

THE INFLUENCE OF PROMOTION, INFORMATION QUALITY, AND PRICE PERCEPTION ON IMPULSIVE BUYING ON THE SHOPEE LIVE FEATURE AMONG STUDENTS OF UPN "VETERAN" EAST JAVA



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Abstract

After the emergence and develops of e-commerce in Indonesia, consumer behavior began to shift, whereas now consumers no longer had to come to a store or a mall to go shopping and see the value of a product. They could just simply visit the targeted website or e-commerce platform, which is Shopee in this case. Shopee has provided many ways and selling features inside their platform for business owners to be able to interact directly with their product/service buyers even though they are not in the same physical environment. Among them is live streaming marketing via the Shopee live feature. This feature is pretty familiar to Shopee consumers or users, especially among UPN "Veteran" East Java students. The purpose of this study is to analyze the effect of promotions, information quality, and price perceptions on impulse buying via the Shopee Live feature on UPN "Veteran" East Java students. This study uses quantitative methods which are processed using the SmartPLS 4 program, with a sample size of 100 respondents. The results showed that promotions, information quality, and price perceptions have a positive and significant effect on impulse buying.

Keywords: Promotion, Information Quality, Price Perception, Impulse Buying

INTRODUCTION

The business world in Indonesia has been growing significantly with the advent of electronic commerce (e-commerce). In the past, people conducted buying and selling transactions face-to-face. Sellers would meet with buyers, negotiate prices, and complete the transaction. Nowadays, this method has started to shift. Consumer behavior has begun to change, as consumers no longer need to visit stores to see products and prices being offered. They only need to visit the desired e-commerce platform, view the available product catalog, select products, and choose the most suitable payment method. This phenomenon provides potential, opportunities, and even threats for e-commerce companies and entrepreneurs involved in the e-commerce sector to grow. The COVID-19 pandemic has been one of the factors driving the development of e-commerce in Indonesia. The pandemic period is believed to be the cause of changes in consumer shopping behavior, where the social distancing regulations imposed by the government at that time forced people to do everything from home, including shopping activities.

A survey conducted by Similarweb showed that throughout the period from January to December 2023, the number of visits to Shopee's website reached approximately 2.3 billion visits. With this number, Shopee recorded an increase of 41.39% year-to-date (ytd), over the 9 years that the e-commerce company Shopee Pte. Ltd has been operating in Indonesia, many innovations and changes have been made. Shopee provides various features and ways for business owners to interact directly with their buyers of products and services even though they are not in the same physical environment. One of them is the live streaming marketing method through the Shopee live feature, where business actors and influencers market their products/services via live streaming to maximize sales profits by using an interactive communication style between consumers and streamers on a platform (Blessa & Indriani, 2022).

Shopee Live, the name for the Shopee e-commerce live streaming feature, was first introduced to Indonesian citizens back in 2019. After one year of the feature operating, Shopee Live was watched 120 million times in the following year coinciding with April 2020 and experienced an increase by 70% in Shopee Live live streaming time compared to February 2020 (Ginee.com, 2022).



Figure 1.

Shopee Consumer Behavior

The phenomenon in Figure 1. raises suspicions that there is impulsive behavior in the purchasing process through the Shopee live feature, where within 2 hours after the live streaming, the order volume had reached almost three times more than the usual day (Ginee.com, 2022). Based on the results of a survey using VOS Viewer obtained from data from dozens of journals both on a national and international scale regarding impulse buying behavior, it shows that there are several predictor variables for impulsive buying, namely promotion, information quality, and price perception.

Impulsive buying according to Rook & Gardner (cited by Kristiyono & Gozali, 2022) when an individual is suddenly driven by a strong desire to make an unplanned purchase regardless of the consequences or outcomes that may arise afterwards. Consumers who make impulse buying do not plan to purchase a particular product or brand. They immediately bought something because they are interested in the products and brands they see at that moment. This consumer behavior tends to make purchases automatically, spontaneously and suddenly. (Indarsih et al., 2019). Another definition of impulsive buying according to Mowen & Minor quoted by Hermawan & Dermawan (2024) defines that impulsive buying is an act of purchasing that is carried out without having any previous plan or intention to buy that is formed before entering the shop. Based on these definitions, it can be concluded that impulse buying is an act of purchasing that is carried out without prior planning, triggered by a sudden desire or urge, and often without considering the consequences that may arise in the future. Impulse buying behavior does not only occur among adults, but also among teenagers, especially students. Students will tend to start following developing trends, such as online

activities as a place for buying and selling, fashion and so on. As a student who constantly wants to follow emerging trends, they will tend to be more consumptive and have more potential to make impulse purchases.

