

## **The Influence of Price, Product Quality, and Service on Purchase Decisions in Cash on Delivery (COD) Transactions for Used iPhones on Facebook Marketplace Jakarta**

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### ABSTRACT

This study examines the effects of price, product quality, and service on purchase decisions for used iPhones purchased through Cash on Delivery (COD) transactions on Facebook Marketplace in Jakarta. A quantitative survey was conducted with 230 respondents selected through purposive sampling, and data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) in SmartPLS 4.0. The results show that price and service have a positive and significant effect on purchase decisions, while product quality has a positive but insignificant effect. Service emerged as the most dominant predictor. These findings suggest that sellers should prioritise responsive, consistent service and fair pricing over quality signalling in COD-based secondhand transactions.

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## INTRODUCTION

The rapid growth of digital technology has intensified business competition in Indonesia, pushing sellers to move beyond physical stores and maximise digital platforms to reach more consumers (Gita Segara & Irwan Padli Nasution, 2025). Facebook Marketplace, a consumer-to-consumer feature within Facebook, has become one of the most popular channels for online buying and selling because of its large user base, direct messaging feature, and low transaction cost (Amalita & Rahma, 2022). According to We Are Social (2025), the number of Facebook users in Indonesia continues to grow every year, giving local sellers wider and cheaper access to consumers than conventional retail.

Among the products traded on Facebook Marketplace, used iPhones remain particularly attractive. Apple continues to dominate the global smartphone market, with the iPhone 15, iPhone 15 Pro Max, and iPhone 15 Pro jointly holding the largest market shares worldwide (Goodstats, 2024). A loyalty survey by Goodstats (2022) further shows that Indonesian consumers remain loyal to iPhone mainly because of camera quality (74.2%), processor performance (50.9%), and product durability (50.7%), alongside stable resale price (23.5%) and an integrated user experience such as ease of use (42.5%), a user-friendly interface (41.4%), and a connected Apple ecosystem (51.6%). These figures indicate that price, product quality, and service jointly shape consumer purchase decisions for iPhones.

Most used-iPhone transactions on Facebook Marketplace are completed through Cash on Delivery (COD), a payment method perceived as safer because the buyer can inspect the item before paying (Asror & Wahyuningsih, 2024). However, the growth of COD transactions has also surfaced recurring problems, such as products that do not match their description, unprofessional service, and prices that are not proportional to product condition—issues that can lower a consumer's purchase decision (Arifiana et al., 2025). A pre-survey of

20 respondents support this phenomenon: 90% agreed that price matched product condition and specification, 85% agreed that the physical condition of the iPhone matched its advertised description, and 90% agreed that sellers responded quickly and courteously.

Despite extensive research on price, product quality, and service as antecedents of purchase decisions, most prior studies examine these variables separately or in e-commerce contexts with escrow-based payment (e.g., Shopee, Tokopedia), leaving the COD-based, peer-to-peer context of social-commerce platforms such as Facebook Marketplace comparatively underexplored. This study therefore examines and analyses the effects of price, product quality, and service on purchase decisions in COD transactions for used iPhones on Facebook Marketplace in Jakarta.

## **LITERATURE REVIEW**

### ***Consumer Behaviour and the Stimulus–Organism–Response (S-O-R)***

Theory Consumer behaviour is the study of how individuals, groups, and organisations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kotler & Armstrong, 2018). The Stimulus–Organism–Response (S-O-R) theory, first proposed by Mehrabian and Russell (1974), explains how external stimuli affect an individual's internal psychological state (organism), which in turn produces a behavioural outcome (response). In a marketplace setting, stimuli such as price, product quality, and seller service shape consumers' internal evaluation, which is then reflected in their purchase decision. Recent studies continue to apply the S-O-R framework to digital consumer behaviour: Erensoy et al. (2024) used it to explain how visual and interactive elements in virtual-reality retail shape purchase intention, while Kim et al. (2023) applied it to augmented-reality fashion retail, showing how digital stimuli trigger emotional and cognitive responses that ultimately affect purchase decisions.

#### ***Price***

Price is the amount of money a consumer must pay to obtain a product, and it functions as one of the marketing-mix elements that most directly signals product value (Kotler & Armstrong, 2018). Because used iPhones are experience goods whose true quality is not fully known before use, price often serves as a quality cue for buyers. Asror and Wahyuningsih (2024) and Laura and Khotimah (2022) both found that price has a positive and significant effect on purchase decisions, supporting the hypothesis below.

