

The Impact of Discount and Free Delivery Services to the Buying decisions of Shopee Customers

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ABSTRACT

This research aims to find out how discounts and free shipping promos affect purchasing decisions on Shopee e-commerce. The method used uses a quantitative approach with data collection techniques through questionnaires. The technique used used purposive sampling as many as 89 respondents. The data obtained in this study were analyzed using the SPSS Ver 25 application. Data analysis techniques use descriptive analysis testing, research instrument testing, classical assumption testing and multiple linear regression hypothesis testing. Which consists of F test, T test and Coefficient of Determination (R²). The results of the study are known that the discount variable does not have a significant effect on purchasing decisions, this is evidenced by the sig value of $0.712 > 0.05$ and the calculated t value of $0.371 < t$ table 1.98761. While the variable of free shipping promo has a significant effect on purchasing decisions on Shopee e-commerce, it can be proven from the sig value of $0.000 < 0.05$ and the calculated t value of $7,269 > t$ table 1.98761.

Keywords: Buying Decisions, E-Commerce, Promotion, Discount, Pricing

RESEARCH BACKGROUND

E-commerce is all activities related to online transactions, buying, selling and marketing goods and services through electronic media in the form of the internet, computers and mobile phones (Kalambo et al., 2021). In Indonesia itself, shopping through online is the choice of many people to get the goods needed easily and without going out of the house. The development of e-commerce in Indonesia is growing rapidly so that several types of e-commerce have emerged (Kalambo et al., 2022). There are several e-commerce that are often used by Indonesians such as Shopee, Lazada, Tokopedia and Bukalapak that compete for popularity on social media and top positions from various aspects. In an e-commerce trade, the entire process starts from ordering products, exchanging data, to transferring funds electronically (Simangunsong et al., n.d.-a).

As we know, because consumer interest in shopping online continues to increase, each e-commerce continues to compete to offer competitive prices and the best service in order to win the hearts of consumers to want to shop at their place (Jaenudin, 2021). The trend of visits to e-commerce sites in Indonesia will decline in early 2023. This happened to 5 e-commerce with the largest visitors, namely Shopee, Tokopedia, Lazada, Blibli, and Bukalapak. Shopee is one of the e-commerce platforms that is in great demand by

Indonesians of various ages, especially students at the Muhammadiyah Bekasi Business Institute. Discounted discounts and free shipping promos are some of the factors that influence purchasing decisions for consumers. Many interesting programs are offered to Shopee users which are very profitable for both sellers and buyers (Razali et al., 2022).

LITERATURE REVIEW

Buying Decisions

According to Tjiptono (2014: 21) Purchasing decision is a process where consumers recognize the problem, find information about certain products and evaluate each (Ambarita et al., 2021).

Discount

According to Kotler and Keller (2016), discounts are price adjustments to reward customers for certain reaction reactions such as early bill payments (Fauziana & Muhammad, 2022) which means discounts are given in certain situations where the situation benefits the company or consumers a lot (In Shopee et al., 2022)

Free Delivery Services

According to Assauri (2010) in the journal (Puteri Mustika Sari et al., n.d.), free shipping promos are part of sales promotion, namely activities to encourage consumers to make purchases in the form of special selling efforts such as display exhibitions, exhibitions, demonstrations / demonstrations and other sales activities carried out at any time (Fauziana & Rizkia Budi, 2023).

RESEARCH METHODOLOGY

Populations and Samples

This research was conducted at the Institut Bisnis Muhamamdiyah Bekasi, which is a place for research lectures. The population in this study is new customers who make loan transactions at the IBM Bekasi campus. The student population data of the Muhammadiyah Bekasi Business Institute in 2023 as a whole there are 794 students who actively participate in teaching and learning activities (Jiwa Kepemimpinan Kalangan Mahasiswa et al., 2021) So the sample used by researchers in this study was 89 respondents who were students of the Bekasi Muhammadiyah Business Institute who used the Shopee application and were actively shopping.

Data Analysis Techniques

Data analysis techniques used by researchers as a basic tool in decision making related to research results with descriptive quantitative research methods and assisted using the SPSS application program version 25. Researchers also use validity and reliability tests. Researchers use reliability tests to determine the level of consistency of a questionnaire or questionnaire used so that the questionnaire can be relied on to measure research variables even though this study was carried out repeatedly with the same questionnaire or

questionnaire. Researchers used Cronbach's Alpha reliability test with the help of the SPSS program. If Cronbach's Alpha value > 0.60 then the questionnaire or questionnaire is declared reliable or consistent and vice versa, if Cronbach's Alpha value < 0.60 then the questionnaire or questionnaire is declared unreliable or inconsistent.

Classical assumption testing is used by researchers to find out the regression equations obtained remain consistent or unbiased. The normality test is used by researchers to determine the regression model between dependent and independent variables has a normal or abnormal distribution. This normality test uses the Histogram graph and the P-P Plot of SPSS. By looking at the Histogram and P-P Plot graphs generated from SPSS. The heteroscedasticity test is used by researchers to determine the occurrence of variance inequality from the residuals of one observation to another observation in the regression model. This heteroscedasticity test uses the scatterplot graph method.

