# Proposals for Enhancing the Competitiveness of the Online Stores in Indonesia

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## INTRODUCTION

### Background

TECHNOLOGY

COVID-19

People prefer to shop online. Peole are used shopping easily.

PEOPLE'S BEHAVIOR CHANGES

Indonesia is ranked fifth as the country that shops online most often [1]

MARKETPLACE GROWING RAPIDLY

Tight competition among online stores in Indonesia

BUSINESS OPPORTUNITY

### Research Purposes

- To understand the impact of price, promotion, service quality, and ease of use on purchasing decisions at online marketplaces.
- To analyze how respondent profiles relate to their perception of price, promotion, service quality, and ease of use.

### Research Model [2, 3]

Price (Indicator: $H_1 - H_5$)

Promotion (Indicator: $P_1 - P_{13}$)

Service Quality (Indicator: $L_1 - L_{14}$)

Ease of Use (Indicator: $K_1 - K_{11}$)

→ Purchasing Decisions at Online Stores in the Marketplace (KP)
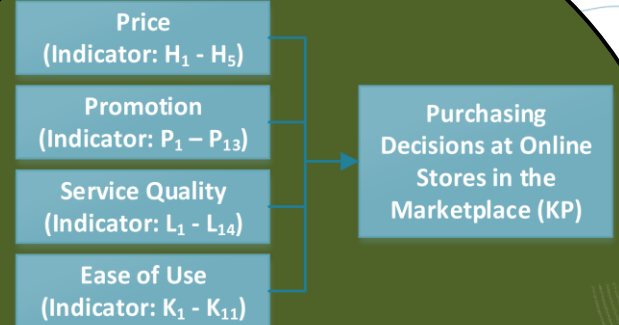
### Limitation

- Research was conducted on four major marketplaces in Indonesia with similar product characteristics: Tokopedia, Shopee, Lazada, and Blibli.
- This research does not specifically pay attention to the type of product sold.

## METHOD

### Data Collection

Questionnaire:
- Respondent profile (age, gender, occupation, type of marketplace used, etc.)
- Level of agreement with indicators from the dimensions of Price, Promotion, Service Quality, and Ease of Use (Strongly Disagree, Disagree, Agree, Strongly Agree)

Respondents:
227 people who have carried out online shopping transactions on one of the following marketplaces: Tokopedia, Shopee, Lazada, and Blibli.

### Data Processing

Validity and Reliability Test
Classical Assumption Test (Normality, Linearity, Homoscedasticity, Multicollinearity), Multiple Linear Regression Analysis, Corresspondence Analysis.

## RESULT

Valid and Reliable
The independent variables that pass the Classical Assumption Test and will be used in the Multiple Linear Regression are H1, H3, H5, P2, P5, P8, P10, P11, P12, P13, L7, L8, L10, L11, L12, L13, L14, K3, K4, K7, K8, and K9.

### Multiple Regression Equation

$$Y = 2{,}114 + 0{,}099\,X_{P11} + 0{,}118\,X_{P13} + 0{,}113\,X_{L7} + 0{,}152\,X_{L13}$$

$Y$ = Purchase decision at online stores in the marketplace
$X_{P11}$ = Promoting products through social media platforms like Instagram and TikTok is appealing to consumers.
$X_{P13}$ = The store showcases compelling promotional content on social media.
$X_{L7}$ = Quick warranty service provided by the seller
$X_{L13}$ = Detailed information about product specifications

### Corresspondence Analysis

- People aged 26-45 are attracted to promotions on social media platforms such as Instagram and TikTok.
- Those aged 17-45 believe that there is a lot of engaging promotional content on social media.
- People aged 17-45 often make purchases on online marketplaces.
- Users of Shopee and Lazada find promotions on social media platforms like Instagram and TikTok very interesting.
- On average, respondents spend less than Rp. 3,000,000 on online transactions in a month.
- Product categories such as kitchen equipment, accessories, bags, watches, household items, and shoes are suitable for promotions on platforms like Instagram and TikTok.
- Fashion, shoes, beauty products, and electronic products are ideal for engaging promotional content on social media.
- Fashion, electronics, beauty products, and household appliances are the product categories most frequently purchased by respondents.

## CONCLUSION

When starting an online shop, entrepreneurs should consider the factors that influence consumers' purchasing decisions: promoting products on social media platforms such as Instagram and TikTok, sharing appealing promotional content, offering fast warranty service, and providing detailed product specifications. Among these factors, detailed product information has the most significant impact on consumers' purchase decisions.

Regarding product details, sellers should create attention-grabbing content, regularly offer promotions, provide after-sales services such as product guarantees and usage consultations, and utilize social media for promotion, with a focus on Instagram and TikTok, especially for the millennial generation and Gen Z. Consider offering discount coupons as part of the promotional strategy.

## REFERENCES

[1] Simon Kemp, "Digital 2022: Global Overview Report," Datareportal, 2022. https://datareportal.com/reports/digital-2022-global-overview-report (accessed Aug. 22, 2024).

[2] S. R. Fahrevi and B. Satrio, "Pengaruh Harga, Promosi, dan Kualitas Pelayanan terhadap Keputusan Pembelian Online di Shopee.co.id," J. Ilmu dan Ris. Manaj., vol. 7, no. 3, pp. 1–15, 2018.

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