

## **The Influence Of Price, Product Quality, And Promotion On Purchase Decisions At The Shopee Marketplace**

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### **ABSTRACT**

This research was conducted to determine the influence of price, product quality and promotion on purchasing decisions on the Shopee marketplace. Quantitative research is the procedure used in this thesis and uses questionnaires to 100 respondents. The results of data processing using SPSS 25 obtained a T table of 1.660, a price T count of 6.868 > 1.660, a product quality T count of 0.075 > 1.660 and a promotion T count of 3.201 > 1.660. The results of hypothesis testing obtained Fcount 91.417 > 2.70 Ftable and a significance of 0.000 < 0.05, meaning that price, product quality and promotion have a simultaneous and significant effect on purchasing decisions on the Shopee marketplace and based on the coefficient of determination test, the adjusted R Square value is 0.733, which means All independent variables influence purchasing decisions by 73.3% and the remaining 26.7% is explained by other factors not explained in this regression analysis.

Keywords : Price, Product Quality, Promotion, Purchase Decision

## **Introduction**

The rapid development of technology and the internet in the era of globalization is driving changes in human life. Electronic media is one of the most reliable communication and business media today. Small, medium and large entrepreneurs can take advantage of advances in technology and the internet, as a means to develop and advance their business.

using internet media, companies can search for information and carry out promotions easily. Apart from being used as a medium for information and promotion, the internet is also used as a process for selling and purchasing products, services and information online, which is also known as e-commerce. The development of e-commerce has brought many changes to the business sector that has been carried out in the real world. This change is marked by the existence of a number of business activity efforts that were originally in the real world, can now also develop in the virtual (digital) world.

Online buying and selling transactions provide many conveniences for users, but consumers still take into account the level of trust they show in buying and selling sites. Many consumers are still doubtful about security systems, personal information control, integrity, quality of goods, payment methods and the capabilities of online buying and selling sites (Andy & Ravena Gabriela Brittany, 2022). Shopping online is certainly different from shopping offline, where sellers and buyers meet directly or face to face to carry out transactions, while online shopping sellers and buyers do not meet in person, only relying on internet media.

Indonesia is one of the countries that tends to buy and sell goods via e-commerce (Calistia & Andy, 2022). This can be seen by the existence of various types of e-commerce in Indonesia such as: Lazada, Tokopedia, Blibli, Bukalapak, Shopee and many more, which can be found easily according to the category of goods you want to buy.

Consumers who will carry out the purchasing process will usually look for the quality of the product they want. Consumers can see reviews given by other consumers who have purchased similar products (Andy & Elisa, 2022). This makes it easier for potential consumers to decide whether the product they want to buy is quality. Because product quality is the number of features and characteristics of a product or service that meet needs, a positive evaluation of the product purchased will confirm the purchase decision.

Due to intense competition between markets, each market offers promotions to attract consumers to shop. One of the advantages offered by various marketplaces is free shipping throughout Indonesia, guaranteed lowest prices, etc (Wahyuni & Andy, 2022). The promotions offered by Shopee make it easier for consumers to shop because they don't need to worry about shipping costs to get the items they want. Advertising has the function of informing, persuading and influencing consumer decisions, so that the factors that influence purchasing decisions are expected to stimulate consumer interest in shopping through the Shopee Marketplace.

Based on the background of the problem above, the author took the thesis title "The Influence of Price, Product Quality and Promotion on Purchasing Decisions on the Shopee Marketplace".

## **Management**

Management is the science and art of managing the process of utilizing human resources and other resources effectively and efficiently to achieve certain goals (Malayu S.P, Hasibuan 2016, 9). Management can be defined as achieving organizational goals efficiently and effectively by human resources working together to achieve certain goals (Kinicki dan williams 2016, 32 ).

## **Marketing Management**

Marketing management is the process of planning and executing ideas, pricing, promotion and distribution of ideas, goods and services to create exchanges that meet individual and organizational goals (Gede Wisnu Saputra 2020, 4). Marketing Management as a whole is the way a company runs a business that prepares, determines, and distributes products, services, and ideas that can meet the needs of target markets (Tjiptono 2016, 63).

Defining the Marketing Mix is a set of marketing tools a company uses to pursue its marketing objectives in the target market, Kotler dan Keller (Hidayah 2021, 3). Marketing Mix is a strategy for combining various marketing activities to maximize acceptable results, Buchari Alma (Dewi, Hendriyani, dan Ramdhani 2021, 4)."

