



# Fashion-Buying Decisions at Shopee Are Influenced by Price, Convenience and Trust

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**Abstract.** Advancement in technology positively impacts easier communication technology that meets human needs. Shopee has become one of the marketplaces preferred by the public with increased usage, mainly as a practical shopping of a product. Online shopping trends have become an interesting choice in providing convenience to people with high mobility. The data shows that rapid development has occurred in online consumers, especially during the Covid-19 pandemic. This study aims to determine whether the buying decision under the fashion category on Shopee is affected by price, convenience, and trust. This study uses a quantitative approach with the type of explanatory research in 100 sample respondents who had made a fashion purchase on Shopee. This study also uses multiple linear regression analysis methods supported by instrument testing, classic assumption testing, and partial-simultaneous hypothesis testing. The results show that convenience and trust significantly influence the buying decision, while price does not affect the fashion-buying decision on Shopee. The findings of this study can inspire further researchers by developing further research variables on online purchasing decisions. Theoretical benefits of this research contribute to the development of marketing management science, especially in the study of consumer behaviour.

**Keywords:** Buying Decision · Price · Convenience · Trust

## 1 Introduction

Many people need online transactions due to their ease of access and the swiftness in finding information. Transaction via the internet has become a trend nowadays, especially for online shopping. It also becomes the community's needs, along with the number of users that shows significant increment from time to time. Approximately 60% of Indonesians, according to a 2018 poll by the Association of Internet Provider of Indonesia (APJII), were internet users. Only 11,6% of Indonesians, however, have ever used the internet to complete their shopping [4]. People do not like picking online shopping because the categories offered are still limited, the buyer cannot see or try it directly, lack of communication, some issues occurred on some online application such as hacking consumer account, goods purchased are not suitable, lack of education, complicated payment system, limited delivery goods distribution, a lot of negative perception from the consumers, quality of the product, and uncertain time of receiving. Through online

shopping, the consumer can find things they want easily. Now, online shopping has become the choice for the majority of people, especially for those who are busy and do not have the time to go to the conventional store in order to buy stuff directly. The benefit that consumers get by doing online shopping, such as their 24-h access, could avoid congestion on the way, long queues at malls, or full parking area. Another benefit is that consumers can also make a quick selection of what the vendors are offering. These considerations could affect the consumer behaviour during the entire buying process to be made. Since its first debut, one of the well-known online shopping programs called Shopee has gotten a lot of positive comments from Indonesians. In the early process of observation to the object of research, it was found that some factors that cause a person to prefer online shopping on Shopee marketplace include price information, convenience and consumer trust in online sellers. [15] showed that price information of products sold online might arouse customer attraction in making decisions. One aspect that might influence a person's buying choice is price. The price has a big impact on the buying choice. Perception of prices could significantly affect buying decision because the price interpreted will influence potential buyers in making decisions [13]. Price will also relate to the value determination of a product in the mind of consumers, for the price to be paid, which may include basic pricing, discount policy, shipping fee, and several other things. [12] through their study found that the price variable has not influenced purchasing decisions. Besides the price information factor, convenience is one of the important factors affecting online purchasing. Convenience is a significant feature in internet buying. Convenience means being easily operationalized and is also related to reducing one's business (both in terms of cost, time and energy) in making transactions. The ease of shopping online will cause potential customers to have no trouble shopping online [20]. According to [10], In this study, convenience is defined as easy access to the marketplace. [21] suggested that ease of access had a favorable and significant impact on online purchasing decisions. Online buying decisions might also be influenced by trust factor is one of the key factor in conducting online buying and selling activities. Trust is the power of knowledge possessed by consumers and everything that consumers make, that products have objects, attributes, and benefits [16]. [11] stated that the higher the degree of consumer trust, the higher the consumer's intention to buy also. A strategy is required to be continuously developed in order to build up the consumer trust in shopping online, mainly by providing product information [14]. For the above reasons, this study has conducted the purpose in this research are determine the influence of price, convenience and trust on buying decision of fashion product on Shopee.

