

The Impact of Export Parcel Price, Parcel Service Quality, and Logistics Service Innovation on Purchasing Decisions and the Implications for Company Performance at PT PosIND KCU Denpasar

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Abstract

The author conducted a study on the export parcel revenue performance at PT PosIND KCU Denpasar, which has been continuously declining from 2022 to 2024. The ongoing decrease in revenue indicates an issue that will impact the performance of PT PosIND KCU Denpasar. This research aims to determine the effect of export parcel price, parcel service quality, and logistics service innovation on company performance with purchasing decision as an intervening variable. The method used in this causal research is PLS-SEM with data analysis using SmartPLS software. The population consists of 270 customers, and the sample size determined using the Slovin formula is 161 customers. The load factor and Cronbach's Alpha values for all variables are above 0.700, indicating that all data are valid and reliable. The research results show a positive influence of export parcel price on purchasing decision, with a T Statistics value of 3.348 > 1.96 and a p-value of 0.001. There is a positive influence of parcel service quality on purchasing decision, with a T Statistics value of 2.473 > 1.96 and a p-value of 0.032 < 0.050. There is a positive influence of logistics service innovation on purchasing decision, with a T Statistics value of 2.301 and a p-value of 0.032 < 0.05. The study results indicate an R Square value of 0.553, meaning there is a positive and significant effect of export parcel price and parcel service quality on purchasing decision. Additionally, there is a positive and significant effect of purchasing decision on company performance, with a T Statistics value of 12.987 > 1.96 and a p-value of 0.000 < 0.05. PosIND must continue to innovate its services to acquire customers from competitors and increase revenue.

Keywords: Export Parcel Price, Parcel Service Quality, Logistics Service Innovation, Purchasing Decision, Company Performance

1. Introduction

PosIND KCU Denpasar is one of the branches of PT PosIND that contributes the largest revenue from the courier and logistics business. PT PosIND's Courier and Logistics Business is divided into two categories: domestic shipments and international shipments. More than 80% of the courier and logistics revenue at PosIND KCU Denpasar comes from international shipments. However, the courier and logistics revenue at KCU Denpasar has been declining from 2022 to 2024, with the export parcel product experiencing the most significant decrease. The export parcel revenue at PT PosIND KCU Denpasar was IDR 67,147,000,000 in 2022, whereas in 2023, it was IDR 62,287,000,000, a decrease of IDR 5,060,000,000 (-7.24%). The export parcel revenue for the period January to May 2023 was IDR 28,287,395,584, whereas for the same period in 2024, it was IDR 21,998,937,528, a significant decrease of IDR 6,288,458,056 (-22.23%). The continuous decline in export parcel revenue at PosIND KCU Denpasar indicates an issue that has impacted the company performance.



According to Moerdiyanto (2024), company performance is the result of a series of business processes utilizing various resources. The dimensions/indicators of company performance according to Moerdiyanto (2024) consist of financial performance, operational performance, customer performance, market share, and innovation rate. According to S.K. Singh, et al. (2020), Yanto R (2020), M.A Khan, et al. (2020), J.M. Lee, et al. (2020), Seshadri (2001), and company performance is influenced by purchasing decision. According to Yanto R (2020), purchasing decision is a key aspect of consumer behavior that leads to the purchase of a product or service. The indicators of purchasing decision include: perceived quality, customer satisfaction, brand loyalty, purchase intention, perceived value for money.

According to Cagatay A (2021), Erika N (2024), Cyndi N (2021), Suci R (2024), Mulyadi (2024), price or tariff influences purchasing decision. According to Erika N (2024), price is the amount of money charged for a product or service and the amount of value that consumers exchange for the benefits of having or using the product and service. The dimensions of price consist of product affordability, price match with product quality, product price competitiveness, suitability of price, and product benefits. According to Octaviana A (2023), Fitrah A (2022), Novita D (2023), Zihan A (2023), Dwi R.A (2024), Mulyadi (2024), service quality influences purchasing decision. According to Fitrah Anggardin (2022), service quality is an activity carried out by the company in providing everything that consumers expect to fulfill consumer desires. The dimensions of service quality according to Fitrah A (2022) include five dimensions to determine the quality of service significantly felt by consumers, namely Tangible, reliability, responsiveness, assurance, and empathy.

