

The Effect of Price Discount, Brand Awareness, Perceived Quality, and Shipping Cost on Purchasing Decisions

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Abstract. This study is intended to analyze how the effect of price discounts, brand awareness, perceived quality, and shipping costs on purchasing decisions on habitual products. Tokopedia's customers in Semarang constitute the population determined in this study. This type of research uses quantitative methods and the technique used in this study is non-probability sampling with purposive sampling. In addition, the method of data collection is carried out using questionnaires. In questionnaires, the Likert scale is used to measure the value of items in variables. The sample used was 100 respondents. The results of the t-test show that the variables are independent of the purchase decision. In this study, it is also known that the adjusted R (R²) is 0.728. Purchasing decisions are influenced by price discounts, brand awareness, perceived quality, and shipping costs. While the remaining 27.2% was influenced by other variables outside the study. Based on the results of this study shows that price discounts, brand awareness, perceived quality, and shipping costs have a positive and significant effect on purchasing decisions.

Keywords: Price discount, brand awareness, perceived quality, and shipping cost, purchasing decision

1 Introduction

The development of knowledge and technology at this time brings changes to consumer lifestyles. The development of knowledge and technology, every consumer must be able to keep pace with developments that have an impact on their life needs. The diverse needs of life make consumers more careful in the process of fulfilling the needs of life. The rapid development of technology, especially in terms of the internet, has changed the pattern of life and human behavior, one of which is in terms of shopping. The ease of access to the internet makes people change shopping activities from conventional stores to online stores or commonly called *e-commerce*.

The increasing popularity of e-commerce can be seen from the advantages possessed by *e-commerce* compared to traditional trade. In a traditional transaction, the seller and buyer must

meet, negotiate, and trade in the same location when they agree on a price. On the other hand, such practices do not occur in *e-commerce* because sellers and buyers do not have to meet. Instead, they meet through a site or website that acts as an intermediary to connect between the two parties and bridge the transaction. At the alternative evaluation stage related to consumer confidence in the product, a *purchase decision* will arise on a product.

According to Kotler and Keller (2012), consumer purchasing decisions are individual actions that are directly or indirectly related to efforts to obtain and use the desired product or service. Decision making is a process of assessing and selecting various alternatives according to certain interests by determining an option that is considered the most profitable. The assessment process usually begins with identifying the main problems affecting the objectives, compiling, analyzing, and selecting these alternatives and making the decision that is considered best. *Habitual buying* is important for consumer behavior because of repetition in purchases, a key feature of everyday life. *Habitual buying behavior* is a purchase decision made by a consumer with little consumer involvement. This means that consumers do not look for much information about available brands and do not find significant differences between brands and buying products without much consumer involvement[1].

Consumers have many factors in making product purchase decisions. One of them is price reduction. Discounts are a form of sales promotion that sellers often use in offline and online consumers. The discount is in the form of a super discount or discount compared to the normal price. The more discounts, the more consumers will buy them[2]. Discount is one type and sales promotion. Discounts are product discounts and normal prices in certain periods [3]. Consumer interest in owning and buying products is influenced by the drive from within consumers to own and buy products. The drive from within the consumer to have a product is a response to stimuli both from outside and from within the consumer. Companies can carry out sales strategies in the form of discounts on products offered to consumers. Based on research conducted by [4] and [5] stated that price discounts have a positive and significant effect on purchasing decisions. H1: Price Discount has a positive and significant effect on Purchase Decisions.

Brand awareness is important for the continuity of the product, it can be accepted or is a product at the center of society. The brand of a product is very important to distinguish it from competitors' products. The number of brands circulating in products is a challenge for companies, therefore companies must implement brand strategies to create brands that can impress consumers[6]. Brand awareness is [7]. To recognize a product other than the brand, and to provide or even improve brand function, it is necessary to instill brand awareness or brand existence in consumer memory, with the aim of distinguishing one product from another product or competing products. Based on research conducted by [8] and [9] stated that brand awareness has a positive and significant effect on purchasing decisions. H2: Brand Awareness has a positive and significant effect on Purchase Decisions.

