



Promotion of Free Shipping and Cash On Delivery (COD) Payments for Purchase Decisions on the Shopee Application for 2019 Stambuk Economic Education Students at HKBP Nommensen University, Pematang Siantar

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ABSTRACT

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This research aims to gain knowledge regarding the influence of free shipping promotions and cash on delivery (COD) payments on purchasing decisions on the Shopee application among 2019 Stambuk economic education students at HKBP Nommensen University Pematang Siantar. This type of research is quantitative research with a quantitative descriptive data analysis approach with the testing media used is SPSS 21. The population in this study was 111 people, and the sample used was 70 people. The sample collection technique used was a purposive sampling technique. The data collection technique used was a questionnaire. The hypothesis data collection technique uses multiple regression analysis and the coefficient of determination (R^2). The results of this study state that: 1) there is a positive and significant influence of the free shipping promotion on students' purchasing decisions. This result can be seen in the t test where the t value of the free shipping promotion (4.284) > t table value (1.6679) which means the variable is significant. 2) there is a positive influence of cash on delivery (COD) payments on purchasing decisions. This result can be seen in the t test where the t value of cash on delivery (COD) payments (1.915) > t table value (1.6679). 3) free shipping promotions and cash on delivery (COD) payments together influence purchasing decisions. This result can be seen in the F test where the Fcount value (24,640) > Ftable value (2.73). The R Square coefficient of determination test was found to be 0.424%, which means that 21.6% of the free shipping promotion variables and cash on delivery (COD) payments influenced the purchasing decisions of 2019 Stambuk economics education study program students at HKBP Nommensen Pematang Siantar University and 57.3% is the influence of other variables not examined in this research.

INTRODUCTION

The rapid changes in globalization make technological developments increasingly rapid. In this digital era, human life is accompanied by technological advances, one of which is the internet. The emergence of the internet has brought huge changes to every process of human life, so that currently internet users continue to increase. Apart from that, the development of the internet has also given rise to new benefits, namely as a place for the buying and selling process and can be done online or often called online shopping. The development of this technology has changed consumer behavior from offline shopping to online shopping or e-commerce.

E-commerce can generally be interpreted as electronic buying and selling transactions via the internet. The rapid development of e-commerce has encouraged various kinds of system changes, both directly and indirectly. Shopee is the e-commerce with the highest number of visits in Indonesia in the first quarter of 2023. During the January-March period this year, the Shopee site received an average of 158 million visits per month, far surpassing other sites. When making a decision to purchase a product on the Shopee application, the free shipping promotion is something that consumers need to pay attention to and will be something that consumers consider before making a purchase because it helps consumers who object to the total price charged through discounted shipping costs.

Apart from the free shipping promotion, the payment method is cash on delivery (COD), Cash on delivery (COD) payment procedures can increase trust in the seller's reputation. For buyers, the cash on delivery (COD) method adds convenience to avoid fraud. So from the explanation above, the author is interested in conducting research to find out whether the promotional variables of free shipping and cash on delivery (COD) influence purchasing decisions among Economic Education students at HKBP Nommensen Pematang Siantar University. For this reason, in compiling this thesis, the researcher raised the title "The Influence Of Free Shipping Promotions And Cash On Delivery (Cod) Payments On Purchase Decisions In The Shopee Application In 2019 Stambuk Economics Education Students At HKBP Nommensen Pematang Siantar University".

THEORETICAL FRAMEWORK

The conceptual framework aims to provide an overview of the basic concepts used in this research so that it can show the correct flow of thinking while being able to accommodate all existing problems by solving the problems. Free shipping promotions and cash on delivery (COD) payments are things that consumers need to pay attention to and will be things to consider in increasing purchasing decisions. If when purchasing a product consumers get a discount on shipping costs, this will help consumers who object to the total shipping costs.

Meanwhile, cash on delivery (COD) payment is making payments directly and is something that consumers pay attention to when making purchases. This payment method is a marketing strategy to increase sales

because many consumers choose this method, cash on delivery (COD) payments can increase trust in sellers and this method adds trust to consumers.

METHODS

This research was conducted at HKBP Nommensen Pematang Siantar University which is located on Jalan Sangnawaluh No.4, Siopat Suhu, Kec. East Siantar., Pematang Siantar City, North Sumatra. This research uses a quantitative approach with research methods based on positivistic philosophy (concrete data). The population in this research is students of the 2019 Stambuk Economic Education Study Program, HKBP Nommensen University Pematang Siantar. The sample collection technique in the research is to use a purposive sampling technique, so that the total sample that the researcher will use is 70 people.

The data collected in this research is the result of distributing a questionnaire via Google Form and then to determine whether the instrument statement items are suitable to be given, instrument validation is first carried out. The test was tested for validity using the SPSS 21 program, reliability using the Cronbach Alpha formula. The test results that have been tested are then given to the sample. The data analysis techniques used to test the research hypothesis are the t test and f test. Before the t test is carried out, prerequisite tests are carried out, namely the normality test, multicollinearity test and heteroscedasticity test.

RESULTS

Before testing the hypothesis, prerequisite tests are carried out, namely the normality test, multicollinearity test and heteroscedasticity test. Based on the normality test, it is presented in the following table:

Table 1. Normality Test Results

		Unstandardized Residual
N		70
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	7,19835720
	Absolute	,081
Most Extreme Differences	Positive	,065
	Negative	-,081
Kolmogorov-Smirnov Z		,678
Asymp. Sig. (2-tailed)		,748

- a. Test distribution is Normal.
b. Calculated from data.

