

Analyze the Effect of Price, Security, and Promotion on Purchase Decisions in Lazada Online Store

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Abstract: The purpose of this study was to analyze the effect of price on purchase decisions in Lazada Online Store, analyze the effect of security on purchase decisions in Lazada Online Store, analyze the effect of promotion on purchase decisions in Lazada Online Store, and analyze the effect of price, security, and promotion on purchase decisions in Lazada Online Store. This research method is a type of quantitative research. Data sources of this study include primary data and secondary data. The population in this study was the Environmental Society 19 in Tanjung Mulia Subdistrict, Medan Deli District, totaling 950 people. The sampling technique used in this study was purposive sampling and obtained as many as 125 customers. The data analysis technique used is multiple linear regression, hypothesis testing which includes t test and F test, and coefficient of determination (R^2). The results obtained from the t test results obtained t-value of the variable price of -2.668 smaller than the value of t table -1.658, t-value of security variable 13.490 is greater than the value of t table 1.658, and the t-value of the promotion variable 3.428 is greater than the value of t table 1.658. From the F test results obtained Fcount value of 94.732 is greater than the value of Ftable 2.68. From the test results the coefficient of determination obtained by 69.4% of purchase decisions variable is influenced by the price, security and promotion variables, while the remaining 30.6% is explained by the influence of other factors or variables outside the model such as brand image, distribution channels, service quality, and others that are not discussed in this study.

Keywords: Price, Security, Promotion, Purchase Decisions

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I. Introduction

With the internet in our daily lives gives us convenience. In the absence of the internet, when we want to buy goods must be in the store directly and face to face with the seller to buy the goods at a bargain. With this, an agreement can be reached between the seller and the buyer, so it is called a transaction.

E-commerce is a medium of online shopping transactions that are very well known by internet users around the world. But with e-commerce sometimes makes buyers feel a little hesitant by making purchases online compared to purchases directly on the spot. Many risks can be posed through e-commerce such as fraud, credit card piracy, transfer of funds from certain accounts.

In Indonesia, e-commerce is no longer unfamiliar because many online stores compete with each other to become the best online stores such as Tokopedia, Lazada, Bukalapak, Shopee, OLX, BliBli, Zalora and many more that we can visit easily to buy an item according to the category we want to find or buy. One of the most popular online shops in Indonesia is Lazada Indonesia.

Lazada Indonesia is part of the lazada group which is a shopping destination in Southeast Asia. Lazada Group has operations in Singapore, Malaysia, Indonesia, Vietnam, Thailand and the Philippines with Singapore as the location of their headquarters. Lazada Group itself is a subsidiary of a German internet company called Rocket Internet. Lazada grew into a big company after JP Morgan, several other partners entrusted the investment in Lazada and its parent company, Rocket Internet.

Price problems are caused by lower price competitiveness which has an impact on purchase decisions. Consumers are faced with a variety of online buying and selling sites with almost the same concept. The price is relatively the same, in the end can enable consumers to switch from one online shop site to another, especially if an online shop site offers superior characteristics. Here is a comparison of the price of Seagette Backup Plus Slim 1 TB in 6 e-commerce.

Table 1 Comparison of The Price of Seagette Backup Plus Slim 1 TB in 6 E-Commerce

E-Commerce	Total Harga
Shopee	Rp 939.000
Tokopedia	Rp 948.000
Bukalapak	Rp 948.000
Lazada	Rp 952.000
BliBli	Rp 974.000
Bhinneka	Rp 1.049.000

Safety is one important factor that can influence online purchase decisions. Security problems are caused by lack of security guarantees, for example on January 22, 2018 a consumer named Irfan Rinaldi shed his disappointment because there was a fictitious order worth 22 million in the name of his wife (Yuslianson. 2018). A lazy user became a victim of a fictitious order of Rp. 22 million. <https://www.liputan6.com/tekno/read/3236843/case-fictitious-order-at-lazada-overflow-citizens-baper> (accessed January 24, 2018). This has an impact on purchase decisions, because many buyers fear that the incident will happen again.

In addition to price and security, promotion also plays an important role in purchase decisions. Promotion problems are caused by sales promotions that do not match what is stated, such as gift bonuses. On November 17, 2018, a customer named Feriandy bought an HP Pavilion 15 laptop on Lazada with order number 227047670141467 on the Flash Deals 11 promo. It states that for every purchase of a laptop, you will get a free gaming mouse (for the type in the Logitech Hyperion Fury image) which the price is pretty decent, so it's quite interesting. However, when the product is received, the bonus is not included in the item package. After filing a complaint with CS, they were even offered a coupon of 50 thousand to shop again at Lazada. (Feriandy S. 2018). False bonus is lazada. <https://mediakonsumen.com/2018/11/17/letter-reader/fake-bonus-lazada>. Accessed 17 November 2019).

