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The Effect of Price Discount Promotion on the Grab Application on Impulsive Purchase Decisions

Mulia Grace Massora[1)], Viktor Amos [2)], Nataniel Papalangi [3)]
[1)] Management, Atma Jaya University Makassar
Jl. Tanjung Alang No. 23, Makassar
[2)] Master in Management Science, Hasanuddin University
Jl. Perintis Kemerdekaan No. Km 10
[3)] Management, Atma Jaya University Makassar
Jl. Tanjung ALang No. 23, Makassar
mulia.massora@gmail.com[1)], viktoramos02@gmail.com[2)] papalanginataniel@gmail.com[3)]

ABSTRACT

The purpose of this study was to analyze the effect of price discount promotions on the Grab application on impulse buying decisions. This study uses quantitative research methods with an associative approach. Methods of data collection are done by distributing questionnaires. The number of samples studied was 100 people. The analytical method used is the classical assumption test, simple linear regression analysis, hypothesis testing, and the coefficient of determination test. Data processing using SPSS for Windows version 25. The results of this study indicate that price discounts have a positive and significant effect on impulsive buying decisions. This result is shown through the positive regression coefficient of 8.426 > 1.66123 and the significance value of 0.00 < 0.05. In addition, based on the value of the coefficient of determination obtained a value of 0.42 or 42%. This shows that the price discount has a determination of 42% on impulse buying decisions, while the remaining 58% (100% -42%) is explained by other variables not examined in this study.
Keywords: price discount promotion, impulsive purchase decision

1. INTRODUCTION

Sales promotion plays an important role in the success of a marketer in a company so that the goods or services offered are able to attract the attention of customers until customers want to use the product or service. That way, the company will get more customers and increase profits. Tools for conducting sales promotions include coupons, contests, discounts, sweepstakes, and others. Grab itself often provides discounts or rebates in the form of vouchers that must be entered by the user when placing an order if the user wants to use it. Vouchers issued by Grab are quite unique, varied, and innovative. Usually uses two or more syllables related to the user's location. For example GRABIKEJI, JGNLUPAJAJAN, BAKULMKS, and others. These vouchers have different nominal discounts and can usually be used several times depending on the promotional conditions issued by Grab.

Grab is also collaborating with OVO, a smart e-money application that allows users to make any payment transactions using electronic money in the form of OVO balances. By using OVO, users are given a special promo code which usually reduces travel costs more than the promo code for cash payments. Users also only need to pay IDR 1 (one rupiah) for the first trip paid for via

OVO (Grab.com and the Grab application on smartphones). In addition, Grab also provides rewards to users in the form of points that users can get every time they travel. The points earned depend on the distance traveled and the chosen fleet. These points can be exchanged for various available merchants, such as discounted travel costs, shopping discounts at certain stores, dining vouchers, and others (Grab Application, 2019).

The rapid development of the online transportation service business world requires companies to adapt to all possibilities that can occur. If the company is not able to deal with it, then it is undeniable that customers will easily switch to a superior competitor. Basically, it is the company that needs the customer, not the customer who needs the company. Customers do need companies, but customers have the right to choose which companies offer products or services that meet their expectations. Customers can be loyal to one company, but will still look at other products if there are more interesting ones.

In an effort to influence the market to make purchases, promotional activities (promotion mix) is a good combination of strategies, and all are planned to achieve sales goals. One of the variables of the promotion mix is a discount (discount). Kotler and Keller (2016) suggest that companies will adjust their price lists and provide discounts and allowances for early payments, bulk purchases, and off-season purchases. Meanwhile, according to Tjiptono (2016), discounts are price discounts given by sellers to buyers as a reward for certain activities from buyers that please the seller. Impulsive buying decisions taken by buyers are actually a collection of a number of decisions. Every purchasing decision has a consumer buying structure which is also a very important part. One such structure is sales promotion in the form of price discounts. By doing sales promotions quite often, you can attract more potential customers and retain old customers (Sudaryono, 2017).

Promotion through price discounts is consumer behavior in choosing products and buying products to meet their needs. Sellers take advantage of price discounts to offer various products to various levels of society or consumers. To attract this interest, it is not uncommon for companies to distribute brochures containing a list of products or services with a discounted price tag. This can attract potential buyers who see the offer to buy, thereby encouraging impulse buying. According to Rahma and Idris (2020), impulse buying can be defined as an individual's tendency to make purchases spontaneously, suddenly, reflectively, and not involving long, immediate, and kinetic thoughts. Highly impulsive individuals are more likely to continue to receive spontaneous purchase stimuli, have a more extensive and open shopping list, and are receptive to the idea of an unplanned purchase.

