The Influence of Price, Promotion and Service Quality on Purchasing Decisions at the Shopee Online Store, Bengkulu City

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Abstract

The aim of this research is to find out how much influence price, promotion and service quality have on purchasing decisions at the Shopee online shop in Bengkulu City. The variables of this research are price, promotion, service quality and purchasing decisions. This research is associative in nature. This research method is quantitative research. Purposive sampling technique. In this research, the data comes from distributing questionnaires (Google Form) which will be distributed online to consumers who have made online purchases. The research population is consumers who have made purchasing decisions on the Shopee application in the city of Bengkulu. Researchers used the hair formula to determine the sample where 16 questions x 10 = 160 respondents. This research uses a Likert scale, with SPSS 22 tools. MethodAnalysisthe data used isvalidity test, reliability, normality test, multicollinearity test, heteroscedasticity test, multiple linear regression analysis, multiple correlation analysis, coefficient of determination test (r^2) , t test (partial) and f test (simultaneous). The results of this research are; (1) Price influences purchasing decisions at the Shopee online shop in Bengkulu city, (2) Promotion influences purchasing decisions at the Shopee online shop in Bengkulu city, (3) Service quality influences purchasing decisions at the Shopee online shop in Bengkulu city and (4) There is a direct influence Simultaneous Price, Promotion and Service Quality on purchasing decisions at the Shopee online shop in Bengkulu City.

Keywords: Price, Promotion, Service Quality and Purchasing Decisions

INTRODUCTION

In the era of technological and information development, the world, especially the Internet, is growing most rapidly. The current trend is changes in people's lifestyles, using gadgets, online shopping, virtual world activities. With the advancement of internet technology, people's lives have become easier, including shopping online. The main advantage of online shopping is that it can be done anywhere, anytime and without restrictions thanks to internet technology. That way, online shopping programs can always see what products are available there.(Ayatusifa et al., 2023). In Indonesia itself, there are many online shopping programs with the concept of online shopping, including Shopee, Lazada, Tokopedia, bli-bli.com, Bukalapak, JD.id, Zalora and many others. Online shopping has become commonplace nowadays, especially for people in the city of Bengkulu.

Shopee is very popular among the public because of its product variety and attractive offers at competitive prices which influence purchasing decisions. Purchasing decisions are a process where consumers identify problems, search for information about products or brands, and evaluate the effectiveness of each option to solve the problem, which then leads to purchasing decisions (Tjiptono and Chandra 2017).

When buying or choosing a product, price is a factor that needs to be considered. Based on(Ayatusifa et al., 2023)Price is one of the determining factors for consumers when deciding to buy a product or service. When shopping online, consumers compare the price of a product with the price of other products based on affordability, consistent product quality, competition, and the benefits the product offers. The prices offered by Shopee vary. This makes it easier for customers to choose the desired price. Additionally, customers can use the price filter feature to search for products from lowest to highest price.

Apart from price, advertisers play an important role in online purchasing decisions. The advertising campaigns of e-commerce providers are very attractive, meaning they advertise on television and print media with special offers to attract customers.(Fakhrevi and Satrio, 2018).(Kere et al., 2018)Advertising is the act of communicating the benefits of a product and persuading consumers to buy it. If you have never heard of or are not familiar with the product, customers will not buy it.

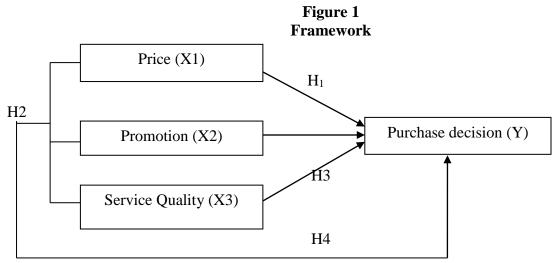
Not only prices and special offers, good service quality is also a factor that can change purchasing decisions. Based on(Susanti & Wahyuni, 2017)Service quality refers to the comparison of an organization's service level with customer expectations. A service can be said to be good if the service provided by the company can satisfy its customers. If customers are satisfied with the service provided, this does not prevent them from remaining loyal to the company

Customer decisions are influenced by the company's ability to attract customers and people outside the company.(Sartika, 2021). Therefore, the purchase depends on your needs and preferences. The growth of the internet sector will certainly give rise to competition in the internet sector. This research study is important because e-commerce players need to know parameters such as price, promotion and service quality in order to survive the growth and

development of online stores.

