

The Effect of Discounts on Purchase Decisions on The Tiktok Shop Application

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ABSTRACT

This study aims to explore the effect of discounts on purchasing decisions among students of the Department of Business Administration, State Polytechnic of Kupang. The research method used is quantitative with descriptive and associative approaches. Data was collected through a questionnaire distributed to 30 respondents who had made purchases through TikTok Shop. The data was analyzed using SPSS 25. Descriptive analysis showed that the majority of respondents were female students aged 22 – 25 years. The results of a simple linear regression analysis show that discounts have a positive and significant influence on purchase decisions. Contributing to this research, businesses should increase discounts on TikTok shops to increase the potential of potential customers and retain existing customers.

Keywords: TikTok Shop, Discounts, Purchase Decision

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1. INTRODUCTION

The rapid development of technology has made it easier for various aspects of human life, including shopping. One of the manifestations of this technological advancement is the emergence of e-commerce applications (Marhawati, et al. 2023). According to Anonymous (2020), e-commerce is an online shopping activity that utilizes the internet network, where transactions are carried out through digital money transfers. In Indonesia, online shopping is increasingly popular along with the increasing use of gadgets that almost everyone has. Shopping online is one of the options that people are interested in (Widyaputri, et al. 2022). One of the platforms that is currently widely used is Tiktok Shop (Alifah, 2022). The Tiktok application itself was first launched in September 2016 by Zhang Yiming in China as a social media and music video application. Based on data from Sensor Tower, Indonesia is the country with the highest number of Tiktok downloads, reaching 11%, followed by Brazil with 9% (Jamilah & Kusuma, 2024).

Tiktok Shop, which was launched in April 2021, is present in response to increased sales through promotions on social media. This feature facilitates interaction between sellers, buyers, and creators. One of the strategies used by Tiktok Shop to attract consumer interest is through a discount program (Permana, et al. 2024). Discounts are a pricing strategy that sellers often use to entice consumers by offering lower prices. According to Rosyada & Wigiawati, (2020) for consumers, the existence of discounts gives the impression that they are paying less than the actual value. However, consumers can also feel deceived if discounts are only used as a tactic to increase sales without providing actual added value. Tiktok Shop offers a variety of products ranging from fashion needs to daily necessities. The presence of Tiktok Shop makes it easy to shop, especially because there are no time and location restrictions. The app also offers a variety of promotional programs, such as free shipping, flash sales, discount coupons, and COD (Cash On Delivery) payment options. These features provide added value for consumers, especially for students who are often looking for a more economical and practical way to shop (Putri Marlia, 2024).

However, the presence of Tiktok Shop also has a negative impact, especially on student consumption patterns (Defriyanti & Fitri, 2024). Many college students are driven to buy things they don't actually need, simply because they are tempted by discounts or trends. This has given rise to a consumptive culture, where students tend to spend money on things that are not very important (Melinda, 2022). On the other hand, Tiktok Shop also opens opportunities for students to be entrepreneurial by selling products or services through the platform. Initial observations on students of the Department of Business Administration of the Kupang State Polytechnic show that most of them are interested in shopping at Tiktok Shop because of cheaper prices and attractive discounts. However, there are also concerns related to the risk of fraud, such as items that do not match the description or order.

Research on the factors that influence purchase decisions on Tiktok Shop has been conducted before. For example, Devica (2020) shows that consumer perception of discounts has a positive and significant effect on purchase decisions. However, other studies have found that discounts do not always have a significant influence on purchase decisions (Puspitasari & Herdian, 2023). These differences in findings indicate that further studies are still needed on the influence of discounts on purchase decisions, especially among students.

Therefore, this study aims to further explore the factors that influence purchasing decisions on Tiktok Shop, with a special focus on the effect of discounts on students' purchasing decisions. By conducting this research, it is hoped to provide a deeper understanding of how discounts affect purchasing decisions among college students. In addition, the results of this research are also expected to provide useful recommendations for Tiktok Shop management in designing effective marketing strategies to attract the attention of students as potential consumers.

