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Understanding Online Purchasing Behavior: The Role of Price, Promotion, and Product Reviews on The Shopee Platform

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Abstract

This study examines how price, promotion, and product reviews influence purchasing decisions among Management Study Program students at Methodist University of Indonesia who use the Shopee platform. Using a quantitative approach, data was gathered through questionnaires distributed to 89 participants. Multiple linear regression analysis was employed to analyze the data. Results indicate that price and product reviews have positive and significant effects on purchasing decisions, while promotions show no significant impact. The combined effect of all three variables produces meaningful results with an R^2 coefficient of 0.607, suggesting that 60.7% of purchase decision variance can be explained by the model. These findings offer valuable insights for developing e-commerce strategies, particularly regarding pricing strategies and product review management to enhance consumer purchasing decisions.

Keywords: Price, Promotion, Product Reviews, Purchase Decision, E-Commerce.

Introduction

Indonesia's e-commerce industry has witnessed extraordinary expansion, fundamentally transforming consumer behavior patterns, especially among digitally native younger generations. Shopee emerges as a dominant platform, recording 145.1 million visits in December 2024, outperforming competitors such as Tokopedia and Lazada. This market leadership results from Shopee's competitive advantages, including strategic pricing strategies, dynamic promotional campaigns featuring flash sales and cashback incentives, and comprehensive product review mechanisms (Chen et al., 2022). Despite these appealing features and incentives, consumer purchasing decisions remain multifaceted, indicating that psychological and evaluative factors significantly influence the decision-making process.

University students constitute a particularly engaged and discerning segment of Shopee's user community. Their e-commerce engagement transcends lifestyle and academic needs, exhibiting more deliberate and research-driven purchasing patterns. Before completing purchases, students typically conduct comprehensive investigations utilizing review features and price comparisons (Kim & Park, 2021). While promotional offerings are plentiful, their actual influence on student purchasing behaviors remains uncertain. Therefore, this study seeks to thoroughly investigate how price, promotion, and product reviews individually and collectively affect student purchasing decisions through quantitative analysis using primary data from Shopee users.

Literature Review

Price

Price represents the monetary value consumers exchange to acquire products or services, reflecting the perceived value customers obtain from product benefits or ownership (Zeithaml et al., 2020). Price influence on purchasing decisions can be assessed through several dimensions: (1) pricing

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affordability; (2) correspondence between price and product quality; (3) competitive pricing position; (4) availability of discounts or price reductions.

Promotion

Promotion constitutes marketing communication strategies designed to inform, persuade, and remind consumers about available products or services (Kotler & Armstrong, 2021). Promotional impact on purchasing decisions is measurable through various components: (1) advertising campaigns; (2) sales promotional activities; (3) personal selling approaches; (4) public relations efforts; (5) digital marketing initiatives.

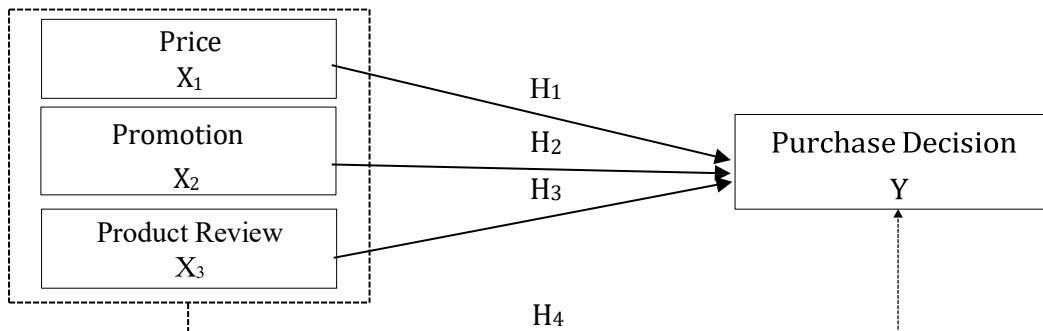
Product Reviews

Product Reviews comprise consumer evaluations that provide genuine insights into product or service quality, encompassing usage aspects, specifications, design features, and personal experiences that build trust and influence purchasing decisions (Wang et al., 2023). Key indicators for measuring product review influence include: (1) consumer awareness; (2) review frequency; (3) comparative analysis; (4) overall impact assessment.

