



## The Role of Shopee Live Discounts: Case Study of Online Seller of Kemaiu Shampoo in Driving Transactions

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### ABSTRACT

This research analyzes the role of discounts on the Shopee Live platform with a case study of online shampoo seller Kemaiu. Shopee Live, as an innovative feature of Shopee, allows direct interaction between sellers and potential consumers through live video broadcasts. Discounts are the main focus as a strategy to increase transactions. Using qualitative descriptive methods, this research involved interviews with Kemaiu owners and observations during live streaming on Shopee. The research results show that discounts, such as regular price cuts and vouchers, have a significant role in encouraging potential consumers' buying interest. Shopee Live has proven effective in increasing interactions and transactions. Even though competition is considered low, the existence of the TikTok Shop platform is considered a factor that can influence sales.

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## **INTRODUCTION**

As time and technology develop, it certainly requires economic actors to continue to innovate in implementing business management strategies and be able to look for market opportunities. Marketing activities are currently driven by the rapid development of technology and consumer behavior towards smartphone use. Smartphone users in Indonesia will continue to grow every year. Based on estimates from research institutions, in 2023 it is estimated that the number of active smartphone users in Indonesia will reach 218.73 million people. Indonesia ranks fourth in the world with the most smartphone users after China, India and the United States. So that business actors are not left behind and trapped in the conventional world, marketing is forced to operate in the online world in the hope of following changes in social behavior that are occurring (Sari & Habib, 2023). This causes many entrepreneurs to market via the Internet and generate sales, resulting in the emergence of e-commerce.

According to Ludon and Travel (Sari & Habib, 2023), e-commerce is a transaction process of selling and buying products electronically using a computer as a medium or intermediary by consumers from one company to another. Apart from that, according to (Yusuf, 2022) e-commerce is the process of selling and buying products. Based on research conducted by Putri and Zakaria in 2020 on "Analysis of the largest e-commerce map in Indonesia based on the digital economic strength model", Shopee Indonesia is one of the largest e-commerce platforms in Indonesia with a top 5 positions in Indonesia. Shopee is an online buying and selling platform that can be reached by all Indonesian people. Shopee is also always innovative and proactive in trying to create new online shopping experiences for its customers (Sari & Habib, 2023). One of them is creating the Shopee Live feature. Based on data from SimilarWeb in May 2023, Shopee was visited by 161 million visitors, and 69 percent of respondents chose to shop at Shope Live because the discount offers were quite attractive to consumers (CNN Indonesia).

Shopee Live is a video feature that can show sellers how they can interact directly with potential consumers via the Shopee platform. Buyers can ask about the condition of the goods they want to buy so that the seller can provide details of the product so that interaction occurs between the seller and potential consumers. Apart from introducing their products, sellers can provide discounts to attract consumers to buy. A discount is a price cut given by a seller to a buyer as a gift or particular appreciation for the seller. Providing discounts can benefit buyers because with this discount buyers only have to pay the price that has been deducted from the applicable discount by the shop and application conditions. Prospective consumers will be more interested in buying if the product they want to buy has a discount or discount offered. Providing discounts on Shopee Live is an advantage that sellers can give to buyers because it can benefit potential consumers. Discounts during live streaming are limited and depend on the seller who arranges the discount.

One of the sellers who uses the Shopee platform is the owner of Kemaiu who sells Shampoo and Hairtonic products and comes from Surabaya. He uses the Shopee Live feature for his promotional media to attract Shopee users by giving discounts when doing live streaming. Live streaming is usually referred to as a live video broadcast that is broadcast at the same time as the original event (Prajana et al., 2021).

## **LITERATURE REVIEW**

### **Discount**

Discounts can be interpreted as official price reductions given by companies to consumers, which aim to encourage increased sales of a particular product or service (Lestari & Yusuf, 2021). Therefore, discounts are not only a form of price reduction, but also a marketing strategy that involves a deep understanding of consumer behavior and market dynamics. (Yasmin et al., 2023) states that a discount is a form of discount given by the seller to the buyer as a form of appreciation for certain activities of the buyer which provide satisfaction or pleasure for the seller. Discounts are not only to achieve short sales but also as a strategic step in building a strong brand image. According to (Lestari & Yusuf, 2021) discounts are a strategy used by companies to maintain consumer loyalty.

