THE EFFECT OF DISCOUNT AND SALES PROMOTION ON SHOPEE USERS REPURCHASE INTENTION WITH CUSTOMER SATISFACTION AS A MODERATING VARIABLE

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ABSTRACT

This study aims to test and analyze the effect of discounts and sales promotion on repurchase intention with customer satisfaction as a moderating variable. The population in this study used a sample of 344 respondents who were users of the Shopee application aged 18-28 years. The data collection technique uses simple random sampling by spreading research questionnaires in the form of google forms through social media. The data processing method in this study is to use smartPLS with the aim of testing hypotheses. The results of this study show that discount has a positive and significant effect on repurchase intention, sales promotion has a positive and significant effect on repurchase intention, customer satisfaction has a positive and significant effect on repurchase intention, customer satisfaction is significant and can moderate the effect of discount on repurchase intention, customer satisfaction has a significant effect on repurchase intention and can moderate the effect of sales promotion on repurchase intention. The results of this study recommend to Shopee, if you want to increase consumer repurchase interest, it is necessary to provide more attractive discounts and sales promotions in the form of free shipping which must continue to be applied so as to increase customer satisfaction and make consumers will return to shopping.

Keywords: Discount, Sales Promotion, Repurchase Intention, Customer Satisfaction.

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INTRODUCTION

The development of technology that is very rapidly developing today brings many benefits in carrying out daily activities, especially in the field of online buying and selling (E-commerce), one of which is the Shopee Marketplace. Shopee is an online shopping application site that was first launched in Singapore in 2015 and is a subsidiary of Garena located in Singapore. Shopee's CEO is Chris Feng (a former Rocket Internet employee who once led Zalora and Lazada). Shopee has spread its reach to Thailand, Indonesia, the Philippines, Malaysia, Taiwan and Vietnam. Shopee's market share is in the category of fashion, beauty tools and household appliances, so that consumers at Shopee are dominated by women. Due to the high consumer buying interest in Shopee, Shopee has become one of the most frequently used e-commerce applications by the public. According to statistical data, data as of the first quarter of 2022, Shopee Marketplace is ranked second highest with the number of visitors around 133 million (IPrice, 2022). The thing that encourages consumers to shop online is because of attractive discount offers, the survey results state that as many as 50.5% of consumers make online purchases because of the free shipping promo and 48.3% because of the vouchers and discounts offered (Nurdian, 2022).

One form of consumer behavior is the interest or desire to buy a product or service. Repurchase interest is part of consumer behavior where the compatibility between the performance of the product or service offered by the company generates consumers' buying interest to consume it again in the future (Islamiyah et al., 2020). Prices and promotions that stimulate customers' emotions and repurchase intentions (Azhagan & Nithya, 2020). The results of previous studies prove that discounts have a significant positive effect on repurchase interest (Atfin, 2017; Prawita et al., 2020; Qibtiyah et al., 2021). In addition to being influenced by discounts, buying interest is also influenced by sales promotion. Sales promotion is related to repurchase interest (Hapsari & Astuti, 2022; Lutfiana & Hadi, 2019; Paksi & Indarwati, 2021). The sales promotion carried out by Shopee includes advertising by offering various shopping vouchers and free shipping (shipping) which are most in demand by the public. Sales promotion can attract consumers to buy back the products offered.

E-commerce platforms are currently competing with each other to provide the best products and services to customers in order to create customer satisfaction. Satisfaction reflects the customer's assessment after making a purchase and they will feel satisfied when performance matches or exceeds their expectations and feel dissatisfied when it does not match their expectations. Consumer satisfaction variables are stated to have a significant effect on repurchase interest (Agustina & Julitriarsa, 2021; Yusuf et al., 2021). In this study, researchers again wanted to test discounts and sales promotions against repurchase intention. The difference from the previous study is that the subject of this study focused on Shopee application users aged 18-28 years, and there has been no study that places the customer satisfaction variable as a moderating variable that moderates the effect of discounts and sales promotion on repurchase intention. This will be the latest discussion in this study and will complement the previous research. So, it is hoped that this research will make a significant contribution in the marketplace environment. Refers to theoretical understanding and the results of previous research. So, this study raised the title "The Effect of Discount and Sales Promotion on Repurchase Intention with Customer Satisfaction as a Moderating Variable" and this research focused on Shopee application users aged 18-28 years.