### **Price**

Price is a measure of the cash used for goods and services, or a measure of the value of cash purchased for several uses since the purchase of the goods or services, Kotler (Sari and Prihartono 2020, 4). According to Oentoro (Krisna Marpaung 2021, 51), Price is an exchange value that can be equated with money or services for a person or group at a certain time and in a certain place. Kotler and Armstrong ((Yohana Dian Puspita 2021, 100), Price is an unknown amount of money used for a good or service, or an exchange of value that someone uses to have a good or service so they can use it.

### **Product Quality**

According to Amstrong (Dwijantoro, Dwi, dan Syarief 2022, 66) Product quality is a key positioning tool for marketers. Directly, quality influences the performance of a good or service, so it is closely related to consumer satisfaction and value. Product quality is an effort to meet or exceed consumer expectations, where a product has quality that is in accordance with predetermined quality standards, and quality is a condition that is always changing because consumer tastes or expectations for a product are always changing, Yanto (Krisna Marpaung 2021, 52).

### **Promotion**

Kotler and Keller (Dwijantoro, Dwi, and Syarielf 2022, 66), Sales promotion is a key marketing campaign, which is divided into a collection of incentives, with a short-term nature designed to stimulate faster purchase of goods or services. Suliyanto (Krisna Marpaung 2021, 52), Promotion is a technique of communicating information about products and is part of the communication mix, namely the overall message the company sends to customers about its products."

A. Hamdani (Sunyoto 2016, 37), Promotion is one of the variables in the marketing mix that is very important for companies to implement in marketing their products. Promotional activities not only function as a communication tool between companies and industrial consumers, but also as a tool to influence the consumer market." in purchasing activities or using products according to their needs and desires.

### **Purchase Decision**

Kotler and Armstrong (Gabriel Aprilia 2021, 45), Purchasing decisions are part of consumer behavior that learns about individuals, groups and organizations selecting, purchasing, using and how goods, services, ideas or experiences satisfy their needs and desires."Kotler (Leonardus

Octavyanda Prasetya 2020, 13), Consumer purchasing decisions are the final decisions of individuals and households who purchase goods and services for personal consumption.

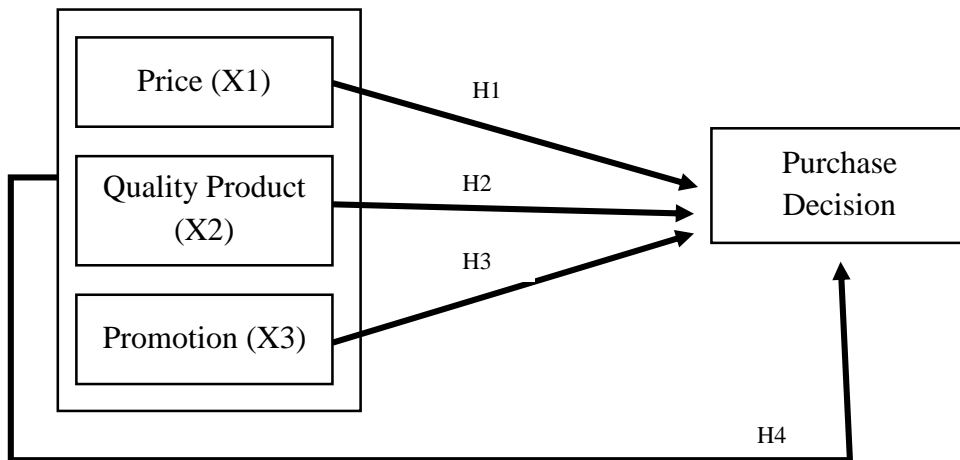


Figure 1.1 Framework

H1 : It is suspected that price (X1) has a partial effect on buying decision (Y).

H2: It is suspected that product quality(X1) has a partial effecton purchasing decisions (Y).

H3: It is suspected that promotion(X3) has a partial effect Purchasing decision (Y).

H4: It is suspected that price (X1), product quality (X2) and promotion (X3) have an influence simultaneously on purchasing decisions (Y).

## METHOD

### Types Of Research

The type of research used in this research is quantitative research. Quantitative research is a type of research whose approach uses data in the form of numbers or data that is converted into numbers based on a calculation. Quantitative Research. This research was carried out by collecting data in the form of numbers, or data in the form of words or sentences which were converted into data in the form of numbers Martono (Fransisca Veniadetama 2020, 40).

### Object Of Research

The definition of a research object is an attribute, nature or value of a person, object or activity that has certain variations determined by the researcher to be studied and then conclusions drawn According to Sugiyono (Warshawsky and Paul 2017, 32). The object used in this research is the Shopee marketplace.