This has an impact on purchase decisions, because the products that consumers want do not reach the minimum price that has been set so they cannot participate in discount promotions and free shipping. As a result, consumers decide to buy the desired product in another online store.

Based on the importance of prices, security, and promotions that influence purchase decisions at the Lazada Online Store, it is necessary to conduct research on these factors to influence online purchase decisions at the Lazada Online Store. Therefore, researchers are interested in conducting research on "The Effect of Price, Safety and Promotion on purchase decisions on Lazada Online Stores".

According to Kotler and Armstrong (2013: 151), Price is the amount of money charged for an item or service or the amount of money that consumers exchange for the benefits of owning or using the product or service.

According to Raman Arasu and Viswanathan A. (2011), security is where consumers feel safe in conducting online transactions.

According to Kotler and Armstrong (2012: 76), Promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product.

From the explanation above, it can be revealed a framework of thought that serves as a guide to the flow of thought and basis of this research which can be described as follows:

Based on research conducted by Yenny (2016), Ryan (2015) and Rizza and hapzi (2017) show that prices have an influence to improve one's purchase decisions. This means that purchase decisions can be influenced by the price of a product.

H1: There is a price effect on Lazada Online Shop purchase decisions

Based on research conducted by Fransiska (2017), Indra (2018) and Sfenrianto, Wang, Dhiraj and Riswan (2018) show that security has an influence to make online purchase decisions. This means that purchase decisions can be influenced by the security of an online store. H2: There is a security effect on Lazada Online Shop purchase decisions

Based on research conducted by Achmad, Zainul and Kadarismasn (2015), Carunia and Rani (2017) and Baruna, Shilvana and Hapzi (2017) show that promotion has an influence on purchase decisions. If the promotion given to customers increases, it will increase purchase decisions. H3: There is a promotional effect on Lazada Online Shop purchase decisions

Price, security and promotion are important factors in improving purchase decisions. Based on research conducted by Yenny (2016), Ryan (2015) and Rizza and hapzi (2017) show that prices have an influence to improve one's purchase decisions. Based on research conducted by Fransiska (2017), Indra (2018) and Sfenrianto, Wang, Dhiraj and Riswan (2018) show that security has an influence to make online purchase decisions. Based on research conducted by Achmad, Zainul and Kadarismasn (2015), Carunia and Rani (2017) and Baruna, Shilvana and Hapzi (2017) show that promotion has an influence on purchase decisions. H4: There is an effect of price, security and promotion on the purchase decision of Lazada Online Store.

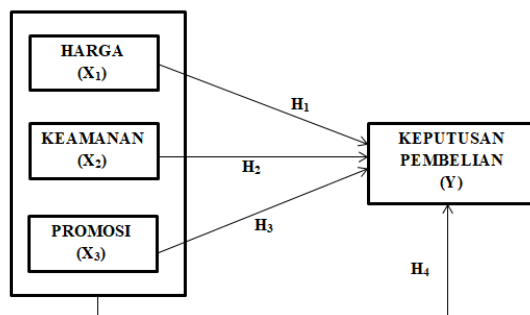


Figure 1 Framework for Thinking

II. Research Methods

The research method that will be used in this research is quantitative research methods. Quantitative research is a scientific approach to managerial decision making (Render, Stair, Hanna, and Hale, 2015). This type of research that will be used in this study is a type of quantitative research using survey methods.

Qualitative data is data obtained not in the form of numbers. This data is obtained from books, journal articles, and comes from interviews with company leaders and employees within the company. Then added with historical data and organizational structure of the company.

Quantitative Data is data obtained in the form of numbers that can be obtained from questionnaire calculations related to the problems discussed in this study.

Primary Data is data obtained directly from respondents through interviews and questionnaires to selected respondents.

Secondary data is data in the form of information that can be obtained from companies, magazines, newspapers, journals and books related to this research.

The population in this study was the Environmental Society 19 in Tanjung Mulia Sub-District, Medan Deli District. The total population is 950 people. By having criteria that is the community that has bought in Lazada Online Store.

Hair et al (2010) recommend a minimum sample size of 100 to 200 samples with 5 to 20 times the estimated number of indicators. In this study there are 25 question items, so that the recommendations of the above theory are met, the number of samples is 5 times the number of questions or as many as $5 \times 25 = 125$ respondents.

Primary Data is data obtained directly from respondents through interviews and questionnaires to selected respondents.

