

The Effect of Discounts, Free Shipping, and Product Quality on Lifebuoy Soap Purchase Decisions in Semarang City Through E-Commerce Shopee

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ABSTRACT

This study aims to determine the effect of discounts, free shipping, and product quality on purchasing decisions for Lifebuoy soap through the Shopee e-commerce platform in Semarang City. The research method used is a quantitative approach with multiple linear regression analysis techniques. Data were collected through questionnaires distributed to 100 respondents who were active Shopee consumers in Semarang City and had purchased Lifebuoy soap. The results showed that the three independent variables, namely discounts, free shipping, and product quality, had a positive and significant effect on purchasing decisions, both partially and simultaneously. The product quality variable is the most dominant factor in influencing purchasing decisions. The adjusted R square value of 0.636 indicates that 63.6% of the variation in purchasing decisions can be explained by these three variables, while the rest is influenced by other factors outside the model. This finding indicates the importance of promotional strategies and product quality consistency in increasing consumer purchasing decisions online.

Keywords: Discounts, Free Shipping, Product Quality, Purchasing Decisions, E-Commerce, Shopee

INTRODUCTION

The development of information technology has brought about major changes in various aspects of human life, including the way people shop. In Indonesia, the growth of the e-commerce sector has increased rapidly, supported by increasingly widespread internet access, high smartphone usage, and changes in people's consumption patterns. Based on data from We Are Social and Hootsuite in 2023, Indonesia is one of the countries with the largest growth in e-commerce users in Southeast Asia. Shopee, one of the largest e-commerce platforms in Indonesia, has succeeded in becoming the main choice for consumers by offering various attractive marketing features and strategies, such as discounts, free shipping programs, and product quality assurance.

On the other hand, Semarang City as the capital of Central Java Province is a center of economic activity that continues to grow. East Semarang, one of the strategic areas in this city, reflects the characteristics of a heterogeneous urban society, ranging from students, workers, to housewives who increasingly rely on e-commerce services to meet their daily needs. Changes in

lifestyle and practical demands in shopping have made platforms like Shopee an efficient solution and are in demand by the people of Semarang City.

One of the main strategies used by Shopee to attract consumers is the discount program. Discounts or price promotions such as in big campaigns (Shopee 11.11 or 12.12 Mega Sale) are able to attract consumers' attention by providing added value to the products offered. Consumers, especially those who are highly sensitive to price, make discounts one of the main factors in making purchasing decisions.

In addition, the free shipping program is also a significant attraction. In online shopping, shipping costs are often a barrier for consumers to complete transactions. Therefore, Shopee presents a free shipping program as an additional incentive that encourages consumers to shop more often. For consumers in East Semarang, where access to some products may be limited in physical stores, free shipping is a strong reason to choose online shopping.

However, discounts and free shipping alone are not enough to guarantee the success of a transaction. Product quality also plays an important role in building consumer trust and satisfaction. In e-commerce, product quality is often assessed from reviews, ratings, and product descriptions provided by sellers. Consumers tend to be more selective in choosing products to ensure that the items they buy match their expectations. This shows that consumer purchasing decisions on platforms like Shopee are influenced by a combination of factors, including price, service, and product quality.

Literature Review

Discounts

Discount is a price reduction given by the seller to the buyer with the aim of attracting buying interest, increasing sales volume, or as a form of appreciation for customers. Discounts can be in the form of a percentage of the price cut, a fixed nominal, or other forms of promotion such as "buy 1 get 1 free". This strategy is often used to create more appeal to the products or services offered.

According to Kotler and Keller (2016), discounts are a pricing strategy that aims to adjust prices to be more competitive and relevant in the market. By providing discounts, companies can increase customer purchasing interest, encourage loyalty, and create added value without sacrificing product image. However, discounts need to be done in a planned manner so as not to have a negative impact on profit margins or perceptions of product quality.

Discounts come in various forms, such as cash discounts given to customers who pay early, quantity discounts for large purchases, seasonal discounts to reduce old stock, and promotional discounts which are usually given to support new product launches or marketing campaigns. Each type of discount is designed with a specific purpose in mind according to business needs. Discounts provide benefits to both companies and customers. For companies, discounts can attract new customers, increase short-term sales, and help manage inventory. On the other hand, customers benefit from more affordable prices and the opportunity to try new products. However, as explained by Stanton (2007), excessive or unplanned use of discounts can damage customers' perceptions of product value, so it is important for companies to design discount strategies carefully. Overall, discounts are an effective marketing tool if used strategically. In addition to supporting the achievement of business goals, discounts can also strengthen the relationship between the company and customers, as long as its implementation does not damage the balance between profits and brand image.

