

Original Article

Factors That Influence Young People's Buying Interest at Klik Indomaret

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Abstract : *The advancement of information technology has brought people to the internet. In Indonesia, 72% of the population is connected to the internet, most of whom are young people. One of the uses of the internet in business is for online shopping from online stores. Klik Indomaret is an online store that focuses on presenting the various needs of the community, making shopping easier from home or from anywhere. Many factors influence consumer buying interest when shopping both online and offline. Product, price, promotion and place are considerations for consumer buying interest. Discounts are an easy way to pay and are a form of promotion to attract consumer buying interest. In online shopping, the ease of delivery of groceries to consumers and the cheap shipping costs of groceries to consumers are online shop promotions, which are also a consideration for consumer buying interest. The purpose of this study was to determine the effect of discounts, shipping costs, and payment methods on young people's buying interest in Klik Indomaret, both partially and simultaneously. The results showed that partially only shipping costs affected young people's buying interest in Klik Indomaret. While simultaneously, discounts, shipping costs, and payment methods affect the buying interest of young people at Klik Indomaret.*

Keywords: *Young People, Buying Interest, Discount, Shipping Cost, Payment Method.*

I. INTRODUCTION

Information technology has developed very rapidly. The development of information technology is increasing day by day, spurring a new way of life known as e-life, which means that life has been influenced by various electronic needs, such as e-commerce, e-government, e-library, e-journal, e-mail, e-medicine and so on. These advances in information technology are used to implement new, more efficient ways to produce, distribute, and consume goods or services for companies and consumers. Efficient processes will have a positive impact on the business and service industry.

One of the results of the development of information technology is the presence of the internet. The internet is no longer a stranger to society, because most people need and use the internet in their daily lives. APJII (Indonesian Internet Service Providers Association, 2022) survey data shows that 77.02% or 210,026,769 Indonesians will be connected to the internet in 2021-2022. According to age groups, for ages 13-18 years, 99.16% are connected to the internet; for ages 19-34 years, 98.64% are connected to the internet; for ages 34-54 years, 87.3% are connected to the internet, and those aged > 55 years are only 51.73% connected to the internet. Being connected to the internet will make it easier to communicate, make it easier to access information, no distance and time constraints and make it easier to do business.

One of the uses of the internet in business is the emergence of an online shopping system or online shopping, which has a container in the form of an online store. This online store concept means that buying and selling transactions between sellers and buyers are in one application provided or created by a company. This is a new way for business people to run their business which aims to get maximum income but with more efficient expenses, even providing benefits. The advantage of the online store business is that the market can be reached globally, largely unlimited by time, geography, and actors, so transactions can be done anytime, anywhere and can be accessed by anyone. Online stores provide a diverse selection of goods so that consumers can see the products being sold, choose, compare and then determine which product to buy according to their needs. Because of this advantage, many companies have opened online stores even though they previously had offline stores, one of which is the retail company Indomaret.

Indomaret has been serving consumers for more than 30 years with 19 thousand outlets spread across the islands of Java, Madura, Bali, Lombok, Sumatra, Kalimantan, and Sulawesi, which provide more than 5 thousand types of products. The Indomaret website was opened in 2015, and in 2016, the Klik Indomaret application was launched, which focuses on presenting various community needs and facilitating shopping activities from home or from anywhere (Profil Klik Indomaret,



2022). The rise of online stores and online shopping was also triggered by the Covid-19 pandemic, which requires people to do activities from home.

