

**THE INFLUENCE OF FREE SHIPPING OFFERS AND SHOPEE  
ADVERTISEMENTS ON PURCHASING DECISIONS FOR FACULTY OF  
ECONOMICS, PANCA MARGA UNIVERSITY PROBOLINGGO STUDENTS**

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**Abstract**

*The objective of this study is to investigate how free shipping deals and Shopee adverts impact the buying choices of students studying at Panca Marga University's Faculty of Economics in Probolinggo. Specifically, it explores both the combined and individual effects of these promotional strategies. A quantitative, descriptive approach was adopted, with data gathered via questionnaires distributed to a randomly selected sample of students. The study employed various analytical tools, including validity and reliability tests, alongside classical assumption tests such as multicollinearity, heteroscedasticity, autocorrelation, and hypothesis testing. Results from the validity test confirmed all questionnaire items were valid ( $r > 0.197$ ), while the reliability test yielded consistent outcomes (Cronbach's  $\alpha > 0.60$ ). The data was normally distributed as per the normality test. Multicollinearity analysis showed no significant correlation among independent variables, indicating a robust regression model. Additionally, tests for heteroscedasticity and autocorrelation confirmed the absence of both issues. Hypothesis testing using the  $t$ -test revealed that the free shipping promotion significantly influenced purchasing behavior ( $t = 4.09 > t\text{-table} = 1.985$ ,  $\text{sig.} = 0.048 \leq 0.05$ ). Likewise, Shopee advertisements demonstrated a notable effect on purchasing decisions ( $t = 2.407 > t\text{-table} = 1.985$ ,  $\text{sig.} = 0.000 \leq 0.05$ ). Overall, the findings suggest that both free shipping offers and Shopee advertising play a significant role in shaping consumer choices among university students.*

**Keywords:** E-commerce Advertising, Free Shipping Promotions, Shopee Ads, Purchasing Decisions, Marketing Strategy

**INTRODUCTION**

The use of technology and communication tools has made it much easier for traders to advertise what they sell. The introduction of internet technology has completely changed the way products are promoted. The most significant consequence of this advancement is the proliferation of online platforms which offer a wide range of products, eliminating the need for physical visits to stores by consumers (Basalamah & Millaningtyas, 2021). Shopee is the most preferred e-commerce by consumers, because the features presented by shopee are more interactive and the themes are always different every moment. According to

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Heridiansyah et al. (2023), the presence of the Shopee app provides consumers with the opportunity to fulfil their desires through indulgent shopping, disregarding the practicality of the products they are buying and making unplanned purchases. Many factors encourage consumers to make purchases, including free shipping promos and Shopee advertisements.

According to Istiqomah and marlena (2020), free shipping offers are a key component of sales promotions, which are aimed at encouraging customers to make purchases through special marketing efforts like product showcases, events, and demonstrations. Shopee has a free shipping programme, free shipping is Shopee's flagship programme, besides the free shipping programme, of course there are many more programmes provided by Shopee for its users such as discounts, by offering a variety of products at low prices (Wulandari & Anwar, 2021). The existence of free shipping promos attracts consumers to make purchases. This is evidenced by Sari and Nugroho (2019) which shows that there is an influence of free shipping, discounts and Shopee ads on consumer purchasing decisions in students of the management department of the Widya Wiwaha Yogyakarta college of economics.

In addition, Shopee also uses advertising as a promotional mix that is used to shape consumer attitudes. Hackley (2010) highlight that advertising, being a form of communication, has the ability to reach a large audience. It serves the dual purpose of creating a lasting brand image while also boosting immediate sales. The essence of advertising lies in its ability to influence individuals or organisations towards engaging in transactions involving the exchange of goods and services, which necessitates the implementation of a well-thought-out marketing plan. The existence of this product advertisement will certainly attract consumers to make purchases. This is supported by research by Liana (2019) which indicates that advertising and brand perception have an impact on the buying choices of HKBP Nommensen University Medan students when it comes to purchasing Oppo phones.

