The Influence of Price, Security and Promotion on Purchase Decisions in Online Store: Z Generation Study

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Abstract
This study aims to determine the effect of price, security, and promotion on purchasing decisions at online stores among Z generation. The research method uses quantitative research. The sample of this research is Z generation (Z gen), the generation born between 1995 and 2010, using 102 respondents. The analytical tool used to determine the effect between independent and dependent variables, using multiple linear regression analysis. Based on the results of the analysis, it shows that the price variable has no significant effect on purchasing decisions, with a significance value of 0.083 (p>0.05). Meanwhile, security and promotion had a positive and significant effect on purchasing decisions, with a significance value of 0.012 (p<0.05) and 0.000 (p<0.05).

Keywords: Price, Security, Promotion, Purchase Decision

1. Introduction
Technology is developing so rapidly today, greatly affecting various aspects of life. One of the aspects that have changed is communication media and information systems, including business development and marketing. The development of technology that is currently widely used by people is the internet. The existence of internet technology makes it easier for users to find information, carry out communication activities and expand business activities (Yunita, Sumarsono, & Farida, 2019). The main difference between online shopping and in-store purchases is the customer’s ability to evaluate a product, which can lead to a desire to make a purchase decision. In online shopping, potential buyers cannot directly check the items they want to buy,

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usually only by pictures or descriptions which provided by the seller, whereas in retail stores we can see or touch the goods physically. Besides that, online shopping is also a problem with the payment process, because most online shopping requires to transfer a certain amount of funds before the goods can be delivered to the house (Tumbel & Walangitan, 2019). In Indonesia, e-commerce is no stranger, because there are many online stores that compete with each other, such as: Tokopedia, Lazada, Shopee, Bukalapak, OLX, Blibli, Zalora and many more, which we can visit easily to buy an item according to the category we want to buy.

According to Philip Kotler (2012), price is the amount of money which customers have to pay for the product to be purchased. According to Kotler & Armstrong (2016), price is the amount of money issued for a product or service, or the amount of value exchanged by consumers, to obtain benefits, ownership or use of a product or a service. Meanwhile, according to Boone and Kurtz (2002), promotion is the process of informing, persuading, and influencing a purchase decision. According to Kotler and Keller (2009), promotion is a variety of ways to inform, persuade, and remind consumers directly or indirectly about product or brand being sold. Park and Kim (2006), define security as the ability of online stores to control and maintain security of data transactions. When the level of security assurance is acceptable and in accordance with consumer expectations, a consumer will be willing to buy a product with feeling safe. Security can be said as the store’s ability to maintain the security of all transactions. In order to build consumer trust, so providing security guarantees is one of the things that must be considered by sellers, so that consumers feel that their data will always be safe, and will not be used by the unwanted parties and harm consumers (Yunita, Sumarsono, & Farida, 2019). Furthermore, according to Kotler & Armstrong (2014) purchasing decisions are stages in the buyer’s decision-making process, where consumers actually buy. According to Schiffman and Kanuk (2014) purchasing decisions are defined as a choice of two or more alternative choices.

Research about prices and promotions on purchasing decisions has been researched by Sunarti & Chandra (2019), who tested product, price, promotion, and place variables on purchasing decisions on Vivo smartphones in Pekanbaru, with a total sample of 100 respondents, who are Vivo smartphone consumers in Pekanbaru. The results of this study indicate that the product variable partially has no effect on purchasing decisions. The price variable partially has a significant effect on the purchase decision, the promotion variable partially has a significant effect on the purchase decision. The place variable partially has a significant effect on the decision to purchase a Vivo smartphone in Pekanbaru. Research was also conducted by Prilano, Sudarso, &
Fajrillah (2020) who tested the price, security, and promotion variables on purchasing decisions at the Lazada online store, with 125 community customers in Medan Deli Regency as respondents. The test results show that price has a negative and significant effect on purchasing decisions at online stores. Security and promotion have a positive and significant effect on purchasing decisions at online stores. Another study by Jefryansyah & Muhajirin (2020) tested the variables of trust and security in purchasing decisions for goods online, with 130 STIE students (High School of Economics) in Bima City as respondents who had shopped at online stores. The results of this study show that the variables of trust and security have a positive and significant effect on purchasing decisions partially and simultaneously.

