



Comparative Analysis of Consumer Preferences in Online Shopping in Makassar City: Case Study of Shopee and Tik Tok Shop

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ABSTRACT

This study aims to compare consumer preferences in online shopping in Makassar City between the Shopee and TikTok Shop platforms, focusing on the factors of price perception, promotion, and ease of use. The research employed a quantitative approach with comparative analysis, involving 100 respondents aged 18 and above who have shopped on both platforms. The results indicate a significant difference in price perception, where most respondents considered Shopee's prices more affordable than TikTok Shop. However, no significant difference was found in promotion perception, as both platforms were perceived equally. Furthermore, Shopee was rated as easier to use compared to TikTok Shop, highlighting its superiority in user experience. These findings provide valuable insights for e-commerce and social commerce businesses in optimizing their marketing strategies in the era of digital transformation.

Keywords: *Consumer Preferences, Price Perception, Promotion, Ease of Use*

1. Introduction

The development of information and communication technology has significantly changed consumer behaviour patterns in shopping, with a shift from offline to online shopping. According to a survey by the Indonesian Internet Service Providers Association (APJII) in 2022-2023, 215 million people in Indonesia became internet users, with 88.1 percent of them using the internet for online shopping. Digital media, especially internet-based, is now an unlimited marketing solution that can be accessed by anyone from anywhere (Najib et al., 2024). The emergence of various online buying and selling platforms has created alternative shopping options that suit the desires and preferences of consumers (Rakib et al., 2023). E-commerce and social commerce are the two main models in online shopping. E-commerce is a dynamic set of technologies that facilitate business processes between consumers and companies online, enabling the buying and selling of goods in various volumes. Meanwhile, social commerce integrates e-commerce features into social media platforms, creating a more interactive and personalized shopping experience (Algharabat & Rana, 2021). Shopee, as the leading e-commerce platform in Indonesia, has attracted millions of consumers with its aggressive marketing campaigns and attractive discount offers. Based on SimilarWeb data, Shopee will be the most visited e-commerce in Indonesia by 2023, reaching approximately 2.3 billion visits. On the other hand, TikTok Shop, which launched in 2021, has quickly gained popularity as a social commerce platform. The phenomenon of shifting consumer shopping behaviour is also happening in Makassar City, where people are increasingly shifting from offline to online shopping. This is characterized by a decline in sales revenue in traditional markets and an increasing number of sellers adopting online sales strategies, including through live streaming. According to a report by Kompas.com, when Minister of Trade Zulkifli Hasan visited Makassar Central Market in October 2023, a number of merchants complained about the decline in turnover due to competition with e-commerce platforms such as TikTok and Shopee. This shift indicates a significant change in consumer shopping preferences in Makassar City. Consumer preferences in choosing an online shopping platform are influenced by various factors, including perceived price, promotion, and ease of use. Price perception reflects the way consumers assess the price offered based on their information, experience and expectations. Promotion is a marketing activity that aims to disseminate information, influence, or persuade consumers to buy products or services. Meanwhile, ease of use refers to the extent to which consumers believe that using a system does not require great effort. (Shanthi & Kannaiah, 2023). This study aims to analyse the comparative consumer preferences in online shopping between Shopee and TikTok Shop in Makassar City, focusing on the factors of perceived price, promotion, and ease of use. This study is expected to provide valuable insights for e-commerce and social commerce businesses in optimizing their marketing strategies, as well as assisting consumers in making more informed shopping decisions. Through understanding consumer preferences towards these two platforms, especially in the context of Makassar City, this research contributes to the literature on consumer behaviour in the context of e-commerce and social commerce at the local level. In addition, the results of this study can serve as a reference for academics and other researchers interested in the study of consumer behaviour, especially in the context of online shopping in the era of digital transformation, as well as provide insight for local governments in formulating policies that support the balance between the development of e-commerce and the sustainability of traditional markets in Makassar City.

2. Literature Review

2.1 Consumer Behavior

Consumer behaviour is the actions and decisions taken by individuals or groups in searching for, buying, using, and evaluating products or services (Li & Deng, 2023). Consumer behaviour is multifaceted and reflects the full range of consumer decisions regarding the search for, consumption, and disposal of goods, services, activities, experiences, people, and ideas by human decision-making units (Yao et al., 2022). Furthermore, Ezabadi et al. (2019) suggests that consumer behaviour is an individual action related to the purchase and use of goods and services, including the decision-making process and determining actions that are influenced by experiences with goods and services from various sources.

2.2 Consumer Preferences

Consumer preferences refer to an individual's choice and tendency to choose a particular product or service based on various factors, such as demographics, experience, and needs (Choudhary et al., 2023). Consumer preferences can be interpreted as the choice or tendency of consumers in determining products or services based on factors that are considered important by them (Abdullah et al., 2023). Furthermore, according to Faerrosa & Dethan (2023), Consumer preference is an individual or group's choice or preference for a product or service compared to other alternatives, which reflects the level of desire or preference for certain attributes of a product or service, such as quality, price, brand, or other features (Sanusi, Widodo, et al., 2023).

