THE INFLUENCE OF VIRAL MARKETING AND PRICE DISCOUNTS THROUGH SOCIAL MEDIA INSTAGRAM TO PURCHASE DECISION ON MARKETPLACE SHOPEE

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ARTICLE INFO

ABSTRACT

Article History : Date of Entry : 23/08/2019 Date Received : 23/09/2019 Available Online : 30/09/2019

The rapidly evolving communications, media and informatics technologies and the widespread development of the global information infrastructure have influenced the ways and patterns of business activities in trade, social and political governance industries. One of the technologies used by people, organizations and companies is the internet. With the growing use of the internet in Indonesia is a potential for business people in Indonesia, where as increasing internet users then this will also encourage the growth of e-commerce in Indonesia. E-commerce activities in Indonesia penetrate various activities from small-scale industry to large industries. Small-scale e-commerce activities are now developing all over Indonesia, because of the availability of various way of kind to transaction online with ease. Such as marketplace which is a combination of several online stores that sell in one place.

The purpose of this research is to know the influence of Viral Marketing and Discount Price through social media Instagram of Purchase Decision on Shopee marketplace. The research method used is descriptive method and explanatory survey. The sample selection was done by using purposive sampling technique with the number of samples of 100 respondents. The data used is interval data. Statistical method for data test using SPSS 22 for windows program. By using multiple linear regression analysis obtained equation $Y = 16.632 + 0.274X1 + 0.219 X2 + e$. From the results of the research note that Viral Marketing partially influence on the Purchase Decision but not for Discounts price, and Viral Marketing and Price discounts simultaneously affect the Purchase Decision.

INTRODUCTION

The rapidly evolving communications, media and informatics technology and the widespread development of global information infrastructure have influenced the ways and patterns of business activities in trade, social and political governance. One of the technological advances that are widely used by people, organizations and companies is the internet (Kharisma, 2012).

The development of the internet in Indonesia is quite rapidly shown by statistical data released by APJII (Association of Indonesian Internet Service Providers), where the number of internet users in Indonesia in 2017 is 143.26 million users or 54.68% of the total population of Indonesia. 262 million. Compared to Indonesian internet users in 2016 of 132.7 million users, it increased 10.56 million in 1 year.
APJII also released internet age-based statistics, where internet users based on age were mostly 19-34 years old by 49.52%. While users who are at least aged 54 years and over only amounted to 4.24%.

The rapid growth of internet usage in Indonesia is a potential for business people in Indonesia, where as the rapid growth of internet users then this will also encourage the growth of e-commerce in Indonesia. Imagine, with Indonesia's population of 256.2 million and still wide open e-commerce market in Indonesia of course this is a very promising opportunity for business people in Indonesia and abroad E-commerce is the buying, selling and marketing of goods and services through electronic systems. Such as television, radio and computer or internet network (Wong, 2012: 33).

Currently the development of e-commerce in Indonesia is promising, this can be seen based on data from APJII on the most visited content, from the data shows internet users most often visit onlineshop content of 82.2 million or 62%, personal business content reaches 34%, 2% or 45.3 million, and others reached 3.8% or 5 million people. And the most visited social media content is Facebook for 71.6 million users or 54% and second order is Instagram of 19.9 million users or 15%.

E-commerce activities in Indonesia penetrate various types of business activities from small-scale industry to large industries. Small-scale e-commerce activities are now developing all over Indonesia, due to the availability of various containers to transact online with ease. As in the use of social networking sites such as Instagram which initially only serves as a social media friendship and exchange of information between friends or close relatives through photos or video, this time has increased its function as a marketing ground of a company or marketplace. Marketplace itself is the peak of e-commerce, marketplace usually has its own system that can manage hundreds or even millions of products that want to be sold or bought.

Based on survey data from e-marketers, more than half of Instagram users in Indonesia follow Marketplace accounts. From the results of the survey, 56.2% of respondents said "Yes" when asked whether they followed the Marketplace account in Instagram. The majority of them follow marketplace accounts that sell clothes and accessories. Respondents in the survey were mostly young people, aged between 18 and 35 years old. That is, an online shop that sells clothes and accessories should now start thinking to use Instagram as one of the promotional media. In addition to clothing and accessories, it turns out the online shop category gadgets also benefit from Instagram, and put them in third position Instagram marketplace account at most in-follow.

