

# FACTOR AFFECTING STUDENTS' DECISION TO BUY PRODUCTS FROM THE SHOPEE AND LAZADA PLATFORMS

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## ABSTRACT

The objective of the study was to compare the factors such as personal factors, marketing factors and communication factors between Shopee and Lazada platforms that affect the buying decision from students in Bangkok. This study was the quantitative research using the questionnaire to collect data from sample group of college students in Bangkok. Data was analyzed by using average and Chi-square statistic to test the research hypothesis.

The finding indicated that most of the samples were female, age 19 years, with average income 5,000 -10,000 baht. Most of them have behaviors of buying products from the Shopee and Lazada platform around 1-3 times per month and they choose the price lower than 1,000 baht. According to hypothesis testing results, it was found that personal factor which was the different gender made different buying decision on Shopee platforms, without finding different decision on Lazada platform. While the income did not affect to the decision making of students, the marketing factors as well as communication factors affected to the students' decision to buy product from Shopee and Lazada.

**Keywords:** Marketing factors, The communication factors, Decision to buy products

## INTRODUCTION

At present, internet is essential in various fields of works including education, transportation, communication and business. In addition, internet plays an important role directly in our daily life. As the access to the internet today is convenient and fast, our world has evolved with technology that has the result in changing consumers' behavior according to the era. Especially, the growth of electronic commerce (E-commerce) and digital technologies have improved and developed products and services to meet the customer needs. This causes rapid changes in sales pattern and marketing strategies.

Changes in economy, politics, society and culture as well as technological developments require organizations and businesses to adapt themselves, set the strategy and plan for the information and communicate to target groups of the organization more efficient. This is to keep the reputation, to promote brand image, build the confidence and maintain the market position as well as to touch the hearts of the target population. (Suvanno & Otakum, 2020)

Lazada was launched around 2012 by Maximilian Bittner. Lazada is considered the leading platform of the shopping and selling the online products in Southeast Asia. Later, Alibaba group becomes the co-owner in 2012. Nowadays, Lazada currently operates in several countries including Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

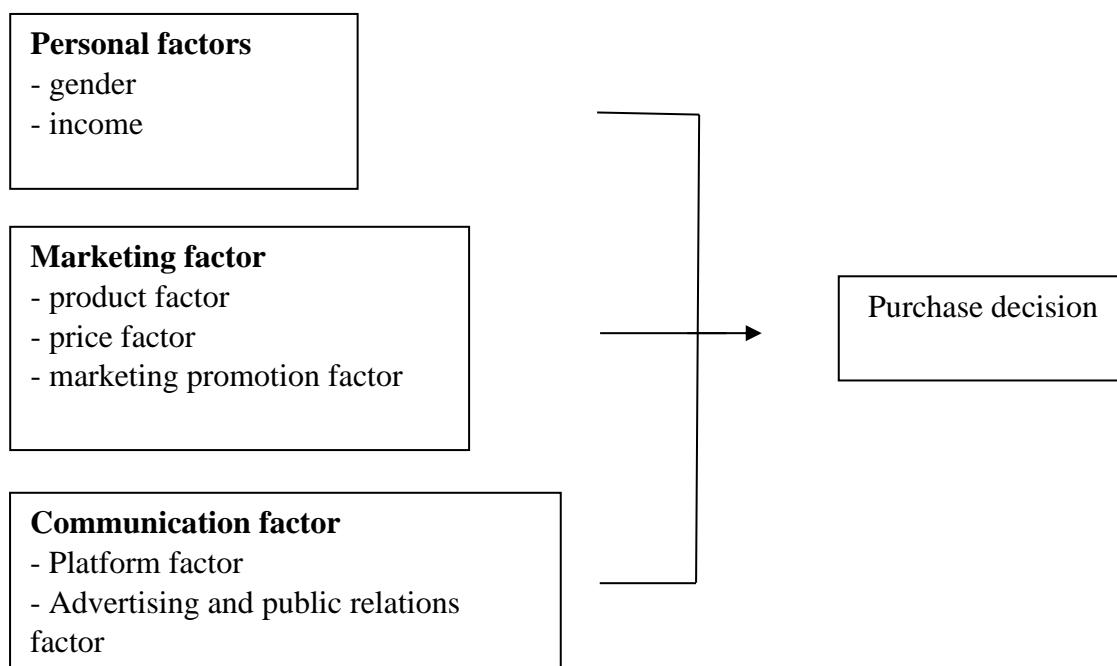
Whereas Forrest Li officially launched Shopee the first time in Singapore in 2015. Shopee has expanded its online buying and selling services to Malaysia, Thailand, Taiwan, Indonesia, Vietnam, Philippines and Brazil. It is a mobile-focused social marketplace combined into a full marketplace.

