

The Effect Of Flash Sale And Discount Towards Impulsive Buying (Study On Shopee Users)

Rhani Nastiti¹, Edi Suswardji Nugroho²

^{1,2}Department of Management, Faculty of Economics, Universitas Singaperbangsa Karawang, Indonesia

Abstract

The purpose of this study is to explain the effect of flash sale and discount towards impulsive buying on Shopee users. This study used path analysis to determine the description of the variables studied and their effects, either directly, indirectly, partially or simultaneously on endogenous variables. Based on the results of the study indicate that there is the partial effect of flash sale and discount towards impulsive buying. Based on the the results of the study also showed that there is a positive effect simultaneously of flash sale and price discount towards impulsive buying in amount of 0,513 or 51,3%. Then the rest has amount of 0,487 so that the effect of variables not used in this variable has amount of 48,7% such as for example service quality, marketing costs, personal selling, and others.

Keywords

E-Commerce, Shopee, Flash Sale, Discount, Impulsive Buying

INTRODUCTION

Along with the times, humans have undergone many drastic changes starting from ancient civilizations to become more modern. This can be seen from the presence of a variety of technologies that are increasingly developing, the field of technology has an important role in taking over the advances that occur in human life. One of them is in information technology which in its application is related to internet networks. This condition makes the growth of internet users more rapidly throughout the world.

This makes sense because of the use of the internet which can easily access various kinds of information from around the world. Some people see this as something that has potential with great opportunities to reap profits in starting a business. Therefore, Now businesses have experienced a shift in methods caused by the positive impact of the internet. Previously, buying and selling activities started from conventional transactions to become more modern transactions. This activity is called e-commerce, namely electronic trading activities carried out online.

Many platforms that create e-commerce include Amazon, Alibaba, eBay, and others. do not miss Indonesia also began to follow the development and changing times that occur in the world of trade through e-commerce companies. Shopee, Tokopedia,

Bukalapak, and others are the names of the platforms available in Indonesia. Shopee was first launched in Singapore in 2015 and began entering Indonesia in the same year. Shopee is the most popular platform for Indonesian people, it can be said that Shopee is successful in running her business, especially in Indonesia.

It can be seen that Shopee is an e-commerce platform that applies the Consumer to Consumer (C2C) and Business to Consumer (B2C) business models. C2C is a communication system and business transactions between one consumer and another to be able to meet certain needs at a certain time Anggiani (2018), while B2C is a business communication system between business people and consumers to be able to meet certain needs at certain times Anggiani (2018). Therefore, intense competition may occur and requires sellers to have good knowledge and skills to be able to attract the attention of potential buyers in this modern business.

Talking about modern business, of course this is closely related to modern society as well. According to Brusdal and Lavik (2005) in Juliastuti et al. (2016) stated that as people's shopping habits increase, this is also supported by the advancement of the banking system that issues credit cards, debit cards, etc., so that consumers change to become increasingly hedonistic and impulsive. There is also Samuel (2009) in

Zakiyyah (2018) who argues that unplanned buying behavior or impulsive buying is something that is attractive to producers and retailers, because it is the largest market share in the modern market.

Impulsive buying decisions usually use emotion rather than logic. Emotionally attracted consumers no longer care to involve rationality in the purchasing decision-making process. Consumer behavior in making sudden decisions is a golden opportunity for actors or sellers in e-commerce. Business people can act quickly to take advantage of this opportunity, one of which is a sales promotion strategy.

Sales promotion is a short-term stimulant that is planned to stimulate the consumer, trade, and sales force markets (Suyanto, 2013) in Reza (2016). Shopee has a sales promotion feature which it calls Flash Sale, sellers can offer their products in this feature. Flash sale is a concept of product promotion to consumers by way of big discounts, in a very limited time. Based on a study conducted by Agrawal & Sareen (2016) in Zakiyyah (2018), it shows that flash sales have helped companies to attract the attention of the masses or potential consumers, but the company was unable to take advantage of the attention generated to turn it into revenue for the company. The part of the sentence "helping companies to attract the masses" of the study could be interpreted to entice consumers to make impulsive buying.