LITERATURE REVIEW

Theory of Marketing Management

The Grand Theory used as the basis for this research is the Theory of marketing management, which is a type of science that concerns a series of processes, analysis, planning, implementation and supervision and control of a marketing activity aimed at achieving company
targets effectively and efficiently (Hendrayani et al., 2021). Segmenting, targeting, and positioning are a series of strategies that products must have (Arman, 2022). Every seller wants to be successful in marketing their products, therefore, they must make offers to consumers and try to find and maintain a place where consumers will eventually buy products repeatedly and loyally (Sumarwan & Tjiptonon, 2019). Using this theoretical approach, this research is systematically compiled to determine repurchase intention. Based on this argument, it can be seen from the results of previous research and form a research hypothesis.

**The Effect of Discount on Repurchase Intention**

A study shows that rebates have a positive and significant effect on repurchase intention (Atfin, 2017). Discounts have a positive but insignificant effect on repurchase interest (Prawita et al., 2020). Every month Shopee gives discounts on all types of products, especially cosmetic products, this situation provokes the interest of consumers to shop and the possibility of the intention to buy again the product is quite large (Sudaryanto et al., 2021). There is a positive and significant influence between the discount variables on the repurchase intention (Qibtiyah et al., 2021). Thus, it can be concluded that discounts have a positive relationship with repurchase interest. Based on previous research above, it is determined H1: Discount affects repurchase interest.

**The Effect of Sales Promotion on Repurchase Intention**

The sales promotion variable has a positive and significant effect on repurchase interest. This shows that the better the sales promotion offered, the higher the influence on consumer repurchase interest (Lutfiana & Hadi, 2019). The results showed that sales promotion had a positive effect on repurchase intention (Paksi & Indarwati, 2021). Sales promotions have been proven to have a positive and significant effect on repurchase interest, meaning that when consumers get a sales promotion, it will encourage consumers to make repeat purchases (Hapsari & Astuti, 2022). Sales promotion has a positive and significant effect on repurchase intention (Safitri, 2022). Based on the previous research above, it forms the hypothesis H2: Sales Promotion has an effect on repurchase intention.

**The Effect of Customer Satisfaction on Repurchase Intention**

There is a positive and significant effect of customer satisfaction on repurchase interest, the higher the store's attention through the fulfillment of customer satisfaction items, the repurchase interest from customers is also expected to increase (Wicaksono et al., 2016). Consumer satisfaction has a significant positive effect on repurchase interest (Agustina & Julitriarsa, 2021). The variable of consumer satisfaction is stated to have a significant effect on repurchase interest (Yusuf et al., 2021). Economic compensation strategies such as temporary discounts can be used as a strategy to induce repurchase (Cha & Lee, 2021). Based on the previous research above, the hypothesis H3 is formed: Customer satisfaction has an effect on repurchase intention.

**Moderation of Customer Satisfaction on the Effect of Discount on Repurchase Intention**

Satisfaction is proven as an intermediary variable between price discounts and repurchase interest (Setiomuliono & Tanjung, 2016). E-commerce influences consumers' repurchase intentions and the role consumer satisfaction plays in this process as well as perceived discounts (Chen et al., 2020). Price discount has a positive but not significant effect on repurchase interest, customer satisfaction has a positive and significant effect on repurchase interest, meaning that the
greater the consumer's satisfaction, the greater the interest that arises in consumers to make repeat purchases (Prawita et al., 2020). The study found that positive and significant results on price discounts on customer satisfaction and customer satisfaction on repurchase intentions (Nurdiansah & Widyastuti, 2022). Based on the previous research above, the hypothesis H4 is formed: Customer satisfaction has an effect and can moderate the effect of discount on repurchase intention.