Furthermore, the initial factor that can influence impulse buying behavior is promotion. According to Solomon et al. (2018), promotions are designed to stimulate direct purchases and to test the success of purchasing a product over a certain period, so they are very likely to trigger impulse buying behavior. According to Cynthia et al. (2021), promotion is an activity that involves communicating or disseminating information between sellers and buyers. It aims to spread information, persuade, influence, and raise awareness among the target market with the goal of creating demand for the offered products or services. Kotler and Armstrong (2014) consider promotion as an activity that communicates the benefits of a product and persuades customers to purchase the company's offerings. Another definition of promotion, as stated by Laksana (2019) and (cited by Herawati & Muslikah, 2020), describes it as communication between sellers and buyers based on accurate information. The purpose is to change the attitude and behavior of buyers who were previously unaware, turning them into customers who remember the product. Promotional activities tend to strengthen consumer inclination toward immediate product acquisition, a theory supported by Nuryani et al. (2022), which suggests that increased sales promotion leads to impulsive buying behavior among consumers.

The second factor is information quality, completeness and accuracy of information which is necessary when making online purchases and transactions. Maniah & Hamidin (2017), as cited by Indarsih et al. (2019), assert that information quality lies in how it is perceived and utilized by users. The way information is presented can influence decision-makers. Another definition, according to Alhasanah & Riyadi in Wahyuni et al. (2017), states that information quality relates to the quantity, accuracy, and format of information about products and services offered on a website. Regarding information quality in the context of online shops, Mukhtar (cited by Gunawan & Ayuningtiyas, 2018) emphasizes the importance of providing not only information related to the offered products or services but also useful and relevant information for evaluating their quality and usefulness. Park & Kim (2003) in the study by Rizqy & Hidayati (2021) explain that information quality on a website is the

customer's perception of information about the provided products or services. When stimuli such as timely product information, completeness, accuracy, relevance, and usefulness align, it triggers consumer desire to evaluate, ultimately leading to impulsive buying behavior.

The third factor is price perception. According to Lee & Lawson Body (cited by Ni Wayan Eka Mitariani, 2020), price perception is a form of consumer assessment and an associated emotional form regarding whether the price offered by the seller and the price compared with other competitors is reasonable and acceptable or justifiable. Another definition of price perception, as proposed by Kotler and Keller (cited by Wahyudianto, 2021), is that it reflects how consumers perceive the prices set by a company. Consumers evaluate whether the established prices align with the benefits and the products offered. In line with this theory, research conducted by Kurniati (2021) demonstrates a significant influence of price perception on impulsive purchasing. Price perception serves as one of the criteria by which consumers assess whether a price is reasonable and acceptable. Consequently, fluctuations in consumer evaluations of prices could impact on impulsive buying behavior.

Based on the phenomena and issues mentioned above, the author is interested in conducting research with the aim of finding out the influence of promotions, information quality, and price perceptions on impulse buying within the Shopee Live feature among students of the Faculty of Economics and Business at UPN "Veteran" East Java.

RESEARCH METHOD

This research will use quantitative approach as its methodology. The population in this research are economics and business faculty students who have made impulse purchases through the Shopee Live feature on the Shopee e-commerce application. The total number of population members is 4,634 college students. The sampling technique employed in this study follows the Slovin formula. The sample size consists of 100 respondents who are students from the Faculty of Economics and Business at UPN "Veteran" East Java. Primary data is collected through Likert-scale questionnaires, while secondary data is obtained from websites, online media, journals, and reference books.

The collected data is then processed using SmartPLS software version 4. The variables in the research are as follows: a) promotion, with indicators such as coupon distribution, gifts, and discounts based on Suyanto (2003) cited by Cynthia et al., (2021); b) information quality, with indicators such as accuracy, timeliness, relevance, and completeness of information based on Mc. Leod & Schell (2007) cited by Aqqliyah (2017); c) price perception, with indicators such as affordability, alignment with benefits, price competitiveness, and consistency with product quality based on Kotler & Armstrong (2016) cited by Afifah & Prabowo (2023); d) impulsive buying, measured by indicators such as spontaneity, strength, compulsion, and intensity, enthusiasm, stimulation, and disregard for consequences based on Engel et al., (2009) cited by Hermawan & Dermawan (2024).

Measurement models and structural models can be tested concurrently using PLS (Partial Least Square), a variance-based Structural Equation Modeling (SEM) methodology. While the structural model is used to examine causality, the measurement model is used to test validity and reliability. Soft modeling is used in PLS (Partial Least Square) analysis since it does not require that the data be measured on a specific scale. In Figure 1. 2, the study framework is shown.