Purchase Decision

Purchase Decision represents the consumer's selection process for products, culminating in actual purchase transactions, reflecting evaluation of available alternatives (Liu & Zhang, 2022). Purchase decision measurement incorporates: (1) product selection criteria; (2) brand preference; (3) distribution channel selection; (4) purchase timing considerations; (5) quantity decisions; (6) payment method choices.

Conceptual Framework



Source: processed by the researcher, 2025

Figure 1
Conceptual Framework

Based on the theoretical foundation, the following hypotheses were developed:

1. **Hypothesis 1:** Price demonstrates a positive and significant partial effect on Shopee purchasing decisions among 2021-2022 Management Study Program students at Methodist University of Indonesia.
2. **Hypothesis 2:** Promotion shows a positive and significant partial effect on Shopee purchasing decisions among 2021-2022 Management Study Program students at Methodist University of Indonesia.
3. **Hypothesis 3:** Product reviews exhibit a positive and significant partial effect on Shopee



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purchasing decisions among 2021-2022 Management Study Program students at Methodist University of Indonesia.

4. **Hypothesis 4:** Price, promotion, and product reviews collectively demonstrate a positive and significant simultaneous effect on Shopee purchasing decisions among 2021-2022 Management Study Program students at Methodist University of Indonesia.

Methodology

This investigation employs a quantitative approach utilizing an associative research design. The quantitative methodology enables statistical hypothesis testing through numerical data analysis, while the associative approach facilitates examination of relationships between independent variables (price, promotion, and product reviews) and the dependent variable (purchase decision). According to Anderson et al. (2020), quantitative methods represent scientific approaches emphasizing deductive reasoning and analytical objectivity.

The research population comprised Management Study Program students from the Faculty of Economics at Methodist University of Indonesia, specifically the 2021-2022 cohort, totaling 639 students. A purposive sampling technique was implemented, selecting participants based on specific criteria: active Shopee platform transaction engagement. Sample size calculation utilized the Slovin formula with a 10% margin of error, yielding 89 respondents.

Data collection occurred through online questionnaire distribution via Google Forms. The research instrument was constructed based on variable indicators, employing a five-point Likert scale (1 = strongly disagree to 5 = strongly agree).

Data analysis utilized multiple linear regression through SPSS version 25 software. Testing procedures included: (1) Instrument validation (validity and reliability testing); (2) Classical assumption verification (normality, multicollinearity, and heteroscedasticity testing); (3) Multiple linear regression analysis (correlation coefficient and determination coefficient calculation); (4) Hypothesis testing (partial t-test and simultaneous F-test).

Results and Discussion

Multiple Linear Regression Analysis

Table 1. Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients			T	Sig.
	B	Std. Error	Beta		
1	(Constant)	4.248	2.574		.103
	X1	.422	.103	.397	.000
	X2	-.024	.086	-.031	.783
	X3	.482	.099	.505	.000

Source: SPSS 25 output, 2025

The regression equation derived from analysis:

$$Y = 4.248 + 0.422X1 - 0.024X2 + 0.482X3$$

Model interpretation:

1. The constant value of 4.248 indicates that when price, promotion, and product review variables remain unchanged, the purchase decision variable maintains a value of 4.248.
2. Price variable exhibits a positive regression coefficient of 0.422, suggesting that each unit increase in price perception leads to a 0.422 unit increase in purchase decisions, assuming



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other variables remain constant.

