The Influence of Discount Cuts and Buzz Marketing Strategies on Live Sales Through E-commerce on Impulsive Buying Behavior

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Abstract: The level of internet usage in Indonesia is considered very high, encouraging the community to continuously adapt to using technology as a medium for business creation. The utilization of technology in the business field requires business actors to enhance creativity and strategies to influence and attract consumer purchasing interest. This research will explain the influence of discounts and buzz marketing strategies on live sales through e-commerce on impulsive buying behavior, with respondents aged 15-29 who reside in Jakarta. The technique used in the research for sample selection is non-probability sampling with purposive sampling. Data collection in this research was conducted by distributing questionnaires. The research analysis technique used is Smart PLS. Ultimately, the results of this study show that discounts on live sales through e-commerce have a positive but insignificant effect on impulsive buying behavior. Meanwhile, buzz marketing in live sales through e-commerce has a significant positive effect on impulsive buying behavior.

Keywords: Discounts, Buzz marketing, E-commerce, Impulsive buying

Introduction

The emergence of e-commerce technology has encouraged business actors to sell goods online. The benefits experienced by business actors when implementing e-commerce are increasing sales turnover, increasing the number of customers, serving as a promotional tool, and being able to expand the business. (Alwendi, 2020) From the results of the research, it can be

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concluded that the use of E-commerce enables business actors to expand their markets and develop their businesses. With these research findings, E-commerce can serve as an effective medium for starting a business and developing it into a more profitable venture. In addition, due to its accessibility, e-commerce can introduce the products being sold to a larger audience and reach buyers not just from one segment, but from a wider range of backgrounds.

E-commerce from the customer's perspective has become the best way to access goods and services online. The convenience and comfort of use have led to an increase in sales through e-commerce in recent years. The features offered by e-commerce help buyers find the items they need. One of the features that assist buyers is the live sale feature. A live sale is an online sale conducted through a live broadcast led by the seller. With the convenience created by e-commerce, live sales have become increasingly popular among online stores. However, with the growing number of online stores hosting live sales, competition has become more intense. Therefore, business actors must find new techniques and modern ways to attract potential buyers to increase their sales. Discounts are one of the marketing strategies used by companies to boost sales. In e-commerce, discounts can be offered in certain forms such as coupons or vouchers that can later be redeemed by the buyer at the time of payment. This discount can attract our customers to buy the product, especially if it is sold at a lower price than the normal price.

In addition to discounts, another strategy is buzz marketing. Buzz marketing is a new form of word-of-mouth communication that has emerged in response to the fact that more and more consumers are critical of traditional advertisements (Kraus, Harms, & Fink, 2010). Buzz marketing is a marketing strategy that involves the use of words, images, or videos that capture customers' attention. This strategy helps online stores build brand awareness and attract new customer attention. In the implementation of sales during live sales, guides often employ various methods to capture the attention of the products they are selling so that buyers are inclined to purchase the items being offered. That spontaneous and unreasoned purchase is commonly known as impulsive buying. Impulsive buying behavior refers to sudden and unplanned purchases. This behavior has caught the attention of researchers, and studies on impulsive buying are also increasingly developing worldwide. Impulsive buying behavior is also common in everyday life, especially on social media where consumers may come across marketing content from influencers (Coates, Hardman, Halford, Christiansen, & Boyland, 2019). Through previous research, it was found that the functional value of a product and the emotional value generated by the product influence impulsive buying behavior, while social value does not inspire buyers to purchase certain products (Liu, De Costa, Yasin, & Ruan). The results of the research, when linked to discount marketing strategies and buzz marketing, can serve as a guideline to provide reasons for purchasing behavior related to live selling in e-

commerce, commonly known as live selling. In previous research, impulsive buying was linked to influencers, explaining that the role of influencers is not very significant if there is no trust in those influencers (Liu et al.) The study did not focus on strategies related to products but rather solely on influencers. This research is necessary to understand the impact of discount strategies and buzz marketing on buyer behavior, particularly regarding impulsive purchasing behavior. This study is expected to provide new insights into how discounts and buzz marketing strategies in live sales through e-commerce affect impulsive buying behavior. The results of this research can assist online stores in developing more effective marketing strategies and increasing their sales. Furthermore, this study can also contribute to research on consumer behavior and e-commerce marketing. This research aims to: determine the effect of buzz marketing on impulsive buying behavior in live E-commerce sales. It also seeks to understand the impact of discount strategies on impulsive buying behavior in live E-commerce sales.