Free Shipping

Free shipping is a marketing policy where the seller bears the shipping costs of goods that are usually charged to the buyer. This strategy is often used by business people, especially in the e-commerce sector, to attract customer attention, increase sales, and build loyalty. Free shipping is one of the incentives that is very popular with consumers, because it can reduce the burden of additional costs when shopping.

According to Kotler and Keller (2016), free shipping is included in the price promotion strategy designed to add value to the consumer experience without having to directly lower the price of the product. This policy gives the impression that customers get greater benefits, thus encouraging purchasing decisions, especially in online transactions. On the other hand, companies can increase sales volume which ultimately covers the shipping costs incurred.

Implementing free shipping can increase the appeal of online stores, especially since shipping costs are often one of the main factors influencing customer decisions. A study by Statista (2022) shows that most consumers tend to abandon their shopping carts if the shipping costs are too high. Therefore, free shipping plays an important role in reducing psychological barriers when consumers make purchases.

Product Quality

Product quality is the level of excellence of a product that meets or exceeds consumer expectations. Quality includes various aspects such as durability, function, aesthetics, and reliability of the product in meeting customer needs or desires. In the context of marketing, product quality is one of the main factors that determine the success of a product in the market because it is directly related to consumer satisfaction and loyalty.

According to Garvin (1987), product quality can be measured through eight dimensions, namely performance, features, reliability, conformance, durability, aesthetics, perceived quality, and after-sales service. This dimension provides a framework for evaluating whether a product is able to deliver the value desired by consumers. Kotler and Keller (2016) emphasize that product quality is a core element in creating value for customers. High-quality products not only attract new customers, but also retain existing customers through positive experiences. Consumers tend to be loyal to brands that consistently maintain the quality of their products. Product quality plays an important role in building brand image and competitiveness in the market. Poor quality products can damage brand reputation and reduce consumer trust. Conversely, superior quality products can often be sold at a premium price because consumers are willing to pay more for them.

However, maintaining product quality requires continuous efforts in terms of innovation, quality control, and adaptation to market needs. The use of advanced technology, selection of appropriate raw materials, and implementation of efficient production processes are key to ensuring that products meet expected standards. Overall, product quality is a key pillar in marketing strategy and business sustainability. By ensuring that products meet or even exceed consumer expectations, companies can not only increase customer satisfaction but also create long-term relationships that benefit both parties.

METHODOLOGY

This research is explanatory research with a quantitative approach. The quantitative approach aims to explain existing phenomena or symptoms by using numerical data as the main material in conducting the analysis (Sugiyono, 2015). The research was conducted in Semarang City. The main reason for choosing the location as the research location is based on the consideration that many residents of Semarang City have begun to understand the use of e-commerce applications in this case Shopee, where this is a convenience for being able to shop practically considering that the research location is in Semarang City. So the researcher chose residents of Semarang City who buy goods online at Shopee Indonesia. A sample of 100 respondents was obtained, with data collection using a questionnaire analyzed using multiple linear regression.

RESULTS AND DISCUSSION

Description of Respondent

This study involved 100 respondents who were residents of Semarang City and had purchased Lifebuoy Soap through Shopee e-commerce. Respondent characteristics based on gender, age, and frequency of online shopping are shown in Table 1.

Validity and Reliability Test

The results of the validity test show that all question items in the Discount, Free Shipping, Product Quality, and Purchase Decision variables have a Corrected Item Total Correlation value > 0.3 , so that all items are declared valid. The reliability test using Cronbach's Alpha produces the values shown in Table 2.