The large number of marketplaces that open accounts in Instagram, can make the competition between marketplace to be tight. This requires that every marketplace disseminate information about its marketplace advantages to potential buyers. In order for the sellers who open the store dimarketplace can sell merchandise. Through complete information support can encourage a person in taking a decision, including in the purchase.

According to IdeA (E-Commerce Association of Indonesia), that Indonesia's e-commerce activities only 48% only find info about online products, then 46% only visit online stores, and 41% buy products online. This means that an indirect buyer will buy a product at an online store or marketplace but the prospective buyer is looking for more information first.

A prospective buyer usually sees three aspects: product variant, discount promotion, and free ongkir. Usually prospective buyers will seek information about these three aspects either from messages that exist in social media or information from other individuals. Increasingly complex needs and wants of consumers, demanding all sophisticated features and functions can be integrated in one gadget, the need arises because of the faster mobility rate. Internet technology
today can create two way communication like real life (Anglesti, dkk, 2016).

One of the most evolving ways of marketing today is viral marketing. Viral marketing thrives over the Internet, which duplicates itself more and more, like the work of a computer virus. Viral marketing as an electronic word-of-mouth in which some form of marketing message related to a company, brand, or product is transmitted in an exponentially growing way, often through the use of social media (Kaplan dan Haenlein, 2011).

Marketing by way of viral marketing can certainly be profitable for sellers who sell in Shopee marketplace, because the sellers do not need to spend a lot of cost to promote their products. Although this is profitable, not necessarily when the information submitted by the marketplace becomes viral then make the recipients of information or potential buyers directly interested and convey the information to other prospective buyers. Dependence on triggers (the main trigger of viral marketing that can consist of various media). Without triggers that are able to attract consumers, the message will not go through the process of replication and will die. That means there is a suspicion that viral marketing does not always work if the main trigger is unattractive. Then the message is very difficult to control, with a fast replication process and wide spread, causing the company or marketing experts to lose control of the contents of the message delivered (Richardson in Wicaksono, 2013).

Potential buyers will usually see firsthand what information is deemed interesting and can meet the wants or needs of consumers before making a purchase, such as product variants, discount promotions, and free ongkir. One of the interesting information for a potential consumer is the promotion of discounts. In the marketing mix, price is one of the important factors that influence the marketing of a product. High and low prices always be the main concern of consumers when looking for a product, so the price offered into consideration before deciding to buy goods or use a service. One strategy that companies can adopt to adapt their prices is by discounting or discounting (Porter, 1996 : 275). The purpose of discounting is to increase sales and to increase market share that decreases or dominates the market through lower costs (Sutisna, 2001 : 303).

Currently, many marketplaces give discounts to attract consumers. This of course makes the competitiveness between marketplace to be tight. Each marketplace provides discounted discounts for each particular product or even a marketplace that provides a rebate for each product sold. Surely this is a strategy to make potential consumers shop in the marketplace.

Shopee provides discounts or discounts as one way to attract potential customers. It’s just that not all potential customers get a discount for the purchase of each product he wants. Discounts are not given at any time, only on certain occasions eg during special day-to-day celebrations or through electronic vouchers.

This research has difference from variable aspect, where this research use two independent variable that is viral marketing (X1) and purchasing decision (X2) and one dependent variable is purchasing decision (Y). While in the previous research independent variables in the meticulous only have similarities in one independent variable and the dependent variable is on variable X1 and on variable Y.

Based on introduction explanation, the authors write to do research entitled "The Influence of Viral Marketing and Price Discounts Through Social Media Instagram To Purchase Decision On Marketplace Shopee"

LITERATURE REVIEW MARKETING

According to UK Chartered Institute of Marketing in Tjiptono (2016: 3) Marketing is a management process that identifies, anticipates and provides what customers want in an efficient and profitable way. Meanwhile, according to Kotler & Keller (2018: 6), Marketing is a social process in which individuals and
groups get what they need and want by, creating, offering, and freely exchanging valuable products with others.

**E-Marketing**

According to El-Gohary in Subhan et al (2017), Electronic Marketing (E-Marketing) can be viewed as a new philosophy and modern business practice involved with the marketing of goods, services, information and ideas via the Internet and other electronics. Meanwhile, according to Fandy Tjiptono (2016, 313), E-marketing provides a great opportunity for marketers to reduce costs and improve customer satisfaction through faster services and more interactive, real-time, and efficient marketing interactions.

