The Effect Of Reference Group And Perceived Price On Brand Switching E-Commerce Shopee In Medan

Natria RA Purba[1], Feby Aulia Safrin[2]

Ilmu Administrasi Bisnis, Fakultas Ilmu Sosial dan Ilmu Politik, Universitas Sumatera Utara[1,2]

E-mail:natriapurba06@gmail. com[1], feby.aulia@usu.ac.id[2]

ARTICLE INFO	ABSTRACT
Article history: *Keywords: Reference Group, Perceived Price, Brand Switching*	Every e-commerce in Indonesia creates innovations and shopping promotions that can attract consumers to use their platform. They also offer a lot of similar goods which makes consumers more selective in choosing the goods they want to buy and are vulnerable to brand switching behavior in product purchases. This study aims to determine how the influence of reference groups and price perceptions on brand switching to Shopee e-commerce in Medan, either partially or simultaneously. The type of research is quantitative research with an associative approach. The sampling technique is purposive sampling which collects 100 respondents. The data analysis technique used is validity test, reliability test, classical assumption test, multiple linear regression test, T test, F test and coefficient of determination test. The results showed that the reference group and the perceived price had a positive and significant effect on Shopee's e-commerce brand switching partially and simultaneously. The correlation coefficient value is 0.657 which shows a direct correlation between reference group, perceived price to brand switching. The value of R Square is 0.432, meaning that reference group and perceived price simultaneously have an effect of 43.2% on brand switching, while the effect on other variables was not examined in this study. *This is an open access article under the CC BY-NC license.*

Corresponding Author:
Natria RA Purba[1], Feby Aulia Safrin[2]
Ilmu Administrasi Bisnis, Fakultas Ilmu Sosial dan Ilmu Politik, Universitas Sumatera Utara[1,2]
E-mail: natriapurba06@gmail. com[1], feby.aulia@usu.ac.id[2]

I. Introduction

Indonesian people's interest in online shopping transactions is increasing over time. People like all the conveniences obtained through online shopping activities. Based on data from good statistics from Good News From Indonesia, e-commerce consumers in Indonesia as of 2020 have reached 277,947,466 users and it is predicted that this will increase by 70 percent by 2021. Based on the AppsFlyer data report, the number of application downloads in the shopping category has increased. sharp increase in the period January 2020 to July 2021 and it is predicted that growth will continue in the next few years (Bisnis.com).

The increase in online transactions in Indonesia has resulted in the emergence of various online marketplaces with different brands and types. Along with the increasing number of e-commerce in Indonesia, the level of competition between e-commerce is also increasing. As competition increases,

every e-commerce company tries to design and plan various strategies that can attract the attention of consumers so that the level of consumer loyalty becomes higher.

When choosing e-commerce, consumers often switch brands when making online purchase or shopping transactions. Each e-commerce site offers many similar goods at almost the same price, which causes consumers to be more selective in choosing the goods they want to buy. When consumers choose a product in an e-commerce, consumers will compare similar products with different e-commerce. Consumers will switch e-commerce brands when they find a product that is more attractive than the previous e-commerce product.

Brand switching or brand switching in an online marketplace describes the behavioral pattern of a consumer or user who switches brands to an online marketplace by looking for similar products that are more attractive to consumers. Attractiveness in this case can be influenced by factors such as differences in prices offered, promotions, or other features offered by e-commerce to attract consumer shopping interest. For example, when a consumer feels that the products offered in a particular e-commerce site receive more promotions and the payment method features are easier than others, then he will choose that e-commerce as a medium for purchasing his products. However, when he finds another e-commerce that provides a greater discount rate or the value obtained from another e-commerce is greater then he will make a brand switch to that e-commerce. Consumers can easily change the use of a brand when the brand's desired needs are not met.