The second strategy is that sellers can provide discounts for a longer time than flash sales that are only a few hours apart. Based on the results of research by Nasib (2017), it is revealed that there is a positive and significant effect on price discounts on impulsive buying. Based on this, this research will be done knowing as the effect of flash sale and discount towards impulsive buying (study on Shopee users).

Flash Sale

Based on the classification of promotional tools, the sales promotion provided by the Shopee platform, namely the dimensions of the trade promotion tool, is more specifically the category of price off deals in the form of flash sales.

Lee and Lee (2012) in Sujata et al. (2017), argues that flash sales as electronic distribution channels that are used for limited time heavy discounts for the advance purchase of products or services. Dholakia

(2011) in Yogiswara (2018) , deal of the day (flash sale) is an e-commerce business model where a website offers one product to sell in a period of 24 to 36 hours.

The dimensions used to measure the flash sale variable were developed by Belch & Belch (2009) in Yogiswara (2018), namely Big discount or discount during promo, Frequency of flash sale promo, Duration of flash sale promo, Number of products available at flash sale promo, attractive flash sale promo.

Discount

Discounts are a sales promotion tool. Kotler and Keller (2012) define that discount is a price reduction to buyers who pay bills promptly. Kasimin et al. (2014) in Wahyudi (2017), the price discount is a discount if the payment is made earlier than the credit period. Peter and Olson (2014) in Ginting (2019), discounted prices are pricing strategies that involve a long-term plan to systematically reduce prices after introducing high-priced products.

Kotler (2009) in Ginting (2019) states that discount is a basic price adjustment to reward customers for certain reactions, such as early bill payments, purchase volume and off-season purchases.

Brian (2016) in Ginting (2019), the objectives of holding price discounts are: 1. Encourage buyers to buy in large quantities so that sales volumes are expected to increase. Discounted prices will have an impact on consumers, especially in the pattern of consumer purchases which ultimately also have an impact on the sales volume obtained by the company. 2. Purchases can be focused on the seller, so that it can add or maintain subscriptions of the seller in question. 3. Is a sales service that can attract purchase transactions. Mariana (2009) in Ginting (2019), argues that price discounts are given due to several factors namely : 1. the item will be replaced by a newer model, 2. something is wrong with this product, so it is having trouble selling it, 3. the company is experiencing serious financial problems, 4. the price will drop even further if you have to wait longer, 5. The quality of the products by the company is lowered.

According to Astuti (2011) in Ginting (2019), to measure the price discount can be seen from the following things, namely the attractiveness of the price discount program, the stipulation of the discount program in

influencing purchases, the frequency of the discount program.

Impulsive Buying

Impulsive buying is a buying decision made by a customer at a place after seeing an item or product. Kharis (2011) in Fernanda (2019) defines that impulsive buying is a person's behavior where the person does not plan something in shopping. Then, Utami (2010) in Ompi et al. (2018) states that impulsive buying is an act of buying that is made without being planned beforehand, or a purchase decision is made while in the store.

According to Rook in Yessica (2015) in his thesis Ginting (2019), impulsive buying consists of the following characteristics: 1. Spontaneity, impulsive buying happens unexpectedly and motivates consumers to buy right away, often in response to point-of-sale visual stimuli. 2. Power, compulsion, and insensibility, the motivation to put other things aside and act quickly. 3. Excitement and stimulation, this sudden desire to buy is often followed by emotions such as exciting, thrilling, or wild. 4. Disregard for consequences, the desire to buy can become irresistible until the possible consequences are ignored.

According to Ma'ruf (2006) in Ginting (2019) states that there are three types of impulsive purchases, namely : Completely unplanned, namely consumers do not intend to buy a product or service category before coming to the store, Partially unplanned, that is, if the consumer intends to buy a product or service category, but has not yet determined the brand of the product to be purchased before visiting the store, Unplanned substitution, that is, if the consumer has decided what brand to buy but changes his choice when visiting the store.

Winatha (2013) Putra and Santika (2018) classify impulsive buying into four indicators which are used as dimensions, namely: 1. Spontaneous buying, a condition where customers often buy something without being planned in advance. 2. Purchasing without thinking about consequences, is a situation where customers often make purchases without thinking about the consequences of the purchases made. 3. Rush purchases, is a situation where customers often feel that they are too hasty in buying something. 4. Purchasing is influenced by emotional states, is a customer assessment where customers do shopping activities influenced by the emotional state they feel.

