

Analysis of Price Perception, Promotion, and Trust toward Decision Purchase on Online Site Tokopedia

Christian Tanjung, Noven Elfa, Sukoco, Yohanda Andreas
Graduate Program of Management Studies
University of Mercubuana

Abstract:- The digital era has resulted a change of behavior among customers. In the past, consumers used to shop from shopping malls, and nowadays, they become familiar with online shopping. Price Perception, promotion and trust are aspects that consumers consider before making purchase decision. This research was aimed to analyze to influences of Price Perception, promotion and trust on consumer purchase decision.

The population of this research were consumers who have shopped from online marketplace Tokopedia (Tokopedia.com). There were 200 samples involved in this research who were selected using an accidental sampling technique. Research data were collected using a set of questionnaires and were analyzed using SPSS multiple linear regression analysis.

Hypothesis testing (t-test) administered in this study resulted in $H1=2.175$, $H2=2.652$, $H3=4.445$. Meanwhile, the results of reliability test showed that Cronbach's Alpha >0.6 :Price perception (alpha 0.627), promotion (alpha 0.629), trust (alpha 0.635), and online-purchase decision (alpha 0.619).

Keywords:- Price Perception, Promotion, Trust, and Purchase Decision.

I. INTRODUCTION

The number of internet users in Indonesia keep increasing at significant rates. Population growth becomes a factor that contribute to the increase in the number of internet users. Up to 2017, the number of internet users in Indonesia reached 112.6 million people. The availability technology that allows people share information in a fast and efficient way regardless of time and place including Internet has shaped a new life style among the community. Various information can be retrieved from relevant sites by using the internet.

Indonesia is named as a country with a rapid development of online shopping as seen from various emerging online marketplaces such as Tokopedia.com, Lazada.co.id, Bukalapak.com, Shopee.co.id, blibli.com and many more. Those sites allow consumers to easily find goods that they need and wish to buy based on goods categorization.

Fashion trends including clothing, accessories, bags and shoes, either local products or international products

drive Indonesian community to positively accept the trends. Tokopedia is one of the biggest online fashion marketplace which was established in 2009. To attract consumers to make online purchase, e-commerce should first identify which individual's perceptions affect their purchase decision.

It is known that price is the strongest factor affecting consumers to make purchase. At present, consumers are quite sensitive about the price of certain products. Price refers to the total value that should be paid by consumers in order to take the benefits offered by certain product or service (Kotler and Armstrong 2001:34). When the price is properly set to match consumers' purchasing power, consumers will decide to buy the product (Swastha and Irawan, 2008:78). A product will be accepted by consumers when its price is affordable. Related to pricing, online stores apply different strategies including price discount. The strategies are applied to attract more consumers.

Online shopping is closely related by the trust that the information and transaction are valid and trusted (George in Andy et al., 2014). It can be inferred from this statement that trust will be enhanced when consumers obtain information quality, complete information and comprehension about the procedure to make online purchases of a website. In relation to the online promotion done through the social media of an emerging online business player, Tokopedia, it is considered necessary to investigate the extent to which social media influences consumers to make online purchase.

Regarding to those views, it was considered intriguing to investigate the influences of Price Perception, Promotion and trust on online purchase decision. Therefore, the title of this research is formulated as follows "*Analysis on Price Perception, Promotion and Trust toward Purchase Decision on Online site Tokopedia*"

II. LITERATURE REVIEW

A. Price Perception

Kotler and Keller (2009:126) stated that perception is a process used by an individual to select, organize, and interpret information inputs to form a whole meaningful picture. Consumers expectation is formed by the personal experience related to a similar situation and others' recommendation (mass media, experts, government, consumer institution, etc).

B. Promotion

Promotion is a way for a producer to communicate with consumers to introduce certain product and its attributions including type, color, shape, price and quality. According to Swastha (2002:237), promotion refers to one-way information sharing about certain product that leads to consumers to purchase the product. Basically, promotion is an informational effort to suggest, attract and communicate, and informational exchange between some related parties. For companies that sell products and service, interaction occurs with consumers through a process of communication. Furthermore, online promotion is done by companies to offer their products and services by introducing or advertising their products through online media (internet) without face to face interaction.

C. Trust

Kotler and Keller (2012: 125)[9] explained that trust is a cognitive component of psychological factors. Trust relates with faith on whether something is right or wrong based on certain evidence, suggestion, authority, experience and intuition. In a research done by Robbins and Judge (2007), trust was stated to consist of three dimensions, which are:

➤ Integrity

Integrity relates to the truth of the expected products or services.