According to Fifi M.S (2023), Fauzi R (2024), Alga T.R (2022), Brigita (2022), Joe E.A.S (2021), innovation influences purchasing decision. However, according to Afriyanti (2019), innovation has a negative and significant impact on purchase intention. According to Brigita (2022), innovation is a variety of products, services, or processes in an organization that use new resources and have an important impact on organizational success. The indicators of logistics service innovation include: technology integration, automation, sustainability initiatives, customer feedback utilization, flexibility, and customization.

Based on previous research, it is explained that there are still pros and cons regarding the influence of price, service quality, and innovation on purchasing decisions, so the research model cannot yet be generalized. The purpose of this study is to analyze the impact of export parcel price, parcel service quality, and logistics service innovation on purchasing decisions and the implications for company performance at PT PosIND KCU Denpasar.

2. Body of Paper Research Methodology

This research employs a quantitative method. According to Herdarni et al. (2020), quantitative research aims to reveal phenomena holistically and contextually through data collection from natural settings, utilizing the researcher as the key instrument. Borg and Gall, as cited in Herdarni (2020), state that quantitative research is divided into exploratory and causal research. Causal research is designed to explain the relationships between variables, but causal conclusions cannot be based solely on simplicity. This means that researchers cannot draw causal conclusions between two or more variables based only on significant statistical calculations. Conclusions about the causal relationships between two or more variables are reached through four stages: (1) the conceptual stage, (2) the variable measurement stage, (3) the sample selection stage, and (4) the mathematical manipulation stage. The method used in this causal research is PLS-SEM with data



analysis using the smartPLS software. SmartPLS is chosen because it has several advantages over other statistical software. According to Harahap (2020), smartPLS offers the following advantages:

- 1. SmartPLS can be used to test complex relationships between variables. It is more powerful compared to other statistical software.
- 2. SmartPLS is more powerful because it uses an approach based on various assumptions.
- 3. The sample size required for analysis in smartPLS is relatively small.

SmartPLS is useful when there are limitations in population and sample size, while the model built is relatively complex and complicated. This capability is not found in other statistical software except for LISREL and AMOS, which require larger sample sizes.

Research Model

The research model in this study is presented in Figure 1.

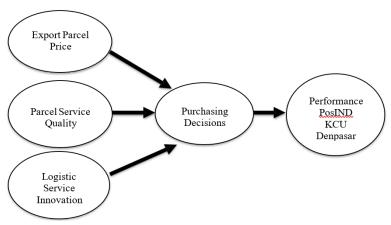


Figure 1: Research Model

The population consists of 270 customers of PT PosIND KCU Denpasar. With a margin of error of 5%, the sample size is determined using the Slovin formula, resulting in 161 participants.

Hypotheses:

The author establishes the hypotheses as follows:

| NO | | | | | Hypotneses | | | | | | | | | |
|----|----|---|-------|----|------------|----------|-----|-------------|-----------|----|--------|--------|-------|---|
| 1. | H1 | : | There | is | a | positive | and | significant | influence | of | export | parcel | price | 0 |

- วท purchasing decision.
- 2. : There is a positive and significant influence of parcel service quality on H2 purchasing decision.
- : There is a positive and significant influence of logistics service innovation on 3. H3 purchasing decision.
- 4. H4: There is a positive and significant influence of export parcel price, parcel service quality, and logistics service innovation on purchasing decision.
- 5. : There is a positive and significant influence of purchasing decision on company performance.

