

Effect of Consumer Trust, Tagline, Flash Sale, and Ease of Use on Purchasing Decisions (Case Study on Shopee Marketplace Users in Medan City)

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ABSTRACT

Shopee is the largest marketplace in Indonesia; its rapid growth has allowed Shopee to reach this position in just four years. This study aims to determine effect of consumer trust, tagline, flash sale, and ease of use on purchasing decisions in case study on Shopee marketplace users in Medan City. This type of research is associative quantitative. The samples in this study were 100 respondents who had shopped online at Shopee using the internet and using gadgets. Hypothesis testing in this study uses multiple linear regression analysis. The results showed that simultaneously consumer trust, tagline, flash sale, and ease of use had a positive and significant effect on purchasing decisions with a determination coefficient of 0.506 or 50.6%. Partially, consumer trust has a positive and insignificant effect on purchasing decisions, tagline has a positive and significant effect on purchasing decisions, flash sale has a positive and significant effect on purchasing decisions, and ease of use has a positive and significant effect on purchasing decisions.

Keywords: Consumer Trust, Tagline, Flash Sale, Ease of Use, Purchasing Decisions

INTRODUCTION

Technology and information in the world, especially the internet, are experiencing very rapid developments. The Internet connects one person to another, provides information, as a means of communication, and as a means of entertainment. This makes the internet now

a basic necessity for most people in addition to food, clothing and shelter needs. At this time, the number of marketplace sites that accommodate thousands and even tens of thousands of online stores causes more choices for online shopping. The convenience of technology in the form of smartphones also helps people to shop online.

Indonesia as the fourth most populous country in the world is also one of the largest internet users. According to internet user survey data conducted in 42 cities in Indonesia by the Indonesian Internet Service Providers Association (APJII) in 2017, the penetration of internet users in Indonesia is 54.68% or 143.26 million people out of the total population of Indonesia 262 million people and is expected to increase over time. This phenomenon is of course a new business opportunity for several parties who then seize this opportunity by providing or making online stores as part of e-commerce. According to Laudon & Loudon (2012), electronic commerce (e-commerce) is the use of internet and the web to transact business.

The emergence of e-commerce, especially Consumer-to-Consumer (C2C) e-commerce, has made buying and selling enters a new dimension. Many business people make a new C2C e-commerce company, they create a place for sellers and

buyers to meet in the digital world called an online marketplace or online buying and selling site. Through online buying and selling sites, shopping patterns in the community, especially internet users started to change. Without having to go directly to a shopping place (conventional method), but simply by accessing sites that provide buying and selling online, consumers can buy a product online. Then to make a payment, the buyer can directly transfer the funds to the seller. Not only by direct transfers, in order to maintain the safety of funds, buyers can also use third party services or joint accounts provided by online buying and selling site owners.

With all the conveniences that can be done via the internet, currently the growth of online stores is increasing every day, this has created competition for online business people to win the hearts of consumers. Shopee is one of the marketplaces in Indonesia. Shopee is the largest marketplace in Indonesia, its rapid growth has allowed Shopee to reach this position in just four years. Managed by PT. Shopee International Indonesia, which is a subsidiary of the Sea Group headquartered in Singapore and was founded in 2015. Just like other online trading sites based on C2C, Shopee provides a means of selling from consumers to consumers anywhere and anyone can open an online shop for serving prospective buyers from all over Indonesia.

According to Greenstein and Vasarhelyi in Guanawan *et al.* (2017), consumers will only make decisions when the level of consumer confidence is higher than risk perception. If the opposite happens, consumers tend to look for other alternatives, for example switching to other brands or looking for other marketing channels.

The potential for crimes that commonly occur in online transactions such as fraud, credit card hijacking (carding), illegal transfer of funds from certain accounts is very large if the security system of the e-commerce infrastructure is still weak. Therefore, the security of e-

commerce infrastructure is an important and serious study for computer and informatics experts (Rofiq, 2007). Indonesia is in the first rank of cyber crime traffic. As much as 40% of cyber crimes originate from Indonesia. This is because the government does not yet have cyber security and resilience so that crimes in cyberspace often occur. Cybercrime that occurs in Indonesia is very diverse, ranging from theft of virtual money, the spread of viruses, to theft of confidential organizational data (Rimanews-Sunday, April 5 2015). This then also becomes a problem for consumers to make purchases online because there are more risks that consumers must be ready to bear when making online purchases, such as orders that may not be sent or other crimes that can be committed online which has been done by Riyadi and Ardiyanto (2015) states that consumer confidence in a product has a positive effect on purchasing decisions.