### **Shopee live**

Shopee is a marketplace platform as an alternative digital marketing that can help sellers carry out buying and selling activities online. The use of this application can be achieved by all Indonesian people. There are several features on Shopee, one of which is the Shopee Live feature. On June 6, 2019, the Shopee Live feature was first launched so that sellers can take advantage of this feature to build branding which can be used as a means of increasing sales. According to Shopee Indonesia, Shopee Live is a feature that allows users to hold live broadcast sessions to market their shops and products directly to potential buyers. On this platform, sellers can interact directly with potential buyers via real-time chat, to obtain further information about the products offered and even make purchases directly without leaving the broadcast page. The live streaming feature allows someone to get information directly, even when they are carrying out activities or are in the middle of a busy work schedule (Rahmawaty et al., 2023). Live streaming is often referred to as a live broadcast over a network, and the content is delivered to many people in a simulated manner while the event is taking place, resembling the original event (Sari & Habib, 2023).

## **Local Brand**

According to Law no. 15 of 2001 Article 1 Paragraph 1, Brand marks in the form of images, names and words, letters, numbers, color arrangements, or a combination of these elements have a distinction used in trade and service activities. A local brand is a product brand that originates from the country itself, such as Indonesia. One of the local brands that produce shampoo with the basic ingredients of Aloe vera and candlenut oil is email shampoo. Shampoo is a very important need for caring for and maintaining healthy hair. The natural ingredients usually used for shampoo are Aloe vera and candlenut oil. This email shampoo has the benefits of preventing premature baldness, reducing hair loss, eradicating dandruff, and making hair healthy. With the local brand Kemaiu Shampoo, it can encourage and develop the Indonesian economy at this time

## **METHODOLOGY**

This research adopts a qualitative descriptive method, which involves obtaining data both primary and secondary. Primary data was obtained through direct interviews with the Kemaiu Shampoo business owner. This interview aims to get a direct perspective from business owners regarding the strategies, challenges and benefits experienced while using Shopee live streaming as a marketing tool. Meanwhile, secondary data was collected directly through research activities during the internship period, especially through live streaming on the Shopee platform using the "Shampo Kemaiu" account. This process allows researchers to observe and document direct interactions with potential buyers, as well as gain deep insight into customer responses and responses to the products being promoted. By combining primary and secondary data, this research has the advantage of providing a comprehensive picture of the use of Shopee live streaming in the context of product promotions, as well as its impact on business owners and interactions with customers.

## **RESEARCH RESULT**

The results of interviews with the Kemaiu Shampoo business owner revealed a series of in-depth views and perspectives regarding marketing strategy, the challenges faced, and the company's long-term vision. The owner explains in detail the key decisions that have been taken, describes the strategic steps taken to overcome obstacles, and shares insights regarding the company's future direction. An in-depth analysis of these interviews will enrich the journal's content with a more comprehensive understanding of the factors that influence business management and development.

The Shopee account with the name Kemaiu Official Shop has been around since 2019. In this account, there are several products for sale such as Shampoo and Hair Tonic from Kemaiu. Owner Mahendra Wicaksana explained that he first started the hair care business because his wife had quite serious hair problems, so she created a shampoo formula with the brand name "Kemaiu". Based on the results of a direct interview with the owner, Belia explained that he not only provides buying and selling services but also uses the Shopee Live platform to carry out direct promotions to explain details and answer questions

that potential buyers are still confused about and discounts are also given as a strategy to attract people.



**Figure.1** Shopee Kemaiu Official Shop Account

The Kemaiu Official Shop online store has 14.8 thousand followers, a total score of 4.8/5, and a chat response performance of 98% within hours. In the 3 years since joining it has been quite good in its development.



**Figure 1.2** Shopee Live Discount

The discounts given are used to attract potential consumers' buying interest, such as visiting stores, free shipping, regular vouchers, and discounts during purchases during Shopee Live. The discount given is not too much because the owner also offers bundling to sell his products.