An online shop is a store that sells goods, which displayed in a website, which can be accessed and connected to the internet network (negeripesona.com). The object of this research is Z generation (Z gen), this generation was born between 1995 and 2010. In 2022, Z generation is between 12 and 27 years old, attending school, attending college, and some are already working or new marry. The main characteristics of the Z generation are tech savvy or technologically proficient. The Z Gen is the generation that was born and lives in the era of technology, and has been in contact with technology since an early age. Therefore, it is interesting to study the purchasing decisions made by Z generation in purchasing at online stores.

2. Literature Review

2.1. The Effect of Price on Purchasing Decisions at Online Stores

Price is the value of goods and services, which is measured by an amount of money (Nangoy, Mandey, & Kawet, 2016). Price is the amount of value exchanged by consumers to gain benefit and use products or services, besides that it allows companies to get reasonable profits, from the value created by companies (Mongisidi, Sepang, & Soepeno, 2019). The purchase decision is the stage where the buyer has made his choice, purchased and consumed the product. Customers decision making to purchase a product, begins with an awareness of their needs and their desires (Suharno, 2010). Marketing researchers have developed a “level model” of the consumer purchase decision process through 5 stages: problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior (Kotler & Keller, 2008). When we find a price that is within our means, or there is a more affordable price, then the decision to buy a product will be more likely. The results of the research by Sinambow and Irvan (2015), show that the price variable has a significant and positive influence on purchasing decisions. The results
of Sunarti & Chandra's research (2019), price variables affect purchasing decisions. Research from Prilano, Sudarso, & Fajrillah (2020), shows that the price variable has a negative and significant effect on purchasing decisions. Research from Akbar & Ugeng (2020), shows the results that price has a negative and significant effect on purchasing decisions, at Alfamart Cikokol Tangerang Branch. If the price increases, there will be a decrease in purchasing decisions (Park and Kim, 2019).

2.2. The Influence of Security on Purchasing Decisions at Online Stores
When the level of security guarantees is acceptable and in accordance with consumer expectations, a consumer may be willing to disclose his personal information and will buy with a feeling safe (Permatasari, 2015). When the security of buying online increases or is more secure, then the decision to buy will also increase. The results of research from Genny, Richie, & Romi (2020), show that the results of the security variable have a positive and significant effect on purchasing decisions. The results of the research by Jefryansyah & Muhajirin (2020), the security variable influences purchasing decisions. Research was also conducted by Prilano, Sudarso, & Fajrillah (2020), which showed that the security variable had a positive and significant effect on purchasing decisions.

2.3. The Effect of Promotion on Purchasing Decisions at Online Stores
Promotion reflects the activities of communicating the superiority of the product, and persuading consumers to buy. Promotion is one way for companies to communicate, through messages designed to stimulate awareness, interest, and purchases by customers for company products or services (Nangoy, Mandey, & Kawet, 2016). When there are promotions, consumers tend to more interested in making purchases, so that with lots of promotions the decision to buy will increase. The research results from Sinambow & Irvan (2015), show that the results of the promotion variable have a significant and positive influence on purchasing decisions. The results of Sunarti & Chandra's (2019) research, state that the promotion variable has an effect on purchasing decisions. Research was also conducted by Prilano, Sudarso, & Fajrillah (2020), which showed that the promotion variable had a positive and significant effect on purchasing decisions.

2.4. The Influence of Price, Security, and Promotion, Simultaneously Affect Online Store Purchasing Decisions
Price is the amount of value charged for a product or service, or the amount of value exchanged by consumers for benefits, from owning or using the product or service (Nahlia & Agus, 2016). Security is the ability of online stores to control and maintain security for data transactions (Florentinus & Sumarno, 2015). Promotion is a marketing
communication, marketing activities that seek to disseminate information, influence, persuade, and remind the target market about the company and its products, so that they are willing to accept, buy and be loyal to the products offered by the company (Nahlia & Agus, 2016). When an online store are the right price, have a good level of security, as well as attractive promotions, purchasing decisions will increase. Research was also conducted by Prilano, Sudarso, & Fajrillah (2020), which showed that price, security and promotion variables simultaneously had a positive and significant effect on purchasing decisions.

3. Method

3.1. Location and Time of Research

This research was conducted on Z generation in Central Java.

