

# The Influence Of Products Quality And Promotions On Purchase Decisions In Marketplace Shopee

## (Case Study: Students Telkom University)

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### Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui apakah *Kualitas Produk (X1)* dan *Promosi (X2)* berpengaruh terhadap *Keputusan Pembelian (Y)* pada Mahasiswa Telkom University. Fenomena dalam penelitian ini dieksplorasi dengan menggunakan metode kuantitatif. Peneliti menyebarkan kuesioner kepada Mahasiswa Telkom University dengan jumlah 395 responden. Analisis data menggunakan teknik analisis deskriptif, uji asumsi klasik, dan analisis regresi berganda untuk menjawab hipotesis yang diajukan. Hasil penelitian menunjukkan bahwa secara parsial variabel *Kualitas Produk (X1)* dan *Promosi (X2)* berpengaruh signifikan terhadap pengambilan *Keputusan Pembelian (Y)* mahasiswa Telkom University di Marketplace Shopee. Ketiga variabel *Kualitas Produk (X1)* dan *Promosi (X2)* juga berpengaruh signifikan secara simultan terhadap pengambilan *Keputusan Pembelian (Y)* mahasiswa Telkom University di Marketplace Shopee.

Kata Kunci-kualitas produk, promosi, dan keputusan pembelian

### Abstract

*The purpose of this study was to determine whether Product Quality (X1) and Promotion (X2) had an effect on Purchase Decisions (Y) on Telkom University Students. The phenomena in this study were explored using quantitative methods. Researchers distributed questionnaires to Telkom University students with a total of 395 respondents. Data analysis used descriptive analysis techniques, classical assumption test, and multiple regression analysis to answer the proposed hypothesis. The results showed that partially Product Quality (X1) and Promotion (X2) variables had a significant effect on purchasing decision making (Y) for Telkom University students in the Shopee Marketplace. The three variables of Product Quality (X1) and Promotion (X2) also have a significant simultaneous effect on the Purchase Decision (Y) of Telkom University students in the Shopee Marketplace.*

Keywords-products quality, promotion, and purchase decision

## I. INTRODUCTION

Before making purchases the consumer has some considerations to make decisions such as price, the quality and the types of product and the things usually the concern of the consumer is the promotion offered [2]. The consumer, who will engage in the purchasing process, will usually figure out the quality, features and types of products it wants. If the product to be purchased has good coverage then the decision to make a purchase will be made, because the quality of the product is one of the features and characteristics of the product or of service in filling implied needs [3]. Shopee is the first platforms in southeast Asia which offer an exciting, free expedition, and trusted online trading transactions. Shopee is present in the form of mobile applications to support easy and quick shopping.

Indonesia is one of many countries that are expected to acquire goods through e-commerce, and it can be seen by various types of e-commerce in Indonesia such as Lazada, Tokopedia, Bukalapak, Blibli, Shopee, and others. One of the companies that deals online and is implementing the largest e-commerce concept in Indonesia is Shopee. Shopee provides a range of products that are marketed through online transactions that are easily accessible only through the smartphone. Currently the shopee has been downloaded over 68 million users with ratings and reviews of over 1.4 million by the user [8]. Shopee has been the first position in monthly active user in Indonesia and Asean and Shopee also has been top download app e-commerce. The intense competition between employers causes each individual to offer a promotion to attract customers to shop. One advantage the

Shopee offers is free expedition to all Indonesia region, the cheapest warranty, and much more. The promotion offered by Shopee makes it easier for consumers to shop without having to think about the cost of further deliveries to get what they need. Promotion is the function of notice, emphasis, and stewardship on consumer decisions [1]. So the factors affecting purchasing decisions are expected to attract consumer interest in shopping through Shopee.

## II. THEORETICAL REVIEW

### A. Theoretical Review

#### 1. Products Quality

Product quality is the ability of a product to perform its functions, it includes the overall durability, reliability, accuracy, ease of operation, and repair of the product as well as other product attributes. Indicators of the quality of the product are performance, durability, features, reliability, aesthetics, and perceived quality [6].

