The Effect Of Price Consciousness, Sales Promotion And Online Customer Reviews On Purchase Decisions At The Marketplace Tokopedia

NurulQomariah*, Muhammad MaulanaDwiMahendra, Achmad Hasan Hafidzi

UnivsersitasMuhammadiyahJember

*Corresponding Author: NurulQomariah

Abstract

The rapid development of technology and information today makes competition even tighter. Many people are competing to take advantage of the opportunities that exist today, especially for companies or business organizations that want to maintain their business continuity. Today's business activities can be carried out by utilizing the use of the internet. The internet connects millions to billions of users in the world today. Apart from being a medium of information and communication, the internet today can also give rise to a new e-commerce or market place with a wide and unlimited network among business people. This study aims to analyze the effect of price consciousness, sales promotion and online customer reviews on purchasing decisions in the Tokopedia Marketplace. The population in this study were active students of FEB Muhammadiyah University of Jember who had made online purchases at Tokopedia. The sampling technique was purposive sampling with a sample of 95 respondents. The analysis used includes data instrument test, multiple linear regression analysis, classical assumption test and hypothesis testing. The results of data analysis show that the sales promotion variable and online customer review have a positive and significant effect on purchasing decisions in the Tokopedia marketplace, while the price consciousness variable has a positive and insignificant effect on purchasing decisions in the Tokopedia marketplace.

Keywords: price consciousness, sales promotion, online customer reviews, purchase decisions.

Date of Submission: 05-06-2021
Date of Acceptance: 18-06-2021

I. Introduction

In the current era of globalization, the internet is becoming increasingly sophisticated and continues to develop. This technology is very beneficial for many people because it has many benefits for people's lives both in the economic, social and cultural environment. In the past, the internet was only used to search for data, but now the internet can be used for many things, one of which is by running a business sector (Hasrul et al., 2021). In the current rapid development of technology and information, competition is getting tougher and makes many people competing to take advantage of the opportunities that exist today, especially for companies that want to maintain their business ventures. Business activities that are very easy to do, namely by making use of the internet. The internet connects millions to billions of users in the world. Apart from being a medium of information and communication, the internet today can also give rise to a new e-commerce or market place with a wide and unlimited network (Latie & Ayustira, 2019). The increasing use of the internet for the wider community, it makes a very good opportunity for online business people. The use of the internet for business activities is better known as electronic commerce. E-commerce is a company or site that offers to transact and facilitate the sale of products or services online. E-commerce in turn has led to e-purchasing and e marketing. E-purchasing means companies decide to purchase goods, services and information from various online suppliers. Meanwhile, e-marketing describes a company's efforts to notify buyers, communicate, promote and sell products or services through the internet (Kotler & Keller, 2016).

One of the marketplaces in Indonesia that is very attractive to students is Tokopedia. Tokopedia is a trading site that is currently popular. Tokopedia provides a place for sellers and buyers to carry out a product buying and selling transaction for free without being charged any fees. Apart from being free, Tokopedia also provides a secure joint account system (Sudjatmika & Vania, 2017).

Table 1. The Most Popular E-Commerce Sites 2019 Version of CupoNation

<table>
<thead>
<tr>
<th>No</th>
<th>E-Commerce Name</th>
<th>Total Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tokopedia</td>
<td>1,2 milliar</td>
</tr>
<tr>
<td>2</td>
<td>Shopee</td>
<td>837,1 juta</td>
</tr>
</tbody>
</table>
The Effect Of Price Consciousness, Sales Promotion And Online Customer Reviews On...

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Bukalapak</td>
<td>823.5 juta</td>
</tr>
<tr>
<td>4</td>
<td>Lazada</td>
<td>445.6 juta</td>
</tr>
<tr>
<td>5</td>
<td>Bibli</td>
<td>353.2 juta</td>
</tr>
<tr>
<td>6</td>
<td>JD.id</td>
<td>105.4 juta</td>
</tr>
<tr>
<td>7</td>
<td>Orami</td>
<td>89.9 juta</td>
</tr>
<tr>
<td>8</td>
<td>Bhinneka</td>
<td>62.9 juta</td>
</tr>
<tr>
<td>9</td>
<td>Sociolla</td>
<td>51.2 juta</td>
</tr>
<tr>
<td>10</td>
<td>Zalora</td>
<td>44.5 juta</td>
</tr>
</tbody>
</table>