In 2017 Lazada led the largest number of e-commerce visitors in Indonesia. In Q2 2018 there was a shift in the largest number of visitors to Tokopedia. The largest shift in the number of visitors also occurred in Q4 2019, namely Shopee, shifting the position of Tokopedia which had occupied first position in the previous quarter. In 2021, Q1 saw a shift again, which was occupied by Tokopedia, followed by Shopee (iprice.co.id/ mapofecommerce). Based on the survey results, it is known that Shopee is ranked first in the 4 indicators used, namely BUMO (Brand Use Most Often), the top of mind indicator, the market share indicator for the number of transactions (share of orders), and the market share indicator for transaction value.

There are many reasons why consumers switch brands to other brands. Theoretically, the factors that can influence brand switching are very diverse, such as product attributes, price, promotions, and product inventory. Brand Switching is a consumer behavior that falls into the category of a decision. A decision by a consumer is influenced by a reference group. Blackwell, Engel and Miniard (Hanif and Soesanto: 2017) state that a reference group is a group that provides standards and values that will become a person's determining perspective in behaving and thinking. Apart from reference groups, consumer brand switching behavior is also influenced by perceived price. Perceived price is a view of how consumers view certain prices (high, low, reasonable) and influence purchasing decisions and purchasing satisfaction. Consumers will compare product prices from each e-commerce platform and will choose e-commerce that provides higher value to consumers.

The phenomenon of brand switching or brand switching that occurs in society is very important to research, considering the reality that occurs in society today, many people easily switch brands, even in terms of loyal consumers. Consumer behavior in e-commerce often involves brand switching and will always happen, so companies must be able to minimize this behavior by knowing the causes of brand switching and creating marketing strategies. This research will discuss whether reference groups and perceived price influence brand switching behavior and also to measure how much reference groups and perceived price are able to influence consumer brand switching to Shopee e-commerce.

II. Method

Price

Perceived price is a consumer's view regarding the value obtained through the purchase they make. For example, consumers generally perceive low prices for eating at fast food outlets, as well as high prices for eating at gourmet restaurants, consistent with the values they receive in both instances and therefore fair. Perceived price is related to how consumers perceive prices - high, low or fair, which

will greatly influence purchase intentions and post-purchase satisfaction (Schiffman and Wisenblit: 2015). Janiszewski and Lichtenstein (Arifin, S et al: 2013) state that measuring price perceptions is formed by two indicators.

1. Attractiveness, namely how consumers view the prices offered by producers, whether the prices are attractive or unattractive.
2. Fairness, namely how consumers view the prices offered by producers as to whether they are fair or not when compared with other price offers
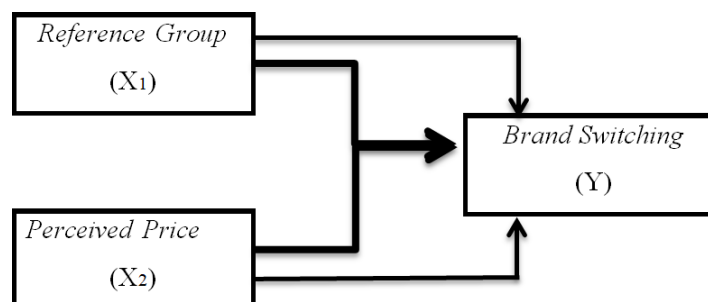
Brand Switching

According to Peter and Olson (2010), brand switching is a purchasing pattern that involves changing from one brand to another in a similar product category for various reasons. This is in line with Ozer and Phillips (2012), who state that brand switching is the activity of changing purchases from one brand to another, which will indicate low brand loyalty. According to Susanto and Widyawati (2016), indicators of brand switching or switching decisions The brand consists of:

1. Desire to look for other variations
2. Post-consumption dissatisfaction
3. Desire For   accelerate discontinuation of use.

The hypothesis in this research is if:

1. H1: There is an influence of reference groups on Shopee e-commerce brand switching behavior among Shopee e-commerce users in the city of Medan.
2. H2: There is an influence of perceived price on Shopee e-commerce brand switching behavior among Shopee e-commerce users in Medan City.
3. H3: There is an influence of reference group and perceived price on Shopee e-commerce brand switching behavior among Shopee e-commerce users in Medan City.