- Promotion variable demonstrates a negative regression coefficient of -0.024, indicating that promotional increases result in decreased purchase decision values when other variables remain constant.
- Product review variable shows a positive regression coefficient of 0.482, implying that improved product reviews lead to enhanced purchase decision outcomes.

Hypothesis Testing

Multiple linear regression analysis revealed the following t-test (partial) results regarding the effects of price, promotion, and product reviews on Shopee purchasing decisions among 2021-2022 Management Study Program students:

Table 2. Partial Test (t-test)

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
1	(Constant)	4.248	2.574	1.650	.103
	X1	.422	.103	.397	4.105
	X2	-.024	.086	-.031	.783
	X3	.482	.099	.505	4.885

Source: SPSS 25 output, 2025

The t-test results confirm:

- Price (X1):** Positive coefficient with statistical significance ($t = 4.105$, $p < 0.001$) indicates that price partially exerts a positive and significant influence on Shopee purchasing decisions. This validates price as a crucial factor in consumer purchasing behavior, where consumers typically associate product quality with pricing levels.
- Promotion (X2):** Negative coefficient with no statistical significance ($t = -0.276$, $p = 0.783 > 0.05$) suggests that promotion has no significant partial effect on Shopee purchasing decisions. Despite extensive promotional offerings, this factor does not serve as the primary determinant in consumer purchase decisions, potentially reflecting consumers' prioritization of price factors and product reviews over promotional benefits.
- Product Reviews (X3):** With the highest t-value (4.885) and p -value < 0.001 , product reviews emerge as the most influential factor in purchasing decisions. This demonstrates that product reviews partially exert positive and significant influence on Shopee purchasing decisions, serving as reliable information sources for potential buyers evaluating product quality before transactions.



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Simultaneous Testing (F-test)

Table 2. Simultaneous Test (F-test)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	754.080	3	251.360	44.730	.000 ^b
	Residual	460.803	82	5.620		
	Total	1214.884	85			

Source: SPSS 25 output, 2025

To examine the collective impact of Price, Promotion, and Product Reviews on Shopee purchasing decisions, an F-test was conducted.

1. F-statistic = 44.730
2. Significance (p-value) = 0.000
3. Critical F ($\alpha = 0.05$, df = 3,82) = 2.72

Since the computed F-value (44.730) exceeds the critical threshold and p-value is below 0.05, the null hypothesis is rejected.

Interpretation: This confirms that the three predictors (Price, Promotion, and Product Reviews) jointly exert statistically significant effects on Shopee purchasing decisions among 2021-2022 Management Study Program students. The model is valid and meaningful in explaining purchase decision variations, highlighting the importance of integrating pricing strategies, promotional activities, and review management for effective e-commerce consumer engagement.

Determination Coefficient Analysis

Table 4. Coefficient of Determination Test (Adjusted R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788 ^a	.621	.607	2.371

Source: SPSS 25 output, 2025

The model's adjusted R² was 0.607, indicating 60.7% of purchase decision variation is attributable to the explanatory variables. The remaining 39.3% may be influenced by other internal or external factors not captured in this model.

Discussion

The Influence of Price on Shopee Purchasing Decisions

Based on regression analysis results shown in Table 1, price has a positive and significant effect because the calculated t-value of 4.105 exceeds the table t-value of 1.989, with a regression coefficient of 0.422. The significance level of 0.000 < 0.05 confirms that price affects Shopee purchasing decisions. Therefore, the first hypothesis (H₁) is accepted.

This finding indicates that price perception significantly affects purchasing decisions among Management Study Program students. Every unit increase in price perception leads to a 0.422



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unit increase in purchase decisions, assuming other variables remain constant.

According to consumer behavior theory, price serves as a quality indicator for consumers (Johnson et al., 2021). When consumers evaluate products online, they often rely on price as a proxy for quality assessment. This phenomenon occurs because consumers typically associate product quality with pricing—lower prices often suggest inferior quality, moderate prices indicate a quality-affordability balance, while higher prices usually represent superior materials, enhanced durability, or established brand reputation.

