Strategies for Facing A Global Competition of The top three Indonesian marketplaces in the 4.0 Marketing Era (Survey on The Customers of Top Three Indonesian Marketplaces)

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Abstract

Marketplace competition in Indonesia is getting tighter for both Indonesian marketplaces and marketplaces originating from abroad. The purpose of this research is to measure the magnitude of the influence of customer satisfaction on repurchasing intention through customer trust moderated by PEEIM and interactivity on the customers of top three Indonesian marketplaces so a strategic concept of online business will be obtained in building repurchasing intention of Indonesians for online transactions which the value is relatively small. Respondents in this study are partial customers of the top three Indonesian marketplaces who had done online transactions, had experienced doubts when doing online transactions with relatively little transaction value. The sampling technique used in this study is a non-probability sampling technique, sampling with a purposive sampling technique. Quantitative analysis tools are used to test the hypothesis, whether there is an effect of Customer Satisfaction and Interactivity on Repurchase Intention mediated by Customer Trust and moderated by PEEIM. This research results that the top three Indonesian marketplaces have been able to build customer satisfaction, the effectiveness of using instant messengers, the effectiveness of using feedback systems, interactivity, and customer trust that affect customer repurchasing intentions, however PEEIM does not moderate customer satisfaction towards customer trust, customer trust towards repurchasing intentions, interactivity towards repurchase intentions. These are because the value of online transactions is relatively small, so there is no general perception of respondents in this study that protection from potential risks should be provided. In online transactions. The practical implication of this research is the business strategy that the top three Indonesian marketplaces must build to form customer repurchasing intentions for relatively small online transactions: PEEIM is not the most important thing. The most important thing that must be built by the top three Indonesian marketplaces is maintaining customer satisfaction, customer trust, and those will be better if supported by high-level communication interactivity. The novelty of this research is investigating relatively small online transactions in several marketplaces.

Keywords: PEEIM, Interactivity, Customer Satisfaction, Customer Trust, Repurchase Intention

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I. INTRODUCTION

The competition of all of the online business models and all online stores entering the Indonesian online market is 50 (iprice.co.id.21 / 7/2020), while 13 marketplaces are originating from Indonesia. In the era of digital marketing 4.0, the current number of customers cannot guarantee that these customers will repurchase at the same marketplace. Digital marketing 4.0 causes consumers or customers to easily switch and not to do repurchasing in the same marketplace because it is very easy for customers to look for information about the products they need (Karyono et al., 2020). Perceived Effectiveness of E-Commerce Institutional Mechanism or PEEIM, is the general perception of online consumers regarding the existence of security guarantees in the environment e-commerce that can protect them from potential risks in online transactions (Fang et al., 2014). Interactivity is a high level of communication between buyers and sellers that are perceived by buyers (Ou et al., 2014). The marketplace must be able to build customer trust, related to the main complaints felt by buyers, with the hope that customers have the desire to repurchase on the sites of the top three Indonesian marketplaces. Assael, 2001 also said that after a customer makes a purchase, there will be an evaluation process for the brand chosen. The results of this evaluation can lead to an intention to make a repurchasing at the same brand.

The research objective is to measure the influence of customer satisfaction on repurchasing intention through customer trust moderated by PEEIM and interactivity on the customers of the top three Indonesian marketplaces who have made online purchase transactions with a relatively small amount of transaction so that a strategic concept of online business will be obtained in building the trust of online purchasing decisions in Indonesian people's.

II. LITERATURE REVIEW

Repurchase Intention
According to Peter and Olson, 2010, predicting future behavior, especially in terms of shopping behavior, is an important aspect of marketing planning. Helier et al., 2003 define repurchase intention as an individual recognition to buy back certain services from the same business, taking into account the current situation and the possibilities that might occur. Repurchase intention is a purchase intention that is based on the purchase experience that has been made in the past (Thamrin and Francis, 2012). This can be an illustration of the level of customer satisfaction when deciding to adopt a product. The decision to adopt or reject this can arise after consumers have tried the product, and then they feel like or dislike the product. Love for the product arises if what consumers perceive about the products they use is of good quality and can fulfill or even have their wants and expectations fulfilled.