Hypothesis testing is used by researchers to find out whether or not hypotheses are accepted in a study. In hypothesis testing using multiple linear regression analysis, namely to find out whether or not two independent variables, namely discounts and free shipping promos, have on one dependent variable, namely purchase decisions. Testing the coefficient of determination () is carried out by researchers to find out how much influence the independent variable (x) has on the dependent variable (y). The value of the coefficient of determination is between zero and one. If the value of the coefficient of determination is close to 1 then the regression model is better. The greater the value, the better the regression model.

RESULTS AND DISCUSSIONS

The information obtained from the respondents aims to be additional information in this study. In the questionnaire that the author made, there are additional questions to find out the characteristics of respondents such as name, gender, year of class and major. The following are the results of the questionnaire regarding additional information from respondents to determine the characteristics of respondents, namely:

Gender

Table1 Respondents Demography

No.	Gender	Number of Respondent	Percentage %
1.	Male	40	44,9%
2.	Female	49	55,1%
Total		89	100%

Sources: Data Processed by SPSS (2023)

While data respondent based on their semester are as follows:

Table 2 Respondent Based on Semester

No.	Semester	Responden	Prosentase
1.	2	5	5,6%
2.	4	8	9%
3.	6	10	11,2%
4.	8	66	74,2%
Total		89	100%

Sources: Data Processed by SPSS (2023)

Based on the data in the table above, it can be seen that 8th semester students became the most respondents as many as 66 respondents or 74.2%, and in 6th semester students there were 10 respondents with an 11.2% presentation. Then for semester 4 students there were 8 respondents or 9% of the presentations. And the minimum respondents are semester 2 students, which are 5 respondents with a percentage of 5.6%.

Study Program Respondents

Tabel 3 Respondents Study Program

No.	Study Program	Respondent	Percentage
1.	Management	70	78,7%
2.	Accounting	1	1,1%
3.	Sharia Economy	0	0%
4.	Economic Development	0	0%
5.	Communication	14	15,7%
6.	Information Technology	4	4,5%
Total		89	100%

Sources: Data Processed by SPSS (2023)

As is known, the Muhammadiyah Bekasi Business Institute has 2 faculties with 6 majors, namely from the Faculty of Economics and Business there are Management, Accounting, Islamic Economics and Development Economics. As for the Faculty of Engineering and Communication there are Communication Science and Information Engineering. And for respondents who answered the questionnaire were all students of the Muhammadiyah Business Institute from all majors in the Bekasi Muhammadiyah Business Institute.

It can be seen that students from the Management department became the most respondents as many as 70 respondents with a percentage of 78.7%, followed by the second most in the Communication Science department as many as 14 respondents with a percentage of 15.7%. And for the Accounting department itself, only 1 respondent or 1.1%. Then for the Informatics Engineering department as many as 4 respondents or 4.5%.

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Validity Test

The test sample used in this calculation uses a sample of 89 respondents, by means of a significance test comparing the calculated r value with the r table. By using degrees of freedom (df) = $n-2$. In this case, the magnitude df can be calculated as $89-2$ or $df = 87$ with an alpha of 0.05 so that a r table of 0.2084 is obtained. If r count is greater than r table and the value of r is positive, then the item or question is said to be valid.

The benchmark in this description is from the R table. In the research table above, each item of R count item has a value greater than the value of R table (0.2061). Which means in this study, the statements presented to respondents had valid results. The statements given to respondents in the form of questionnaires can be understood by respondents and this research in purchasing decision variables is declared valid.

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Table 4 Reliability Test Results

Variable	N of item	Cronbach's Alpha	Results
Buying Decisions (Y)	5	0.928	Reliable
Discount (X1)	3	0.754	Reliable
Free Delivery Services (X2)	4	0.937	Reliable

Sources: Data Processed by SPSS (2023)

From the table above, it can be seen that all research instruments have a Cronbach's alpha value of more than 0.60. Instrument variables can be declared reliable provided that Cronbach's alpha value >0.60 is declared reliable, if Cronbach's alpha <0.60 is declared unreliable. So it can be concluded that the Purchase Decision (Y), Discount (X1) and Free Shipping Promo (X2) are declared reliable and reliable. As well as the purpose and purpose of questionnaires that can measure these variables.

