

**ONLINE PURCHASE DECISIONS AND BRAND IMAGE BASED ON SHOPEE AD
EFFECTIVENESS WITH EPIC MODEL**

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ABSTRACT

This study investigates the impact of advertising effectiveness on online purchase decisions on e-commerce platforms, focusing on Shopee, using the EPIC Model (Empathy, Persuasion, Impact, and Communication). It also examines the moderating role of brand image in this relationship. Employing a quantitative approach with descriptive and causal methods, data were collected through questionnaires distributed to active Shopee users. The data were analyzed using the Partial Least Squares (PLS) model to assess the relationships between advertising effectiveness, brand image, and purchase decisions. The findings indicate that advertising effectiveness significantly and positively influences online purchase decisions. Furthermore, brand image plays a crucial role in strengthening the relationship between advertising effectiveness and purchase decisions, highlighting its importance in enhancing the impact of advertisements on consumer behavior. This study emphasizes the need for e-commerce platforms to implement effective advertising strategies and cultivate a strong brand image to foster consumer loyalty and drive purchasing decisions. These insights offer valuable guidance for marketers to optimize advertising outcomes in competitive e-commerce environments.

Keywords: advertising effectiveness; EPIC model; online purchase decisions; brand image; e-commerce platforms

INTRODUCTION

In recent years, e-commerce in Indonesia has experienced rapid growth, mainly through online shopping platforms such as Shopee (Alamin et al., 2023). As one of the most prominent players in the e-commerce industry, Shopee offers a wide range of online product transaction services, making it convenient for consumers to make purchases anytime and anywhere (Jabat et al., 2022). Not only does Shopee provide easily accessible services, but it also employs various marketing strategies to enhance the platform's visibility and appeal. One of the marketing strategies utilized is online advertising, which plays a crucial role in shaping consumer purchasing decisions (Andirwan et al., 2023).

Online advertising has been proven to influence consumer purchasing decisions significantly. Advertising aims to introduce products or services and create a positive perception of the brand (Suparyawan & Dermawan, 2023). Amidst intense competition in the e-commerce market, advertising effectiveness has become one of the key factors in capturing consumer attention and influencing their decisions to purchase products. Therefore, examining how Shopee's advertising can impact brand image and consumer purchasing decisions (Fatimah & Nurtantiono, 2022) is essential.

A strong and positive brand image builds consumer loyalty and trust. When consumers have a favorable brand image of a platform, they are likelier to choose it for repeat purchases (Fatimah & Nurtantiono, 2022). In this context, advertising serves as one of the ways to shape and strengthen brand image. Therefore, evaluating the effectiveness of the advertising delivered to consumers is important. One effective model for measuring advertising effectiveness is the EPIC Model. This model assesses four key elements in marketing communication: Engagement, Persuasion, Impact, and Communication (EPIC). Through the EPIC Model, this

study aims to provide a deeper understanding of how advertising can influence purchasing decisions and the brand image of Shopee among consumers (Kembang et al., 2024).

Consumers' decisions to purchase a product are closely tied to their assessment of its quality. In e-commerce, where consumers cannot physically see or try the products, advertising plays a crucial role in providing information about the products' quality (Lorinda & Amron, 2023). With the advancement of electronic and print media, advertising has become essential for promoting products to a broader audience. In this context, effective advertising captures the attention of potential consumers and creates a strong image for the brand being advertised.

This study aims to identify and analyze the influence of Shopee's advertising effectiveness on online purchasing decisions and Shopee's brand image among consumers. Using the EPIC Model, this research will explore how the four main dimensions of the model—Engagement, Persuasion, Impact, and Communication—can influence consumers' perceptions of Shopee and their decisions to purchase products on the platform (Kembang et al., 2024). The results of this study are expected to provide valuable insights for the company in designing more effective advertisements and strengthening Shopee's brand image in an increasingly competitive market.

