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**THE INFLUENCE OF PROMOTION, PRICE AND SERVICE QUALITY
ON ONLINE PURCHASE DECISIONS**

AUTHOR

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ABSTRACT

Currently, in the digitalization era, there are many changes in people's lifestyles who tend to use gadgets and have activities in cyberspace such as shopping online or in other terms called e-commerce. The development of online shopping platforms in Indonesia currently has many choices such as Lazada, Tokopedia, OLX, Bukalapak and Shopee. The development of Indonesian e-commerce competition in the second quarter of 2021, Shopee was ranked first in Indonesia with 93.4 million users, so Shopee has become an application that is often used by many Indonesians. Many factors influence why people shop online, including the price factor, promotion of service quality. This study aims to determine the effect of promotion, price and service quality on online purchasing decisions. the population in this study were students of the University of Muhammadiyah Gresik, Faculty of Economics and Business Class 2018. The sample in this study was 100 students, while the online shopping platform chosen was shopee.co.id users. Data was taken using a questionnaire through an online survey which was measured by a Likert scale. The data obtained were analyzed using multiple linear regression analysis techniques, which were then tested with a partial test. The results of this

study indicate that the promotion variable has a significant effect on online purchasing decisions at Shopee.co.id with Sig Data was taken using a questionnaire through an online survey which was measured by a Likert scale. The data obtained were analyzed using multiple linear regression analysis techniques, which were then tested with a partial test. The results of this study indicate that the promotion variable has a significant effect on online purchasing decisions at Shopee.co.id with Sig Data was taken using a questionnaire through an online survey which was measured by a Likert scale. The data obtained were analyzed using multiple linear regression analysis techniques, which were then tested with a partial test. The results of this study indicate that the promotion variable has a significant effect on online purchasing decisions at Shopee.co.id with Sig $0.030 < 0.05$. Price nosignificant effect on online purchasing decisions at Shopee.co.id with Sig $0.243 > 0.05$. Service qualitysignificant effect on online purchasing decisions at Shopee.co.id with Sig of $0.001 < 0.05$.

Keywords: Promotion, Price, Service Quality, Purchasing Decision

1. INTRODUCTION

In this era of digitalization, it has led to many very rapid developments, especially in the field of technology. With modern technology, we can easily communicate remotely or even carry out various transactions. The current phenomenon is the changing lifestyle of people who tend to use gadgets and activities in cyberspace such as online shopping. Many internet users, attract various businesses by offering or creating online stores as part of their e-commerce. (money.kompas.com). In the last decade, the development of information technology has undergone substantive changes in the formation of consumer behavior. by using the internet,

The development of communication technology in Indonesia at this time can be further developed with the help of parties who can control information systems via the internet and current technology can be further developed. With the support of this community, Indonesia is now progressing thanks to the support of people who can control information systems via the internet, and today's technology can be even greater. With the support of this community, Indonesia is now one of the fastest growing e-commerce countries in the world.

The development of Indonesian e-commerce competition in the second quarter of 2021, Shopee was ranked first in Indonesia with 93.4 million users, so Shopee has become an application that is often used by many Indonesians. Many factors influence why people shop online, including the price factor, promotion of service quality.

In this study will examine the promotion, price and quality of service on purchasing decisions *on line* at shopee.co.id where the research that has been done by Faroh, (2017) with the title "Analysis of the Effect of Price, Promotion, and Service on Purchase Decisions" with the results of price investigations and promotions has no effect on purchasing decisions, but service has a significant effect on decisions purchase offering or creating online stores as part of their e-commerce. (money.kompas.com). In the last decade, the development of information technology has undergone substantive changes in the formation of consumer behavior. by using the internet,

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Brand Image on Purchase Decisions for Shopee Users in Bandung" with the results of this research being that the price and service quality variables do not have a significant influence on purchasing decisions on Shopee users in Bandung, while the Promotion and Brand Image variables positive effect on purchasing decisions on Shopee users in Bandung.