In 2019, Lazada is the application that most downloaded in Thailand. But later in 2020 Shopee became to the first one with 47.2 million users now, whereas Lazada has 35.2 million users, which is 12 million fewer users than Shopee. (Cartoon Tanaporn, 2021) However, both applications are still popular for online shopping business. They are successful and can response to consumer need very well. Especially, the new generation which is considered a generation who use social media a lot because they are growing up with advancements of modern technology and new experiences. So, this research is interested to study about the factors affecting the decision to buy products from Shopee and Lazada platform for the consumer groups who are the college in Bangkok. Due to both of them are popular in Thailand and are successful and fast growing up, it is interested to study about factors affecting decisions to buy product from both applications. Additionally, this is to study about the online marketing, to learn ad to understand and to apply this information to response to the need of customer who are the most important factors for the marketing in current era. This can be the successful factors to succeed in midst of marketing competition in the digital age.

## OBJECTIVE

1. To study and compare the decision to buy products from Shopee and Lazada platforms of students in Bangkok.
2. To study the factors including personal factor, marketing factor and communication factor of Shopee and Lazada platform that affect the buying decision from students in Bangkok

Research conceptual framework



## **RESEARCH HYPOTHESIS**

### **First Research Hypothesis**

The different demographic characteristics of students including gender and monthly income lead to different in buying decision from Shopee and Lazada platform.

1.1 Different gender of students makes the different decision to buy products form Shopee and Lazada.

1.2 Different monthly income of students makes the different decision to buy products from Shopee and Lazada.

### **Second Research Hypothesis**

The marketing factors correlated with buying decision of students in Bangkok.

2.1 The product factor correlated with buying decision of students in Bangkok.

2.2 The price factor correlated with buying decision of students in Bangkok.

2.3 The factor of marketing promotion correlated with buying decision of students in Bangkok.

### **Third Research Hypothesis**

Communication factor correlated with buying decision of students in Bangkok.

3.1 The platform factor correlated with buying decision of students in Bangkok.

3.2 The advertising and public relations factor correlated with buying decision of students in Bangkok.

## **RESEARCH METHODOLOGY**

This study was a quantitative and survey research using the questionnaire for collecting data. The population was students from government and private universities, age between 18 to 20 years old. A sample was randomly selected from 200 students. The researcher used random sampling method of multi-stage sampling, description statistic including percentage, average and standard deviation to describe the demographics and general information factors, buying decision behavior of sample from Shopee and Lazada platform and used the inferential statistics including Chi-square to test hypothesis. The significant level at 0.5 was a criterion for rejecting or accepting the hypothesis.

## **RESEARCH RESULTS**

The demography of respondents from sample of 200 students, who used to buy product from Shopee and Lazada, was classified by gender, age and level of education. The finding indicates that most of samples were female with 48.5%, age 19 years old with 36.3%, a sophomore with 55.4% and monthly income 5,000-10,000 baht with 47.5%. Most of them have behavior of buying product from Shopee and Lazada platform 1-3 times per month with 49.8% and choose the product price lower than 1,000 baht with 42.4%.

**Schedule 1:** Average and standard deviation comparison schedule classified by the level of importance of various factors that affect students' decision to buy product from Shopee and Lazada platform.

**1<sup>st</sup> Research hypothesis:** The different demographic characteristics of students including gender and income lead to different in buying decision from Shopee and Lazada platform.