Currently, there is a significant level of interest in online shopping, which is prevalent among students studying at the Faculty of Economics in Panca Marga University Probolinggo. Many students have the habit of shopping online through Shopee e-commerce. Shopee's strategy to attract consumers, one of which is the free shipping promo where consumers will be attracted by the free shipping by freeing up shipping costs. Therefore, consumers are increasingly convinced that shopping at shopee is very attractive for buying products at low prices without being burdened by shipping costs and consumers will often shop online at shopee. In addition, shopee's attractive advertisements by attracting famous

artists such as both Jackie Chan and Joe Taslim are famous for their very cool martial arts actions so that they attract consumer interest.

This research examines two key questions regarding e-commerce dynamics among university students. First, it investigates whether free shipping offers influence purchasing decisions of Economics students at Panca Marga University in Probolinggo. Second, it explores whether Shopee's advertising has a limited impact on these students' buying choices.

The study aims to analyze how free shipping promotions affect the purchasing decisions of Economics Faculty students at Panca Marga University in Probolinggo. Additionally, it seeks to determine the specific impact of Shopee advertisements on these students' buying patterns and decision-making processes.

## **LITERATURE REVIEW**

### **Hypothesis Formulation**

According to Daud (2013), promotion is a crucial aspect of a company's communication strategy, aimed at both informing and enticing potential buyers. It is a key element in the marketing mix that companies must utilise to effectively promote their products. Offering free shipping serves as a direct persuasion tactic, leveraging various incentives to encourage immediate purchases or boost the quantity of items bought by customers (Basalamah & Millaningtyas, 2021). Sari and Nugroho (2019) mention that signs of complimentary delivery include: Free shipping grabs attention, Free shipping is attractive, Free shipping triggers the urge to make a purchase, Free shipping promotes buying.

As per Faruk et al. (2021), advertising is a key aspect of a business that informs and convinces/invites customers. Advertising is a crucial element in the marketing mix that companies must incorporate to promote their products effectively. Free shipping serves as a direct persuasion technique, using different incentives to prompt immediate purchases or boost the quantity of items bought by customers (Tjiptono, 2014). Indicators of free shipping promotion, indicators of free shipping, namely: Free shipping provides attention, Free shipping has appeal, Free shipping arouses the desire to buy, Free shipping encourages making purchases.

### **H1: Free shipping promotions affect purchasing decisions**

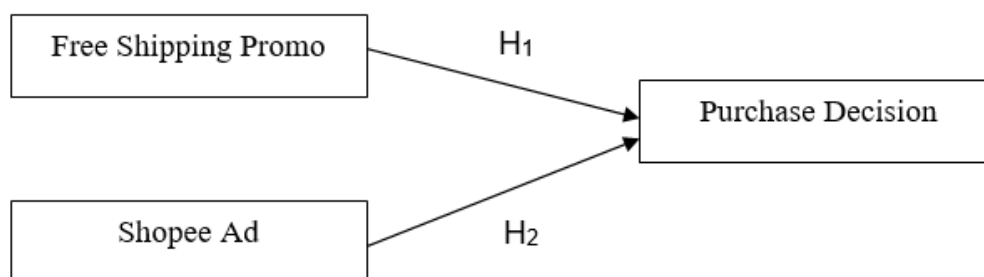
Advertising can be used as an information dissemination tool that is not only to tell something, but also at the same time to cause activities from the community as recommended (Zulfikar & Subarsa, 2019). As noted by Alexander (2007) advertising refers to the paid promotion of an organization, product, service, or concept by a known sponsor, through

non-personal communication channels. It involves the payment for promoting an organization, product, service, or idea through non-personal means by a recognized sponsor. Kotler and Keller (2016) advertising indicators in state that there are four indicators of advertising, among others: The product is easily discovered through the information provided, the visually appealing media design captures attention, the messages communicated across different media platforms are coherent, and the information presented in various forms is reliable.