The presence of Shopee will provide the opportunity for Bengkulu residents to buy fashion products online without having to leave the house or walk to look for products. Promotions, services and attractive offers in an online store can boost sales. Shopping at Shopee will provide Bengkulu residents with a beautiful and fashionable appearance. The existence of Shopee encourages people in Bengkulu to buy and sell online because it offers other advantages compared to direct stores, such as marketing and trading systems, brands and quality, as well as services and offers. The ease of transactions on Shopee is one of the factors that encourages Bengkulu residents to shop online more often.

Framework



With the background description, this research has 4 hypotheses, including:

- H1: Price is believed to influence decisions at the Shopee online store in Bengkulu.
- H2: Advertising is believed to influence purchasing decisions at the Shopee online shop in Bengkulu.
- H3: Service quality is believed to influence purchasing decisions at the Shopee online store in Bengkulu
- H4: Price, promotion and service quality are believed to influence purchasing decisions at online shopee stores in Bengkulu

LITERATURE REVIEW

Price

According to(Perdana and Hidayat, 2019)The price of a sum of money paid or a sum of value exchanged by consumers to obtain benefits from obtaining a good or service. Price is the amount buyers will pay for available products. Price is the only sales team element that drives sales. It differs from other marketing organizations in terms of earning fees.. Reference price from(Lubis, 2018)as follows: Affordability of prices takes into account the purchasing power of

customers, Matching the price of a product with the quality of the product, Price competition with similar products, Price depends on the use of the product

Promotion

Promotion of the best products or services helps build relationships with customers because everyone is looking for the best offer that suits them. Search result(Tjahjaningsih, 2016)provide results that show the positive impact of advertising on customer satisfaction. Therefore, the higher the exposure, the greater the expected positive impact on customer satisfaction. Based on(Kartini et al., 2021)Promotion indicators include: Advertising reporting, effectiveness of advertising through advertising methods, number of advertisements displayed on the media.

Service quality

Based on(Gofur, 2019)states that service quality is the expected level of quality and monitors this quality level to meet customer needs. even if(Purbasari & Purnamasari, 2018)states that overall service quality can be determined by comparing customer expectations and service quality. Based on(Sutisna, 2012)Service quality indicators are Good, Reliability, Answers, Guarantee and Empathy.

Buying decision

(Yana, Vahono, and Halikusabir, 2022)A purchasing decision is the moment when a consumer, after considering different opinions and evaluating other products that are almost identical to the desired product, actually decides on his or her purchasing intentions and then begins the purchasing decision process. input into purchasing decisions. According to (Kotler, 2014) purchasing decision indicators are product needs and preferences. It's worth the price. Product quality. Rethink your purchasing decision.

RESEARCH METHODS

This research uses quantitative methods. The sampling technique used israndom sampling. Sample in researchis a Shopee application user.. The number of respondent samples must correspond to the number of indicators used in the questionnaire, namely n x 10. In this study the number is 16. Therefore, the minimum number of respondents in this survey is $16 \times 10 = 160$, so the number of respondents to be selected in this survey is 160 respondents. Collecting data by distributing questionnaires. This means that researchers obtain data sources directly from original data sources (Sugiyono, 2018). This research instrument includes the price variable with 8 question items, the promotion variable with 6 question items, the service quality variable with 10 question items and the purchasing decision variable with 8 question items. Instrument measurement uses a 5 Likert scale.

