

Analysis of the Effectiveness of Using Shopee as a Marketing Means for Sales of Naruna Food Products at PT. Naruna Karya Bersama

Rachmad Budi Laksono^{1*}

East Java Veterans National Development University

Corresponding Author: Rachmad Budi Laksono Rachmad123@gmail.com

ARTICLE INFO

Keywords: Digital Marketing, Product Sales, Marketing

Received : 21, November

Revised : 20, December

Accepted: 15, January

©2024 Laksono: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

Information technology is one of the many important things needed for business development in Indonesia. This research aims to analyze the effectiveness of sales through Shopee merchants by looking at the effect of cashback and free shipping on whether they can influence sales of Naruna Food products. The sampling technique used was convenience. with 100 respondents designated as samples. The questionnaire method is a method for collecting data in this research. The data analysis technique for this research uses Partial Least Square (PLS). The research results show that cashback and free shipping have a significant effect on product sales. This can be interpreted that the increasing cashback and free shipping will also increase product sales of Naruna Food Products at PT. Naruna Karya Bersama.

INTRODUCTION

The business world in Indonesia always experiences improvement every year as time goes by. Both in terms of product quality and quantity of entrepreneurship in Indonesia. Technological advances also play an important role in the progress of business activities in Indonesia. From simple beginnings, the business world has now transitioned to a more modern stage. This is proven by the limited access and scope of business actors in carrying out buying and selling activities in the past, but now with advances in technology, business people can explore more things that can help run their business smoothly.

Information technology is one of the many important things needed for business development in Indonesia. In fact, it is not uncommon for us to say that technology is the main factor for business development in Indonesia. Even the majority of business people now use technology to run their business activities smoothly.

Someone who understands business can see good opportunities in the world of online business. Because there are many advantages or advantages to be gained in online business compared to offline. One of the advantages is that business people don't need to look for a place to do business, do business online with just a computer and an internet connection, don't need to pay employees, and there are many other advantages. And also from a marketing perspective, producers do not need to incur promotional costs because with advances in the internet producers can market their products widely to the general public.

Business processes carried out online using social media platforms by utilizing information technology and the internet are called e-commerce. (Rini Yustiani and Rio Yunanto, 2017) e-commerce is a website that markets its own products to the general public and there is no communication space between sellers and buyers to make price offers. The growth of the world of e-commerce cannot be separated from the behavior of Indonesian consumers who want speed in shopping and most Indonesian consumers already understand how to use the internet and smartphones. With this, e-commerce also provides benefits for consumers, namely simplifying the online purchasing and transaction process.

Some of the marketplaces that are most popular with Indonesian people are Shopee, Tokopedia, Lazada, Bukalapak, Akulaku and so on. Businesspeople in the marketplace provide various daily needs or even basic necessities. Starting from basic food, electronic equipment, beauty equipment, daily equipment and other necessities which are currently easy to find when using the marketplace.

The survey also found that the e-commerce that was considered to provide the most satisfying experience for MSME business people was Tokopedia with a percentage of 69%, followed by Shopee 62%, Lazada 11%, Bukalapak 9%, and Blibli 4%. The same source shows that the criteria for e-commerce with the most satisfactory service for MSME entrepreneurs are Tokopedia 68%, Shopee 61%, Lazada 11%, Bukalapak 11% and Blibli 6%. Shopee is in great demand by the Indonesian people to the point that it occupies the leading market and is ranked second in the e-commerce industry in Indonesia. Shopee is an online marketplace created by the SEA Group, which

is an internet company based in Singapore. At the time of its initial launch, Shopee was immediately present in 6 countries, namely Malaysia, Indonesia, Thailand, Taiwan, Vietnam and the Philippines. Shopee 7 itself is officially present in Indonesia. Its presence in Indonesia is well received by Indonesian people in various circles, Shopee will be easily accepted by various levels of society because Shopee runs a C2C (customer to customer) mobile marketplace business (Lilis: 2021)

Along with advances in technology, Shopee continues to develop features in its application that can provide increasingly benefits to its users. Starting with the presence of a simple payment system, namely Shopeepay, to the presence of the newest feature for online food delivery services, namely Shopeefood. The emergence of online food delivery services will certainly help increase restaurant income, especially during the pandemic season. The reason is that based on the results of a Central Statistics Agency (BPS) survey explained by indonesia.go.id (Portal Informai Indonesia, 2020), 82.85% of 34,559 business entities in Indonesia admitted that they had experienced a decline in income since the emergence of Covid-19 in Indonesia. The business entities that had the biggest impact during Covid-19 were the hotel and restaurant sector, 92% of every 100 business entities experienced a decline in income, followed by the transportation & warehousing sector, 90% of every 100 business entities also experienced a decline in income.