One element of brand equity is perceived quality. Perceived quality is consumer perception and consideration when choosing quality[10]. Today e-commerce in Indonesia is competing to improve the quality of their products in order to get more value in the eyes of consumers so that the company can win the competition with its competitors and can achieve its sales targets. But in addition to product quality, companies are required to create a positive perception in the eyes of consumers in order to increase consumer confidence in their products so that it will foster high

interest in buying products sold by the company. Based on research conducted by [11] [12] stated that quality perception has a positive and significant effect on purchasing decisions. H3: Perceived Quality has a positive and significant effect on Purchasing Decisions.

Shipping cost is the cost of shipping goods or services withdrawn by the seller from the customer during the buying and selling process with shipping costs charged to the customer. Shipping prices are one of the rules that must be agreed upon by sellers and buyers, usually the shipping price depends on the shipping service used, the distance of delivery, and the weight of the shipping package[13]. Actual indirect shipping activities have often been encountered in everyday life, from most manufacturers themselves are unable to handle shipping problems without the help of some shipping service providers themselves. Shipping costs or postage are calculated based on the quantity, weight, size of the product and the distance traveled for delivery. The more the number of products, the heavier and larger the size of the product, or the longer the shipping distance the shipping costs will be more expensive. Therefore, as an attraction companies or online sellers usually provide free shipping facilities for buyers who buy their products. Based on research conducted by [13] [14] stated that shipping costs have a positive and significant effect on purchasing decisions. H4: Shipping Cost has a positive and significant effect on Purchasing Decisions.

In Indonesia currently has several choices of online shopping sites or e-commerce that can be used as an option by consumers to shop online. These e-commerce options include Shopee, Tokopedia, Zalora, Bilibli, and so on. Since its official launch, PT Tokopedia has succeeded in becoming one of the e-commerce in Indonesia with very rapid growth. Tokopedia is influential not only in Indonesia but also in Southeast Asia. Tokopedia is one of the most popular marketplaces to date. Tokopedia is one of the most chosen marketplaces by the public.

2 Methods

This large sample size cannot be known with certainty, so the sample size used according to Ancient Roa uses the following formula:

$$n = \frac{z^2}{4[Moe]^2} \quad (1)$$

Information:

n = sample size

z = normal sampling rate 5% = 1.96

Moe = Margin of Error, maximum 10% (0.1)

With formula (1), the calculation of this research sample is as follows:

$$n = \frac{1,96^2}{4(0,1)^2}$$

$$n = 96,04$$

Based on the calculation above, the number of samples was 96.04 respondents. So in this study the number of samples studied was set to 96.04 or rounded to 100 respondents.

3 Result and Discussion

The population of this study is residents in Semarang who are consumers of habitual products on Tokopedia. The number of its population is not known exactly. In this study, the sampling used is a non-probability sample, where the population size is not known with certainty and there are also some populations that do not have the opportunity to be sampled. The sampling method in this study used purposive sampling techniques. Quota sampling is a technique to determine a sample of a population that has certain characteristics to the desired number (quota).

Instrument testing is carried out through a validity test that is used according to (Ghozali, 2018) if the KMO value test (Kaiser Mayer Olkin). if the KMO value > 0.5 and if the factor value > 0.4 then the item in question is valid and can be tested further. Reliability according to (Ghozali, 2018) with Cronbach Alpha (α) > 0.70. Data analysis techniques in this study use multiple regression analysis techniques to find out or get an overview of the influence of independent variables on dependent variables, using the SPSS program. The multiple linear regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e \quad (2)$$

Information:

$\beta_1 \beta_2 \beta_3 \beta_4$ = Regression Coefficient

Y= *Purchase Decision*

X1= *Price Discount*

X2= *Brand Awareness*

X3= *Perceived Quality*

X4= *Shipping Cost*

e= *error*

Regression analysis is used to determine the effect of price discount variables, brand awareness, perceived quality, and shipping costs on Tokopedia. The results of regression analysis can be seen in the **Table 1**.

