

The Influence Of Discount Framing Towards Brand Reputation And Brand Image On Purchase Intention In Somethinc Products At Shopee

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Abstract.

The large number of internet users supports the increase in electronic commerce or e-commerce in Indonesia. One of the e-commerce that has many enthusiasts and dominates the market in Indonesia is Shopee. The purpose of this research is to examine the impact of discount framing on purchase intention which is mediated by brand reputation and brand image. Data collection in this study was carried out using the Google form and questionnaires distributed online. The methodology applied uses a quantitative approach with a purposive sampling technique. Researchers conducted a quantitative study with 170 samples of valid data obtained from respondents in Indonesia who are Shopee e-commerce users. Data management uses SPSS and PLS-SEM (smartPLS) applications. The variables used in this research are discount framing, brand reputation, brand image, and purchase intention. The results of this study state that discount framing has a positive influence towards brand reputation and brand image on Purchase Intention in Somethinc Products at Shopee.

Keywords: Discount framing; brand reputation; brand image and purchase intention.

I. INTRODUCTION

The rapid development of the internet into a global network that is interconnected for the exchange and transmission of information, making the internet a useful marketing tool as a platform for domestic and international transactions [17]. Indonesia is a country that ranks 8th in the world as the most internet users with a total 82 million users, where this amount is able to support the increase in electronic trade/e-commerce in Indonesia [14]. In the range of 2022 to 2023 years many as 178,9 million Indonesians online shop. This number increased 12.8% year on year [5]. One of the e-commerce that has many enthusiasts and dominates the market in Indonesia is Shopee. In the second quarter of 2022, Shopee also had around 131.3 million visitors per month, thus beating other competitors such as Lazada, Bukalapak, Blibli and others. This is evident from the results of the Indonesian E-Commerce mapping data that has been published by iPrice on their website. Shopee offers a wide variety of products to support daily needs, from fashion, gadgets, electronic goods, cosmetics to shopping coupons. Shopee also offers a mobile-centric marketplace concept, which means users can explore, buy, and sell products anytime and anywhere [27]. To support their sales level, sellers at Shopee often offer discounted prices on some of the products offered. The effect of this discount can be seen and measured from the increasing store traffic [8]. Certain products that have been selected by the seller will be subject to discount framing where a new price is made above the original price with a lower price difference, but there are also sellers who increase the price of several products and then frame the discount.

Therefore, it is important for e-commerce businesses to understand consumer purchase intentions in order to maintain a positive promotional effect. One that practices discount framing in its sales is Somethinc which is none other than a local cosmetic brand in Indonesia. Cosmetic products have now become a big need for Indonesian women due to the enormous demand driven in line with the trend of society that is increasingly paying attention to self-care products as their main need [23]. In Indonesia, the beauty industry has been growing with increasing innovation. According to BPS, the number of beauty industries has reached 913 industries, which states that the cosmetics industry in Indonesia has increased by up to 9.61% in 2021. Trademark competition between local products is now getting tighter, which is a motivating factor for companies to maintain their market share with more paying attention to consumer needs, especially in

maintaining the reputation and image of the brand. There are several local brands in the beauty industry that attract consumers' interest, such as, *Somethinc*. This local cosmetic brand is produced by PT Royal Pesona Indonesia by applying international quality standards. So that this brand is not far behind from foreign brands or other local brands. This brand has won several awards which were won, among others, at the Watsons HWB Awards 2021 as Best Newcomer Cosmetic Brand, at the 2021 Tokopedia Beauty Awards as Best Serum, # 1 in the Top 10 Best-Selling Toner at Shopee and Tokopedia in 2021, Market Share (59%) in the Face Treatment category in 2021 and #1 Top Views on Tiktok in 2021 [9]. This achievement is quite significant for *Somethinc* considering that they are a relatively new brand, which was founded in 2019 compared to many of its competitors who have already been in this field.

Based on survey results from (Katadata.co.id) in 2020, *Somethinc* brand managed to enter the Top 50 Indonesian Brands as the most preferred local brand [11]. So that proves if they have a good reputation so that it has a good impact on their image. Her name is quite famous among beauty enthusiasts throughout Indonesia. *Somethinc* products offer quality skin care and makeup with halal certificates to support an urban lifestyle. *Somethinc* wants to make everyone feel better about themselves with the presence of their products that are ready to be a solution. This is supported by their tagline which reads Be You, Be *Somethinc* which is able to attract a lot of consumer attention. *Somethinc* can be said to have a fairly pocket-friendly price, they also often put up discounts to attract the attention of consumers. Discount framing itself is a way of framing prices in certain offers [1]. The purpose of the discount framing itself is to influence consumers to be interested in buying their brand so as to be able to increase sales and succeed in building a good perception of the brand. Being the number 1 local pioneer of serum, the quality of the ingredients and the types of active ingredients used are the best in their class. One of their favorite products is their serum, such as *Somethinc* Niacinamide Sabi Beet Brightening Serum containing SabiWhite® which is a natural lightener made from a derivative of turmeric extracted with special technology. It is believed that it is important to better understand the market situation in order to build a positive perception from the public of the good reputation and image of this brand so as to foster high buying interest. Therefore the formulation of the problem in this study is how does Discount Framing affect Brand Reputation and Brand Image on Purchase Intention in *Somethinc* Products at Shopee.