2. METHODS

This research was carried out at the Department of Business Administration of the Kupang State Polytechnic, East Nusa Tenggara, using a quantitative method with a descriptive and associative approach. The research data was collected through a questionnaire distributed to students who had purchased clothes through TikTok Shop. The purposive sampling technique was used to select 30 respondents as research samples. The data obtained is primary data, collected through observation, interviews, and questionnaires. Before being analyzed, validity and reliability tests are carried out to ensure that the research instruments used have adequate quality in measuring the variables studied (Sanaky, 2021).

Data analysis in this study uses simple linear regression to determine the effect of discounts (variable X) on purchase decisions (variable Y) using SPSS 25. Descriptive analysis was used to describe the profile of the respondents and the characteristics of the data collected. Additionally, the determination coefficient (R^2) test is used to see the extent to which discounts affect purchase decisions. The hypothesis test was carried out using a statistical test t to determine the partial relationship between discounts and purchase decisions.

3. RESULTS AND DISCUSSION

3.1 Result

Students of the Department of Business Administration of the Kupang State Polytechnic who were used as respondents in filling out a questionnaire of 30 people were taken from D3 and D4 students. The respondent data taken is shown as shown in table 1 below.

Table 1. Profile of respondent

Characteristic	Criteria	Frequency	Percentage (%)
Gender	Male	3	10
	Female	27	90
Age	18 - 21	3	10
	22 - 25	27	90
Education	D4 - Corporate Management	29	97
	D3 - Business Administration	1	3

Source: Author data processing, 2024

Based on table 1 above, there are 30 students of the Department of Business Administration of the Kupang State Polytechnic who are respondents who are dominated by female students by 90% and men by 30%. Meanwhile, students aged 21-25 years are 70% and students aged 18-21 years are 30%. In terms of education, respondents were dominated by students from the D4 - Corporate Management study program by 97% and D3 by 3%.

Validity tests are used to determine the level of validity or completeness of the questionnaires used in data collection. Table 2 displays the validity test results of each variable.

Table 2. Validity test

Variables	Calculate r value	R critical/ limit value	Status
Purchase Decision (y)	0,642	0,30	Valid
	0,593	0,30	Valid
	0,789	0,30	Valid
	0,593	0,30	Valid
	0,807	0,30	Valid
Discount (x)	0,616	0,30	Valid
	0,471	0,30	Valid
	0,507	0,30	Valid

Source: Author data processing, 2024

Based on table 2 above, all questionnaire results on each item of both variables are declared valid because the calculated r value is greater than the table r value.

Reliability tests are used to show the extent to which the measurement results of a variable are relatively consistent, so that it can be a reliable indicator for that variable. The reliability test uses a Cronbach alpha value where both variables are said to be independent if they have a value greater than 0.70. Table 3 shows the reliability test.

Table 3. Reliability test

Variable	Cronbach's Alpha	Information
Discount (X)	0,752	Reliable
Purchase Decision (Y)	0,886	Reliable

Source: Author data processing, 2024

Based on table 3 above, the discount variable (X) and purchase decision (Y) are reliable because the value of Cronbach's Alpha of both variables is greater than 0.70.

A simple linear regression analysis aims to find out the effect of variable X (discount) on variable Y (purchase decision). Table 4 shows the results of a simple linear regression.

Table 4. Simple Linear Regression

Coefficients ^a						
Type		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,263	4,805		1,512	,142
	Discount	1,090	,370	,487	2,950	,001

a. Dependent Variable: Purchase decision

Source: SPSS Data Version 25

The results of a simple linear regression analysis in table 4 above show that discounts have a significant positive effect on purchase decisions. This means that the greater the discount given, the higher the likelihood that consumers will make a purchase. This result is consistent with economic theory that states that discounts can increase consumer interest in buying a product. Therefore, a discounting strategy can be one of the effective ways to increase sales and customer loyalty. Meanwhile, to see the magnitude of the influence of this regression model, table 5 displays the value of the Coefficient of Determination (R^2).