Based on a pre-survey conducted in 2018 by interviewing 15 respondents who had made online purchases at the Shopee marketplace. From the survey results, there were 10 respondents who were still in doubt or not too sure about making purchases at the Shopee marketplace. The consumer's uncertainty is due to several things, including because the items in the picture do not match the goods received or the goods are not in accordance with expectations, the process of sending goods is long, the fear of the quality of the products purchased is because consumers cannot directly ensure the quality of the products purchased, do not trust some of the sellers who sell products at Shopee.

Apart from trust, taglines can also influence buying decisions. It is hoped that the tagline will be able to give a deep impression so that it is easy for consumers to remember. This impression that arises on consumers is expected to be able to remember the messages and information conveyed through the tagline. Harminingtyas (2013) states that the tagline that is delivered in an advertisement has a

good effect on the purchase decision of a product. The tagline describes the company's identity, the tagline can also be used as the company's vision. Dalton *et al.* (1999) states that consumer behavior in buying is influenced by marketer's expertise in carrying out the tagline. In research conducted by Roykhanah (2018), it is stated that the shopee tagline has a positive and significant effect on consumer purchasing decisions.

Apart from the tagline, the marketplace also has a flash sale program as a marketing strategy to attract consumers. Shopee's flash sale program is different from what other marketplaces do. Flash Sale is a Shopee program that allows Shopee customers to buy various dream items with the best promos and attractive prices. Flash sales can be enjoyed three times a day, namely at 00.00, 12.00 and 18.00 WIB. The majority of Flash sales are run with price promotions but only for a certain period of time and in a limited quantity of goods, but can change the long-term brand association for a customer. In the flash sale, the price will be discounted very large so that it attracts the attention of buyers where shopping at the time of the flash sale can save costs.

However, at the time of the flash sale, the information about the products being sold was not clearly informed, so as to confuse buyers who were going to hunt for flash sales regarding whether there were still stock items or not. And also because the very cheap prices made consumers doubt the quality of the goods offered during the flash sale. Price also forms a positive influence on sales volume and also helps online stores to attract customers to visit websites or applications repeatedly. Customers will have a high intensity to buy on online shopping websites. Purchasing decisions and making choices between various alternative choices based on the promotions offered (Sujata *et al.*, 2017) And also Ramachandran and Gupta (2012) stated that flash sales can be successful in a marketplace influenced by several factors,

one of which is the level of consumer income, the timing of the flash sale and the frequency of someone accessing online shopping websites. So it is not certain that the large discount provided by Shopee makes their flash sale program always successful in attracting consumers. In the research of Sujata *et al.* (2017) states that flash sales have a positive effect on purchase decisions for consumers who have already shopped or for consumers who are shopping for the first time in the marketplace.

An important factor that influences purchases on the online marketplace is the ease of use factor. The presence of the internet certainly adds to the convenience in all aspects of life, including the buying and selling activities that can currently be done online. Wherever and whenever as long as there is an internet connection, everyone who wants to make purchases online can easily do it. In using the marketplace, consumers always demand convenience in terms of using applications, such as purchasing, payment transactions and claiming goods or refunds. In Nurrahmanto (2015) states that ease of use of applications has a positive and significant effect on purchasing decisions in online shopping. Many internet users have not made transactions in the marketplace, one of which is influenced by the difficulty of internet users in shopping at the marketplace.

This study aims to determine effect of consumer trust, tagline, flash sale, and ease of use on purchasing decisions in case study on Shopee marketplace users in Medan City.

RESEARCH METHODS

This type of research is associative quantitative. Associative research according to Sugiyono (2012) is research that aims to determine the relationship between two or more variables. With this research it will be possible to build a theory that can function to explain, predict, and control a symptom.

The sample in this study were 100 respondents who had shopped online at Shopee using the internet and using gadgets.

Hypothesis testing in this study uses multiple linear regression analysis. Multiple linear regression analysis consisting of the coefficient of determination (R^2) and partial significance test (t test).

RESULT

Characteristics of Respondents

Respondents in this study were 100 respondents in the form of individuals who had shopped online using Shopee in four sub-districts of Medan City, namely, Medan Kota, Medan Maimun, Medan Baru and Medan Barat. Respondent characteristics were described based on education level, gender, and age.

Based on the data, it shows that respondents whose last education was junior high school were 9 people (9%), respondents whose last education was high school were 35 people (35%), respondents whose last education was D3, S1, S2 were 56 people (56%). It can be concluded that the majority of respondents with their latest education received university level. This shows that most Shopee users are at the University level.