According to Hendriani (2007), Indonesian consumers have ten (10) unique characters, namely short-term thinking, unplanned, context-oriented, technological stuttering, liking foreign brands/brands, religious, highly prestigious, less concerned about the environment, strong in the subculture, and likes to socialize. When shopping, they tend to be impulse buyers (spontaneous buyers). According to Mowen and Minor (2020), impulse buying (impulse buying) or often called purchases without a plan (unplanned purchase) is a person's behavior in which the person does not plan before shopping, where they decide to buy using emotional and occurs at the time of viewing. goods or services with a discount label.

Based on information from several Atma Jaya Makassar University students, they tend not to see products or services that are discounted when opening the Grab application. Students tend to make purchases suddenly when they see a restaurant that has just opened a restaurant or a new menu available on the Grab application. They also tend to travel to their destinations without seeing any price discounts or without price discounts because some of them think that the discounts given sometimes don't match their expectations when ordering on the Grab application that uses discount promotions.

Based on this background and information, the researchers conducted a study to analyze the effect of price discounts on the Grab application on impulse buying decisions.

2. THEORETICAL BASIS

Discount prices can attract customers to buy an item that has been discounted. According to Sutisna (2012), a discount or price discount is a reduction in the price of a product from the normal price within a certain period. Meanwhile, according to Kotler and Keller (2013) discount is the official price given by the company to consumers that is soft in nature in order to increase sales of a product or service. Assauri (2009) said that discounts are existing price discounts, where the reduction can be in the form of cash or several other discounts.

A discount is a reduction from the list price given by the seller to the buyer who sacrifices the marketing function or provides that function for himself (Carthy, 2014). It can be concluded that a discount is a discount given to buyers at a predetermined price which is usually a strategy in the promotion. The discount system is often used by sellers to increase their sales because the discount or price discount really attracts buyers to get the product they need. Discounts or rebates are something that is commonly used and can be useful as an attraction for buyers to buy in bulk. The benefit for the seller is that selling in large quantities will reduce the cost of producing each unit. The benefit to the buyer has reduced ordering costs and lower unit price payments, but the downside is increased holding costs as larger orders increase inventory. Sellers take advantage of price discounts to offer various products to various levels of society or consumers. To attract this interest, it is not uncommon for companies to distribute brochures containing a list of products or services with a discounted price tag. This can attract potential buyers who see the offer to buy, thereby encouraging impulse buying. According to Rahma and Idris (2020), impulse buying can be defined as an individual's tendency to make purchases spontaneously, suddenly, reflectively, and not involving long, immediate, and kinetic thoughts.

Price discount is given with a specific purpose, both it is profitable for companies and consumers. Kotler (2009) argues that discounts are given due to several factors, namely:

1. The product will be replaced by a newer model,
2. Something is wrong with this product so it is having difficulty in selling,
3. The company is experiencing serious financial problems,
4. The price will fall further if you have to wait longer,
5. The quality of this product by the company is lowered.

Carthy (2009) also suggests that the promotion of discounted prices provides several advantages including it can trigger consumers to buy in large quantities, anticipate competitors' promotions, and support trade in large quantities. Generally, companies do not provide discounts on all products. Discounts are given according to the time and type of product purchase. For example, Eid clothes are given a discount after the Eid period is over and discounts are given to buyers for buying products in large quantities. So it can be concluded that consumers have their own perception of the discount price applied by the seller or company.

According to Mowen and Minor (2020), impulse buying (impulse buying) or often called purchases without a plan (unplanned purchase) is a person's behavior in which the person does not plan before shopping, where they decide to buy using emotional and occurs at the time of viewing. goods or services with a discount label. The same thing was also expressed by Lisda (2017) impulsive buying is the process of buying an item, where the buyer does not have the intention to buy beforehand, it can be said to be a spontaneous purchase. According to Shoham & Brencic (2017) say that impulse buying is related to the behavior to buy based on emotion. This emotion is related to solving a limited or spontaneous buying problem.

According to Rook (2015), impulse buying consists of the following characteristics:

a. Spontaneity, impulse buying occurs unexpectedly and motivates consumers to buy at the same time, often because of a response to visual stimuli point-of-sale (visual stimulation of what is

offered).

b. Power (ability to buy), compulsion (coercion, necessity, pressure), and intensity (intensity), namely the motivation to put other things aside and act quickly.
c. Excitement and simulation, namely the desire to buy suddenly which is often followed by emotions such as excitement (joy), thrilling (which moves the heart), or wildness (lust, strong desire).
d. Disregard for consequences, i.e. the urge to buy can be irresistible until the possible negative consequences are ignored.

