The Influence of Promotion and Price on E-Commerce Impulse Purchase in Bandung, Indonesia

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Abstract

This study aims to determine the effect of Promotion and Price on Impulse Buying of Shopee users in Bandung City. This study uses quantitative research methods and uses a Likert scale as a measurement. The population used in this study are consumers who use the Shopee application, and consumers who have made transactions at Shopee with a research sample of 100 respondents. This research technique is multiple linear regression analysis processed using SPSS 22 For Windows. Based on the hypothesis test conducted, it shows that partially there is an influence for the Promotion and Price variables on Impulse Buying. Promotion has a value of $3.503 > 1.66071$ (tα) partially has a positive and significant effect on Impulse Buying and Price has a value of $2.881 > 1.66071$ (tα) partially has a positive and significant effect on Impulse Buying. The conclusion of this study is that the Promotion and Price variables have an influence on the Impulse Buying variable by 44.5% and the remaining 55.5% is influenced by other variables not examined in this study.

Keywords: promotion, price, impulse buying, business administration

1. Introduction

The development of technology is currently moving very fast, humans now rarely communicate face-to-face, because they have switched to conversation in writing (Sulistijono et al., 2020). In simple terms, it can be said that the internet is the language of the world's computer networks, all speaking the same language. Internet technology has also been increasingly used by various organizations, especially business organizations (Pradana & Wisnu, 2021). By utilizing internet technology, companies can carry out various business business activities electronically, such as business transactions, sharing information with consumers and suppliers to maintain relationships before, during and after the transaction process and product purchases, as well as marketing products online. This triggered the birth of e-business or e-commerce which was created for business transactions using the internet and the use of the web where people made it easier to make transactions because they no longer needed labor and time to find the items we needed or often referred to as online transactions and enable the buying and selling process not to be hindered by distance and time (Kartawinata et al., 2020). One of the online shopping applications most often used by consumers to shop is Shopee. Shopee is a mobile application the first marketplace that is easy and practical in buying and selling online.

Before making a purchase, consumers usually make comparisons in terms of promotions and prices on the Shopee application. According to (Philip Kotler, 2016) promotion is an activity that communicates product advantages and persuades target customers to buy it. Promotion is an important source in disseminating information for the products offered and one of the marketing
media that has great opportunities, namely through advertising media. Attractive promotions offered by Shopee, such as various shopping vouchers, can minimize the prices for the products that consumers want, both from cutting prices and free shipping.

Besides the promotion which is a comparison of consumers, namely price. According to Kotler and Armstrong in Suparyanto and Rosad (2016: 09) price is an amount of money sacrificed for a good or service, or the value of a consumer that is exchanged for the benefit of using a product or service. Price comparisons are the main point for consumers, before making a purchase, consumers will definitely see the price of the product they are going to buy. Shopee is a place for producers to compete on price with other competitors who can directly solve consumer problems with prices, the availability of price selection features from the highest to the lowest price on Shopee makes it very easy for consumers to determine prices according to their abilities.

According to Sari in (Sunday, 2020) impulsive purchases are unplanned purchases, caused by exposure to the stimulus and decided directly at the shopping location. Today's consumers are becoming more impulsive due to various factors. One of them is the increasing economic growth supported by a strong consumer base and purchasing power, making the current concept of shopping patterns in Indonesia change and develop as a reflection of a more modern and more recreation-oriented lifestyle that is more concerned with the aspects of fun, enjoyment and entertainment when do shopping. Based on these conclusions, the authors want to conduct a study entitled "The Effect of Promotion and Price on Impulse Buying of Shopee Users in Bandung City".

The purpose of this research is to identify and analyze: a. Promotion on the Shopee application, b. Prices on the Shopee application, c. Impulse Buying from Shopee Users, d. The Influence of Promotion and Price on Impulse Buying of Shopee Users in Bandung City. The formulation of the research problem is:

1. How is the Promotion on the Shopee application?
2. How are the prices on the Shopee application?
3. How Do Shopee Users Impulse Buying?
4. How is the simultaneous influence of Promotion and Price on Impulse Buying of Shopee Users in Bandung City?
5. How is the influence of Promotion and Price partially on Impulse Buying of Shopee Users in Bandung City?