Secondary data is data in the form of information that can be obtained from companies, magazines, newspapers, journals and books related to this research.

Price is the amount of money charged for an item or service or the amount of money that consumers exchange for the benefits of owning or using the product or service. According to Sabler's Kotler and Armstrong's translation (2012:278), there are four indicators whose prices are:

1. Affordability of prices, i.e. aspects of pricing done by producers / sellers in accordance with consumers' purchasing abilities.

2. Price conformity with product quality, i.e. aspects of pricing done by producers / sellers in accordance with product quality that can be obtained by consumers.

3. Price competitiveness, i.e. the price offer given by the producer / seller is different and competes with that provided by other producers, on the same type of product.

4. Price conformity with product benefits, i.e. aspects of pricing done by producers / sellers in accordance with the benefits consumers can obtain from the product purchased.

Security is where consumers feel safe in conducting online transactions. According to Raman Arasu and Viswanathan A. (2011), security indicators include:

1. Security guarantees are guarantees of being free from danger. This term can be used with reference to crime, all forms of accidents, and others.

2.Data confidentiality is the practice of exchanging information between groups of people, can be as much as one person, and hiding it from others who are not members of the group.

Promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product. According to Kotler and Armstrong (2012: 432), the promotional mix consists of 5 promotional tools that can be used as promotional indicators, namely:

1.Advertising

Advertising (advertising) is all forms of non-personal presentation and promotion paid by the sponsor to present ideas, goods or services. Advertising is considered as image management that aims to create and maintain copyright and meaning in the minds of consumers. Promotional forms used include broadcast, print, internet, outdoor, and other forms.

2.Sales promotion

Sales promotion (short sales incentives) to encourage the purchase or sale of a product or service. Promotional forms used include discounts, coupons, displays, demonstrations, contests, sweepstakes, and events.

3.Personal selling

Personal selling, namely personal presentations by salespeople with the aim of generating sales and building relationships with consumers. The form of promotion used includes presentations, trade shows, and incentive programs.

4.Public

Public relations (public relations), namely building good relationships with various public companies in order to obtain favorable publicity, build a good corporate image, and handle or straighten rumors, stories, and events that are not profitable. Promotional forms used include press releases, sponsorships, special events, and web pages.

5.Direct marketing

Direct marketing (direct sales) is a direct relationship with the target consumer with the aim of getting an immediate response and fostering a lasting relationship with the consumer. Promotional forms used include catalogs, telephone marketing, kiosks, internet, mobile marketing, and others.

Purchase decisions are activities or behaviors that arise in response to objects. According to Thomson (2013), there are 4 indicators in purchase decisions, namely:

1.As needed.

Customers make purchases because the products offered are as needed and easy to find the items needed.

2.Has benefits.

The product purchased is very meaningful and beneficial for the customer.

3.Accuracy in buying products.

Price according to product quality and according to customer desires.

4.Repeated purchases.

Circumstances where consumers are satisfied with previous transactions so that they intend to always do transactions in the future.

The tests / analyzes conducted in this study are validity test, reliability test, classic assumption test (normality test, multicollinearity test, heteroscedasticity test), multiple linear regression analysis, F test, t test and coefficient of determination analysis.

III. Results and Discussion

The description of the respondent is an explanation of the characteristics of the respondent that are the object of research such as regarding gender and age. Respondents in this study were Environmental Society 19 in Tanjung Mulia Sudistrict, Medan Deli Subdistrict who had bought products in Lazada Online Store with 125 respondents.

Respondents to Lazada Online Stores are 43 people (34.4%) and 82 women (65.6%) are women. Thus, most female customers buy products in Lazada Online Store such as cosmetics, beauty, fashion, and others. Because women more often buy everyday equipment that will be used than men.

Lazada Online Shop respondents aged less than 19 years there were 5 people (4.0%), aged between 19 years to 25 years there were 24 people (19.2%), aged between 26 years to 35 years namely as many as 70 people (56.0%) and those over the age of 35 years there are 26 people (20.8%). As such, most products in Lazada Online Store are preferred by customers who are still quite young. Due to the age is still quite young, prefer to shop online than old age.