One of the marketplaces in Indonesia that is very attractive to students is Tokopedia. Tokopedia is a trading site that is currently popular. Tokopedia provides a place for sellers and buyers to carry out a product buying and selling transaction for free without being charged any fees. Apart from being free, Tokopedia also provides a joint account system that is guaranteed security. Tokopedia is the most popular e-commerce site throughout 2019, the latest study version from CupoNation, with a total visitor number of nearly 1.2 billion. Visitors who access via cell phone still dominate with a total of 863.1 million (72.35%). Meanwhile, 329.8 million (27.65%) visitors access Tokopedia via desktop. Behind Tokopedia, Shopee has almost caught up with 837.1 million visitors and Bukalapak with 823.5 million total visitors. Meanwhile, Lazada (445.6 million), Blibli (353.2 million), JD.id (105.4 million), Orami (89.9 million), Bhinneka (62.9 million), Sociolla (51.2 million), and Zalora (44.5 million).

Consumer decisions in determining a marketplace will provide benefits for online shop service providers today. The purchase decision is a problem-solving process consisting of analyzing needs and wants, searching for information on the assessment of selection sources for alternative purchases, purchasing decisions and post-purchase behavior (Kotler, 2015). Making consumer decisions to purchase a product or service begins with awareness of the fulfillment of needs and desires. To be able to influence consumer purchasing decisions, companies must understand the stages a consumer goes through in making a purchase (Tjiptono, 2011). The purchase decision is a decision-making process for the purchase of goods or services which includes determining what to buy or not to buy and the decision is obtained from previous activities (Qomariah, 2016). Decisions in a purchase can lead to how the decision-making process is carried out. There are many factors that a consumer should consider before deciding to buy a product. So that entrepreneurs or a businessman must be careful in seeing what factors must be considered to attract consumers (Lupiyoadi, 2013). Some of the factors that can influence consumer purchasing decisions are: price conscience, sales promotions and online customer reviews.

Price is a monetary unit or other measure including other goods and services that are exchanged in order to obtain ownership or user rights for goods and services (Kotler & Armstrong, 2008). Price consciousness is defined as the reluctance of consumers to pay a higher price for a product, in other words, consumers focus on lower prices (Kotler, 2015). Consumers will search for sales or promotional offers by visiting internet sites to compare prices from different online or e-commerce stores. Prices set by service providers will make consumers think in making decisions to buy certain products. Therefore, the product or service provider must be correct in determining the price that applies to its product with a variety of careful considerations. Many researches on the relationship between product prices and purchasing decisions have been conducted. Many researches on the relationship between product prices and purchasing decisions have been conducted. (Qomariah, 2011) states that prices can influence purchasing decisions. (Zaini et al., 2020) stated that the price of promotional products can increase consumer purchasing decisions. Other studies that also discuss the problem of price relations with purchase decisions include: (Qomariah et al., 2020), (Angga & Santoso, 2015), (Napik et al., 2018), (Al-Heali, 2020), (Sa’dullah & Azhad, 2015), (Agustina et al., 2018), (Apriliana & Sumowo, 2015), (Sudjatmika & Vania, 2017), (Jamaludin, 2015), (Wati, 2013).

The next factor that can also increase purchasing decisions is sales promotions. This sales promotion is a form of marketing communication that aims to attract new consumers, influence consumers to try new products, encourage more consumers, attack competitors’ promotional activities, increase unplanned purchases or seek closer cooperation with retailers, as a whole. -sales promotion techniques only have an impact on the short term (Kotler & Keller, 2016). (Lupiyoadi, 2013) says that sales promotion is a one-way persuasion that is created to influence others which aims at actions that create exchanges in marketing. (Qomariah, 2016) said that sales promotion is a form of direct persuasion through various incentives that can be arranged to stimulate product purchases immediately or increase the number of items to be purchased by customers. From various definitions, it can be concluded that sales promotion is an activity carried out to stimulate the purchase of a product that aims to encourage stronger different market responses so that it will increase the number of items purchased by customers. Research on the relationship between sales promotion and sales decisions has been carried out by several previous researchers, including: (Qomariah, 2011), (Zaini et al., 2020), (Al-Heali, 2020), (Agustina et al., 2018), (Apriliana & Sumowo, 2015), (Sudjatmika & Vania, 2017), (Jamaludin, 2015), (Wati, 2013).
The Effect Of Price Consciousness, Sales Promotion And Online Customer Reviews On...

