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The Effect Of Discounts, Free Shipping And Cash On Delivery On Purchasing Decisions With Purchase Intention As An Intervening Variable In The Shopee Marketplace

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Abstract

This study is entitled "The Effect of Discounts, Free Shipping, Cash On Delivery on Purchasing Decisions with Purchase Interest as an Intervening Variable in the Shopee Marketplace" The purpose of the study was to determine whether there is an effect of discounts, free shipping, Cash On Delivery on purchasing decisions and purchase interest. As well as the indirect effect of discounts, free shipping, Cash On Delivery on purchasing decisions with buying interest as an intervening variable (case study of Distro Monkey Ceria consumers). This research was conducted at Distro Monkey Ceria on shopee. The research sample was 385 respondents. The research method used is a quantitative approach using SmartPLS software version 4.0. The results of this study indicate that. Discounts, Free shipping, Cash On Delivery, have a positive effect on buying interest. Discounts and free shipping have no positive effect on purchasing decisions. Cash On Delivery and buying interest have a positive effect on purchasing decisions. Discounts, Free Shipping and Cash On Delivery have a positive effect on purchasing decisions through buying interest.

Key words: Discounts, Free Shipping, Cash On Delivery, Purchasing Decisions and Purchase Intention.

INTRODUCTION

Technology that occurs in this modern era is very fast, with the existence of advanced technology at this time someone does not have to go to the market if you want to buy an item. The online shopping trend has become a new style in the modern era. Online shopping provides convenience in shopping because someone can save time in shopping and is more

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practical. As offered by the online shopping application, shopee (Nasrullah, 2018). Of the many e-commerce that have sprung up in Indonesia, there is one marketplace that is very popular and widely used by people in Indonesia, namely the Shopee application.

The Shopee marketplace is currently utilized by Micro, Small and Medium Enterprises (MSMEs). (Sulistiyawati & Widayani, 2020) argue that E-commerce applications provide trust in the form of guarantees and provide convenience in transactions as well as assessments and recommendations from customers to be a form of support and service on the shopee marketplace in an effort to ensure the trust of its users in Indonesia today. Here, we are researching distros because distros are one of the popular segments among young people, especially in the context of fashion and lifestyle. The research can explore how distros utilize the Shopee platform to reach a wider range of consumers, as well as how they adapt to the increasing trend of online shopping. In this research, I chose a case study of Distro Monkey Ceria in Saradan District as an MSME because many products have been sold and have experienced a significant increase every year and have generated a large enough turnover obtained since making online sales through Shopee.

Distro Monkey Ceria makes purchasing decisions because it is influenced by various things such as the influence of discounts given for the items you want or need. Not only discounts, consumers also pay attention to shipping costs and ease of payment such as Cash On Delivery which helps consumers more easily. Because consumers want to be effective in shopping, even this purchasing decision can be due to following the times. Therefore, consumers really consider purchasing decisions in online stores whose product prices are more expensive than other prices that get discounts, free shipping, and Cash On Delivery.

This research is the result of previous research The results of research conducted by (Ary Dwi Anjarini et al., 2022), state that the presence of bvariable discounts has a positive and significant effect on purchasing decisions. However, in this study conducted by (Fadillah & Syarif, 2013), it shows that discounts have no significant effect on purchasing decisions. The discount provided by shopee is different from other marketplaces. The results of research conducted by (Aprilia, 2024), show that free shipping has a significant effect on purchasing decisions. However, research conducted by (Maulida, 2022), shows that free shipping does not affect impulse buying behavior. Research on Cash On Delivery has been conducted by several previous researchers. The results of this study are supported by (Hermansyah & Qolbi, 2023), with the title "The effect of cod payment (Cash On Delivery) on buying interest in e-commerce shopee." There is an influence between Cash On Delivery and purchase intention.

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LITERATURE ANALYSIS AND METHODOLOGY

Discounts

Discounts are a marketing strategy used to increase consumer confidence so that purchases can be made quickly. It is also defined as the price that the seller offers to the buyer as a kind of compensation or to increase sales of his product. According to (Tjiptono, 2007), a discount is a price offered by the seller to the buyer in exchange for certain activities that the buyer considers attractive.

Free Shipping

According to (Himayati, 2008), free shipping is a commission charged when a customer sells an item or service. The commission is paid to the buyer in accordance with the terms of sale of the goods purchased, therefore, the buyer will adjust the price of the product and the shipping costs commonly referred to as free shipping.

Cash On Delivery

Cash On Delivery (COD) is a cash payment method where payment is made when the order arrives at the consumer's address and is made by the consumer to the courier delivering the order. The COD payment method also offers a sense of security, privacy assurance, and trust for consumers.

Purchase Interest

Purchase Interest As stated by (Kotler, P., & Keller, 2016), purchase interest is a tactic used by consumers before expressing a desire to buy a product. Purchase interest refers to consumer attitudes towards a particular product. And there are factors that influence customer buying interest, according to (Wahyuni et al., 2022), including the following: Attention, Intention, Desire, Conviction.

