THE INFLUENCE OF PRODUCT ASSORTMENT AND PRICE DISCOUNT IN ONLINE MARKETPLACE TOWARD CONSUMER PURCHASE DECISION OF GENERATION Z IN MANADO

PENGARUH ASSORTMENT PRODUK DAN HARGA DISKON DI MARKETPLACE ONLINE TERHADAP KEPUTUSAN PEMBELIAN KONSUMEN GENERASI Z DI MANADO

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Abstract: In this 4.0 era, many aspects of people’s lifestyles nowadays are greatly helped through both information and communication technology, which is the Internet. Thus, online media has become an alternative for people to carry out their activities, for example is shopping. Currently, the E-Commerce platform that is in great demand in shopping is the Online Marketplace. Online Marketplace is a buying and selling platform that acts as an intermediary between sellers and buyers that provides sales features and secure payment facilities. Therefore, Online Marketplace has become the most widely used platform, especially among Generation Z. Currently, every Online Marketplace’s company is competing to promote their platform in order to increase the number of users and also increase sales by using marketing strategy. Therefore, the researcher wants to find out the marketing strategy from the perspective of the consumers. The researcher assumes, there are two marketing strategies that can be implemented, such as Product Assortment and Discounts, which can attract customers to make purchasing decisions. This research has been completed by researcher using a quantitative method, by distributing questionnaires to 100 Generation Z as respondents in Manado. Let the results of this research have a positive influence on Generation Z in Manado, especially to help online marketers in developing their products and the prices to be offered.

Keywords: product assortment, price discount, consumer purchase decision

Kata Kunci: keragaman produk, diskon, keputusan pembelian
INTRODUCTION

Research Background

In the industrial era 4.0, which is an era dominated by technology. Where in this era almost all people carry out various aspects of life by using existing technological advances. The development of these technological advances provides convenience in all aspects of life with more practical principles, so people could shorten time and also save cost and energy. In Indonesia nowadays, the rapid development of the internet has changed people’s lifestyle. Most of people access the internet via mobile devices such as smartphone, laptop, PC, tablet, and so on. In early 2021 the number of Indonesian internet users will continue to increase. Based on the latest results of Hootsuite and We Are Social report, Indonesian internet users have reached 202.6 million people by January 2021. Especially during the Covid-19 pandemic, many aspects of people’s lives are currently carried out via the internet, one of them which is shopping. Many consumers who had never even shopped online before now have to rely on digital shopping platforms to meet their needs. Talking about shopping via the internet, there are many choices of E-Commerce platforms that can be used to shop online, including the marketplace, website, and social media. From the platforms above, the most used platforms by Indonesian people is the marketplace.

Marketplace is an internet-based online media (web-based) where conducting business activities and transactions between buyers and sellers. Marketplace is an E-Business model that deals with seller and buyer. Online marketplace in Indonesia offers a variety of products to meet the needs of consumers, and also cannot be denied if the number of online marketplace will continue to increase. Purchases through E-Commerce increased by 18.1 percent to 98.3 million transactions with a total transaction of USD 1.4 million. It is estimated that there were around 12 million new E-Commerce users during the pandemic based on RedSeer research. Before the pandemic, Indonesia’s E-Commerce market growth projection in 2020 is at 54 percent. In this pandemic, this growth is expected to reach 91 percent reported by Sirclo.com and posted in Solusi E-Commerce on December 10, 2020. Online marketplaces have purpose or mission which is how to attract people’s attention to shopping via internet. Talking about attract people’s attention to making purchase decisions, online marketplaces carry out many strategies because people has different shopping goals and options to meet their needs. the strategies to attract people’s attention in order to making purchase decisions, online marketplaces must pay attention to the uniqueness and variety of the products that they sell, such as in terms of price, size, color, and product availability (Solomon, Russel-Bennet, & Previte, 2013).

