

Purchase Decisions on the Shopee Application with the effects of Promotion, Price, Trust and Consumer Reviews

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Abstract

This research aims to analyze the influence of promotions, price, trust and consumer reviews on purchasing decisions. In this research, the research method used is quantitative research methods to test the hypotheses that have been established. The population in this research is consumers who have used Shopee services in Makassar City. The type of non-probability sampling method used is judgmental sampling which places limits on respondents who meet the criteria. So the total sample for this research is 96 Shopee consumers. This research uses multiple linear regression analysis. Based on the results of the analysis, it is concluded that the variables promotion, price, trust and consumer reviews each have a positive and significant effect on purchasing decisions.

Keywords: promotion, price, trust, consumer reviews, purchasing decisions.

INTRODUCTION

Community demands are accompanied by various provision of service activities that make it easier for the community to meet their needs. Each company operating in the service sector tries to create a sales system that is attractive, easy and profitable for consumers. Thus, a sales system in a service provider company is mandatory for attention and priority because the company's sales concept or system is always related to the development of information technology using an internet basis.



One form of applying technology as an effort to compete in the business world is through the use of electronic commerce (e-commerce) which aims to market various types of services or products, in digital and physical form. (Hambalah, 2022). The electronic commerce system is a form of electronic business transactions via the internet and is being introduced in Indonesia as a system to provide convenience in shopping. This can be seen from the many online shops or marketplaces in Indonesia, such as Tokopedia, Bukalapak, Lazada, Blibli, JD ID, Zalora, and others.

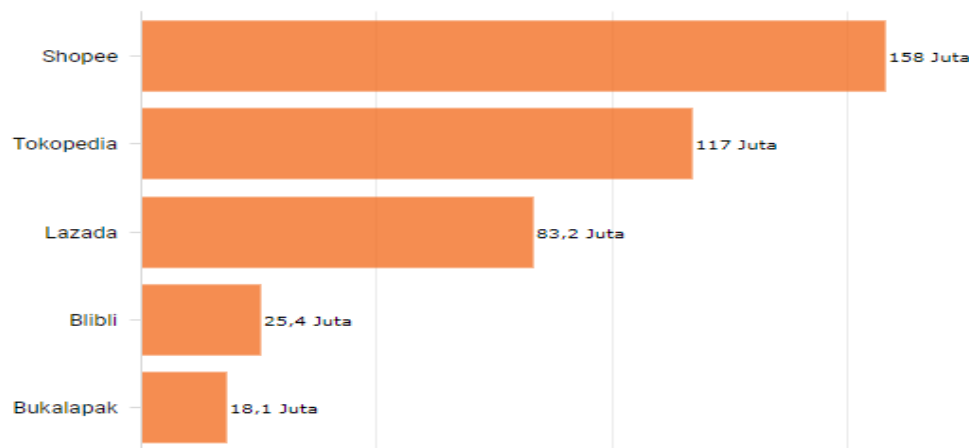


Figure 1. Top Online Stores in Indonesia

Shopee is an online trading application for buying and selling on cellphones connected to the internet easily and quickly. Shopee offers a variety of products ranging from fashion to daily necessities. Apart from offering various daily necessities products, Shopee also offers convenience in electronic payments. Such as electricity payments, BPJS payments, internet bill payments, PDAM payments, credit purchases, data package purchases, and so on. The convenience that Shopee provides to its users makes Shopee an e-commerce that is widely used by people in Indonesia (Themba & Romadhoni, 2023). However, can Shopee maintain its position as e-commerce that is widely used in Indonesia considering that there are many e-commerce developments in Indonesia that are competitors in the e-commerce sector.

Consumer purchasing decisions are an important factor in determining the existence of a company. A company can develop if consumer stimulation in deciding to purchase products from a market gets a positive response from the market itself. Consumers will form a preference for brands in their personal collection and consumers

will also form an intention to buy the brand they are most interested in and lead to a purchasing decision (Kotler et al., 2018).