METHODOLOGY

The research design used in this study is a survey design, where the primary data is collected. The researcher obtained the data by distributing online questionnaires to respondents who met the specified criteria. These questionnaires were provided to respondents through digital platforms, such as Google Forms, accessible via WhatsApp, to facilitate the data collection. The sampling technique employed in this research is non-probability sampling, specifically using purposive sampling. Purposive sampling is a technique where samples are selected based on specific criteria relevant to the research objectives (Pratiwi et al., 2024). The criteria used in this study include respondents aged 17 years and above who are Shopee consumers and have occasionally or frequently purchased on the platform. Data was collected using a questionnaire divided into several sections. The first section contains the respondents' demographic data, while the subsequent sections include questions related to Advertising Effectiveness, Brand Image, and Online Purchasing Decisions. These variables were measured to determine the influence of each on Shopee's purchasing decisions.

RESULTS AND DISCUSSION

Result

Primary data were collected to analyze the effectiveness of Shopee's advertisements on brand image and their impact on online purchasing decision-making. Data collection was conducted through the distribution of questionnaires to 108 respondents who are Shopee customers. This study used the Partial Least Squares (PLS) approach to test the hypothesis. PLS is a component-based structural equation modeling technique, part of Structural Equation Modeling (SEM). SEM is a multivariate analysis technique that allows for testing complex relationships between variables that are difficult to measure simultaneously. SEM combines factor analysis with regression analysis (correlation) to examine relationships between variables, indicators, and their constructs among constructs (Sholihin & Ratmono, 2021).

a. Demographic Characteristics of Respondents

In this study, the demographic characteristics of the respondents were measured using three items, and the distribution of the results is presented in Table 1.

Table 1 Demographic Respondent

No.	Demographic	Frequency	Percentage
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Characteristics of Respondents

1	Age	18 - 24 Years	63	58,3%
		25 - 34 Years	21	19,4%
		35 - 44 Years	13	12%
		45 - 54 Years	10	9,3%
		55 Years and Above	1	0,9%
2	Gender	Female	61	56,5%
		Male	47	43,5%
3	Frequency of Online Shopping on Shopee	Every Week	6	5,6%
		Every Month	36	33,3%
		Several Times in 6 Months	38	35,2%
		Rarely (more than once every 6 months)	33	30,6%

Source: Research Results, 2025

b. Testing the Structural Model (Inner Model)

The structural model used in this study was developed based on the established problem formulation. This model is represented in PLS and connected using arrows that indicate the direction and influence among the variables tested in the research. After the structural model was depicted in PLS, calculations were performed to identify several key outputs, such as path coefficients and R-Square for the dependent variables. The results of the calculations from the structural model in this study can be seen in Figure 2. After the algorithm calculations were completed, the inner model was analyzed to evaluate the relationships among constructs. This evaluation examined the path coefficients and R-squared values for each construct. The results of the inner model evaluation are presented in Figure 2.