#### 2. Promotion

Promotion is the one course of information or persuasion made to direct a person or an organization toward the action that created the exchange in marketing. Among the indicators in a promotion are [7]:

- The frequency of promotions is the number of sales promotions made in the saudis time media.
- The quality of promotion, the measure of how well the sales are done.
- The quantity of a promotion, which is the value or the amount of sales promotions given by consumers.
- Promotion time, that's how long the company's promotion goes.

The target of promotion is a factor needed to achieve the company's desired goals.

#### 3. Purchase Decision

The decision of purchase is a process of five phases that a consumer makes before the decision to purchase and then the purchase process. There is five stage of consumers decision making, include Introduction of needs, Information retrieval, Alternative evaluations, Purchasing decisions, and Post Purchasing Behavior [2].

### B. Research Framework

Factors that influence purchase decision of student Telkom University that will be discussed in this study are products quality (X1) and promotions (X2). This study will look for the influence of the independent variable (X) on the dependent variable (Y) partially and simultaneously

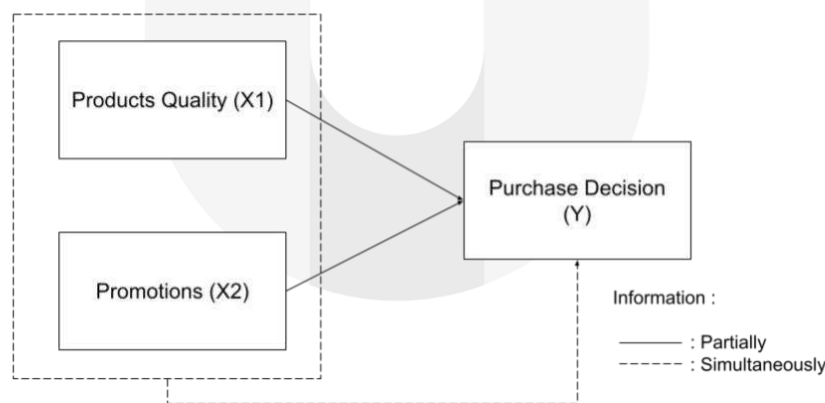


Figure 2.1 Research Framework

Source: Brata, et al (2017)

#### Research Hypothesis :

H<sub>1</sub> : There is a significant influence of products quality (X1) on purchase decision of student Telkom University in marketplace Shopee.

H<sub>2</sub> : There is a significant influence of promotions (X2) on purchase decision of student Telkom University in marketplace Shopee.

H<sub>3</sub> : There is an influence of products quality (X1) and promotions (X2) simultaneously on purchase decision of student Telkom University in marketplace Shopee.

### C. Research Methodology

This research is quantitative research that uses primary data. Primary data was obtained by researchers

through distributing questionnaires that distributed to the students at Telkom University. Respondents were asked to give responses to the contents of the questionnaire in accordance with the circumstances felt or experienced by the respondent. The researcher use a Likert Scale approach with five gradations of cue, from the lowest score called as strongly disagree (1) to the highest score called strongly agree (5). The population used in this research is Telkom University students and the sample used in this study were several students representing all faculties at Telkom University. In this study, data analysis using SPSS software.

### III. RESULTS AND DISCUSSION

#### A. Respondent Characteristics

This research is about find the affect of Products Quality and Promotions on Purchase Decision of Students Telkom University in marketplace Shopee. In this study, researchers distributed questionnaires to 395 respondents. The distribution of questionnaires in this study used an online method, where researchers used Google Form then the URL was distributed online via Instagram, Line, or Whatsapp to the students of Telkom University. The questionnaire distributed consists of two parts. The first part is the respondent's profile which contains questions about the respondent's criteria. And the second part is about research variables consisting of Products Quality, Promotions, and Purchase Decisions.