Verplanken and Herabadi (2001) mention several factors that can trigger impulse buying. These factors are the marketing environment (appearance and product offerings), situational variables (availability of time and money), and personal variables (mood, self-identity, personality, and educational experience). Evita (2014) formulates that consumer characteristics, namely excitement, esteem, and product knowledge, which are antecedent variables, directly affect impulse buying. Furthermore, for fashion products and those offered through online media, consumers' desire for excitement and esteem as well as their previous product knowledge influence impulsive buying attitudes.

According to Stern (2017), there are four types of impulse buying, namely:

1. *Pure Impulse* (pure impulse)
   Purchases made purely unplanned or seem sudden. Usually, this action occurs after the consumer sees the goods offered in the online store and a desire arises to have the goods right away.
2. *Reminder Impulse* (impulsive reminder)
   Purchases are made without a plan after being reminded when seeing an advertisement in an online store.
3. *Impulse* Suggestion
   A purchase that is made without a plan, but is ultimately purchased because it is influenced by the seller or a friend who is met while shopping.
4. *Impulse* Planned
   Consumers make purchases because they have actually planned to buy a product, but the product in question is out of stock or not as desired. Then the purchase is made by buying the same type of goods but with a different brand or size

3. RESEARCH METHODS

The type of research conducted in this study is quantitative using an associative approach. This associative research seeks to explain the relationship of a phenomenon with other phenomena. Associative research aims to connect patterns that are different but have a relationship and produce patterns of causal relationships. Associative can also be interpreted as a problem-solving process that is investigated by describing the current state of the subject and object of research based on the facts that appear or how they are. Associative research is research that aims to connect two or more variables (Sugiyono, 2015).

The population in this study was 479 students of the Management study program at Atma Jaya Makassar University. The sample or sample is part of the number and characteristics possessed by the population (Sugiyono, 2013). In this study, the sampling method was carried out using a purposive sampling technique which is a sampling technique aimed at only samples that meet the criteria that can be used as samples in the study. Researchers chose a sample of people who have the Grab application and meet the criteria. Calculation of the number of samples was carried out with reference to the Slovin formula totaling 100 respondents (Sugiyono, 2014).

The operational definitions of variables in this study are:

1. Discount (*price discount*) is a direct reduction of the purchase price on the Grab Food application for a certain period so that interested consumers make purchases when the product being sold has a lower price than the original price (Carthy, 2014), taking into account the discounted price and the frequency of the discounted amount. The indicators used are:
   a. Interest in the promo program that is carried out by grab every day (X1.1),
   b. The discount program carried out by grab is effective in attracting consumers (X1.2),
   c. Choices on products that are being discounted or on products that are frequently purchased/ordered (X1.3),
   d. Purchases of products that are being discounted in large quantities or not (X1.4),
   e. Purchases/orders on applications are made more often due to low prices (X1.5),
   f. Make an order even without discount (X1.6),
   g. Order/use of services if the promotion period is short (X1.7)
   h. Orders/purchases are only made on major holidays because the discount offered is also greater than normal days (X1.8),
   i. The discount program offered by Grab has a short duration (X1.9).

2. Impulsive buying is an action taken by Atma Jaya Makassar students to buy food through the Grab Food application which is carried out because several indicators include spontaneity, the presence of power or motivation to act immediately, a sudden desire to buy followed by emotion, and disregard for Consequences, the desire to buy that cannot be rejected and without the intention/intention to buy which is formed before entering the application (Mowen & Minor (2015). The indicators used are:
   a. Think twice before placing an order (Y1.1),
   b. Customer wants to try new food at a restaurant registered in the grab application (Y1.2),
   c. Ordering without fear of regret for the services provided (Y1.3),
   d. Ordering food even though they don't want to eat the food right away (Y1.4),
   e. Attitude taken when they see a food promo and the restaurant is listed on the application (Y1.5)
   f. Sudden impulse due to the large number of price cuts (Y1.6),
   g. Intensity of use of the grab application by trip (Y1.7),
   h. Feelings that arise based on orders made when the quality of the *driver* or food does not match the price (Y1.8),
   i. Unconsciously bought food on the Grab application that was not really needed but was interested in a discount (Y1.9).

