

## **The Effect of Flash Sale on Purchasing Decisions: A Theoretical Approach**

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### **Abstract**

The current research was explored to analyze the Effect of Flash Sale on Purchasing Decisions on E-commerce. By applying a qualitative method, this research carried out to explore the prepositions of promotion study and conceptualized *flash sale promotion* as a promotional tool. The datacollection technique applied a literature survey. The literature survey outlined some of the findings of previous researchers' references and elaborated the study using *grounded theory*. This research, methodically, was expected to be able to explain flash sales, and purchasing decisions. The findings proved that Flash Sale promotions had a positive and significant influence on purchasing decisions, and encouraged impulse buying behavior on various platforms, such as Shopee and Lazada. Flash Sales provided attractive price reductions for consumers, encouraging them to make purchasing decisions. The results also showed that promotional strategies such as Flash Sale and Free Shipping offers promoted a positive impact on increasing product sales and influencing consumer purchasing decisions.

**Keywords:** Discount, Flash Sale, Purchasing Decision

## 1. Introduction

Nowadays are characterized by the development of the internet that the impact is rapidly growing on the economic sector whom Maulidasari dan Damrus, (2020) believe to reach and create trade and business to a new level. With the existence of electronic commerce or *e-commerce* and social commerce, its benefits make people's behavior and activities change. *E-commerce* makes it easy for individuals or groups to trade, and or conduct transactions without the need to set up a grounded building or physical shop Rusmayanti & Agustin, (2021). Moreover, in reaching trade, international businesses or national ones that use the internet can reach more customers, and gain new scopes of communication in other businesses and organizations Syifa S Mukrima, (2017)

Online marketplaces make it easy for many people to do online business at low cost and a wide market share Reza, (2016) Competition in online businesses is high, ranging from daily necessities to electronic products, causing producers and manufacturer to be intensive in promotion Asnawi dan Setyaningsih, (2021) Therefore, to introduce products, sellers must carry out various online promotions to attract consumers to visit the seller's website page and buy sale products. In the online marketplace, there are many facilities for promotion. The promotional facilities provided by the online marketplace play a very essential role in influencing sale product Rahmawati, (2020).

To attract sale interest, appropriate and effective promotions are needed which can be an attraction in increasing sales so as to achieve the goals of the company Martaleni et al., (2022). One of the marketing models carried out by the online marketplace in the form of promotion is flash sale. The flash sale promotion model is a marketing model that provides large discounts in a limited and certain time. This model provides promotional services with a limited time which promote directs consumers to make purchases quickly Sundjaja et al., (2020). Therefore, flash sales are part of digital marketing that manufacturers use to introduce their products that can attract buyers.

In addition, online shopping (E-Commerce) also encourages the digitization of payment systems that provide digital economic transactions in the midst of the COVID-19 pandemic. This can be recognized in 2020, transaction value was increased by 29.6% from IDR 205.5 trillion to IDR 266.3 trillion quoted since 2019, taken from Databoks (2021). The concept of promotion through social media requires good marketing communication. This is intended as a driving tool to increase sale so that the seller's goals can be achieved as stated by Syaipudin dan Awwalin, (2022). In a person's behavior, the higher a person's shopping lifestyle, the higher the impulse buying of customers while shopping online. Putra et al., (2020) believe this creates opportunities for business actors who are involved in the world of e-commerce with a lot of promotional strategies given to the products they sell. One of the marketing models carried out by the online marketplace is in the form of flash sale promotions.

Flash Sale is a product offering with a discounted price in a limited short period Jayanti, (2020). Flash Sale is often referred to as a "daily deal", a part of sales promotion that provides customers with special offers or discounts on certain products for a limited time. This short

offer is very attractive to consumers because the price of the item they want is much lower than the normal price when the Flash Sale program takes place

Rahmawati et al., (2023)The strategy of limited time and large discounts in Flash Sale is deliberately designed to create a feeling of panic, that if consumers do not buy at that moment, they will lose the opportunity to get the product very cheap, so that it can provoke consumers make purchases Arestrias dan Wijanarko, (2021)Based on the description above, the purpose of this study is to analyze the Effect of Flash Sale on Purchasing Decisions in E-Commerce.