Customer Satisfaction
Satisfaction is a feeling of pleasure or disappointment for someone that arises after comparing the perceived product performance against their expectations (Kotler and Keller, 2009). Customer-oriented companies strive to create high customer satisfaction. Even the key to retaining customers is customer satisfaction. High satisfaction or customer excitement because their requests are fulfilled can cause "emotional ties" to the brand or company concerned.

Mowen and Minor (2002) state that customer satisfaction is the overall attitude shown by consumers on goods or services after they obtain and use them. Armstrong and Keller, 2015 stated that satisfaction depends on buyer expectations. This means that if the performance of the product or service is not in accordance with buyer expectations, then the consumer will then feel disappointed.

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However, if performance is balanced with expectations, consumers will feel very satisfied. Satisfaction is a critical concept in marketing knowledge and consumer research. If consumers are satisfied, they will continue to buy and tell others about their satisfaction experiences. If consumers are not satisfied, they will replace products and make complaints to factories, retailers, and other consumers.

Customer Trust
According to Sumarwan, 2002, consumer confidence or consumer knowledge is related to the belief that a product has various attributes and benefits from these attributes. Mowen and Minor, 2002 define customer trust as all knowledge that consumers have about the objects, attributes, and benefits. Objects can be products, people, companies, and anything that makes a person have beliefs and attitudes. According to Kotler and Keller, 2009, trust is a willingness to depend on a business partner. Trust depends on several interpersonal and inter-organizational factors such as competence, integrity, honesty, and kindness. Meskaran et al., 2013 stated that in the context of online business or e-commerce, a trust includes consumer confidence and expectations on the character of online sellers. Meskaran, et al., 2013 also explained that in the absence of customer trust, it would create a negative effect for customers, so they do not want to shop online because the willingness to shop is influenced by the analysis of actions and risks during the shopping process.

Factors Affecting Customer Trust
Pappers and Roggers, 2004 revealed that trust is influenced by several factors: value, dependence on other parties implies vulnerability, and open and regular communication.

Perceived Effectiveness of E-Commerce Institutional Mechanism (PEEIM)
Institutional mechanisms are impersonal structures that are implemented or created by third parties to create conditions that guarantee the protection of transaction success (Pavlou and Gefen, 2004). Fang et al., 2014 introduced the concept of Perceived Effectiveness of E-Commerce Institutional Mechanism (PEEIM) as a general perception of online consumers that protection is available in the e-commerce environment to protect them from potential risks in online transactions. According to Pavlou and Gefen, 2004, online protection currently includes online credit card guarantees, escrow services, and privacy protection. In this case, it is said that the online escrow service allows payment only after the customer accepts the agreement and agrees to pay or in the sense of providing a security network against potential risks in order fulfillment efforts. Similar to this concept, guarantees of payment via online credit cards provide a source of financial institutions to compensate buyers for potential fraudulent behavior from sellers. This third party is considered as a safeguard in an institutional mechanism that is quite popular today in the e-commerce environment.

There are several concepts that are often considered the same as PEEIM, such as structural guarantees and institutional structures. There are two characteristics of PEEIM, namely PEEIM includes potential risk from specific relationships and system uncertainty whereas institutional structure only focuses on transactions with one specific vendor, and PEEIM emphasizes the effect of risk reduction through third party guarantees compared to structural guarantees (Fang et al., 2014). . Institutional Mechanisms If you look at what Fang et al., 2014 explained about the Perceived Effectiveness of E-Commerce Institutional Mechanism (PEEIM) as a general perception of online consumers that protection is available in the e-commerce environment to protect them from potential risks in online transactions, the marketplace itself There must be several mechanisms for this protection, namely: Escrow Service and Credit Card Guarantee.