One of the purchasing decisions is influenced by promotions. With promotions, people who were previously not interested in buying a product will become interested and try the product so that consumers make a purchase (Syamsidar & Soliha, 2019). This type of promotion or promotional mix is the best strategic combination of advertising variables, personal selling, and other promotional tools, all of which are planned to achieve the sales program objectives. Shopee provides free shipping services throughout Indonesia by specifying a minimum purchase (Themba, 2021). Apart from free promos, the regular promos offered by Shopee are a flood of promos. Through this promotion, product prices tend to be slanted and include a flood of promotions, namely flash sales which run 3 times a day and offer free prices.

Not only free shipping promos and a flood of promos, other innovations provided for Shopee users are games with prizes. The aim is so that consumers can fill their free time but still get lots of prizes in various forms. Another promotional strategy to add convenience and comfort, Shopee provides various payment methods that can be selected which are most suitable for each consumer. By using the Shopee Express service, consumer packages or orders will be handled specifically to help with all problems and obstacles in delivery. All the promotions offered make shopping at Shopee safer, more comfortable and will further encourage consumers to make purchasing decisions. This is certainly a special attraction for users, both buyers who are trying to shop and business people who sell in it.

Research result (Themba, 2021) and (Romadhoni & Themba, 2023) explains that there is a relationship between the amount of promotions carried out with increasing consumer purchasing decisions. However, (Polla et al., 2018) gave a rejection in his research which stated that promotions partially had no effect on purchasing decisions.

Price is the next factor that influences purchasing decisions. In the perception of Shopee users, the prices offered in the Shopee marketplace tend to be competitive compared to if we buy directly at offline stores, in fact some items are quite cheap. The price itself is a measure of the sacrifice that a person exchanges to obtain the right to use the goods or services they desire (Mita et al., 2021).

The products offered by each shop on Shopee often have the same level of quality but different prices. Differences that occur, for example, is that shop A offers a low price while shop B offers a high price with the same product quality, namely standard, so that



consumers feel disadvantaged because when purchasing, the price offered is different but the product purchased is the same, namely standard quality. Implementing the right pricing strategy does not necessarily result in consumer purchasing decisions online.

Research result (Wibowo & Rahayu, 2021) and (Triadi et al., 2021) found that price influences purchasing decisions. Price can move consumers' attitudes to decide something according to their choice. Buyers have several considerations before deciding to buy a product (Kuswanto & Vikaliana, 2020).

Trust plays an important role in increasing purchasing decisions, because online purchases can also have a detrimental impact on consumers, such as several cases of fraud that occur in online shopping. The reason is because there is no face-to-face interaction between consumers and producers so the risks will also be greater. Only customers who have trust and courage will carry out transactions via the internet (Handaruwati, 2020).

Therefore, trust between customers and sellers needs to be maintained in order to maintain relationships with customers (Masarianti & Darwini, 2019). Research result (Kelvinia et al., 2021) found that trust influences purchasing decisions. The higher the consumer's trust, the more influence it will have on the consumer's decision to purchase a product/brand (Syafitri et al., 2021).

Online consumer reviews can help consumers decide whether to make a purchase or not. Currently, consumers are in a situation where there is a lot of information circulating about a product. Consumers are having difficulty sorting out which information can be trusted. Online Customer Reviews are important for consumers. When consumers cannot evaluate a product personally, consumers can rely on Online Customer Reviews (Sari et al., 2021). In the Shopee marketplace, there are online consumer reviews so that before consumers order a product or service, consumers can first see what previous buyers have commented on a product or service they want to buy. Online Customer Reviews can help consumers find out the quality of goods, whether they match the price offered or not. This feature can be used as consideration for consumer purchasing decisions when shopping online at Shopee.

Research result (Ilmiyah & Krishernawan, 2020) and (Mulyana, 2021) influence purchasing decisions. When there are many positive reviews on a product, the majority of consumers do not hesitate to buy that product (Nurudin, 2023). This is different when there are negative reviews on a product. The majority of consumers will give up their intention to buy products that have negative reviews and look for alternatives to similar



products that have positive reviews. This Online Customer Review is in the form of an opinion or opinions given by consumers after receiving the selected product. Therefore, this research aims to analyze the influence of promotions, price, trust and consumer reviews on purchasing decisions.