Online customer reviews are part of the Electronic Word Of Mouth (eWOM), which is consumer reviews written directly based on what consumers feel about an item or service they obtain diprolehnya(Kotler & Keller, 2016). Online customer reviews are facilities that allow consumers to freely and easily write their comments and opinions on various products and services. Online customer reviews are used as a means for consumers to find and obtain information that will later influence purchasing decisions. Online customer reviews are present as additional information about each product being sold so as to provide easy information for fellow consumers of the product to be purchased. (Hasril et al., 2021) stated that customer reviews, customer ratings, volume ratings and information quality together have a significant contribution to purchase intention on Tokopedia's e-commerce electronic products by 46.2%. Research (Latief&Ayustira, 2019) states that on-line Customer Reviews are the most dominant variable influencing purchasing decisions for cosmetic products at Sociolla. Other studies that also examine the relationship between online customer reviews and purchasing decisions include: (Pratama et al., 2019), (Febriana&Yulianto, 2018), (Sudjatmika& Vania, 2017), (Amelia et al., 2021), (Mulyati&Gesitera, 2020), (Purwanto, 2019), (Damayanti, 2019), (Amalia FadhilaRakhma&Hatneny, 2021), (Rahma&Slamet, 2020), (Farki et al., 2016).

II. Research Methods

The variables in this study consisted of two kinds, namely: the independent variable and the dependent variable. The independent variable is a variable that affects other variables, while the dependent variable is a variable that is influenced by the free variable (Sugiyono, 2017). The independent variables in this study include price consciousness, sales promotion, online customer reviews. While the dependent variable is the purchase decision. In this study the population is active students from all generations at the Faculty of Economics, University of Muhammadiyah Jember with a total of 1723 people, who have made online purchase transactions on Tokopedia. The sampling technique used in this study was purposive sampling. Purposive sampling is a technique for determining research samples with certain considerations in order to make the data obtained more representative. In this study, the determination of the required sample size used the sample Slovin formula to be determined by the researcher with a 10% inaccuracy percentage, and the respondents were 95 students.

To test the instrument used in this study, the validity and reliability tests were used. The validity test is usually used by calculating the correlation between each instrument item score and the total score (Ghozali, 2013). Reliability test is an index that shows the extent to which the results of a measurement can be trusted. A questionnaire is declared reliable or reliable if someone's answer to a question is consistent or stable over time.

Multiple linear regression analysis aims to determine the effect of independent variables on the dependent variable. In this analysis it can be seen how the independent variables, namely price consciousness (X1), sales promotion (X2) and online customer reviews (X3) affect (positively or negatively) the dependent variable, namely the purchase decision (Y). The general formula used in multiple linear regression analysis is as follows: \( Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e \)

Hypothesis testing is used to determine the significance of the effect of the independent variable on the dependent variable. Hypothesis testing uses the t test and the F test. The t test is a hypothesis testing used to determine whether or not there is a convincing difference between the two sample means. If t count of each of the independent variables partially has an influence on the 95% confidence level or \( \alpha = 5\% \) on variable Y (purchase decision).

The coefficient of determination (R2) test is used to measure the ability of the model to explain the variation in the dependent variable. The greater the coefficient of determination, the greater the ability of the independent variable to explain the dependent variable. Conversely, the smaller the coefficient of determination, the smaller the ability of the independent variable to explain the dependent or very limited variable.

III. Results And Discussion

Descriptive Analysis

Descriptive analysis is an analysis based on respondent data in the form of data on: age, gender, and majors in FEB students of Muhammadiyah University of Jember in 2020. Data about data on: gender, age and major is presented in Table 2.

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Information</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td>20</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21</td>
<td>40</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22</td>
<td>31</td>
<td>33</td>
</tr>
</tbody>
</table>

Table 2. Descriptive Statistical Analysis

DOI: 10.9790/487X-2306045763 www.iosrjournals.org 59 | Page
The Effect Of Price Consciousness, Sales Promotion And Online Customer Reviews On Purchasing Decisions

Based on the age of the respondents who used online transactions on Tokopedia for the last 3 months, 14 people (15%) were 20 years old, 40 people aged 21 years (42%), 22 years old 31 people (33%), 23 years old as many as 5 people (5%) and 24 years as many as 5 people (5%). Based on the gender of the respondent, it can be seen that the number of respondents based on gender who became the respondents in this study were 37 men or 39%, while 58 people or 61% for women. Based on the respondent's department who used Tokopedia online transactions for the last 3 months, 56 people (59%) of Management majored and 39 (41%) Accounting.