Purchase Decision

According to (Kotler, 2005), states that a person's decision-making process involves narrowing down his choices from the various alternative products available. Consumer understanding is related to a product that is determined by the existing sources taken purchase objectives and identifies alternatives in the decision maker to make a purchase.

METHODS

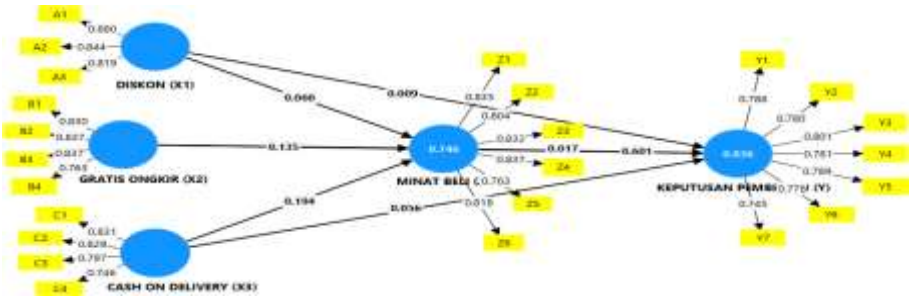
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This type of research uses quantitative. Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the aim of testing predetermined hypotheses (Sugiyono, 2016). Quantitative research method is a form of scientific research that is carried out systematically on the components and phenomena and the relationships between them. The purpose of quantitative research is to develop and apply mathematical models, theories, and hypotheses relating to natural phenomena that are utilized. This method will test existing hypotheses about how purchasing decisions for cheerful monkey distro products are influenced by discounts, free shipping, and Cash On Delivery when using the shopee application and through buying interest when visiting the cheerful monkey distro shopee store.

RESEARCH AND RESULTS

validity test



Picture 1. Validity Test

The validity test was tested to determine whether the questionnaire used was valid or not. The figure above states the results that have been eliminated by researchers, so that the loading factor value is> 0.50 and outer loading> 0.70 is said to be valid and ready for further testing (Ghozali & Latan, 2015).

Convergent Validity

Convergent Validity in this research is that the outer loading has been tested. If the outer loading value> 0.7 has a good category on the indicators of each variable in the study and can fulfill the Convergent Validity test (Ghozali & Latan, 2015). Here is the outer loading value of each indicator on the research variable.

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Table 1. Convergent Validity

Variabel	Item	Outer loadings	Keterangan
Diskon (X1)	X1.1 <- X1	0.880	VALID
	X1.2 <- X1	0.844	VALID
	X1.3 <- X1	0.819	VALID
Gratis Ongkir (X2)	X2.1 <- X2	0.830	VALID
	X2.2 <- X2	0.837	VALID
	X2.3 <- X2	0.837	VALID
	X2.4 <- X2	0.763	VALID
Cash On Delivery	X3.1 <- X3	0.831	VALID
	X3.2 <- X3	0.829	VALID
	X3.3 <- X3	0.797	VALID
	X3.4 <- X3	0.746	VALID
Keputusan Pem-belian (Y)	Y.1 <- Y	0.788	VALIDT
	Y.2 <- Y	0.780	VALID
	Y.3 <- Y	0.801	VALID
	Y.4 <- Y	0.781	VALID
	Y.5 <- Y	0.789	VALID
	Y.6 <- Y	0.778	VALID
	Y.7 <- Y	0.745	VALID
Minat Berkunjung (Z)	Z.1 <- Z	0.835	VALID
	Z.2 <- Z	0.804	VALID
	Z.3 <- Z	0.832	VALID
	Z.4 <- Z	0.837	VALID
	Z.5 <- Z	0.763	VALID
	Z.6 <- Z	0.818	VALID

Source: SmartPLS results, 2024 (processed)

Based on the table above, it can be seen that the outer loading value of each indicator on each variable has a value> 0.7. This shows that the indicators used in this study have the ability to explain the construct well (Ghozali & Latan, 2015).

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Uji Reabilitas

Tabel 2.* Uji *Reliabilitas

Variabel	*Cronbach's alpha*
Diskon (X1)	0.805
Gratis Ongkir (X2)	0.834
Cash On Delivery (X3)	0.814
Keputusan Pembelian (Y)	0.893
Minat beli (Z)	0.899

Source: PLS results, 2024 (processed)

Based on table above, it can be concluded that the Cronbach's Alpha value of the Discount, Free Shipping, Cash On delivery, Purchase Decision and Purchase Interest variables shows that the Cronbach's Alpha value for each variable is> 0.70. These results indicate that the variables in this study are said to be reliable (Ghozali & Latan, 2015).

R-*Square* test

Tabel 3. *R square*

	R-square	***R-square adjusted***
Keputusan Pembelian (Y)	0.740	0.738
Minat Beli (Z)	0.747	0.745

Source: PLS results, 2024 (processed)

The data in the table above can be concluded that the R-square value of the Purchase Decision is 0.740. This value explains that the effect of discounts, free shipping and cash on delivery on purchasing decisions through buying interest in this study is 74%, and the R-square value of buying interest is 0.747 or 74%, the rest is not explained in research that is not included in this study. Changes in the R-Square (R2) value can be used to explain the effect of certain independent variables or independent variables on the dependent variable whether it has a substantive effect (Ghozali & Latan, 2015).

