

## THE IMPACT OF LIVE STREAMING APPEAL AND DISCOUNTS FOR GENERATION Z IN ONLINE PURCHASING DECISIONS

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### Keywords

Live streaming, discounts, Online purchase decision, Generation Z

### Abstract

The importance of technology and the internet has revolutionized the way people shop, especially among Generation Z who show high interest in online shopping. This study aims to identify the impact of live streaming and discounted prices on the purchasing decisions of Shopee users from Generation Z in Indonesia. Using an associative quantitative method, primary data collected from 102 respondents through an online questionnaire was analyzed using SPSS for Windows. The results revealed that both live streaming and price discounts have a significant influence on the purchasing decisions of Generation Z on the Shopee platform. both simultaneously and partially with a coefficient of determination ( $R^2$ ) value of 0.505.

## INTRODUCTION

The development of technology and the advancement of the internet from year to year has brought a lot of impacts on human life, one of which is the change in the way shopping used to be done face-to-face or conventionally is now done *online* by utilizing the internet. The development of *online* shopping culture in Indonesia is inseparable from the influence of Generation Z. According to (Hidayah et al., 2022) based on KIC (Katadata Insights Center) research shows that as many as 23% of *e-commerce* consumers in Indonesia come from Generation Z. Which shows that Generation Z is a contributor to the largest number of *online* shopping transactions and the level of interest in online shopping is quite high.

Generation Z is the generation born between 1995 and 2010. They are a group of people who were born and grew up together when technology began to develop. (Pangemanan et al., 2022) Generation Z's dependence on internet technology affects their lifestyle. This generation, which is also referred to as the anti-complicated generation, demands everything to be simple. This is what makes *online* shopping a new *trend* in this circle because it is considered more efficient and faster than doing conventional shopping. (Muna, 2023). Business entities also take advantage of this situation by opening online stores commonly referred to as *e-commerce*. Through this *e-commerce*, we do not need to spend a lot of energy to leave the house because with one click on a cellphone or computer, the desired item will arrive quickly to the house.

Shopee is a *startup* founded by Forrest Li under the SEA group which is an internet company in Southeast Asia. This *online* buying and selling *platform* was first introduced to the public in 2015 in Singapore and then began to expand its reach to Malaysia, Thailand, the Philippines, Vietnam, and also Indonesia. Shopee's popularity in Indonesia is growing rapidly by successfully becoming the first most downloaded *online* shopping application and having the most visitors in Indonesia beating Tokopedia. In order to increase the stimulus of *online* shopping and pamper consumers, feature innovations are often presented by Shopee. One of these innovative features is Shopee Live.

Shopee Live is a *live streaming video* feature where sellers can sell and interact directly with buyers using the Shopee *platform*. According to Chen & Lin in (Andriani, 2023) According to Chen & Lin in (Andriani, 2023), *live streaming* is a *real-time audio* and *video* broadcast of a program over the internet and gives the audience the feeling of being directly present at the event. With

*live streaming*, buyers can find out more about the detailed information of a product to be purchased, such as material, texture, shape, advantages and disadvantages. So that buyers can be more objective and informationally satisfied in making purchasing decisions for a product. Based on research conducted by (Kamanda, 2023) shows that *live streaming* has a positive effect on purchasing decisions. Meanwhile, the results of research conducted by (LESTARI, 2021) shows that *live streaming* has no effect on purchasing decisions.

A discount is a reduction in the price of an item from its original price where the reduction can be in the form of cash or other discounts. According to Tjiptono in (Alce, 2021) discount is a discount given by the seller to the buyer as a reward for the purchasing activity of the buyer which is pleasing to the seller. Discounts are one of the strategies a company uses to increase the number of purchases. By reducing the price of a product or service, consumers will be more interested than in the absence of a discount. The existence of discounts is also able to attract potential new buyers and regular customers to the products or services being sold. There are three things that are indicators of discounts; 1) The amount of the discount, 2) Period of discount, 3) Type of product that gets a discount. In research conducted by (Linggavieta, 2020) discounts have a positive influence on purchasing decisions.

Purchasing decision is a final decision owned by a consumer to buy an item that is desired with various certain considerations. Therefore, in this study the authors make *live streaming* and discounts as independent variables that are taken into consideration by consumers or prospective buyers before finally making a purchase decision. In previous studies, there are still differences in results regarding the effect of *live streaming* and discounts on purchasing decisions so that the authors conduct this further research with Generation Z who use the Shopee application as the object of research. The purpose of this study is to determine the effect of *live streaming* and discounted prices on the purchasing decisions of Shopee users in Generation Z.