Operational Variables

	Operational definition						
Variable	Operational definition	Indicator	Measurement scale				
Price (X1)	Price is an exchange value given by customers to obtain ownership or use of a product or service to fulfill their needs and desires.	product quality 3. Price	Likert Scale				
Promotion (X2)	Promotion is the activity of informing consumers about products and services so that they can be known and persuade consumers to buy products and services.	 Promotional Reach Quality of promotional delivery using advertising media 	Likert Scale				
Service Quality (X3)	company's ability to meet customer expectations which makes consumers or customers more loyal to the services provided, in order to get the results expected by the company in the long term.		Likert Scale				
Purchase decision (Y)	Purchasing decisions are a process where consumers search for information about suitable products their wishes	 Needs and desires for products. Price match. Product quality. Repeat Purchase Decisions. (Kotler, 2014) 	Likert Scale				

Table 1Operational definition

RESULTS AND DISCUSSION

From the processed data, using SPSS output, the following results were obtained: **Validity test**

Validity test					
Variable	Sig	Note			
Price (X1)					
1	,000	CORRECT			
2	,000	CORRECT			
3	,000	CORRECT			
4	,000	CORRECT			
5	,000	CORRECT			
6	,000	CORRECT			
7	,000	CORRECT			
8	,000	CORRECT			
Promotion (X2)					
1	,000	CORRECT			
2	,000	CORRECT			
3	,000	CORRECT			
4	,000	CORRECT			
5	,000	CORRECT			
6	,000	CORRECT			
Service Quality (X3)					
1	,000	CORRECT			
2	,000	CORRECT			
3	,000	CORRECT			
4	,000	CORRECT			
5	,000	CORRECT			
6	,000	CORRECT			
7	,000	CORRECT			
8	,000	CORRECT			
9	,000	CORRECT			
10	,000	CORRECT			
Purchase Decision (Y)					
1	,000	CORRECT			
2	,000	CORRECT			
3	,000	CORRECT			
4	,000	CORRECT			
5	,000	CORRECT			
6	,000	CORRECT			
7	,000	CORRECT			
8	,000	CORRECT			

Table 2

Source: processed questionnaire data, 2024

PRIMANOMICS : JOURNAL ECONOMICS AND BUSINESS - VOL. 22 . No. 2 (2024) Online Version Available in : <u>https://jurnal.ubd.ac.id/index.php/ds</u> | 1412-632X (Print) | 2614-6789 (Online) |

From the table above, it can be seen that each questionnaire has a sig < 0.05 for each variable so that the questionnaire is counted.

Reliability Test

Table.3 Reliability Test

No	Variable Cronbach's Alpha			Information
		Alpha	-	
1	Price	,714	0.6	Trust
2	Promotion	,625	0.6	Trust
3	Service quality	,612	0.6	Trust
4	Buying decision	,816	0.6	Trust

Source: questionnaire data processed, 2024

Each variable has a positive Cronbach's α value > 0.6. Therefore, the stability of product numbers (X1), lack of delivery (X2) and discounts (X3) should influence purchasing decisions (Y).

Normality test

Table 4 Normality test

One of them is the Kolmogorov-Smirnov test				
		Non-standard scales		
NO		160		
Standard limits, b	Idea	.0000000		
	Default. Share	2.75896378		
The difference is	CORRECT	,042		
obvious	OKAY	,042		
	Bad	038		
Statistical tests		,042		
Asymp. White fish. (2	2 tails)	,200,e		

Source: processed questionnaire data, 2024

Based on the general results above, this can be seen from the numerical tests of the Kolmogorov-Smirnov test. Therefore, the residuals are normally distributed with a significance value of 0.200 > 0.05.

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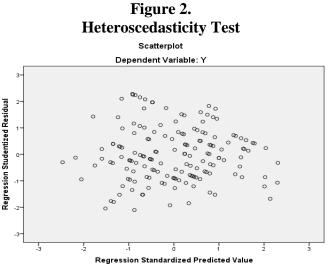
Multicollinearity Test

Table 5 Multicollinearity Test					
Collinearity Statistics					
Tolerance VIF					
0.991 1010					
,949	1054				
,952	1050				

Source: processed questionnaire data, 2024

From the table above, it can be seen that the VIF value for the cost factor (X1) is 1.010, the VIF value for the advertising variable (X2) is 1.054, and the VIF value for the service variable is 1.050. Therefore, the independent variable is not excluded from the general assumption of multicollinearity because its score is less than 10.