2.3 Price Perception

Price perception is the way consumers assess the price of goods or services offered by the seller to get a price that is in accordance with the procedure (Citaningtyas Ari Kadi et al., 2023). Consumer price perception refers to the psychological process of how price information is understood and given meaning by consumers. Consumers' perception of prices in stores is one of the important factors that influence their information search, store selection, and purchase decisions (Lii et al., 2023). According to Kotler & Armstrong, (2017), there are four indicators of price perception, namely: price affordability, price compatibility with product quality, price compatibility with benefits, price according to ability or price competitiveness.

2.4 Promotion

Promotion is one of the actions in marketing that is expressed through a series of activities and ways to inform and attract potential buyers to the point of sale in order to fulfill their needs and desires, as well as increase the economic efficiency of the activities of the producing entity (Alexandrescu & Milandru, 2018). Kotler & Armstrong, (2017) states that the promotion mix consists of five indicators, namely, advertising, sales promotion, individual sales, public relations, direct sales.

2.5 Ease of Use

Ease of use is the extent to which users feel that a system or application is easy to use (Maria & Sugiyanto, 2023). Ease of use refers to the level of ease users feel in using a system, where users do not need to make a lot of effort to operate it (Prastiawan et al., 2021). According to, Yuni Dharta et al. (2024), there are 5 indicators of perceived ease of use; easy to learn, controllable, flexible, easy to use and clear and understandable.

3. Methods

This research uses quantitative research with a comparative approach to compare consumer preferences in online shopping between the Shopee and TikTok Shop platforms based on factors of perceived price, promotion, and ease of use. The research was conducted over a period of one to two months, with data collection taking place in August and September 2024. Questionnaires were distributed to respondents in Makassar City, which was chosen as the research location because it is one of the major cities in Indonesia with rapid e-commerce growth. The population in this study are all people in Makassar City who have shopped through the Shopee and TikTok applications. Population is the entire element that will be used as a generalization area. The sampling technique used is non-probability sampling with purposive sampling method, where researchers deliberately select respondents who meet certain criteria, namely consumers who have shopped at Shopee and TikTok Shop. According to the minimum number of samples that must be met in the study is based on Purba's formula (1996), because the exact number of samples is not known, the minimum sample size is determined by the formula:

$$N = \frac{Z^2}{4 (Moe)^2}$$

Where:

N = sample size

Z = the sample confidence level needed in the study (at $\alpha = 5\%$ or the degree of confidence is determined to be 95%, $Z = 1.96$)

Moe = Margin Of Error, tolerable error rate (10%)

Thus using a margin of error of 10%, the minimum number of samples obtained is taken as follows:

$$n = \frac{1,96^2}{4 (0,10)^2}$$

$$n = 96,04$$

Based on the results of the above calculations, the number of samples used is 96.04 respondents. In order for this research to be more fit, the sample was taken to 100 respondents. So the number of samples to be used in this study amounted to 100 respondents. Research instruments are tools for measuring observed variables (Oducado, 2021). This study uses a questionnaire to measure consumer preferences in shopping at Shopee and TikTok Shop, based on three variables: perceived price, promotion, and ease of use. The questionnaire consists of closed questions with a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree), organized based on indicators of the three variables.

Validity Test

The validity test is used to measure the validity of a questionnaire, namely how well the questionnaire questions measure what should be measured. This test was conducted on 30 respondents with similar characteristics to the main respondents, using SPSS and the Pearson Product Moment correlation method. Each statement item is correlated with the total variable score. If the item correlation coefficient value is greater than r-critical 0.3, then the item is declared valid (Rakib et al., 2020).

Reliability Test

Reliability test is used to assess the reliability of the instrument in measuring research variables, ensuring the consistency or stability of the results obtained. This test is carried out with an internal consistency reliability approach using Cronbach Alpha to evaluate the relationship between items. The instrument is considered reliable if repeated use produces the same data, and the Cronbach Alpha value > 0.60 (Rakib et al., 2020).

Data Analysis Technique

This study uses nonparametric tests to analyze ordinal data. The Wilcoxon Signed Rank test was chosen to compare consumer preferences in online shopping at Shopee and TikTok Shop. This test is used for two paired samples with ranked or qualitative data on a nominal or ordinal scale. Basis for decision making:

- The asymp.sig (2-tailed) value <0.05: H1 accepted, H0 rejected
- Asymp.sig (2-tailed) value > 0.05: H1 rejected, H0 accepted

4. Results

This study involved 100 respondents from the people of Makassar City who are at least 18 years old, have Shopee and TikTok applications, and have made purchases on both platforms. From the analysis, 76% of the respondents were female, and 98% were in the age group of 18-25 years old. The majority of respondents are students (82%), which indicates that this group is more active in online shopping. An analysis of the product categories shows that fashion is the top choice on both platforms. On Shopee, the fashion category recorded 27%, followed by health and beauty (21%). While on TikTok Shop, the fashion category dominated with a percentage of 33%, followed by health and beauty (24%). The book, stationery, and food and beverage categories each recorded 11% on Shopee and 10% on TikTok Shop, while the automotive category had the lowest percentage on both platforms. The following are the results of the Wiloxon signed ranks test for the variables of perceived price, promotion and ease of use between Shopee and Tiktok Shop. This test aims to determine whether there are significant differences in consumer preferences on the two platforms.