2. Literature Review

According to Wijayanti in Nabilah (2019), promotion aims to communicate products correctly to consumers so that they hear, see, are interested in, and buy our products and the main goal is to attract target consumers who are in accordance with the predetermined market segmentation. According to Kotler and Armstrong in (Insani, 2020) there are four dimensions of promotion which can be defined as follows:

a. Advertising
   Advertising is any form of non-personal presentation and promotion of ideas about goods or services that are solicitous, persuasion to consumers is carried out in one direction by the company, which means there is no communication between consumers and producers, therefore advertising does not require a response from consumers, an advertisement can published in print or electronic media.

b. Sales promotion
   Sales promotions are designed to attract consumers' attention to make purchases intentionally or unintentionally or increase the number of consumer purchases. Sales promotions can be in the form of short-term discounts, bonuses, coupons, free trials and accumulated points.

c. Public relations
Public relations is a communication effort made by a company to influence the views and assessments of the company, the group in question is people who have an interest in the company, one example is employees, the mass media and customers. Has the aim to improve reputation and maintain good name and maintain company image.

d. Direct Marketing
Direct marketing is carried out from the company to the consumer, without any retailers. Companies use media or tools to market their products such as magazines, catalogs, the internet and so on.

According to Supriatna et al. (2019: 4) price is the amount of money (plus some products if possible) needed to get a certain combination of products and services. Price has two elements, namely revenue and cost. Price consists of four dimensions according to Kotler and Keller (2016: 483), namely:

a. Affordability of Prices
Consumers can reach the price set by the company for a product. Usually a product has several types in a brand, but has different prices, from the most expensive product to the cheapest one.

b. Price Match with Product Quality
Consumers choose a higher price because they see a difference in quality between the higher price and the lower price. The higher the price, the higher the quality of the product.

c. Price Match with Benefits
Consumers make purchases of a product depending on the benefits that will be obtained from the product. If the benefits of the product are small, the sacrifice from consumers for the purchase decision process will also be smaller.

d. Price Competitiveness
The price of a product is competitive. Consumers often compare the price of a product with other products.

Impulse buying is natural and is a quick reaction. Sutisna in Nadiya (2020) explains that impulsive buying occurs when consumers make sudden purchase decisions. The urge to make a purchase is so strong that consumers no longer think rationally in their purchase. According to Rook, impulsive buying has the following characteristics:

a. Spontaneity (spontanity). Purchases occur unexpectedly, are unexpected and motivate consumers to buy now, often seen as a response to visual stimulation taking place at the point of sale.

b. Strength, compulsion and intensity (power, compulsion and intensity). There is motivation to put other things aside and take immediate action.

c. Excitement and stimulation (excitement and stimulation). A sudden desire to buy is accompanied by an emotional presence characterized by a feeling of excitement and out of control.

d. Disregard for the consequences. The urge to buy can be so hard to resist that the negative repercussions are ignored.

According to (Satria & Trinanda, 2019) promotion can have a significant effect on impulse buying. This is emphasized by Satria (2019) that the promotional strategy aims to offer incentives to buy, where the implementation of the promotion itself is expected to increase sales by creating interesting activities to trigger impulse buying. With a good promotion and carried out continuously, it will create a special attraction for consumers in making a purchase decision. According to Ningsih (2017), prices can have a significant effect on impulse buying. This is emphasized by Hikmah (2020) saying that prices have a positive effect on impulse buying because consumers will still buy products if there are attractive prices with good product quality.
According to Sugiyono (2017) a hypothesis is a temporary answer to a problem formulation. Based on the framework of thought above, the relationship between the variables in this study has the following hypothesis:

- **H1**: There is a significant effect of Promotion on Impulse Buying partially on the Shopee application.
- **H2**: There is a significant effect on Price on Impulse Buying partially on the Shopee application.
- **H3**: There is a significant effect of Promotion and Price on Impulse Buying simultaneously on the Shopee application.

This study uses a descriptive causal research method with a quantitative approach to measure it. The measurement scale used in this study is the Likert scale. Measurements were made to Shopee application users with a total of 100 respondents. In this study, using a non-probability sampling technique, purposive sampling type. The data analysis technique was processed using SPSS 22 Windows with multiple linear regression. The data used in this study are primary data obtained from questionnaires, while secondary data are obtained from previous research data, books, journals and the internet.