Consumer buying interest also has a big role in advancing and developing online shopping businesses. Kotler and Keller define purchasing interest as an action taken by consumers in which a buyer's desire to purchase or select a product is based on their prior usage, consumption, or even just desire for a particular product. Several factors can influence a person's buying interest. The product factor is a consumer consideration; when shopping offline or online, the quality of the product or service will attract someone's buying interest. Price is the next factor that influences a person's buying interest. The existence of discounts is a consideration for consumers to buy. Discounts are a promotion from companies that open businesses offline or online. Other promotions include positive reviews from customers or well-known figures about existing products, company conditions, services and so on. Many of these positive reviews are now done through electronic media. Payment method is a factor that influences consumer buying interest. The ease of paying, supported by technological advances such as m-banking, e-wallets, bank transfers, and even COD (cash on delivery), is a consideration for consumers to shop both offline and online. When shopping offline, location is a consideration for consumers to want to buy a product. However, when shopping online, location is no longer a consideration for consumers. The factor that consumers consider to buy a product is the delivery of the product to the hands of consumers. The amount of shipping costs and the length of delivery will be a consideration for consumers. Young people who are millennials and Generation Z are mostly connected to the internet and are a potential market share for online stores.

Based on this background, a study was made entitled "Factors that Influence Young People's Buying Interest at Klik Indomaret". Factors that influence young people's buying interest in Klik Indomaret are limited to discounts, shipping costs and payment methods. The purpose of this study is to determine the effect of discounts, shipping costs and payment methods on young people's buying interest in Klik Indomaret both partially and simultaneously.

II. LITERATURE REVIEW

Indonesia's population at this time is filled with productive people, or Indonesia has entered the demographic bonus era; the number of productive people is greater than the number of non-productive people. The productive population at the age of 15 - 64 years reaches 69% of the total population of Indonesia (Badan Pusat Statistik, 2022). Of this productive age population, some are millennials, namely those born around the beginning of 1980 to the end of 1990 (1983 - 1998) and those who are Generation Z (1999 - 2009). Based on the APJII survey, the largest population group connected to the internet is the millennial generation and Generation Z. This productive age population is a potential market for the online shop industry.

In an industry, marketing is definitely needed so that consumers know the products made and traded. In marketing the company's products, it requires a certain strategy in order to get effective and efficient offering results. That is why marketing management is needed. Marketing management is the activity of creating, preparing, and implementing plans carried out by companies to generate profits (Sofjan Assuri, 2018). In marketing management, the term marketing mix is known. A marketing mix is a collection of well-chosen marketing instruments that businesses combine to produce the intended reaction from their target audience (Kotler, Philip dan Gary Armstrong, 2012). The dimensions of the marketing mix are product (product), price (price), promotion (promotion), and place (place), known as the 4Ps. Consumers are interested in buying goods or services after considering the 4Ps.

Buying interest is an effective response or the process of feeling or liking a product but not yet having the satisfaction to buy. Consumers will first feel an interest through buying interest in a product/service before actually deciding to make a choice on the product/service. According to Lamb, one way to develop buying interest is through promotion. Price discounts, cheap or even free shipping, and various payment methods are forms of promotion carried out by sellers to attract consumer buying interest.

Price is the quantity of value that customers exchange for the advantages of possessing or utilizing a good or service; the seller sets the price at which all purchasers must pay, or the buyer and seller negotiate the price via negotiation (Umar Husein, 2000). For consumers, price is an important thing that can influence and become one of the determinants of product selection, which will affect buying interest. Discounts can be categorized as one of the promotional aids used by companies. Discounts for a product or service are something that attracts consumers, in accordance with consumer habits, which generally compare products and services based on price and quality obtained.

Today's fast-growing online store business makes it easier for consumers to shop from anywhere. The online store business provides facilities for shipping grocery items from the store to consumers. Online stores promote cheap shipping costs and even free shipping to attract consumer buying interest.

Shopping activities are closely related to transactions. The exchange of products and services among people, businesses, and other organizations is known as a transaction. Other occurrences that have an impact on business economics are also considered interactions. (Fred K. Skousen et al., 2007). The various payment methods offered will facilitate the transaction process. Some payment methods that are generally available today in several online shops include digital wallets (e-wallets), bank transfers with m-banking or internet banking facilities, credit cards, cash on delivery (COD) and so on. Easy payment methods and many choices are a form of promotion that can attract consumer buying interest.