3.2. Population and Sample

The sample used is the Z generation in the Central Java region, as many as 102 respondents. Sampling in this study used a purposive sampling method, namely a sampling technique with certain considerations (Sugiyono, 2017). The sample criteria used are the Z generation, who have made purchases at online stores in the last 1 month. The reason for using these criteria is if the respondent has done online shopping more than once in the last 1 month, then the respondent's memory of online purchases is still good, and they have made repeat purchases.

3.3. Research design

Research design is a plan of research structure, that directs the process and produces research as valid, objective, efficient and effective (Jogiyanto, 2013). This research categorized as hypothesis testing, where the evaluation of the accuracy of pre-existing hypotheses is proven through statistical tests (Sekaran & Bougie, 2017). Based on the time dimension, this study was categorized as a cross-sectional study, that only took research data for a certain period of time, perhaps during daily, weekly or monthly periods, in order to answer research questions (Sekaran & Bougie, 2017).

3.4. Data Collection Techniques and Research Instruments

- Data collection technique

The data source used in this research is a questionnaire. The questionnaire is a data collection technique, which is done by giving a set of questions or written statements to the respondents to answer. To obtain the necessary data, the researcher distributed questionnaires by providing a list of questions to the respondents.
Respondents chose several alternative answers that were already available. The data collection method in this study is by online method, using the Google form (Sekaran & Bougie, 2017; Sugiyono, 2017).

• Research Instruments

To provide a better description and understanding, the following is an operational definition of each of the variables. Each statement item in the questionnaire was assessed using a Likert scale, with 5 alternative choices, that is: Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A) and Strongly Agree (SA). Purchase decision variables were measured using 7 statement items, adopted from the research of Prilano, Sudarso & Fajrillah’s (2020). The measurement of the price variable was carried out using 6 statement items, adopted from the research of Fajrillah et al. (2020). The measurement of the Security variable is carried out with 4 statement items, adopted from the research of Fajrillah et al. (2020). The measurement of the promotion variable is carried out with 8 statement items, adopted from the research of Fajrillah et al. (2020).

3.5. Data analysis technique

• Validity test

Validity test is used to measure the validity of a questionnaire. A questionnaire is said to be valid, if the questions in the questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali, 2013). To test the validity will be used confirmatory factor analysis (CFA). Question items are valid, if they have a loading factor ≥ 0.50 (Ghozali, 2013).

• Reliability Test

The reliability of a measurement, reflects whether a measurement can be free from error, so provide consistent measurement results, under different conditions on each instrument item. Reliability level with the following criteria: alpha or r-count (1) 0.8-1.0 = good reliability, (2) 0.6-0.799 = acceptable reliability, (3) less than 0.6 = poor reliability good (Sekaran & Bougie, 2017).

3.6. Hypothesis testing

Tests in this study using multiple linear regression analysis. The regression equation formula in this study is as follows:

\[ PD = a + b_1 P + b_2 S + b_3 PM + e \]

Information:

PD = Purchase Decision
P = Price
S = Security
PM = Promotion
a = Constant
b1 = Price Regression Coefficient
b2 = Safety Regression Coefficient
b3 = Promotion Regression Coefficient
e = error or error rate

• t test (partial testing)
The t test is to find out whether the independent variables individually affect the dependent variable. In research, the t-test is used to test the hypothesis, which is to find out whether price, security, and promotions influence purchasing decisions. An independent variable affects the dependent variable, seen from the significance value of the t test. The value is said to be significant, if the value is below \( \alpha = 0.05 \) (Ghozali, 2013).

• F test (simultaneous testing)
F test to find out whether the independent variables simultaneously affect the dependent variable. In this study, the F test was used to test whether the price, security, and promotion variables jointly influence purchasing decisions. The value is said to be significant, if the F value is below 0.05 (Ghozali, 2011).

