**ABSTRACT**

*Ivana Stephanie Khustanti Liem / 72150192/2018 / Effect of Price and Risk of Performance on Online Purchasing Decisions through Social Media (Case Study on K-pop Online Shop’s Consumers who sell via Instagram media) / Advisors: Ir. Tumpal JR Sitinjak, M.M.*

*The development of the Korean Pop industry, or better known as K-pop among young people, has made the demand for K-pop idol merchandise increase. The purpose of this study was to find out how the influence of price and performance risk on the decision to purchase K-pop merchandise through Instagram.*

*Schiffman's theory is used to define price and performance risk, and Kotler's theory is used to define purchasing decisions. The hypothesis that arises from the framework of this research is that price and performance risk each have a positive influence on purchasing decisions.*

*The object of this research is the K-pop online store that sells using Instagram media. Non-probability sampling technique uses judgment sampling, with a sample size of 120. The data analysis technique used is validity and reliability, descriptive analysis, and multiple regression analysis. Data was processed using SPSS 22.*

*The results of the descriptive analysis show that prices are in the appropriate group range, performance risks are in the range of groups according to expectations, and purchasing decisions are in the range of groups wanting to buy until they are eager to buy. The results of multiple regression tests in this study produce a standardized estimation regression equation as follows:* $\hat{Y}=0,570 x\_{1}+0,146 x\_{2}$*. Y is the purchase decision variable,* $x\_{1}$ *is the price variable, and* $x\_{2} $*is the performance risk variable. Through the F test it can be seen that the regression model used in this study can explain the relationship between independent variables to the dependent variable.*

*The conclusions of this study are the price variables and performance risk variables proved to have a significant positive influence in influencing purchasing decisions in K-pop online stores. With price variables that have a greater influence than performance risk variables.*