

# The Influence of Online Sales Promotion with Free Delivery Cost on Consumer Purchase Interest at Orchid Florist Jakarta

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**Abstract:- This research aims to determine the Influence of Online Sales Promotion with Free delivery cost on Consumer Purchase Interest at Orchid Florist, Jakarta. The study also aims to identify other factors that may influence consumer purchase interest. The sample and participants in this research are online sales promotions with free delivery cost promoted by Orchid Florist. The data analysis technique in this study uses simple linear regression through SPSS software for Windows Version 27. The research variables consist of Online Sales Promotion with Free delivery cost as the independent variable (X) and Purchase Interest as the dependent variable (Y). Sales promotion is an activity that highlights the benefits of a product for potential customers, thereby increasing purchase interest. The results of the data analysis show that the R square in the table below indicates the magnitude of the influence of the promotion variable on consumer purchase interest is 0.527 or 52.70% ( $r^2 \times 100\%$ ), while the remaining 47.80% or (100% - 52.70%) is influenced by other variables. In other words, the online sales promotion variable with free delivery cost has an influence of 52.20% on the consumer purchase interest variable. The results of this research have practical implications for Orchid Florist to maintain online sales promotions with free delivery cost.**

**Keywords:- Free Delivery Cost Online Sales Promotion, Purchase Interest, Orchid Florist.**

## I. INTRODUCTION

"Indonesia is one of the countries with the highest internet usage rates in the world. Annur (in Databoks.katadata.co.id, March 23, 2022) reported that there were 204.7 million internet users in Indonesia in January 2022. Compared to the previous year, this figure shows a slight increase of 1.03%. In January 2021, there were 202.6 million internet users in Indonesia. The habit of carrying a mobile phone everywhere we go makes information easily accessible and transactions swift, especially when making purchases. Currently, the internet has made life easier for many people in terms of communication and buying and selling goods.

This change is a significant advantage for many parties, both as sellers and buyers. Buying and selling activities require internet services as a crucial facilitator in conducting transactions. This is true for Orchid Florist, a flower arrangement industry with over 30 years of experience, which has embraced the trend of using internet applications in its sales operations. Orchid Florist & Decoration is located in the Tanjung Duren area of West Jakarta. Orchid Florist specializes in designing and decorating flowers for various events such as weddings, Mother's Day, graduation ceremonies, anniversaries, intimate parties, corporate events, and other flower arrangements with congratulatory messages.

Online shopping is a procedure in which customers engage and directly purchase products or services from suppliers in real-time and online (Mujiyana & Elissa, 2013). This development provides opportunities for businesses and traders to conduct sales without using physical or online stores. The foundation of modern commercial transaction processes is the internet community.

E-commerce is part of the broader concept of e-business, which not only involves trade aspects but also includes collaboration with business partners, customer service, job vacancy management, and so on. In addition to network infrastructure, e-commerce also depends on database technology, electronic communication such as email, and various non-computer technologies such as delivery systems and payment methods required in the e-commerce ecosystem.

E-commerce and online shopping have become driving factors in changing a company's sales promotions, leading to changes in supplier and customer behavior. Various strategies are employed in sales promotions to boost sales in online platforms. One of the most preferred online sales promotions by buyers is online sales promotions with free delivery cost.

Free Delivery costs are a common term for the phrase "delivery cost" with no charge (Himayati, 2008). According to the main Indonesian Dictionary (2018), the term "gratis" means free (without cost). Sales promotions with free

delivery cost are promotional offers from stores or websites that provide free delivery when making a purchase transaction. In online sales promotions with free delivery cost, buyers do not need to pay the usual delivery costs, which can be a significant additional burden. Many people complain about high delivery costs.

Many stores that used to be bustling with buyers now only use their physical stores as warehouses or places for buyers who want to see the products they are looking for in person. Most buyers today are facilitated by the internet, which makes it easy to purchase desired products through smartphones. The purchased products are then delivered to their homes quickly and easily.

Orchid Florist is one of the stores that offers online sales promotions with free delivery cost for every purchase worth 500,000-, Indonesian Rupiah. Orchid Florist operates in the flower sales industry based online in Tanjung Duren area of West Jakarta. The internet is the primary sales medium for Orchid Florist. Consumers can view products and place orders through the website, Whatsapp application, and Tokopedia application.

