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THE ROLE OF PROMOTION IN MEDIATING THE EFFECT OF WEBSITE QUALITY ON IMPULSE BUYING: A STUDY ON GRABFOOD USERS IN DENPASAR

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ABSTRACT

Grab is a startup company engaged in the online transportation service business. Based on information from the Google Play Store, Grab had > 100 million users in the world in October 2019, just for users on android devices only. Grab has promising features in providing culinary services. One of the innovations made by Grab is to provide convenience in the process of sending and serving food to consumers. The food delivery services is called GrabFood. The emergence of Grabfood competitors shows that food delivery services can be increasingly favored by the public. This is because it can meet the needs and lifestyle of today's society. With the COVID-19 pandemic as it is today, food delivery is very popular with the Indonesian people. Due to the fact that they cannot leave the house to enjoy a meal at a restaurant, ordering through an online application is the best choice. There was an increase in Grabfood transactions by 4% and an increase in the amount of food ordered in one order (basket size) by around 7%. The purpose of this study was to determine the role of promotion in mediating the effect of website quality on impulse buying. Testing the research hypothesis using Structural Equation Modeling (SEM) analysis techniques based on Partial Least Square (PLS), the sample of this study was 120 respondents using purposive sampling technique, with the criteria of respondents being people who live in Denpasar Regency and have used Grabfood services at least 2 times. , as well as a minimum high school education. The results showed that website quality had an effect on promotions which would affect impulse buying for Grabfood users in Denpasar. The managerial implications and suggestions that can be given from the findings of this study are that it is shown that Grabfood management who will develop the Grabfood application should be able to build a marketing strategy by optimizing online payment methods (cashless). Also, optimizing services to users so that Grabfood users do not hesitate to make purchases.

KEY WORDS

Promotion, website quality, impulse buying.

The internet has been accessible to all people in the world which makes it easy to find information. With the current development of all mobile devices, all buying and selling activities can be done easily. One of the technologies that are often used in marketing communication activities and online brand building is an application. Currently, most companies at least have applications for their brands and products, both enterprise applications and e-commerce. In the era of globalization, there is digital marketing that supports trade in the digital world. Digital Marketing is a modern marketing concept that uses online media and the internet to market products and services. The purpose of digital marketing itself is to attract the attention of consumers so that the desires / impulses from consumers are motivated to buy the products or services offered. Changes in the lifestyle of the Indonesian people in the midst of the COVID-19 pandemic occurred in various aspects of life. The COVID-19 pandemic has forced most Indonesians to study and work from home, although some still have to do activities outside the home. Due to the current COVID-19 pandemic, food delivery services are very popular with the Indonesian people. Due to the fact that they cannot leave the house to enjoy food at a restaurant, ordering through an online application or the like is the best choice. More people are doing activities at home, food delivery services are now playing an important role to ensure that people can get food

easily. There was an increase in Grabfood transactions by 4% and an increase in the number of food ordered in one order (basket size) by around 7% (Grab.com, 2020).

Technological sophistication that shifts consumer shopping patterns from conventional to online has created E-Impulse Buying. E-Impulse Buying is an online purchase that occurs suddenly without any pre-shopping intention (Chan et al. 2017). Meanwhile, according to Chen et al. (2016) said that E-Impulse Buying in the context of e-commerce has several factors such as online store trust, design systems, website quality, website attributes, website atmosphere, and website navigation ease. Website quality is related to how a product is communicated visually to consumers so that it can influence behavior that leads to purchases (Kerfoot, et al. 2003; Gudonavičienė and Alijošienė, 2015). Grabfood itself uses a theme-appropriate display, product placement in front of the promo, running images, iconic notification sounds, and pop ups that are tailored to consumer order history. Loudon & Bitta (1993) found that the placement of items displayed affects impulse buying.

Liao et al. (2011) found that sales promotion was the second highest factor influencing online purchases. Sales promotion is to provide incentives or encouragement for consumers to make purchases (Kotler, 2012), Irwan et al. (2018) Impulsive buying decisions are spontaneous decisions made by consumers when they see sales promotions on the website. Grabfood is a food delivery service application that is routine and intensive in providing various online sales promotions to consumers. There are several online sales promotions given; cashback, free shipping, flash sale. For example, a 50% discount promo on October 10, 2020 (10.10), a Rp 50,000 discount promo (10.10), a 50% shipping discount, and other promo programs.