➤ Competence

Competence relates with individuals' knowledge, technical skill and interpersonal skill of the expected product or service.

➤ Consistence

Consistence relates with the individuals' challenges, predictive capability, and precise assessment in dealing with certain situation related to the expected product or service.

D. Online Purchase Decision

Online purchase decision is a purchase that is made by consumers through an alternative process using internet media which is perception to offer more benefits (Deavaj et al., in Pratama, 2015). Deavaj et al, (2003) [5] in Pratama and Nugrahani (2015) also stated that decision to make online purchase is influenced by several factors. First, product search efficiency (efficient time, ease of use, and ease of access). The second factor is related to the value (competitive price and product quality), while the third factor is interaction (information, security, load time and navigation).

Peter-Olson (1996: 6) in The American Marketing Association in Mulyadi (2012: 195) [12] asserted that consumer decision making relates with the interaction between affective, cognitive and behavioral attitudes toward environmental factors in which humans share and exchange various aspects in their life. Cognitive attitude reflects ones' comprehension. Affective attitude reflects

ones' trust, while behavioral attitude reflects the real action. Individual's purchase decision belongs to the behavior related to real physical actions that can be seen and measured by others.

E. Research Framework

A clear framework has been designed to be used as the basis of this research in order to determine the most dominant variable that affects purchase decision to buy products online. The independent variables of this research include Price Perception, Promotion, and Trust, while the Online-Purchase Decision is the dependent variable. The framework of this research is illustrated in Figure 1.

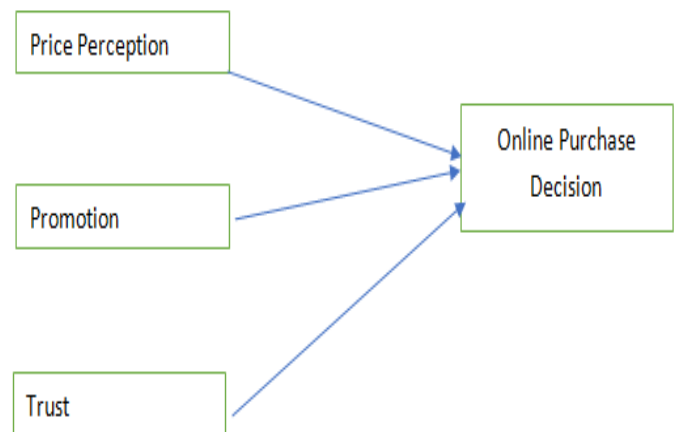


Fig 1:- Research Framework

III. RESEARCH METHOD

This research employed a quantitative research method. Quantitative research method is based on the positivism which can be employed to research certain population or samples which research data are collected using research instrument and data analysis is done quantitatively/statistically to test the predetermined hypothesis (Sugiyono, 2014;13). Regarding to the background of this research, research questions and literature review, this research is categorized as descriptive research.

Variables discussed in this research include:

➤ Dependent variable

Dependent variable is a variable that is influenced by independent variable. The dependent variable in this research is the consumers' online-purchase decision.

➤ Independent variable

Independent variable is the variable that affects to certain change in the dependent variable. The independent variables in this research include Price Perception, Promotion and Trust. Research samples were selected using a non-probability sampling technique in the form of convenience sampling by distributing the questionnaire to 200 respondents via google docs (online). The obtained data were then measured in order using Likert Scale.

IV. RESULTS AND DISCUSSIONS

➤ *Results of Validity Test*

Variable	Item	r- value	r-table	Note
Price Perception (X1)	1	0.667	0.195	Valid
	2	0.640	0.195	Valid
	3	0.781	0.195	Valid
	4	0.684	0.195	Valid
Promotion (X2)	1	0.675	0.195	Valid
	2	0.715	0.195	Valid
	3	0.654	0.195	Valid
	4	0.586	0.195	Valid
Trust (X3)	1	0.645	0.195	Valid
	2	0.700	0.195	Valid
	3	0.770	0.195	Valid
	4	0.672	0.195	Valid
Online-Purchase Decision(Y)	1	0.585	0.195	Valid
	2	0.753	0.195	Valid
	3	0.776	0.195	Valid
	4	0.610	0.195	Valid

Table 1:- Results of Validity Test (Source: processed primary data (2018))