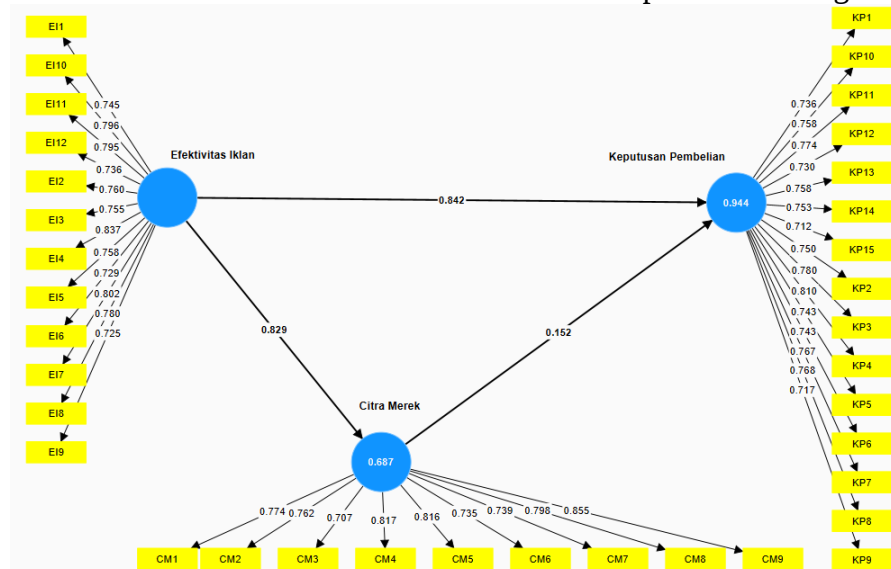


Figure 1 Output Calculate Algorithm

Source: Research Results, 2025

c. Convergent Validity

According to (Ghozali, 2016), data correlation is considered to meet convergent validity if it has a loading value greater than 0.7. The output transformation shows that the factor loadings provide values above the recommended threshold of 0.7, with Communality > 0.5 and Average Variance Extracted (AVE) > 0.5.

Table 2 Outer Loading

Indicator	Brand Image	Advertising Effectiveness	Online Purchase Decisions
CM1	0.774		
CM2	0.762		
CM3	0.707		
CM4	0.817		
CM5	0.816		
CM6	0.735		
CM7	0.739		
CM8	0.798		
CM9	0.855		
EI1		0.745	
EI2		0.760	
EI3		0.755	
EI4		0.837	
EI5		0.758	
EI6		0.729	
EI7		0.802	
EI8		0.780	
EI9		0.725	
EI10		0.796	
EI11		0.795	
EI12		0.736	
KP1			0.736
KP2			0.750
KP3			0.780
KP4			0.810
KP5			0.743
KP6			0.743
KP7			0.767
KP8			0.768
KP9			0.717
KP10			0.758
KP11			0.774
KP12			0.730
KP13			0.758
KP14			0.753
KP15			0.712

Source: Research Results, 2025

Based on Table 2 above, the outer loading values of all the indicators for the major variables are above 0.7, indicating that the convergent validity of all indicators can be considered valid. Below are the results of the AVE test:

Table 3 Average Variance Extracted (AVE)

Indicator	Average Variance Extracted (AVE)
Brand Image	0.607

Advertising Effectiveness 0.591

Online Purchase Decisions 0.568

Source: Research Results, 2025

Table 3 shows that the AVE values for all variables are above 0.5, indicating that convergent validity can be considered valid.

d. Discriminant Validity

According to (Agustine Pariesti et al., 2022), the method for testing discriminant validity with reflective indicators is by examining the cross-loading values. The values for each variable must be greater than 0.70. Below is the table that tests the cross-loading values for discriminant validity assessment:

Table 4 Cross Loading Discriminant Validity

Indicator	Brand Image	Advertising Effectiveness	Online Purchase Decisions
CM1	0.774	0.668	0.680
CM2	0.762	0.609	0.643
CM3	0.707	0.623	0.661
CM4	0.817	0.654	0.639
CM5	0.816	0.593	0.627
CM6	0.735	0.558	0.518
CM7	0.739	0.664	0.673
CM8	0.798	0.709	0.746
CM9	0.855	0.706	0.730
EI1	0.583	0.745	0.658
EI2	0.678	0.760	0.699
EI3	0.579	0.755	0.780
EI4	0.679	0.837	0.810
EI5	0.723	0.758	0.743
EI6	0.604	0.729	0.743
EI7	0.722	0.802	0.767
EI8	0.585	0.780	0.768
EI9	0.633	0.725	0.717
EI10	0.639	0.796	0.758
EI11	0.627	0.795	0.777
EI12	0.573	0.736	0.696
KP1	0.813	0.692	0.736
KP2	0.607	0.689	0.750
KP3	0.579	0.755	0.780
KP4	0.679	0.837	0.810
KP5	0.723	0.758	0.743
KP6	0.604	0.729	0.743
KP7	0.722	0.802	0.767
KP8	0.585	0.780	0.768
KP9	0.633	0.725	0.717
KP10	0.639	0.796	0.758
KP11	0.554	0.705	0.774
KP12	0.638	0.670	0.730