There are many online marketplaces that offer various types of products with their own uniqueness and characteristics. In Indonesia, there are several platforms that are well-known among the public, such as Shopee, Lazada, Tokopedia, Blibli, Zalora, JD.ID, OLX, and BukaLapak. The targets of online marketplace is the consumers who are active as internet users in their daily lives, such as young people or referred to as Generation Z. Currently, Generation Z dominates as the most internet users in Indonesia. The lifestyle of Generation Z nowadays cannot be separated from the advancement of the internet. As in shopping, they tend to use E-Commerce platforms because it is easy and efficient. So, many online marketplace are competing to attract Generation Z’s attention in order to making purchase decision through the Product Assortment and Price Discount as their marketing strategies.

Researcher choose Product Assortment as independent variable (X1) because it is regarding on Generation Z’s instinct which usually lead them to purchase the products based on their wants rather than what they needs. Also Price Discount as other independent variable (X2) could make Generation Z easier to decide what products that afford to buy. The availability of Price Discount itself makes Generation Z tend to buy products impulsively, because it attracts them just by seeing the Price Discount that being offered. Based on the explanation and background above, the author is interested in conducting research under the title “The Influence of Product Assortment and Price Discount in Online Marketplace Toward Consumer Purchase Decision of Generation Z in Manado”

Research Objectives

The objective that is going to be accomplished by this research is:
1. To find out the significant influence of product assortment in online marketplace toward consumer purchase decision of Generation Z in Manado.
2. To find out the significant influence of price discount in online marketplace toward consumer purchase decision of Generation Z in Manado.
To find out the significant simultaneous influence of product assortment and price discount in online marketplace toward consumer purchase decision of Generation Z in Manado.

THEORETICAL REVIEW

Marketing
According to McDaniel, Lamb, and Hair (2011), marketing is activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. They said marketing involves more than just activities performed by a group of people in defined area or department. According Kotler and Keller (2012), marketing is about identifying and meeting human and social needs.

Product Assortment
Kotler and Keller (2012) state that the product assortment is the availability of various types of products offered by marketers to be owned or consumed by consumers. Alma (2014) states that product assortment is a collection of all products and goods that a specific seller offers to consumers.

Price Discount
The price discount is a direct reduction of the price of the goods during a period of time specified by the seller (Kotler and Keller, 2012). Price discount is one of the marketing strategy that reduces the price list provided by the seller to a buyer who benefits both buyers and sellers (Perreault et al., 2017)

Online Marketplace
E-Commerce is the electronic process of buying and selling goods and services with computerized business transactions using the internet, networks, and other digital technologies (Laudon and Laudon, 2005). Marketplace is an electronic product marketing forum that brings many sellers and buyers to transact with each other (Apriadi and Saputra, 2017).

Consumer Purchase Decision
Alma (2013) argues that the purchase decision is a consumer decision that influenced by economics, finance, technology, politics, culture, products, prices, locations, promotion, physical evidence, people and process that form a behavior of consumer to process the whole information and draw conclusions in the form of responses that appear on what products are purchased. Kotler and Armstrong (2016) define that purchase decision is part of consumer behavior, that is the study of how individuals, groups and organizations choose, buy, and use the goods, services, ideas or experiences in order satisfy their needs and wants.

Previous Research
Rahmat Nur Riandika and Rois Arifin (2017) aimed to explain the influence of location, price and product assortment in Dinoyo City Mall consumers, Malang. Population is the consumers of Dinoyo City Mall Malang in the period of May – July 2017. Samples were taken using the accidental sampling method in order to obtain 97 respondents who meet the requirements as a sample. This study uses primary data and multiple regression analysis methods. The results showed that the location variable had a positive effect and significant on purchasing decisions, the variable price has a positive effect and significant to purchasing decisions, Product assortment variable has positive and insignificant effect on purchasing decisions. Simultaneously, location, price and product diversity have a significant effect.

Senny Febiola Rumangkang, Olivia Syanne Nelwan, and Irvan Trang (2014) aimed to determine the effect of price discounts, and servicescape simultaneously and partially on the purchasing decisions of children's clothing at Matahari Megamas. Methods Data analysis used multiple linear regression analysis to test the hypothesis with t test and F test. The population of this study were Matahari Department Store consumers. The sampling technique used accidental sampling technique, as many as 100 respondents. The results showed that price discounts and servicescape were found to have an effect either simultaneously or partially on the purchasing decisions of consumers who shop for children's clothing at Matahari Megamas.