**Moderation of Customer Satisfaction on the Effect of Sales Promotion on Repurchase Intention**

Consumer satisfaction significantly influences repurchase intention. This happens after consumers are satisfied with the service/product, then they will tend to repurchase (Rosaliana, 2018). Promotion is an attractive form of promotion for consumers. Promos that are considered attractive will be able to make consumers to buy the product again. Sales promotion has an indirect effect on repurchase interest which is mediated by consumer satisfaction (Muiz et al., 2019). The contribution of post-purchase customer satisfaction has a relationship between service quality and repurchase intention (Desara et al., 2021). Based on the previous research above, it forms the hypothesis H5: Customer satisfaction has an effect and can moderate the influence of sales promotion on repurchase interest.

**METHODOLOGY**

In this study, the method used by the researcher is a quantitative method, whose analysis is emphasized on numerical data (numbers) and then processed by statistical methods. The results obtained are the significance of the relationship between the variables studied (Priadana & Sunarsi, 2021). This study uses research samples from Shopee application users aged 18-28 years. The number of samples taken is 344 respondents, and the number of indicators of the variables studied is 17. This study has 4 variables studied. First, the discount variable (X1), discount is a cut or decrease in price in the form of cash or several other discounts that can provide benefits such as consumers buying in large quantities (Trimulyani & Herlina, 2022). Discount consists of three indicators, namely the amount of discount, the discount period and the type of product that gets the discount (Andriani & Harti, 2021). Second, the sales promotion variable (X2), sales promotion is a form of direct persuasion through various incentives that can stimulate purchases and increase sales (Rosaliana, 2018) which consists of five indicators namely, promotion frequency, promotion quality, promotion time, promotion quantity, and timeliness (Simbolon, 2022). With a moderating variable, namely repurchase intention (Y) which consists of four variables namely, transactional interest, referential interest, preferential interest, exploratory interest (Arsyanti & Astuti, 2016) and one dependent variable, namely customer satisfaction (Z), which is a feeling of pleasure or not by the customer from a product received as expected (Sasongko, 2021), this variable consists of five indicators, namely the fulfillment of expectations, not there is a complaint, satisfied with the performance, satisfied with the benefits, satisfied with the quality. In this study, the data collection technique used is using a questionnaire, where the researcher asks a number of questions according to the indicators of each variable studied using a Likert scale of 1 to 5 to respondents whose criteria have been determined. This research uses smartPLS SEM (Partial Least Square – Structural Equation Modeling) software to process data and prove research hypotheses. SmartPLS uses bootstrapping method or random multiplication. PLS-SEM analysis consists of two sub-models, namely the measurement model or the outer model and the structural model or the inner model. The measurement model test or the outer model uses the MTMM (MultiTrait-MultiMethod) approach by testing the convergent and discriminant validity. Meanwhile, the reliability test was...
carried out in two ways, namely Cronbach's Alpha and Composite Reliability. Convergent Validity > 70 (high), loading 0.50 to 0.60 (still acceptable). Discriminant validity compares the square root of the average variance extracted (√AVE). AVE > 0.50 (good). Reliability: A construct is said to be reliable if the value of composite reliability and Cronbach alpha > 0.70. The test of the structural model or inner model shows the relationship or strength of estimates between latent variables or constructs based on substantive theory. Measured using 3 criteria, namely R-Square, F-Square, Estimate For Path Coefficients. R-Square which is a goodness-fit test of the model, the R-square value in a variable must have a value greater than 0.500 (Prasetya & Suwitho, 2022). F-square, f-square values of 0.02, 0.15 and 0.35 can be interpreted whether the latent variable predictor has a weak, medium, or large influence on the structural level. Estimate For Path Coefficients looks at the significance of the influence between variables by looking at the value of the parameter coefficient and the value of the statistical significance of T, namely through the bootstrapping method. The hypothesis is accepted if the significant value of the p-value <0.05 or the t-statistical value is more than 1.96 (Pura & Madiawati, 2021).