KP13	0.664	0.696	0.758
KP14	0.603	0.653	0.753
KP15	0.533	0.596	0.712

Source: Research Results, 2025

Table 4 shows that the correlation scores of each variable with their respective indicators are higher than the correlation scores with other indicators, achieving scores above 0.7. Therefore, it can be concluded that all the indicators tested in this study have discriminant validity.

e. Reliability Test

In PLS-SEM using the Smart PLS 4 program, the reliability of a construct with reflective indicators can be measured in two ways: Cronbach's alpha and composite reliability. A construct is considered reliable if the values of composite reliability and Cronbach's alpha are more significant than 0.70. Below are the data results for composite reliability and Cronbach's alpha for the reliability test:

Table 5 Composite Reliability and Cronbach's Alpha

Indicator	Cronbach's alpha	Composite reliability
Brand Image	0.919	0.921
Advertising Effectiveness	0.937	0.938
Online Purchase Decisions	0.946	0.947

Source: Research Results, 2025

Based on the data processing results in Table 5, it can be seen that the values of composite reliability and Cronbach's alpha both exceed 0.7. Therefore, it can be concluded that all variables in this study are considered reliable.

f. Test the Deep Model

The R-squared value is used to explain the effect of exogenous constructs on endogenous constructs. An R-squared value of 0.75 is considered strong, 0.50 moderate, and 0.25 weak. Below are the results of the R-squared test:

Table 6 R-Square Value

Indicator	R-Square
Brand Image	0.687
Online Purchase Decisions	0.944

Source: Research Results, 2025

Based on the table above, the R-squared value for the Brand Image variable is 0.687. This result indicates that the model can explain 68.7% of the variables influencing Brand Image, while the remaining 31.3% is influenced by other variables not included in this study. Furthermore, the Purchase Decision variable obtained an R-squared value of 0.944. This result shows that the model can explain 94.4% of the variability in Purchase Decisions, while the remaining 5.6% is influenced by other factors not included in this research model.

g. Hypothesis Testing

Hypothesis testing in the PLS model is used for decision-making based on the p-value, which provides valuable information about the relationships between the research variables. The basis for hypothesis testing is the values found in the output path coefficients. According to (Ghozali, 2016), for significance, the guideline is based on a p-value of <0.05 or a t-statistic of >1.96. Below is the table of the results from the path coefficient tests among the variables:

Table 6 Value Path Coefficient

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (IO/STDEVI)	P values
Brand Image > Purchase Decision	0.152	0.151	0.051	2.971	0.003
Advertising Effectiveness > Brand Image	0.829	0.830	0.052	16.032	0.000
Advertising Effectiveness > Purchase Decision	0.842	0.842	0.048	17.630	0.000

Source: Research Results, 2025

Based on Table 7 above, the following conclusions can be drawn regarding the hypotheses:

1. Brand Image > Purchase Decision shows a path coefficient of 0.152, indicating a weak positive relationship between brand image and purchase decision. The t-statistic result is 2.971, more significant than 1.96, and the p-value is 0.003, less than 0.05, indicating that this relationship is significant. Therefore, this hypothesis is accepted, meaning that brand image significantly influences purchase decisions.
2. Advertising Effectiveness > Brand Image shows a path coefficient of 0.829, indicating a strong positive relationship between advertising effectiveness and brand image. The t-statistic is 16.032, and the p-value is 0.000, indicating a highly significant relationship. Therefore, this hypothesis is accepted, demonstrating a significant influence of advertising effectiveness on brand image.
3. Advertising Effectiveness > Purchase Decision shows a path coefficient of 0.842, indicating a robust positive relationship between advertising effectiveness and purchase decision. The t-statistic is 17.630, and the p-value is 0.000, confirming that this relationship is highly significant. Therefore, this hypothesis is also accepted, demonstrating a significant influence of advertising effectiveness on purchase decisions.

Based on the hypothesis testing results, all tested relationships (Brand Image > Purchase Decision, Advertising Effectiveness > Brand Image, and Advertising Effectiveness > Purchase Decision) showed significant results, as the p-values for all relationships were less than 0.05 and the t-statistics were all greater than 1.96. Therefore, it can be concluded that all tested hypotheses are accepted, and the relationships between the variables are significant.