H1: Price has a positive and significant effect on purchase decisions in COD transactions for used iPhones on Facebook Marketplace Jakarta.

#### ***Product Quality***

Product quality reflects a product's ability to perform its function consistently, covering dimensions such as performance, durability, reliability, and perceived quality (Kotler & Armstrong, 2018; Sanjaya et al., 2023). Kusumawati et al. (2024) found that product quality significantly affects purchase satisfaction for iPhone buyers, while Saputra et al. (2023) reported a positive and significant effect of product quality on purchase decisions in COD-based marketplace transactions.

H2: Product quality has a positive and significant effect on purchase decisions in COD transactions for used iPhones on Facebook Marketplace Jakarta.

#### ***Service***

Service reflects a seller's ability to meet or exceed buyer expectations through responsiveness, reliability, assurance, and empathy throughout the transaction process (Bukhori, 2025). In a COD context, service quality includes how quickly and courteously a seller responds, the clarity of product information provided, and reliability in honouring delivery agreements. Asror and Wahyuningsih (2024) found a positive and significant effect of COD service on purchase decisions, and Hajati (2022) similarly reported that COD service, together with online consumer ratings and reviews, significantly and positively affects purchase decisions.

H3: Service has a positive and significant effect on purchase decisions in COD transactions for used iPhones on Facebook Marketplace Jakarta.

### **Purchase Decision**

Purchase decision is the outcome of a process in which a consumer evaluates factors such as price, product quality, and service before deciding to buy a product (Permatasari et al., 2025). Kotler and Keller (2016) identify several dimensions of purchase decision, including product choice, brand choice, purchase timing, payment method, and purchase quantity; in a COD context, payment-method choice and the buyer's sense of transaction safety are particularly salient.

After the hypothesis section, if your study is quantitative, please provide a contextual framework here, or your mind map, if qualitative.

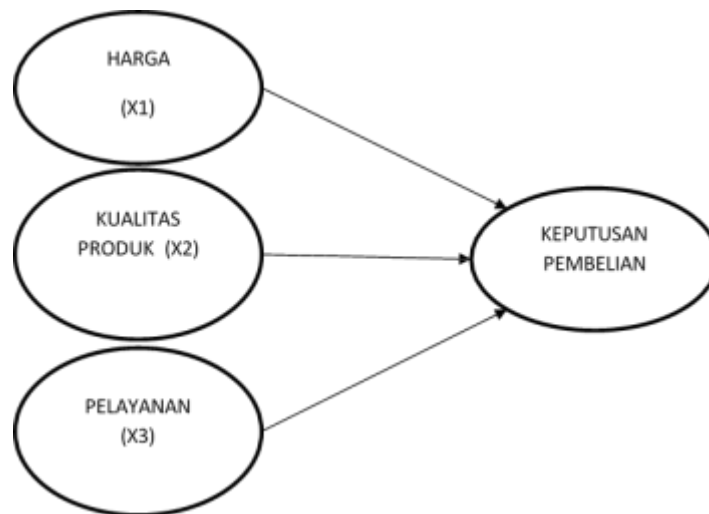


Figure 1. Conceptual Framework of the Study

## **METHODOLOGY**

This study uses a quantitative approach with a descriptive and verificative design, combined with causal research to test the effect of the independent variables (price, product quality, and service) on the dependent variable (purchase decision). The population consists of consumers who have purchased a used iPhone through a COD transaction on Facebook Marketplace in Jakarta. Following Hair et al. (2022), the minimum sample size is estimated by multiplying the number of indicators by 5; with 46 indicators, the required sample ranges from 230 to 460 respondents. This study used 230 respondents selected through purposive sampling.

Data were collected through an online questionnaire distributed via Google Form, using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The questionnaire was complemented by secondary data from academic literature and published reports. Data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) in SmartPLS version 4.0.9.9. The measurement model (outer model) was evaluated through convergent validity (outer loading  $\geq 0.70$ , AVE  $\geq 0.50$ ), discriminant validity (Fornell-Larcker criterion and HTMT  $< 0.90$ ), and reliability (Cronbach's alpha and composite reliability  $\geq 0.70$ ). The structural model (inner model) was evaluated through the

coefficient of determination ( $R^2$ ), effect size ( $f^2$ ), and hypothesis testing via bootstrapping, where a hypothesis is supported if the t-statistic exceeds 1.96 and the p-value is below 0.05 (Hair et al., 2022).