Based on the data shows that respondents aged 17-30 years are 53 people (53%), respondents aged 31-40 years are 42 people (42%), and respondents aged >41 years are 5 people (5%). It can be concluded that the majority of respondents aged 17-30 years were 53 people (53%). This shows that the majority of Shopee users are young people, because they are more active and familiar with jets compared to those over 40 years old, so they get more information and understand more in using applications.

Based on the data shows that male respondents are 42 people (42%) and female respondents are 58 people (58%). It can be concluded that the majority of respondents were women, as many as 58 people (58%). In this case, it shows that the majority of Shopee application users are women, because the Shopee application sells more types of products needed by women compared to products for men.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) is a value (proportion value) that measures how much the ability of the independent variables used in the regression equation to explain the variation in the dependent variable. Furthermore, to determine the magnitude of the influence of the independent variables on the dependent variable is to use the coefficient of determination R test in Table 1.

Table 1. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 ^a	.506	.486	.766

Source: Research Results, 2020 (Processed Data)

The results showed that simultaneously consumer trust, tagline, flash sale, and ease of use had a positive and significant effect on purchasing decisions with a determination coefficient of 0.506 or 50.6%.

Partial Significance Test (t Test)

Data analysis in this study used multiple regression analysis. In this study, there are four independent variables, namely consumer trust, tagline, flash sale, and ease of use and one dependent variable, namely the purchasing decisions. Following is Table 2 the results of the partial test (t test) calculation for each variable:

Table 2. Partial Significance Test (t Test)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.236	.862		8.399	.000
	Consumer Trust	.121	.065	.167	1.859	.066
	Tagline	.157	.070	.239	2.246	.027
	Flash Sale	.113	.056	.181	2.031	.045
	Ease of Use	.194	.080	.291	2.440	.017

Source: Research Results, 2020 (Processed Data)

Partially, consumer trust has a positive and insignificant effect on purchasing decisions, tagline has a positive and significant effect on purchasing decisions, flash sale has a positive and significant effect on purchasing decisions, and ease of use has a positive and significant effect on purchasing decisions.

CONCLUSION AND SUGGESTION

Conclusion

The results showed that simultaneously consumer trust, tagline, flash sale, and ease of use had a positive and significant effect on purchasing decisions with a determination coefficient of 0.506 or 50.6%. Partially, consumer trust has a positive and insignificant effect on purchasing decisions, tagline has a positive and significant effect on purchasing decisions, flash sale has a positive and significant effect on purchasing decisions, and ease of use has a positive and significant effect on purchasing decisions.

Suggestion

1. In this study, consumer trust has an effect on purchasing decisions but not significantly. In this case the researcher sees the insignificance of consumer trust because the quality of the product promised by the seller (shop) at Shopee is not as expected when the item is received by the buyer. And also related to information on delivery of goods that is not on time. In this case the researcher wants to give suggestions, Shopee has indeed provided a feature of submitting goods complaints and refunds in the application, but consumers must follow a series of processes and wait a few days for the funds to be returned to the buyer. In this case, the shopee should be quicker in responding to the process of refund and item problems so that consumers don't wait long, which can result in consumers not trusting and hesitating to make another purchase at Shopee. And related to information on delivery of goods that are not on time so

that Shopee should cooperate with a trusted freight forwarder, so that there will be no more delivery of goods that are not on time to the buyer.

2. Tagline, flash sale, and ease of use partially (t test) have a positive and significant effect on purchasing decisions. The three variables in this study can influence consumers in making purchases at the Shopee marketplace, consumers feel facilitated by the convenience features offered by the Shopee application when making purchases, such as ease of making payments, then online shopee which reads free shipping according to the fact when consumers buy, then Flash Sale which promised that Shopee was bigger and the number of products that were included during the flash sale compared to other marketplaces. In this case the researcher wants to provide suggestions, agarshopee further improves its features so that consumers make it easier for consumers to shop at shopee, and also in the flash sale program it is better if it involves more sellers so that more products follow the flash sale, and of course with products that are available attractive and quality.
3. Further researchers are expected to continue and develop this research in the future through more in-depth research by adding other variables to get maximum results about the marketplace, especially Shopee, because Shopee is a marketplace that comes from other countries but is capable seize the Indonesian market so that it becomes the largest marketplace in Indonesia which of course there are many factors that cause Shopee to be that big in Indonesia. In this study the value of determination for the influence of consumer trust, tagline, flash sale, and ease of use on purchasing decisions is 50.6%, and there are 49.4% that can be researched by other variables, such as price, information quality, product quality and

lifestyle as variables that influence purchasing decisions.

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