Heteroscedasticity Test



Source: processed questionnaire data, 2024

Based on this image, it can be seen that the dots do not form a regular pattern. So it can be concluded that heteroscedasticity did not occur in the data in this study.

Multiple Linear Regression Analysis

Based on the results of SPSS processing, the following results were obtained:

	Unstandardized Coefficients		Standardized Coefficients		
Model	B Std. Error		Beta	t	Sig.
1 (Always)	5766	3972		1452	,149
Price	,165	,069	,158	2386	.018
Promotion	,526	,077	,462	6824	,000
Service quality	,215	,063	,233	3,441	,001

Table 6.Multiple linear regression

Source: processed questionnaire data, 2024

Based on calculations with SPSS, the regression equation is obtained:

e = 5.766 + 0.165X1 + 0.526X2 + 0.215X3

- 1. Fixed value = 5.766 which is a variable valuePrice (X1), Promotion (X2), and Service Quality (X3) are fixed, so the value of the purchasing decision variable (Y) is 5.766.
- 2. The price coefficient (X1) of 0.165 means that the price variable (X1) increases by one unit, and the variable distribution (X2) and service quality (X3) always remain. So the purchase decision (Y) is 0.165.
- 3. The coefficient value of the promotion variable (X2) is 0.526, meaning that the promotion variable (X2) has increased by one unit, while the price (X2) and service quality (X3) always remain unchanged. So the purchase decision (Y) is 0.526.
- 4. Assess service quality(X3) is equal to 0.215, meaning the service variable (X3) increases by one unit and the price (X1) and promotion (X2) will be the same. then buying decision (Y) 0.215.

Multiple Correlation Test and Coefficient of Determination

Table 7.				
Multiple Correlation Test and Coefficient of Determination				
Brief description of the model				

Imitatio			Adjusted R-					
n	Α.	P place	squared	Default. Error				
1	.567a	,322	,309	2.78537				

Source: processed questionnaire data, 2024

Based on the results of several correlation tests using SPSS. The multiple correlation coefficient (R) value is 0.567. Therefore, there is a relationship between the variables Price (X1), Promotion (X2) and Service Quality (X3) on Purchase Decisions (Y) at the Bengkulu City Shopee store. The R2 test results are used to determine the power percentage. R2 = 0.309 is the performance coefficient in the table above.

Table 8

T test								
Unstandardized CoefficientsStandardized Coefficients								
Model	В	Std. Error	Beta	t	Sig.			
1 constant	5766	3972		1452	,149			
Price	,165	,069	,158	2386	.018			
promotion	,526	,077	,462	6824	,000			
Service quality	,215	,063	,233	3,441	,001			

T Test (Partial)

Source: processed questionnaire data, 2024

The t test is used to determine the influence of each independent variable on the dependent variable by testing the probability value. Basic values are obtained from the table above:

- 1. Measure by valuePrice (X1)Sig is equal to 0.018, if the sig value <0.05 then Ho is rejected and Had is accepted. It can be cancelledPrice (X1) Quantitychanges in purchasing decisionsat the online shopee shop in Bengkulu.
- 2. Measure by valueNotification panel (X2).is 0.000 if the sig value <0.05 then Ho is rejected and Had is accepted and can be considered valid.Partial spread (X2)changes in purchasing decisionsat the onlineshopee shop in Bengkulu.
- 3.Considering the importance of service quality(X3) charactersis equal to 0.001, if the sig value <0.05 then Ho is rejected and Had is accepted, namely eliminated.Service Quality Section (X3)changes in purchasing decisionsat the Shopee online shop in Bengkulu.