Dita Amanah and Dedy Ansari Harahap (2018) investigated the effect of product assortment and price discount on online purchase decision among university student in Indonesia. Ninety samples were employed.
which is students who had made an online purchase for fashion products. Purposive sampling has been applied as a sampling technique in this study. The results revealed that product assortment affected significantly to student online purchase decision. However, price discount did not affect significantly to online purchase decision.

Conceptual Framework

![Conceptual Framework](image)

**Figure 1. Conceptual Framework**

*Source: Data Processed (2021)*

Research Hypothesis

H1 : There is a significant influence of product assortment on consumer purchase decisions of Generation Z in Manado partially.

H2 : There is a significant influence of price discount on consumer purchase decisions of Generation Z in Manado partially.

H3 : There is a significant influence of product assortment and price discount on consumer purchase decision of Generation Z in Manado simultaneously.

RESEARCH METHOD

Research Approach

This research will use quantitative approach in order to collect the data. Quantitative research is the measurement of quantitative data and objective statistics through scientific calculations derived from a sample of people or residents who are asked to answer a number of questions about the survey to determine the frequency and percentage of their responses. Sugiyono (2012) argues that Quantitative methods can be interpreted as a research method based on the philosophy of positivism, used to examine specific populations or samples, data collection using research instruments, quantitative/statistical data analysis, with the aim to test hypotheses which has been set.

Population, Sample and Sampling Technique

The population of this is the Generation Z that used to shopping in online marketplace. According to Rao (1996), the following formula can be used to determine the sample:

\[ n = \frac{Z^2}{4 (moe)^2} = \frac{1.96^2}{4(0.1)^2} = 96.04 \approx 100 \]

Rounding = 100

n = sample

Z = the rate of normal distribution at the significant level of 5% (1.96)

Moe = maximum margin of error (10%)

Based on the formula above, the sample size of the research will be 100 respondents in this case are those Generation Z in the age range of 16 to 32 years old who used to shopping in online marketplace.

Data Collection Method

To collect the research data, primary data collection was used through questionnaires. A questionnaire is a research instrument consisting of a series of questions (or other type of prompts) for the purpose of gathering information from respondents. Secondary data refer to information gathered from sources that already exist.
Secondary data collected for some purpose other than the problem at hand taken from books, journals, and relevant literature from library and internet.

**Operational Definition of Research Variables**

1. **Product Assortment (X1)**
   - Product Assortment is the variety of available product that being offered to consumers including attributes such as size, type, model, quality and availability.

2. **Price Discount (X2)**
   - Price Discount is a price list reduction of a product given by the seller to the buyer for certain reactions or activities carried out by the buyer at a certain time.

3. **Consumer Purchase Decision (Y)**
   - Consumer Purchase Decision is a behavior of consumers, whether individuals, groups, or organizations that are influenced by several internal and external factors to select, assess, and determine products or services that meet their needs and wants.

**Data Analysis Method**

**Validity and Reliability Test**

Validity test use to see the validity of the questions, whether the questions within the questionnaire are valid and in-line with the research. Reliability test refers to the degree to which a test is consistent and stable in measuring what it is intended to measure. Most simply put, a test is reliable if it is consistent within itself and across time. Cronbach’s Alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another.

**Multiple Regression Analysis Model**

Multiple Regression is a correlation coefficient indicates the strength of relationship between two variables, it gives us no idea of how much of the variance in the dependent or criterion variable will be explained when several independent variables are theorized to simultaneously influence it (Sekaran, 2003). The formula of multiple regression models in this research are:

\[
Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon
\]

**Description:**
- \( Y \) = Consumer Buying behavior
- \( \alpha \) = Intercept
- \( \beta_1 \) \( \beta_2 \) = The regression coefficient of each variable
- \( X_1 \) = Visual Merchandising
- \( X_2 \) = Brand Equity
- \( \varepsilon \) = Standard Error

**RESULT AND DISCUSSION**

**Result**

**Validity Test**

All the total value for each indicator for independent variables and dependent variables are above 0.30 and significant value below 0.05 or 5%. It means all the statement or indicators that is used in the questionnaire for this research is valid, then can be used for future analysis.