• Determinant Test
The coefficient of determination (R\(^2\)), aims to measure how far the ability of the independent variables explaining the variation of the dependent variable, that is purchase decision. The value of the coefficient of determination is between zero (0) and one (1). The small value of R\(^2\) means that the ability of the independent variables to explain the dependent variables is very limited. If the value is close to 1, it means that the independent variables provide almost all the information needed to predict the dependent variable (Ghozali, 2013). According to Santoso (2000), if the number of variables is 1 - 2, use the value of R\(^2\), and more than two independent variables use Adjusted R\(^2\), the following is the formula for the coefficient of determination:

\[
KD = R^2 \times 100\%
\]

Information:
KD = Coefficient of determination

1708
R = Correlation coefficient

4. Analysis and discussion of results


Validity test, shows how real an instrument measures what should be measured (Jogiyanto, 2010). Validity testing was carried out on four variables in this study. The results can be seen in the following table:

**Table 1. Validity Test Results.**

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>0.871</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
<td>1.485E3</td>
</tr>
<tr>
<td>Df</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Table 1. shows the KMO Measure Of Sampling Adequacy (MSA) value, in this study of 0.871, before being eliminated which was invalid. The MSA KMO value is above 0.50, and the Barlett Test value with Chi-squares = 1.485E3, and significant at 0.000, it can be concluded that the factor analysis test can be continued.

**Table 2 Factor Analysis Results.**

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td></td>
<td>.818</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td></td>
<td>.836</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H5</td>
<td></td>
<td>.536</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K1</td>
<td></td>
<td>.790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K2</td>
<td></td>
<td>.803</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K4</td>
<td></td>
<td>.669</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td></td>
<td>.757</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P3</td>
<td></td>
<td>.618</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P4</td>
<td></td>
<td>.730</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P6</td>
<td></td>
<td>.588</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP1</td>
<td></td>
<td>.714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP2</td>
<td></td>
<td>.704</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KP3</td>
<td></td>
<td>.765</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Table 2, with a total of 102 respondents, from 4 variables with 25 questionnaire items, it shows that there are 17 valid results, because they have been perfectly extracted and have a loading factor > 0.50 (Ferdinand, 2006). These items include: price variable consisting of 3 statement items with code (P), security 3 statement items with code (S), promotions 4 statement items with code (PM), and purchasing decisions 7 statement items with code (KD). The statement items, there is 1 invalid variable, that is the price which the statement item codes H3 and H4.

4.2. Reliability Test
After testing the validity, the next stage is reliability testing, which aims to determine the consistency of the statement items used. The results can be seen in the following table:

Table 3 Reliability Test Results.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.724</td>
</tr>
<tr>
<td>Security</td>
<td>0.776</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.799</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.901</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data, 2022.

From Table 3 it can be concluded that all variables are declared reliable, because the Cronbach’s alpha value is > 0.60 (Ferdinand, 2006).

4.3. Hypothesis testing.
Hypothesis testing in this study, using multiple linear regression method. The regression model tested, namely: price, security, and promotion on purchasing decisions.

Table 4 Results of Multiple Linear Regression Analysis.

<table>
<thead>
<tr>
<th>Model</th>
<th>Purchase Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(t)</td>
</tr>
<tr>
<td>Constant</td>
<td>3.700</td>
</tr>
<tr>
<td>Price</td>
<td>1.751</td>
</tr>
<tr>
<td>Security</td>
<td>2.573</td>
</tr>
</tbody>
</table>
Table 4, shows that price has no effect on purchasing decisions ($p>0.05$), safety and promotion have an effect on purchasing decisions ($p<0.05$), so hypothesis 1 is not supported, while hypotheses 2 and 3 are supported in this study. H1 is not supported, because the significance value in the regression test is 0.083 ($p>0.05$). H2 is supported, because the significance value in the regression test is 0.012 ($p<0.05$). H3 is supported, because the significance value in the regression test has a value of 0.000 ($p<0.05$).

\begin{tabular}{|l|c|c|}
\hline
Promotion & 5,158 & 0,000 \\
R² & 0,482 & \\
Adjusted R² & 0,467 & \\
F & 30,456 & 0,000 \\
\hline
\end{tabular}

Source: Primary data processed, 2022.

The results of the t test, H1 show the result of a t value of 1.751, and a significance value of 0.083 ($P>0.05$). This means that price has no significant effect on purchasing decisions, so H1 is not supported. The results of the H2 test showed that the t value was 2.578, and the significance value was 0.012 ($P<0.05$). This means that security has a positive and significant effect on purchasing decisions, so that H2 is supported. Security has a positive effect on purchasing decisions at Online Stores. The results of the H3 test showed that the t value was 5.158, and the significance value was 0.000 ($P<0.05$). This means that promotion has a positive and significant effect on purchasing decisions, so H3 is supported.