With this, the trend of online food delivery services is a solution amidst people's limitations in interacting in public environments. Food delivery services in Indonesia are led by Gojek and Grab by utilizing the Go Food and Grab Food features. The presence of Shopee Food in Indonesia will certainly be a new competitor for Gofood and Grab Food's position as market leaders in the food delivery service sector. Shopee first introduced this Shopee Food feature in April 2020 (Jayani, 2020). Previously, Shopee Food was still collaborating with Gojek and Grab in terms of pick-up services for food delivery services to customers, but on November 25 2020 Shopee Food had started recruiting driver partners. From there you can see that Shopee is very serious about developing the Shopee Food feature.

In introducing Shopee Food to the general public, it uses one of the marketing communication tools, namely sales promotion. Sales promotions are useful for attracting customers, changing brands and buying interest before potential Shopee Food customers decide to buy. According to Shimp & Andrews (2013, p. 8) sales promotions themselves are in the form of cashback, etc. which include all promotions which cause changes in buyer behavior in the short term and there are also elements of advertising.

The effectiveness of sales promotion really depends on the selection of the form of promotion required for the product being marketed. A certain type of product must also use an appropriate promotional strategy. Effectiveness is a desired attribute in every company. On this occasion, effectiveness is viewed from the perspective of achieving targets or goals, especially in terms of increasing sales that have been planned previously. In terms of energy, time and costs used in the sales promotion strategy, it can be said to be effective in

increasing sales according to the initial goal. Based on the definition, effectiveness can be interpreted as the right action on the target or having the right effect.

The perspective of effectiveness indicators used is according to Sutrisno (2007), namely in terms of program understanding, right on target, on time, goal achievement and real change. Even though both have sales promotions, at Shopee Food what is most often offered is in the form of cashback discounts and free shipping. Free shipping is free shipping costs. This means that the process of sending goods is free or free, while the 14 cashbacks are in the form of price reductions or distributor prizes for participating in the advertising program. Sales promotions for cashback discounts and free shipping on Shopee Food are used to encourage potential buyers to use this new food delivery service. Price changes will influence consumer reactions which vary according to their perception of the cost of the product in relation to their total expenditure. Consumers will be more sensitive to prices that weigh on their minds (high prices) and prefer low prices above their expectations.

By implementing cashback promotional strategies and free shipping as well as other programs, it is hoped that this will have a positive influence on ShopeeFood Merchants. Because basically holding promotional programs at ShopeeFood is a step in helping ShopeeFood Merchants to increase sales of the products they produce that will be known to the public and build a strong brand and have an identity that can describe a value that will stick in the minds of consumers, and can be attractive. buying interest of consumers or potential buyers so that the company's goal is achieved, namely increasing sales volume and making it a leader in the market. Judging from the explanation above, cashback and free shipping promotions have an influence on consumer buying interest and of course this will also have an impact on the sales level of ShopeeFood merchants, especially sales of Naruna Food products at PT. Naruna Karya Bersama.

Based on this phenomenon, further research is needed regarding the effectiveness of using Shopee as a marketing tool for product sales with the variables of cashback promotions and free shipping as the focus of this research. So the author wants to conduct further research on "Analysis of the Effectiveness of Using Shopee as a Marketing Means for Sales of Naruna Food Products at PT. Naruna Karya Bersama."