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T-Statistik test

Table 4. T-Statistik

	Original sample (O)	*Sample mean (M)*	*Standard deviation (STDEV)*	*T statistics (|O/STDEV|)*	*P values*
Diskon (X1) -> Minat Beli (Z)	0.215	0.213	0.057	3.774	0.000
Gratis Ongkir (X2) -> Minat Beli (Z)	0.350	0.348	0.060	5.842	0.000
Cash On Delivery (X3) -> Minat Beli (Z)	0.371	0.374	0.056	6.633	0.000
Diskon (X1) -> Keputusan Pembelian (Y)	0.069	0.068	0.037	1.839	0.066
Gratis Ongkir (X2) -> Keputusan Pembelian (Y)	0.105	0.104	0.063	1.669	0.095
Cash On Delivery (X3) -> Keputusan Pembelian (Y)	0.175	0.175	0.050	3.524	0.000
Minat Beli (Z) -> Keputusan Pembelian (Y)	0.622	0.623	0.055	11.380	0.000

Source: PLS results, 2024 (processed)

Based on table 4. above, the hypothesis in this study can be concluded that:

1. Discounts (X1) have a positive and significant effect on purchase intention (Z) because they have a t statistic value of 3.524, which is greater than 1.96 and a p value of 0.000, which is smaller than 0.05.
2. Free Shipping (X2) has a positive and significant effect on purchase intention (Z) because it has a t statistic value of 6.633 which is greater than 1.96 and a p value of 0.000 which is smaller than 0.05.
3. Cash On Delivery (X3) has a positive and significant effect on purchase intention (Z) because it has a t statistic value of 5.842 which is greater than 1.96 and a p value of 0.000 which is smaller than 0.05.

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4. Discount (X1) has no effect on Purchasing Decisions (Y) because it has a t statistic value of 1.839 which is greater than 1.96 and a p value of 0.066 which is greater than 0.05.
5. Free Shipping (X2) has no effect on Purchasing Decisions (Y) because it has a t statistic value of 1.669 which is smaller than 1.96 and a p value of 0.095 which is greater than 0.05.
6. Cash On Delivery (X3) has a positive and significant effect on Purchasing Decisions (Y) because it has a t statistic value of 3.524 which is greater than 1.96 and a p value of 0.000 which is smaller than 0.05.
7. Purchase interest (Z) has a positive and significant effect on Purchasing Decisions (Y) because it has a t statistic value of 11.380 which is greater than 1.96 and a p value of 0.000 which is smaller than 0.05.

Intervening test

Tabel 5. Hasil Uji Efek Intervening

Hipotesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Diskon (X1) -> Minat Beli (Z) -> Keputusan Pembelian (Y)	0.133	0.132	0.035	3.787	0.000
Gratis Ongkir (X2) -> Minat Beli (Z) -> Keputusan Pembelian (Y)	0.218	0.217	0.043	5.053	0.000
Cash On Delivery (X3) -> Minat Beli (Z) -> Keputusan Pembelian (Y)	0.231	0.234	0.043	5.372	0.000

Source: PLS results, 2024 (processed)

Based on the table above, the hypothesis in this study can be concluded that

1. Discount (X2) has a positive and significant effect on Purchasing Decisions (Y) through Purchase Intention (Z) because it has a t statistic value of 3.787, which is smaller than 1.96 and a p value of 0.000, which is smaller than 0.05.

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2. Free Shipping (X2) has a positive and significant effect on Purchasing Decisions (Y) through Purchase Intention (Z) because it has a t statistic value of 5.053 which is smaller than 1.96 and a p value of 0.000 which is smaller than 0.05.
3. Cash On Delivery (X2) has a positive and significant effect on Purchasing Decisions (Y) through Purchase Intention (Z) because it has a t statistic value of 5.372 which is smaller than 1.96 and a p value of 0.000 which is smaller than 0.05.

CONCLUSION AND RECOMMENDATIONS

CONCLUSIONS

The results of this study indicate that. Discounts, Free shipping, Cash On Delivery, have a positive effect on buying interest. Discounts and free shipping have no positive effect on purchasing decisions. Cash On Delivery and buying interest have a positive effect on purchasing decisions. Discounts, Free Shipping and Cash On Delivery have a positive effect on purchasing decisions through buying interest. This means that Cash On Delivery can influence purchasing decisions directly without the presence of consumer buying interest. However, Discounts and Free Shipping must go through buying interest first so that consumers can make purchasing decisions.

RECOMMENDATIONS

Future research is expected to evaluate variables other than discounts, free shipping, Cash On Delivery, purchasing decisions, and purchase interest and their influence on purchasing decisions which are included in product marketing strategies. Other variables are expected to be able to know their influence and improve the results of the study.

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