II. LITERATURE REVIEW

2.1 Purchase Intention

Purchase intention as a combination of consumer interest and the possibility of buying a product [13]. As noted in several studies, purchase intention is related to a person's attitude and preference towards a brand or product [12]. In addition, buying interest is also defined as a plan or intention that is consciously owned by consumers in making efforts to buy a product [28]. Online purchase intention is about whether consumers are ready and have the intention to buy certain products through online shopping platforms [22].

2.2 Discount Framing

Discount as a price reduction that a business offers to its customers with the aim of increasing sales of a product or service [2]. Discount framing is also said to be a way of framing prices on special offers that aim to influence consumer reactions [8]. There are various benefits from discounts, such as triggering consumers to buy in large quantities, anticipating competitive offers, and supporting higher trading volumes [3]. If consumers see a discount framing, they will see the brand first and then think about the reputation and image of the brand [21].

H1: Discount Framing has a positive effect on Brand Reputation

The results of research conducted by Li et al., (2015) stated that products that have a high brand image will produce strong discount framing [16].

H2: Discount Framing has a positive effect on Brand Image

2.3 Brand Reputation

Brand reputation is a term that describes consumer attitudes towards good and trustworthy brands. This can also be said as a consumer perception of product quality associated with the brand name [24]. Brand reputation can also affect brand image, with consumer perception when there is a moment that gives a bad

reputation can make a product with a good brand image turn into a product with a bad brand image, and vice versa [18].

H3: Brand reputation has a positive effect on brand image

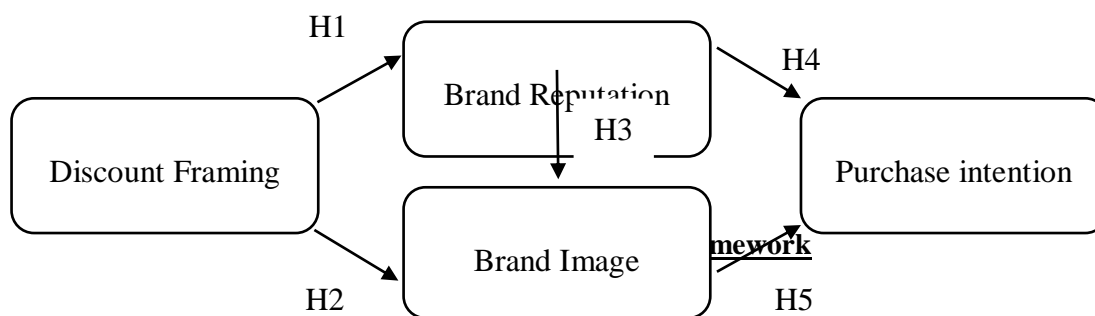
Brand reputation is something that consumers think about when buying a product with the aim of reducing risks, so that brand reputation can increase purchasing interest [21]. if consumers have the perception or feel that other people think the brand is good, they will have sufficient confidence to buy it [6].

H4: Brand Reputation has a positive effect on Purchase Intention

2.4 Brand Image

Brand image is defined as an image that is in the minds of consumers when thinking about a product [7]. Therefore, brand image has an important enough role for products so that they remain embedded in the minds of consumers which will trigger the perception that products are special and different compared to others, thus enabling consumers to get more value. Consumers who already have feelings of love for a brand feel the desire to be able to own that brand [25]. Brand image is an important signal about the way consumers perceive a brand, which can later help in predicting consumer buying behavior [19]. A good brand image will attract consumers to buy a product compared to buying similar products from other companies, therefore the company is expected to be able to maintain and improve the brand image that is already well attached to consumers. A favorable brand image produces a positive effect on product quality and value which also positively influences purchase intention [8, 11].

H5: Brand Image has a positive effect on Purchase Intention



III. METHODS

This research is a quantitative research with the location of this research conducted in Indonesia. The population in this study are people in Indonesia who are Shopee e-commerce users and know or use the beauty brand 'Somethinc' with a total sample of 170 subjects. In the study using non-probability sampling technique using purposive sampling method. The data used uses primary data obtained from distributing questionnaires through the distribution of Google Forms. The resulting data will be processed through SPSS using a Likert scale. Furthermore, the model structure and hypothesis testing here use PLS or Partial Least Square. In the PLS-SEM test, it is divided into two sub-models in the test, namely the Outer Model and Inner Model.

IV. RESULT AND DISCUSSION

Results

Table 1. Results Validity and Reliability

Variable	Cronbach's Alpha	rho_A	Composite Reliability
Discount Framing	0.856	0.863	0.904
Brand Reputation	0.897	0.901	0.924
Brand Image	0.882	0.885	0.919
Purchase intention	0.909	0.911	0.933

Referring to the table above, it is known that all variables in this study have Cronbach Alpha and Composite Reliability values > 0.6, so that it can be concluded that these variables are stated or considered valid and reliable to proceed to the structural model test.