Based on the results of pre-survey data to 50 respondents to the Grabfood application conducted in early 2020, 35 respondents to the Grabfood application stated that they were doing impulse buying because of the promotions that appeared at that time. The attractive Grabfood quality website that provides clear information also affects the impulse buying of application users. Dissatisfied application users suggest adding photos of food and easy access to application features. The pre-survey data results are high enough to illustrate the effect of the promotion and website quality of the Grabfood application on impulse buying. The results of this survey are in line with the results of research conducted by Gopu (2019) which states that website quality has a significant effect on impulse buying. According to Trifiyanto (2019), website quality has no significant effect on impulse buying, while sales promotion has a significant effect on impulse buying. The results of the pre-survey were also conducted to see the interest of Grabfood application users in impulse buying.

Figure 1 – Research Concept Framework (Source: Liu et al.,2013; Indraswari, 2019)

This study aims to determine the role of promotion in mediating website quality on impulse buying for Grabfood users. In a study conducted by Gudonavičienė & Alijošienė (2015), it was revealed that promotional signs did not affect impulse buying. Meanwhile, according to Chiang Kou-Tu (2017), promotion has a significant effect on impulse buying. Based on the findings of these studies it is important to investigate how differences in

different cultures and regions are not only important information for marketing practitioners, but also for the expansion of the related literature.

Based on the description and there is a research gap, the framework of the research concept and hypothesis in this study is as follows:

H1: Website Quality has a positive and significant effect on Impulse Buying;

H2: Website Quality has a positive and significant effect on promotion;

H3: Promotion has a positive and significant effect on Impulse Buying;

H4: Promotion can significantly mediate Website Quality on Impulse Buying.

METHODS OF RESEARCH

This type of research is associative research. This study uses a quantitative approach, which aims to show the relationship between variables through statistics and to test existing theories. When viewed from its nature, this research is included in explanatory research because it explains the relationship between variables through hypothesis testing. The scope of this research is promotion, website quality, and impulse buying for Grabfood users in Denpasar. The population in this study is the number of users of the Grabfood Application in Denpasar whose number cannot be ascertained (infinite). The number of parameters used in this study is 17. The sample range is between 85-170 respondents. Researchers have the opportunity to use a sample between these numbers. In this study, 170 copies of the questionnaire were distributed and managed to collect 120 respondents. Data were collected using an instrument in the form of a questionnaire. The analysis used is descriptive and inferential statistical analysis.

RESULTS AND DISCUSSION

Based on the results of the questionnaire distribution, 56.5% of respondents aged 21 – 24 were obtained, followed by 28.2% of respondents aged 17 – 20 years and 15.3% of respondents aged > 25 years. The majority of respondents in this study were female at 58.8% followed by male respondents at 41.2%. Respondents with SMA/SLTA equivalent education were 61.8%, followed by respondents with Strata 1 education at 22.4% and respondents with Diploma education at 15.9%. Respondents with the most dominant occupation of private employees were 51.8% followed by respondents with student work of 30.0%, respondents with civil servant jobs of 2.9% and respondents with self-employed jobs of 15.3%.

Table 1 – Value of R-Square (R²) Endogenous Variable

	R Square	R Square Adjusted
Impulse Buying (Y)	0,696	0,693

Source: Data processed, 2021.

Based on table 1, the R-square value for website quality and promotion variables on impulse buying is 0.696, including both which shows that it has a large influence of 0.696 x 100% = 69.6%.

Table 2 – Direct Effect Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Promotion (M) -> Impulse Buying (Y)	0,611	0,581	0,026	23,409	0,002
Website Quality (X) -> Impulse Buying (Y)	0,252	0,299	0,002	147,752	0,000
Website Quality (X) -> Promotion (M)	0,001	0,001	0,000	8,192	0,015

Source: Data processed, 2021.

Testing this hypothesis can be done by looking at the value of the t-statistic which uses a significance level of 95% (= 0.05 or 5%). Meanwhile, the t-table value with a significance level of 95% is 1.96. The criteria for rejection and acceptance of the hypothesis are that H_a is accepted and H_o is rejected if the t-statistic > 1.96 and vice versa, quality will affect the promotion.

Table 3 – Indirect Effect Test Results

n/n	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Website Quality (X) -> Promotion (M) -> Impulse Buying (Y)	0,000	0,001	0,000	19,798	0,003

Source: Data processed, 2021.

Based on Table 3 it can be concluded, the indirect effect of website quality on impulse buying through promotion has a correlation coefficient value of 0.000; with a t-statistics value of 19.798 (19.798 > 1.96) and with a p-value of 0.003 (0.003 < 0.05), the research hypothesis is accepted. This shows that there is an indirect effect of website quality on impulse buying through promotions.