Validity and Reliability Test
The results of statistical calculations show that the correlation between each indicator to the total construct score of each variable shows a valid result, because r count > r table. So it can be concluded that all statement items are declared valid. The results of the reliability test indicate that all variables have sufficient Alpha coefficients or meet the criteria to be said to be reliable, namely above 0.700, so that further items in each of these variable concepts are suitable for use as a measuring tool.

Multiple Linear Regression Analysis
Regression analysis is used to test the hypothesis about the partial influence of the independent variables on the dependent variable. From the previous analysis it has been proven that the equation model proposed in this study has met the requirements of the classical assumptions so that the equation model in this study is considered good. A good regression equation model is one that meets the requirements of classical assumptions, including that all data are normally distributed, the model must be free from multicollinearity symptoms and free from heteroscedasticity. Based on the estimation of multiple linear regressions with the SPSS version 16 program, it is presented in Table 3.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Regression Coefficient</th>
<th>Standart Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Constant</td>
<td>5.745</td>
<td>3.471</td>
</tr>
<tr>
<td>2</td>
<td>Price consciousness (X1)</td>
<td>0.039</td>
<td>0.110</td>
</tr>
<tr>
<td>3</td>
<td>Sales Promotion (X2)</td>
<td>0.266</td>
<td>0.104</td>
</tr>
<tr>
<td>4</td>
<td>Online customer review (X3)</td>
<td>0.681</td>
<td>0.128</td>
</tr>
</tbody>
</table>

Based on the calculation of the hypothesis test, it is known that the t-test results of the price consciousness variable have a calculated significance value of 0.726 greater than 0.05, and t-count (0.352) < t-table (1.6617) which means that H1 which states price consciousness effect on purchasing decisions is rejected and accepts H0 which states that price consciousness has no effect on purchasing decisions. The t-test results for the sales promotion variable have a calculated significance value of 0.012 and smaller than 0.05 and t-count (2.569) > t-table (1.6617) which means that H2 which states that sales promotions have an effect on purchasing decisions is accepted, and rejects H0. The t-test result for the online customer review variable has a calculated significance value of 0.000 and is smaller than 0.05 and t-count (5.319) > t-table (1.6617) which means that H3 which states that online customer reviews have an effect on the decision. purchase is accepted, and rejects H0.

IV. Discussion
The Effect of Price Consciousness on Purchasing Decisions
Price consciousness is the behavior of consumers who are reluctant to pay a higher price for a product, in other words, consumers focus on a lower price. The results of this study indicate that the price consciousness variable has no significant effect on purchasing decisions. The insignificant variable price consciousness is
proven by a significant level of 0.726, which is greater than \( \alpha \) of 0.050. However, the relationship between the variable price consciousness and purchasing decisions shows a positive direction with a regression coefficient value of 0.039. Based on these findings, it shows that the price consciousness of the economics faculty students of the Muhammmidiyah University of Jember who became the research sample did not really consider the price comparison in online stores.

The results of this study also indicate that choosing a low price does not guarantee the quality of the product that consumers will accept. (Kotler, 2015) states that price is the amount of money charged for a product or service. More broadly, price is the amount of value that consumers exchange for the benefits of owning or using a product or service. (Lupiyoadi, 2013) states that price is what consumers must provide to get a product. The insignificance of the price can also be rationalized by service, security for the items to be purchased, and trust in an online shop. The results of this study are in accordance with previous research conducted by (Rumengan et al., 2015) which states that price does not have a significant effect on purchasing decisions. This research is not in line with the research: (Aminullah et al., 2018), (Qomariah et al., 2020), (Angga & Santos, 2015), (Napik et al., 2018), (Al-Heali, 2020), (Sa’dullah & Azhad, 2015), (Agustina et al., 2018), (Apriliana & Sumowo, 2015), (Sudjatmika & Vania, 2017), (Jamaludin, 2015), (Wati, 2013) which states that the price affects the purchase decision.

### The Effect of Sales Promotion on Purchasing Decisions

Sales promotion is a type of communication that provides explanations and convinces potential consumers about goods and services with the aim of getting attention, educating, reminding and convincing potential consumers (Tjiptono & Candra, 2012). The results of this study indicate that the sales promotion variable has a significant effect on purchasing decisions. The sales promotion variable has a significant level of 0.012 which is smaller than \( \alpha \) of 0.050. The relationship between sales promotion variables and purchasing decisions shows a positive direction with a regression coefficient of 0.266. Based on these findings, it shows that sales promotions carried out by Tokopedia are able to have a significant impact on FEB students of the Muhammmidiyah University of Jember who are the samples in making purchasing decisions.

