



The Influence of Shopee's Flash Sale Promotion and "Free Shipping" Tagline on the Buying Interest of Young People in Sukabumi City

Ayu Novita Lestari^(✉), Annisa Sulistiyani, Vivi Anggraeni, and M. Andri Juniansyah

Management, Faculty of Business and Humanities, Universitas Nusa Putra, Sukabumi, Indonesia
{Ayu.novita_mn19, Annisa.sulistiyani_mn19, Vivi.anggraeni_mn19, m.andri.j}@nusaputra.ac.id

Abstract. The development of technology and communication, especially in internet technology, has changed world civilization very quickly, one of which is the interest in buying online shopping in the community which has led to the emergence of new e-commerce companies in Indonesia, including Shopee. The flash sale program and the "free shipping" tagline have made Shopee one of the most popular online shopping. Flash sale promotions and advertising messages in the form of free shipping slogans convey to consumers the impression that the offer is only valid once and thereby motivate consumers to make an online purchase. This study aims to determine whether sales on flash sale promotions and the tagline "free shipping" affect the buying interest of young people in Sukabumi City. The sampling technique used is a non-probability sampling technique using a sample of 100 respondents and using multiple regression analysis. The results of this survey show that flash sale promotions and the tagline "free shipping" have a significant effect of 51% on purchase intention.

Keywords: Flash Sale · Tagline · Purchase Interest · E-Commerce

1 Introduction

The development of communication technology, especially in internet technology, has changed world civilization very quickly, one of which is making it easier for traders to be able to easily market the goods they produce online. Citing data that has been accessed from Datareportal 2022 entitled "Digital 2022 Indonesia", Indonesia has 204.7 million internet users or equivalent to 73.7% at the beginning of 2022 with a total population of 277.7 million people, where the total has increased 1% compared to the beginning of the previous year [1].

Based on BPS data for 2021 around 16.25% of internet users aim to access online goods buying and selling activities [2]. The data shows a change in lifestyle from offline to online shopping. The Indonesian Association of Internet Service Providers (APJII) has released 2020 data on why consumers buy necessities online. The main reason consumers choose online shopping is because the price is much cheaper with a percentage of 15.2%, lots of discounts and promotions, can shop anywhere even faster and more practical [3].

© The Author(s) 2023

P. Hartanto (Ed.): ICEMAC 2022, AEBMR 252, pp. 117–124, 2023.

https://doi.org/10.2991/978-94-6463-226-2_10

According to the OECD in 2021, Indonesia's e-commerce users are one of the countries with the largest number of e-commerce users [4]. Supported by the research institute, We Are Social 2021 published a list of countries with the highest e-commerce users in the world. Indonesia has a share of 88.1% and the UK is in second place with a percentage of 86.9% [5]. Indonesia's large number e-commerce users is one of the drivers of e-commerce growth.

The trend of increasing online shopping also occurs in West Java. This is supported by APJII 2020 regarding the contribution of internet penetration between provinces in the Java region. The total penetration of the population in West Java has increased by 1.3% compared to the previous year's penetration rate of 16.6% [3]. Referring to Jabarprov in 2021, the Head of Bank Indonesia Representative, Herawanto, West Java is ranked first with the largest e-commerce in the country. Total transactions in the middle of the third quarter of 2021 were recorded in rupiah currency at 15.02 trillion [6]. With this, West Java has a very important opportunity for both economic recovery and the economy for the future.

Price promotions and free shipping by e-commerce providers have a significant positive effect on young people's interest in purchasing in the Tanggamus area [7]. Another thing is also supported by data released by We Are Social 2022 regarding online sales promotions that are most in demand by consumers on a global scale, these data show that free shipping is the main driver for people to shop online with a percentage of 51.1% of users [8].

Based on the description above, it is also known that as much as 5.4% of Gen Z and Millennial salary income is spent on e-commerce [9]. In addition, a study from Katadata noted that the majority of Generation Z use Shopeepay a lot, with a percentage of 77.8% of respondents choosing this method. This means that Shopee dominates the majority of Gen Z and Millennial consumers in Indonesia. Therefore, researchers are interested in conducting research on millennial consumers (especially young people in Sukabumi City).

2 Literature Review

Flash Sales

Flash sale is an online promotional tool that provides large discounts which are limited by time by the owner of the company [10]. Another theory also explains that flash sales cause consumers to quickly reconsider their buying decisions for fear of running out of stock [11]. Flash sale indicators include promotion frequency, promotion quality, promotion timing and accuracy [12].

Taglines

Tagline is a series of short phrases used to introduce a brand or company to consumers [13]. Verbally "free shipping" contains information regarding the offer of free shipping services to all parts of Indonesia. The "free shipping" tagline is enough to attract the interest of people who like to shop online. With the tagline "free shipping" it is hoped that the message will be memorable and stick in the minds of the public. The tagline has three indicators namely familiarity, differentiation and message of value [14].