**Reliability Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Alpha Cronbach’s</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.814</td>
<td>Reliable</td>
</tr>
<tr>
<td>X2</td>
<td>0.897</td>
<td>Reliable</td>
</tr>
<tr>
<td>Y</td>
<td>0.766</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

*Source: Data Processed 2021*

The reliability test result shows that all variables have a large Alpha coefficient, which is close to 1 or above 0.60, so it can be said that all statements or indicators of each variable from the questionnaire are reliable and can be used for future analysis.
Classical Assumption Test

Normality Test

![Normal P-P Plot of Regression Standardized Residual](image)

**Figure 2. Normality Test**
*Source: Data Processed 2021*

This figure shows that the data in form of dots that spreads near the diagonal line and follow the direction of the diagonal line, which means data can be concluded as normally distributed.

Multicollinearity Test

**Table 2. Multicollinearity Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>Product Assortment</td>
<td>.769</td>
<td>1.301</td>
</tr>
<tr>
<td>Price Discount</td>
<td>.769</td>
<td>1.301</td>
</tr>
</tbody>
</table>

*Source: Data Processed 2021*

From the table shows that the tolerance value of Product Assortment is 0.769, and the tolerance value of Price Discount is 0.769. It means that the tolerance value of each variable > 0.1 and for the VIF (Variance Inflation Factors) value of Product Assortment is 1.301 and for Price Discount is 1.301 which also means the value of each variable is < 10. So, it can be concluded that the independent variable does not have a multicollinearity correlation and can be used to predict Product Assortment and Price Discount on Consumer Purchase Decision.

Heteroscedasticity Test

![Scatterplot](image)

**Figure 3. Heteroscedasticity Test**
*Source: Data Processed 2021*

Figure 3 shows that shows that there is no Heteroscedasticity symptom because the dots are spreads with have no clear pattern and the dots spreads above and below or around 0 in Y axis.
Multiple Linear Regression Analysis

Table 4. Multiple Linear Regression Analysis

| Source: Data Processed 2021 |

The result in Table 4 can be expressed in regression equation as:

\[ Y = 7.378 + 0.134X_1 + 0.472X_2 + e \]

The interpretation of the equation is:

1. The constant value of the multiple linear regression equation is 7.378 and is positive. It can be interpreted that if the Product Assortment (X1) and the Price Discount (X2) are considered 0 (zero), then the Consumer Purchase Decision (Y) will be 7.378.
2. The value of regression coefficient for the Product Assortment (X1) is 0.134 and is positive. This result shows that if independent variable Product Assortment (X1) increase in one unit, then the dependent variable Consumer Purchase Decision (Y) is increasing at 0.134. The performance of Product Assortment affecting Consumer Purchase Decision, assuming the other variables are constant.
3. The value of regression coefficient for the Price Discount (X2) is 0.472 and is positive. This result shows that if independent variable Price Discount (X2) increase in one unit, then the dependent variable Consumer Purchase Decision (Y) is increasing at 0.472. The performance of Price Discount affecting Consumer Purchase Decision, assuming the other variables are constant.

Multiple Regression Correlation Coefficient (R) and Coefficient of Determination Test (R²)

Table 5. Table of R and R²

Table 6. F-test

| Source: Data Processed, 2021 |
Table 6 shows that in this research the Fcount is higher than Ftable, Fcount = 58.749 > Ftable = 3.090, can be concluded that the product Assortment (X1) and Price Discount (X2) simultaneously have significant influence on Consumer Purchase Decision (Y) of Generation Z in Manado. Therefore, the alternative hypothesis is accepted.

Table 7. T-test Output

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficientsa</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>2.361</td>
<td>.020</td>
<td></td>
</tr>
<tr>
<td>Product Assortment</td>
<td>1.314</td>
<td>.192</td>
<td></td>
</tr>
<tr>
<td>Price Discount</td>
<td>8.802</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed, 2021

1. The table above shows the significant value of Product Assortment (X1) is 0.192 which is greater than the value of significant level that required which is 0.05, then the t count of Product Assortment (X1) is 1.314 which is below the t table value which is 1.984. It can be concluded that Product Assortment (X1) does not have a significant influence on Consumer Purchase Decision (Y) of Generation Z in Manado. Therefore, the partially alternative hypothesis is rejected.