Pratama and Sanjaya's research in 2022 with the title "The Influence of Shopee's Big Sale and Free Shipping Promotion on Young People's Buying Interest in Tanggamus Regency" concluded that Shopee's Big Sale and Free Shipping promotions have a positive and significant effect on young people's buying interest in Tanggamus district. Research from N Siregar entitled "Analysis of factors that influence consumer buying interest in using indihome as an internet service provider in Medan City (a case study of Telkom plaza office branch iskandar muda no. 35 Medan Baru)" concluded that price, quality, and promotion simultaneously have a positive and significant effect on Indihome consumer buying interest. Meanwhile, Marita's research entitled "Shopping Payment Methods with e-commerce" concluded that there are many advantages for business people and consumers in carrying out buying and selling transactions with this payment method. The framework of this research is following :

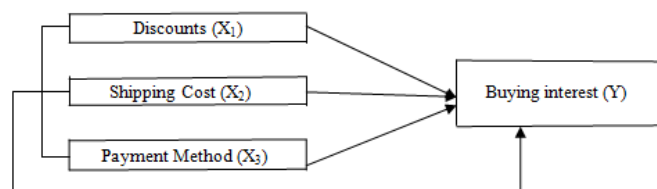


Figure 1 : Frame of mind

Hypothesis:

H1 : Discounts affect young people's buying interest in Klik Indomaret

H2 : Shipping costs affect young people's buying interest in Klik Indomaret

H3 : Payment methods influence young people's buying interest in Klik Indomaret

H4 : Discounts, shipping costs, and payment methods together affect young people's buying interest in Klik Indomaret

III. RESULTS AND DISCUSSION

The population of this study are young Indomaret click consumers who are millennials and Generation Z. The sample size of this study was 100 people, consisting of 42 men and 58 women. Their ages range from 15 years to 40 years, with details of 4 people aged less than 20 years, 82 people aged 21 - 30 years and 14 people aged 31 - 40 years. Most of them are employees/state civil servants (68%), who are students 12%, housewives 12% while those who are self-employed or have other employment status each have a percentage of 4%. Regarding the status of using klik Indomaret's online shopping service, 50 people stated that they had never, and the other 50 people stated that they often did. The duration of online shopping consumers klik Indomaret is 46 people shopping less than 2 times/week, 30 people shopping 2 - 4 times/week and 24 people shopping more than 4 times/week. Beside the respondent characteristics, the list of questionnaires are closed questions with answer choices referring to the Linkert Scale because it measures a person's attitudes, opinions and perceptions. The score on the Linkert Scale is 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, 1 = strongly disagree. This study uses 3 independent variables, namely discounts (X_1), shipping costs (X_2) and payment methods (X_3), and 1 dependent variable, namely buying interest (Y). The discount variable (X_1) is measured from 10 questions, the shipping cost variable (X_2) is measured from 10 questions, and the payment method variable (X_3) is measured from 7 questions. The dependent variable of buying interest (Y) was measured from 8 questions.

The validity and reliability tests of the questions used in measuring the variables used are valid and reliable. With a sample size of 100 and 3 independent variables, the r_{table} value for a significance level of 5% and a degree of freedom $n-k = 100-3 = 97$ is 0.200. If the value of $r_{count} > r_{table}$, then the question is valid. The reliability coefficient used is Cronbach's Alpha. If Cronbach's Alpha > 0.6 , the data is said to be reliable. The validity and reliability test results are as follows:

Table 1: Results of the Validity Test of Discount Variables (X_1), Shipping Costs (X_2), Payment Methods (X_3) and Buying Interest (Y)

Question	R _{count}	R _{table}	Description	Question	R _{count}	R _{table}	Description
X _{1.1}	0,488	0,200	valid	X _{2.1}	0,597	0,200	valid
X _{1.2}	0,416	0,200	valid	X _{2.2}	0,645	0,200	valid
X _{1.3}	0,564	0,200	valid	X _{2.3}	0,537	0,200	valid