## **2 Research Methods**

### **2.1 Population and Samples**

This study's demographic consists of students at Asia Institute in Malang who have made online purchases using the Shopee app. Because the total population of this study is unknown with confidence, the Lemeshow formula was employed, with a maximum error margin of 10% and a sample size of 96 respondents. The samples are 100 student responses, based on the amount of minimum samples to be utilized above. This type of research is causal associative (cause and effect) with a quantitative approach that aims

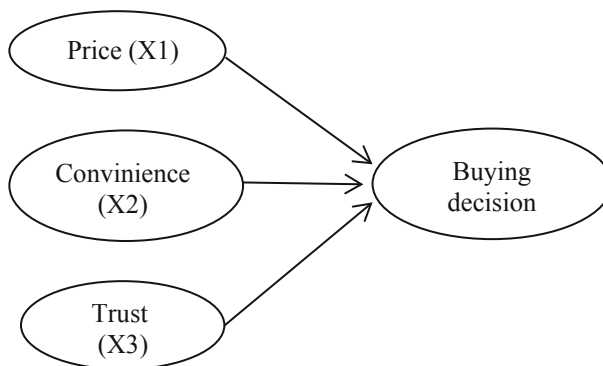
to find out the price, convenience and trust variables, which are the cause variables, that have an effect on fashion-buying decision variable on Shopee Marketplace. The sampling technique was purposive sampling with the provision that the sample of students had bought fashion clothing or accessories at least once during the last 6 months. Data collection techniques used observations and questionnaires to obtain primary data directly from the response information of respondents. Data measurement technique used Likert scale on an ordinal scale of 5 levels of answer preference, scaling from strongly agree to strongly disagree. Data analysis techniques, which were multiple linear regression analysis and instrument testing with validity and reliability tests, stated that all instrument items used in this study were valid and reliable. Analysis technique equipped with classic assumption test using normality, multicollinearity, and heteroscedasticity tests found that normal data distribution satisfies the normality conditions, no multicollinearity between independent variables, and no heteroscedasticity.

## 2.2 Analysis Model and Hypothesis

Based on the basic concepts and previous research, the conceptual model framework can be described in the Fig. 1.

- a) Price perception greatly affects a consumer's decision to purchase a product. The perception of price explains information about a product and provides a deep meaning for the consumers [9]. [1] Price is defined as the amount of money used as a means of trade to obtain goods or services, or it can also be considered to be the evaluation of a product's value in the eyes of customers. [5, 8] indicated that most respondents consider price as an important factor influencing their purchase decisions. [15] found that price has a significant positive effect on consumer purchasing decisions on online Shopee purchases. Based on the discussion above, the first hypothesis is the following:

H1: Price positively affects the buying decision.



**Fig. 1.** Research Conceptual Framework. Source: Data Processed, 2021

- b) This convenience factor is related to how the transaction operates online. In this study, convenience refers to easy access to the marketplace. According to the Oxford Dictionary, convenience is the state of being able to proceed with something without encountering any problems. The internet has simplified consumer purchases. Because customers do not have to deal with traffic, find a parking spot, or walk from one store to another. The customer has remained seated in front of their computer and internet connection. This is supported by research conducted by [7, 18], which states that shopping convenience is positively related to perceived shopping enjoyment. Research by [3] indicated that convenience has a significant effect to purchasing decision online. Based on the discussion above, the second hypotheses is the following:

H2: Convenience affects the buying decision.

- c) Trust can be realized if a product meets the expectations and needs of consumers, where they will be satisfied with the product. According to [22], It should be remembered that trust stems from customer expectations of a product, and if these expectations are not realized, consumer confidence will be decreased or perhaps evaporate. Trust will arise if consumers have felt satisfaction because they have used products with certain brands. So they believe of the product, will not easily leave or replace the product with other brands. When a person makes an online purchase, the key thing to consider is if the consumer trusts in the website offering online shopping and the online merchants. [2, 7, 11, 17, 19] found that trust has a positive and significant influence on purchasing decisions. Based on the discussion above, the third hypothesis is the following:

H3: Trust affects the buying decision.

## 2.3 Measurement Indicator

The indicators in the question are as follows:

### 2.3.1 Price

- a. The Shopee app has lower costs than other e-commerce platforms.
- b. The Shopee app matches the price to the product's quality.
- c. The Shopee program offers excellent rates with vouchers.

### 2.3.2 Convenience

- a. The Shopee app allows customers to effortlessly access items.
- b. The Shopee app makes it simple for customers to find items.
- c. The Shopee app makes it simple to process and complete shopping transactions.
- d. The Shopee app makes it simple to buy and return products.

### 2.3.3 Trust

- a. The Shopee sellers can be held responsible.
- b. The Shopee can fulfill consumer shopping desires.
- c. The performance of Shopee sellers is confident.
- d. The Shopee products can meet the needs.
- e. The Shopee sellers can serve consumers well.