Table 1. Wiloxon Signed Ranking Test Results on Price Perception, Promotion and Ease of Use Variables Between Shopee and Tiktok Shop

Variables	Negative Ranks	Positive Ranks	Ties	Z-Value	Asymp. Sig. (2-tailed)
Price Perception	87	7	7	-7.746	0.000
Promotion	39	47	14	-0.602	0.547
Ease of Use	53	20	27	-4.238	0.000

Source: Data processed, 2024

The Wilcoxon test results in this study show significant differences between the Shopee and TikTok Shop platforms in two of the three variables studied. First, in perceived price, 87 respondents gave lower scores to TikTok Shop, indicating that they perceive prices on the platform to be higher, with a Z-value of -7.746 and a p-value of 0.000 signifying a significant difference; this means H0 is rejected and consumers tend to view Shopee as a more affordable platform. Secondly, for the promotion variable, although 39 respondents rated the promotion on TikTok Shop lower, 47 respondents gave a higher score to TikTok Shop, with a Z-value of -0.602 and a p-value of 0.547 indicating no significant difference, thus H0 is accepted and

respondents do not perceive any significant difference in the promotional effectiveness of the two platforms. Third, in ease of use, 53 respondents felt TikTok Shop was less easy to use than Shopee, with a Z-value of -4.238 and a p-value of 0.000 indicating a significant difference; H_0 is rejected, indicating the majority of consumers felt Shopee was more user-friendly.

5. Discussion

5.1 Differences in Price Perception between Shopee and TikTok Shop

The results showed a significant difference in price perception between Shopee and TikTok Shop, with a Z-value of -7.746 and a p-value of 0.000. A total of 86% of respondents perceived prices at TikTok Shop to be higher than Shopee, which is perceived as a more affordable platform. Shopee's aggressive promotional strategies, such as discounts and vouchers, contribute to this perception. Research by Dwi et al., (2022) shows that consumers prefer Shopee because there are more promotions and free shipping vouchers than other platforms. This is in line with the findings by Zamharira & Nainggolan (2023) which found that the perception of more competitive prices significantly influenced purchase decisions. The majority group of respondents were university students (82%), who are more price-sensitive, reinforcing these results where they tend to choose platforms with attractive promotions.

5.2 Promotion Differences between Shopee and TikTok Shop

The Wilcoxon test showed no significant difference in promotional effectiveness between Shopee and TikTok Shop, with a Z-value of -0.602 and a p-value of 0.547. Although 47% of respondents rated TikTok Shop's promotions as better, this result reflects a positive trend towards more interactive and social media-based promotional strategies. Research Cuong (2021) found that promotion has a positive effect on purchasing decisions. Shopee with major campaigns such as 12.12 and Shopee Live also managed to attract the attention of young consumers. Both demonstrate the ability to adapt to dynamic market preferences through effective promotions, such as discounts and collaborations with influencers (Sanusi, Widodo, et al., 2023). Research by (Sanusi, Widodo, et al., 2023) also supports that attractive promotions can trigger consumer interest in buying products.

5.3 Ease of Use Differences between Shopee and TikTok Shop

The results showed a significant difference in ease of use, with a Z-value of -4.238 and a p-value of 0.000. A total of 53% of respondents felt that Shopee was easier to use than TikTok Shop. Shopee, which has been in operation longer, may have optimized the user interface based on consumer feedback. Although TikTok Shop offers interactive innovations, Shopee's ease of use makes it more favorable. This is in line with research Sanusi et al. (2023) who found that Shopee makes it easy for users to find the desired product through a variety of interesting features provided in the application. Complete services, easy access, and clear information also play a role in attracting consumers to use the Shopee application when shopping. Furthermore, research Nasution et al. (2022) reinforced these findings by revealing that the Shopee app offers ease of use, including free shipping features and helpful customer service. The app also provides everything users need, so they don't need to switch to another app to shop. This research is also supported by research Akbar et al. (2024) which shows that ease of use has a significant influence on consumer decisions in using e-commerce platforms, as well as research by (Sanusi, Tunjangan, et al., 2023) who found that the ease of use factor has an important effect on consumer purchasing behavior.

4. Conclusion

Based on the results of research on the comparative analysis of consumer preferences in online shopping in Makassar City with a case study of Shopee and TikTok Shop, it can be concluded as follows:

1. There is a significant difference in perceived price, where the majority of respondents rated prices at Shopee as more affordable than TikTok Shop, indicating that Shopee meets consumer expectations.
2. No significant differences were found in the perception of promotions between the two platforms, which were considered equally effective. Although TikTok Shop is slightly superior in the eyes of some respondents, overall the promotions of both platforms are perceived as equivalent.
3. There is a significant difference in ease of use, where Shopee is rated as easier to use than TikTok Shop, indicating an advantage in user experience.

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