### 3. Result and Discussion

Of the 9 items of the promotional variable questionnaire statement distributed to 30 respondents, it has a correlation value (rcount) above 0.361 (rtable), of the 8 variable price questionnaire statements distributed to 30 respondents, has a correlation value (rcount) above 0.361 (rtable), and Of the 7 questionnaire items, the impulse buying variable distributed to 30 respondents, has a correlation value (rcount) above 0.361 (rtable), so that all statements are valid and fit for use in multiple linear regression analysis. The Cronbach’s Alpha value in this study for the Promotion variable is 0.887, for the Price variable is 0.903, and for the Impulse Buying Interest variable is 0.781 so that it can be concluded that all the questionnaires in this study are reliable or consistent because the Cronbach's Alpha value is $\geq 0.60$. 

![Picture 1. Research Model](image-url)
3.1 Normality Test

![Histogram of Impulse Buying (Y) Variable](image1)

**Picture 2. Impulse Buying (Y) Variable Histogram Graph Results**  
*Source: Results of processing by researchers using SPSS 22 (2021)*

It can be concluded from Picture 5 that the overall data used to measure the Impulse Buying variable has passed the normality test. This can be seen from the lines in the histogram that form a bell or symmetrical.

![Normal P-P Plot](image2)

**Picture 3. Graph Of Normality Test On P-Plot**  
*Source: Results of processing by researchers using SPSS 22 (2021)*

The normal P-P Plot graph provides an interpretation that the data spreads around the diagonal line and follows the direction of the diagonal line, therefore based on Figure 6 shows that the data is normally distributed.
Based on the results of the Kolmogorov-Smirnov normality test in table 4.4 above, the data shows a significance level of 0.200 (greater than 0.05). Therefore, it can be concluded that the data for all variables are normally distributed.

Based on the results of the heteroscedasticity test in table 4.4 above, the data shows a significance level of 0.200 (greater than 0.05). Therefore, it can be concluded that the data for all variables are normally distributed.

**Picture 4.**

**Heteroscedasticity Test Results (Scatterplot)**

*Source: Results of processing by researchers using SPSS 22 (2021)*

Based on the results of the heteroscedasticity test above, Figure 8 shows that the points on the scatterplot spread above and below the 0 point on the Y axis line and do not form a certain pattern. This proves that heteroscedasticity does not occur.

<table>
<thead>
<tr>
<th>Coefficients²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
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</tbody>
</table>

² Dependent Variable: TotalH

Table 1

*Multicollinearity Test Results*

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2904
It can be seen that the tolerance value for the Promotion variable (X1) is 0.455 and the tolerance value for the Price variable (X2) is 0.455. Meanwhile, the VIF value of the Promotion variable (X1) is 2.196 and the VIF value of the Price variable (X2) is 2.196. These results indicate that the tolerance value on Promotion and Price > 0.1, VIF value < 10. Based on the results of this study, it can be concluded that this study does not occur multicollinearity.

Table 2
Multiple Linear Analysis Test Results

\[ Y = 5.740 + 0.332X1 + 0.310X2 \]

In the multiple linear regression equation above, it can be seen that the constant value shows the number 5.740. This means that the average promotion variable will decrease by 5.740 if the promotion variable and price are equal to zero. The regression coefficient on the promotion variable is 0.332, indicating that if there is an increase in the promotion variable by the unit, then the value of the impulse buying variable will increase by 0.332. The multiple regression coefficient on the price variable is 0.310 indicating that if there is an increase in the unit price variable, the value of the impulse buying variable will increase by 0.310.

3.1 Test F (Simultaneously)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>562,910</td>
<td>2</td>
<td>276,455</td>
<td>38.950</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Residual</td>
<td>688,480</td>
<td>97</td>
<td>7.098</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,251,390</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Results of processing by researchers using SPSS 22 (2021)

It can be concluded that Promotion and Price have a simultaneous effect on Impulse Buying of Shopee Users in Bandung City.
It can be seen that the t-count value in the Promotion variable is 3.503 (to) and the t-count value in the Price variable is 2.881 (to). And the value in the t-table is 1.66071 (tα), here is a description of the data above:

a) Promotion variable: 3.503 (to) > 1.66071 (tα) = H1 is accepted, H1 is rejected.
b) Price variable: 2.881 (to) > 1.66071 (tα) = H1 is accepted, H1 is rejected.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.567*</td>
<td>.445</td>
<td>.434</td>
<td>2.66416</td>
<td>1.925</td>
</tr>
</tbody>
</table>

- Predictors: (Constant), Total+, Total-
- Dependent Variable: TotalB

**Table 4**

The Coefficient Of Determination Test Results

*Source: Results of processing by researchers using SPSS 22 (2021)*

The following can be seen the influence of Promotion and Price on Impulse Buying can be seen from the coefficient of determination of the value of R Square. The amount of the coefficient of determination can be calculated as follows:

\[
K_d = r^2 \times 100\%
\]

\[
K_d = 0.445 \times 100\%
\]

\[
K_d = 44.5\%
\]

It can be concluded that the value of Promotion and Price has an influence on Impulse Buying, which is 44.5% and the remaining 55.5% is influenced by other variables that are not related to this study.