**Viral Marketing**

According to Kotler and Keller (2009: 256), viral marketing or viral marketing is another form of word of mouth, or "news from one mouse click to the next click (word of mouse)", which encourages consumers to tell the product and services developed by the company or other audio, video, and written information to others online. Whereas According to Wilson in Abdurahman (2016), Viral marketing is a strategy that stimulates people to convey marketing messages to others, thus creating enormous growth potential in the exposure and impact of messages.

**Dimension of Viral Marketing**

According to Zernigah and Sohail in Tarisai Fritz Rukuni, et al. (2017), the dimensions used as benchmarks in viral marketing are:
1. **Informativeness.**
2. **Entertainment.**
3. **Irritations.**
4. **Source Credibility.**

**Marketing Mix (4P)**

According to Kotler and Keller (2018, 23), Marketing Mix is defined as a tool of marketing tools that companies use to pursue their marketing targets. Meanwhile, according to Robert Lauterborn in Kotler and Keller (2018: 24), the marketing mix describes an outlook on the marketing tools available to influence buyers. From a buyer's perspective, every marketing tool is designed to deliver customer benefits.

**Marketing Mix Elements**

According to McCarthy in Kotler and Keller (2018, 23) classifies these marketing tools into four major groups, which he calls four P's of marketing as follows:
1. **Product (Poduk):** Product means combination of goods and services offered by company to target market
2. **Price (Price):** Price is the amount of money that must be owned by consumers to get the product
3. **Place:** Place includes company activities that make the product available to target consumers
4. **Promotion (Promotion):** Promotion means activities that communicate the advantages of the product and persuade the target customers to buy it.

**Price Discount**

According to William J Stanton in Ndari (2015: 615), a discount or discount is a deduction of the base price or the listed price or the listed price, the deduction may take the form of a discounted price or other concessions such as a number of free items. Meanwhile, according to Kotler in Prihastama (2016: 20), price discount is a savings offered to consumers of the normal price of a product, which is listed on the label or packaging of the product.

**Dimensionof Price Discount**

According to Kotler & Keller (2018, 23), the dimensions used as a benchmark in Discounts are Discounts or Discounts.

**Consumer behavior**

According to Sunyoto (2015: 4), consumer behavior is the actions undertaken by individuals, groups, or organizations dealing with the decision-making process in obtaining, using eco-goods or services or services that may be affected by the environment. According to Mothersbaugh & Hawkins in Indrawati (2017: 2), consumer behavior is the study of individuals, groups, or organizations and
processes used to select, secure, use, and determine products, services, experiences, or ideas to satisfy needs and impact resulting from this process to consumers and society. Meanwhile, according to Indrawati (2017.3), consumer behavior is an observation of decision making, buying patterns and habits that occur in society in general, where patterns and habits can change very dynamic, which is influenced by knowledge, behavior and environment in which society is located.

**Buying decision**

According to (Kotler and Armstrong, 2012: 157), Consumer purchasing behavior refers to the behavior of end-consumer purchases - individuals and households who purchase goods and services for personal consumption. Meanwhile, according to (Kotler and Keller, 2013: 192), At the evaluation stage, customers form a preference among brands within a series of selections and may also be the intention to purchase preferred brands. In carrying out the purchase intention, the consumer may establish five subdecisions: brand (brand A), dealer (Dealer 2), amount (one computer), time (weekend) and method of payment (credit card).

### Framework

**RESEARCH METHODS**

Research Methods are basically a scientific way to get data with a specific purpose and usefulness. (Sugiyono, 2014: 3). The method used in this research is descriptive research method and explanatory survey with descriptive and verification research type. According Sugiyono (2014: 89) descriptive research is a study conducted to determine the value of independent variables, either one or more (independent) without making comparisons or connect other variables. This type of research aims to answer the formulation of the first problem, second, and that is to know the description of viral marketing, price discounts and purchasing decisions on the marketplace shopee. Therefore, research to answer the first, second, third problem formulation using descriptive method with descriptive research type because it will be picture in general for independent variable that is viral marketing and price cut and dependent that is purchasing decision.

As mentioned earlier, this study also uses a verifikatif type of research because it examines the truth of a causal-and-effect relationship, ie the relationship between independent variables (which affects) and the dependent variable (which is affected). Research verifikatif aims to answer rumusah fourth problem, namely to determine the effect of viral marketing and discounts on purchasing decisions, either partially or simultaneously. Therefore, this research uses explanatory survey method with verifikatif research type because it will mengatahui causal relationship between one variable with other variables.