Interactivity
In the scope of the online marketplace, interactivity can be said to be related to buyers' perceptions of high-level communication between sellers and buyers (Ou et al., 2014). This concept was introduced by Newhagen et al. 1995. Interactivity can be defined as a psychological factor that

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includes two dimensions, namely the psychological feelings that viewers or users have related to the efficiency and interactivity of the system (Song and Zinkhan, 2008).

Meanwhile, two-way communication is related to the existence of shared communication (Ou et al., 2014). Interactivity is a CMC (Computer-Mediated Communication) technology. The marketplace shows that sellers and buyers can use CMC equipment to communicate with each other and build relationships to communicate with their customers based on trust (Ou et al., 2014). Online marketplace communication with consumers or their customers uses the means provided to build communication with their customers: marketplace customer service provides the following facilities: live chat, telephone, e-mail, social media, return service. Services related to returns can be made via telephone, WhatsApp, e-mail.

This research framework refers to Fang et al.'s, 2014, and further developed by Bao et al., 2016, this study analyzes the magnitude of the influence of several marketplaces.
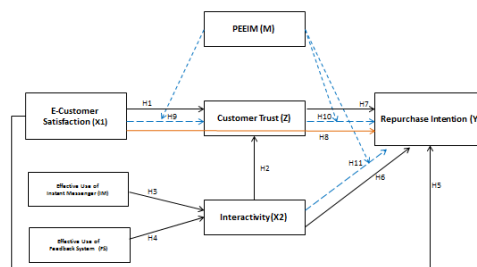

Figure 2: Framework for research.

III. RESEARCH METHODOLOGY

The population and sample in this study are all customers of the top three Indonesian marketplaces who have made a purchase. The sampling technique used in this study is a non-probability sampling technique, with purposive sampling as the sampling method (Sugiyono. 2017). In this study, quantitative analysis will be used to test the hypothesis.

IV. FINDING AND DISCUSSION

The result of the study processed using SPSS (Ghozali, 2018) shows that customer satisfaction and interactivity have a positive and significant effect on customer trust (H1 and H2), and it is generating multiple linear equations as follows: Y = 1,816 + 0.826 X1 + 0.514 X2, with adjusted R square value of 0.780. The result also shows that the top three Indonesian marketplaces have created customer satisfaction as a marketplace in terms of providing services according to needs, providing pleasure, and fulfilling customer expectations, and satisfying customers so that the customers are willing to recommend it to others so that the top three Indonesian marketplaces can increase the customer trust of their customer. These results are in line with research conducted by Rizan et al. (2015) and Bao et al. (2016), which have proven that the effect of customer satisfaction has a positive effect on customer trust.

The research results show that the effectiveness of the use of instant messenger and the effectiveness of the using of feedback system have a positive and significant effect on customer interactivity (H3 and H4), and it is generating multiple linear equations as follows: Y = 2,132E-14 + 1,000 X1 + 1,000 X2, with adjusted R square value of 1,000 or 100%.

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The result shows that the top three Indonesian marketplaces had fulfilled their interactivity in providing instant messengers for effective communication and verified information to customers, providing an accurate rating and feedback mechanisms, placing customers inactive control over purchases, facilitating two-way communication and speaking opportunities with his party, responding to information questions and requests quickly. These results are in line with research conducted by Bao et al. (2016).

The results showed that customer satisfaction, interactivity, and customer trust had a positive and significant effect on customer repurchase intentions (H5, H6, and H7), resulting in multiple linear equations as follows: $Y = 0.643 + 0.365 X1 + 0.089 X2 + 0.099 X3$, the amount of adjusted R square amounting to 0.701 or 70.1%. The results of the research H5 show that the top three of Indonesian marketplaces have created customer satisfaction in terms of providing services as needed, providing pleasure, and fulfilling customer expectations, and satisfying customers so that they are willing to recommend it to others so that it can increase repurchase intention. This result is in line with the research of Rizan et al. (2015).

The results for the H6 hypothesis show that the top three Indonesian marketplaces can create interactivity with the customers. This result is not in line with the research of Bao et al. (2016).