### 2.3.4 Buying Decision

- a. I frequently use Shopee to shop.
- b. I'm seeking for information on the Shopee application's product categories.
- c. I will always shop at Shopee since I enjoy shopping there. I am seeking for information on shopping experiences at Shopee from friends and family who have shopped there.
- d. Shopee has numerous payment options.

## 3 Result and Discussion

The study resulted in providing a general description of respondents, as many as 21 males and 79 females, 78% aged between 20–25 years, the frequency of online shopping on Shopee for the last 6 (six) months averaged at 1–3 times (62%) with the type of purchase in clothing is majority, with 66% of respondents. The results of instrument testing with validity test found that 18 indicators used to measure the variables being studied were declared valid, along with the obtained Pearson correlation values was more than the value of  $= 0.05$ , so that all instruments were declared valid. Meanwhile, reliability test measurement on price, convenience, and trust variables found that Cronbach Alpha valued more or equal than ( $\geq$ ) 0.60, which means that every variable declared reliable and could be used for further analysis. Calculation of multiple linear regression analysis can be shown in Table 1.

Statistical test result in Table 1 was it can be identified that the value of determination coefficient ( $R^2$ ) is 0,837, which can be interpreted that price, convenience, and trust variables to explain buying decision variable is 83,7%, while the other 16,3% were caused by other variables not used in this study. Results from the F test found that price, convenience, and trust variables could simultaneously affect buying decisions, so online sellers on Shopee should be able to manage appropriate pricing, product information, attractive, and easy-to-access, and continuously develop strategies to build up consumer trust. The convenience variable was the dominant one to influence the buying decision of fashion products on Shopee, which can be identified through its highest  $\beta$  coefficient value on the statistical test.

**Table 1.** Results of multiple linear regression

Variable	Unstandardized Coefficients $\beta$	t	Sign
Constant	4,045		
Price	0,151	1,452	0,150
Convenience	0,431	3,619	0,000
Trust	0,374	4,572	0,000
F	64,275	Sign. 0,000b	
R	0,915a		
R Square	0,837		
Adjusted R Square	0,832		

Source: Data Processed, 2021

### 3.1 Multiple Linear Regression Test

Multiple linear regression model using in this study to analyze for a causal relationship between independent variables, namely Price, Convenience and Trust to a dependent variable Buying Decision with the following equation:

$$Y = 4,045 + 0,151X_1 + 0,431X_2 + 0,374X_3 + e$$

### 3.2 Partial Significance Test (t-Test)

The T test is a technique that determines whether a choice is accepted or rejected based on the assumption or hypothesis given. A T-test measures the influence of each independent variable on the dependent variable. The t-test may be used to compare arithmetic and t tables.

While the testing criteria are as follows, the significant level ( $= 0.05$ ), where if the significance value  $0.05$ , it may be argued that the independent variable has a partial influence on the dependent variable. If it  $t_{\text{arithmetic}} > t_{\text{table}}$ , then  $H_0$  is rejected and  $H_1$  is accepted, and if it  $t_{\text{arithmetic}} < t_{\text{table}}$ , then  $H_0$  is accepted and  $H_1$  is rejected.

#### 3.2.1 The Effect of Price to Buying Decision

Based on the results of the t-test analysis on the price variable ( $X_1$ ) that is equal to  $0,150 > 0,05$ . The value of  $t_{\text{arithmetic}}$  is  $1,452 < 1,985 t_{\text{table}}$ . It can be concluded that the price variable does not have significant influence on buying decisions. Therefore, the first hypothesis is rejected.

#### 3.2.2 The Effect of Convenience to Buying Decision

Based on the results of the t-test analysis on the Convenience variable ( $X_2$ ) that is equal to  $0,000 < 0,05$ . The value of  $t_{\text{arithmetic}}$  is  $3,619 > 1,985 t_{\text{table}}$ . It can be concluded

that convenience variables have a significant influence on buying decisions. Therefore, the second hypothesis is accepted.

### 3.2.3 The Effect of Trust to Buying Decision

Based on the results of the t-test analysis on the Trust variable (X3) that is equal to  $0,000 < 0,05$ . The value of t arithmetic is  $4,572 > 1,985$  t tables. It can be concluded that trust variables have a significant influence on buying decisions. Then the third hypothesis is accepted.