➤ *Results of Reliability Test*

Variable	Alpha		Note
Price Perception (X1)	0.627	$\alpha \geq 0.6$	Reliable
Promotion (X2)	0.629	$\alpha \geq 0.6$	Reliable
Trust (X3)	0.635	$\alpha \geq 0.6$	Reliable
Online-Purchase Decision (Y)	0.619	$\alpha \geq 0.6$	Reliable

Table 2:- Results of Reliability Test (Source: processed primary data (2018))

➤ *Results of Regression Analysis*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (constant)	.252	1.455		.175	.863
X1	.214	.080	.215	2.175	.009
X2	.242	.091	.213	2.652	.010
X3	.346	.079	.346	4.445	.001
Y	.216	.077	.232	2.816	.007

Table 3:- Results of Regression Analysis (Dependent variable : Y, Source: processed primary data (2018))

V. CONCLUSION

Based on the results of data analysis in this research, conclusions are drawn as follows.

- Price Perception influences consumer purchase decision on marketplace Tokopedia. It is seen from the t-value (2.175) which is greater than the t-table (1.986). Higher value of price perception tend to be followed by increases in purchase decision. Therefore, hypothesis 1 is accepted.
- Promotion has certain influence on purchase interest of consumers in online marketplace Tokopedia as seen from the t-value (2.652) which is greater than the t-table (1.986). Stronger promotion is likely able to increase the purchase decision. Therefore, hypothesis 2 is accepted.
- There is a meaningful influence of Trust on purchase decision in online marketplace Tokopedia. It is seen from the t-value (4.445) which is greater than the t-table (1.986). Better trust will lead to higher tendency of purchase decision to occur. Therefore, hypothesis 3 is accepted.
- It can be concluded that Price Perception, Promotion and Trust have certain influence on consumer Purchase Decision in online marketplace Tokopedia.

SUGGESTIONS

Regarding to the results of this research, suggestions are proposed as follows.

- Companies are recommended to enhance the trust, ease of use and information quality to assure consumers to make online purchase. In this case, maintaining the long-term relationship with consumers is urgent. It is also important to apply precise, beneficial and sustainable marketing strategies to give consumers more benefits. This action can be carried out by improving the quality service, providing accurate and actual information, providing ease of use in making transaction, giving comfort for consumers and implementing other engaging marketing strategies.
- Future researchers are encouraged to involve other variables that might also influence consumers' decision to make online purchases such as advertisement, price, quality service and reputation including company image to obtain more comprehensive research findings.

REFERENCES

- [1]. Alhasanah, dan Riyadi. (2014). Pengaruh Kegunaan, Kualitas Informasidan Kualitas Interaksi Layanan Web E-commerce Terhadap Keputusan Pembelian Online (Surveipada Konsumen www.getscope.com). *Jurnal Administrasi Bisnis (JAB)*, Vol. 15, No.2.
- [2]. Adityo, Benito (2011). *AnalisisPengaruhKepercayaan,Kemudahandankualit asInformasiterhadapKeputusanPembeliansecara Online di Situs Kaskus*, Skripsi, Fakultas Ekonomi Universitas Diponegoro.

- [3]. APJII. (2017). Penetrasi Pengguna Internet. <http://www.apjii.or.id/content/read/39/27/PROFIL-PENGGUNA-INTERNET-INDONESIA> 2014 [diaksespadaseptember 2018]
- [4]. APJII. (2018). Profil Pengguna Internet Indonesia 2016 Bisnis Online. (2015). Keluhan Saat Berbelanja Online,FenomenaLumrah. <http://www.bisnisonlinebeni.lakukeras.info/keluhan-saat-berbelanja-online-fenomena-lumrah/>. [diaksespadaseptember 2018]
- [5]. Hartono, Jogiyanto. 2007. Sistem Informasi Keperilakuan.Yogyakarta: ANDI
- [6]. Kotler, Philip. Dan Armstrong, G. 2008. Prinsip-Prinsip Pemasaran, Edisi Kedua Belas Jilid1, Erlangga, Jakarta
- [7]. Kotler, Phillip dan Kevin Lane Keller. 2016. Marketing Management (15th edition). Harlow : Pearson Education Limited
- [8]. Kristianto, Lilik Paulus. 2011. Psikologi Pemasaran. Yogyakarta:CAPS
- [9]. Laudon, K, & Traver, C. 2012. E-commerce 8th Edition. Bussines. Technology. Society.
- [10]. <http://www.tokopedia.com/about/> (di aksesAgustus 2018)
- [11]. www.tribunnews.com (di aksesAgustus 2018).