 respondents. The research instrument used in this study is a questionnaire (Google Form) with a cross-sectional time horizon. The data analysis method used in this study is SEM

(Structural Equation Modeling) analysis and the application to conduct our research uses SmartPLS 3 and SPSS version 26.

## RESULT AND DISCUSSION

Results of Statistical Validity Calculations Using Smart-PLS Analysis

Validity and Reliability testing is carried out to determine whether the research variables are valid and reliable. Validity and reliability Testing, it can be seen from the outer loading value, average variance extracted (AVE), composite reliability and cronbach's alpha value through the calculating procedure.

**Tabel 1. Result of Outer Loading Smart-PLS**

	X1 (ADS)	X2 (PEOU)	X3 (PU)	Y (PI)	Z (PD)
ADS1	0.809				
ADS2	0.882				
ADS3	0.828				
ADS4	0.828				
ADS5	0.791				
PD1					0.847
PD2					0.83
PD3					0.883
PD4					0.841
PEOU1		0.856			
PEOU2		0.845			
PEOU3		0.89			
PEOU4		0.851			
PEOU5		0.86			
PI1				0.856	
PI2				0.836	
PI3				0.826	
PI4				0.863	
PI5				0.841	
PU1			0.896		
PU2			0.901		
PU3			0.909		
PU4			0.897		
PU5			0.848		

Source : Output Smart-PLS 2022

Based on table 1, The test was carried out using SmartPLS Software. This validity test used a 95% confidence level. it can be seen that each of each variable indicator in this study has an outer loading value greater than 0.70 with a value scale of 0.791 - 0.901 or acceptable.

**Tabel 2. Result of Average Variance Extracted (AVE)**

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
<b>X1 (ADS)</b>	0.886	0.895	0.916	0.686
<b>X2 (PEOU)</b>	0.912	0.913	0.934	0.74
<b>X3 (PU)</b>	0.934	0.934	0.95	0.793
<b>Y (PI)</b>	0.899	0.9	0.926	0.713
<b>Z (PD)</b>	0.872	0.874	0.913	0.723

Source : Output Smart-PLS 2022

Based on the results of SPSS output, on table 2, it can be seen that each of each variable indicator in this study has an Average Variance Extracted (AVE) value of 0.50 or greater than 0.50 with a value scale of 0.686 - 0.793 or can be said to be valid.

### Results of Statistical Reliability Calculations Using Smart-PLS Analysis

**Tabel 3. Result of Composite Reliability**

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
<b>X1 (ADS)</b>	0.886	0.895	0.916	0.686
<b>X2 (PEOU)</b>	0.912	0.913	0.934	0.74
<b>X3 (PU)</b>	0.934	0.934	0.95	0.793
<b>Y (PI)</b>	0.899	0.9	0.926	0.713
<b>Z (PD)</b>	0.872	0.874	0.913	0.723

Source : Output Smart-PLS 2022

Based on the results of the composite reliability data output obtained, it can be seen that the variables Advertising, Perceived Ease of Use, Perceived Usefulness, Purchase Intention and Purchase Decision have a composite reliability value above 0.7, it can be concluded that the variables Advertising, Perceived Ease of Use, Perceived Usefulness, Purchase Intention and Purchase Decision have a good reliability

**Tabel 4. Result of Cronbach's Alpha**

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
<b>X1 (ADS)</b>	0.886	0.895	0.916	0.686
<b>X2 (PEOU)</b>	0.912	0.913	0.934	0.74
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<b>Y (PI)</b>	0.899	0.9	0.926	0.713
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Source : Output Smart-PLS 2022

Based on the results of the composite reliability data output obtained, it can be seen that the variables Advertising, Perceived Ease of Use, Perceived Usefulness, Purchase Intention and Purchase Decision have a cronbach’s alpha value above 0.7, it can be concluded that the variables Advertising, Perceived Ease of Use, Perceived Usefulness, Purchase Intention and Purchases Decision have a good reliability

**Results of Statistical Hypothesis Test Calculator Using Smart-PLS Analysis**

This hypothesis testing stage is carried out after the structural model evaluation stage is carried out. This stage is carried out to determine whether the research hypothesis proposed in the research model is accepted or rejected. To test the proposed hypothesis, it can be seen from the original sample and the T- Statistic value through the bootstrapping procedure.