## METHOD

The type of research used in this study is quantitative, where information or data is presented in numbers and analyzed based on statistics. While the research design used is associative which aims to determine the presence and absence of influence or relationship between the *independent* variable (*independent*) and the *dependent* variable (*dependent*). The population in this study are all Generation Z in Indonesia who use the Shopee online shopping application. The data source used is primary data by distributing questionnaires *online* through various social media. The sampling method in this study was *non-probability sampling* with a *purposive sampling* approach. While the sample withdrawal is calculated using the Cochran formula according to Sugiyono (2013) with a minimum sample that must be used as many as 97 people, while the respondents used were 102.

In this study, the variables consist of *live streaming* and discounts as independent variables and purchasing decisions as the dependent variable where each indicator statement is measured on a Likert scale. To test the instrument, the validity test and reliability test are used. This study also uses data analysis techniques in the form of descriptive analysis, classical assumption test (normality test, multicollinearity test, heteroscedasticity test), multiple linear regression analysis, hypothesis testing (t test and f test), and coefficient of determination analysis ( $R^2$ ).

## RESULTS

### 1. Respondent Description

Respondents in this study are Generation Z who are Shopee users with an age range of 17-29 years. The results of the questionnaires that have been distributed obtained 102 respondents and all of them have made purchases at Shopee. Judging from gender, the majority of respondents are female as many as 96 people, while the remaining 6 people are male. Then seen from age, the majority of respondents are 21-24 years old.

### 2. Instrument Test

#### a. Validity Test

As a trial sample, data from 30 respondents was used to ensure the representativeness of the sample taken so that it could produce broader generalizations to a larger population. The calculation of this validity test is done by comparing between  $r$  count and  $r$  table. If  $r$  count  $>$   $r$  table then the question item is said to be valid. With a significance level of 5% or 0.05 and *degree of freedom* (df) = 28, the  $r$  table is 0.361. Of the 28 statement items, all got  $r$  count greater than  $r$  table, meaning that all statement items were declared valid.

**b. Reliability Test**

Based on the results of the reliability test, it shows that all variables are said to be reliable because they have a *Cronbach Alpha* coefficient value above 0.60. Testing the research instrument has resulted in a feasible conclusion so that it can be continued to conduct research.

**3. Classical Assumption Test**

**a. Normality Test**

The test used is Kolmogorav-Smirnov with a significance value of 5% or 0.05. The residual value is said to be normally distributed if the Kolmogorav-Smirnov test value is greater than 0.05. The normality test results show an asymp sig value of 0.069 which is greater than 0.05. So it can be concluded that the research data is normally distributed.

**b. Multicollinearity Test**

The results of calculations using SPSS show that the *live streaming* (X1) and discount (X2) variables have a tolerance value of 0.551  $>$  0.1 and a VIF of 1.814  $<$  10. So it can be concluded that there is no multicollinearity between the independent variables.

**c. Heteroscedasticity Test**

The purpose of the heteroscedasticity test is to determine the inequality of variables between residuals in the regression model. A good regression model is one in which there are no symptoms of heteroscedasticity. The calculation results show that the *live streaming* variable has a significance value of 0.087  $>$  0.05 and the discount variable has a significance value of 0.978  $>$  0.05. So it can be concluded that there is no heteroscedasticity in this study.

**4. Multiple Linear Regression Test**

Table 1. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	14,488	3,176		4,562	,000
Live Streaming	,624	,125	,476	4,995	,000
Price Cut	,317	,101	,299	3,136	,002

*a. Dependent Variable: Purchase Decision*

From table 1, multiple linear regression equations can be obtained using the following formula:

$$Y = \alpha + b_1X_1 + b_2X_2 + e$$

$$Y = 14.488 + 0.624X_1 + 0.317X_2 + e$$

The explanation of the multiple linear regression equation above is as follows:

- a. The constant value  $\alpha$  of 14.488 is a state when the purchasing decision variable (Y) has not been influenced by the *live streaming* variable (X1) and price discounts (X2). If the variable *live streaming* (X1) and discount (X2) is 0, the variable purchase decision (Y) of Shopee users remains 14.488 or does not change.
- b. The X1 regression coefficient value (b1) is 0.624, indicating that the *live streaming* variable has a positive influence on purchasing decisions. If the *live streaming*

variable increases by 1 unit, the purchasing decision of Shopee users will also increase by 0.624, assuming that other variables are not examined in this study.

- c. The X2 regression coefficient value (b2) is 0.317, indicating that the discount variable has a positive influence on purchasing decisions. If the discount variable increases by 1 unit, the purchase decision of Shopee users will also increase by 0.317, assuming that other variables are not examined in this study.