The interest of researchers in this study is due to differences in results between research conducted by Setyarko (2016) which suggests that service quality and ease of use have a significant effect on online product purchasing decisions. On the other hand, research by Madiawati et al (2020) shows that the service does not have a significant influence on the purchasing decisions of Shopee users. And the difference between the research conducted by Faroh (2017) in his research which stipulates that price and promotion do not affect purchasing decisions, but service has a significant influence on purchasing decisions.

According to Laksana (2008: 133) states that promotion is communication between sellers and buyers that are sourced from correct information that aims to change the attitudes and behavior of buyers, who previously did not know that they were buyers and still remember the goods purchased.

Through the determination of the promotion strategy, the company is said to be successful in setting promotions if it can attract new customers, get customers to try new products, encourage them to buy more, and attack the promotional activities of competitors.

According to Kotler and Keller (2009: 67) explains that price is part of the marketing mix that generates revenue, while the other part generates costs.

By setting the right price, a product will create competitive value when the product is where the consumer's use value is in accordance with the cost sacrifices incurred, which then influence purchasing decisions.

According to Lewis and Booms (2016), service quality is defined as a measure of how well the service is provided and meets customer expectations.

Based on this definition, service quality can be achieved by satisfying customer needs and desires and meeting customer expectations. The impact of service quality on online purchasing decisions is the level of good conditions for inadequate presentation by sellers to consumers to please consumers by responding or delivering messages in accordance with requests or requirements that exceed consumer expectations.

Researchers choose studies on students because they want to know about shopping behavior *on line* through shopee to young people, especially students of the Faculty of Economics and Business at the University of Muhammadiyah Gresik.

2. RESEARCH METHODS

The research approach used in this research is the quantitative method. Quantitative research method is a survey research method that can be used to obtain data that is currently happening or in the past regarding beliefs, opinions, characteristics, behaviors, variable relationships and to test several hypotheses regarding sociological or psychological variables through samples taken from certain populations, data collection techniques using questionnaires, and research results tend to be generalized (Sugiyono, 2016:81).

While this type of research according to the level of explanation is associative research, namely research that seeks to determine the influence or relationship between two or more variables (Sugiyono, 2012: 11).

The location of this research was conducted at the University of Muhammadiyah Gresik which is located at Jl. Sumatra No. 101. Randuagung, Kec. Gresik, Gresik Regency, East Java 61121. In this study, the research population was Muhammadiyah Gresik Faculty of Economics and Business Students in the 2018 batch of 380 students who had made purchases at the online shop Shopee.co.id. Technique *non-probability sampling* The sample used in this sampling uses incidental sampling, which is a sampling technique that coincides with anyone who coincidentally meets a researcher can be used as a sample, if it is seen that the person who happened to be met is suitable as a data source. Sampling was done because it was impossible for the researcher to examine the entire relatively large population. 100 respondents were determined as the research sample, namely students of the University of Muhammadiyah Gresik, Faculty of Economics and Business Class of 2018 who had made purchases at Shopee.co.id because they were considered to be able to represent consumers who had made purchases at shopee.co.id.

In this study, the type of data used by the researcher is the type of primary data. Primary data is data that can be obtained directly from the field and the object of research is in accordance with the variables studied and then processed. The data obtained in this study are respondents' answers based on the indicators of the variables Promotion (X_1), Price (X_2), service quality (X_3), and Y Online purchasing decisions submitted to respondents through an online system.

The data collection technique used in this study used a questionnaire technique (questionnaire). Questionnaire is a data collection technique that is done by giving respondents a series of questions or written statements to be answered (Sugiyono, 2012: 142).

The data analysis used in this research is multiple linear analysis with promotion variable (X_1), Price (X_2), Service Quality (X_3) as independent variable and online purchasing decision Y as dependent variable with the help of SPSS version 22.0 application.