Table 3.1 Respondent Characteristics

Respondent Characteristics		
Respondent Characteristics	The Highest Percentage	Description
Gender	73,7%	Female
Age	58,5%	19-22 years old
Income	30,1%	Rp 1.000.000 – Rp 1.500.000
Frequency of Buying	43,5%	4-6 times

Based on Table 3.1, the respondents in this study were dominated by respondents with female gender amounted 73,7%, 15-24 years, age 19-22 years old which amounted to 58,5%, have an income about Rp1.000.000 until Rp 1.500.000 amounted 30,1%, and also have a frequency of buying amounted 43,5%.

#### B. Research Result

##### 1. Descriptive Analysis

Descriptive test used in this study to determine responses from 395 respondents to the variable products quality and promotions for purchase decision making of Telkom University students in marketplace Shopee. Following are the results of respondents' responses to products quality, promotions, and purchase decision variable.

Table 3.2 Respondent Responses

No	Variable	Average Score	Percentage
1	Products Quality	1615	81,77%
2	Promotions	1607	81,37%
3	Purchase Decision	1501	75,98%

Source : Processed Data

Product quality variable is included in the Good category. It means that consumers are able to assess and sort out the quality standards of the product they want to buy through Shopee Marketplace. In online shopping, product quality is one thing that is quite difficult to translate for a moment because the shopping process is done virtually. So that the quality of the product can be said after the product arrives. In this case, respondents are able to sort out the quality of the product before making a purchase decision, for example by looking at reviews of consumers who have purchased, looking at the store's rating or performance, or choosing to shop at the official store of a brand on Shopee Marketplace. Then, promotion variables are also belong to the good category. In this case, it can be said that respondents paid attention to the promotions presented by Marketplace shopee and were encouraged to make purchases from these promos. It is can indicate that the promotions presented by Shopee are attractive and can reach their consumers so that the promotions attract consumers to make purchases. Last, Purchase decision variable is in the Good category, which means that Telkom University students as respondents already understand that in making purchasing decisions, there are several things that must be considered. This includes considering and paying attention to product quality, as well as influence from other people or attractive promos to have shop.

2. Normality Test

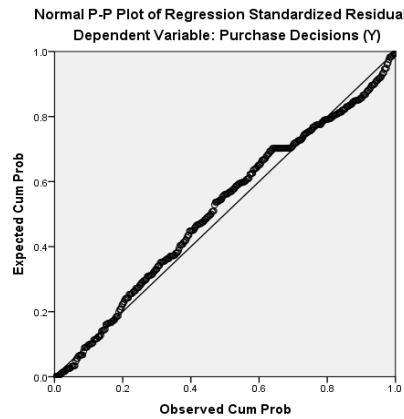


Figure 3.1 P-Plot Normality Test Result  
Source : Processed Data

Based on Figure 3.1, the plot graph on the normality test shows that the points spread to the diagonal line which shows that the regression model meets the normality assumption. To support and prove the results of the p plot normality test graph, the following is to perform the Kolmogorov-Smirnov test which can be seen in Table 3.3 below:

Table 3.3 Normality Test Result

**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		395
Normal Parameters <sup>a,b</sup>	Mean	.000
	Std. Deviation	2.524
Most Extreme Differences	Absolute	.066
	Positive	.046
	Negative	-.066
Kolmogorov-Smirnov Z		1.309
<b>Asymp. Sig. (2-tailed)</b>		<b>.065</b>

a. Test distribution is Normal.

b. Calculated from data.

Source : Processed Data

Based on Table 3.3, it shows that the significance value is 0.065, where the result is greater (>) than the 0.05 significance level. So it can be concluded that the normality test in this study is normally distributed.

3. Multicollinearity Test

Table 3.4 Multicollinearity Test Result

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	Products Quality (X1)	.403	2.483
	Promotions (X2)	.403	2.483

a. Dependent Variable: Purchase Decisions (Y)

Source : Processed Data

From the calculation results in table 3.4, it can be concluded from the results that have been obtained, this study has a tolerance value of more than (>) zero point one and the VIF value is smaller (<) than ten, which means that there is no multicollinearity in this study.