Literature Review

Impulsive Buying Behavior According to (Beatty & Ferrell, 1998) in (Ahn & Kwon, 2022), impulsive buying is an unplanned purchase made without careful consideration and a rational decision-making process due to a strong stimulus. This occurs when customers receive influential and persuasive encouragement to buy a product instantly (Ahn & Kwon, 2022; Chen & Wang, 2016; Djatajuma, 2023; Mathius, 2022). Impulsive buying is considered a negative aspect of consumer behavior due to irrational spending, impractical purchases, and the associated risks of buying.

Price Discount According (Kusnanto, Haq, & Fahmi, 2020; Lestari, Kadang, & Adda, 2023; Putri & Sudaryanto, 2022), a price discount is an attractive price reduction, making the actual price lower than the general price. A price discount is a reduction in the product's price from the normal price over a certain period. According to (Alawwahiy, 2020; Kotler & Armstrong, 2010; Noor, Aziz, Harun, Aminudin, & Zakariah, 2021), a discount is a direct price reduction on purchases during a specific period.

Buzz Marketing (Kotler & Armstrong, 2010; Mukaromah et al., 2022; Musa, 2018; Noor et al., 2021) defines buzz marketing as the creation of an opinion and the dissemination of that opinion containing information about a product or service to others. One way to achieve this is by hiring several well-known influencers to promote the product by asking them to share interesting aspects about the product they are endorsing engagingly so that the information conveyed by the influencers can be passed on by consumers to other consumers. Buzz marketing is also referred to as word-of-mouth influence, which focuses on the impact of someone's words and recommendations from trusted individuals, friends, family, colleagues,

and other consumers on purchasing behavior (Febriansyah, 2021; Kotler & Armstrong, 2010; Noor et al., 2021).

The research model is:

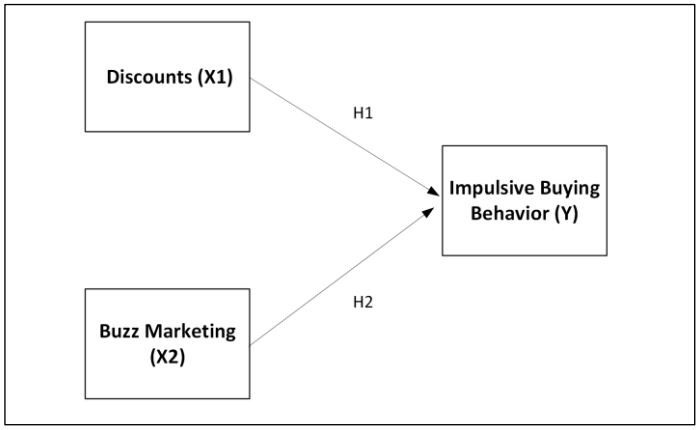

Figure 1 Research Model and Hypothesis

The hypotheses that will be used in this research are: H1: Discounts on live sales through E-commerce have a positive effect on impulsive buying behavior. H2: Buzz marketing in live sales through E-commerce.

Research Method

Purposive sampling is the method of sampling that was employed in this study. In West Jakarta, 106 millennials participated in a poll. A Likert scale questionnaire measuring alternative replies valued at 5 for Strongly Agree (SA), 4 for Agree (A), 3 for Neutral (N), 2 for Disagree (D), and 1 for Strongly Disagree (SD) was distributed to the respondents to obtain the data used in this study. Because the Likert scale is used to gauge respondents' responses to statements about a particular stimulus item, it is utilized. SEM is used in the analytical process, and the Smart Partial Least Squares software, version 3.00, is used.

Result and Discussion

Distributed to a group of middle-class Jakarta is this research paper. PLS analysis was employed in this investigation. For each latent variable, the loading indicator/progressive function is calculated to start the PLS creation process.

Outer Model Test

The goal of the outer model testing is to ascertain each item's outer loading value about its latent variable. A value will be removed from the model if it does not reach the minimum threshold of 0.5. Because it remains representative of structures with numerous components, the value of 0.5 was used (Hair Jr, Howard, & Nitzl, 2020).

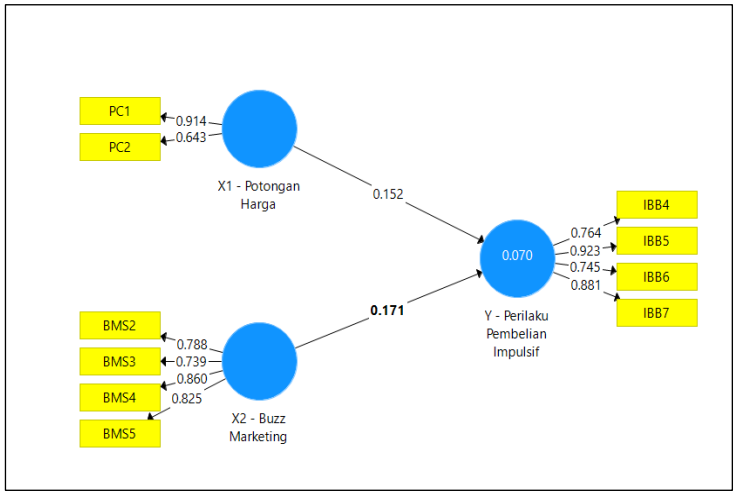

Figure 2 Model PLS-SEM (Outer loadings)

