Determinants of Product Purchase Decisions on the Shopee Marketplace

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Abstract

Technological developments increase online buying and selling transactions through e-commerce. This study aims to examine the determinants that affect purchasing decisions on marketplace Shopee. This type of descriptive quantitative approach is used in this study. To determine the research sample, a stratified proportional random sampling technique was used and 100 students of IAIN Salatiga were obtained as research samples. The data analysis technique used is multiple linear regression with the research instrument in the form of a questionnaire. The results showed that 1) Islamic branding had a positive and significant effect on Shopee marketplace purchasing decisions, 2) promotions had a positive and significant impact on Shopee marketplace purchasing decisions, 3) product reviews had no significant effect on Shopee marketplace purchasing decisions, 4) security has a positive and significant effect on Shopee marketplace purchasing decisions, 5) payment methods have a positive and significant impact on Shopee marketplace purchasing decisions.

Keywords: Product purchasing decisions, Marketplace

INTRODUCTION

The industrial revolution 4.0 has driven technological progress very rapidly in various aspects of life, especially the economic aspect. The presence of the internet has reached various layers of the region and even the deepest community so that there are many advantages to be gained. In Indonesia, the number of internet accessors continues to increase every year. Until 2020, internet user penetration in Indonesia has reached 196.71 million of 270.2 million the total population of Indonesia. The large number of internet users provides new opportunities and opportunities for various parties in the economic sector, one of which is the increasing number of online buying and selling transactions. E-commerce or electronic commerce is a form of buying and selling that utilizes communication networks and the
internet that can be downloaded via a smartphone. In e-commerce there is a marketplace that provides a place for buyers and sellers to carry out buying and selling transactions in a market but carried out online (Servanda et al., 2019).

In Indonesia, there are many very popular marketplaces, including Tokopedia, Shopee, Bukalapak, Blibli, and there are also those from abroad, such as Lazada, Amazon, and JD.ID. Shopee is one of the many marketplaces that has also enlivened the e-commerce business as well as being the most visited marketplace and ranked 1st in the application store category on Android and iPhone in 2020 quarter 4 (Iprice.Co.Id 2020). Shopee is an electronic marketplace that was born in Singapore and formed by Chris Feng, which was founded in 2015 and has expanded its reach to ASEAN countries such as Malaysia, Thailand and Indonesia. The purpose of the creation of Shopee is to provide offers regarding the experience of shopping and buying and selling online with a wide selection of very diverse products.

When consumers decide to purchase goods through Shopee, they are driven by several factors that they consider first. As a country with a majority Muslim population, the existence of Islamic branding. It holds an important aspect to be taken into consideration before a purchase decision is made. The existence of Islamic branding will make it easier for consumers to make decisions through the use of Islamic names, logo or halal labeling of products offered by sellers. So that Islamic branding attached to a product will make it easier for Muslim consumers to decide to buy the product.

Promotion is an important factor to introduce new products or expand marketing reach. In Shopee marketplace, the way to attract consumers is to provide free shipping facilities. The free shipping facility provided by Shopee can reach all parts of Indonesia. This is a strong attraction for consumers because it can reduce the costs that must be incurred by consumers when making online purchase transactions.

Another characteristic of buying and selling online is that consumers cannot see, touch or try the products offered by the seller. Therefore, the strength of buying and selling products online is the seller's ability to display attractive products, create clear product descriptions and create feedback from consumers who have purchased their products. Since on the online buying and selling site, consumers can only see pictures and product descriptions provided by the seller, Shopee marketplace provides a place so that consumers who have purchased a product can provide ratings, reviews as well as criticism and suggestions for the seller's services and the products they have purchased. This review is an important factor because it
relates to the reputation of the seller. If the ratings and reviews given by consumers are positive, then this will be a form of marketing or promotion because it allows other potential consumers to be interested and buy the product.

As with buying and selling transactions, not a few crimes also occur in buying and selling online. Consumers who cannot see the product directly may become a victim of fraud by irresponsible online sellers, for example by sending products that do not match the order, sending defective goods or others. The safety factor is an important factor when buying a product. Therefore, the transaction security factor is a consideration for consumers who will make online transactions. In buying and selling online, the seller is limited by space and time so that they cannot meet face to face so that in buying and selling online, they provide a payment method to facilitate both parties to make an agreed sale and purchase transaction. The payment method in buying and selling online is different from conventional buying and selling which is done directly, so Shopee must provide several choices of payment methods or methods so that consumers can trust and choose the appropriate payment method.