X _{1.4}	0,516	0,200	valid	X _{2.4}	0,483	0,200	valid
X _{1.5}	0,493	0,200	valid	X _{2.5}	0,555	0,200	valid
X _{1.6}	0,445	0,200	valid	X _{2.6}	0,612	0,200	valid
X _{1.7}	0,424	0,200	valid	X _{2.7}	0,547	0,200	valid
X _{1.8}	0,350	0,200	valid	X _{2.8}	0,543	0,200	valid
X _{1.9}	0,461	0,200	valid	X _{2.9}	0,394	0,200	valid
X _{1.10}	0,524	0,200	valid	X _{2.10}	0,532	0,200	valid
Question	R _{count}	R _{table}	Description	Question	R _{count}	R _{table}	Description
X _{3.1}	0,796	0,200	valid	Y ₁	0,714	0,200	valid
X _{3.2}	0,629	0,200	valid	Y ₂	0,793	0,200	valid
X _{3.3}	0,698	0,200	valid	Y ₃	0,436	0,200	valid
X _{3.4}	0,542	0,200	valid	Y ₄	0,640	0,200	valid
X _{3.5}	0,573	0,200	valid	Y ₅	0,637	0,200	valid
X _{3.6}	0,503	0,200	valid	Y ₆	0,477	0,200	valid
X _{3.7}	0,453	0,200	valid	Y ₇	0,703	0,200	valid
				Y ₈	0,706	0,200	valid

Table 2: Reliability Test Results of Discount Variables (X₁), Shipping Costs (X₂), Payment Methods (X₃) and Buying Interest (Y)

Variable	Cronbach's Alpha	Description
Discount (X ₁)	0,600	Reliable
Shipping cost (X ₂)	0,738	Reliable
Payment methods (X ₃)	0,707	Reliable
Buying interest (Y)	0,801	Reliable

Logistic regression analysis is used to see the relationship between one or more independent variables and one dichotomous independent variable. In this study, logistic regression analysis was used to see the relationship between discounts (X₁), shipping costs (X₂) and payment methods (X₃) on buying interest (Y), with the buying interest variable being dichotomous where value 0 = not interested in buying and value 1 = interested in buying. The value code 1 = interested in buying is made when the average question score for variable Y (buying interest) is ≥ 4 , and the value code 0 = not interested in buying for the average question score for variable Y < 4.

A) Test The Feasibility of the Logistic Regression Model Using Hosmer and Lemeshow's Goodness of Fit:

Aims to assess the feasibility of the logistic regression model to be used. If the significant value is > 0.05, the logistic regression model can be said to be suitable for use in further analysis. Meanwhile, if the significant value is < 0.05, then the logistic regression model can be said to be not suitable for use in further analysis.

Table 3: Hosmer and Lemeshow's Goodness of Fit Test

Step	Chi-square	df	Sig.
1	13.333	8	.101

The significance value of the Hosmer and Lemeshow's Goodness Of Fit test is 0.101 > 0.05, which means that the logistic regression model is suitable for use in further analysis.

B) Overall Model Fit Test:

Used to assess whether there is a fit between the hypothesized model and the sample obtained. The results of the overall model test are:

Table 4: Overall Model Fit Test

Block 0:			
Iteration		-2 Log Likelihood	Coefficients Constant
Step 0	1	76.039	1.520
	2	73.436	1.924
	3	73.385	1.991
	4	73.385	1.992
	5	73.385	1.992

Block 1:					
Iteration	-2Log likelihood	Coefficients			
		Constant	X1	X2	X3

Step 1	1	66.792	-3.615	-.815	1.678	.364
	2	60.145	-6.748	-1.346	2.899	.561
	3	59.522	-8.286	-1.553	3.468	.625
	4	59.512	-8.543	-1.578	3.556	.632
	5	59.512	-8.548	-1.579	3.557	.632
	6	59.512	-8.548	-1.579	3.557	.632

It can be seen that there is a decrease in the -2LL value from 73.385 in block 0 to 59.512 in block 1. This shows that the model is fit between the hypothesized model and the sample obtained.

C) Nagelkerke R Square Coefficient of Determination and Logistic Regression Model

Table 5: Nagelkerke R Square

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	59.512 ^a	.130	.249

Nagelkerke R Square or the coefficient of determination shows a value of 0.249 or 24.9%, which means that the ability of the independent variables (discounts, shipping costs, payment methods) to explain the dependent variable (buying interest) is 24.9%, the remaining 75.1% is explained by other variables.