RESULT AND DISCUSSION

This study used a selected sample of 344 respondents from Shopee application users with 222 female respondents (64.5%) and 122 male respondents (35.5%). The age of the respondents in this study was based on the research criteria, namely the age of 18-28 years. As for products purchased at Shopee, 29.9% of respondents chose fashion products, 21.2% chose electronic goods, 19.8% chose cosmetic tools, 18.3% chose food and beverages, and the remaining 10.8% chose home supplies. And 299 people (86.9%) shop at Shopee as much as 1-3 times per month and the remaining 45 people (13.4 %) shop more than 3 times per month.

The data quality test in this study uses Partial Least Square (PLS) analysis, which is a Structural Equation Model (SEM) equation model with an approach based on variance or component based structural equation modeling. The software used is SmartPLS (Partial Least Square).

<table>
<thead>
<tr>
<th>Table 1</th>
</tr>
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<tbody>
<tr>
<td><strong>Output PLS Construct Reability and Validity</strong></td>
</tr>
<tr>
<td>Cronbach's alpha</td>
</tr>
<tr>
<td>X1</td>
</tr>
<tr>
<td>X2</td>
</tr>
<tr>
<td>Y</td>
</tr>
<tr>
<td>Z</td>
</tr>
<tr>
<td>Z x X1 -&gt; Y</td>
</tr>
<tr>
<td>Z x X2 -&gt; Y</td>
</tr>
</tbody>
</table>

Based on the table above, the results of the validity test conducted by comparing the square root of the average variance extracted (AVE) have results greater than 0.5, which means that the validity test has met the criteria and is declared good. So, the indicators used in this study are valid and have met convergent validity. The results also show that the value of Cronbach’s Alpha and composite reliability has a result greater than 0.7, which means that the reliability test is declared reliable and meets the criteria. The structural model test or inner model shows the relationship or strength between the constructs used using 3 criteria, namely R-Square, F-Square, and Estimation for Path Coefficients. The R-square results are strong. The results of the F-Square value for the independent sales promotion variable (X2) are 0.488, it can be concluded that the latent variable has a strong influence on the structural level. Furthermore, the results of the Estimation for Path
Coefficient which are used to see the significance of the influence between variables have significant results for all hypothesis testing. The following are the results of testing the research hypothesis:

**Table 2**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original sample</th>
<th>Sample mean</th>
<th>Standard deviation</th>
<th>T statistics</th>
<th>P values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y</td>
<td>0.078</td>
<td>0.082</td>
<td>0.032</td>
<td>2.436</td>
<td>0.015</td>
<td>Accepted</td>
</tr>
<tr>
<td>X2 -&gt; Y</td>
<td>0.648</td>
<td>0.628</td>
<td>0.111</td>
<td>5.860</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>Z -&gt; Y</td>
<td>0.434</td>
<td>0.443</td>
<td>0.111</td>
<td>3.898</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>Z x X1 -&gt; Y</td>
<td>-0.133</td>
<td>-0.127</td>
<td>0.059</td>
<td>2.250</td>
<td>0.024</td>
<td>Accepted</td>
</tr>
<tr>
<td>Z x X2 -&gt; Y</td>
<td>0.232</td>
<td>0.221</td>
<td>0.065</td>
<td>3.581</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Based on the results of the hypothesis test above, it can be described as follows, the hypothesis of the results of hypothesis one (H1) above data analysis shows the T-statistics value of 2.436 or more than the t-table value of 1.96. Then it is stated that the discount on repurchase intention has a significant positive effect. That is, the more attractive the discount offered to consumers, the more consumers' buying interest will increase. The results of this study are in line with Atfin's research. (2017), Prawita et al. (2020), Qibitiyah et al. (2021) which shows that price discounts have a positive and significant effect on repurchase interest, it can be concluded that the first hypothesis (H1) is accepted.