## **2. Literature Review**

### **2.1 Flash Sale Promotion**

A flash sale is a product offering at a reduced price and limited quantity for a short period of time. Flash sale or also called "daily deal" is a part of a sales promotion that provides its customers with special offers or discounts on certain products for a limited time Agrawal & Sareen, (2016). According to Jannah et al., (2022)Flash sales are often viewed as daily deals or *deal-of-the day*. These sales are an e-Commerce business model in which a site offers a single or limited selection of products at a discounted price over a short period of time. The sale usually takes place anywhere between just a few hours to 24-36 hours.

Flash Sale indicators according to Diah and Sukmawati, (2022) in sales promotion, as follows:

1. Promotion frequency is the number of flash sale promotions carried out within a sale promotion platform time.
2. Promotion quality is a measure of how well a flash sale promotion is carried out,
3. Promotion time is the time period provided during the flash sale program.
4. Promotional accuracy or suitability is a target in promotion which is an important factor in flash sale promotions that are needed to achieve the desired target.

### **2.2 Purchasing Decision**

According to Philip Kotler, (2018)a shopping decision or purchasing decision is a decision to be able to continue a purchase or to stop the purchase. Purchasing decisions are the point where a person can evaluate from various alternative choices to decide what to choose. Kotler, (2018)additionally motions that a consumer makes his choice by considering various kinds of actions, such as product choice, provider choice, brand choice, payment method choice, and time choice.

According to Jannah et al., (2022)there are several indicators in purchasing decisions, as follows:

1. Spontaneity

These purchases occur when consumers buy something suddenly that is not planned in advance.

2. Power, Compulsion and Intensity

This situations occur when consumers have a desire to buy something in a hurry, putting aside something else, resulting in a fast and strong purchase. The thought that having the product is a must.

3. Excitement and Stimulation

There is a feeling of excitement, passion and strong stimulation when going to buy a product suddenly.

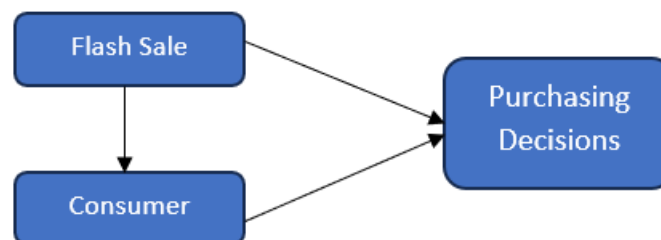
#### 4. Disregard for Consequences

When consumers have the desire to buy a product and this is something that is very difficult to resist. It depicts where the consumers do not think in advance about the consequences and loss that will be received from the purchasing decision.

### 3. Materials and Methodology

This research used a qualitative method, which aimed to provide a research proposal preposition on Product Innovation. This research conceptualized the Product Innovation as the result of educational work and creativity obtained through the development of innovation theory. The data collection technique employed a literature survey, which was qualitative study with development derived from the research literature. The technique taken in this study was in line with the opinion of Takahashi and Takai, (1998) They confirmed that literature survey is a process of locating, obtaining, reading, and evaluating research literature. This research outlined some of the findings of previous researchers' references, which produce findings and explorations using Grounded Theory about the effect of *flash sales* on purchasing decisions, and the factors that influence purchasing decisions directly or indirectly. This research, methodically, is expected to be able to explain *flash sale* discounts, and purchasing decisions.