### 3.3 Simultaneous Significance Test (F Test)

The F test is used to test the effect of the overall independent variable, namely price, convenience and trust on the dependent variable, namely buying decision. Table 1 showed the F value of 64,275 is greater than the F table value 3,09. Significance value is 0,00 less than 0,05 according to the basis of buying decision, it can be concluded that the variables of price, convenience and trust simultaneously and have a positive influence on buying decision in Shopee marketplace.

### 3.4 Test of Determination Coefficient

The coefficient of determination ( $R^2$ ) is an analytical tool contained in multiple linear regression tests, which is used to measure how much the ability of independent variables to explain the dependent variable. Based on Table 1, the R square value of 0,837 shows that price, convenience and trust variables can explain buying decision of 83,7% and 16,3% are explained by other independent variables not included in this study.

### 3.5 Discussion

The consumer buying decision is one of the most important things to be analyzed in marketing. This research finds that all variables influence consumer buying decision on shopping fashion at Shopee. There are price, convenience and trust. Based on this result, so online sellers at Shopee should be able to manage appropriate pricing, clear product information, attractive, and easy-to-access, and continuously develop strategies to build up consumer trust. The convenience variable was the dominant one to influence buying decision of fashion products on Shopee, which can be identified through its highest  $\beta$  coefficient value on the statistical test.

Price variable (X1) measured with indicators, namely lower prices than others, match to the quality of the product, and attractive prices with vouchers/free postage promos do not affect buying decision. The results of this study are in line with the research of [12, 14] but not in line with the research of [6, 13, 15] which stated that price influences buying decision. This phenomenon is suspected to happen because price variable is not a priority in consideration of buying decision. However information about prices remains an attraction to find the desired product. Products sold online at Shopee are not necessarily cheaper, especially when the price listed does not include the delivery fee, and discounts are not necessarily an attraction for buyers if they are not accompanied by

good quality products. In accordance with the results of the interview with respondents, display of the product design, quality information, along with review from other buyers are more priority in the consideration of buying decision.

Convenience variable (X2) measured with indicators, namely access convenience, search convenience, possession convenience and transaction convenience are important factors contributing to increasing consumer buying decision. The purchase process involves many different stages, and in each stage, time and effort are the important resources that consumers have to spend to buy the product and services. Therefore, increasing convenience in these stages will increase the buying decision and help businesses to improve their online sales. The results of this study are in line with the research of [3, 7, 10, 21].

Trust variable (X3) measured with indicators, namely the Shopee sellers can be held responsible, the Shopee can fulfill consumer shopping desires, the performance of Shopee sellers is confident, the Shopee products can meet the needs and the Shopee sellers can serve consumers well do affect buying decision. The results of this study are in line with the research of [7, 11, 14, 17, 19] which found that trust influences the buying decision. From this phenomenon, it can be concluded that consumer trust begins with the presence of interest and belief in respect of the information about products at Shopee, even though sellers and buyers can't make face-to-face interactions, those trusts also fostered with services in on-time product delivery, appropriate order, along with the possibility of further communication in order to give buyer satisfaction.

The findings of this study can inspire further researchers by developing further research variables on the topic of online purchasing decisions. Theoretical benefits in this research contribute to the development of marketing management science, especially in the study of consumer behavior.

## 4 Conclusion and Suggestions

Based on the results of research and data analysis in the previous chapter, it can be concluded as follows:

- a. Based on the results of hypothesis testing, it shows that price has not significantly affected fashion-buying decision at Shopee. The price offered by the seller is not a priority in consideration of the fashion-buying decision but display of the product design and product quality are more priority the consideration in the decision.
- b. Based on the result of hypothesis testing, it shows that convenience has positively and significantly affected fashion-buying decision at Shopee. The purchase process involves many different stages, and in each stage, time and effort are the important resources that consumers have to spend to buy the product and services. Convenience is a important variable contributing to increasing consumer buying decision.
- c. Based on the result of hypothesis testing, it shows that trust has positively and significantly affected fashion-buying decision at Shopee. The consumer trust begins with the presence of interest and belief in respect of the information about products at Shopee, even though sellers and buyers can't make face-to-face interactions, those trusts also fostered with services in on-time product delivery, appropriate order, along with the possibility of further communication in order to give buyer satisfaction.



- d. Based on the results of the existing conclusions, the researcher tries to make the suggestions in next researchers are able to expand the independent variable that was not examined in this study like product reviews, payment methods, brand image, service quality and other variables. For Shopee, it is necessary to maintain and improve the website for access convenience and seller should be more trusted by consumers when given a variety of service facilities to facilitate consumers in conducting activities relations or transactions with the company.

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