Table 2 Coefficients

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,333	1,020		1,307	,194		
	Harga	-,161	,060	-,150	-2,668	,009	,785	1,274
	Keamanan	,973	,072	,705	13,490	,000	,905	1,106
	Promosi	,169	,049	,190	3,428	,001	,805	1,243

a. Dependent Variable: Keputusan Pembelian

From the multiple linear regression test obtained the regression equation is:

$$Y = 1.333 - 0.161X_1 + 0.973X_2 + 0.169X_3$$

Based on the regression equation above, it can be explained that:

1. 1.333 means that if the price, security, and promotion under study are considered zero, then the purchase decision on the Lazada Online Store is 1.333.
2. -0.161 means that each addition of one-unit variable price (X1) will cause the purchase decision to decrease by 0.161 one-unit with the condition of safety factor (X2) and promotion factor (X3) being considered zero.
3. 0.973 means that each addition of one-unit security variable (X2) will cause the purchase decision to increase by 0.973 one-unit with the condition that price (X1) and promotion factors (X3) are considered zero.
4. 0.169 means that each addition of one-unit promotion variable (X3) will cause the purchase decision to increase by 0.169 one-unit with the condition that price (X1) and safety factors (X2) are considered zero.

Table 3 Test t

Dependent variable Keputusan Pembelian (Y)	t	Sig
(Constant)	1,307	0,194
(X1) Harga	-2,668	0,009
(X2) Keamanan	13,490	0,000
(X3) Promosi	3,428	0,001

T test is used to see partially whether there is a significant influence of the independent variables (price, security, and promotion) partially on the dependent variable (purchase decision). The results of the t test analysis obtained are as follows:

1. The calculated value for the variable price is -2,668. With the degree of freedom (df) of 121 (n-k = 125 respondents - 4 variables) and the level of sig = 5%, the value of the table is equal to -1,658. Because the value of -test < -table and significance value 0.009 < 0.05, the criterion is H1 accepted so that the price partially has a negative and significant effect on purchase decisions on the Lazada Online Store.
2. The calculated value for the safety variable is 13,490. With a free degree (df) of 121 and a level of sig = 5%, the value of ttable is 1.658. Because tcount > ttable and significance value 0.000 < 0.05, the criterion is H2 is accepted so that security is partially positive and significant influence on purchase decisions in Lazada Online Store.
3. The calculated value for the promotion variable is 3.428. With a free degree (df) of 121 and a level of sig = 5%, the value of ttable is 1.658. Because tcount > ttable and significance value 0.001 < 0.05, the criterion is H3 is accepted so that the promotion partially has a positive and significant effect on purchase decisions in Lazada Online Store.

Table 4 Test F

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	464,627	3	154,876	94,732	,000 ^b
	Residual	197,821	121	1,635		
	Total	662,448	124			

a. Dependent Variable: Keputusan Pembelian

b. Predictors: (Constant), Promosi, Keamanan, Harga

The F test is used to test the effect of the independent variable dimensions (price, security, and promotion) simultaneously on the dependent variable (purchase decisions). The results of the F test are known to be the Fcount value of 94.732 with a significant level of 0,000. For a 95% confidence level at degree 1 (df1) = $k - 1 = 4 - 1 = 3$ and degree 2 (df2) = $nk = 125 - 4 = 121$, where n = number of samples, k = number of variables, then the value of F table at the level of trust is 2.68. Because $F_{count} > F_{table}$, the criterion is H4 Accepted so that it can be stated that price, security, and promotion simultaneously have a positive and significant impact on purchase decisions in Lazada Online Store.

Table 5 Coefficient of Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837 ^a	.701	.694	1,27863

a. Predictors: (Constant), Promosi, Keamanan, Harga

b. Dependent Variable: Keputusan Pembelian

The coefficient of determination test is used to measure how far the model's ability to explain the variation of the dependent variable. The coefficient test results, it is known that the Adjust R Square value obtained is 0.694, which means that 69.4% of the purchase decision variable is influenced by the price, security and promotion variables, while the remaining 30.6% (100% - 69.4%) is explained by the influence of other factors or variables outside the model such as brand image, distribution channels, service quality, and others that are not discussed in this study.

IV. Conclusion

Based on the results of the analysis of the effect of price, security, and promotion on purchase decisions in Lazada Online Store, several research conclusions can be drawn, namely:

- 1.From the partial test results, it is known that the price has a negative and significant effect on purchase decisions in Lazada Online Store.
- 2.From the partial test results, it is known that security has a positive and significant influence on purchase decisions in Lazada Online Store.
- 3.From the partial test results, it is known that the promotion has a positive and significant effect on purchase decisions in Lazada Online Store.
- 4.From the simultaneous test results, it is known that price, security, and promotion simultaneously have positive and significant influence on purchase decisions in Lazada Online Store. 69.4% of the purchase decision variable is influenced by price, security and promotion variables, while the remaining 30.6% is explained by the influence of other factors or variables outside the model such as brand image, distribution channels, service quality, and others not discussed in this study.

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