From table 1, the normality test results obtained an Asytotic Significance result of 0.748 with a sample of 70 people. It can be concluded that the data is normally distributed because the significance results obtained are > 0.05 .

Table 2. Multicollinearity Test Results

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Promosi Gratis ongkir	,645	1,550
Pembayaran COD	,645	1,550

a. Dependent Variable: Keputusan Pembelian

Based on table 2 that Tolerance > 0.10 and Variance Inflation Factor (VIF) < 10 , it can be concluded that there are no symptoms of multicollinearity in the data, and each independent variable is free from correlation between the independent variables.

Table 3. T Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	37,155	7,070		5,255	,000
Promosi Gratis Ongkir	1,502	,351	,495	4,284	,000
Pembayaran COD	,566	,296	,221	1,915	,060

a. Dependent Variable: Keputusan Pembelian

Based on table 4.11, the tcount value of the free shipping promotion variable is 4,248, which is greater than ttable, namely 1.9850, the tcount value of the cash on delivery (COD) payment is 1,915, which is greater than ttable, namely 1.9850.

Table 4. F Test Results

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2629,758	2	1314,879	24,640	,000 ^b
	Residual	3575,328	67	53,363		
	Total	6205,086	69			

a. Dependent Variable: Keputusan Pembelian

b. Predictors: (Constant), Pembayaran COD, Promosi Gratis Ongkir

Based on table 4.12, the Fcount value of 24.640 is greater than the Ftable value of 2.70. Thus, the free shipping promotion and cash on delivery (COD) payments simultaneously influence the purchasing decision variables of 2019 Stambuk economics education study program students at HKBP Nommensen University Pematang Siantar.

DISCUSSION

In the classical assumption test, the normality test is the main requirement for multiple analysis tests provided that the data is normally distributed and the significance level is > 0.05. The results of testing the p-plot graph based on Figure 4.1 show that the data is spread around the diagonal line and follows the diagonal direction, which states that the data meets the assumption of normality and the data is declared to be normally distributed.

The assumption of Tolerance and Variance Inflation Factor (VIF) can be stated that if VIF > 10 and Tolerance value < 0.10 then multicollinearity occurs, and if VIF < 10 and Tolerance value > 0.10 then multicollinearity does not occur. Table 4.8 explains that there are no symptoms of multicollinearity because the promotional variables for free shipping and cash on delivery (COD) have a Tolerance value > 0.10, namely 0.645, and a Variance Inflation Factor (VIF) value < 10, namely 1.550.

It is known that the constant value (a) is 37,155, while the free shipping promotion value (b1) is 1,502 and the value of cash on delivery (COD) payments (b2) is 0.566, this can be seen in table 4.9 so the regression equation is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 37.155 + 1.502X_1 + 0.566X_2 + 3575.328$$

A constant of 37,155 means that the consistent value of the free shipping promotion variable is 37,155. The influence of free shipping promotions on purchasing decisions is calculated based on the regression obtained, namely 1.502. Regression calculations show that there is an influence of cash on delivery (COD) payments on student purchasing decisions, namely 0.566. The regression coefficient is positive, so it can be said that the direction of influence of variable X1 and variable X2 on Y is positive.

The results of the t test are based on table 4.10. The calculated value of the free shipping promotion (4,284) is greater than ttable (1.6679). Based on the results obtained, H0 is rejected and Ha is accepted for the purchasing decision variable. Thus, partially the free shipping promotion has an effect but is not significant on the purchasing decisions of 2019 Stambuk economics education study program students at HKBP Nommensen Pematang Siantar University. The calculated value of cash on delivery (COD) payments (1.915) is greater than ttable (1.6679). From the results obtained, we reject H0 and accept Ha for the cash on delivery (COD) payment variable. Thus, the free shipping promotion partially influences the purchasing decisions of 2019 Stambuk economics education study program students at HKBP Nommensen University, Pematang Siantar.

Partially, the cash on delivery (COD) payment variable has a more dominant influence than the free shipping promotion. This can be seen from table 4.10 where the free shipping promotion value has the highest value, namely 4,284 compared to the cash on delivery (COD) payment value of 1,915, meaning that the free shipping promotion variable has more influence on the purchasing behavior of 2019 Stambuk economics education study program students at the University HKBP Nommensen Pematang Siantar.

The F test results based on table 4.11 show that the Fcount value (24,640) is greater than the Ftable value (2.73). This indicates that the research results reject H03 and accept Ha3. Thus, simultaneously the promotion of free shipping and cash on delivery (COD) payments influences the purchasing decision behavior variable for the 2019 Stambuk economics education study program at HKBP Nommensen University, Pematang Siantar.

The R Square coefficient of determination value in table 4.12 is known to be 0.424. Which means that 42.4% of the promotional variables of free shipping and cash on delivery (COD) have an influence on the purchasing behavior variables of 2019 Stambuk economic education study program students at HKBP Nommensen Pematang Siantar University. Meanwhile, 57.3% is the influence of other variables not examined in this research.

CONCLUSIONS AND RECOMMENDATIONS

It can be concluded that there is an influence of free shipping promotions and cash on delivery (COD) payments on the purchasing decisions of 2019 Stambuk economics education study program students at HKBP Nommensen University Pematang Siantar.

Free shipping promotions and cash on delivery payments have a positive and significant effect on the purchasing decisions of 2019 Stambuk economics education study program students at HKBP Nommensen University, Pematang Siantar.

Students should be able to think rationally about their purchasing decisions. Students must be able to understand the use of free shipping promotions and cash on delivery payments well in order to make appropriate purchasing decisions.

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