### Types, Resources, and Data Collection Techniques

The type of data used in this study is qualitative and quantitative data. Qualitative data is data formed by sentences, words, gestures, facial expressions, how, pictures, and photos. While the quantitative data is the data that diangan / scoring. Qualitative data is supported by sales volume data, top brand...
awards, and also preliminary survey results. While for qualitative data supported by data from questionnaire question.

**Data source**
Sources of data collection used in this study is to use primary and secondary data.

**Data Collection Techniques**
Data collection techniques conducted in this study are:
1. Questionnaire
2. Observation
3. Library Study

**Population and Sample**

**Population**
Population is a generalization consisting of objects / subjects that have certain qualities and characteristics set by researchers to study and then drawn conclusions (Sugiyono, 2014: 119). The population referred to in this study is the community of subang who never shop online.

**Sample**
The sample is part of the number and characteristics possessed by the populasi (Sugiyono, 2014: 120). While according to Sekaran and Bougie (2010: 263) the sample is part of the population. It consists of several members chosen from it. In other words, some but not all of the population elements of the sample. If the population is large, and researchers are unlikely to study everything in the population, for example because of limited funding, energy and time, the researchers can use samples taken from that population.

**Sample Selection Technique**
Sampling technique is a sampling technique. To determine the sample to be used in the study there are various sampling techniques in use. In this research, the determination of sampling technique using non-probability sampling technique is sampling technique which does not give equal opportunity for every element or member of the population to be selected as sample (Sugiyono, 2014: 125)

Sampling was done using purposive sampling. According Sugiyono (2014: 126). Purposive sampling is a technique of determining samples with certain considerations. Sample criteria in this study are as follows:

a) Users Instagram app
b) The buyer or who knows the marketplace shoppee
c) Aged from 17-40 years old
d) Distribution of questionnaires will be done in the environment School, campus, office, residential environment, and restaurant / restaurant.

**Measurement Scale of Research Variables**
To analyze data from the measurement of independent and dependent variables through the questionnaires, the authors used the numerical scale / multiple rating list scale, according to Cooper & Schinder (2013: 283) numeric scales had equal intervals separating their point scales. The numeric scale has 5 point scales, 7 point scales, and 10 point scales. In this study the numeric scale used has 7 point scales.

The data obtained is the interval data, where the interval scale shows the distance of one data with the other data has the same value weight. Not only declare preferences, the interval scale also measures the distance between one choice with another. However, the distance is not a multiple.

**RESULT AND DISCUSSION**

**MULTIPLE REGRESSION ANALYSIS**

Based on the above table, obtained the result of multiple regression equation as follows:

\[
Y = 16.632 + 0.274X_1 + 0.219X_2 + e
\]
with description:
- Value 16.632 is a constant value indicating that if the independent variable is considered a constant, then the average decision Purchase of 16.632
- Viral Marketing regression coefficient of 0.274 states that any addition of Viral Marketing of 1 will add to the Purchase decision of 0.274
- RegressionCoefficient of Discount Price of 0.219 states that any addition of Discount Price of 1 will add Purchase Decision of 0.219.

**Simultaneous Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>364.523</td>
<td>2</td>
<td>182.262</td>
<td>16.753</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1055.317</td>
<td>97</td>
<td>10.880</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1419.840</td>
<td>99</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

From the table above shows the test Anova or F test obtained F count > F table is 16.753 > 3.09 with a significance level of 0.000. Since the probability of 0.000 is much smaller than 0.05 then the regression model can be used to determine the effect on Purchase Decision. It shows that Viral marketing and Price Piece together have an effect on Purchasing Decision.

**Partial Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>16.632</td>
<td>0.047</td>
<td>41.10</td>
</tr>
<tr>
<td>x1</td>
<td>2.74</td>
<td>0.003</td>
<td>403</td>
</tr>
<tr>
<td>x2</td>
<td>2.19</td>
<td>0.200</td>
<td>134.84</td>
</tr>
</tbody>
</table>

The results are as follows:
- Test results Price Pieces based on the above table that t arithmetic > t table 1.094 <1.984 with significance level of 0.277 <0.05 which means the hypothesis is not accepted. Then the Discount Price does not significantly affect the Purchase Decision.