3. RESEARCH RESULT

Based on research and analysis that has been processed by researchers using SPSS.22 tools, this study can interpret the results as follows:

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------|-----------------------------|------------|---------------------------|-------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2,311 | 1,875 | | 1.232 | ,221 |
| | promotion | ,329 | ,149 | ,233 | 2,205 | 0.030 |
| | Price | ,221 | ,188 | ,150 | 1.175 | ,243 |
| | Service quality | ,777 | ,227 | ,404 | 3,418 | ,001 |

a. Dependent Variable: Purchase Decision

Promotion (X_1), on purchasing decisions (Y) Get value of $0.030 < 0.05$ thus the results of this study indicate that promotion (X_1) is proven to have an effect on purchasing decisions (Y). According to Laksana (2008: 133) states that promotion is communication between sellers and buyers that are sourced from correct information that aims to change the attitudes and behavior of buyers, who previously did not know that they were buyers and still remember that the purchased goods are proven to be true.

Based on the results, it is stated that promotion at shopee is strongly influenced by advertising, sales promotion, publicity and personal selling. The effect of the score is mainly influenced by publicity where shopee is widely known to the public through the 11.11 event. while the lowest score is influenced by advertising where shopee advertisements on TV are interesting in forming increased promotions.

This influence is also supported by research by Setyarko (2016) and Heriyanto (2020) which state that promotions affect purchasing decisions, but these results are contrary to Faroh's research (2017) which states that promotions have no effect on purchasing decisions.

Students of the Faculty of Economics and Business UMG class of 2018 considered that promotional activities carried out by shopee had an effect on purchasing decisions made by consumers.

Price (X_2) on purchasing decisions (Y) Getting a value of $0.243 > 0.05$ thus the results of this study indicate that price (X_2) is not proven to have an effect on purchasing decisions (Y). According to Kotler and Keller (2009: 67) explains that the price is part of the marketing mix that generates income, while the other part generates costs, if the price is set correctly by the company and in accordance with consumer purchasing power, then consumers make a choice on the product is not proven the truth.

Based on these results, it is stated that the price at Shopee is strongly influenced by price affordability, the price is in accordance with the ability or competitiveness, the price is in accordance with the quality and the price is in accordance with the benefits received. The effect of the score value is mainly influenced by affordable prices, while the lowest score is influenced by the suitability of the price with the quality of the product received.

This influence is also supported by research by Fransiska (2020), Faroh (2017) and Setyarko (2016) which state that price has no effect on purchasing decisions, in contrast to research by Heriyanto (2020) which states that price affects purchasing decisions.

Students of the Faculty of Economics and Business UMG class of 2018 considered that the price at shopee had no effect on purchasing decisions made by consumers, this was because respondents preferred the price match with the quality of the product received by the respondent.

Service quality (X_3) on purchasing decisions (Y). Getting a value of $0.001 < 0.05$ thus the results of this study indicate that service quality (X_3) has an effect on purchasing decisions (Y). According to Lewis and Booms (2016), service quality is defined as a measure of how well the services provided and meeting customer expectations are proven to be true.

Based on these results, it is stated that the promotion of shopee service quality is strongly influenced by fast service, friendliness of service personnel, and security. The effect of the most important score is influenced by security, while the lowest score is influenced by the friendliness of the service staff.

This influence is also supported by research by Faroh (2017) and Setyarko (2016) that service quality has a significant effect on purchasing decisions, in contrast to Fatnsiska's research (2020) which states that service quality has no effect on purchasing decisions.

The 2018 UMG Faculty of Economics and Business students considered that the services provided by shopee were in accordance with the money spent by consumers.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | ,714a | ,510 | ,495 | 2,861 |

a. Predictors: (Constant), Service Quality, Promotion , Price

Based on the data in the summary model table, Adjusted R Square = 0.510 can be obtained so it can be said that the magnitude of the influence of the independent variable on the dependent variable (Y) is 49.5% caused by the promotion variable (X₁), price (X₂) and service quality (X₃). , while the remaining 50.5% can be explained by other factors outside these variables.

4. CONCLUSION

Based on the results of data analysis conducted by researchers and interpretation of the results, the conclusions obtained from research with the title "the effect of promotion, price and quality of service on online purchasing decisions at shopee.co.id" is promotions have a significant effect on online purchasing decisions at shopee.co.id, price has no significant effect on online purchasing

decisions at shopee.co.id and kservice quality has a significant effect on online purchasing decisions at shopee.co.id.

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