Interest Buy

Purchase intention is a shopper's attitude towards the evaluation of a product, service or other and causes a decision to buy [15]. This theory explains that buying interest is at the stage when someone decides to buy. Consumers who are interested in a product or service do not necessarily have to buy it. However, if the consumer has a positive attitude towards the product, this will arouse interest in purchasing. Indices include trading interest, reference interest, preferred interest, and exploratory interest [16].

Research by Jannah et al., in 2022 shows that flash sale discounts have been shown to have a very positive impact on purchasing decisions [17]. In line with Herlina et al.'s research, the 2021 flash sale has a major effect on consumer purchase motivation [10]. This means that by offering a low price, and sales are limited by time, it influences buying interest in making purchases. That way consumers will immediately make a purchase transaction and the results will affect the increase in product sales research by Istiqomah & Marlena in 2020 free shipping promos show that these promotions have an important and positive impact on purchasing decisions [18]. The results of another study by Azizi & Yateno in 2021 the free shipping slogan had a positive impact on purchases [13]. Promotion of the tagline "free shipping" to attract consumers so that they can influence consumers, especially on buying interest. With the tagline "free shipping" people can increase their shopping desires.

According to Pratama et al., in 2021 with price promotions and free shipping Shopee will have a positive impact on young people to make purchases of a product in Tanggamus Regency [7]. Based on the explanation above, we have the following hypotheses:

H1: Flash sale have a positive impact on purchase intent.

H2: "Free shipping" tagline has a positive impact on purchase intent.

H3: Flash sale and "free shipping" slogans have a positive impact on purchase intent.

3 Method

Study uses quantitative research with survey methods. There are three variables in this study, the free flash sale variable (X_1), the tagline "free shipping" (X_2) and the dependent variable buying interest (Y). The population sample includes all consumers in Sukabumi City, especially young people who use the Shopee application. Purposive sampling was used to determine the number of samples taken based on the research criteria. The terms of collection include Sukabumi consumers aged 15–24 who have shopped online at Shopee at least once in less than six months. The sample size used is her 100 respondents based on the ancient Rao formula [19].

This study uses primary and secondary data. The analysis technique used includes classical hypothesis testing, multiple regression analysis, hypothesis testing, and certainty testing (R^2). This analysis was processed using the Software Statistical Product and Services Solutions (SPSS) 25 program which has been validated by instruments, especially validity and reliability.

4 Result and Discussion

After checking the validity, it was determined that all statement items in the flash sale variable indicator, the “free shipping” tagline variable indicator and the purchase intention variable indicator were genuine because the R-count value was greater than the R-table value 0.1966. In addition, a reliability test was carried out. Flash sale variable, the tagline “free shipping and buying interest can be trusted because cronbach’s alpha > 0.7 .

Classical assumption tests were carried out which included tests for normality, multicollinearity and heteroscedasticity. Obtained Asymp.Sig (two-tailed) is 0.200, which means it is greater than 0.05 and we can conclude that the data are normally distributed. Multicollinearity test used to detect whether a regression model is multicollinear. As indicated by tolerance and a Variance Inflation Factor (VIP). A tolerance value of 0.864 is greater than 0.10 and a VIP value of 1.157 is less than 10.00. From this we can conclude that there is no multicollinearity between the independent variables in this study. Glejser test is used to determine heteroscedasticity. The findings show that the value of Sig. For each variable is 0.471 for the flash sale variable and 0.937 for the “free shipping” tagline variable. Because the value of Sig. More than 0,05.

The model for multiple linear regression is then tested. The following table summarizes the results of the multiple regression analysis:

Based on the result of the multiple regression processing, the resulting multiple regression equation is:

$$Y = 10.347 + 0.231 X_1 + 0.652 X_2 + e$$

From the multiple regression equation we can conclude that the constant value (a) is a positive value of 10.347. This means that the flash sale (X_1) and the tagline “free shipping” (X_2) have a positive effect. The more flash sale variables and the tagline “free shipping” increases buying interest.

The coefficient value of the flash sale variable (X_1) is 0.231, which means that the flash sale variable (X_1) has a positive impact on the purchase intention variable (Y), when the flash sale value increases by 1% it increases buying interest by 0.231.

The coefficient value for the tagline variable “free shipping” (X_2) is 0.652. This shows that the tagline variable “free shipping” (X_2) has a positive effect on the variable willingness to buy (Y), with an increase of 1% it can increase buying interest by 0.652. After testing the multiple linear regression model, hypothesis testing consists of the t-tests and f-tests. The t-test result can be seen in the following table:

The t-test result show that flash sales (X_1) have a large impact on willingness to buy (Y). This can be seen from the value of sig. H1 is accepted because $0.006 < 0.05$ and t-count $>$ t-table ($2.820 > 1.660$). So H1 is accepted. Furthermore, the tagline “free shipping” (X_2) has a significant impact on the purchase floating rate (Y). This can be seen from the value of sig. H2 is accepted because $0.000 < 0.05$ and t-count $>$ t-table ($7.927 > 1.660$) so H2 is accepted (Tables 1, 2 and 3).