## RESEARCH RESULT

### *Respondent Profile*

Data were collected from 230 respondents who had purchased a used iPhone through a COD transaction on Facebook Marketplace in Jakarta. Table 1 summarises the demographic profile of the respondents.

Table 1. Respondent Profile (N = 230)

| Usia        | Frekuensi | Persentase (%) |
|-------------|-----------|----------------|
| 17-21 tahun | 74        | 32,17%         |
| 22-30 tahun | 143       | 62,17%         |
| 31-40 tahun | 13        | 5,66%          |
| Total       | 230       | 100%           |

Source: Processed questionnaire data (2026)

The largest group of respondents was aged 22–30 years (62.17%) and male (74.78%), and most respondents were students (44.35%). This profile indicates that young, digitally active consumers dominate the used-iPhone COD market on Facebook Marketplace, consistent with their relatively price-sensitive purchasing behaviour.

### *Measurement Model (Outer Model) Evaluation*

The outer model was first estimated with all 46 original indicators. Indicators with an outer loading below 0.70 (H1, H2, H3, H5, KP1, KP3, KP4, KP6, KP7, KP10, KP12–KP16, KPN2, KPN6, and KPN7) were removed to improve convergent validity. Table 2 presents the final outer loading values after this modification; all remaining indicators exceed the 0.70 threshold (Hair et al., 2022).

Table 2. Outer Loading Results (Final Model)

| Variable          | Indicators (outer loading)                                                                                                      |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Price             | H4 (0.797), H6 (0.758), H7 (0.829), H8 (0.788)                                                                                  |
| Product Quality   | KP2 (0.747), KP5 (0.765), KP8 (0.798), KP9 (0.797), KP11 (0.760)                                                                |
| Service           | P1 (0.752), P2 (0.745), P3 (0.717), P4 (0.721), P5 (0.811), P6 (0.725), P7 (0.809), P8 (0.731), P9 (0.754), P10 (0.775)         |
| Purchase Decision | KPN1 (0.782), KPN3 (0.759), KPN4 (0.730), KPN5 (0.728), KPN8 (0.754), KPN9 (0.740), KPN10 (0.778), KPN11 (0.728), KPN12 (0.786) |

Source: SmartPLS 4 output (2026)

Discriminant validity was assessed using the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio (HTMT). The square root of each construct's AVE (Price = 0.793, Purchase Decision = 0.754, Product Quality = 0.774, Service = 0.755) exceeded its correlation with every other construct, and all HTMT values remained below the 0.90 threshold (ranging from 0.763 to 0.866), confirming that all four constructs are empirically distinct (Hair et al., 2022).

Table 3. Average Variance Extracted (AVE) and Reliability

| Variable          | AVE   | Cronbach's Alpha | Composite Reliability (rho_c) | Remark   |
|-------------------|-------|------------------|-------------------------------|----------|
| Price             | 0.629 | 0.806            | 0.872                         | Reliable |
| Product Quality   | 0.598 | 0.834            | 0.882                         | Reliable |
| Service           | 0.569 | 0.919            | 0.930                         | Reliable |
| Purchase Decision | 0.569 | 0.906            | 0.922                         | Reliable |

Source: SmartPLS 4 output (2026)

All AVE values exceed 0.50 and all reliability coefficients exceed 0.70, confirming that the measurement instrument is both valid and reliable (Ghozali & Kusumadewi, 2023).

#### *Structural Model (Inner Model) Evaluation*

The coefficient of determination ( $R^2$ ) for Purchase Decision was 0.684 (adjusted  $R^2 = 0.680$ ), indicating that Price, Product Quality, and Service jointly explain 68.4% of the variance in Purchase Decision, while the remaining 31.6% is explained by variables outside the model. Effect size ( $f^2$ ) results show that Service has the largest contribution ( $f^2 = 0.364$ , large effect), followed by Price ( $f^2 = 0.114$ , small effect), while Product Quality contributes only marginally ( $f^2 = 0.015$ , below the 0.02 threshold).