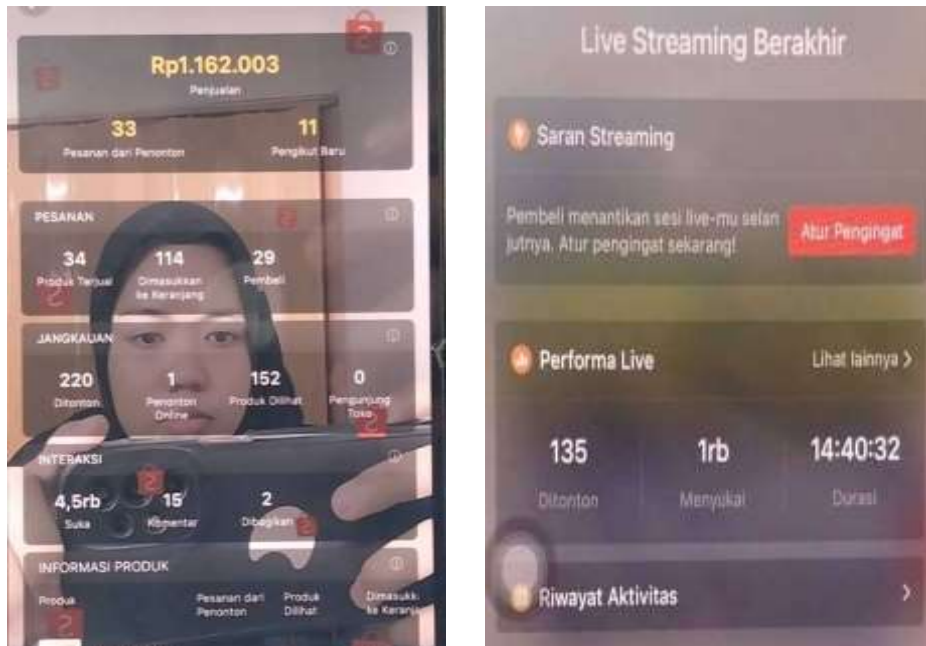


Figure 1.3 Sales Performance During Shopee Live

Sales performance during Shopee Live must always be improved and maintained to maintain customer trust in the product and store to create customer loyalty. The live streaming hours for the Kemaiu Official Sop account start from 08.00-23.00 every day and are closed on Sundays.

## DISCUSSION

### The Role of Shopee Live Discounts: Case Study of Kemaiu Shampoo Online Seller in Encouraging Transactions

In analyzing Shopee Live's sales strategy for Kemaiu products, this discussion will explore the effectiveness of using promotions and discounts as an attraction. In the context of the Shopee Live sales strategy implemented for Kemaiu products, it is necessary to carry out an in-depth analysis of the effectiveness of the promotional and discount approaches implemented by the owner. The owner of Kemaiu Shampoo does not only see discounts as a marketing effort, but more as a form of investment that has the potential to provide a significant Return On Investment (ROI).

It is important to note that in this discussion, the ROI aspect is the main focus. Owners with full awareness view promotion as a form of investment that must provide comparable returns. Therefore, the analysis will dig deeper into how discounts applied involve ROI aspects, to measure their effectiveness in increasing sales and overall business performance. Furthermore, the discussion will highlight the concept of Return On Ad Spend (ROAS) as a critical metric. In understanding promotional effectiveness, the ROAS percentage is an important parameter and a figure between 3-6 percent is considered an indicator of success. This discussion aims to investigate the extent to which achieving this percentage can be considered effective in returning funds invested in advertising efforts, including in the context of flash sales.

Thus, this discussion will provide a comprehensive overview of how Shopee Live's sales strategy, especially through the use of promotions and discounts, can be a key element in achieving business success for Shampo Kemaiu. The Kemaiu Official Shop account when doing live streaming does not have a significant impact the existence of regular vouchers and bundling can be taken into consideration and would prefer to use the strategy of adding vouchers rather than being passive on Shopee Live and during live streaming sales have never reached the highest level of sales. fantastic. According to the owner, the level of brand competition is quite low. It uses its brand because starting from the sales and promotion strategy it determines itself. However, apart from the owner's statement, the researcher also provided a statement based on the results during live streaming, that he was quite reluctant to sell on Shopee Live because of the TikTok shop, which resulted in a decline. To overcome this problem, the team will evaluate and improve promotional and sales strategies by making maximum use of the Shopee e-commerce platform.

## **CONCLUSIONS AND RECOMMENDATIONS**

A case study on the role of Shopee Live discounts on online shampoo sellers, such as Kemaiu, provides several key conclusions. First, e-commerce, especially Shopee Live, has become an important means of marketing products in the digital era. Discounts on Shopee Live have proven effective in increasing consumer buying interest. This feature enables direct interaction between sellers and consumers, providing a competitive advantage. Continuous evaluation and adjustment of strategies need to be carried out. Although Shopee Live provides great opportunities, sellers need to monitor sales performance and refine strategies to maintain its effectiveness. Providing discounts is not just a price cut, but also a marketing tool that builds a brand image. By leveraging e-commerce innovations and features, such as Shopee Live discounts, sellers can strengthen their online business presence and success. Suggestions for further research could include an in-depth analysis of the impact of discounts on sales, a comparison of discount effectiveness between e-commerce platforms, and an exploration of other factors that influence Shopee Live's sales performance.

## **ADVANCED RESEARCH**

Still conducting further research to find out more. By utilizing e-commerce innovations and features, such as Shopee Live discounts, sellers can strengthen their online business presence and success. Further research suggestions include analyzing the impact of discounts on Shopee Live, comparing effectiveness with other platforms, and exploring sales influencing factors. Focus can also be given to how discounts build brand image and the sustainability of the strategy..

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