Table 5. Coefficient of Determination (R^2)

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.487 ^a	.237	.210	1.91933

a. Predictors: (Constant), Discount

Source: SPSS Data Version 25

Based on the results of the determination coefficient analysis contained in the table, it can be concluded that the correlation value (R) is 0.487. From this output, the value of the determination coefficient (R Square) was obtained of 0.237, which means that the influence of the free variable (price discount) on the bound variable (purchase decision) was 23.7%. Meanwhile, the remaining 76.3% was explained by other factors that were not included in the study.

3.2 Discussion

This research was conducted to determine the effect of discounts on generation Z purchase decisions on the TikTok application. The majority of respondents are women and are between 22 and 25 years old, with almost all respondents coming from the D4 – Corporate Management study program. This demographic profile provides important context, as consumer preferences and behaviors can be greatly influenced by factors such as gender and education level. With a strong academic background, respondents turned out to have a better understanding of product value and the influence of discounts in purchasing decisions on TikTok Shop (Moumtaza, 2022).

The results of the regression analysis show that discounts have a significant positive influence on purchase decisions. With a regression coefficient of 1,090, the study confirms that the increase in discounts is directly proportional to the increase in purchase decisions. These findings are in line with previous research, such as those conducted by Devica (2020), where consumers tend to be more responsive to discount offers, which can increase their motivation to buy. Therefore, implementing the right discount strategy can not only increase

sales volume, but it can also build customer loyalty among young consumers who may be looking for more value in each purchase.

However, despite the significant influence of discounts, the coefficient of determination (R^2) showed that only 23.7% of variation in purchasing decisions could be explained by discounts, while the remaining 76.3% were influenced by other factors not measured in the study. This indicates that purchasing decisions are influenced by a variety of factors, including product quality, customer service, and psychological factors. Therefore, it is important for researchers and marketing practitioners to consider a variety of other factors in their marketing strategies, as well as conduct further research to explore other variables that may contribute to purchasing decisions.

This research contributes to the understanding of discounting strategies on TikTok Shop, an increasingly popular social media platform. The results of the study show that providing discounts on TikTok Shop can significantly increase consumer buying interest. By utilizing social media such as TikTok, discount promotions not only reach more potential consumers, but also increase brand awareness (Sapa, 2023). This is an effective step to increase sales and expand the company's market share. In the context of increasingly fierce global market competition, discount strategies are becoming increasingly important for companies (Ratnasari, et al. 2023). Providing discounts allows companies to reach new consumers and strengthen awareness of their product brands. For example, a study shows that providing a 20% discount on TikTok Shop can increase product sales by up to 30% in one month (Ramadan, 2023). This proves that discounts can be a powerful tool in encouraging consumers to make purchases.

This study has several limitations: first, it only looks at one independent variable, namely discounts. Further research can involve other variables such as product quality, promotion, and brand image to get a more comprehensive picture of the factors that influence consumer behavior in purchasing products. Second, the method of determining the number of samples is not clearly conveyed. This is intended so that readers can understand and replicate the research, so that transparent and comprehensive information about the process of determining the number of samples can be carried out appropriately.

4. CONCLUSION

Discounts play an important role in influencing purchasing decisions, especially among students who are the main target of this study. These findings underscore the importance of price strategies in attracting consumers, especially with discounts that can increase product appeal. However, the impact of discounts only explains a small part of the purchase decision, so other factors are still needed to be considered in a more comprehensive marketing strategy.

The majority of respondents in this study were women, which provided important insights into how female students responded to discount programs on TikTok Shop. This demographic factor has the potential to influence their preferences for products and promotional strategies such as discounts. This is evident from the influence of discounts on female students' purchasing decisions, which shows that discounting strategies can support an increase in product sales on social media. The results of the study also show that discounts on TikTok Shop significantly increase consumer buying interest. By leveraging social media like TikTok, discount promotions can not only reach more potential consumers but also increase brand awareness.

Overall, the study offers useful insights for TikTok Shop management in designing effective discount strategies. While discounts have a significant effect on purchasing decisions, other factors, such as product quality, seller reputation, and customer service, also need to be considered to improve consumer satisfaction and loyalty. Further research is needed to dig deeper into other factors that also influence buying behavior, in order to create a more holistic marketing strategy.

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