Figure 1. Framework of Thought

Source: Researcher (2022)

Based on the previous description, the following framework is obtained in Figure 1

The form of research in this research is quantitative research with an associative approach. The population in this study are e-commerce users who have made brand switching from another e-commerce to Shopee e-commerce in Medan City. The sampling technique used in this research is a non-probability sampling technique with purposive sampling type. The data collection technique used in this research is primary data collection, which is obtained based on the results of distributing questionnaires via Google Form to e-commerce users who carry out Shopee e-commerce brand switching. Then collect secondary data obtained through library studies, books, data based on the internet, journals, theses or previous research related to the research topic. The data analysis method used in the research is the classic assumption test which includes the normality test, multicollinearity test and heteroscedasticity test. Multiple linear regression analysis test and hypothesis testing consisting of partial test (t), simultaneous test (f) and coefficient of determination test. The accuracy of the data will be tested through instrument tests which include validity tests and reliability tests.

III. Results And Discussion

Respondent Characteristics

Based on the survey results, it was found that the age composition of respondents was dominated by consumers with an age range of 17-25 years at 74%, an age range of 26-33 years at 21%, and finally an age range >33 years at 5%. The age range of 17-25 years is usually owned by teenagers or students where the concept usually prefers shopping online because it is more efficient in terms of time and costs than shopping offline. 72% of respondents' occupations in this study were students, 5% of respondents' occupations were civil servants, 12% of respondents' occupations were self-employed, and 11% of respondents' occupations were in other categories, namely Fresh Graduates, Private Employees, Pharmacists, Freelancers and so on. Apart from that, age Psychologically, teenagers are the most consumptive age, where they tend to always want to have certain items and are excessive in buying or consuming things that can increase their self-confidence. The majority of respondents in this study were female, namely 69% (69 respondents) and 31% male (31 respondents). The average monthly income/pocket money of respondents is dominated by less than IDR 1,000,000 by 35% (35 respondents), then

followed by 1,000,000-2,000,000 as much as 32% (32 respondents), then the range >3,000,000 as much as 23% (23 respondents) and finally

range 2,000,001-3,000,000 as much as 10%. (10 respondents). Transactions via Shopee e-commerce display a wide variety of products with various price variations, giving consumers many choices regarding the price range of products offered.

Validity and Reliability

Test the validity of the questionnaire instrument for the reference group variable (X1) using an rtable of 0.196, and each table statement has a value greater than

0.196 which indicates that the statement in the variable is declared valid. The number of samples in this research was 100 respondents. From the results of data processing, it can be seen that each variable X1, This shows that each variable is reliable or trustworthy. Reliability test results from SPSS 21 data processing obtained a Kolmogorov-Smirnov value > 0.06, with a translation value of 0.860 for the reference group variable (X1), 0.774 for perceived price (X2), 0.631 for brand switching (Y). To find out the extent to which the independent variables, namely reference group and perceived price, influence Shopee's e-commerce brand switching, using the multiple partial (T) test, the following results were obtained:

Table 1 Partial Test Results (T Test)

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
(Constant)	1,866	1,643		1,135	,259
Reference Group	,194	,043	,421	4,480	,000
Perceived Price	,310	,092	,316	3,362	,001
a. Dependent Variable: Brand switching					

Source: Researcher (2022)

Based on the results of the T Test using the SPSS program in table 1, it can be seen that the reference group variable (X1) has a significant effect on the brand switching variable (Y) as shown by the tcount value of 4.480 which is greater than the ttable value of 1.984 (4.480

>1.984) with a significance value smaller than 0.05 (0.000 <0.05). Based on this, it can be concluded that the reference group variable (X1) has a significant influence on the brand switching decision (Y) so that Ha1 is accepted. The perceived price variable (X2) has a significant effect on the brand switching

variable (Y). This can be seen based on the tcount value of 3.362, which is greater than the ttable value of 1.984 (3.362 >1.984) with a significance value smaller than 0.05 (0.001 <0.05). Based on this, it can be concluded that the perceived price variable (X2) has a significant influence on the brand switching decision (Y) so that Ha2 is accepted.