PT Shopee Indonesia is a subsidiary of the Sea Group, founded in 2015 simultaneously in 7 countries: Singapore, Malaysia, Thailand, Taiwan, Indonesia, Vietnam and the Philippines. Sea Group is dedicated to improving the quality of life by enabling consumers and small business owners to become more engaged with technology. Sea Group is listed on NYSEI (Nelw York Stock Exchange) with the symbol SEI. Shopee began entering the Indonesian market at the end of May 2015 and began operating in Indonesia at the end of June 2015. Shopee Indonesia is located at Wisma 77 Tower 2, Jalan Letjen. S. Parman, Palmela, Special Capital Region of Jakarta 11410, Indonesia. Shopee is an online marketplace application for buying and selling products easily and quickly using existing technology. Shopee has a variety of products ranging from fashion items to daily necessities. Shopee is present in the form of its mobile application, facilitating online shopping without users having to open their website on their computer devices.

The target demographic of Shopee users is young people who are used to doing gadget-based activities such as shopping. Therefore, Shopee is here in the form of its mobile application which supports easy and fast shopping activities. The product categories offered by Shopee are specifically for fashion and home goods. On the homepage, users can find 21 categories available on Shopee, namely women's clothing, men's clothing, women's shoes, men's shoes, bags, Muslim clothing, fashion accessories, beauty and health, watches, gadgets, sports equipment, hobbies and toys, Baby & Children's Products, Household Appliances, Electronics, Computers & Accessories, Food & Drinks, Coupons, Photos, Automotive & Others (Including Snacks and Home Decorations).

### **Data Types And Sources**

In this research, the data source used is primary and secondary :

a. Primary data

According to Sugiyono (Tanujaya 2017, 19), "Primary Data is a data source that directly provides data to data collectors. Data is collected by the researcher himself, directly from the first source or place where the research is carried out."

b. Secondary data

According to Sugiyono ( Inka Imalia,2020, 9) "Secondary data is a data source that does not directly provide data to data collectors, for example through other people or through documents."

### **Population And Sample**

a. Population

According to Sugiyono (Jasmalinda 2021, 2),"Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn."The population in this research are consumers who make purchases at the Shopee Marketplace.

b. Sample

According to Sugiyono (Jasmalinda 2021, 2) states that:

"The sample is part of the number and characteristics possessed by the population."

In this research, the sampling technique used the Random Sampling method. According to (Sugiyono 2017, 126) "Random Sampling is taking sample members from a population that is carried out randomly without paying attention to the strata that exist in the population".

### **Research Results**

#### **1. Coefficient Of Determination Test**

"The coefficient of determination ( $R^2$ ) is used to determine the presentation of changes in the dependent variable (Y) caused by the independent variable (X)", Sujarweni (Amelia et al. 2020).

The Coefficient of Determination ( $R^2$ ) is a matrix to determine how well the model can describe variations in the dependent variable. The Coefficient of Determination has a value of zero to one. A low  $R^2$  value explains that the ability of the independent variable to explain variations in the dependent variable is limited. An  $R^2$  value close to one explains that the independent variable provides almost all the information needed to predict variations in the dependent variable.

**Table Determination Coefficient Analysis Test Results (R2)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,861 <sup>a</sup>	0,741	0,733	2,090
a. Predictors: (Constant), Promotion, Price, Product Quality				

Source: Data Processing Results with SPSS Version 25

It can be seen that the value of the coefficient of determination or Adjusted R square is 0.733 or 73.3%. This figure means that the price variable (X1), product quality variable (X2), and promotion variable (X3) simultaneously (together) influence purchasing decisions (Y) by 73.3%. Meanwhile, the remainder, namely (100% -73.3% = 26.7%), is influenced by other variables outside this regression equation or variables that were not studied.

## 2. T Test

Sujarweni (2019) in (Amelia 2020, 13) "The t test is an individual partial regression coefficient test that is used to determine whether the independent variable (X) individually influences the dependent variable (Y)."

The t test or partial test is carried out with the aim of partially testing the influence of the independent variable on the dependent variable. Here is how to do a t test:

- 1) Ho is rejected and Ha is accepted if t count > t table or significant value <  $\alpha = 5\%$ . This shows that the independent variable partially has a significant effect on the dependent variable.
- 2) Ho is accepted and Ha is rejected if t count < t table or significant value >  $\alpha = 5\%$ . This shows that the independent variable partially does not have a significant effect on the dependent variable.