The Influence of Promotion on Shopee Purchasing Decisions

Based on regression analysis results shown in Table 1, promotion has no significant effect because the calculated t-value of -0.276 falls below the table t-value of 1.989, with a regression coefficient of -0.024. The significance level of $0.783 > 0.05$ indicates that the second hypothesis (H_2) is rejected.

This finding suggests that promotional activities do not serve as the primary determinant in consumer purchase decisions. In accordance with rational choice theory, consumers have become increasingly sophisticated in their decision-making processes (Brown & Taylor, 2020). Despite Shopee's extensive promotional offerings, modern e-commerce consumers, particularly students, have developed immunity to promotional tactics and rely more on substantive product information.

The Influence of Product Reviews on Shopee Purchasing Decisions

Based on regression analysis results shown in Table 1, product reviews have a positive and significant effect because the calculated t-value of 4.885 surpasses the table t-value of 1.989, with a regression coefficient of 0.482. The significance level of $0.000 < 0.05$ demonstrates that product reviews partially exert positive and significant influence on Shopee purchasing decisions. Therefore, the third hypothesis (H_3) is accepted.

The positive coefficient of 0.482 indicates that improved product reviews lead to enhanced purchase decision outcomes, representing the strongest predictor among all variables tested.

According to social proof theory and trust theory, product reviews serve as reliable information sources for potential buyers evaluating product quality before transactions (Miller & Garcia, 2022). In the digital marketplace context, where physical product examination is impossible, consumer reviews function as virtual word-of-mouth recommendations.

The Simultaneous Influence of All Variables

Based on simultaneous test (F-test) findings shown in Table 2, the calculated F-value (44.730) exceeds the table F-value (2.72) with a significance level of $0.000 < 0.05$. This confirms that price, promotion, and product reviews simultaneously exert positive and significant effects on Shopee purchasing decisions. Therefore, the fourth hypothesis (H_4) is accepted.

The comprehensive model demonstrates that while individual variables show varying significance levels, their collective influence creates a robust framework for understanding e-commerce



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purchasing behavior. According to multi-attribute utility theory, consumers evaluate multiple product attributes simultaneously when making purchasing decisions (White & Anderson, 2023).

Conclusion

From the overall discussion and results obtained, the conclusions are:

1. Price has a positive and significant influence on Shopee purchasing decisions among Management Study Program students 2021-2022, serving as a quality indicator and trust signal in online shopping environments.
2. Promotion shows a negative and insignificant influence on Shopee purchasing decisions among Management Study Program students 2021-2022, suggesting promotional fatigue and evolved consumer sophistication in digital marketplaces.
3. Product reviews demonstrate the strongest positive and significant influence on Shopee purchasing decisions among Management Study Program students 2021-2022, highlighting the critical role of social proof and user-generated content in e-commerce decision-making.
4. Price, promotion, and product reviews simultaneously affect Shopee purchasing decisions with 60.7% explanatory power, confirming the multi-dimensional nature of e-commerce consumer behavior.

Recommendations

Based on the research findings, the following recommendations are proposed:

1. Future researchers should extend the observation period and expand the sample size beyond Management Study Program students to include diverse demographic groups, ensuring more generalizable results across different consumer segments.
2. Future researchers can incorporate additional variables such as seller reputation, delivery speed, website usability, customer service quality, and payment security that are believed to influence e-commerce purchasing decisions.
3. For Shopee and e-commerce practitioners, focus marketing strategies on price positioning as quality signals and enhancing product review systems rather than relying heavily on promotional tactics, as consumers demonstrate greater responsiveness to authentic peer recommendations.
4. For academic purposes, future research should explore mediating and moderating effects of demographic variables, technological adoption levels, and cultural factors on the relationship between these variables and purchasing decisions in various e-commerce platforms.

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