Promotion is essentially a marketing communication, meaning marketing activities that attempt to spread information, influence / persuade, and / or remind the target market of the company and its products to be willing to accept, buy and be loyal to the products offered by the company concerned. The purpose of companies conducting promotions is to inform, influence and persuade and remind customers about the company and its marketing mix (Tjiptono & Candra, 2012). After consumers find out about a new product, it is hoped that consumers will be influenced and persuaded to switch to that product. In the end, the company only reminds us that the product is still good for consumption. This is done because of the many attacks that come from competitors. The results of this study support research conducted by: (Qomariah, 2011), (Zaini et al., 2020), (Al-Heali, 2020), (Napik et al., 2018), (Hermawan, 2015), (Apriliana & Sumowo, 2015), (Istanti, 2017), (Nurgayatri, 2016), (Jamaludin, 2015) The results of the analysis show that promotion has a positive and significant effect on purchasing decisions.

### The Effect of Online Customer Review on Purchasing Decisions

Online customer reviews are consumer reviews written directly based on how consumers feel about an item or service they get. Online customer reviews are facilities that allow consumers to freely and easily write their comments and opinions on various products and services. The results of this study indicate that the online customer review variable has a significant effect on purchasing decisions. The online customer review variable is proven by a significant level of 0.000 smaller than \( \alpha \) of 0.050. The relationship between sales promotion variables and purchasing decisions shows a positive direction with a regression coefficient of 0.681.

Consumer reviews have a positive relationship with consumer purchase interest. Currently, consumers are in a situation where a lot of information about a product is circulating. Consumers have a hard time sorting out which information is reliable. Online consumer reviews are important for consumers when consumers cannot judge a product personally, consumers can rely on online consumer reviews. Consumers depend more on peer reviews than information presented by business entities because the opinions of fellow consumers are more judged to be impartial and more trusted (Kotler & Keller, 2016). Personal opinions and experiences on products and services in the form of reviews on the internet are one of the most valuable sources of information to help users when making the purchase decision process (Chua & Banerjee, 2015). Online consumer review deals with the quality of a review. The higher the quality of a review, the higher a review will influence consumers in making purchasing decisions. Online consumer review deals with the quality of a review. The higher the quality of a review, the higher a review will influence consumers in making purchasing decisions. The results of this study are in accordance with previous research conducted by: (Pratama et al., 2019), (Febriana & Yulianto, 2018), (Sudjatmika & Vania, 2017), (Amelia et al., 2021), (Mulyati & Gesitera, 2020), (Purwanto, 2019), (Damayanti, 2019), (Amalia Fadhila Rakhma & Hatnny, 2021), (Rahma & Slamat, 2020), (Farki et al., 2016).
V. Conclusions And Suggestions

Conclusion
From the statistical tests that have been carried out, the following conclusions can be drawn:
1. Price consciousness (X1) affects purchasing decisions with a regression coefficient that is positive (0.039) and the significance count is 0.726 and is greater than 0.05 and t count (0.352) < t table (1.6617) which means that the hypothesis price consciousness has a significant effect on purchasing decisions in rejected.
2. Sales promotion has an effect on purchasing decisions with a regression coefficient that is positive (0.266) and the significance count is 0.012 and less than 0.05 and t count (2.569) > t table (1.6617) which means that the sales promotion hypothesis has influence on purchasing decisions on Tokopedia
3. Online Customer Review has an effect on purchasing decisions with a regression coefficient that is positive (0.681) and the significance count is 0.000 and less than 0.05 and t count (5.319) > t table (1.6617) which means that the online hypothesis customer reviews have an influence on purchasing decisions on Tokopedia

Suggestion
Based on the research conducted, the advice given to the Tokopedia marketplace is that it should be in an effort to increase customer satisfaction to further increase sales promotions and online customer reviews. As for what the Tokopedia market place needs to pay attention to regarding aspects of service quality including: The Tokopedia Marketplace needs to increase sales promotions by procuring more discounts and cash back so as to increase sales in the Tokopedia market place. Companies can also establish relationships with social media influencers from fields other than technology such as fashion and beauty to conduct reviews so that they can attract wider public interest in the Tokopedia marketplace.

References

DOI: 10.9790/487X-2306045763  www.iosrjournals.org 62 | Page
The Effect Of Price Consciousness, Sales Promotion And Online Customer Reviews On Purchase Decisions At The Marketplace Tokopedia.