Correlation of Flash Sale with Discount

According to Kotler and Keller (2012) , it is known that flash sales and discounted prices are tools of sales promotion, flash sale is a tool of trade promotion namely price off deals where discounts are made at certain periods. Meanwhile, discount is a consumer promotion tool in the price package category (Cent-off-deals), which means offering consumers savings from the regular price of a product. So with this flash sales and price discounts have an effect, because in flash sales there are also discounts, it's just that flash sales have a limited time span and are relatively fast than general discounts.

Sujata et al. (2017) in an international journal entitled "Impact of Flash Sales on Consumers & E-Commerce Industry in India" concludes that flash sales help the e-retail industry to increase sales revenue, and large discounts (price discounts) are its backbone. Researchers interpret that, flash sales that provide a significant discount.

H1 : There is correlation of flash sale with discount

The Effect of Flash Sale Towards Impulsive Buying

Nowadays sales promotions in the form of flash sales are being loved by many business people. Flash sale, which is a promotion by means of a limited time price reduction, can affect consumer behavior by playing on the psychology, consumers will assume that they will run out of products being offered, so consumers tend to buy more unplanned beforehand or in other words spontaneity. which is known as impulsive buying.

Zakiyyah (2018) states that Impulsive Purchases occur during Flash Sale offers. It is proven that flash sales have a positive effect on impulsive purchases.

H2 : Flash sale affects positively to impulsive buying

The Effect of Discount Towards Impulsive Buying

Goulla et al. (2017) argue that producers offer trade discounts that expect wholesale retailers to provide price reductions to consumers, resulting in larger purchases. So with this theory it is expected that discounts can have a positive effect on impulsive buying.

This is supported by the opinion of Nasib (2017) concluding that price discounts have a positive and significant effect on impulsive buying decisions at PT. Toyota Auto 2000

Sisingamangraja Medan Branch that he researched.

H3 : Discount affects positively to impulsive buying

The Effect of Flash Sale and Price Discount Towards Impulsive Buying

Flash Sale and Discounts are two things that are included in a sales promotion. The tendency of consumers to buy products at discounted prices, making consumers will be in a hurry if the discount is given a short time limit such as Flash Sale so that the volume of business sales increases due to impulsive buying behavior of consumers during the flash sale time.

Solenski (2017) in the title "Influence of Price Discount and Sales Promotion on Impulsive Buying Azwa Perfume Pekanbaru". Stating that the price discount and Sales Promotion simultaneously have a significant effect on Impulsive buying. Because flash sale is included in sales promotion, it is considered as flash sale and price discount simultaneously affecting impulsive purchases.

H4 : Flash sale and price discount affect simultaneously to impulsive buying

Conceptual Framework

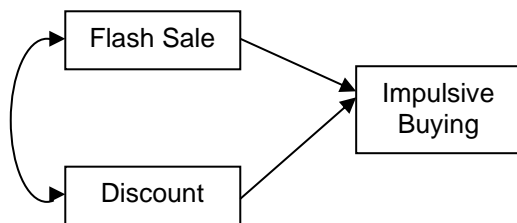


Figure 1. Conceptual Framework

METHODS

The population in this study were Shopee users in Karawang. The sampling technique in this research uses Area Sampling, which is a technique used to determine the sample if the object to be studied or the data source is very broad, for example the population of a country, province or district Sugiyono (2017).

The number of samples taken in this study used general guidelines from various sources such as Hair et al. (2003) in Ferdinand (2014) to determine the size of the study sample, as follows : Sample = 5 x Variable Parameters (Indicators). in this study used 28 indicators. so the sample needed is

5 x 28 = 140 respondents. Data collection is done by questionnaire.

RESULTS AND DISCUSSION

Characteristics of Respondents

The number of respondents surveyed was 140 people. In this study characteristics are used based on gender, age, last education, type of work, monthly income, level of shopping activity, and types of products that are often purchased.