Validity and Reliability of Constructs

The Average Variance Extracted (AVE) method is used to evaluate the construct's convergent validity. Strong convergent validity is demonstrated by the AVE value, which shows the percentage of variance in the observable indicators explained by the underlying concept. The construct for each item is determined by squaring the outer loading. Every tested variable has an AVE value greater than the minimal value of 0.5, indicating that the variables are statistically valid.

Table 1 The value of the AVE test.

	Average Variance Extracted (AVE)
Discounts	0.625
Buzz Marketing	0.647
Impulsive Buying Behavior	0.692

The reliability of a construct refers to the consistency and dependability of the indicators within a construct. The test shows the extent to which items within a construct measure the same underlying concept. In SmartPLS, the reliability of a construct can be measured using metrics such as Cronbach's Alpha, Rho_A, and Composite Reliability. (CR). These steps indicate the internal consistency of the construct by examining the correlations between items. Table 2 shows the test values for each reliability criterion above the threshold of 0.8, indicating that all variables are reliable. In the tests that have been conducted, the criteria for Cronbach alpha and rho alpha were not met; however, the criteria for composite reliability were still fulfilled, allowing the test to proceed.

Table 2 Construct Reliability Test

	Cronbach's Alpha	rho_A	Composite Reliability
Discounts	0.434	0.546	0.763
Buzz Marketing	0.819	0.843	0.880
Impulsive Buying Behavior	0.850	0.881	0.899

Discriminant Validity

The Fornell-Larcker criteria are applied to evaluate the construct's discriminant validity. The correlations between each construct and its square root of the Average Variance Extracted (AVE) are compared. The Fornell-Larcker criterion states that discriminant validity is proved if the square root of the AVE for a construct is higher than the correlation between that construct and other constructs. The PLS test findings for the study's constructs show that every variable satisfies the discriminant validity requirements, proving that none of the variables are multidimensional. For each variable, the criteria of unidimensionality must be met to guarantee that the path correlations under test do not conflict with other constructs[3].

Table 3 Fornell-Larcker criterion test values

	X1	X2	Y
Discounts	0.790		
Buzz Marketing	0.346	0.804	
Impulsive Buying Behavior	0.211	0.223	0.832

X1, discount; X2, buzz marketing; Y, impulsive buying behavior.

The HTMT ratio is an additional metric for assessing discriminant validity. The construct ratio has less discriminant validity the closer its value is. This ratio utilizes a standard value of 1. This criterion is evaluated more stringently than Fornell-Larcker, according to multiple research, and it can be used as a guide for discriminant validity[4][5].

	X1	X2	Y
Discounts			
Buzz Marketing	0.603		
Impulsive Buying Behavior	0.331	0.248	

X1, discount; X2, buzz marketing; Y, impulsive buying behavior.

Value of Predictive Models

The R-squared (R^2) value is calculated to assess the amount of variance explained by the endogenous constructs in a structural model. The R^2 value indicates the model's predictive strength. It is important to note that the R^2 value can range from 0 to 1, with higher values indicating a greater amount of variance explained by the independent constructs in the model[7]. However, it should be noted that both large and small percentages of the R-squared value are not absolute limitations on the goodness of a construct or as a predictive model of human behavior, but rather serve to measure the magnitude of the proportion or effect of one

variable on another. The variance that can be explained in the dependent variable is 5.2%, and the remaining factors are other influences not included in this study.

Table 4 R-square test

	R Square	R Square Adjusted
Impulsive Buying Behavior	0.070	0.052

Meanwhile, the F-square test is conducted to determine the goodness of fit of the model. The F-square values of 0.02, 0.15, and 0.35 can be interpreted as indicating whether the predictor latent variables have a weak, medium, or strong influence at the structural level. Based on the F-square test, it can be determined that the EO model towards I and OP falls into the strong category, followed by OP influenced by I and TL, which also shows a strong category, while the moderation effect on OP indicates a value in the weak category.

Table 5 F-square test

	R Square
Discounts	
Buzz Marketing	0.002
Impulsive Buying Behavior	0.028

X1, discount; X2, buzz marketing; Y, impulsive buying behavior.