Proving the second hypothesis (H2), sales promotion has a positive and significant effect on repurchase intention with a T-statistics value of 5.860. This shows that the more often Shopee provides various forms of sales promotions, the more consumers repurchase interest in shopping will increase. Thus, the evidence of this study is in line with Luthfiana & Hadi. (2019), Hapsari & Astuti. (2022), Paksi & Indarwati. (2021). So, it can be concluded that the second hypothesis (H2) is accepted.

Proving the third hypothesis (H3), customer satisfaction has a positive and significant effect on repurchase intention with a T-Statistics value of 3.898. When consumers shop and feel satisfied in getting goods that are in line with expectations, the consumer's repurchase interest will also increase. The results of this study support and complement the previous research conducted by Setiomuliono & Tanjung. (2016), Prawita et al. (2020) which shows that customer satisfaction has a positive and significant effect on repurchase intention. So, it can be concluded that the third hypothesis (H3) is accepted.

Proof of the fourth hypothesis (H4), shows that the original sample value is - 0.133 and the sample mean - 0.127 so that it is declared a negative value, then the moderation of customer satisfaction weakens but is significant for the effect of discount on repurchase intention. So, it can be stated that there is a negative relationship between customer satisfaction on the discount and repurchase intention. This negative effect can be explained that the greater the level of customer satisfaction in shopping, it will likely cause a decrease in consumer repurchase interest. Directly, customer satisfaction has a very important role in determining consumer behavior. One of the things that can be done so that consumers can make repeat purchases is to offer attractive discounts/rebates, so that consumers repurchase interest will also increase. This needs to be done in order to strengthen customer satisfaction and the discounts offered by Shopee to repurchase intention. Thus, the evidence of this study can support and complement previous research conducted by (Prawita et al., 2020; Setiomuliono & Tanjung, 2016). Thus, it can be concluded that the fourth hypothesis (H4) is accepted.

Proving the fifth hypothesis (H5), moderation of customer satisfaction has a significant effect and can moderate the effect of sales promotion on repurchase intention. Someone's interest to shop again at the same place comes from customer satisfaction which is able to moderate sales
promotion against repurchase intention. This means that customer satisfaction obtained from various promotions carried out can make consumers decide to shop and buy products at the same place again. Thus, the evidence of this study can support and complement previous research that has been carried out by (Muiz et al., 2019; Rosaliana, 2018). So, it can be concluded that the fifth hypothesis (H5) is accepted.

The results of this study should be discussed related to the results of the coefficient of determination. The coefficient of determination is usually used as the basis for determining the effect of the independent variable on the dependent variable. The formula used is: \( KD = R^2 \times 100\% \). Based on data processing in this study, \( R^2 \) was obtained, which was 0.618. From the value of the coefficient of determination (\( R^2 \)) 0.618 which means that Discount and Sales Promotion on Repurchase Intention contributed 61.8% while the remaining 38.2% was influenced by other factors outside of this study.

CONCLUSIONS

This study provides evidence regarding the effect of discount and sales promotion on repurchase intention with customer satisfaction as a moderating variable. The results of this study indicate that the discount has a positive and significant effect on repurchase intention. Sales promotion has a positive and significant effect on repurchase intention. Customer satisfaction has a positive and significant effect on repurchase intention. Customer satisfaction weakens but affects and can moderate the discount on repurchase intention. Customer satisfaction is able to strengthen and moderate between sales promotion and repurchase intention. This study has limitations, namely that the respondents who became the sample were only Shopee application users aged 18-28 years. This study recommends to Shopee that if they want to increase consumer repurchase interest, it is expected to be able to maintain activities in terms of providing many promos, such as discount offers, shopping vouchers, and free postage that are most in demand by the public and continue to create innovations in order to compete with similar competitors. For further researchers, it is expected to expand the sample because in this study the sample used was only Shopee application users aged 18-28 years and added a price perception variable as a moderating variable to complete the model that affects discount and sales promotion on repurchase intention. Because with price perception, when consumers decide to buy a product again at the same place, they will first consider and compare price, suitability, and affordability with other products or stores. Price perception needs to be considered by the Shopee in order to be able to analyze the condition of prices that are affordable for consumers and can compete with other e-commerce.

REFERENCES