The appeal of an advert needs to meet three criteria. First, the ad should be significant by highlighting the advantages that make the product more appealing to customers. Secondly, the message in the advert must be credible, making consumers trust that the product will deliver the promised benefits. Lastly, the advert should stand out by being more effective than ads for rival brands.

**H2:** Shopee ads have an effect on purchasing decisions

### Conceptual Framework



**Figure 1. Conceptual Framework**

## RESEARCH METHODS

### Research Design

The methodology employed in crafting this thesis involves quantitative research with a focus on causation. Quantitative research revolves around numerical data and statistical analysis, while the causative approach explores the connections between different variables (Sugiyono, 2013). In research, we identify independent variables (variables that cause an effect) and dependent variables (those that are affected). These variables help us understand how free shipping offers, Shopee adverts, and other factors impact buying choices. It allows for an examination of the combined and individual impact of these factors.

### Population and Sample

In a study, determining the population and sample to be studied is something that must be done. According to Sugiyono (2015), The concept of population refers to a collection of

individuals or things with specific qualities determined by researchers for the purpose of analysis. The participants in this research were students enrolled in cohorts 18 and 19 at the School of Economics, Panca Marga University, located in Probolinggo. As stated by Sugiyono (2015), the sample selected is a representation of the population in terms of numbers and characteristics. The sampling method employed in this research is probability sampling, specifically random sampling. The sample used was 100 students of the faculty of economics.

### **Data Analysis Method**

In order to evaluate the information gathered for this dissertation, a quantitative approach was utilised for descriptive analysis. This involved conducting various data tests including assessments of validity, reliability, normality, heteroscedasticity, multicollinearity, autocorrelation, multiple regression analysis, and hypothesis testing.

## **RESULTS AND DISCUSSION**

### **Research Results**

The results of a survey conducted among students studying Economics at Panca Marga University in Probolinggo indicate the following discoveries:

**Table 1. Respondent Data Based on Age**

<b>Age Group</b>	<b>Respondent</b>	<b>Percentage</b>
< 20 years	32	32%
20 years - 30 years	58	58%
> 30 years	10	10%
Total	100	100%

From the data in Table 1, it can be concluded that consumers at the Faculty of Economics, Panca Marga University Probolinggo who are respondents are less than 20 years old by 32% or 32 people, aged over 20 - 30 years old, namely 58% or 58 people, over 30 years old by 10% or 10 people. Most respondents are aged 20 years to 30 years.

**Table 2. Respondent data based on gender**

<b>Gender</b>	<b>Respondent</b>	<b>Percentage</b>
Male	18	56%
Female	14	44%
Total	32	100%

Based on the information provided in Table 2, it can be deduced that the majority of respondents from the Faculty of Economics at Panca Marga University Probolinggo are women, making up 72% of the total respondents, with men comprising only 28%.

Additionally, the data reveals that the male respondents are the largest group among the respondents.

**Table 3. Validity Test of Free Shipping Promo**

Correlations		P1	P2	P3	P4	tt
P1	Pearson Correlation	1	,536**	,212*	,461**	,768**
	Sig. (2-tailed)		,000	,035	,000	,000
	N	100	100	100	100	100
P2	Pearson Correlation	,536**	1	,219*	,212*	,686**
	Sig. (2-tailed)	,000		,029	,034	,000
	N	100	100	100	100	100
P3	Pearson Correlation	,212*	,219*	1	,369**	,657**
	Sig. (2-tailed)	,035	,029		,000	,000
	N	100	100	100	100	100
P4	Pearson Correlation	,461**	,212*	,369**	1	,720**
	Sig. (2-tailed)	,000	,034	,000		,000
	N	100	100	100	100	100
tt	Pearson Correlation	,768**	,686**	,657**	,720**	1
	Sig. (2-tailed)	,000	,000	,000	,000	
	N	100	100	100	100	100