In its promotional offer, Orchid Florist provides free delivery cost for flower purchases above 500,000-, Indonesian Rupiah. With this online sales promotion with free delivery cost, it is expected to increase consumer purchase interest, and successful transactions can take place. As expressed in an interview with one of the buyers at Orchid Florist, Pricila, one of the Orchid Florist, interviewed by a researcher she says 'Yes, I like online sales promotions with free delivery cost because I can save money. Sometimes delivery costs can be quite expensive, so when there is free delivery cost promotion, it is a good opportunity to buy the items I need without having to pay additional delivery fees.'

Some Orchid Florist customers prefer to buy products online. Rina, for example, admits to liking buying flowers because it is simpler and easier to do without leaving home, offers more choices, and is more affordable. Cheap and simple delivery to their desired destinations. In line with a study titled 'Analysis of the Effect of Free delivery cost Promotions on Purchase Decisions in E-commerce by Generation Z in Rural Areas' by Hutomo Atman Maulana and Yunelly Asra (2019), which aimed to determine the extent of the influence of free delivery cost promotions on participants' purchase decisions. From the research results, offering free delivery cost is effective and influences the purchase decisions of rural millennials by 19.3 percent, though the impact is still considered weak.

Another study by Mira Istiqomah & Novi Marlina (2020), "The Effect of Free delivery cost Promotions and Online Customer Ratings on Fashion Product Purchase Decisions," has a significant and positive influence on purchase decisions, with an impact rate of 34.4 percent. This influence rate is still considered low; therefore, the researcher is interested in conducting further research.

## II. LITERATURE REVIEW

### ➤ *Sales Promotion*

According to Gitosudarmo (2014), sales promotion is a strategy used to persuade customers to learn more about a company's product, ultimately leading to sales. Furthermore, Peter and Olson (2014) revealed that marketing is the task performed by marketers to enlighten customers about their goods and persuade them to make a purchase. Sales volume is maximized through effective marketing.

Philip Kotler and Kevin Lane Keller (2016) state that marketing is a societal process in which individuals and groups obtain what they need and want by creating, offering, and freely exchanging valuable products and services with others. According to Tjiptono, as cited in Alfiyandi and La Ode Syarfan (2016), sales promotion involves direct persuasion using various incentives to motivate clients to make immediate purchases of products and/or buy more goods.

Anang Firmansyah (2020:61) defines sales promotion it's as an effort to attract consumers to buy a product through direct marketing. If consumers want to make a purchase, promotion can be done through discount programs or by adding another benefit for consumer. According to Tjiptono & Chandra, as cited in Wulan Octaviani (2021), sales promotion is a type of marketing involving the creation of short-term offers to consumers and wholesale traders with the aim of obtaining specific and immediate responses from potential customers.

### ➤ *Online Shopping*

Purchasing is just one example of how the Internet has simplified the lives of many people. In today's era, buyers can comfortably buy their preferred products at home through their laptops or mobile devices, eliminating the need to go to physical stores. E-commerce, or online shopping, refers to the practice of buying and selling products on the World Wide Web. Online shopping, as defined by Mujiyana and Elissa (2013), is a consumer's act of making purchases from a merchant through the World Wide Web rather than meeting with the latter physically to conduct transactions.

The act of buying products or services from online vendors or exchanging services online without first physically seeing the vendor is known as online shopping. The emergence of information and communication technology has transformed shopping habits in addition to economic and global developments. Initially, commodities were sold in a traditional (offline) manner, meaning buyers and sellers met physically to conduct transactions. This has been made possible by the advancement of internet technology (Sari, 2015).

### ➤ *Free Delivery Cost*

Delivery costs are one of the reasons why consumers often overlook delivery costs when shopping online, or in other words, they are free. During the buying process, the seller takes money from the buyer as delivery costs, which are then passed on to the buyer as additional expenses.

When conducting online transactions, sellers will determine the delivery cost for consumers based on the dimensions and weight of the purchased goods, as well as the destination location. As a result, customers transfer payment for the goods and delivery costs.

Free delivery cost clearly stipulates that the buyer will not be responsible for delivery costs and will not be asked to pay extra for delivery the goods. This strategy is used by vendors to attract customers. This explains why free delivery cost promotions are very efficient in increasing company sales. Customers no longer have to pay for delivery, only being responsible for the cost of the purchased items. Sales promotion includes various activities designed to increase sales by drawing attention to products or services in new ways, such as free delivery cost campaigns (Assauri, 2010).

