

The Influence of Price, Trust, Ease of Use of Applications, and Promotion of Online Shopping Decisions at Shopee for Students Faculty of Economics and Business, Universitas Sumatera Utara

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Abstract: To improve online shopping decisions, the influence of prices, trust, ease of use of applications and promotions need to be considered. Based on the background of the study, the purpose of this study was to analyze the influence of price, trust, ease of use of applications, and promotion of online shopping decisions at Shopee on USU's Faculty of Economics and Business students. This type of research is quantitative descriptive. In research the independent variables used are price, trust, ease of use of applications and promotions, and the dependent variable used is online shopping decisions. This research was conducted at the students of the faculty of economics and business at the Universitas Sumatera Utara who are active shopee customers. The population in this study were Diploma and Bachelor students in the Faculty of Economics and Business, Universitas Sumatera Utara who are Shopee consumers. The number of samples in this study were 384 respondents. The sampling technique in this study was purposive sampling. The data analysis method used is descriptive and inferential statistical analysis, with the data analysis model used in this study is multiple regression analysis. The results showed that 1) Price, trust, ease of use of applications, and promotion simultaneously had a significant effect on online shopping decisions at Shopee. 2) Price has a positive and significant effect on online shopping decisions at Shopee. 3) Trust has a positive and significant effect on online shopping decisions at Shopee. 4) Ease of use of the application has a positive and significant effect on online shopping decisions at Shopee. 5) Promotion has a positive and significant effect on online shopping decisions at Shopee.

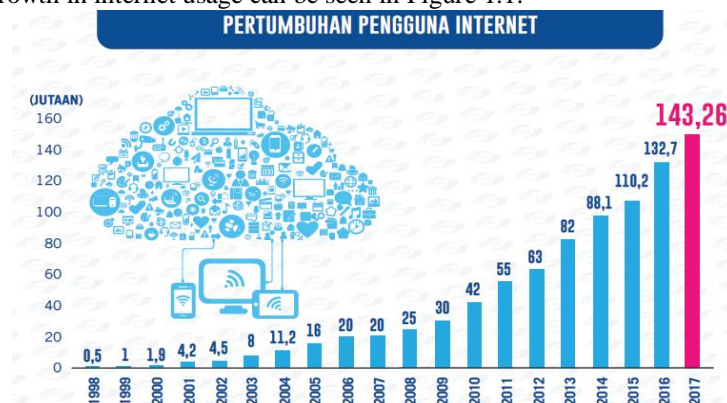
Keywords: Price, Trust, Ease of Use of Application, Promotion, Online Shopping Decision

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I. Introduction

The growth of internet users in Indonesia is increasing along with the rapid growth of smartphone technology. The cellphone industry is experiencing rapid acceleration in Indonesia due to super affordable prices and providing the latest and sophisticated features by Chinese products making it easier for everyone to surf in cyberspace. Growth in internet usage can be seen in Figure 1.1:



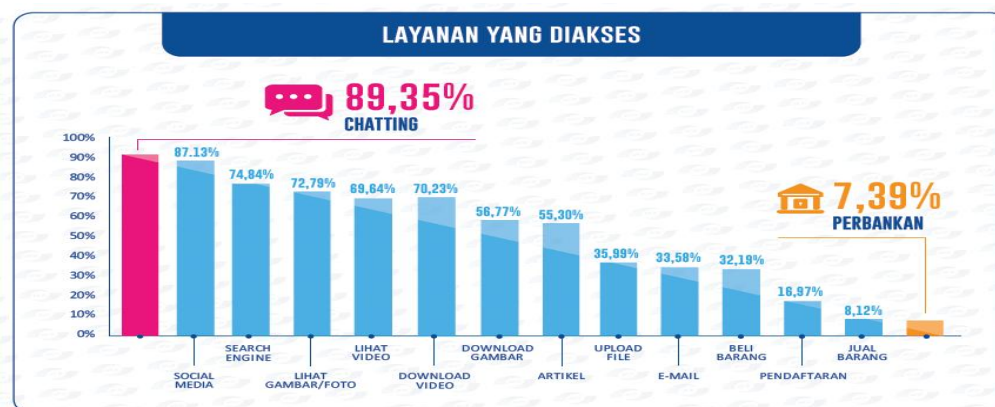
Source: Indonesian Internet Service Providers Association (APJII), 2017

Figure 1.1 Growth of Internet Users in 2017

Based on Figure 1.1, the number of internet users continues to increase, in 2016 it has reached 132.7 million and continues to increase to 143.26 million in 2017.