**Table 4. Validity Test of Shopee Ads**

Correlations		P1	P2	P3	P4	tt
P1	Pearson Correlation	1	,245*	,429**	,096	,710**
	Sig. (2-tailed)		,014	,000	,343	,000
	N	100	100	100	100	100
P2	Pearson Correlation	,245*	1	-,045	,094	,517**
	Sig. (2-tailed)	,014		,660	,354	,000
	N	100	100	100	100	100
P3	Pearson Correlation	,429**	-,045	1	,160	,619**
	Sig. (2-tailed)	,000	,660		,111	,000
	N	100	100	100	100	100
P4	Pearson Correlation	,096	,094	,160	1	,592**
	Sig. (2-tailed)	,343	,354	,111		,000
	N	100	100	100	100	100
tt	Pearson Correlation	,710**	,517**	,619**	,592**	1
	Sig. (2-tailed)	,000	,000	,000	,000	
	N	100	100	100	100	100

**Table 5. Purchasing Decision Validity Test**

Correlations		P1	P2	P3	P4	tt
P1	Pearson Correlation	1	,186	,119	,022	,619**
	Sig. (2-tailed)		,064	,237	,829	,000
	N	100	100	100	100	100
P2	Pearson Correlation	,186	1	,084	,031	,564**
	Sig. (2-tailed)	,064		,407	,761	,000
	N	100	100	100	100	100
P3	Pearson Correlation	,119	,084	1	,140	,583**
	Sig. (2-tailed)	,237	,407		,165	,000
	N	100	100	100	100	100
P4	Pearson Correlation	,022	,031	,140	1	,504**
	Sig. (2-tailed)	,829	,761	,165		,000
	N	100	100	100	100	100
tt	Pearson Correlation	,619**	,564**	,583**	,504**	1
	Sig. (2-tailed)	,000	,000	,000	,000	
	N	100	100	100	100	100

In the validity test, it shows that all variable concepts of free shipping promos, Shopee advertisements, purchasing decisions are valid. Because it shows a value that is above the value of  $r \text{ table} = 0.197 (n-2)$ .

**Table 6. Reliability Results**

Variable	Cronbach's Alpha	N of Items
Free Shipping Promo	,663	4
Shopee Ads	,632	4
Purchase Decision	,602	4

Based on the table 6, it shows that each variable is reliable and feasible to continue data processing with SPSS. Because it is above the value of 0.6. In this research, the normality Test shows from the Probability Plots results show normal distribution, because the lines (dots) follow the diagonal line. The Multicollinearity Test indicates that if the alpha or tolerance value is set at 10% or 0.10, then the VIF value will be 10. The analysis reveals that the VIF value is high (VIF Promo Free Shipping = 1.441, VIF Shopee Ads = 1.441), but still below the threshold of 10. Additionally, the tolerance levels for the independent variables (Promo Free Shipping = 0.694 or 69.4% and Shopee Ads = 0.694 or 69.4%) are both above 10%. Therefore, it can be implied that there is no issue of Multicollinearity among the independent variables.

The heteroscedasticity test displayed in Figure 3 indicates that the points in the SPSS scatterplot output are scattered and not clustered together. Therefore, it can be inferred that there is no heteroscedasticity present in the independent variables. The autocorrelation test reveals that the Durbin-Watson test statistic is 1.883, with DW being less than 2. Consequently, it can be deduced that there is no autocorrelation present in the data.

The findings were determined by conducting a partial test (t) to analyse how free shipping promotions and Shopee advertisements influenced the purchasing choices of students at Pancar Marga University's Faculty of Economics in Probolinggo. :

- 1) If the tvalue is greater than or equal to the ttable value ( $4.09 \geq 1.985$ ) and the significance level ( $0.048 \leq 0.05$ ), then the null hypothesis is rejected, indicating that the free shipping promotion variable (X1) partially influences competitive advantage (Y).