Multiple Linear Regression Test Result

Multiple linear regression analysis was also used to test the extent of the influence of the independent variable, namely the effect of discounts and free shipping promos on purchasing decisions on Shopee e-commerce with respondents Students of the Bekasi Muhammadiyah Business Institute, from use with the SPSS statistical tool, the following data were obtained:

Table 5 Multiple Regression Test Results Analysis

Mode		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.879	1.047		1.796	.076		
	TOTALX1	.659	.112	.487	5.874	.000	.493	2.026
	TOTALX2	.404	.084	.398	4.810	.000	.493	2.026

Sources: Data Processed by SPSS (2023)

Based on the table above, the multiple regressions test results are as follows:

$$Y = a + b_1x_1 + b_2x_2 + e$$

$$Y = 2.115 + 0.371 X_1 + 7.269 X_2 + e$$

Remarks:

Y = Buying Decisions

a = Constanta

b₁ = Coefficient for Discount variable

b₂ = Coefficient for Free Delivery Services Promotions

x₁ = Discount

x₂ = Free Delivery Services Promotion

e = standard error

The value of a 2.115 is a constant or condition when the purchase decision variable has not been influenced by other variables, namely discounts (X₁) and free shipping promos (X₂). If the independent variable does not exist, then the purchase decision does not change.

1. The value of the regression coefficient of the discount variable is 0.371. This means that if promotion perception (X₁) increases by 100%, then purchase decisions (Y) will increase by 3.71%. A positive coefficient means that there is a positive relationship between discounts and purchase decisions.
2. The regression coefficient value of the free shipping promo variable is 7.269. This means that if the perception of free shipping promo (X₂) increases by 100%, then purchase decision (Y) will increase by 100%

The coefficient of determination is used to determine whether there may be an influence between two variables (free and bound). The value of the coefficient of determination is 0 to

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one. The more towards 0 a regression equation, the smaller the effect of all independent variables on the value of the dependent variable. Again, the more you go to the regression equation, the more it affects all variables that are free of the set variable. In this study, the dependent variable or base (Y) is the purchase decision. In addition, the variables that are free or independent are discounts (X1) and free shipping promos (X2). The results of the analysis of the use of SPSS are as follows:

Table 6 Coefficient Determinant Test Result (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.826 ^a	0.682	0.675	3.05832

Sources: Data Processed by SPSS (2023)

The coefficient of determination is based on the value of the R square, in the results of this study the value of the R square is 0.682 which means that the value is close to one. So between the independent variable and the dependent variable in this study has a strong relationship to influence each other. And also the Rsquare result of 0.682 shows that the independent variable (X) can provide all the information needed to predict the dependent variable model (Y). The magnitude of the coefficient of determination of 0.682 is equal to 68.2%, this figure means that 68.2% of the purchase success rate that occurs can be explained by using discounts and free shipping promotion.

While the remaining 31.8% was influenced by other factors outside this study. The value of the Adjusted R coefficient is 0.675 which means that this study is close to the entire population. While the Standard error of estimate (SEE) is 3.05832, which means that the smaller the SEE, the more accurate the regression model is in predicting the dependent variable.

Tabel 7 F-Test Result

F Count	F Table	Sig.	Remarks
92.198	3.10	0.000	Hypothesis Supported

Sources: Data Processed by SPSS (2023)

In the table above, it can be seen that the influence of the free variable, namely discounts and free shipping promos with a sig value of 0.000 which means lower than the level of significance used in the study, which is 0.05 so that it can be concluded that the variables of discounts and free shipping promos together affect purchasing decisions. And it can be proven by a calculated F value of 92.198 which is greater than the table F value of 3.10 then the hypothesis is accepted

The statistical test T basically shows how far one independent variable influences individually in explaining the variation of the dependent variable. Test the significance of each parameter contained in the results of statistical calculations indicated by t count. For more details, the calculated t results are described in the following table:

Table 8 T-Test Results

Variable	T Count	T Table	Sig.	Results
Discount (X1)	0.371	1.98761	0.712	Hypotheses not supported
Free Services Delivery (X2)	7.269	1.98761	0.000	Hypothesis supported

Sources: Data Processed by SPSS (2023)

The table above explains that the partial test results on each independent variable are discounts and free shipping promos can be analyzed as follows:

1. In the discount variable, there is a sig value of $0.712 > 0.05$ and a calculated t value of $0.371 < t$ table of 1.98761. Based on these calculations, it can be concluded that Ho1 is accepted and Ha1 is rejected. So that the discount variable partially has no effect on the purchase decision.
2. In the free shipping promo variable, there is a GIS value of $0.000 < 0.05$ and a calculated t value of $7.269 > t$ table 1.98761. Based on these calculations, it can be concluded that Ho2 is rejected and Ha2 is accepted. So that the free shipping promo partially has a positive influence on purchasing decisions.

CONCLUSIONS AND SUGGESTIONS

The results of this study show that the Discount variable has no effect on purchasing decisions using Shopee e-commerce for Muhammadiyah Bekasi Business Institute Students. This is evidenced by the t test where the promotion variable has a calculated t value of 0.371 which is smaller than t table 1.98761. In addition, it also has a sig value of 0.712 which is greater than 0.05 which means Ho1 is accepted and Ha1 is rejected.

The results of this study show that the variable of free shipping promo partially affects the purchase decision using Shopee e-commerce in students of the Muhammadiyah Bekasi Business Institute. This is evidenced by the t test where the free shipping promo variable has a calculated t value of 7.269 which is greater than the table t of 1.98761. it also has a significance value of 0.000 which is smaller than 0.5 which means Ho2 is rejected and Ha2 is accepted.

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