Discussion

Based on the data analysis conducted using the PLS (Partial Least Squares) model and hypothesis testing, this study aims to identify the influence of Shopee's advertising effectiveness on brand image and online purchase decisions. The results of the hypothesis tests indicate that all three hypotheses tested in this study were found to be significant. This research provides insight into how advertising effectiveness can impact brand image and consumer purchase decisions, particularly in e-commerce platforms such as Shopee.

The Influence of Brand Image on Purchase Decisions

The first hypothesis tested was the influence of brand image on purchase decisions. Based on the statistical test results, the path coefficient of 0.152 indicates a weak positive relationship between brand image and online purchase decisions. Although this relationship is relatively weak, the t-statistic result of 2.971, more significant than 1.96, and a p-value of 0.003, less than 0.05, confirm that this relationship is significant. Therefore, this hypothesis is accepted, meaning brand image significantly influences online purchase decisions. These

findings align with the theory that a positive brand image enhances consumer trust and strengthens purchase decisions.

The Influence of Advertising Effectiveness on Brand Image

The second hypothesis tested was Advertising Effectiveness → Brand Image. The analysis results show a path coefficient of 0.829, indicating a robust positive relationship between advertising effectiveness and brand image. A t-statistic of 16.032, significantly higher than 1.96, and a p-value of 0.000, much smaller than 0.05, demonstrate that this influence is highly significant. Therefore, this hypothesis is accepted, indicating that advertising effectiveness significantly impacts brand image. Effective advertising can influence consumers' perceptions of a brand, enhance brand awareness, and shape a more positive brand image. This finding supports previous research stating that compelling and relevant advertising can build a strong brand image (Haerani, 2015).

The Influence of Advertising Effectiveness on Purchasing Decisions

The third hypothesis tested was Advertising Effectiveness → Purchasing Decision. The analysis results show a path coefficient of 0.842, indicating a strong positive relationship between advertising effectiveness and purchasing decisions. With a t-statistic of 17.630 and a p-value of 0.000, this influence is highly significant, confirming that advertising effectiveness substantially impacts online purchasing decisions. Effective advertising not only influences brand image but can also motivate consumers to make purchases. This aligns with the theory that compelling advertising can stimulate buying interest and accelerate purchasing decisions (Wahab Ali et al., 2017). Thus, advertising effectiveness plays a significant role in encouraging consumers to purchase the promoted products or services.

CONCLUSION

This study examines the influence of Shopee's advertising effectiveness on brand image and online purchasing decisions, using the EPIC model to measure advertising effectiveness through four main dimensions: Engagement, Persuasion, Impact, and Communication. Based on the results of the hypothesis testing conducted, it can be concluded that Shopee's advertising effectiveness significantly influences brand image and consumer purchasing decisions. The first hypothesis, which tested the influence of Brand Image > Purchasing Decisions, revealed that although this relationship is relatively weak (path coefficient 0.152), the impact of brand image on purchasing decisions remains significant. This aligns with the theory that a positive brand image can enhance consumer trust and encourage their decision to purchase products.

The second hypothesis, which tested the influence of < Advertising Effectiveness > Brand Image, yielded highly significant results with a path coefficient of 0.829, a t-statistic of 16.032, and a p-value of 0.000. This indicates that effective advertising substantially shapes and strengthens brand image, enhancing consumers' positive perception of the Shopee brand.

The third hypothesis, which tested the influence of Advertising Effectiveness > Purchasing Decisions, also demonstrated a highly significant impact, with a path coefficient of 0.842 and a t-statistic of 17.630. This confirms that effective advertising enhances brand image and motivates consumers to purchase. High advertising effectiveness is key in driving purchasing decisions on the Shopee platform. This study provides empirical evidence that advertising effectiveness influences brand image and consumers' online purchasing decisions. Therefore, for e-commerce platforms like Shopee, improving the quality of advertising through appropriate marketing strategies is essential to maintaining and strengthening brand image and boosting consumer purchasing decisions.

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