Table 1. Regression Analysis Results

Variable Equations	Coefficient (β)	Sig.	Information
The effect of price discounts on purchasing decisions	0,118	0,029	H1 Accepted
The influence of brand awareness on purchasing decisions	0,395	0,000	H2 Accepted
The influence of perceived quality on purchasing decisions	0,549	0,000	H3 Accepted
The effect of shipping costs on purchasing decisions	0,202	0,000	H4 Accepted
<i>Customized R Square</i>	0,728		
<i>F Test</i>	67,341		
<i>Sig</i>	0.000		

Source: Primary Data 2023

Based on the results of the regression analysis above, a multiple linear regression equation can be produced as follows: $Y = 0.118 X_1 + 0.395 X_2 + 0.549 X_3 + 0.202 X_4$ so that the price discount (β_1) = 0.118 can be studied, the positive value obtained indicates that every time there is

an increase in price discounts, it will cause a purchase decision. Brand awareness (β_2) = 0.395, the positive value obtained indicates that every time there is an increase in brand awareness, there will be a purchase decision. Perceived quality (β_3) = 0.549, the positive value obtained indicates that every time there is an increase in quality perception, a purchase decision will arise. Shipping cost (β_4) = 0.202, the positive value obtained indicates that every time there is an increase in shipping costs, a purchase decision will arise. The model test is performed to see whether the regression equation model is good or not between the independent variable and the dependent variable. The test uses the coefficient of determination and the F test. The coefficient of determination (R^2) is used to measure the ability of the independent variable to explain the dependent variable. Table 1 shows that the Adjusted R Square value is 0.728. This means that the ability of price discounts, brand awareness, perceived quality, and shipping costs to purchase decisions is 72.8% ($0.728 \times 100\%$), while 27.2% ($100\% - 72.8\%$) purchasing decisions are explained by variables other than price discount ability, brand awareness, perceived quality, and shipping cost. The F test is used to determine the effect of the independent variable on the dependent variable simultaneously or as a stimulant. The presence of stimulant effects can be seen from sig. $F \leq 0.05$. In Table 1. shows an F test result of 67.3341 with sig. 0.000 is less than 0.05. This shows that the ability of price discounts, brand awareness, perceived quality, and shipping costs is declared valid and significant to purchasing decisions.

3.1 The Effect of Price Discount on Purchasing Decisions

Based on testing the *Price discount* hypothesis shows that there is a positive and significant influence on purchasing decisions. The results of this study can be seen from the results of regression of the price discount variable to purchasing decisions having a beta value of 0.118, and with a significance value of 0.029 which is smaller than the probability of 0.05 so that it can be said to be significant. Judging from the descriptive results of lifestyle variables, an average result of 4 means agreeing. The highest indicator states that Tokopedia provides large discounts and many types of products get discounts on Tokopedia. Discounts are product discounts and normal prices in certain periods[3] Consumer interest in owning and buying products is influenced by the drive from within consumers to own and buy products. The drive from within the consumer to have a product is a response to stimuli both from outside and from within the consumer. Based on the results of the study, positive results were obtained which means that the greater the discount given, the purchase decision will increase, and the discount given by Tokopedia is greater than purchases in offline stores, where Tokopedia often holds discounts. Therefore, the role of discounts greatly influences consumers to purchase online. So based on the results of this test states that the higher the discount given to consumers, the higher the influence on purchasing decisions, and vice versa if the lower the discount given, the lower the consumer's purchase decision. The results of this study are supported by previous research which explains that the more price discount promos given will have an impact on purchasing decisions [4]. Furthermore, there is evidence that *price discounts* have a positive and significant effect on purchasing decisions[5].

3.2 The Influence of Brand Awareness on Purchasing Decisions

Based on hypothesis testing, *Brand awareness* shows that there is a positive and significant influence on purchasing decisions. The results of this study can be seen from the results of regression of brand awareness variables to purchasing decisions have a beta value of 0.395, and with a significance value of 0.000 which is smaller than the probability of 0.05 so that it can be said to be significant. Based on the results of this test, it states that the higher the brand awareness owned by Tokopedia, the higher the influence on purchasing decisions, and vice versa if the lower the brand awareness owned, the lower the consumer's purchase decision. The results of this study are supported by previous research which explains that high brand awareness will have an impact on purchasing decisions by consumers[8] Furthermore, there is evidence that *brand awareness* has a positive and significant effect on purchasing decisions[9]