Path Coefficient Estimation

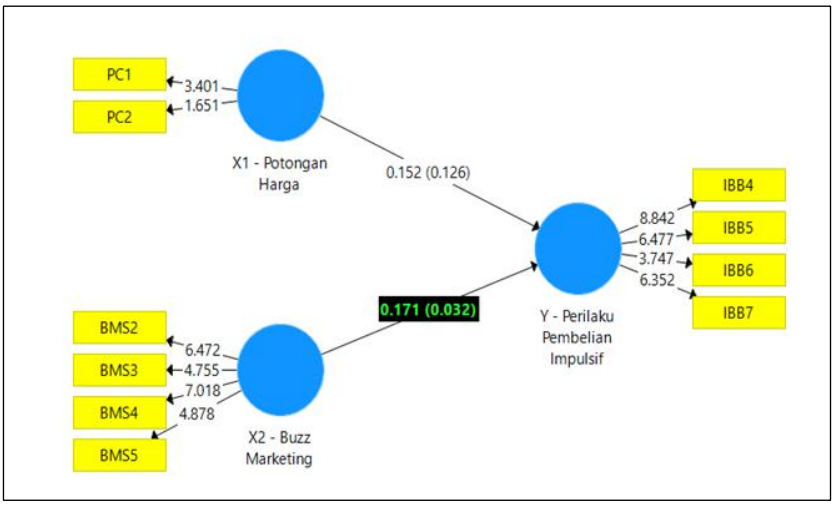

Figure 3 Conduct path regression through the bootstrap menu.

The next test is to examine the significance of the influence between variables by looking at the parameter coefficient values and the significance of the T statistic, which is done through the bootstrapping method.

Direct Path Value	Coefficient (β)	CI 97,5%	STDEV	T Statistics	P Values
Discount → Impulse buying behavior	0.152	0.156	0.132	1.150	0.126
Buzz Marketing → Impulse buying behavior	0.171	0.215	0.091	1.871	0.032

Hypothesis Testing: H1: Discounts on live sales through E-commerce have a positive effect on impulsive buying behavior. This hypothesis is rejected with a coefficient value of β = 0.152, p > 0.05, indicating that the effect of the discount variable is 15.2% in enhancing impulsive buying behavior. However, the influence is not statistically significant. H2: Buzz marketing in live sales through e-commerce has a positive influence on impulsive buying behavior. This hypothesis is accepted with a coefficient value of β = 0.171, p < 0.05, indicating that the influence of buzz marketing on live sales can increase impulsive buying behavior by 17.2%.

Discussion

The results of the research hypothesis indicate that discounts on live sales through e-commerce have a positive effect on impulsive buying behavior. According to the study conducted by (Muarti & Kurniawati, 2023; Salsabila & Suyanto, 2022), the presence of varying discounts and the high value of these discounts lead to an increase in the level of impulsive buying behavior among consumers. This is evidenced by the findings from (Muarti & Kurniawati, 2023), which show that discounts have a positive and significant impact on impulsive buying behavior conducted through e-commerce, with a significance value of 0.004. This research shows different results; in this study, there is a significant influence, meaning that this research does not align with previous studies.

The results of the research hypothesis indicate that buzz marketing in live sales through e-commerce has a positive influence on impulsive buying behavior. Through the research conducted by (Rahma, 2023; Wiguna & Wijayanti, 2019), word of mouth has a positive partial effect on impulsive buying behavior with a significance value of 0.046. It can be concluded that the presence of well-communicated word of mouth will encourage an increase in consumers' impulsive buying behavior. This is in line with this research which shows a significant influence of buzz marketing on live sales regarding impulsive buying behavior.

Conclusions

Discounts on live sales through e-commerce had a positive but statistically insignificant effect on impulsive buying behavior. The hypothesis that discounts positively influence impulsive buying was rejected. Buzz marketing in live sales through e-commerce had a significant positive effect on impulsive buying behavior. The hypothesis that buzz marketing positively

influences impulsive buying was accepted. The discount variable had a 15.2% effect on enhancing impulsive buying behavior, but this was not statistically significant. Buzz marketing had a 17.2% influence on increasing impulsive buying behavior, which was statistically significant. The overall model explained 5.2% of the variance in impulsive buying behavior, with other factors not included in the study accounting for the remaining variance. Recommendations: E-commerce sellers should focus more on buzz marketing strategies rather than discounts to drive impulsive purchases during live sales. Further research is needed to explore other factors influencing impulsive buying behavior in e-commerce live sales, as the current model only explained a small percentage of the variance. Additional studies could investigate why discounts did not have a significant effect, contrary to some previous research findings. E-commerce platforms and sellers may want to enhance features that facilitate buzz marketing during live sales. Marketers should consider the power of word-of-mouth and social influence in driving impulsive purchases in live e-commerce settings. Overall, the study suggests that creating buzz and social momentum may be more effective than price discounts alone in stimulating impulsive buying during e-commerce live sales. However, more research is needed to fully understand the factors at play.

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