LITERATURE REVIEW

Effectiveness

According to Sejathi (2011), effectiveness is effectiveness, useful results, supporting goals. Meanwhile, according to Soewarno Handayaningrat (1983) in Ade Gunawan (2003:2) states that effectiveness is a measurement in the sense of the detailed targets or objectives that have been determined previously. Ali Muhidin (2009) also explains that effectiveness is also related to the problem of how to achieve the goals or results obtained, the usefulness or benefits of the results obtained, the level of functional power of elements or components, as well as the problem of the level of user/client satisfaction. Based on the

definitions above, it can be concluded that effectiveness is the appropriateness of a program to achieve the desired goals.

Cashback

According to Wangi & Andarini (2021:80), Cashback is a development of rebates which are a promotional tool for sales promotion. Cashback is a form of promotion that provides a certain percentage return (can be in the form of cash, virtual currency or products) to consumers by means of which consumers must fulfill the terms and conditions of the cashback organizer. Then according to Chamsa (2022) Cashback is an offer for customers in the form of digital points or digital money which will be given to customers if they have purchased 45 items from the seller by mutual agreement. One of the marketplaces in Indonesia is Shopee, sellers on Shopee offer cashback to customers if they give them goods. The cashback will be given in the form of points, so these points can be used for shopping. According to Kotler and Armstrong (In Kurniawan, 2021) Refunds and rebates (Cashback) are promotions for refunds or rebates offered by marketers in the form of returning a certain amount of money when a product is purchased individually or in combination with other products. Cashback is a sales promotion. The existence of sales promotions will influence consumers' positive emotions and influence impulsive purchases (Alfarizi, Rachma, & Hufron).

H1: Cashback effectiveness has a positive effect on increasing sales of Naruna Food products at PT. Naruna Karya Bersama.

Free Shipping

According to Amalia & Wibowo (2019), free shipping promotions are another form of sales promotion that uses various incentives to stimulate product purchases as soon as possible and increase the quantity of products purchased by consumers. The free shipping promo helps consumers who object to the total price charged through discounted shipping costs. Consumers can get free shipping up to Rp. 50,000 automatically if the transaction amount exceeds the provisions. The free shipping promo is Shopee's superior marketing strategy, whose function is to provide information, persuade and influence consumer perceptions so that purchasing action occurs. (Istiqomah & Marlina, 2020)

H2: The effectiveness of the Free Shipping Strategy has a positive effect on increasing Sales of Naruna Food Products at PT. Naruna Karya Bersama.

The research framework is as follows.

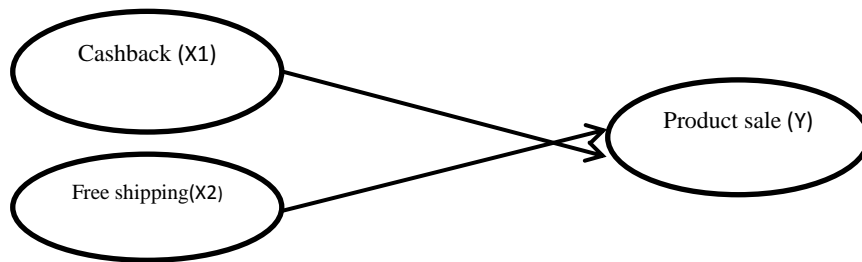


Figure 1. Conceptual Framework

METHODOLOGY

This research is classified as quantitative research. The variables chosen by the researcher include the dependent variable, namely product sales (Y) and independent variables, including Cashback (X1) and Free shipping (X2). The sampling technique used in this research was carried out using convenience sampling, which is a sample determination method by selecting samples freely as the researcher wishes. This sampling method was chosen to facilitate the implementation of research with the respondent criteria used, namely buyers of Naruna Food products on Shopee. In this research, the data collection method was through distributing questionnaires using 100 respondents as the sample. SmartPLS is used as an analytical tool in this research, and data analysis is carried out using a component-based SEM (Structural Equation Modeling) approach.