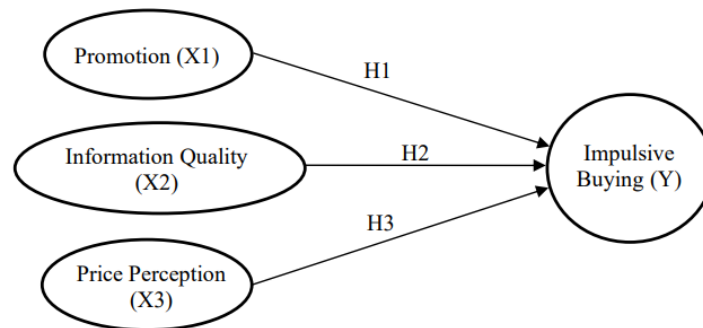


Figure 2.
Research Framework

RESULTS AND DISCUSSION

This study involved 100 respondents who are active students of the Faculty of Economics and Business at UPN ‘Veteran’ East Java. The data were then used to analyze the characteristics of respondents related to the consumer behavior of Shopee Live feature users. The characteristics of the respondents are as follow:

Tabel 1.
Respondent Characteristics

No.	Respondent Category	Selection	Total
1.	Gender	a. Male	38 students
		b. Female	62 students
		Total	100 students
2.	Age	a. 19 - 20 years old	16 students
		b. 21 - 22 years old	72 students
		c. 23 - 24 years old	12 students
		Total	100 students
3.	Year of entering college	a. 2020	80 students
		b. 2021	12 students
		c. 2022	8 students
		Total	100 students

Source: Results of the Questionnaires Distribution (2024)

The respondents were predominantly female students, totaling 62 individuals. This is because women, especially female students, tend to exhibit more consumer behavior compared to males. The majority of respondents fell within the 21-22 age group, comprising 72 individuals. This age group is likely more familiar with technology and its developments, leading them to be accustomed to online purchasing. Among the students in this study, the majority belonged to the 2020 generation, totaling 80 individuals. This is probably because they have more experience in academic and social activities on campus, making them easier to access and identify for the researcher. Additionally, the tendency to select respondents who are well-known and easily reachable by the researcher can also influence this distribution.

An indicator is considered valid as an appropriate measurement tool if the factor loading value exceeds 0.70. The convergent validity between indicators and variables can be determined from the factor loading values. In this study, the measurement model involves exogenous variables, including Promotion (X1), Information Quality (X2), and Price Perception (X3), as well as the endogenous variable Impulsive Buying (Y). All indicators are measured using reflective indicators, and the Outer Loading result are summarized in the following table:

Table 2.
Convergent Validity Test

Variables	Items	Loading Factor	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P values
Promotion	X1.1	0.815	0.815	0.043	19.076	0.000
	X1.2	0.809	0.794	0.069	11.659	0.000
	X1.3	0.857	0.854	0.043	20.128	0.000
Information Quality	X2.1	0.801	0.794	0.052	15.483	0.000
	X2.2	0.774	0.751	0.091	8.510	0.000
	X2.3	0.833	0.825	0.051	16.288	0.000
	X2.4	0.723	0.719	0.066	10.939	0.000
Price Perception	X3.1	0.786	0.776	0.062	12.738	0.000
	X3.2	0.846	0.844	0.041	20.581	0.000
	X3.3	0.794	0.782	0.067	11.853	0.000
	X3.4	0.763	0.756	0.070	10.946	0.000
Impulsive Buying	Y1.1	0.762	0.749	0.076	10.031	0.000
	Y1.2	0.797	0.791	0.052	15.349	0.000
	Y1.3	0.861	0.860	0.030	28.244	0.000
	Y1.4	0.716	0.713	0.078	9.171	0.000

Source: Output SmartPLS 4.0, 2024

A questionnaire is considered reliable if the limits of Construct Reliability and Validity: Cronbach's Alpha and Composite Reliability are greater than 0.70. Reliability testing is conducted to measure the consistency of respondents' answers. The table below shows that Construct Reliability and Validity: Cronbach's Alpha and Composite Reliability have coefficients above 0.70, indicating consistent respondent answers and confirming the reliability of the research questionnaire.

Table 3
Reliability Test

	Cronbach's Alpha	Composite Reliability
Promotion	0.770	0.867
Information Quality	0.795	0.864
Price Perception	0.810	0.875
Impulsive Buying	0.793	0.865

Source: Output SmartPLS 4.0, 2024

The inner model testing can be observed from the R-Square value in the equation among latent variables. The R^2 value explains how much the exogenous (independent) variable in the model can account for the endogenous (dependent) variable. The table below shows an R-Square value of 0.395, indicating that 39.5% of impulsive buying are influenced by promotion, information quality, and price perception, while the remaining 60.5% is influenced by other variables.