Based on a survey from the Association of Indonesian Internet Service Providers in 2017, that people access the internet through their smartphones to chat, open social media, look for jobs, upload or download videos, open e-mails, buy and sell products, and register online. This can be seen in Figure 1.2.

Based on Figure 1.2, chat is the most widely accessed internet service by internet users. Because in this digital age everything will be practical and save time when shopping online through the gadgets they have. However, only a few use their access to shop online, which is below 40% based on the data in Figure 1.2:



Source: <http://www.apjii.or.id>

Figure 1.2 Internet Service

According to Suryani (2013), there are two factors that influence purchasing decisions. First, based on consumers' thoughts which include needs or motivation, perceptions, attitudes and characteristics of consumers which include demographics, lifestyles, and consumer personalities. Second, based on environmental influences consisting of cultural values, sub-cultural and cross-cultural influences, social class, and other decisive situations. Meanwhile according to Lubis (2018), online shopping decisions are greatly influenced by gender, income level and online shopping applications. However, factors of daily life, age and education did not significantly influence shopping preferences both online and traditional.

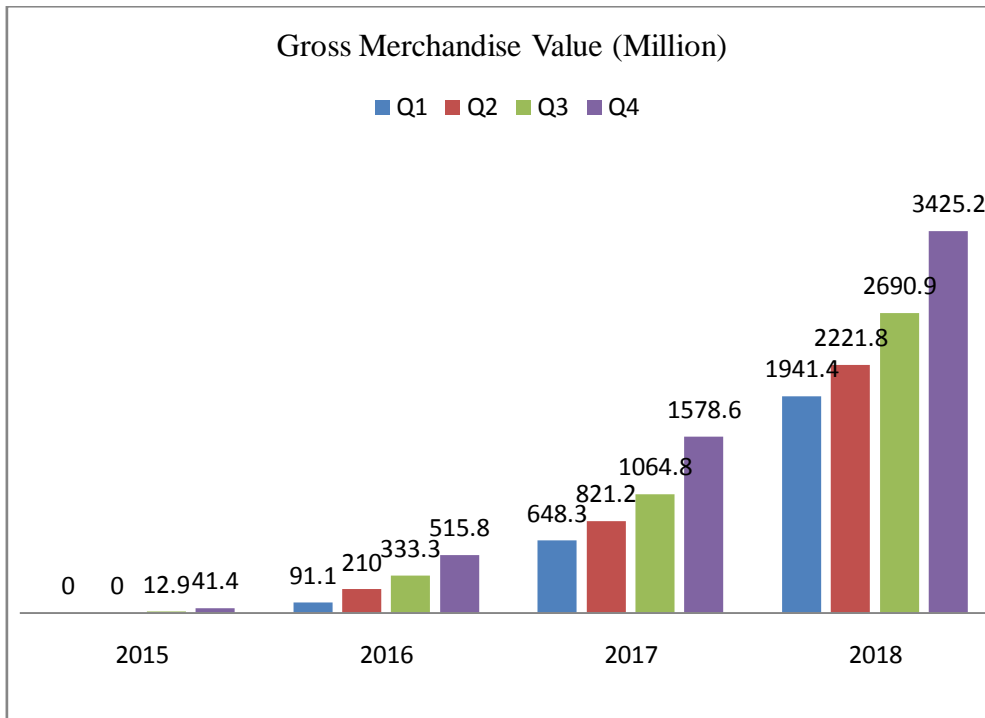
According to Kotler and Keller (2009) purchasing decisions are influenced by basic psychological factors that play an important role in understanding how consumers make purchasing decisions. Every person who wants to make a purchase, will usually choose which one is good and in accordance with the wishes of consumers before deciding to buy. The decision to make a purchase is indeed a very long process.