The effect of website quality on impulse buying. Based on the data presented in Table 3, it is known that website quality has a positive and significant effect on impulse buying for Grabfood users in Denpasar. This result means that the better the website quality, the higher the impulse buying for Grabfood users in Denpasar.

This finding is in line with the results of research by Jonas, et al. (2017) which found that Website Quality has an influence on Impulse Buying. These results are supported by research by Lim, et al (2018), Susan, et al (2020) and Brangsinga (2019) where the results are that Website Quality has a significant positive effect on Impulse Buying.

The results of this study are not in line with the results of Antasari's research (2017), where Website Quality has no significant effect on Impulse Buying. In line with the results of research from Nugroho and Sari (2016) which showed Website Quality had a negative and no significant effect on the Impulse Buying decisions of e-commerce users.

The effect of website quality on promotion. Based on the data presented in Table 3, it is known that website quality has a positive and significant effect on promotion. This result means that the better the website quality, the better the promotion of Grabfood in Denpasar.

This finding is in line with the results of research by Lim Wo, et al (2018), which states that a company that is able to form a good Quality Website will be able to carry out promotions easily and effectively to consumers who have a great opportunity to increase impulse buying, but if they have a Website Poor quality will be valued otherwise. Research results Tayson, et al. (2015) found that Website Quality has an effect on promotion. These results are supported by research by Antasari (2017), and Calsont, et al. (2019) where Website Quality has a positive and significant effect on promotion.

The results of this study are not in line with the results of the research of Suardana, et al. (2015) and pramesti (2019) where it was found that Website Quality had no effect on promotion.

The effect of promotion on impulse buying. Based on the data presented in Table 3, it is known that promotion has a positive and significant effect on impulse buying for Grabfood users in Denpasar. This result means that the better the promotion, the higher the impulse buying for Grabfood users in Denpasar.

This finding is in line with the research results of Savitri, et al. (2019) it was found that promotions had an effect on Impulse Buying. These results are in accordance with the research of Peter, et al. (2016), Steven, et al. (2019) and Lim, et al. (2020) where promotion has a positive and significant effect on Impulse Buying. The results of this study are not in line with the results of research by Pradnyana, et al. (2015) where it was found that promotion had no significant effect on Impulse Buying. The results of other studies that show that promotions do not have a significant effect on impulse buying are research conducted by Indraswari (2019).

The role of promotion mediates the influence of website quality on impulse buying. Based on the data presented in Table 4, there is an indirect effect of website quality on impulse buying for Grabfood users in Denpasar through promotions. These results mean that website quality has an effect on promotions that will affect impulse buying for Grabfood users in Denpasar. This finding is in line with the research results of Lim, et al. (2018) and Antasari (2017) which state that Website Quality has an effect on impulse buying, research by Hoseini, et al. (2017) where Website Quality has a significant effect on promotions and research. Kim, et al. (2016) and Pramesti (2019) where promotion has an influence on impulse buying.

Implications. The implications of this study are the results of this study provide theoretical implications that website quality has a positive and significant effect on impulse buying, website quality has a positive and significant effect on promotion, promotion has a positive and significant effect on impulse buying and there is an indirect influence on website quality on impulse buying through promotions. Thus, it is hoped that this research can be empirical evidence for future research with related variables.

Limitations. This research has been attempted and carried out in accordance with scientific procedures, however, it still has limitations, namely the data in this study is cross-sectional which means that the data are collected in one time period. The data in this study were collected in 2021, so the results of this study are not necessarily the same as research in a different year. This research is only limited to reviewing website quality, promotion and impulse buying variables so that it cannot examine more deeply the factors outside of these variables. Further researchers can use other variables in increasing impulse buying.

CONCLUSION

Based on the results of the research analysis and the results of the discussions that have been carried out, the conclusion of this study is that Website quality has a positive and significant effect on impulse buying for Grabfood users in Denpasar. Website quality has a positive and significant effect on promotion. Promotion has a positive and significant effect on impulse buying for Grabfood users in Denpasar. There is an indirect effect of website quality on impulse buying for Grabfood users in Denpasar through promotions.

Based on the results of the research, the suggestions that can be given are that the Grabfood management who will develop the Grabfood application should provide a menu to track the status of the order in the application, develop the Grabfood application, optimize the online payment method (cashless) and optimize services to users so that Grabfood users Don't hesitate to make a purchase.

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