#### 3.1 Design Study



**Figure 1.** Research Model

### 4. Result and Discussions

Jannah et al., (2022) in her research elaborates that the results of partial hypothesis testings show *flash sale* discounts have a significant positive effect on purchasing decisions. *Flashsale* is a direct reduction in price for purchases during a certain period. That is, a *flash sale* discount as a direct discount on the price of goods against the purchase of a certain amount in a certain period. The existence of discounts can stimulate consumers to make purchases from these consumer transactions and will have an impact on increasing sale of certain products. Discounts have their own power in the bargaining process for a product. In line with Wangi (2021), regarding the effectiveness of promotional tools such as flash sales (special price offers) and cashback (direct discounts) in encouraging impulse buying indicates

that flash sale, have a significant effect on impulse buying behavior.

Meanwhile, another previous study examined by Souisa, (2022) her study's results can be concluded that Flash sale has a positive and significant effect on impulse purchases among Lazada marketplace users. The stronger the flash sale, the stronger the impulse buying behavior that arises. The influence of flash sales and brand image in influencing impulse purchases was only 26.1, while the remaining 73.9% was influenced by variables not examined by the researchers. Fardani and Siregar, (2023) prove that the flash sale promo for Erigo products is rated very well by consumers, meaning that the flash sale promos carried out by Erigo are attractive and favored by consumers even though they are limited by time. The flash sales promo variable and viral marketing have a significant correlation with a correlation coefficient of 0.201, which means that it has a low and unidirectional correlation level. The effect of flash sales promos partially and significantly on purchasing decisions was 16.5% and viral marketing partially and significantly affects purchasing decisions by 4%.

In line with research conducted by Rahmawati et al., (2023) the results of the Flash Sale variable Partially Affects Consumer Purchasing Decisions on Skintific Products on Shopee. This means that the Flash Sale promotions on Shopee promotes consumers in buying Skintific products at a relatively cheaper price. It successfully encourages consumers to make purchasing decisions. Corroborated with research from Shibab & Siregar, (2023), there is a positive and significant partial effect of the flash sale variable on the purchasing decision variable. When the flash sale increases, it will positively affect purchasing decisions. Further, it is also supported by Ariska et al., (2022) her study yielded that the t-test or partial test show  $t_{count}$  values are greater than the  $t_{table}$  as evidenced by the value of  $5.150 > 1.984$  with a significance level of  $0.000 < 0.05$ . So, it can be concluded that  $H_{a1}$  is accepted and  $H_{01}$  is rejected. This means that the flash sale variable has a significant effect on impulsive buying online for housewives in Muara Bangkahulu district.

Another similar study's result was coming from Kedaton et al., (2022) He demonstrated that the Flash Sale Promotion variable (X1) Affects Purchasing Decisions (Z) through Purchase Interest (Z) as an intervention variable for Shopee application users in Madiun City. This portrays when the flash sale promotion using the Shopee application increases, it will attract buying interest and even purchasing decisions. Aligned with a study from Malafitri et al., (2022) they sum up that there is an influence of flash sales (X1) on purchasing decisions for FEB UPS Tegal students on the Shopee marketplace. In a uniform with research by Juwita et al., (2022) partially, the flash sale variable has a positive and significant effect on the impulse buying variable on the Shopee marketplace by 65.8%. This means that in running a flash sale, Shopee is able to influence people to do impulse buying through price cuts. Equivalent with Martaleni et al., (2022), it can be concluded that the Flash Sale and Free Shipping Variables have a positive and significant influence on purchasing decisions in the Shopee market.

## **5. Conclusion, Implication, and Recommendation**

The conclusion of this study shows that Flash Sale promotions have a positive and significant influence on Purchasing Decisions and encourage impulse buying behavior on various platforms, such as Shopee and Lazada. Flash Sale provides attractive price reductions for consumers, encouraging them to make purchasing decisions. These results also depict

that promotional strategies such as Flash Sale and Free Shipping offers have a positive impact on increasing product sales and influencing consumer purchasing decisions. Thus, Flash Sale promotions are an effective tool in online marketing and can significantly improve sale performances.

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