The results of research H7's show that the top three of Indonesian marketplaces have created customer trust as a marketplace that sells quality goods, fulfills customer desires, is honest, keeps promises, always thinks about their partner, is trustworthy, has high integrity, and can be relied upon in the end, it increases repurchase intention. Customer. These results are in line with research conducted by Rizan et al. (2015) and Bao et al. (2016).

The results of the research on H8 show that customer satisfaction has a positive and significant effect on customer repurchase intention.

The results of the research on H8 also show that customer satisfaction and trust positive and significant effect on customer repurchase intentions.

The SPSS output for regression equation 2 shows that customer trust has a direct and significant effect on customer repurchase intention (Y).
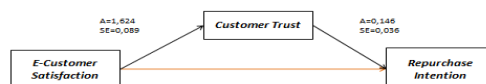
Path AnalysisPath Analysis

Figure 2Model H8 The

The calculation of the Sobel test above shows a z value of 3.95. This value is greater than 1.96, with a significance level of 0.05. From these results, it can be said that customer satisfaction has an impact on customer trust and indirectly has an impact on repurchase intention. These results are in line with research conducted by Rizan et al. (2015). Marketplaces can create repurchase intentions through customer trust. The results show that the marketplace has created trust as a seller of quality goods, fulfills customer desires, is honest, keeps promises, always thinks of his partner, is trustworthy, has high integrity, and is reliable, which in turn can increase customer repurchase intentions.

The results showed that PEEIM negatively and significantly moderates the effect of customer satisfaction on customer trust (H9)

. Moderated Regression Analysis (MRA)

Test This interaction test is a special application of multiple linear regression where the regression equation contains interactive elements.

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The results of the regression test on the influence of the independent variable on the dependent variable in the presence of the moderating variable can be formulated as follows: $Z = 3,975 + 1,007 X1 + 0,010 X1 * M$. From these results, it can be concluded that the hypothesis 9 PEEIM negatively and significantly moderates the effect of customer satisfaction on customer trust is rejected. This result means that PEEIM (M) cannot moderate the effect of customer satisfaction (X1) on customer trust (Z). These results are in line with the research of Bao et al. (2016). Customers do not hesitate to apply positive experience results in the form of satisfaction to shape trust behavior in the future despite the lack of effective institutional mechanisms in e-commerce.

The results of this study indicate that PEEIM negatively moderates and significantly influences customer trust in customer repurchase intention (H10).

Based on the results of the regression test, the following equation can be formulated: $Z = -4,372 + 0.547 Z - 0.016 Z * M$. From these results, it can be concluded that if the PEEIM hypothesis 10 negatively and significantly moderates the effect of customer trust on customer repurchase intention is accepted. From these results, it can be said that the effect of customer trust on repurchase intention is weaker when PEEIM is high. These results are consistent with research by Fang et al. (2014).

The results of this study indicate that PEEIM moderates negatively and significantly the effect of interactivity on customer repurchase intention (H11).

Based on the results of the regression test, the following equation can be formulated: $Z = -5,438 + 0.544 X2 - 0.015 Z * M$. From these results, it can be concluded that if the hypothesis 11 PEEIM negatively and significantly moderates the effect of interactivity on customer repurchase intention is accepted. From these results, it can be said that the effect of interactivity on repurchase intention is weaker when PEEIM is high. These results are in line with the research of Bao et al. (2016).

V. CONCLUSION AND FURTHER RESEARCH

The conclusion from this research is that the three big marketplaces from Indonesia have been able to build customer satisfaction, the effectiveness of instant messenger use, the effectiveness of using feedback systems, interactivity, and customer trust that affects customer repurchase intentions. However, PEEIM does not moderate either customer satisfaction with customer trust or customer trust in repurchase intentions or interactivity towards repurchase intentions. This is because the value of online transactions is relatively small, so there is no general perception of respondents in this study about protection in the environment—a marketplace to protect it from potential risks in online transactions (Fang et al., 2014).

Further research can be carried out with different item values.

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