Based on the 2016 Digital Consumer Behavior report, online shopping behavior is dominated by browsing activities and price comparisons. 65% of respondents said that they only did browsing while visiting e-commerce and 51% chose to compare prices (<https://dailysocial.id>). Price indeed influences the customer in buying a product (Faith and Agwu, 2014). To buy a product, consumers are willing to pay more for a product if they believe it is worth the value they get from the product.

In a recent study of iPrice's e-commerce map in the third quarter of 2018, Tokopedia was the marketplace that had the highest number of visitors. Then followed by Bukalapak and Shopee.

Based on the data that is based on the number of web visits, Shopee is in third place from Tokopedia and Bukalapak. But for mobile applications, Shopee as the most popular shopping application on the Android and iOS platforms. Even Shopee has shown very rapid development, he succeeded in catching up with his competitors, such as Lazada, Bukalapak and Tokopedia which had been present first in Indonesia (<https://www.idntimes.com>).

Based on the site (<https://www.idntimes.com>) it states that Shopee is developing very rapidly. This is based on GMV (Gross Merchandising Value) value in Shopee that continues to increase, as can be seen in Figure 1.3.



Source: <http://www.seagroup.com>

Figure 1.3 Total Shopee Transactions (GMV)

Based on Figure 1.3, that mobile and electronics products, fashion and groceries (foodstuffs) are the commodities most consumers buy. For the category of mobile and electronics products, consumers chose Bukalapak (25%), Tokopedia (22%), Blibli.com (21%), and Lazada (20%) as the place to purchase the product. As for food products, many consumers choose to buy at JD.ID (19%) and blibli.com (17%). While the fashion category, consumers choose to buy at Shopee (24%). Shopee leads the way in fashion products, where Shopee focuses on acquiring sellers on Facebook and Instagram.

iPrice compares the cheapest price range of electronic goods in the 4-10 June 2018 period from 6 online stores namely Lazada, Blibli, Mataharimall, Shopee, Tokopedia, and Bukalapak. Based on the data, from the data collected by iPrice as a whole, C2C e-commerce such as Bukalapak has more bargain prices for smartphone and laptop product categories. C2C e-commerce has more of the lowest price deals because the platform allows anyone to sell new and secondhand smartphones and laptops that are priced at a cheaper price. Except Shopee, which only has the smallest percentage for smartphone products (4%) and laptops (3%) as the lowest price offer category. While the cheapest price offer for the camera product category mostly comes from B2C e-commerce, Lazada. This indicates that the prices of camera products have quite competitive prices even though C2C e-commerce contains secondhand products.

Table 1.1 Pre-Survey Questionnaire Results

No	Question	Yes	No
1	Are you satisfied with the price of the product at Shopee?	80%	20%
2	Do you trust online shopping at Shopee?	60%	40%
3	Is it easy to use the Shopee online shopping application?	70%	30%
4	Are you happy with product promotions on Shopee?	60%	40%

Source: Pre Survey, 2019 (Data Processed)

Based on the survey conducted in Table 1.1, that 80% of respondents mentioned that they were satisfied with the price of products at Shopee, 60% of respondents believed shopping online at Shopee, 70% of respondents said that it was easy to use Shopee's online shopping application and 60% of respondents mentioned that they are happy with the promotion of products at Shopee.

II. Theoretical Review

2.1 Prices

Price is the only element of the marketing mix that brings in revenue or income for the company, it is also an element of marketing mix that is flexible which means it can be changed quickly.

2.2 Trust

Trust is a hope held by an individual or a group when the words, promises, oral or written statements of an individual or other group can be realized. Meanwhile, according to Gefen (2000), trust is the willingness to make himself sensitive to the actions taken by people he believes based on a sense of trust and responsibility.