Several studies related to the determinants that influence purchasing decisions through e-commerce have been carried out. Nasrullah (2015) states that Islamic branding will influence consumers in deciding to purchase products. Research according to Budiyanto et al., (2016) claims that promotion does not affect consumers in purchasing decisions. Research on reviews was carried out by Vania (2017) which shows product reviews have an effect on product purchasing decisions. Furthermore, Rafidah (2017) research explains that security has an influence on purchasing decisions, but Yanissa (2020) states that security has no effect on purchasing decisions. Research on payment methods conducted by Handayani (2021) suggests that payment methods have an influence on product purchasing decisions.

In terms of age, people are grouped according to the era or era in which they live. The Central Bureau of Statistics in the release of the results of the population census in 2020 places Generation Z as the group with the largest number of 27.94% of the 270.20 million population of Indonesia. In terms of age generation Z are those aged 8-23 years or born from 1997-2012. The hallmark of Generation Z is that they live in an age of technology. Students are part of Generation Z because they are in that age range and in their daily life are close to using technology, including using the Shopee application to meet their needs. This study focuses on students in the IAIN Salatiga environment because IAIN Salatiga is one of the
Islamic religious colleges where students are very close to the factors mentioned above when making online purchases. This research is motivated by these reasons.

2. Literature Review

2.1 Previous Research

Fitriya (2017) in her article states that Islamic branding will influence consumer decisions in purchasing. This means that some students pay attention to Islamic branding when buying products, because it shows a direct influence on purchasing decisions. Prilano et al., (2020) in their research stated that the promotions carried out will have a positive effect on purchasing decisions. Research conducted by Ngadimen & Widyastuti (2021) states that the reviews given by consumers will not have an influence on product purchasing decisions. Furthermore, Azzahra Kholis & Nina Madiawati (2019) confirms that security in online transactions is influential in deciding product purchases by consumers. Tussafinah (2018) through his research states that the payment method offered has a positive influence on purchasing decisions. This happens because the payment method provided is appropriate and can also be trusted by consumers at the time of making a purchase transaction.

2.2 Consumer Behaviour

According to Kotler & Keller (2007), explaining consumer behavior reflects the actions taken by each person or group of organizations in a condition where they make choices, buy, use and also place services or goods, ideas and experiences obtained in order to get something desired and necessary needs. Consumer behavior is applied because there are factors that influence it. Consumer behavior is driven by internal factors consisting of motivation, perception, learning and external factors consisting of cultural, social, personal (Kartikasari et al., 2013).

2.3 Islamic Branding

Islamic branding is naming a name on a product that uses Islamic language or words and uses a halal-labeled logo on each of its products or services. The main purpose of Islamic branding is to make it easy for Muslim consumers to choose products that are halal according to Islamic law and also to make Muslim consumers interested in their products. Giving a brand to a product/goods is very important and has benefits, namely: (1) Making it easier for consumers/buyers to check the product, which is only by looking at the halal logo or product name listed at the time of making a purchase (2) Providing quality products and according to the principles sharia for Muslim consumers, as well as making it easier for consumers to buy the desired product again (Yunus et al., 2014).
2.4 Promotion

According to Marlina & Syamsuar (2020), promotion is a form of communication that occurs between a seller and a buyer by providing information related to their products so that consumers are expected to be interested and persuaded to see and be able to accept and even buy the products offered by the seller. According to Prilano et al., (2020) in promotion there are several indicators, namely:

a. Advertising
b. Sales promotion
c. Personal selling
d. Public relations
e. Direct marketing

If a promotion is done well, it will attract consumers to buy the product being promoted.

2.5 Product Reviews

Product review is one of the segments of electronic Word of Mouth (e-WoM). Sari et al., (2017) define e-WoM as an expression that comes directly from potential consumers, which is carried out directly and actually or it can also be done by previous consumers related to a product, which contains information and can be seen by consumers. Others use media such as the internet. Reviews submitted by other consumers are usually easily accepted and more trusted than promotions or advertisements carried out by sellers, because consumers consider other consumers to be their friends and also consumers are usually more honest than sellers who always give a good impression continuously so they trust the reviews more submitted by other buyers.