**Coefficient of determination**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.507</td>
<td>.257</td>
<td>.241</td>
<td>3.29842</td>
</tr>
</tbody>
</table>

Based on the above table, the number R square (coefficient of determination) is 0.257. But in this study has two independent variables, then used is adjusted R square is 0.241. It shows that 24.1% of variation of purchasing decision can be explained from two independent variables studied namely viral marketing and discounted price. While the rest (100% - 24.1% = 75.9%) described other variables that are not examined in this study.

**Discussion Viral Marketing**

Based on the total answer questionnaire for viral marketing variables (X1) of 100 respondents is 6.689 from a maximum score of 8.400 with a percentage of 79.6%. As discussed above, the score is at intervals of 6.340 - 7.367 with either good explanation. It shows that viral marketing from marketplace shopee is considered very good.

**Price Discounts**

Based on total answer questionnaire for variable price discount (X2) from 100 respondents that is 2.261 from maximum score 2.800, with percentage 80.7%. As discussed above, the score is at interval 2.115 - 2.457 indicating that the discount given by the shopee is considered good.

**Buying decision**

Based on the total answer questionnaire for the purchase decision variables (Y) of 100 respondents that amounted to 3.996 from a maximum score of 4,900 with a percentage of 81.5%. As
discussed above, the score is at intervals of 3,700 - 4,299 with very good information. In this case it shows that the purchase decision is considered very good.

CONCLUSION

1. From the results of the discussion can be concluded that Viral Marketing from Shopee considered good by the respondents with a percentage of 79.6%.
2. From the results of the discussion can be concluded that the discounts provided by Shopee good assessed by respondents with 80.7% percentage.
3. From the results of the discussion can be concluded that the purchase decision is considered good by the respondents with a percentage of 81.5%.
4. The influence of viral marketing on purchasing decisions, either partially or simultaneously. While the effect of discounts only occurs simultaneously not partially. Partially viral marketing significant effect on purchasing decisions, it is proved $t > t_{table} 3.286 > 1.984$ with significance level of 0.001 < 0.05. For discounts that are partially no significant effect on purchasing decisions, it is proved $t < t_{table}$ is 0.277 < 0.05. The discounted variable does not partially effect, because the discount given by the Shopee party is only in certain moments and only on certain items only.

Based on the results of simultaneous test or F test, obtained $F_{table}$ is 16.753 > 3.09 with a significance level of 0.000. Since the probability of 0.000 is much smaller than 0.05 then the regression model can be used to determine the effect on the Purchase decision. It shows that marketing and price discounts together have an effect on Purchasing decision. When viewed from the test results coefficient of determination known that adjusted $R$ square is 0.241. It shows that 24.1% of variation of purchasing decision can be explained from two independent variables studied namely viral marketing and discounted price. While the rest (100% - 24.1% = 75.9%) described other variables that are not examined in this study.

SUGGESTION

After doing research on the influence of viral marketing and discounts on purchasing decisions authors try to propose some suggestions so that can be taken into consideration for the parties who need the results of this study:

1. In viral marketing variables, the conformance level indicator of the element of humor or pleasure in the advertisements displayed by Shopee gets the lowest score, it is advisable for Shopee to add back the element of humor or pleasure in the advertised ad content, thus attracting more customers.
2. In the discounted variables, the conformity level indicator of marketers not only gives discounts in the form of price reductions but also in the form of a number of free items obtains the lowest score, it is advisable for Shopee to increase the number of free goods or merchandise to loyal consumers who review the shopping on Shopee, so they are more hooked to review more about the products that are in Shopee.
3. In the purchase decision variables, the conformity level indicator of brand suitability and recommendation to other buyers get the lowest score, it is advisable for Shopee to show more reviews and testimonials from loyal consumers in order to provide advice to other prospective customers, so that Shopee visitors more confident will review and testimony them.
4. The influence of viral marketing on purchasing decisions, either partially or simultaneously. While the effect of discounts only occurs simultaneously not partially. Partially viral marketing significant effect on purchasing decisions, it is proved $t > t_{table} 3.286 > 1.984$ with significance level of 0.001 < 0.05. For discounts that are partially no significant effect on
purchasing decisions, it is proved that the t count <t value is 0.277 <0.05. The discounted variable does not partially affect, because the discount given by the Shopee party is only in certain moments and only on certain items only. Based on these results, it is recommended for Shopee to provide discounts not only at a certain time and provide discounts on many other items to loyal consumers can provide recommendations to others.

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**Book**