2.3 Ease of Use

Ease of use is the extent to which a person believes that using a technology will be free of effort. From this definition it can be seen that convenience is a belief about the decision making process. If someone feels that the information system is easy to use, he will use it.

2.4 Promotion

Promotion is communicating information between sellers and potential buyers or other people in the channel to influence attitudes and behavior. The promotion part of the marketing mix involves telling customers that the right product is available at the right place and at the right price. We see that consumers buy goods as a problem-solving process, where buyers go through several stages to adopt (or reject) an idea or product.

2.5 Purchasing Decisions

Purchases made by consumers or buyers are influenced by buying habits. Buying habits include when the purchase was made, how many purchases, and where the purchase was made. According to Somad and Priansa (2014), customer purchasing behavior is a series of physical and mental actions experienced by customers when purchasing certain products, this is justified by Chang and Wei (2011) that purchasing decisions are processes that involve physical and mental activities of consumers . With such conditions, consumers already have their own understanding of the product to be purchased and have a feeling of confidence when buying and consuming it.

III. Materials and Method

3.1 Types and Nature of Research

This research is quantitative descriptive. The nature of this study uses the level of associative explanation, namely research that aims to explain the position of the variables studied as well as the relationship between one variable with another variable, namely price, trustworthiness, ease of use of applications, and promotion of online shopping decisions at Shopee at Faculty students Economics and Business, University of North Sumatra.

This research was conducted at the University of North Sumatra Jalan Dr. T. Mansur No. 9, Padang Bulan, Medan. Time for conducting research from April 2019 to June 2019.

3.2 Samples

The sampling method in this study uses a non probability sampling method using purposive sampling, which is a sampling technique with certain considerations that aim to make the data obtained later more representative (Sugiono, 2013). The number of samples used was 384.

3.3 Data

The author uses data collection techniques as follows: literature study, field studies, questionnaires, documentation studies, and interviews. The types and sources of data in this study are as follows: primary data and secondary data. Based on this study, researchers used a Likert scale technique.

3.4 Data Analysis Methods

Data analysis method is a method that is done by collecting, processing, presenting, and analyzing data in order to obtain a clear picture of the problem under study. In this study using descriptive statistical analysis to describe the characteristics of respondents who were sampled in the study.

IV. Research Results and Discussion

4.1 Descriptive Analysis

The results of the analysis for prices indicate that in general respondents have a good perception of the variable price with an average value of 3.99. The results of the analysis for the belief that in general respondents perceptions of the variable Trust is good, with an average value of 4.13. The results of the analysis for ease that in general respondents perceptions of the variable Ease of use of the application is very easy, with an average value of 4.21. The results of the analysis for promotion that in general the respondents' perception of the Promotion variable was good, with an average value of 4.08. The results of the analysis for online shopping

decisions that in general respondents' perceptions of the variable Online Shopping Decisions are very good, with an average value of 4.29.

4.2 Results

Simultaneous Test (F Test)

Table 4.1 Simultaneous Test Results (Test F)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	215,445	4	53,861	217,091	,000 ^b
	Residual	94,031	379	,248		
	Total	309,477	383			

a. Dependent Variable: Y

b. Predictors: (Constant), X₄, X₁, X₂, X₃

Source: Research Results, 2019 (Data Processed)

Based on Table 4.1, the results of the comparison of F arithmetic with F table can be concluded that together the variables Price (X₁), Trust (X₂), Ease of use of the application (X₃), and Promotion (X₄) have a significant effect on online shopping decisions in Shopee (Y), so reject H₀ (accept H₁).

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The t-test statistic is used to test the independent variable partially whether it has a significant effect on the dependent variable with a confidence level (α) of 5%, the test criteria are as follows:

1. If the sign ≥ 0.05, then partially the independent variable has no significant effect on the dependent variable (accept H₀ or reject H₁).
2. If the sign < 0.05, then partially the independent variable has a significant effect on the dependent variable (reject H₀ or accept H₁).