2.6 Security

Talking about security, Setiawan & Fauziah (2017) defines security as the ability of an online store to create a system to control and secure transaction data from the possibility of misuse, fraud and unauthorized changes. Wijaya & Jasfar (2014) explained that security is not all a technical problem, but also includes individual and group issues, because e-commerce generally contains a privacy policy regarding consumer data processing which has an impact on creating a sense of security and convenient for consumers when making buying and selling transactions. Security is a guarantee that consumers get by being free from crime or actions that harm consumers. The security provided by the company or seller is security in the form of consumer data which can be retrieved at any time by other parties.
who are not interested. So that consumers will choose to carry out buying and selling transactions if they get a guarantee regarding the best and high security.

2.7 Payment Method

The payment method can also be interpreted as a mechanism that occurs when there is a flow of funds from the buyer to the seller in a transaction (Handayani, 2021). Payment methods are generally divided into 2 ways, namely: cash and non-cash payments. Cash or cash payments are payments made directly or face to face and using cash. Non-cash payments are payments made indirectly or online and using non-cash such as credit cards, electronic money. Shopee has various payment methods available including bank transfer, credit card, Shopeepay, Cash on Delivery (COD), Indomaret/Alfamart etc. The number of payment methods available on this e-commerce shopee will certainly make it easier and also answer the sense of security of consumers who have difficulty with the method used and will also provide a sense of comfort when making payments. The shopee party of course also considers aspects such as cheating and also fraud, therefore in all these available payment methods in the future the money or value paid from the buyer to the seller is through the shopee party first and later if the goods have been received then the shopee party will provide value or money from the buyer to the seller. Therefore, this system will minimize fraud and fraud at the time of payment transactions.

2.8 Purchase Decision

According to Pardede & Haryadi (2017), purchasing decisions are situations where consumers already have the intention to make a purchase after undergoing several stages of selection, analyzing the product and also the goods they want by comparing similar products, and in the end consumers will decide yes or no to buy products. Solihin (2020) explains that there are several stages or ways for consumers before deciding to buy, namely: recognizing the problem, seeking information, evaluating alternatives, deciding to buy, behavior after purchase. According to Prilano et al., (2020) purchasing decisions are based on conformity to needs, accuracy in product purchases, usefulness, and repeat purchases.

3. Research Method

Descriptive quantitative approach with secondary data type is used in this study. The population is focused on IAIN Salatiga students, totaling 14,657 students. To calculate the number of research samples, the Slovin formula is used with an error rate of 10%.
$S= \frac{p}{(P \cdot e^2)+1}$

Information:

$S$: Sample

$P$: Population

e²: error or error rate believed to be 10%

Then the calculation is as follows:

$S= \frac{p}{(P \cdot e^2)+1} = \frac{14.657}{(14.657 \cdot 0.1)^2+1} = \frac{14.657}{147.57} = 99.32$

From the calculation above, a sample of 99.32 respondents was obtained which was rounded up to 100 respondents. Furthermore, to obtain the number of samples per faculty, the Proportionate Stratified Random Sampling technique is used so that the following calculations are obtained:

Formula = \( \frac{\text{Number of Faculty Students}}{\text{Number of IAIN Salatiga Students}} \times \text{Specified Number of Samples} \)

From this formula each faculty is determined the number of samples as follows:

**Tabel 3.1 List of Research Samples**

<table>
<thead>
<tr>
<th>No</th>
<th>Faculty</th>
<th>Number of Students</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Faculty of Ushuluddin, Adab and Humanities</td>
<td>1.651</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>Faculty of Da'wah/Communication</td>
<td>2.361</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Faculty of Sharia/Law</td>
<td>2.325</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Faculty of Islamic Economics and Business</td>
<td>3.390</td>
<td>23</td>
</tr>
<tr>
<td>5</td>
<td>Faculty of Tarbiyah and Teacher Training</td>
<td>4.545</td>
<td>31</td>
</tr>
<tr>
<td>6</td>
<td>Postgraduate</td>
<td>385</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>14.657</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Processed data (2021)
This study uses an instrument in the form of a questionnaire or questionnaire which is distributed and filled out online by the research sample as respondents. The questions given in the research questionnaire are in the form of closed-answer questions. Respondents can use the answers that have been provided by the researcher so that they can choose the available answers according to the conditions of each respondent. The data analysis techniques used in this study were validity and reliability tests, classical assumption tests, hypothesis testing, and multiple linear analysis.