- 2) If the calculated t value is greater than or equal to the critical t value, with a significance level less than or equal to 0.05, then the null hypothesis is rejected. This indicates that the design factor has a significant impact on the competitive advantage.

### **Discussion**

According to the findings from the preliminary test on the impact of free shipping promotions, the calculated t value is greater than the tabulated t value ( $4.09 \geq 1.985$ ) (significance level  $0.048 \leq 0.05$ ), indicating that the null hypothesis ( $H_0$ ) is rejected. This suggests that the free shipping promotion variable ( $X_1$ ) has a significant partial influence on the purchasing choices of Economics students at Panca Marga University in Probolinggo. The results of this study indicate that the first hypothesis formulated has been proven, where  $H_1$ : 'It is suspected that the free shipping promo has a partial effect on purchasing decisions for students of the Faculty of Economics, Panca Marga University Probolinggo.' The findings of this research suggest that there are resemblances to the studies carried out by Sari and Nugroho (2019) on the Influence of Free Shipping, Discounts, and Shopee Ads on Consumer Buying Behaviour among Students in the Management Department of Widya Wiwaha Yogyakarta College of Economics. Nabila (2020) also explored the Impact of Flash Sale and Shopee's 'Free Shipping' Slogan on Impulse Purchasing Choices in the online realm. Therefore, it can be inferred that offering free shipping promotions serves as an effective tactic to lure customers into making purchases.

A partial experiment was carried out to assess the influence of Shopee adverts on the purchasing choices of Economics students at Panca Marga University in Probolinggo. The findings indicated that the t value obtained (2.407) surpassed the accepted t value (1.985) with a significance level of 0.000, which is lower than 0.05. Consequently, the null hypothesis ( $H_0$ ) was dismissed. This suggests that the Shopee advert variable ( $X_2$ ) partially impacts the purchasing decisions ( $Y$ ) of Economics students at Panca Marga University in Probolinggo. The results of this study indicate that the first hypothesis formulated has been proven, where  $H_2$ : 'It is suspected that shopee advertising has a partial effect on Competitive Advantage in Students of the Faculty of Economics, Panca Marga University Probolinggo.' The findings of this research suggest that there are similarities with a study by Liana (2019) on the impact of advertising and brand image on purchasing choices for Oppo brand mobile phones among students at HKBP Nommensen University Medan (a case study). Additionally, Sari and Nugroho (2019) also investigated the influence of free shipping, discounts, and Shopee advertising on consumer buying decisions among students at the Management Department

of Widya Wiwaha Yogyakarta College of Economics. In a case study conducted by Liana (2019), the influence of advertising and brand perception on the purchasing choices of Oppo brand smartphones by students at HKBP Nommensen University Medan was underscored. The research suggests that advertising is crucial in attracting consumer interest, particularly through engaging advertisements featuring popular celebrities.

## CONCLUSIONS

The impact of free delivery promotions and shopee adverts on the shopping choices of students at the Faculty of Economics, Panca Marga University, Probolinggo, demonstrates that the influence of free delivery promotions on purchasing decisions is significant with a tvalue of 4.09, which exceeds the ttable value of 1.985 ( $\text{sig. } 0.048 \leq 0.05$ ). With a significance value below 0.05, the null hypothesis is disregarded. The relationship between product innovation and purchasing decisions amongst students at the Faculty of Economics, Panca Marga University, Probolinggo is only partially established. Conversely, the impact of shopee advertising on purchasing decisions is deemed substantial, as evidenced by a tvalue of 2.407 surpassing the ttable value of 1.985 ( $\text{sig. } 0.000 \leq 0.05$ ). Due to the significance value being under 0.05, the null hypothesis is dismissed. This suggests that the shopee advertising variable has a partial influence on the purchasing decisions of students at the Faculty of Economics, Panca Marga University, Probolinggo.

The obstacles faced during the research were time constraints in the process of distributing questionnaires. Shope needs to innovate, provide discounts and attractive advertisements so that consumers can be influenced and have shopee as the best online shopping platform.

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