This research instrument was tested through validity and reliability tests. This valid value is seen based on the value of the Pearson Moment Product. To test this research instrument, the number of n = 100, with an error rate of 5%, obtained r-table = 0.195. If the r-count > 0.195, it can be concluded that this research instrument is valid and can be used in research (Sugiyono, 2013). The value used for the reliability test is the Alpha-Cronbach value. If r-alpha > 0.60 then the instrument is declared reliable or consistent (Sujarweni, 2014). The results of the validity and reliability tests can be seen in the following table.

Table 1
Results of Validity Test

Variables	Item	R-count	Descriptiom
Price Discount on Grab (X1)	X1.1	0,430	Valid
	X1.2	0,492	Valid
	X1.3	0,668	Valid
	X1.4	0,646	Valid

	X1.5	0,755	Valid
	X1.6	0,670	Valid
	X1.7	0,537	Valid
	X1.8	0,385	Valid
	X1.9	0,608	Valid
Impulsive Purchasing Decision (Y1)	Y1.1	0,718	Valid
	Y1.2	0,773	Valid
	Y1.3	0,794	Valid
	Y1.4	0,474	Valid
	Y1.5	0,509	Valid
	Y1.6	0,795	Valid
	Y1.7	0,635	Valid
	Y1.8	0,819	Valid
	Y1.9	0,743	Valid
n = 100			

Source: Output of SPSS 25, 2022

Based on Table 1, each item, both price discounts on the Grab application and impulse buying decisions has an r-count value > 0.361 , then this research instrument is declared valid.

Table 2
Results for Reliability Test

Variables	Item	Cronbach' Alpha if Item Deleted	Description
Price Discount on Grab (X1)	X1.1	0,782	Reliable
	X1.2	0,775	Reliable
	X1.3	0,759	Reliable
	X1.4	0,771	Reliable
	X1.5	0,748	Reliable
	X1.6	0,763	Reliable
	X1.7	0,768	Reliable
	X1.8	0,793	Reliable
	X1.9	0,767	Reliable
Impulsive Purchasing Decision (Y1)	Y1.1	0,858	Reliable
	Y1.2	0,855	Reliable
	Y1.3	0,859	Reliable
	Y1.4	0,876	Reliable
	Y1.5	0,878	Reliable
	Y1.6	0,852	Reliable
	Y1.7	0,870	Reliable
	Y1.8	0,846	Reliable
	Y1.9	0,852	Reliable
n = 100			

Source: Output of SPSS 25, 2022

Based on Table 2, each item discounted prices on the Grab application and impulse buying decisions has an r-value count > 0.7, then this research instrument is declared valid. After the instrument is valid and reliable, descriptive analysis and simple linear regression analysis can be

performed.

4. RESULT AND DISCUSSION

4.1. Characteristics of Respondents

Based on gender, consumers using Grab consist of 38 men and 62 women. This proves that consumers of the Grab application are dominated by female consumers. Based on age, out of 100 respondents, 12 people were 19 years old, 23 people were 20 years old, 35 people were 21 years old, 27 people were 22 years old, 2 people were 23 years old and 1 person was 25 years old. This shows that the majority of respondents are taken at the age of 21 years and the least are taken at the age of 25 years.

4.2. Descriptive Statistics

The descriptive statistical test on the price discount variable consisting of 9 statement items can be explained as follows:

1. Respondents strongly agree on giving discounts on the Grab application every day with a frequency of 64 respondents or 64%. This shows that respondents to Grab Application users are very interested in seeing products that are being discounted every day,
2. Respondents tend to give an agreeable answer that the Grab Food promo program is effective with a frequency of 50 respondents or 50%,
3. Respondents tend to agree that they use the application even though there is no discount with the highest frequency in 50 respondents or 50%,
4. Respondents tend to agree that users of the Grab Food application purchase food that is being discounted in large quantities with the highest frequency in 56 respondents or 56%.
5. Respondents doubt that users of the Grab Food application make food orders even though they really don't want the food with the highest frequency at 38 respondents or 38%. This shows that respondents at
6. Respondents tend to agree to make food purchases on big days because the discounts offered will be bigger than usual days with the highest frequency in 54 respondents or 54%.
7. Respondents tend to agree that the discount program carried out by Grab is relatively short with a frequency of 58 respondents or 58%.
8. Respondents tend to agree that Grab's discount program takes place at the right time with a frequency of 56 respondents or 56%.
9. Respondents tend to agree that they will use the Grab application if the discount period lasts for a very short time with a frequency of 48 respondents or 48%.