4. Result and Discussion

   Research Instrument Test

4.1 Validity Test

In research that uses an instrument in the form of a questionnaire, validity testing is needed which serves to test the validity of each indicator or instrument point. The provisions in the validity test are carried out by comparing the value of \( r_{count} \) with \( r_{table} \). This initial testing stage shows that all of the question items in the questionnaire are obtained by \( r_{count} \) with \( r_{table} \) or \( r_{count} \) has a value more than \( r_{table} \) which is 0.361 so that all questionnaire question items are declared valid and can be used in research.

4.2 Reliability Test

The next test conducted on the questionnaire instrument is the reliability test. The purpose of this test is to determine the consistency of the questionnaire instrument as a measurement tool, so that the results of a measurement are reliable. The method used is to compare the value of the alpha coefficient (\( \alpha \)) of Cronbach's Alpha.

Table 4.1 Reliability Test Results

<table>
<thead>
<tr>
<th>No.</th>
<th>Variabel</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Islamic Branding</td>
<td>0.802</td>
</tr>
<tr>
<td>2.</td>
<td>Promotion</td>
<td>0.868</td>
</tr>
<tr>
<td>3.</td>
<td>Product Reviews</td>
<td>0.857</td>
</tr>
<tr>
<td>4.</td>
<td>Security</td>
<td>0.880</td>
</tr>
<tr>
<td>5.</td>
<td>Payment method</td>
<td>0.883</td>
</tr>
<tr>
<td>6.</td>
<td>Buying decision</td>
<td>0.865</td>
</tr>
</tbody>
</table>
Source: Primary Data Processed (2021)

The reliability test carried out shows that the overall results of both dependent and independent variables have a Cronbach’s Alpha coefficient number > 0.60 (Cronbatch’s Alpha is greater than 0.60) so that all question items used are reliable and can be used for research.

Hypothesis Test

4.3 F Test (Simultaneous)

Table 4.3 F Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2491,478</td>
<td>5</td>
<td>498,296</td>
<td>31,867</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>1469,832</td>
<td>94</td>
<td>15,637</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3961,310</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: processed data, 2022

To find out how the independent variables influence simultaneously or jointly on the dependent variable, the F test is used. The provision in this test is that if the significance value is < 0.05, it can be stated that the independent variable has a simultaneous effect on the dependent variable. The simultaneous test of this study resulted in a significance value of 0.000 which is smaller than 0.05 (0.000 < 0.05). This confirms that the regression model is feasible to use to explain how the influence of the independent variables (Islamic Branding, Promotion, Product Reviews, Security, Payment Methods) on the dependent variable (Purchase Decision).

4.4 T-Test (Partial)

If the F test is used to determine the effect simultaneously, then the t test is used to determine the relationship between the influence of individual independent variables on the dependent variable by considering other variables that are constant. This test is carried out by comparing t_count with t table obtained through the calculation results for further comparison with the values in the table.
Table 4.4 t test results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-1.177</td>
<td>5.264</td>
<td>-0.224</td>
<td>0.824</td>
</tr>
<tr>
<td>Islamic Branding</td>
<td>0.449</td>
<td>0.141</td>
<td>0.218</td>
<td>3.185</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.413</td>
<td>0.125</td>
<td>0.289</td>
<td>3.302</td>
</tr>
<tr>
<td>Product Reviews</td>
<td>0.165</td>
<td>0.129</td>
<td>0.098</td>
<td>1.279</td>
</tr>
<tr>
<td>Security</td>
<td>0.404</td>
<td>0.101</td>
<td>0.302</td>
<td>3.992</td>
</tr>
<tr>
<td>Payment method</td>
<td>0.429</td>
<td>0.199</td>
<td>0.179</td>
<td>2.158</td>
</tr>
</tbody>
</table>

Source: processed data, 2022

The table above concludes that:

1) Islamic Branding Variable (X1)

   The t-test table concludes that Islamic Branding (X1) as an independent variable has a t-count value of 3.185 > t-table 1.985. It can be concluded that there is a positive and significant influence between the Islamic Branding variable (X1) on the Purchase Decision (Y). IAIN Salatiga students are students within the scope of State Islamic religious college who are Muslim and have sufficient knowledge and religious literacy so that they will consider Islamic branding before deciding to buy a product online. The results in this study are in line with Nasrullah (2015) research that Islamic branding has a significant effect on purchasing decisions. However, this is not in line with the research conducted by Hidayati (2018) that Islamic branding has no significant effect on purchasing decisions.