4. Heteroscedasticity Test

Table 3.5 Glejser Test Result

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.335	.447		5.224	.000
	Products Quality (X1)	.015	.030	.038	.481	<b>.631</b>
	Promotions (X2)	-.038	.036	-.084	-1.051	<b>.294</b>

a. Dependent Variable: Absolut Residual

*Source : Processed Data*

Based on table 3.5, it is known that the regression value between the independent variables and the absolute residual value each has a significant value greater than 0.05 (0.631 and 0.294). So it can be concluded that the data studied did not find heteroscedasticity problems. This is in accordance with what is stated by Raharjo (2013), which states that the basis for decision making in the heteroscedasticity test is that there is no heteroscedasticity, if the t-count value is smaller than t-table and the significance value is greater than 0.05.

5. Multiple Regression Analysis

Table 3.7 Results of Multiple Regression Test Analysis

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.272	.729		.373	.709
	Products Quality (X1)	.309	.049	.324	6.269	.000
	Promotions (X2)	.549	.059	.481	9.304	.000

a. Dependent Variable: Purchase Decisions (Y)

*(Source: Processed data)*

Based on table 3.7, the multiple regression equation model can be obtained as follows:

$$Y=0.272 + 0.309X1 + 0.549X2$$

- a. The constant value is 0.272, which means that if all the independent variables, namely quality products and promotions, are 0 (zero), in other words there is no change, it is predicted that purchase decisions will be worth 0.272.
- b. The value of 0.309 for quality products means that if the quality of products increases by 1 or is getting better, while the other independent variables are constant, it is predicted that purchase decisions will increase by 0.309.
- c. The value of 0.549 on promotions means that if promotions has increased by 1 or getting better while other independent variables are constant, it is predicted that purchase decisions will increase by 0.549.

So from this equation it can be predicted that the better the quality of products and promotions, the better the purchase decisions in Shopee Marketplace.

6. Hypothesis Testing

a. Coefficient of Determination

Table 3.8 Results of the Coefficient of Determination

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 <sup>a</sup>	.578	.576	2.53078

a. Predictors: (Constant), Promotions (X2), Products Quality (X1)

b. Dependent Variable: Purchase Decisions (Y)

(Source: Processed data)

The number of R square is 0,578 or 57,8.% (which is the square value of R) R squared is called the coefficient of determination. These results indicate that the ability to explain the independent variables Products quality and Promotions to the dependent variable of Purchase Decisions is 57,8 %, while the remaining 42,2% is explained by other variables outside the independent variables which are not included in the model.

b. Partial Hypothesis Test (T Test)

Table 3.9 T Test Results

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.272	.729		.373	.709
	Products Quality (X1)	.309	.049	.324	6.269	.000
	Promotions (X2)	.549	.059	.481	9.304	.000

a. Dependent Variable: Purchase Decisions (Y)

(Source: Processed Data)

1. Based on the results of the t test in table 3.9 regarding the effect of Products Quality on Purchase Decisions, the results show a significance value of 0.000 smaller than alpha (0.000 <0.05), so it can be concluded that H1 is accepted. This shows that products quality has a significant positive effect on purchase decision making.
2. Based on the results of the t test in table 3.9 regarding the effect of Promotions on Purchase Decisions, the results show a significance value of 0.000 smaller than alpha (0.000 <0.05), so it can be concluded that H2 is accepted. This shows that promotions has a significant positive effect on purchase decision making.

c. Simultaneous Hypothesis Test (F Test)

Table 3.10 F Test Result

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3435.652	2	1717.826	268.208	.000 <sup>b</sup>
	Residual	2510.691	392	6.405		
	Total	5946.342	394			

a. Dependent Variable: Purchase Decisions (Y)

b. Predictors: (Constant), Promotions (X2), Products Quality (X1)

(Source: Processed data)

From the results of the ANOVA test or F test, it was found that the significance level value is close to 0.000, where the significance level is smaller than alpha (0.000 <0.05), meaning that together the independent variables

consisting of Products Quality (X1) and Promotions (X2) has a significant effect simultaneously on the dependent variable of Purchase Decision (Y), so it can be concluded that H3 is accepted.