Tabel 4
R-Square

	R-square
Impulsive Buying (Y)	0.395

Source: Output SmartPLS 4.0, 2024

Hypothesis Testing

Hypothesis testing is performed through direct significance testing to examine the influence of independent variables on dependent variables. The results of hypothesis testing can be observed from the t-test value (t-statistic), path coefficient, and p-values.

Table 5
Hypothesis Testing

	Path Coefficients (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Promotion (X1) -> Impulsive Buying (Y)	0.287	0.291	0.099	2.890	0.004
Information Quality (X2) -> Impulsive Buying (Y)	0.291	0.288	0.109	2.660	0.008
Price Perception (X3) -> Impulsive Buying (Y)	0.207	0.224	0.105	1.967	0.049

Source: Output SmartPLS 4.0, 2024

Based on the table above, it can be concluded that promotion has a positive effect on impulsive buying, thus H1 is accepted. With path coefficients of 0.287 (positive), a T-statistic value of $2.890 > 1.96$, and a P-value of $0.004 < 0.05$, it is declared significant. Furthermore, the quality of information has a positive effect on impulsive buying, thus H2 is accepted.

With path coefficients of 0.291 (positive), a T-statistic value of $2.660 > 1.96$, and a P-value of $0.008 < 0.05$, it is declared significant. Lastly, price perception has a positive effect on impulsive buying, thus H3 is accepted. With path coefficients of 0.207 (positive), a T-statistic value of $1.967 > 1.96$, and a P-value of $0.049 < 0.05$, it is declared significant.

The Influence of Promotions on Impulsive Buying

Based on the research conducted, it was found that the promotion variable has a significant positive effect on impulsive buying through the Shopee Live feature among students of the Faculty of Economics and Business at UPN "Veteran" East Java. This means that the more promotional activities are carried out, the higher the impulsive buying through the Shopee Live feature will be. This study is relevant to the research by Damaris et al. (2022), Nuryani et al. (2022), and Muhammad Rizki Maulana Putra et al. (2020), which state that there is a positive and significant effect between promotion and impulsive buying. The more promotional activities and the larger the discounts offered on Shopee Live, the more likely it is to influence consumers to behave impulsively when shopping through Shopee Live.

The Influence of Information Quality on Impulsive Buying

Based on the research conducted, it was found that the variable of information quality has a significant positive effect on impulsive buying through the Shopee Live feature among students of the Faculty of Economics and Business at UPN "Veteran" East Java. This indicates that the better the quality of information provided, the more impulsive purchases through the Shopee Live feature will increase. This study aligns with the research by Damaris et al. (2022) and Indarsih et al. (2019), which states that there is a positive and significant influence between information quality and impulsive buying. Therefore, it can be concluded that the better the quality of information given or included in a product on Shopee Live, the more it can influence consumers to behave impulsively in shopping through Shopee Live.

The Influence of Information Quality on Impulsive Buying

Based on the research conducted, the results show that the price perception variable has a significant positive effect on impulsive purchases through the Shopee Live feature among students of the Faculty of Economics and Business at UPN "Veteran" East Java. This indicates that the better Shopee Live is at creating a perception where users feel that the

product prices on Shopee Live are affordable and match the quality and benefits, the more impulsive purchases will increase. These findings are consistent with the research conducted by Hermawan & Dermawan (2024), Nuryani et al. (2022), and Cynthia et al. (2021), which state that price perception has a significant positive effect on impulsive purchases. With the perception that the product prices on Shopee Live are affordable and match the quality and benefits, consumers do not need to deliberate further as they feel that the money or value they spend is worth what they get on Shopee Live. Therefore, consumers are more likely to make impulsive purchases because they feel they are getting something that meets their desires.

CONCLUSION

The research concluded that the higher the promotional activities provided, the higher the tendency for impulsive buying. The better the quality of information, the higher the tendency for impulsive buying. The better the price perception, the more likely consumers are to make impulsive buying.

Based on the research results, the following points can be concluded and utilized for decision-making purposes. The company is expected to consistently conduct promotional activities, such as discounts, gifts, or cashback vouchers. With promotions, consumers and potential consumers are more likely to make impulsive purchases. Online sellers are also expected to provide accurate, timely, relevant, and complete product information. This is because the more accurate and relevant the information/feedback provided during Shopee live sessions, the more likely consumers are to make impulsive purchases. The company is also expected to offer product recommendations with prices that match the quality and benefits.

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