2) Promotion Variable (X2)

   The promotion variable (X2) as the second independent variable in this study has a t-count value of 3.302 > t-table 1.985. It can be concluded that there is a positive and significant influence between Promotion (X2) and Purchase Decision (Y). The promotion provided by Shopee, namely free shipping throughout Indonesia, has succeeded in attracting purchasing decisions, because in online buying and selling.
buyers or consumers when buying their products will be charged with shipping costs for the products they buy. These results are in line with the research of Prilano et al., (2020) that promotion has a significant effect on purchasing decisions. However, it is not in line with research conducted by Nasution et al., (2019) that promotion does not have a significant effect on purchasing decisions.

3) Product Review Variable (X3)

In contrast to the results of testing the two previous variables, Product review (X3) has a t count of 1.279 < t table of 1.985. Thus there is no positive and insignificant effect between Product review variables (X3) and Purchase Decisions (Y). Due to a person's lack of trust in the information on social media, as well as in online media, the information provider and the recipient of information do not meet face to face, only being limited to writing comments from one or several informants, so the credibility of one or several informants is not guaranteed. These results are in line with the research by Ngadimen & Widyastuti, (2021) that product reviews have no significant effect on purchasing decisions. However, it is not in line with research conducted by Vania (2017) that product reviews have a significant effect on purchasing decisions.

4) Security Variable (X4)

The security variable (X4) used in this study has a t-count value of 3.992 > t-table 1.985, which means that there is a positive and significant influence between the security variable (X4) and Purchase Decision (Y). The Shopee application guarantees data and transaction security for its consumers through the refund feature if something unexpected happens. With this, consumers do not feel worried because the services provided already guarantee personal security, such as when making transactions on the Shopee application. These results are in line with Rafidah (2017) that security has a significant effect on purchasing decisions. However, it is not in line with research conducted by Yanissa, (2020) that security does not have a significant effect on purchasing decisions.

5) Variable Payment Method (X5)

Based on the t-test results, the Payment Method variable (X5) has a t-count of 2.158 > t-table 1.985, meaning that there is a positive and significant influence between the Payment Method (X5) and the Purchase Decision (Y). Shopee provides many payment methods that can be accessed by all groups accompanied by security when making payment transactions. So that consumers will feel comfortable and safe in making purchasing decisions.
These results are in line with the research by Handayani, (2021) that the payment method has a significant effect on purchasing decisions. However, it is not in line with research conducted by (Risman, 2018) that the payment method has no significant effect on purchasing decisions.

4.5 Coefficient of Determination Test ($R^2$)

The coefficient of determination as a measure of the model and the magnitude of the contribution of the variable variance reflects how capable the independent variable is in explaining the dependent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.793a</td>
<td>.629</td>
<td>.609</td>
<td>3.954</td>
</tr>
</tbody>
</table>

Source: processed data, 2022

The table shows the value of R Square ($R^2$) of 0.629 or 62.9%. This figure means that the independent variable is able to contribute to the dependent variable by 62.9%, while the remaining 37.1% is influenced by other external factors that are not used in this study.

5. Conclusion

Based on the whole series of research that has been done, it can be concluded that the research is as follows:

a) Islamic branding has a positive and significant effect on Shopee e-commerce purchasing decisions on students of the State Islamic Institute of Religion (IAIN) Salatiga.

b) Promotion has a positive and significant effect on Shopee e-commerce purchasing decisions on students of the State Islamic Institute of Religion (IAIN) Salatiga.

c) Product reviews have an insignificant positive effect on Shopee e-commerce purchasing decisions on students of the State Islamic Institute (IAIN) Salatiga.

d) Security has a positive and significant effect on Shopee's e-commerce purchasing decisions on students of the State Islamic Institute of Religion (IAIN) Salatiga.

e) Payment Methods have a positive and significant effect on Shopee e-commerce purchasing decisions on students of the State Islamic Institute of Religion (IAIN) Salatiga.
f) Islamic branding, promotions, product reviews, security, payment methods have a simultaneous effect on Shopee e-commerce purchasing decisions for students of the State Islamic Institute of Religion (IAIN) Salatiga.

REFERENCE