In Table 3, we get Ftable from $df_1 = k - 1$ ($3 - 1 = 2$) and $df_2 = n - k$ ($100 - 3 = 97$). As Ftable received from 3.09. As a result of data processing, Fcount value of 50.468 which is greater than Ftable 3.09. It can be concluded that H3 is accepted, namely

Table 1. Result of Multiple Linear Analysis Test

Coefficientsa			
Model		Unstandardized Coefficients	
		B	std. Error
1	(Constant)	10,347	2,851
	Flash sales	.231	082
	Taglines	.652	082

Table 2. Partial Significance Test (t-test) Result

Variable	t count	t table	Sig.
Flash Sales (X1)	2,820	1,660	.006
Taglines (X2)	7,927	1,660	.000

Table 3. Result of The Joint significance test (F-test)

ANOVAa					
Model	Sum of Squares	df	MeanSquare	F	Sig.
Regression	532.0	2	266.0	50,468	.000b
residual	511.3	97	5,271		
Total	1043.3	99			

Ftable = 3.09

Table 4. Determinant Coefficient Test Results (R2)

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.714a	.510	.500	2,296

flash sales (X_1) and the tagline “free shipping” (X_2) have a simultaneous positive and significant effect on the dependent variable’s willingness to buy (Y).

Based on the data processing result, we find that R Square (R^2) is 0.510. Shows that flash sales and the tagline “free shipping” have a 51% effect on buying interest. The remaining 49% are explained by other factors not considered in this study.

The Influence of Flash Sale Promotions on Buying Interest in Shopee E-Commerce in Sukabumi

Based on the result of the conducted, we was found that H1 acceptable, that flash sales have a positive and significant impact on purchase intent. This is a significant flash sale variable where sig. $0.006 < 0.05$ t-count obtained at 2.820 is greater than t-table 1.660 and the regression coefficient is positive 0.231. Buyers of the flash sale feature are indeed profitable because they can buy products at below standard prices. For example, products are usually sold at Rp. 500.000,- during the flash sale Rp. 350,000.- or even Rp. 100,000.- the price has a very large effect on the availability of consumers in making purchases. This certainly affects buying interest because product prices are much cheaper than usual prices [10].

The Influence of the “Free Shipping” Tagline on Buying Interest in Shopee E-Commerce in Sukabumi

Based on the results of the research conducted, it was found that H2 was accepted and the tagline “free shipping” had a positive and significant effect on purchase intent. Recognizable from the significant variable tagline “free shipping” where sig. $0.00 < 0.05$ t-count obtained for 7.927 is greater than t-table 1.660 and the regression coefficient is positive 0.652. With the tagline “free shipping” has a very good impact and leaves a distinct impression on consumers. Free shipping can influence gen Z purchasing decisions in rural areas. Thus consumers do not need to think about the cost of shipping costs for the products they will buy so that the products purchased can reach their homes [20].

The Effect of Flash Sale Promotions and the “Free Shipping” Tagline on Interest in Buying Shopee E-Commerce in Sukabumi

Based on research results. It was found that H3 was accepted where the flash sale and the tagline “free shipping” had a positive effect on buying interest. With Fcount 50.468 greater than Ftable 3.09. Multiple linear regression analysis test shows that the tagline “free shipping” has a stronger influence on purchase intention compared to flash sales, namely 0.652. An increase of one unit in the tagline “free shipping” increases buying interest by 0.652. The results of this study also show that changing flash sales and the “free shipping” tagline can change purchase intentions. This is also reflected in the R-squared result of 0.510. This means that flash sales and the tagline “free shipping” affect purchase intent by 51%, with the remaining 49% influenced by other variables used in this study not inspected [7].

5 Conclusion

Based on the results of the survey and discussion, we concluded that flash sale promotions and the “free shipping” tagline for e-commerce Shopee had a partial positive and significant effect on young people’s purchasing intentions in Sukabumi City, both partially and simultaneously.