Factors affecting buying decision	Shopee			Lazada		
	average	S.D.	Important level	average	S.D.	Important level
<b>Market factors</b>						
Product factor	3.75	0.53	High	3.84	0.53	High
Price factor	4.26	0.52	Highest	3.90	0.59	High
Marketing promotion factor	4.24	0.63	Highest	3.76	0.57	High
<b>Communication factors</b>	<b>average</b>	<b>S.D.</b>	<b>Important level</b>	<b>average</b>	<b>S.D.</b>	<b>Important level</b>
Platform factor	4.25	0.56	Highest	4.25	0.25	Highest
Advertising factor and public relations	4.25	0.51	Highest	3.85	0.61	High
Research hypothesis test results						

The results of data analysis revealed that the hypothesis was only partially accepted: Students in Bangkok with different gender made a statistically significance of buying decision on the Shopee platform at 0.05 (gender  $\chi^2 = 7.105$ ,  $p < .05$ ), but there was no difference of different gender in deciding to buy from the Lazada platform (gender  $\chi^2 = 4.369$ ,  $p > .05$ ). Whereas the different monthly income did not make different buying decisions on the Shopee & Lazada platforms. (Shopee  $\chi^2 = 5.770$ ,  $p > .05$ ; Lazada  $\chi^2 = .133$ ,  $p > .05$ ).

**2<sup>nd</sup> Research Hypothesis:** The marketing factors correlated with buying decision of students in Bangkok.

The analysis showed that the hypothesis was accepted that the marketing factors correlated with buying decision of students in Bangkok. (Shopee, Product factors  $\chi^2 = 24.117$ ,  $p < .05$ ; Price  $\chi^2 = 10.160$ ,  $p < .05$ ; Marketing Promotion  $\chi^2 = 20.821$ ,  $p < .05$  (Lazada. Product Factors  $\chi^2 = 18.588$ ,  $p < .05$ ; Price  $\chi^2 = 31.377$ ,  $p < .05$ ; Marketing Promotion  $\chi^2 = 8.535$ ,  $p < .05$ ).

**3<sup>rd</sup> Research Hypothesis:** Communication factor correlated with buying decision of students in Bangkok.

The analysis showed that the hypothesis was accepted that communication factors correlated with buying decision of students in Bangkok. (Shopee, Platform  $\chi^2 = 32.982$ ,  $p < .05$ ; Advertising and Public Relations  $\chi^2 = 8.596$ ,  $p < .05$ ) (Lazada, Platform  $\chi^2 = 49.607$ ,  $p < .05$ ; Advertising and Public Relations  $\chi^2 = 32.684$ ,  $p < .05$ ).

**Schedule2:** Summary of hypothesis testing results.

Research hypothesis	Results research hypothesis test			
	Accept	Reject	Accept	Reject
	Shopee		Lazada	
<b>1<sup>st</sup> Hypothesis</b> - Gender - Income	✓	✓		✓ ✓
<b>2<sup>nd</sup> Hypothesis</b> - Product factor - Prices factor - Marketing promotion factor	✓ ✓ ✓		✓ ✓ ✓	
<b>3<sup>rd</sup> Hypothesis</b> - Platform factor - Advertising factor and public relations	✓ ✓		✓ ✓	

### IN CONCLUSION

The results lead to conclude that the marketing and communication factor of Shopee and Lazada platform have effects on buying decision for students in Bangkok, consistent with other research (Nattakan Kongkaew, 2016; Chisanupong Sukkum,2017; Praemkamol Hongyon, 2019; Chalisa Ratanawan, 2021) that various of marketing mix factor, communication factor, and marketing promotion factor affect to buying decision and purchasing behavior. Therefore, for the strategy of online marketing nowadays, platforms and applications should focus on development of product, price, convenience, speed, ease to access and service as well as information for customer. This is to create purchase behavior, satisfaction, and repurchase. This era is the age of competition. If platforms and applications can understand and reach to customers' need as well as response them, the opportunity for business and success will happen. However, technology has evolved and changed drastically, paying attention and understanding to consumers in terms of marketing and communication to target audience are still important.

### ACKNOWLEDGEMENT

The author of this research would like to formally express appreciations to the Research Institution, Suan Sunandha Rajabhat University for financial assistance and document process assistance. Many thanks to the staff and director of Language Institute, Suan Sunandha Rajabhat University for the kindly process the research data and proofread the paper as well as provide important information support.

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