RESEARCH RESULT

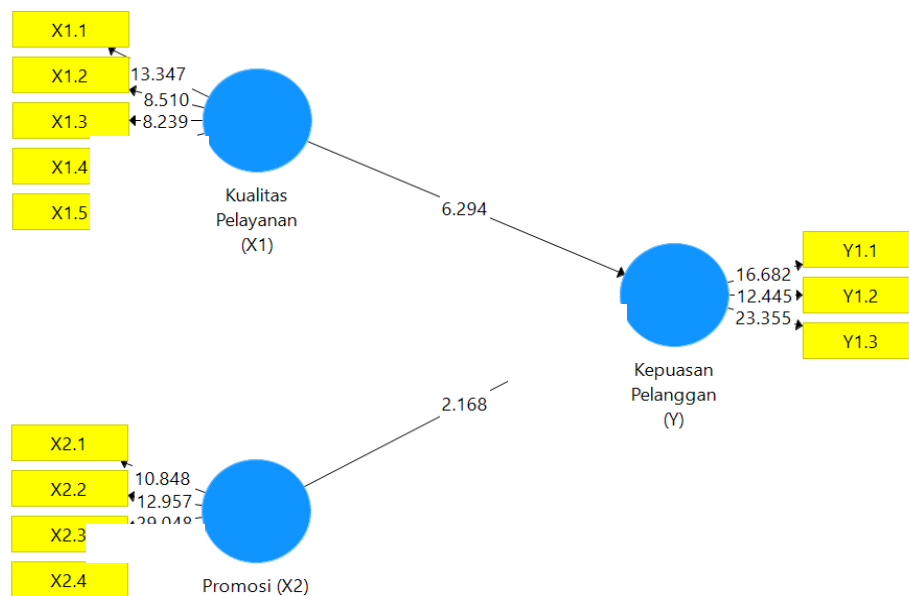


Figure 2. Inner Model with T-Statistic Bootstrapping Significance Value

Table 1. Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Cashback (X1) -> Product sale (Y)	0,316	0,329	0,084	3,737	0,000
Free shipping (X2) -> Product sales (Y)	0,422	0,420	0,083	5,108	0,000

From the table above it can be concluded that the hypothesis states: Cashback has a positive and significant effect on Customer Satisfaction which can be accepted with path coefficients of 0.651 and a T-Statistic value of 6.294 > 1.96 (T-table value of $\alpha = 0.05$), or P-Value of 0.005 < 0.05, then Significant (positive) results

Free Shipping has a positive and significant effect on Customer Satisfaction which can be accepted with path coefficients of 0.194 and a T-Statistic value of 2.168 > 1.96 (T-table value of $\alpha = 0.05$), or P-Value of 0.006 < 0.05, then the results are significant (positive)

DISCUSSION

The effect of cashback on product sales

The cashback promotion program is effective for increasing sales at Shopee Food Merchants. Merchants felt a significant increase in sales after they registered their restaurants in this program. This happens because consumers are attracted to discounts that can be felt directly with the cashback coins they get. Apart from that, cashback programs can be a strong attraction for consumers because they feel they are getting some of their money back from their purchases. This can encourage further purchases, motivate consumers to choose certain products, and increase customer loyalty to the brand. This can increase a product's appeal, encourage impulse purchases, and help build upsells on a product.

The effect of free shipping on product sales

The free shipping promotional program has been effective in increasing sales for Shopee Food merchants. Through this research, researchers concluded that the free shipping promotional program provided a breath of fresh air to help boost the financial area of merchants' businesses. There was a significant change in turnover between before and after registering for the free shipping promotion program because this program included a discount promo program so that it could attract more consumer interest. Merchants really felt an increase in sales after they participated in this program. This is because shipping costs are often an important consideration for consumers when they shop online. Offering free shipping can reduce these barriers, encourage purchases, and may

even make consumers choose products from stores that offer the facility over those from competitors that don't.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of data testing analysis and discussion of the research results presented, a conclusion can be drawn, namely first, cashback is able to make a positive contribution to sales of Naruna Food products at PT. Naruna Karya Bersama at Shopee merchants. Second, free shipping can provide a positive contribution to sales of Naruna Food products at PT. Naruna Karya Bersama at Shopee merchants. Suggestions for Naruna Food products to improve the digital marketing system so that Naruna Food products can be more effective and efficient in increasing product sales on the marketplace.

ADVANCED RESEARCH

There are limitations to this research so it is recommended to use other variables that have not been shown in this research, things related to sales of a product. Apart from that, you can also use other research objects besides Shopee.