4. Conclusions

Based on the results of research and discussion that has been done regarding promotions and prices against impulse buying, the following conclusions are obtained:

Overall promotions on Shopee are in the good category. This can be seen based on the respondent's response to the promotion variable, getting a percentage of 77.20% and it is included in the good category. Promotion in this study is measured using four dimensions, namely advertising, sales promotion, public relations, and direct marketing. Of the four dimensions, each dimension is included in the very good and good categories. Based on these results, it shows that the promotions owned by Shopee are already good. Can be marked by, consumers can feel the benefits of promotions provided by Shopee.

Prices at Shopee fall into the good category. This can be seen based on the respondents' responses to the price variable getting a percentage of 68.56% and it is included in the good category. Prices in this study are measured using four dimensions, namely price affordability, price compatibility with product quality, price compatibility with benefits, and price competitiveness. Of the four dimensions, each dimension is included in the very good and good categories. Based on these results, it shows that Shopee's price is good. Can be marked because consumers feel the product prices on the Shopee application have prices that are still acceptable and reasonable.

Impulse Buying at Shopee falls into the pretty good category. This can be seen based on the respondents' responses to the Impulse Buying variable getting a percentage of 58.40% and it is included in the quite good category. Impulse buying in this study was measured using four dimensions, namely spontaneity, compulsion strength and intensity, excitement and stimulation, and indifference to consequences. Of the four dimensions, each dimension is included in the category...
very good, good, and good enough. Impulse Buying is quite attractive to consumers because not many of them can determine what to buy and what not to use so that consumers can buy products on the Shopee application because there are no prior plans.

4.1 The Influence of Promotion and Price on Impulse Buying of Shopee Users

Promotion variables and price simultaneously influence impulse buying at Shopee. It can be seen from the results of the F test (simultaneous) shows that the value of F-count is 38.950 and the value of f table is 3.09 with a significance of 0.000 and the effect is 44.5% simultaneously. This shows that 44.5% of impulse buying is influenced by promotions and prices. While the remaining 55.5% is influenced by other variables not examined in this study. Thus it can be concluded that the promotion and price variables simultaneously have a significant effect on impulse buying at Shopee. Based on the results of the partial t test, it can also be concluded that the promotion and price variables partially have a positive and significant effect on impulse buying at Shopee.

From the conclusions described above, the authors try to provide suggestions that can be used for company improvement and insights for future researchers. The suggestions from the author are as follows:

a. Based on the research results, the promotional variable dimensions that have the lowest value are the sales promotion dimension with the statement "Shopee gave me points after I reviewed the items purchased". Therefore, researchers provide suggestions for Shopee to give points to consumers who provide reviews in the form of text that contains an explanation of the product, not only giving points to consumers who provide reviews in the form of photos or videos.

b. Based on the research results, the variable price dimension which has the lowest value is the dimension of affordability with the statement "I often shop at Shopee because the prices offered are affordable". Therefore, researchers provide suggestions for Shopee to pay more attention to the prices set so that the prices of Shopee products can be reached by the public and can compete with other e-commerce applications, one example is by giving discounts or giving free shipping on repeat purchases.

c. Based on the results of research, the dimension of impulse buying variable which has the lowest value is the dimension of indifference to the consequences with the statement "When buying goods at Shopee, consumers do not think about the mismatch of the product being purchased". Therefore impulse buying activities are expected to meet consumer needs and the impulse buying system is also expected to benefit consumers so that these activities can provide motivation for consumers to buy a product.

4.2 Suggestions for Further Researchers

It is recommended for further researchers to be able to examine other factors that can influence Impulse Buying Shopee users, for example: Electronic Word Of Mouth and so on. Conduct research using the theory of different and latest experts so that it can enrich the treasury of science in the field of marketing. Conduct research on other similar companies using the same variables so that the results can be used as a comparison.
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Biographies

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