Table 2 Simultaneous Test Results (F Test)

ANOVAa						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	253,474	2	126,737	36,904	,000b
	Residual	333.116	97	3,434		
	Total	586,590	99			
a. Dependent Variable: Brand switching						
b. Predictors: (Constant), Perceived Price, Reference Group						

Source: Researcher (2022)

Based on the results of data processing in table 2, it can be seen that the Fcount value obtained is 36.904, which shows that Fcount is greater than the Ftable value, namely 36.904 > 3.09 or based on the significance value, namely 0.000 < 0.05. Based on this, it can be concluded that the independent variables, namely reference group (X1) and perceived price (X2), have a joint (simultaneous) effect on the dependent variable, namely brand switching (Y) and the hypothesis ha3 is accepted.

IV. Conclusion

Based on research   and discussions have been carried out regarding the influence of reference groups and perceived price on Shopee's e-commerce brand switching(Study of Shopee E-commerce Consumers in Medan City) the following conclusions can be drawn. Reference groups influence brand switching to Shopee e-commerce in the city of Medan. Based on the obtained tcount value of 4.480, where this value is greater than the ttable value, namely 1.984 (4.480 > 1.984) with a significance value that is smaller than 0.05 (0.000 < 0.05), it can be concluded that the reference group variable has a significant effect regarding the brand switching decision to Shopee e-commerce among Shopee users in the city of Medan. The better Shopee is in the minds of the reference group, the greater the chance that the reference group will recommend Shopee e-commerce to other people as their e-commerce choice. Perceived price has a significant effect on brand switching to Shopee e-commerce in the city of Medan. Based on the obtained tcount value of 3.362, which is greater than the ttable value of 1.984 (3.362 > 1.984) with a significance value that is smaller than 0.05 (0.001 < 0.05), it can be concluded that the perceived price variable has a significant effect on significant impact on brand switching decisions to e-commerce Shopee among Shopee users in the city of Medan. The better the perceived price of Shopee e-commerce in the minds of consumers, the higher the desire to use Shopee e-commerce. If the price offered is attractive and matches the benefits of the product obtained, it will create a desire to switch to using Shopee e-commerce. Reference group and perceived price influence brand switching behavior to Shopee e-commerce among Shopee users in the city of Medan. Based on the Fcount value obtained, it is 36.904, which shows that Fcount is greater than the Ftable value, namely 36.904 > 3.09 or based on the significance value, namely 0.000 < 0.05, which shows that the reference group and perceived price influence simultaneously (simultaneously) on The dependent variable is brand switching to Shopee e-commerce among Shopee users in the city of Medan. The coefficient of determination or R Square value shows that 43.2% of the brand switching variable can be explained by the reference group and perceived price variables, while the remaining 56.8% is influenced by other variables not discussed in this research.

References

Hoyer, Wayne D et al. 2021. Consumer Behavior. Australia: Cengage Learning Australia Pty Limited

Kotler, Philip and Armstrong, Gary. 2018. Principles of Marketing. New York: Pearson Education, Inc.

Ozer, Ozalp and Phillips, Roberts. 2012. The Oxford Handbook of Pricing Management. United Kingdom: Oxford University Press

Peter, J. Paul and Olson, Jerry C. 2010. Consumer Behavior & Marketing Strategy. New York: McGraw-Hill

Arifin, S et al. 2013. The Influence of Perceived Price and Perceived Value in Bundling Products on Purchase Interest (Survey of Purchase Interest for BlackBerry-Indosat cellphones onStudents majoring in Business Administration Class 2008/2009 and 2009/2010 Faculty of Administrative Sciences UniversityBrawijaya). Journal. Malang: Faculty of Administrative Sciences, Brawijaya University

Bisnis.com.2021. AppsFlyer: Third Largest Indonesian e-commerce Application Users in the World. [On line]. Accessed via https:// Ekonomi.bisnis.com/read

/20211013/12/1454172/appsflyer- e-commerce-application-users- indonesia-third-largest-in-the-world

Katadata.co.id.2021. Map of E-commerce Competition in Indonesia.[Online]. Accessed via https://katadata

.co.id/ariayudhistira/infografik/61 b945392d739 /peta-persaingan-e-commerce-di-indonesia