ACKNOWLEDGMENT

This journal article was written by Rahmat based on the results of the research "Analysis of the Effectiveness of Using Shopee as a Marketing Means for Sales of Naruna Food Products at PT. Naruna Karya Bersama" which was supervised by the Faculty of Economics and Business at the East Java Veteran National Development University through the final assignment of the odd semester. The contents are the sole responsibility of the author."

REFERENCES

- Alamsyah, N., & Saino. (2021). The Influence of Product Features and Cashback Promotions on Purchasing Decisions. *Accountable*, 165.
- Andarini, S. (2021). The influence of flash sales and cashback on impulse buying behavior among Shopee users. *Journal of Business and Management Strategy Studies*, 5(1).
- Auli, S., Basalamah, M. R., & Milanningtyas, R. (2020). The Influence of Discounts and Free Shipping Promos on Purchasing Decisions. *Management Research E-Journal*, 112-113.
- Maulana, H. A., & Asra, Y. (2019). Analysis of the Influence of Free Shipping Promos on Purchase Decisions in E-Commerce by Generation Z in Rural Areas. *Inovbiz*, 164.
- Muljadi, V., Priyowidodo, G., & Goenawan, F. (2022). Effectiveness of Shopee Indonesia Advertising on the Instagram@ shopee_id Account in Indonesian Society. *Journal of e-Communications*, 10(2).

- Murniwati, M., Yusnaldi, Y., & Azzahra, F. (2023). The Effect of the Xtra Cashback and Xtra Free Shipping Programs on Increasing "Tencomp" Store Sales on Shopee E-Commerce. *Madani Journal: Science, Technology and Humanities*, 6(2), 138-154.
- Nazar, M. A. (2021). The Influence of Product Information on Purchasing Decisions Through Digital Marketing Effectiveness for Shopee Users.
- Nurrohyani, R., & Sihalalho, E. D. (2020, July). The Influence of Cashback Promotions on OVO and Go-Pay on Consumer Behavior of Students at the Faculty of Economics and Business, Padjadjaran University. *ECONOMIST*, 12-16.
- Pangestu, W. B. Analysis of the Effectiveness of Shopee Advertising on Instagram and YouTube Using the Epic Model for Students at Muhammadiyah University of Jember.
- Pratama, F. A. (2019). The Influence of the Word Cashback on Increasing Sales Using Data Mining. *KOPERTIP: Scientific Journal of Informatics Management and Computer*, 3(2), 1-5.
- Putra, I. (2021). The Influence of Product Usability and Cashback Promotion on Brand Loyalty for Digital Wallet Services in Indonesia. *Bisma: Management Journal*, 11-13.
- Santoso, M. B., Widodo, J., & Zulianto, M. (2022). The Influence of Discounts on Shopee Marketplace Purchasing Decisions (Case Study of the Kesilir Village Community, Jember Regency). *Journal of Entrepreneurship Accounting Economic Education*, 27-28.
- Sari, L. M. (2020). The Influence of the Marketing Mix on Advan Smartphone Purchasing Decisions from an Islamic Economic Perspective. 41.
- Sasmita, L. (2019). The Influence of the Shopee Marketplace "Free Shipping" Tagline on Purchasing Decisions with Purchase Intention as an Intervening Variable in the People of Makassar City. *Journal of Business Innovation*, 162- 165.
- Wafiq, D. R. (2022). Analysis of the Effectiveness of Cashback and Free Shipping Promotion Strategies in Increasing Sales at Shopee Food Merchants (Case Study of Shopee Food Merchants in the Purwokerto Area) (Doctoral dissertation, UIN Prof KH Saifuddin Zuhri Purwokerto).
- Wisniyanti, T. (2019). Analysis of the Effectiveness of Shopee Advertisements in the "Goyang Shopee 9.9 Super Shopping Day" Version Using the Customer Response Index Model (Study of Students at Universities in the

Depok Sleman District Area, Yogyakarta) (Doctoral dissertation, Yogyakarta Veterans National Development University).

Wulandari, D. A., & Edastama, P. (2022). The Effect of Free Shipping, Flash Sales, and Cashback on Impulsive Purchases Mediated by Positive Emotions. *Management and Accounting Student Journal*, 1(2), 29-36.