3. Results.

The results of the study indicate that the average value of each indicator ranges from 2.752 to 3.471, categorized as fairly good to good, but not yet excellent, making them suitable for research. Validity and reliability tests were conducted to measure the quality of the questionnaire. The validity test is a tool used to ensure that respondents are given the opportunity to express their



opinions by providing ratings of strongly agree, agree, somewhat agree, disagree, and strongly disagree to the questions in the questionnaire. It also ensures that respondents are correctly exercising their rights. The results show that the load factor values for all indicators of the variables studied are greater than 0.700. Since all indicators have load factor values greater than 0.700, referring to Hasnita (2021), all indicators in this study are declared valid. Hasnita (2021) explains that a variable is considered reliable if each variable has a Cronbach's Alpha value greater than 0.700. All variables in this study have Cronbach's Alpha values above 0.70, so all variables are declared reliable for research.

The study results indicate that the T Statistics value for the export parcel price variable is 3.348, where the T Statistics value > 1.96, p value = 0.001, meaning there is a positive effect of export parcel price on purchasing decision. There is a positive effect of parcel service quality on purchasing decision with a T Statistics value of 2.473 > 1.96 and a P value of 0.032 < 0.050. There is a positive effect of logistics service innovation on purchasing decision with a T Statistics value of 2.301 and a P value of 2.301 and

FPP1 PD1 PD2 PD3 PD5 EPP2 0.841 0.839 0.904 0.901 0.886 0.896 0.829 **←**0.833. **←**0.805 0.298 0.710 0.783 Export Parcel CPDPR1 Price EPP6 Purchasing CPDPR2 Decisions 779 0.802 0.276 CPDPR3 0.805 PSQ1 0.834 CPDPR4 0.244 0.901 PSQ2 0.764 0.909 CPDPR5 0.770 0.923 **←**∩ 784 .` 0.740 **▲**0.868 CPDPR6 Company PSQ4 0.714 0.841 Performance CPDPR7 0.766 PSO5 Parcel Service Quality CPDPR8 PSO6 0.773 0.737 0.867 0.895gistics 0.791 . Service **Innovation** LSI1 LSI2 LSI6 Figure 2.1. Result Research

The overall research model is illustrated in Figure 2.1 below:

Based on the results of the PLS-SEM analysis, it can be concluded that the variables export parcel price, parcel service quality, and logistics service innovation have a positive effect on purchasing decision, which then significantly affects company performance. The high R square values for purchasing decision and company performance indicate that this research model has strong predictive ability. Additionally, the findings align with real-world observations that price significantly impacts purchasing decisions, although some customers prioritize the quality of the products/services they receive over the price. Furthermore, some customers expect additional innovation in export parcel products, particularly in terms of reliability in tracking shipments.



4. Implication and Direction for Future Research Implication

The research results indicate that all variables positively influence purchasing decisions, contradicting Afriyanti's (2019) findings, which stated that innovation negatively and significantly affects purchase intention. Given that the research indicates the path coefficient value for the logistics service innovation variable is the smallest compared to the other variables, the author recommends enhancing logistics service innovation. One recommendation is to create a single Air Way Bill (AWB) system to acquire B2C customers who sell goods on international marketplaces within the operational area of PosIND KCU Denpasar.

Future Research

The research conducted at PT PosIND KCU Denpasar has successfully demonstrated that export parcel price, parcel service quality, and logistics service innovation positively impact purchasing decision, although not very strongly. However, there is a very strong influence of purchasing decision on company performance. Based on the information presented in this study, there are still opportunities for other researchers to use different variables that may have a stronger influence on purchasing decisions, such as the marketing mix, customer reviews, etc. Additionally, researchers could explore other topics currently being developed at PT PosIND, such as the implementation of robotics for sorting activities, which has already been piloted at the Surabaya Postal Processing Center, digital transformation at PosIND, and PosIND's shift towards becoming a logistics company.

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