➤ *Consumer Purchase Intention*

Purchase intention can be defined as the likelihood that a buyer intends to purchase a product. Engel et al. (2012) emphasize that purchase intention is an internal drive that can prompt someone to spontaneously, reasonably, simply, without coercion, and through purchase, pay attention to a product Ni Lu Julianti, (2014). According to Kotler and Keller (in Adi, 2015), consumer purchase intention is a behavior in which consumers want to select, utilize, and consume a presented product.

The majority of consumer purchasing behavior is often initiated and influenced by numerous stimuli from outside themselves, both in the form of stimuli conducted by marketers and stimuli from their environment. These stimuli are then processed within a person before finally deciding to make a purchase intention. According to Armstrong (2016), the definition of Purchase Intention is consumer behavior that occurs when consumers are stimulated externally and come to make purchasing decisions based on personal characteristics, and it is a process before decision making.

➤ *Research Method*

This study applied a quantitative approach with data analysis techniques using simple linier regression. This study uses causal associative research with a causal relationship form. A causal relationship is a cause-and-effect relationship. So, there are independent variables (influencing variables) and dependent variables (influenced). The characteristics of correlational research include connecting two or more variables, the magnitude of the relationship is based on the correlation coefficient, and the data is quantitative. According to Sugiyono (2016:37), causal associative research is research that aims to find out whether there is an influence or relationship between independent variables on dependent variables, and if there is, how strong the influence or relationship is and whether it is meaningful or not.

**III. POPULATION AND SAMPLE**

Arikunto states that the population is the entire subject of the study for the time being. When an item is unlimited or uncountable, the population can be divided into an unlimited population. A population that cannot have its boundaries defined will be challenging to determine, so it cannot be expressed in quantitative terms. In such a situation, the number cannot be counted, it can only be described as a qualitative amount with general characteristics. Since the population's number is unknown and scattered across various locations, the researcher uses an unlimited population in this investigation.

In this study, the population consists of individuals who are aware of the online sales promotion with free delivery cost promoted by Orchid Florist. To determine the sample to be used in the study, various sampling techniques are employed. The Cochran formula is used to calculate the required sample size (Sugiyono, 2017). The formula provided is used to calculate the required sample size in a study, the Cochran equation is as follows:

$$\text{Where : } n = \frac{Z^2pq}{e^2}$$

*n* is the required sample size.

*Z* is the confidence level required in the sample, which is 95%.

*p* is the probability of success, which is 50%.

*q* is the probability of failure, which is 50%.

*e* is the margin of error, set at 0.1%.

The margin of error (Moe) and the confidence level (95%) with a maximum acceptable error rate of 0.5%. The calculation involves using the Z-score, which is 1.96 for a 95% confidence level. The overall sample size calculation is as follows:

$$n = \frac{(1,96)^2(0,5)(0,5)}{(0,1)^2}$$

$$n = 96.4$$

The calculation results 96.4 respondents, which represents the minimum sample size = 96

**IV. FINDING**

A. *Responden Demografic Data*

➤ *Overview of Respondents Based on Gender,*

Table 1 Characteristics of Research Respondents Based on Gender

Gender	Frequency	Percentage
Male	58	60.4
Female	38	39.6
Total	96	100.0

Source: Based on SPSS Data Processed by the Researcher

Table 1 shown In terms of gender, the majority of respondents in this study are female, amounting to 68 people (70.8%), while the number of male respondents is 28 people (29.2%).

➤ *Overview of Respondents Based on the Number of Times Shopping Online at Orchid Florist*

Table 2 Characteristics of Research Respondents Based on the Number of Times Shopping Online at Orchid Florist

Number of Online Shopping at Orchid Florist	Frequency	Percentage
1 time	21	21.9
2-4 time	60	62.5
>5 time	15	15.6
Total	96	100.0

Source: Based on SPSS Data Processed by the Researcher

Table 2 shown based on the categories of the number of times shopping online at Orchid Florist, the majority of respondents in this study shopped online at Orchid Florist 2-4 times, amounting to 60 people (62.5%), and the least number of respondents shopped online at Orchid Florist only once, totaling 21 people (21.9%).