References

1. Datareportal, "Digital 2022 Indonesia," 2022. <https://datareportal.com/>
2. BPS, "Statistik Indonesia 2021," 2021. <https://www.bps.go.id/>
3. APJII, "Laporan Survei Internet APJII 2019 - 2020 [Q2]," 2020.
4. IDX, "Jadi Pasar Potensial, Pengguna E-Commerce RI Salah Satu Tertinggi Di Dunia," *idxchannel.com*, 2021.
5. Katadata, "10 Negara Dengan Persentase Penggunaan E-Commerce Tertinggi Di Dunia," 2021. <https://databooks.katadata.co.id/>
6. Jabarprov, "Transaksi E-Commerce Jabar Capai Lebih Dari 6,5 Triliun Tertinggi Nasional," 2021. <https://jabarprov.go.id/>
7. W. C. Pratama, W. L. Ley-Ley, and V. F. Sanjaya, "Pengaruh Promosi Big Sale dan Gratis Ongkos Kirim Shopee Terhadap Minat Beli Anak Muda di Kabupaten Tanggamus," *J. Ekon. Manaj. dan Akunt.*, vol. 3, no. 1, pp. 1–9, 2021, [Online]. Available: <http://jema.unw.ac.id>
8. Katadata, "Promosi Jualan Online Yang Paling Banyak Diminati Konsumen Di Skala Global," 2022. <https://databooks.katadata.co.id/>
9. katadata, "Gaji Generasi Z dan Milenial Banyak Di Belanjakan Di E-Commerce," 2021. <https://databooks.katadata.co.id/>
10. H. Herlina, J. Loisa, and T. M. SM, "Pengaruh Model Promosi Flash Sale Terhadap Minat Pembeli Dan Keputusan Pembeli Di Marketplace Online," *J. Ilm. MEA (Manajemen, Ekon. Akuntansi)*, vol. 5, no. 2, pp. 1637–1652, 2021.
11. H. Herlina, J. Loisa, and T. M. S. Mulyana, "Dampak Flash Sale Countdown Timer Di Marketplace Online Pada Keputusan Pembelian Dengan Minat Beli Sebagai Intervening," *Digismantech (Jurnal Progr. Stud. Bisnis Digit.)*, vol. 1, no. 1, 2021.
12. D. Amanah and S. P. Pelawi, "Pengaruh Promosi Penjualan (Sales Promotion) dan Belanja Hedonis (Hedonic Shopping) Terhadap Impulsive Buying Produk Matahari Plaza Medan Fair," *J. Quanomic*, vol. III, no. 02, pp. 10–18, 2015.
13. F. Azizi and Yateno, "Pengaruh Kualitas Produk, Diskon dan Tagline 'Gratis Ongkir' terhadap Keputusan Pembelian Pada Market Place Shopee (Studi Kasus Pada Mahasiswa FEB, Universitas Muhammadiyah Metro)," *J. Manaj. Divers.*, vol. 1, no. 2, pp. 260–277, 2021.
14. R. K. Mahisa, L. A. Permadi, and S. Darwini, "Analisis Pengaruh Tagline Dan Brand Ambassador Terhadap Brand Awareness Telepon Seluler Merek Oppo (Studi Pada Pekerja Kantoran Di Kota Mataram)," *J. Ris. Manaj.*, vol. 19, no. 2, pp. 86–97, 2019.
15. N. A. Haniscara and S. Saino, "Pengaruh Online Customer Review dan Tagline Terhadap Keputusan Pembelian Produk Fashion Di Marketplace Shopee dengan Minat Beli Sebagai Variabel Intervening: Studi Pada Generasi Muda Surabaya," *J. Sains Sosio Hum.*, vol. 5, no. 1, pp. 533–543, 2021, doi: <https://doi.org/10.22437/jssh.v5i1.14173>.
16. I. Dzulqarnain, "Pengaruh Fitur Online Customer Review Terhadap Keputusan Pembelian Produk Pada Marketplace Shopee," 2019.
17. M. Jannah, B. Wahono, and K. Khalikussabir, "Pengaruh Diskon Flash Sale, Rating Dan Gratis Ongkos Kirim Terhadap Keputusan Pembelian Pada Marketplace Shopee," *J. Ilm. Ris. Manaj.*, vol. 10, no. 13, 2022.
18. M. Istiqomah and N. Marlina, "Pengaruh promo gratis ongkos kirim dan online customer rating terhadap keputusan pembelian produk fashion The effect of free shipping promotion and online customer rating on the purchase decision of fashion product," vol. 12, no. 2, pp. 288–298, 2020.

19. N. Arianto and E. Patilaya, “Pengaruh Kualitas Produk dan Kelengkapan Produk Terhadap Keputusan Pembelian Produk Salt n Pepper Pada PT Mitra Busana Sentosa Bintaro,” *Kreat. J. Ilm. Prodi Manaj. Univ. Pamulang*, vol. 6, no. 2, pp. 143–154, 2018.
20. H. A. Maulana and Y. Asra, “Analisa Pengaruh Promo Gratis Ongkos Kirim terhadap Keputusan Pembelian pada E-commerce oleh Generasi Z di Daerah Pedesaan,” *Inovbiz J. Inov. Bisnis*, vol. 7, no. 2, pp. 162–165, 2019.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter’s Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter’s Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