Then you can also compare the t count with t table is as follows:

1. If t arithmetic ≤ t table, then partially the independent variable has no significant effect on the dependent variable (accept H₀ or reject H₁).
2. If t arithmetic > t table, then partially the independent variable has a significant effect on the dependent variable (reject H₀ or accept H₁).

Table 4.2 Partial Test Results (t Test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	,016	,916		,017	,986
	X ₁	,276	,053	,151	5,222	,000
	X ₂	,266	,049	,286	5,454	,000
	X ₃	,277	,049	,342	5,686	,000
	X ₄	,223	,058	,218	3,875	,000

a. Dependent Variable: Y

Source: Research Results, 2019 (Data Processed)

Based on Table 4.2 the results of hypothesis testing with partial tests, obtained by the multiple linear regression equation as follows:

$$Y = 0,016 + 0,276X_1 + 0,266X_2 + 0,277X_3 + 0,223X_4$$

The results of the partial testing are as follows:

1. The value of t arithmetic in the Price variable (X₁) is t arithmetic 5.222 > t table 1.966 or a significant value of 0,000 < 0.05, then partially the Price variable (X₁) has a positive and significant effect on the variable of online shopping decisions in Shopee. So for the second hypothesis test, from the test results obtained namely H₀ rejected and H₁ accepted.
2. The value of t arithmetic on the Trust variable (X₂) is t arithmetic 5.454 > t table 1.966 or a significant value of 0,000 < 0.05, then partially the Trust variable (X₂) has a positive and significant effect on the variable of online shopping decisions in Shopee. So for the third hypothesis test, from the test results obtained namely H₀ rejected and H₁ accepted.
3. The value of t arithmetic on the variable Ease of use of the application (X₃) is t arithmetic 5.686 > t table 1.966 or a significant value of 0,000 < 0.05, then partially the Ease of use (X₃) variable has a positive and significant effect on the variable of online shopping decisions in Shopee. So for the fourth hypothesis test, from the test results obtained namely H₀ rejected and H₁ accepted.

4. The value of t arithmetic in the Promotion variable (X_4) is t arithmetic 3,875 > t table 1,966 or a significant value of 0,000 < 0,05, then partially the Promotion variable (X_4) has a positive and significant effect on online shopping decision variables in Shopee. So for the fifth hypothesis test, from the test results obtained namely H_0 rejected and H_1 accepted.

V. Conclusion and Suggestion

5.1 Conclusion

Based on the results of the analysis and discussion in this study, it can be concluded as follows:

1. Pricing, Trust, Ease of Use of Applications, and Promotion simultaneously have a positive and significant effect on online shopping decisions at Shopee.
2. Price partially has a positive and significant effect on online shopping decisions at Shopee.
3. Trust is partially positive and significant impact on online shopping decisions at Shopee.
4. Ease of Use The application partially has a positive and significant effect on online shopping decisions at Shopee.
5. Promotion is partially a positive and significant effect on online shopping decisions at Shopee.

5.2 Suggestion

Based on the results of descriptive and inferential statistical research, on this occasion the researcher provides suggestions as input in order to improve consumer decisions in online shopping at Shopee.

The suggestions from researchers in an effort to improve online shopping decisions at Shopee include the following:

1. So that the sellers at Shopee set prices that are affordable by consumers considering that Shopee consumers are dominated by students.
2. In order to maintain consumer confidence, Shopee needs to add an input system to the Shopee account site so that Shopee gets feedback from consumers.
3. To improve the ease of use of the application, Shopee continues to improve the Shopee application server so that consumers do not experience system errors when making purchase transactions at Shopee.
4. To increase promotion, Shopee needs to conduct a series of positive events, such as assisting with infrastructure development, assisting the education of underprivileged students, and helping the poor to improve the company's image so that consumers become more confident with Shopee and have an impact on purchases.
5. This research can later be used as a reference source for further researchers relating to the concept of marketing management, namely regarding pricing, trustworthiness, ease of use of applications, and promotion of online shopping decisions. In addition, other researchers should examine other variables such as service quality and risk perception by combining this research with other research that has been done, so that the relationship between various variables that can measure online shopping decisions is known.

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