3.3 The Influence of Perceived Quality on Purchasing Decisions

Based on hypothesis testing, *perceived quality* shows that there is a positive and significant influence on purchasing decisions. The results of this study can be seen from the results of the regression of the variable Perceived quality to purchasing decisions has a beta value of 0.549, and with a significance value of 0.000 which is smaller than the probability of 0.05 so that it can be said to be significant. From the test results, it can be concluded that there is a positive directional relationship between the two variables, meaning that the stronger the perception of quality owned by Tokopedia, the higher consumer interest in making purchasing decisions on products on Tokopedia. Conversely, the weaker the perception of quality owned by Tokopedia, the lower consumer interest in Tokopedia. The results of this study are supported by previous research which explains that consumer perception of quality shows that it can encourage consumer interest in making purchasing decisions on a product. [11] Furthermore, there is evidence that *perceived quality* has a positive and significant effect on purchasing decisions[12].

3.4 The Effect of Shipping Cost on Purchasing Decisions

Based on hypothesis testing, *shipping cost* shows that there is a positive and significant influence on purchasing decisions. The results of this study can be seen from the results of the regression of the Shipping cost variable to the purchase decision has a beta value of 0.202, and with a significance value of 0.000 which is smaller than the probability of 0.05 so that it can be said to be significant. Based on the results of this test, it states that the variable shipping cost has an important role for Tokopedia marketplace consumers. As a result of the respondents' characteristic data obtained, Tokopedia consumers are dominated by students / students with relatively low income. These characteristics indirectly cause consumers to have a tendency to choose good products at the cheapest possible price. The existence of low shipping costs helps consumers get low prices through discounted shipping costs. This is evidenced by the final results

of the questionnaire where the majority of respondents gave very affirmative answers when they filled out the questionnaire. So based on the results of this test states that the lower the shipping costs given to consumers, the higher the influence on purchasing decisions, and vice versa if the higher the shipping costs given, the lower the consumer's purchase decisions. The results of this study are supported by previous research conducted by [13] and [14].

4 Conclusion

Based on the results of the analysis of this study to determine the effect of price discounts, brand awareness, perceived quality, and shipping costs on purchasing decisions on habitual products at Tokopedia, it can be concluded as follows:

- a. *Price discount* has a positive and significant effect on purchase satisfaction on *habitual products* at Tokopedia. The results of this study can be concluded that the more discounts Tokopedia provides to consumers, it will increase purchasing decisions by consumers.
- b. *Brand awareness* has a positive and significant effect on purchase satisfaction on *habitual products* on Tokopedia. The results of this study can be concluded that high brand awareness by Tokopedia will increase purchasing decisions by consumers.
- c. *Perceived quality* has a positive and significant effect on purchase satisfaction on *habitual products* at Tokopedia. The results of this study can be concluded that the higher the perception of Tokopedia's product quality will increase purchasing decisions by consumers.
- d. *Shipping cost* has a positive and significant effect on purchase satisfaction on *habitual products* at Tokopedia. The results of this study can be concluded that affordable shipping costs will improve purchasing decisions by consumers.

5 Advice/Managerial Implications

Based on the research findings, there are several policy implications in accordance with the priorities given as input for management, including:

- a. At price discounts, Tokopedia has provided quite a lot of attractive discounts, but there needs to be an increase in the provision of discounts such as discounts on big days and also longer discount periods, so as to improve purchasing decisions on products on Tokopedia.
- b. In brand awareness, Tokopedia has provided quite good brand awareness, but there needs to be an increase in terms of brand characteristics so that consumers have their own views on the brand, so that later they can improve purchasing decisions on products on Tokopedia.
- c. In perceived quality, Tokopedia has provided a quality perception to consumers that is quite good, but the company can maintain the existing one and needs to improve quality perception in order to later improve purchasing decisions on Tokopedia.
- d. In shipping costs, Tokopedia has provided affordable shipping costs to consumers, but the company can provide shipping promos such as free shipping or free shipping vouchers

that are more and more attractive so that later they can improve purchasing decisions on Tokopedia.

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