➤ *Overview of Respondents Based on Electronic Media for Online Shopping*

Table 3 Characteristics of Research Respondents Based on Electronic Media for Online Shopping

Media Elektronik	Frequency	Percentage
PC/Laptop	7	7.3
Smartphone	82	85.4
Tablet	5	5.2
Lainnya	2	2.1
Total	96	100.0

Source: Based on SPSS Data Processed by the Researcher

Table 3 shown, based on the category of electronic media used by respondents for online shopping, the majority of respondents in this study are those who use smartphones, amounting to 82 people (85.4%), and the smallest number of respondents are those who use other electronic media, totaling 2 people (2.1%).

➤ *Overview of Respondents Based on Online Media for Online Shopping*

Table 4 Characteristics of Research Respondents Based on Online Media for Online Shopping

Media Online	Frequency	Percentage
Whatsapp	29	30.2
Instagram	22	22.9
Facebook	4	4.2
Tokopedia	19	19.8
Shopee	20	20.8
Lainnya	2	2.1
Total	96	100.0

Source: Based on SPSS Data Processed by the Researcher

Table 4 shown based on the category of online media used by respondents for online shopping, the majority of respondents in this study are those who use WhatsApp as their online media, totaling 29 people (30.2%), while the fewest respondents use other online media, totaling 2 people (2.1%).

**V. ANALYSIS RESULT**

➤ *Results of the Test on the Influence of the Free Delivery Cost Promotion Variable (X1) on Customer Purchase Intention (Y).*

• *Results of the Coefficient of Determination Analysis*

Table 5 Results of the Coefficient of Determination Analysis

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.726 <sup>a</sup>	.527	.522	3.08624	.527	104.847	1	94	.000

a. Predictors: (Constant), Online Sales Promotion with Free delivery cost

• *F Test Results*

Table 6 F Test Results

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	998.660	1	998.660	104.847	.000 <sup>b</sup>
	Residual	895.340	94	9.525		
	Total	1894.000	95			

a. Dependent Variabel: Consumer Purchase Intention
b. Predictors: (Constant), Online Sales Promotion with Free delivery cost

Coefficients <sup>a</sup>								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	37.730	2.561		14.735	.000	32.646	42.814
	(X1)	.435	.042	.726	10.240	.000	.351	.519

a. Dependent Variabel: **Consumer Purchase Intention**

## VI. DISCUSSION

The magnitude of the influence of variable X1 on variable Y can be determined by observing the R square, which is 0.527. The coefficient of determination figure can be interpreted that the Free delivery cost variable significantly affects Purchase Intention by 52.7%, and the remaining 47.3% is influenced by other factors not discussed in this study.

### ➤ Data Interpretation

The Purchase Intention variable (Y) is influenced by Sales Promotion with Free delivery cost (X1) by 53%, and the remaining 47.3% is influenced by other variables outside the scope of this study. b. For every increase in the value of the Free delivery cost promotion (X1) by 0.527%, the Purchase Intention will increase by 0.527%. c. There is a significant influence between Sales Promotion with Free delivery cost (X1) and the Purchase Intention of Orchid Florist. Thus, Sales Promotion with Free delivery cost (X1) contributes to the Purchase Intention (Y) of Orchid Florist by  $0.527^2 \times 100\% = 27.7\%$ .

### ➤ Implications of Research Results

H1: There is a positive and significant effect of Sales Promotion with Free delivery cost on the Purchase Intention of Orchid Flower consumers.

This research indicates that Sales Promotion with Free delivery cost has a positive and significant contribution to the Purchase Intention of Orchid Flower consumers. The contribution is 0.527, or 52.7%. This is in line with previous studies by Hutomo Atman Maulana and Yunelly Asra (2019) and Mira Istiqomah & Novi Marlina (2020), which found that the contribution of "free delivery cost" promotions and online customer ratings has a significant and positive impact on purchasing decisions, with an influence rate of 34.4%. This suggests that this study shows a higher increase compared to previous research. Therefore, it can be concluded that providing free delivery cost promotions can increase the purchase intention of Orchid Florist consumers in Tanjung Duren.

## VII. CONCLUSION

In line with the research objectives, which aim to determine whether Online Sales Promotion using Free delivery cost has a positive and significant effect on the Purchase Intention of Orchid Florist consumers. Based on the data analysis results of the study, it is concluded that

Online Sales Promotion with Free delivery cost has a positive and significant influence, leading to an increased purchase intention of Orchid Florist consumers in Tanjung Duren, West Jakarta. Consumers who make purchases based on the applied promotion, namely free delivery cost, have a significant and substantial influence, attracting consumer purchase intentions. This indicates that consumers tend to be more interested in making purchases when they do not have to pay shipping costs.

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