The descriptive statistical test on the impulsive buying decision variable which consists of 9 statement items can be explained as follows:

1. Respondents tend to strongly agree that they use the Grab application directly because of food discounts with the highest frequency in 40 respondents or 40%,
2. Respondents tend to agree that they will be affected by the ability of discounts on the Grab application so that they become active in shopping as indicated by the highest frequency in 50 respondents or 50%,
3. Respondents tend to be hesitant to buy the desired food even though it is not needed at that time which is indicated by the highest frequency in 40 respondents or 40%,
4. Respondents tend to agree that discounts can make respondents satisfied in ordering food at a discount with the highest frequency in 47 respondents or 47%,
5. Respondents tend to agree that they make frequent orders at the same restaurant because discounts are offered with the highest frequency in 49 respondents or 49%,
6. Respondents agree that respondents to Grab Food application users order food when opening the Grab Food application because of price discounts which are shown with the highest

frequency in 51 respondents or 51%,
7. Respondents agree that they often use the Grab Food application because of the experience after shopping which is shown with the highest frequency in 52 respondents or 52%,
8. Respondents agree that respondents to the Grab Food application users agree on feeling disappointed after ordering because the quality of the vehicle and food does not match the prices listed in the application with the highest frequency in 41 respondents or 41%,
9. Respondents tend to agree on feeling unconscious after buying food because of the discount but do not really need the food with the highest frequency in 47 respondents or 47%.

4.3. Simple Linear Regression Analysis

The results of the simple linear regression analysis of this study can be seen in table 3 below.

Table 3
Simple Linear Regression Analysis

Variable	Regression Coefficient	t-count	Sig.
(Constant)	5,046	1,333	0,186
Price Discount	0,866	8,426	0.000
R-Square = 0,420 R= 0,648			

Source: Output of SPSS 25, 2022

Based on the above analysis, the regression coefficient is positive (0.886), and the Sig. (0.000) and t-count (8.426). The results show that the discounted price on the Grab application with indicators, namely the attractiveness of the discount, the accuracy of the discount program, and the frequency of the discount program have a positive and significant influence on impulse buying decisions. with indicators of spontaneity (spontaneity), ability to pay (power), stimulus (excitement), and ignoring the consequences (disregard for consequences). In an effort to influence the market to make a purchase, promotional activities (promotional mix) are a good combination of strategies, and all are planned to achieve sales goals. One of the variables of the promotion mix is a discount (discount). Kotler and Keller (2016) suggest that companies will adjust their price lists and provide discounts and allowances for early payments, bulk purchases, and off-season purchases. Meanwhile, according to Tjiptono (2016), discounts are price discounts given by sellers to buyers as a reward for certain activities from buyers that please the seller. Impulsive buying decisions taken by buyers are actually a collection of a number of decisions. Every purchasing decision has a consumer buying structure which is also a very important part. One such structure is sales promotion in the form of price discounts. By doing sales promotions quite often, you can attract more potential customers and retain old customers (Sudaryono, 2017). This is in accordance with research conducted by Shinta Srimenda BR. Ginting (2019) with the title The Effect of Price Discounts on Impulsive Online Purchase Decisions (Study on Lazada Application Users in Pancur Batu District) found that the price discount variable had a positive and significant effect on impulsive purchasing decisions on Lazada application users in Pancur Batu District.

In addition, the value of the coefficient of determination (R-square) is 0.420 (obtained from the square of the R-value of 0.648), meaning that the promotion of price discounts is able to explain the effect on the ups and downs or variations in value on impulse buying decisions by 42%. While 58% is influenced by other factors that are not influenced in this study (Ghozali, 2014).

5. CONCLUSION

Based on the results of data analysis and previous discussions, conclusions can be drawn from research on the Effect of Price Discount Promotion on the Grab Application on Impulsive Purchase Decisions as follows:

1. The price discount promotion variable on the Grab application has a positive and significant effect on impulsive buying decisions, especially at Atma Jaya University Makassar students. This illustrates that if Grab is more intense in providing discounts on applications, it will increase impulse buying decisions. On the other hand, the less frequent or even no discounts on the application, the lower the impulsive buying decision.
2. The value of the coefficient of determination (R-square) is 0.420 (obtained from the square of the R value of 0.648) or equal to 42%. This value indicates that the price discount variable on the Grab application has an influence of only 42% on purchasing decisions, while the remaining 58% (100% - 42%) is influenced by other variables not examined in this study (Ghozali, 2014).

This research is limited to price discounts on the Grab application, although there are still many factors that influence impulse buying decisions, for example, customer motivation to buy or try new products, social environment influences when shopping, planned impulsiveness, and so on. Due to limited time, energy, and funds, the researcher limited this research to only the discount prices that were being offered at that time

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