## 5. Hypothesis Test

### a. Partial Test (T Test)

Table 2. T test

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	14,488	3,176			4,562	,000
Live Streaming	,624	,125	,476		4,995	,000
Price Cut	,317	,101	,299		3,136	,002

a. Dependent Variable: Purchase Decision

The result of t count of the *live streaming* variable is 4.995 > t table 1.984 and a significance value of 0.000 < 0.05, so H1 is accepted. So live streaming has a partial effect on purchasing decisions. Meanwhile, the result of the t count of the discount variable is 3.136 > t table 1.984 and a significance value of 0.002 < 0.05, so H2 is accepted. So the discount has a partial effect on purchasing decisions.

### b. Simultaneous Test (F Test)

Decision making is done by comparing the calculated F value with the F table with a significance level of 5% or 0.05. The F table in this study is 3.088 obtained from the formula  $(k-1; n-k) = (3-1; 102-3) = (2; 99)$ .

Table 3 F test results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1852,681	2	926,341	50,584	,000 <sup>b</sup>
Residuals	1812,966	99	18,313		
Total	3665,647	101			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Rebate, Live Streaming

From the table above, it is known that the calculated f value is 50.584 > t table 3.088 and the significance value is 0.000 < 0.05. So it can be concluded that *live streaming* and discounts together (simultaneously) have an effect on purchasing decisions.

## 6. Determination Coefficient Test (R<sup>2</sup>)

The coefficient of determination test shows an r-square value of 0.505, which means that the *live streaming* variable (X1) and discount (X2) can explain the purchasing decision variable (Y) by 50.5% while the remaining 49.5% is influenced by other variables outside the study.

## DISCUSSION

### 1. The influence of live streaming on the purchasing decisions of Shopee users in Generation Z

The results of the t test that have been carried out show that the *live streaming* variable partially has a positive and significant effect on Shopee users' purchasing decisions in Generation Z. This is indicated by the acquisition of a t-count value of 4.995 > t-table 1.984

with a significance probability value of  $0.000 < 0.05$ . In this study, Generation Z likes shopping via *live streaming* because they can see the condition of the product in real time to ensure that the items to be purchased match expectations. They will compare the quality of products from one store to another at the evaluation stage and will finally make a purchase decision after seeing the condition of the product directly through *live streaming*. This statement received a good response from respondents with an average value of 3.97.

In addition, Generation Z also likes shopping via *live streaming* because of attractive promos, both discount promos, free shipping promos, and others. This is evidenced by the statement X1.6 "Shopee's live streaming provides interesting promos" which received a very good response with an average value of 4.5. From these results, it indicates that the better the *live streaming* carried out by sellers at Shopee, the higher Generation Z's decision to buy the products offered. This research is in line with previous research conducted by (Clement et al., 2020) and (Kamanda & Syariah, 2023) who say that *live streaming* has an effect on purchasing decisions.

## **2. The effect of discounted prices on the purchasing decisions of Shopee users in Generation Z**

The discount variable partially has a positive and significant effect on the purchasing decisions of Shopee users in Generation Z. This is indicated by the acquisition of a t-count value of  $3.136 > t\text{-table } 1.984$  with a significance probability value of  $0.002 < 0.05$ . In this study, Generation Z tends to compare product prices at one store with another in the evaluation stage before finally making a purchase. This statement is found in X2.6 which received a good response from respondents with an average value of 3.59. There are many types of discount programs that Shopee holds and what Generation Z likes the most is during twin date programs such as 9.9, 10.10, and 11.11 because during this program the discount given is much greater, up to 100%. The choice of products that get discounts also varies.

In addition, Generation Z likes this program because the discount period given is longer. These results indicate that the more discount promos offered, the higher the purchasing decision on the Shopee application. Providing large discounts, a long period of time, and many types of products that get discounts will attract more Generation Z to make purchases. This research is in line with research conducted by (Oktavia et al., 2022) and (Linggavieta, 2020) who say that discounts have a positive influence on purchasing decisions.

## **CONCLUSION**

Based on the results and discussion above, it can be concluded that *live streaming* has a positive effect on the purchasing decisions of Shopee users in Generation Z. Price discounts have a positive effect on the purchasing decisions of Shopee users in Generation Z. Simultaneously *live streaming* and discounted prices affect the purchasing decisions of Shopee users in Generation Z. The implication of this research is that it helps business people at Shopee know how much influence *live streaming* and discounted prices have on purchasing decisions so that they can take the right strategy so that purchases at their store increase. Can support the development of science and become reference material for further research related to *live streaming*, discounts, and purchasing decisions.

Suggestions from the author It is hoped that business actors at Shopee will increase promotions through *live streaming* and provide more discount promos on their products to increase sales and maintain consumer loyalty to make repeat purchases. Because Generation Z likes to make purchases via *live streaming* and when there are discount promos. For further researchers, it is hoped that it will add or replace other variables that have not been examined in this study which also have an influence on purchasing decisions, so that it is hoped that more comprehensive research results will be obtained.

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