Table 6: Variable in Equation

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a						
X1	-1.579	1.529	1.067	1	.302	.206
X2	3.557	1.255	8.034	1	.005	35.069
X3	.632	1.018	.385	1	.535	1.881
Constant	-8.548	5.488	2.426	1	.119	.000

Based on Table 6, the logistic regression equation shows:

$$Y = -8.548 - 1.579X_1 + 3.557X_2 + 0.632X_3$$

This means that if the discount increases by 1 unit, the buying interest will decrease by 1.579, assuming other variables are constant. If the shipping cost increases by 1 unit, the buying interest will increase by 3.557 units, assuming other variables are constant. If the payment method increases by 1 unit, the buying interest will increase by 0.632 units, assuming other variables are constant.

D) Wald test

The Wald test is used to see the effect of each independent variable (discount, shipping cost, payment method) on the dependent variable (buying interest). The hypotheses are as follows:

a. Hypothesis 1:

H₀: Discounts do not affect young people's buying interest in Klik Indomaret

H₁: Discounts affect young people's buying interest in Klik Indomaret.

b. Hypothesis 2:

H₀: Shipping costs do not affect young people's buying interest in Klik Indomaret

H₁: Shipping costs affect young people's buying interest in Klik Indomaret.

c. Hypothesis 3:

H₀: Payment method does not influence young people's buying interest in Klik Indomaret.

H₁: Payment methods affect young people's buying interest in Klik Indomaret.

Based on Table 6, the Wald test significance value for the discount variable (X₁) is 0.302 > 0.05, so H₀ is accepted, or the discount does not affect the buying interest of young people at Klik Indomaret. The significance value of the Wald test for the shipping costs variable (X₂) is 0.005 < 0.05, so H₀ is rejected, H₁ is considered, or shipping cost affects the buying interest of young people at Klik Indomaret. The Wald test significance value for the payment method variable (X₃) is 0.535 > 0.05 so that H₀ is accepted or payment methods do not affect young people's buying interest in Klik Indomaret.

E) Omnibus Test

Used to test the effect of independent variables together on the dependent variable, namely the effect of discounts, shipping costs, and payment methods together on the buying interest of young people at Klik Indomaret. The hypotheses made are:

H₀: Discounts, shipping costs, and payment methods together do not affect young people's buying interest in Klik Indomaret

H₁ : Discounts, shipping costs, and payment methods together affect young people's buying interest in Klik Indomaret.

Table 7: Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	13.873	3	.003
	Block	13.873	3	.003
	Model	13.873	3	.003

The significance value in the omnibus test is $0.003 < 0.05$, so H₀ is rejected, and H₁ is considered, or discounts, shipping costs, and payment methods together affect young people's buying interest in Klik Indomaret.

Based on the results of data processing, the young consumers of Klik Indomaret 50% often use Klik Indomaret online shopping services; 68% of them are employees where their shopping duration is 46% less than 2 times/week, 30% 2-4 times/week and the remaining 24% shop more than 4 times/week. Discounts do not affect the buying interest of these young people in shopping at Klik Indomaret, nor do the payment methods. What influences young people's buying interest in shopping at Klik Indomaret is the shipping cost. But when viewed together, discounts, shipping costs and payment methods affect young people's buying interest in Klik Indomaret. The magnitude of the ability of discounts, shipping costs and payment methods to explain or influence young people's buying interest in Klik Indomaret is only 24.9%, and the remaining 75.1% is explained by other variables, meaning that there are still many other variables that can affect young people's buying interest in Klik Indomaret.

IV. CONCLUSION

From the results of this study, it can be concluded that partially only shipping costs affect young people's buying interest in Klik Indomaret. Partial discounts and payment methods do not affect young people's buying interest in Klik Indomaret. But when viewed simultaneously or together, discounts, shipping costs and payment methods affect the buying interest of young people at Klik Indomaret.

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