- F test
The result of the F test was 30.456, and the significance value was 0.000 ($P<0.05$). So price, security, and promotion, together influence the purchase decision.

• Test of Determination
Price, promotion and security explain the purchase decision by 0.467 or 46.7%. The remaining 100% - 46.7% equals 53.3%, explained by variables other than price, promotion and security.

4.4. Discussion of Results and Analysis
• Effect of Price on Purchasing Decisions
The results of the study show that price has no significant effect on purchasing decisions among Z generation. This is possible because prices at online stores are expensive or cheap, it does not affect the customer's decision to buy an item. Consumers do not emphasize or
focus on price (especially for exclusive goods), because it is evident in this study that price has no effect on purchasing decisions. Even though the price is high, these goods or services will still be purchased, because these goods or services are really needed, and these goods or services may be rare or not available in ordinary shops. Therefore, high or low prices do not affect purchasing decisions at online stores. The results of this study do not support the research conducted by Prilano, Sudarso & Fajrillah (2020), that price has a negative and significant effect on purchasing decisions.

• Effect of Security on Purchasing Decisions

The results of the study show that security has an effect on purchasing decisions. This result means that security has a positive and significant effect on purchasing decisions. This is possible because security is needed for customer satisfaction, and customers will feel guaranteed for the goods or services used. Therefore, security influences purchasing decisions at online stores among Z generation. The results of this study support research conducted by Prilano, Sudarso & Fajrillah (2020), which states that security has a positive and significant effect on purchasing decisions.

• Effect of Promotion on Purchase Decision

The results of the study show that promotion influences purchasing decisions. This result means that promotion has a positive and significant effect on purchasing decisions among Z generation. This is possible because promotions offered by online stores attract Z generation buying interest, so that Z generation makes more purchasing decisions. The better the promotion, will increase consumer purchasing decisions. If the promotion is not carried out, Z generation will find it difficult to obtain information on the goods or services offered. The results of this study support research conducted by Prilano, Sudarso & Fajrillah (2020), which states that promotion has a positive and significant effect on purchasing decisions.

• Effect of Price, Security and Promotion on Purchasing Decisions

The results of the study show that price, security and promotion simultaneously influence the purchase decision at online stores. These results mean that price, security and promotion, simultaneously influence purchasing decisions at online stores among Z generation. This is possible because good prices, security and promotions offered by online stores attract buying interest, so that consumers from Z generation makes more buying decisions. The results of this study support research conducted by Prilano, Sudarso & Fajrillah (2020), which states that price, safety and promotion simultaneously have a positive and significant effect on purchasing decisions.
5. Conclusions and implications

5.1. Conclusion

Based on the data analysis that has been carried out in this study, the following conclusions can be drawn:

• H1 is rejected, price has no effect on purchasing decisions
• H2 is accepted, security has a positive and significant effect on purchasing decisions.
• H3 is accepted, promotion has a positive and significant effect on purchasing decisions.
• Accepted H4, price, safety and promotion, simultaneously have a positive and significant effect on purchasing decisions

5.2. Limitations

• The research location used in this study only focuses on one province, this research cannot be used as a reference for measuring purchasing decisions in online stores as a whole, because it is only one province in the Republic of Indonesia.
• Due to the pandemic period, distributing questionnaires via online and not face to face.

5.3. Suggestion

Based on the research results obtained, the suggestions given are as follows:

5.3.1. Suggestions for future researchers

• There are limited places in this study which only focus on one province. It is hoped that further research can examine in many provinces or in a country.
• There are limitations in distributing the questionnaires. Future research is expected to be able to distribute questionnaires directly to respondents.

5.3.2. Suggestions for online stores that will target Z generation as consumers:

• Online stores don't need to emphasize or focus on price (especially for exclusive items), because it's proven in this study, price has no effect on purchasing decisions. Maybe the price has an effect on purchasing decisions, but not significant.
• To improve purchasing decisions at online stores, it is necessary to improve security in online transactions. For example, by increasing the security of information related to data on credit cards, by increasing
the protection of consumers personal information, by providing compensation in the event of a loss to consumers.

- To increase purchasing decisions at online stores, it is necessary to increase product offerings via online, telephone, or directly to consumers. besides that it is necessary to increase sponsorship at existing events.

- Online shops should keep prices according to product value, high security and improve promotion simultaneously, so as to improve purchasing decisions on online shops among Z generation.

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