**Tabel 5. Results of Direct Relationship Hypothesis Testing**

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics ( O/STDEV )</i>	<i>P Values</i>
<b>X1 (ADS) -&gt;Y (PI)</b>	0.44	0.443	0.064	6.921	0.000
<b>X2 (PEOU) -&gt; Y (PI)</b>	0.116	0.118	0.059	1.978	0.049
<b>X3 (PU) -&gt;Y (PI)</b>	0.358	0.354	0.057	6.291	0.000
<b>Y (PI) -&gt; Z (PD)</b>	0.816	0.817	0.022	37.013	0.000

Source : Output Smart-PLS 2022

Based on table 5, it can be seen that Advertising has a positive correlation, influential and significant correlation to the purchase intention. for perceived ease of use has a positive correlation, influential and significant correlation to the purchase intention. for perceived usefull has a positive correlation, influential and significant correlation to the purchase intention. Purchase intention has a positive correlation, influential and significant correlation to the purchase decision. This is indicated by the test results between the two variables which show the original sample value which is close to the value of +1.

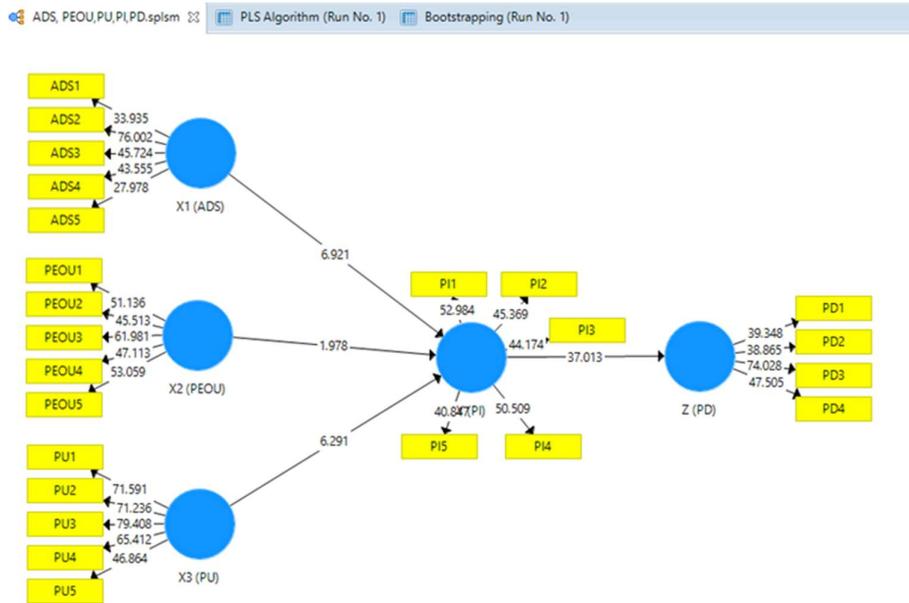


Fig 1. Results of the SmartPLS Algorithm

### Discussion of Hypothesis Test Result

This study aims to determine the effect of Advertising, Perceived Ease of Use, Perceived Usefulness on Purchase Intention and its impact to Purchase Decision

#### Effect of Advertising on Purchase Intention

Based on the test results on Advertising, the advertising has a positive and significant impact on Purchase Intention. This is indicated by the test results between the two variables which indicate the original sample value is 0.44 which is close to the value +1, has a T-Statistic value of 6.921 ( $>1.99$ ) and a PValues value of 0.000 ( $<0.05$ ), so it can be concluded that the third hypothesis H0 is rejected and H1 is accepted and the Advertising has a positive and significant influence on Purchase intention

#### Effect of Perceived Ease Of Use on Purchase Intention

Based on the test results on Perceived Ease of Use has a positive and significant impact on Purchase Intention. This is indicated by the test results between the two variables which indicate the original sample value is 0.116 which is close to the value +1, has a T-Statistic value of 1.978 ( $>1.99$ ) and a PValues value of 0.049 ( $<0.05$ ), so it can be concluded that the third hypothesis H0 is rejected and H2 is accepted and the Perceived Ease of Use has a positive and significant influence on Purchase intention

#### Effect of Perceived Usefulness on Purchase Intention

Based on the test results on Perceived Usefulness has a positive and significant impact on Purchase Intention. This is indicated by the test results between the two variables which indicate the original sample value is 0.358 which is close to the value +1, has a T-Statistic value of 6.291 ( $>1.99$ ) and a PValues value of 0.000 ( $<0.05$ ), so it can be concluded that the third

hypothesis H0 is rejected and H3 is accepted and the Perceived Usefulness has a positive and significant influence on Purchase intention