2. The table above shows the significant value of Price Discount (X2) is 0.000 which is below the value of significant level that required which is 0.05, then the t count of Price Discount (X2) is 8.802 which is greater than the t table value which is 1.984. It can be concluded that Price Discount (X2) has a significant influence on Consumer Purchase Decision (Y) of Generation Z in Manado. Therefore, the partially alternative hypothesis is accepted.

Discussion

Product Assortment on Consumer Purchase Decision

Product Assortment (X1) has no significant influence on Consumer Purchase Decision of Generation Z in Manado. Based on the result of data obtained from questionnaire, most of consumers answered agree about the influence of Consumer Purchase Decision. This results have a similarity with previous research conducted by Riandika and Arifin (2017). Basically, online marketplace provide a wide variety of products. But, that does not mean the online marketplace provides a complete variety according to the needs and wants of all consumers. It means, although Product Assortment in a marketplace platform is very broad, it does not influence the purchasing decisions of Generation Z who often buys in the online marketplace. There may be other alternatives that provide a wider variety of products more than the online platforms provide. The indicator of Product Assortment in this research in Product Brand Variation, Product Completeness Variation, Product Size Variation, and Product Quality Variation. By the result from SPSS, it showed that all indicator does not bring enough points to make Product Assortment became significant to influence to the Consumer Purchase Decision of Generation Z in Manado.

Price Discount on Consumer Purchase Decision

Price Discount (X2) has a significant influence on Consumer Purchase Decision of Generation Z in Manado. Based on the result of data obtained from questionnaire, most of consumers answered agree about the influence of Consumer Purchase Decision. This result have a similarity with previous research conducted by Rumangkang, Nelwan, and Trang (2014). Online marketplace itself offers various types of discount to consumers, since the price is a sensitive topic for some consumers, they are aware that consumers tend to compare prices on online platforms and offline stores. Online marketplaces are competing to provide discounts in various forms and events so that consumers are interested and choose to shop online at more affordable prices. The indicator of Price Discount in this research is Attractiveness, Accuracy in Influencing Purchases, and Frequency. By the result from SPSS, it showed that all indicator brings enough points to make Price Discount became significant to influence to the Consumer Purchase Decision of Generation Z in Manado.

Product Assortment and Price Discount on Consumer Purchase Decision

The results of the tests that have been carried out show that the Product Assortment and Price Discount has a significant influence on Consumer Purchase Decision of Generation Z in Manado. When viewed back at the result of the F-test, Product Assortment and Price Discount simultaneously had a significant influence on
CONCLUSION AND RECOMMENDATION

Conclusion

Based on the result of analyzing and discussing, the conclusion is:

1. Product Assortment in online marketplace has no significant influence on Consumer Purchase Decision of Generation Z in Manado partially. This result comes from data that being analyzed with SPSS. It came across with the result that online marketplace provides satisfaction to consumers in terms of product completeness and decision flexibility when choosing products but there may be other option that provides more.

2. Price Discount in online marketplace has a significant influence on Consumer Purchase Decision of Generation Z in Manado. Price Discount are used by the sellers in increasing their sales. Price Discount has a good impact to Consumer Purchase Decision because the existence of Price Discount could increase the number of buyers in online marketplace and also could make the consumers save their money.

3. Product Assortment and Price Discount in online marketplace has a significant influence on Consumer Purchase Decision of Generation Z in Manado simultaneously. By pairing this two variables, could give impact to the Consumer Purchase Decision of consumers simultaneously.

Recommendation

Based on the conclusions obtained in this study, suggestions made as a complement to the research results that can be given are as follows:

1. Online marketplace can continue to maintain product diversity on their platforms, and better to complete the types and variants of the products offered and also keep up with existing or even future trends, so consumers especially Generation Z are given many product options to buy.

2. Online marketplace should categorize their own specialty of products that being offered because it can make the consumers easily find and then purchase the products that they are looking for.

3. Online marketplace can also continue to maintain the existence of promos and discounts, so Generation Z are interested in making purchases, beside they can save their budget. As we know during this pandemic, outside activities are limited, so through regular discounts by online marketplace it is expected to attract people to shopping online with an affordable prices.

REFERENCES