T 11 0

F Test (Simultaneous)

Table 9.							
F test							
		ANOVA					
	Number ofCentralWhite						
Imitation	squares	df	location	Well	fish.		
1 recovery	573,686	3	191 229	24,648	,000		
residual value	1210 289	156	7,758				
as usual	1783 975	159					

Source: processed questionnaire data, 2024

Based on the table, the basic value is determined compared to 0.000 < 0.05, combining Price (X1), Promotion (X2) and Service Quality (X3) in purchasing decisions (E) at the Shopee online store in Bengkulu together the results are the same

Discussion

The Influence of Price on Purchasing Decisions at the Online Shopee Store in Bengkulu City

Based on the research results, the main sig value of Price (X1) is 0.018, where a sig value <0.05 means Ho is rejected and Had is accepted. The price can be determined to influence

purchasing decisions at the online shopee shop in Bengkulu. Consumers consider price when making purchasing decisions. This includes affordability, suitability of costs to customer benefits and quality, and cost competitiveness against competing markets. Buyers on the Shope market should review the prices offered by sellers, so they must be aware of reasonable prices and competition from other markets.(Devi, 2019). Therefore, the prices of products offered on the Shopee market also depend on the quality of the products offered. Some customers believe that with the increase in the quality of the products offered, it is not the price, but the quality that is the reason for purchasing.

The research results were confirmed(Ilmiyah & Krishernawan, 2020)Price has a positive and significant influence on purchasing decisions at the Mojokerto Shopee Marketplace which is well proven. Display Shopee market prices with quality to meet customer needs and provide lots of discounts and special offers.

The Influence of Promotions on Purchasing Decisions at the Online Shopee Store in Bengkulu City

Based on the research results, the main value of the sig multiplier (X2) is 0.000, where the sig value <0.05 means that Hodi is rejected and Ha is accepted. Purchasing decisions can be influenced by purchasing decisions at the Shopee online store in Bengkulu. Shopee market users are happy when the Shopee market offers interesting promotions and never miss interesting Shopee promotions. Promotions are very popular because the benefits can be obtained very easily by customers when making a purchase.

The research results were confirmed(Nuraeni & Irawati, 2021)Advertising sometimes has a strong influence on purchasing decisions. Advertising encourages consumers to buy producer products. It can be concluded that the higher the level of advertising, the higher the number of purchasing decisions.

The Influence of Service Quality on Purchasing Decisions at the Online Shopee Store in Bengkulu City

Based on the research results, the significance of the service quality indicator (X3) is 0.001, where the indicator value <0.05 means Ho is rejected and Ha is accepted. It was concluded that service quality influences purchasing decisions at the online shopee shop in Bengkulu. city. Good enough Service is the expected level of quality and control of that quality level to meet customer needs. If the service received meets expectations, service quality is considered good and satisfactory. If the service received exceeds customer expectations, then the quality of the service is considered very good.

The results of this research are supported(Mambu et al., 2021)Service quality influences purchasing decisions. This shows that the better the Shop service is, the better the customer's purchasing decisions will be.

The Influence of Price, Promotion and Service Quality on Purchasing Decisions at the Online Shopee Store, Bengkulu City

Based on a good price compared to 0.000 < 0.05, combining price (X1), promotion (X2) and service quality (X3) in purchasing decisions (E) at the Shopee online store in Bengkulu together the results are the same. The value of the multiple correlation coefficient (R) is 0.567. Therefore, there is a relationship between the variables Price (X1), Promotion (X2) and Service Quality (X3) on Purchasing Decisions (Y) at the Bengkulu City Shopee store. R2 = 0.309 is the performance coefficient in the table above. The reason for this value is that price (X1), promotion (X2) and service quality (X3) have an influence on purchasing decisions for the

Shopee online shop in Bengkulu city is 75.6% and the remainder is influenced by other variables that do this and are not investigated.

CONCLUSION

From the results of data analysis and hypothesis testing that have been presented in this research, it can be concluded thatPrice has an effect (X1).Party and good purchasing decisions at the Shopee online store in Bengkulu. The higher the offer price, the more information is taken into the purchasing decision. This action has consequences (X2). Party and good purchasing decisions at the Shopee online store in Bengkulu. Promotions are in great demand because they make it easy for consumers to get benefits when shopping. Service quality is a result (X3). simultaneously influences the purchasing decision (Y) of online shopee stores in Bengkulu.

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