Table 2. Hypothesis Test Results

Hypothesis	Variable	Original Sample (O)	Sample Means (M)	Standard Deviations (STDEV)	T Statistics	P Values	Ket.
H1	DF->RM	0.837	0.837	0.027	31,072	0.000	Significant
H2	DF->CM	0.323	0.322	0.082	3,936	0.000	Significant
H3	RM->CM	0.606	0.607	0.079	7,716	0.000	Significant
H4	RM->MB	0.503	0.504	0.072	6,954	0.000	Significant
H5	CM->MB	0.435	0.434	0.073	5,962	0.000	Significant

Based on the table above, it is known that the test results from the T-Statistics prove that there are 5 items that are significant to the variable, with a value > 1.96 and a P-Value < 0.05 . So it can be concluded that a number of 5 (five) hypotheses are supported. Whereas in testing the indirect effect, namely in table 4.18 it is explained that discount framing affects brand reputation and brand image on purchase intention because the T-Statistic value is > 1.96 and the P-Value is < 0.05 .

Discussion

Effect of Discount Framing on Brand Reputation

The results of the study found that the relationship between the discount framing variable and the brand reputation variable obtained results that were supported. Therefore, it can be interpreted that discount framing affects brand reputation or it can be said that when the discount framing is higher, the brand reputation will also be higher. The results of this study are in line with research conducted by McKechnie et al.,(2012) [22] which reveals that when consumers see a discount framing, they will see the brand first and then think about the brand's reputation. These results are also in line with research by Agmeka et al.,(2019) [1] which states that there is a positive relationship between discount framing and brand reputation.

Effect of Discount Framing on Brand Image

The relationship between the discount framing variable and brand image has a positive effect, the higher the discount framing, the higher the brand image will be. this study is in line with the research of Li et al.,(2015) [17] which states that a product that has a high brand image will result in a strong discount framing.

Effect of Brand Reputation on Brand Image

The results of the study found that the relationship between brand reputation variables and brand image has a supported result. The relationship between these two variables is stated to be positive, where brand reputation has an effect on brand image. These results are in line with research conducted by Lowenstein's (2011) [19] which states that brand reputation can affect brand image, with consumer perception when there is a moment that gives a bad reputation can make a product with a good brand image turn into a product with a bad brand image, and vice versa.

Effect of Brand Reputation on Purchase Intention

The results showed that the relationship between brand reputation and purchase intention has a supported result. Brand reputation has a positive influence on purchase intention. These results are in line with research conducted by Martínez et al.,(2014) [21] which states that brand reputation can increase purchase intention, because brand reputation is something that consumers think about when buying a product with the aim of reducing risk. This result is also supported by Creed & Miles (1996) [6] research who assume that when consumers have the perception or feel that other people think the brand is good, they will have enough confidence to buy it.

The Effect of Brand Image on Purchase Intention

The results of the study found that the relationship between brand image and purchase intention has results that are supported, so that hypothesis 5 is accepted. The relationship between the two variables is stated to be positive, where the brand image variable influences purchase intention. The results of this study are in line with Lee & Lee's research(2018) [18] which shows a significant influence of brand image on purchase intention.

V. CONCLUSION AND SUGGESTIONS

Based on the results of the analysis and discussion of the 170 samples of this study, it proves that the 5 hypotheses are supported. then it can be concluded as follows:

1. The results of the analysis in this study prove that the first hypothesis is positive and directly proportional. The hypothesis includes that discount framing has a positive effect on brand reputation. This shows that the better the discount framing, the higher the brand reputation of *Something* products at shopee.
2. The results of the analysis in this study prove that the second hypothesis is positive and directly proportional. The hypothesis includes that discount framing has a positive effect on brand image. This shows that the better the discount framing, the higher the brand image of the *Something* product at shopee.
3. The results of the analysis in this study prove that the third hypothesis is positive and directly proportional. The hypothesis includes that brand reputation has a positive effect on brand image. This shows that the better the brand reputation, the better the brand image.
4. The results of the analysis in this study prove that the fourth hypothesis is positive and directly proportional. The hypothesis includes that brand reputation has a positive effect on purchase intention. This shows that the better the brand reputation, the higher the consumer's buying interest in *Something* products at shopee.
5. The results of the analysis in this study prove that the fifth hypothesis is positive and directly proportional. The hypothesis includes that brand image has a positive effect on purchase intention. This means that the higher the brand image, the higher the consumer's buying interest in *Something* products at shopee.
6. Based on these results, it can be concluded that buying interest in *Something* products at Shopee can be influenced by discount framing, brand reputation and brand image.

Based on the research that several research limitations were found: distributing questionnaires distributed throughout Indonesia, it was felt that there were still deficiencies, namely the lack of diversity of respondents. Besides that, the focus of this study only lay on the influence of the Discount Framing, Brand Reputation, and Brand Image variables on Purchase Intentions. So that this research is only able to reveal several factors that can influence Purchase Intention.

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