The majority of respondents in this study were women at 83.6%, based on the age of the majority in this study was 21-30 years old at 74.2%, based on the latest education, the majority in this study was Senior High School at 85%, based on the type of work, the majority in this study was students at 85%, based on the monthly income, the majority in this study was Rp 500.000 - Rp 1.000.000, at 73.6%, based on the level of shopping activity, the majority in this study was quite often at 60%, and based on the type of product that is often purchased, the majority in this study was clothes at 34.3%.

Validity and Reliability Test

The data is considered valid if the value of $r_{Count} > r_{Table}$. r_{table} for 140 respondents with a 5% significance level is 0.1660. Then, from the data obtained there are 28 indicators, all of which have the result of r that is greater than the r_{table} .

Data is considered reliable if Cronbach Alpha > 0.6 . Then, from the data obtained, namely the three variables, all of which have a Cronbach Alpha result greater than 0.6.

Normality Test

Table 1. Normality Test

Variable	Interpretation	Calculation	The effect	
X ₂	Direct effect to Y	(0,447) ²	0,20	20%
	Indirect effect to Y through X ₁	0,447 x 0,807 x 0,305	0,11	11%
Total			0,31	31%

The normality test is used to determine whether a data follows a normal or abnormal distribution using the Kolmogrov - Simonov method designed by SPSS. With the provisions if Asymp. Sig. (2-tailed) $> \alpha$ 0.05 then the variable follows a normal distribution.

Then from the data obtained, it shows that all variables follow the distribution data distribution because the three variables have Asymp values. Sig. (2-tailed) > alpha 0.05.

Path Analysis

This path analysis is used to determine the direct and indirect effect of the independent variables on the dependent variable. The following is an explanation of the path analysis of the independent variables (flash sale and discount) on the dependent variable (impulsive buying), namely :

Table 2. The Result of Path Analysis

Explana- tion	Pearson Correla- tion	Standaided Coefficient s Beta	R ²
Correlation X1 with X2	0,807		
The effect X1 to Y		0,305	
The effect X2 to Y		0,447	
Coefficient determinat ion Y			0,513

Table 3. The Interpretation of Path Analysis 1

Vari- able	Interpreta- tion	Calcula- tion	The effect	
X ₁	Direct effect to Y	(0,305) ²	0,093	9,3 %
	Indirect effect to Y through X2	0,305 x 0,807 x 0,447	0,11	11%
	Total		0,203	20,3%

Table 4. The Interpretation of Path Analysis 2

Vari- able	Interpreta- tion	Calcula- tion	The effect	
X ₂	Direct effect to Y	(0,447) ²	0,20	20%
	Indirect effect to Y through X1	0,447 x 0,807 x 0,305	0,11	11%
	Total		0,31	31%

Table 4. The Interpretation of Path Analysis 3

Vari- able	Path Coeffi- cient	Direct Effect	Indirect Effect		Sub Total Effect
			X ₁	X ₂	
X ₁	0,305	0,093		0,1 1	20,3 %
X ₂	0,447	0,200	0,1 1		31,0 %
Total Effect (Simultaneous)					51,3 %

Discussion

Comprehend Flash Sale with Discount

H1 : There is correlation of flash sale with discount

Based on Table 1, it can be seen that the display of flash sale (X1) at a discount (X2) produces a value of 0.807 or 80.7%. After this value is interpreted into the correlation coefficient criteria table, 0.807 is located between (0.800 - 1,000) which means it has a very strong correlation with the level of relationship or it can be said that flash sales (X1) and discounted prices (X2) have a very strong correlation. strong that is equal to 80,7%.

There are actually discounted flash sales offers, it's just that the difference is the time period. The duration of flash sales is generally short whereas discounted prices may have a longer discount period. So naturally, if these two variables have a very strong correlation.

Comprehend Effect of Flash Sale Towards Impulsive Buying

H2 : Flash sale affects positively to impulsive buying

Based on Table 2, the direct effect of flash sale on impulsive buying is 9.3% and the indirect effect is 11%, so that the partial effect of flash sale on impulsive purchases is

as much as flash sale on impulsive purchases by 20.3%, meaning that it is less influential or the effect is less strong.