### **Effect of Purchase Intention on Purchase Decision**

Based on the test results on Purchase Intention has a positive and significant impact on Purchase Decision. This is indicated by the test results between the two variables which indicate the original sample value is 0.816 which is close to the value +1, has a T-Statistic value of 37.013 ( $>1.99$ ) and a PValues value of 0.000 ( $<0.05$ ), so it can be concluded that the third hypothesis H0 is rejected and H4 is accepted and the Purchase Intention has a positive and significant influence on Purchase Decision

### **CONCLUSIONS AND SUGGESTIONS**

Through the results of the investigation carried out by (Azzahra, 2020) and (Amarilisya, 2021) previously explained that the use of digital investment applications has increased continuously in line with current digital progress and developments. This condition means that more and more people are interested in investing in digital investment applications in Indonesia. In this case, digital investment application companies must continue to maintain and continue to increase various supporting sectors in digital investment applications in order to continue to compete. This research was conducted to formulate what things can affect purchase decisions in digital investment applications, either directly or indirectly. The following are the conclusions that the researchers obtained are as follows:

1. The effect of advertising on purchase intention in digital investment applications. Based on the results of data processing and the discussion that has been carried out in chapter 4 (Results and discussion) previously, it can be concluded that advertising has a positive and significant influence on purchase intention. These results indicate that hypothesis 1 (H1) is accepted; in this case it shows that the increasing value of the advertising variable will have a positive and significant effect on increasing the value of the user's purchase intention variable. Conversely, if the value of the advertising variable decreases, the value in the purchase intention variable will also decrease.
2. The effect of perceived ease of use on purchase intention in digital investment applications. Based on the results of data processing and discussion that has been carried out in chapter 4 (Results and discussion) previously, it can be concluded that perceived ease of use has a positive and significant influence on purchase intention. These results indicate that hypothesis 2 (H2) is accepted; in this case it shows that the increasing value of the perceived ease of use variable will have a positive and significant effect on increasing the value of the purchase intention variable of users. Conversely, if the value of the perceived ease of use variable decreases, the value in the purchase intention variable will also decrease.
3. The effect of perceived usefulness on purchase intention in digital investment applications.

Based on the results of data processing and the discussion that has been carried out in chapter 4 (Results and discussion) previously, it can be concluded that perceived usefulness has a positive and significant influence on purchase intention. These results indicate that hypothesis 3 (H3) is accepted; in this case it shows that with the increase in the value of the perceived usefulness variable, it will have a positive and significant effect on increasing the value of the user's purchase intention variable. Conversely, if the value of the perceived usefulness variable decreases, the value in the purchase intention variable will also decrease.

4. The effect of purchase intention on purchase decisions on digital investment applications. Based on the results of data processing and discussions that have been carried out in chapter 4 (Results and discussion) previously, it can be concluded that purchase intention has a positive and significant influence on purchase decisions. These results indicate that hypothesis 4 (H4) is accepted; in this case it shows that with the increase in the value of the purchase intention variable, it will have a positive and significant effect on increasing the value of the user's purchase decision variable. Conversely, if the value of the purchase intention variable decreases, the value in the purchase decision variable will also decrease. It can be concluded that the relationship between advertising variables, perceived ease of use, and perceived usefulness on purchase intention is positive and significant, which then has a positive and significant impact on purchase decision variables in digital investment applications

### **Suggestion**

#### **For Digital Investment Application Companies**

The author hopes that this research can be used as a means to improve the quality of convenience, use, customers and advertisers that have an impact on decisions for company investment applications. The author also proposes that investment application companies should maximize the factors that influence the intention to buy investment applications so that they can improve consumer decisions to use investment applications. In this study, it has been proven that advertising, perceived ease of use and perceived usefulness have an effect on increasing the value of consumers' purchase intentions. The company's investment application should make improvements such as advertising, because advertising is an advertisement of perceptions about the applications offered, in advertising also potential consumers or consumers can be more confident and have value in choosing investment applications. The results of the study show that advertising has the greatest influence compared to perceived ease of use and perceived usefulness on purchase intentions. So, it's better for apps investing companies to focus more on maximizing advertising

#### **For Further Researchers**

Due to further limitations in this study, it is expected that researchers conduct specific research on one investment application to obtain more detailed results for further research companies to be able to analyze with independent variables so that they can find variables that influence purchasing decisions. also hope that this research can be used as material for further research if conducting research with purchasing decision variables.

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