Research methods

In this research, the research method used is quantitative research methods to test the hypotheses that have been established. The population in this research is consumers who have used Shopee services in Makassar City. The type of non-probability sampling method used is judgmental sampling which places limits on respondents who meet the following criteria: 1) People who live in Makassar City and 2) Have shopped at Shopee at least three times. Because in this study the population size taken is not known with certainty, in this study the Rao Purba formula was used as follows:

$$n = \frac{z^2}{4(moe)Z^2} = 96.04 \frac{1,96^2}{4(0,10)^2}$$

So the total sample for this research is 96 Shopee consumers. This research uses multiple linear regression analysis.

Results

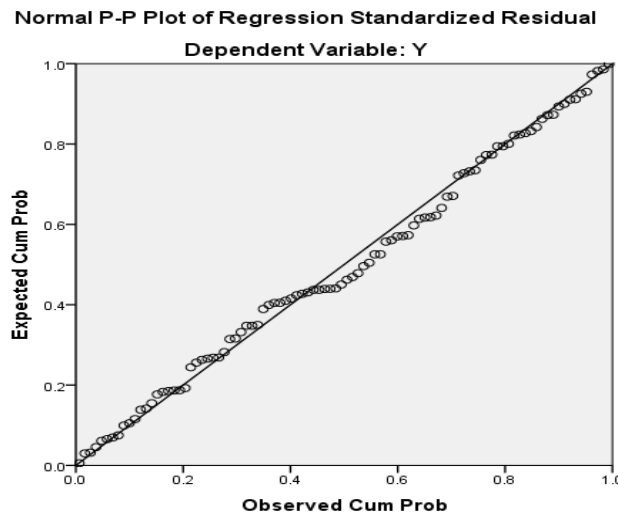


Figure 2. TestNormality

Based on Figure 2, it shows that the data is along a line, so it can be said that the data used in this research is normally distributed.

Table 1. Multicollinearity test results

Model		Collinearity Statistics	
		Tolerance	VIF
	(Constant)		
	Promotion (X1)	,717	1,395
	Price (X2)	1,000	1,000
	Trust (X3)	,829	1,206
	Consumer reviews (X4)	,614	1,630

Dependent Variable: *Buying decision*

Source: Data processing results, 2023

Table 1 shows that the tolerance value for the three independent variables is more than 0.10. This means there is no relationship between the independent variables. Meanwhile, the VIF values of the three independent variables also show values smaller than 10, indicating that there are no symptoms of multicollinearity.

Table 2. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603a	,464	,436	1.00853

Source: SPSS Processed Data (2023)

The correlation coefficient is to determine the degree of strength and weakness of the relationship between the independent variables promotion (X1), price (X2), trust (X3) and consumer reviews (X4) on the dependent variable purchasing decisions (Y), which means that if the promotion variables (X1), price (X2), trust (X3) and consumer reviews (X4) increase, the dependent variable purchasing decisions (Y) will also increase.

The results of the correlation coefficient calculation obtained were Adjusted R Square = 0.395. Judging from the criteria for strong and weak relationships between variables, the correlation coefficient result of 0.395 means that the correlation is in the



weak category, which means there is an influence between the variables promotion (X1), price (X2), trust (X3) and consumer reviews (X4) on decisions. purchase (Y).

Multiple linear regression analysis aims to solve problems regarding the influence of promotions (X1), price (X2), trust (X3) and consumer reviews (X4) on purchasing decisions (Y). The results of the multiple linear regression analysis are presented in table 3 as follows:

Table 3. Results of Multiple Linear Regression Analysis

Variable	B	t count	Sig.	Information
Constant	3,079	3,385	,009	
Promotion (X1)	,460	4,872	,000	Significant positive effect
Price (X2)	,147	2,045	,045	Significant positive effect
Trust (X3)	,162	2,182	,041	Significant positive effect
Consumer reviews (X4)	,149	2,066	,043	Significant positive effect

Source: SPSS Processed Data (2023)

The regression equation above shows the coefficient of the promotion variable in a positive direction of 0.460, meaning that if promotion increases by 0.460, then purchasing decisions will have an effect of 0.460. The price variable coefficient in a positive direction is 0.147, meaning that if the price increases by 0.147 it will influence purchasing decisions by 0.147. The coefficient of the trust variable in a positive direction is 0.162, meaning that if trust increases by 0.162, it will influence purchasing decisions by 0.162. The coefficient of the consumer review variable in a positive direction is 0.149, meaning that if consumer reviews increase by 0.149, it will influence purchasing decisions by 0.149.