Table 1. Respondent Characteristics

Characteristics	Category	Number of people	Percentage (%)
gender	Man	40	40%
	Woman	60	60%
Age	< 20 years	10	10%
	21-30 years	55	55%
	31-40 years	25	25%
	>40 years	10	10%
Frequency shopping online	1-2 times a month	28	28%
	3-5 times a month	46	46%
	>5 times a month	26	26%

Source: Processed Data

Table 2. Reliability test results using Cronbach's Alpha

Variable	Number of items	Cronbach's Alpha	informations
Discount	4	0,812	Reliabel
Free shipping	4	0,799	Reliabel
Product quality	4	0,845	Reliabel
Purchase decision	4	0,832	Reliabel

Source: Processed Data

Table 3. Multiple Linear Regression Test

Variabel Independen	Regression coefficient (B)	Say. (p-value)
(Constant)	3,215	0,0000
Discount (X ₁)	0,287	0,021
Free shipping(X ₂)	0,311	0,008
Product quality (X ₃)	0,402	0.000

Source: Processed Data

Table 4. Simultaneous Test (F test)

Source	F Count	Say
Regression	28,761	0,0000

Source: Processed Data

Table 5. Coefficient of Determination (R³)

R square	Adjusted R square
0,648	0,636

Source: Processed Data

Multiple linear regression test

To determine the effect of independent variables on dependent variables, multiple linear regression analysis is used. The test results are shown in Table 3. Based on the table, the multiple linear regression model is as follows.

$$Y = 3215 + 0.287X_1 + 0.311X_2 + 0.402X_3$$

Where

Y = Purchase decision

X₁ = Discount

X₂ = Free shipping

X₃ = Product quality

Simultaneous test (F test)

The test results are shown in Table 4. Because the significance value is <0.05 , then simultaneously the variables Discount, Free Shipping, and Product Quality have a significant influence on Purchasing Decisions.

Partial test (t test)

- Discount has a significant effect ($p=0.021<0.05$),
- Free shipping has a significant effect ($p=0.008<0.05$).
- Product quality has a very significant influence ($p=0.000<0.05$)

Coefficient of determination (R³)

The test results are shown in Table 5.

Discussion

The results of this study indicate that the three independent variables, namely Discount, Free Shipping and Product Quality, have a significant influence on the purchasing decision of Lifebuoy Soap on Shopee by consumers in Semarang City. Discounts encourage impulsive purchases,

especially among young consumers who are price sensitive. This finding supports the price promotion theory by Kotler & Keller (2016). Free shipping has been proven to attract consumer interest because it reduces total transaction costs. This is consistent with previous findings by Utami (2021) in the context of local e-commerce. Product quality is the most dominant variable, indicating that even though there is a promotion, consumers still consider product quality as the main reason in purchasing decisions.

Discussion

(The discussion chapter is where you delve into the meaning, importance and relevance of your results. It should focus on explaining and evaluating what you found, showing how it relates to your literature review and research questions, and making an argument in support of your overall conclusion. This part should be written separately from "findings/ results" part.)

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CONCLUSION

Based on the results of the data analysis and discussion that has been carried out, several things can be concluded as follows:

- a. Discounts have a positive and significant effect on the decision to purchase Lifebury Soap via Shopee e-commerce in Semarang City. This shows that the more attractive the discount offered, the higher the tendency of consumers to make purchases.
- b. Free shipping has a positive and significant effect on purchasing decisions. Consumers feel helped by the free shipping facility because it can reduce additional costs, thus encouraging increased purchasing decisions.
- c. Product quality has a positive and significant effect on purchasing decisions, and is the most dominant variable in influencing purchasing decisions. Consumers still place quality as the main factor in choosing a product even though there are price promotions or free shipping.
- d. Simultaneously, discounts, free shipping, and product quality have a significant effect on purchasing decisions. This is proven by the significance value of the F test which is smaller than 0.05.
- e. The regression model has an Adjusted R. Square value of 63.6%, which means that 63.6% of the variation in purchasing decisions can be explained by the discount, free shipping and product quality variables. The remaining 36.4% is influenced by other factors outside of the research.

Recommendation

This study suggests that further researchers consider the use of other methods in the development planning approach to obtain a broader comparison of effectiveness. Practitioners in the field of regional development planning are advised to utilize the AHP (Analytical Hierarchy Process) and SMART (Simple Multi Attribute Rating Technique) methods in an integrated manner in the

decision-making process to increase objectivity and transparency. In addition, local governments need to build a data-based decision support system so that the planning process is more responsive to community needs

Limitations

This study has several limitations, including time constraints that cause the scope of the study to only cover certain areas and limited secondary data that is available in a complete and up-to-date manner. In addition, the involvement of respondents in the alternative assessment process is still limited to internal parties so that it does not represent all stakeholders as a whole.

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Conflict of Interest

The author declares that there is no conflict of interest in this research. All research findings were conducted independently and objectively without any influence from any party that could affect the results of the research.

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