Table 4. R-Square and F-Square Results

| Construct         | R-square | R-square adjusted | f-square (on Purchase Decision) |
|-------------------|----------|-------------------|---------------------------------|
| Price             | –        | –                 | 0.114                           |
| Product Quality   | –        | –                 | 0.015                           |
| Service           | –        | –                 | 0.364                           |
| Purchase Decision | 0.684    | 0.680             | –                               |

Source: SmartPLS 4 output (2026)

Hypothesis testing was carried out using the bootstrapping procedure at a 95% confidence level ( $t$ -statistic  $> 1.96$ ,  $p$ -value  $< 0.05$ ). Table 5 presents the path coefficients for each hypothesised relationship.

Table 5. Hypothesis Testing Results (Path Coefficients)

| Hypothesis / Path                                   | Original Sample (O) | T Statistics ( O/STDEV ) | P Values | Result        |
|-----------------------------------------------------|---------------------|--------------------------|----------|---------------|
| H1: Price $\rightarrow$ Purchase Decision           | 0.261               | 4.094                    | 0.000    | Supported     |
| H2: Product Quality $\rightarrow$ Purchase Decision | 0.106               | 1.645                    | 0.100    | Not supported |
| H3: Service $\rightarrow$ Purchase Decision         | 0.545               | 7.237                    | 0.000    | Supported     |

Source: SmartPLS 4 bootstrapping output (2026)



Figure 2. Structural Model Estimation Results (PLS Algorithm, Final Model)

## DISCUSSION

### The Effect of Price on Purchase Decision

Price was found to have a positive and significant effect on purchase decisions ( $\beta = 0.261$ ,  $t = 4.094$ ,  $p = 0.000$ ), supporting H1. This indicates that the more consumers perceive the offered price as matching the product's condition and benefits, the more likely they are to proceed with a purchase. This finding is consistent with Gracia et al. (2024), who also found a positive and significant effect of price on purchase decisions.

### The Effect of Product Quality on Purchase Decision

Product quality was found to have a positive but insignificant effect on purchase decisions ( $\beta = 0.106$ ,  $t = 1.645$ ,  $p = 0.100$ ), so H2 is not supported. Although the direction of the relationship is positive, the effect is too weak to be statistically decisive. This can be explained by the nature of the COD mechanism itself: because buyers can physically inspect the used iPhone before

Completing payment, perceived product quality carries less weight in the purchase decision than it would in an escrow-based online transaction where the product cannot be inspected beforehand. This result is consistent with Firmadona et al. (2025), who also found that product quality does not significantly affect purchase decisions.

#### ***The Effect of Service on Purchase Decision***

Service was found to have a positive and significant effect on purchase decisions ( $\beta = 0.545$ ,  $t = 7.237$ ,  $p = 0.000$ ), supporting H3, and it is the most dominant predictor in the model ( $f^2 = 0.364$ ). This shows that responsive, consistent, and trustworthy seller service is the strongest driver of purchase decisions in this COD context, more influential than either price or product quality. This finding aligns with Ismail et al. (2024), who found that service has a positive and significant effect on purchase decisions.

### **CONCLUSIONS AND RECOMMENDATIONS**

This study confirms that price and service have a positive and significant effect on the purchase decision for used iPhones in COD transactions on Facebook Marketplace Jakarta, while product quality has a positive but insignificant effect. Service is the most dominant factor, explaining the largest share of variance in purchase decisions, followed by price; product quality plays only a marginal role because buyers can verify the physical condition of the device directly at the point of delivery.

Practically, sellers of used iPhones on Facebook Marketplace should prioritise responsive and consistent service—fast replies, clear product information, and reliable delivery commitments—as the primary lever for increasing purchase decisions, while keeping prices fair and proportionate to the device's condition. Because product quality alone does not significantly drive purchase decisions in this COD context, sellers should not rely on quality claims as a persuasion strategy, but should instead let buyers verify condition directly and focus their effort on service consistency and price fairness.

### **ADVANCED RESEARCH**

This study is limited to used-iPhone COD transactions on Facebook Marketplace within Jakarta, so the findings may not generalise to other products, platforms, or regions. The model also explains 68.4% of the variance in purchase decisions, leaving room for other explanatory variables. Future research is encouraged to incorporate additional constructs such as trust, perceived risk, seller reputation, electronic word-of-mouth (e-WOM), or brand image, and to extend the sampling scope beyond Jakarta to strengthen the generalisability of the findings.

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