DISCUSSION

Promotions influence purchasing decisions.

The research results found that promotions had a positive and significant effect on purchasing decisions on the Shopee Application. This means that the higher and more attractive the promotions carried out by the company, the higher the consumer's decision to make purchases and subscribe to these products/services. Promotion is very important in an effort to gain market share in an increasingly competitive market. By carrying out promotions through attractive print/electronic media, this will influence consumers in making purchasing decisions. The clarity of the promotional media and the diversity of



media used by Suara Merdeka Daily in carrying out promotions are very important for someone to make a purchase. Moreover, if the promotions carried out by the company are very attractive, by providing discounts, this will increase purchasing decisions. Promotional activities carried out by the company play an important role in increasing the number of sales because otherwise the quality of the product produced will not be able to find its own market without first promoting it to buyers. Thus, promotions must be carried out more intensively so that they can influence consumers to buy in the future. The results of this study support the research results(Themba, 2021)And(Romadhoni & Themba, 2023)explains that there is a relationship between the amount of promotions carried out with increasing consumer purchasing decisions. However, the results of this study are different from the results of research(Polla et al., 2018)gave a rejection in his research which stated that promotions partially had no effect on purchasing decisions.

Price influences purchasing decisions

The research results found that price has a positive and significant effect on purchasing decisions on the Shopee Application. This means that purchasing decisions on the Shopee Application are based on several things, whether the product price is affordable or not, the price on Shopee is cheaper than other applications, as well as whether the price matches the quality and benefits obtained. The higher the benefits a person feels from the product, the higher the exchange value of the product in his eyes and the greater the means of exchange he is willing to sacrifice. Based on the set price, consumers will make a decision whether to buy the product or not.

Price is used by consumers as an indicator to determine the quality of a product. Apart from that, consumers also use price as an indicator of the costs incurred in exchange for the product model or product benefits. Research result(Wibowo & Rahayu, 2021)And(Triadi et al., 2021)found that price influences purchasing decisions.Price can move consumers' attitudes to decide something according to their choice. Buyers have several considerations before deciding to buy a product(Kuswanto & Vikaliana, 2020).

Trust influences purchasing decisions

The research results found that trust has a positive and significant effect on purchasing decisions on the Shopee Application. This means that high consumer confidence will increase purchasing decisions. Consumer confidence in a product, product attributes describe consumer perceptions. Online transactions involve certainty



and asymmetric information. Therefore, there must be mutual trust between the seller and the buyer. Consumer trust in e-commerce is one of the key factors. Shopee is one of the e-commerce sites that is in great demand by consumers, this indicates that consumer trust in Shopee is high.

Shopee is concerned with providing the best service, provides satisfaction in purchasing its products, provides products that consumers need, has the ability to provide high quality products, provides services that meet consumer expectations, and Shopee is committed to improving its performance. The results of this study support the research results(Lailiya, 2020)And(Kelvinia et al., 2021)found that trust influences purchasing decisions. The higher the consumer's trust, the more influence it will have on the consumer's decision to purchase a product/brand(Syafitri et al., 2021).

Consumer reviews influence purchasing decisions

The research results found that consumer reviews have a positive and significant influence on purchasing decisions on the Shopee Application. It means . The higher or more accurate the level of Online Customer Review provided, the greater the purchasing decisions made by consumers. With online customer reviews, you can be more confident about shopping at Shopee. This review is in the form of a comment containing the opinions or views of consumers who have previously purchased the product. Usually, the reviews given are also accompanied by photos of the products that have been received so that potential consumers can get an insight into the quality of the product.

Consumers will choose products that have the best reviews, so they can have more confidence in buying these products on the Shopee Application. The results of this study support the research results(Ilmiyah & Krishernawan, 2020)And(Mulyana, 2021)influence purchasing decisions. When there are many positive reviews on a product, the majority of consumers do not hesitate to buy that product (Nurudin, 2023).

CONCLUSIONS AND SUGGESTIONS

Based on the results of the analysis, it is concluded that the variables promotion, price, trust and consumer reviews each have a positive and significant effect on purchasing decisions. It is recommended for future researchers to add other variables and research objects on other e-commerce to be proven in the research. This is done so that the research results found can cover the shortcomings contained in this research.



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