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,861	2,576		1,499	0,137
	Price	0,603	0,088	0,615	6,868	0,000
	Product Quality	0,008	0,101	0,007	0,075	0,941
	Promotion	0,309	0,097	0,290	3,201	0,002
a. Dependent Variable: Purchasing Decision						

Source: Data Processing Results with SPSS Version 25

can be seen in the t column, it is known that the research t value for price (X1) is 6.868, the research value for product quality (X2) is 0.075, and the research value for Promotion (X3) is 3.201. By using a table with a normal t distribution and using a test level (1- $\alpha$ ) of 95% with a validity ( $\alpha$ ) of 5% and a degree of freedom or degree of freedom (df)  $n-3 = 97$ , the zero-normal distribution value of the t table is 1.660.

- 1) t calculated price (X1) is greater than t table or  $6.868 > 1.660$ , with a significance level of probability value for price of  $0.000 < 0.05$  then  $H_0$  is rejected and  $H_a$  is accepted. This shows that price partially has a significant effect on purchasing decisions.
- 2) t calculated product quality (X2) is smaller than t table or  $0.075 < 1.660$ , with a significance level value of probability value for product quality of  $0.941 > 0.05$  then  $H_0$  is accepted and  $H_a$  is rejected. This shows that partial product quality does not have a significant influence on purchasing decisions.
- 3) and t calculated prolmolsi(X3) is greater than t table or  $3.201 > 1.660$ , with a promotion probability value of  $0.002 < 0.05$ , then  $H_0$  is rejected and  $H_a$  is accepted. This shows that partial promotions have a significant effect on purchasing decisions.

### 3. F Test

Sujarweni (Amellia 2020,14) "The F test is a test of the significance of the equation which is used to find out how much influence the independent variables (X1, X2, X3) together have on the dependent variable (Y)."

The following are the criteria used to test the hypothesis with the F statistical test:

- 1)  $H_0$  is rejected and  $H_a$  is accepted if  $F_{count} > F_{table}$  or significant value  $< \alpha = 5\%$ . This shows that the independent variables together (simultaneously) have a significant effect on the dependent variable.
- 2)  $H_0$  is accepted and  $H_a$  is rejected if  $F_{count} < F_{table}$  or significant value  $> \alpha = 5\%$ . This shows that the independent variables together (simultaneously) do not have a significant effect on the dependent variable.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1197,552	3	399,184	91,417	,000 <sup>b</sup>
	Residual	419,198	96	4,367		
	Total	1616,750	99			
a. Dependent Variable: Purchasing Decision						
b. Predictors: (Constant), Promotion, Price, Product Quality						

**Source: Data Processing Results with SPSS Version 25**

- a. Based on the F test table above, the result obtained for model 1 is 91.417 with a significance level of  $0.000 < 0.05$  and also the resulting calculated F is 91.417, and the F table value is 2.70. Where the calculated F is greater than the F table or  $91.417 > 2.70$ , thus  $H_0$  is rejected and  $H_a$  is accepted, then there is a significant simultaneous (together) influence between the variables price, product quality and promotion on purchasing decisions, so the above

analysis model has been completed. appropriate and appropriate for predicting purchasing decisions on the Shopee Marketplace.

b. Determine F table

$$df1 = k - 1 = 4 - 1 = 3$$

$$df2 = n - k = 100 - 4 = 96$$

$$F_{table} = 2.70$$

## Discussions

This research aims to determine the influence of price, product quality, and promotion on purchasing decisions in the Shopee marketplace, as well as to find out which variables of price, product quality, and promotion have a dominant influence on purchasing decisions in the Shopee marketplace. This research was conducted on Shopee marketplace users, with a sample size of 100 respondents with predetermined criteria.

1. T test, if the  $t$  test  $>$   $t$  table then it has a significant influence on purchasing decisions. For the price variable  $6.868 > 1.660$  then  $H_0$  is rejected and  $H_a$  is accepted, the product quality variable is  $0.075 < 1.660$  then  $H_0$  is accepted and  $H_a$  is rejected, the promotion variable is  $3.201 > 1.660$ ,  $H_0$  is rejected and  $H_a$  is accepted. This shows that price and promotion partially influence purchasing decisions, while product quality does not partially influence purchasing decisions.
2. The ANOVA test shows that  $F$  count  $>$   $F$  table or  $91.417 > 2.70$ , so  $H_0$  is rejected and  $H_a$  is accepted and there is a simultaneous influence from all variables.

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