This can be supported or strengthened by research conducted by Yogiswara (2018) in the thesis that Shopee ID customers state that flash sales and bonus packs have a significant effect partially on impulsive purchases. This implies that flash sales have an effect on impulsive buying. There is also Zakiyyah (2018) in a journal which states that Impulsive Purchases occur during Flash Sale offers. It is proven that flash sales have a positive effect on impulsive purchases. In

addition, Syastra and Wangdra (2018) state in their journals that the factors that cause impulsive buying are (1) Promotions/discounts; (2) Flash Sale; (3) Popular items this week; (4) Hot product list; (5) Payment installment facility. This means that flash sales have an effect on impulsive buying.

Comprehend Effect of Discount Towards Impulsive Buying

H2 : Discount affects positively to impulsive buying

Based on Table 3, the direct effect of price discounts on impulsive purchases by 20% and the indirect effect of 11%, so that the partial effect of price cuts on impulsive purchases by 31%, meaning less influence or less powerful effect.

This can be supported or strengthened by research conducted by Nasib (2017) in the journal concluding that price discounts have a positive and significant effect on impulsive buying decisions at PT. Toyota Auto 2000 Sisingamangraja Medan Branch that he researched. There is also Putri (2014) in the journal by Sari and Faisal (2018) with the title "The Effect of Price Discounts, Bonus Packs, and In-Store Display on Impulsive Buying Decisions at GIANT EXTRA Banjar, states that there is a significant influence between Price Discounts and Impulsive Buying. In addition, Baskara (2015) in his journal entitled "The Effect of Discounts on Impulsive Buying (Study on Visitors to the Matahari Department Store Johar Plaza Jember)" concluded that price discounts have a positive or significant effect on unplanned purchases (impulsive buying).

Comprehend Effect of Flash Sale and Price Discount Towards Impulsive Buying

H4 : Flash sale and price discount affect simultaneously to impulsive buying

Based on Table 4, the total influence or effect of simultaneous flash sales and discounts on impulsive purchases is 51.3%, meaning that simultaneously flash sales and price discounts on impulsive purchases are at a fairly strong level, while the remaining 48.7% is influenced by other factors. which is not researched.

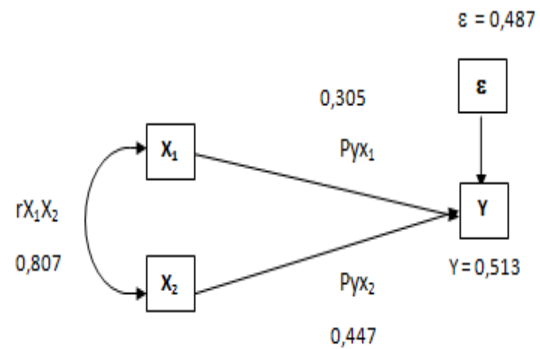


Figure 2. The Result of Path Analysis

CONCLUSIONS

In this study, it shows that the correlation between flash sales and discounted prices has a very strong level of relationship that is equal to 80.7%. There are actually discounted flash sales offers, it's just that the difference is the time period. The duration of flash sales is generally short whereas discounted prices may have a longer discount period. So naturally, if these two variables have a very strong correlation.

The partial effect of flash sale on impulsive purchases produces a value of 20.3%. There is also a partial effect of a discount on impulsive purchases which results in a value of 31%. Discounts have a higher partial effect because the time period provided when the promo lasts is longer than the flash sale.

The simultaneous effect of flash sale and price discount on impulsive purchases results in a value of 51.3%. Then the rest is the influence of variables that are not used in this study has a value of 48.7%, such as for example the quality of service, marketing costs, personal selling, and others.

Suggestions for sellers who open online stalls on the Shopee platform should provide attractive promos with new strategies or innovations in flash sales such as a bonus if Shopee users shop for a product offered. Sellers who open online stalls on the Shopee platform should provide or provide sales promotions in the form of large discounts or attract the attention of Shopee users, namely for a longer period of time than the time offered for flash sale products, for being able to increase impulsive buying.

Suggestions for further researchers Based on the experience that the researcher has gone through in conducting this research, the

suggestions given to further researchers are that further researchers can make this research and be carried out in a different or more developed year in the form of variables or indicators. Future studies are expected to be able to examine other research objects, namely online and offline stores.

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