### C. Discussion

#### 1. The Effect of Product Quality on Purchase Decision

Product quality is the ability of a product to perform its functions, it includes the overall durability, reliability, accuracy, ease of operation, and repair of the product as well as other product attributes.

The results of this study indicate that partially Products Quality (X1) variable has a significant effect on Purchase Decision Making (Y) of Students Telkom University at Marketplace Shopee, this can be seen from the results of the t test on Multiple Regression Analysis. This shows that the higher the level of neutral information, the higher the respondent's ability to make investment decisions. In this study, consumers are able to assess and sort out the quality standards of the product they want to buy through Shopee Marketplace. In online shopping, product quality is one thing that is quite difficult to translate for a moment because the shopping process is done virtually. So that the quality of the product can be said after the product arrives. Here, respondents are able to sort out the quality of the product before making a purchase decision, for example by looking at reviews of consumers who have purchased, looking at the store's rating or performance, or choosing to shop at the official store of a brand on Shopee Marketplace.

#### 2. The Effect of Promotions on Investment Decision

The second variable that will be discussed is Promotions variable. Promotion is the one course of information or persuasion made to direct a person or an organization toward the action that created the exchange in marketing.

The results of this study indicate that partially the Promotions variable (X2) has a significant effect on Purchase Decision Making (Y) of students Telkom University in Marketplace Shopee, this can be seen from the results of the t test on Multiple Regression Analysis. In this case, it can be said that respondents paid attention to the promotions presented by Marketplace shopee and were encouraged to make purchases from these promos. It is can indicate that the promotions presented by Shopee are attractive and can reach their consumers so that the promotions attract consumers to make purchases.

#### 3. The Effect of Products Quality and Promotions on Investment Decision

The results of this study indicate that there is a significant influence between the variables Products Quality (X1) and Promotions (X2) simultaneously on purchase decision making variable (Y) of students Telkom University in Marketplace Shopee. It is shows that in making purchase decisions, respondents do not only consider about the quality of the product but the attractive of promotions also give an impact to purchase decisions making.

It can be concluded that purchase decisions taken by students of Telkom University in Marketplace shopee can be influenced by the factors of product quality and attractive promos offered by marketplace Shopee.

## IV. CONCLUSIONS AND SUGGESTIONS

### A. Conclusions

Based on problem formulation and results of study, it can be concluded that:

1. Partially the quality of products has a significant positive effect on purchase decisions, where the better the quality of the products, the better the purchase decisions in the Shopee Marketplace, with a contribution of 22.6%.
2. Partially promotions have a significant positive effect on purchase decisions, where the better the promotions, the better the purchase decisions at the Shopee Marketplace, with a contribution of 35.2%.
3. Simultaneously product quality and promotions have a significant effect on purchase decisions in Shopee Marketplace, with a total contribution of 57.8% which is dominated by promotions while the remaining 42.2% is the influence or contribution of other factors not examined outside the study.

### B. Suggestion

For futher researchers it is suggested to be able to use other variable that not use in this study and choosing the other ecommerce target such as Tokopedia, Lazada, or JD.ID. Market place shopee should provide rules that shopee sellers must sell products with quality according to the price offered and also provide quality assurance as a form of promotion and an effort to increase buyer confidence in online shopping. Increasing product promotion and socialization of the easy use of the Shopee application. For shopee sellers, hope to provide quality that in accordance with the price given. Provide periodic promotions and increase customers engagement, for example by providing good service and encouraging consumers to provide testimonials/ratings.

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