



A Study on the Role of Internal and External Factors in Consumer Buying Behaviour Through E-Marketplace

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To cite this article:

Handayani, Ashur Harmadi, Wuri Purnamasari, Eka Patriya. A Study on the Role of Internal and External Factors in Consumer Buying Behaviour Through E-Marketplace. *International Journal of Economic Behavior and Organization*. Vol. 10, No. 1, 2022, pp. 1-6.

doi: 10.11648/j.ijebo.20221001.11

Received: December 13, 2021; **Accepted:** January 5, 2022; **Published:** January 12, 2022

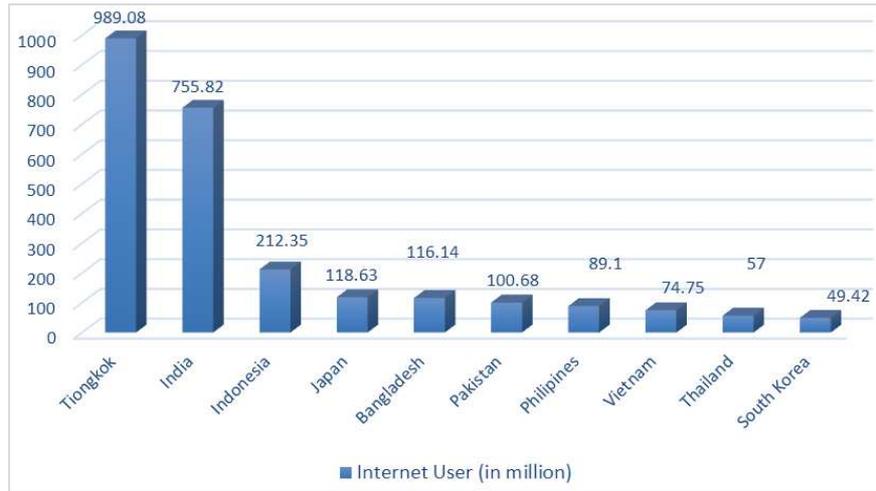
Abstract: The digital era is marked by the rapid development of information and communication technology (ICT). The growth of internet users has increased every year. The high number of internet users opens up opportunities to sell products and reach the global market. E-marketplace is one of the media that can be used by companies to sell their products, and reach consumers with a wider scope. Indonesia, which has a high population and the third largest number of internet users in the Asian region, is a very promising market for both local and global companies. E-marketplaces are growing as a form of consumer lifestyle today who like to make purchases online, due to positive reviews about products or e-marketplaces, and the influence of promotions carried out by popular public figures, as well as consumer trust in conducting transactions online. This study discusses the factors that influence consumer perceptions to determine consumer purchasing decisions through e-marketplaces. The population in this study were consumers who have used e-marketplaces to meet their needs. The data was obtained through a questionnaire, then the classical assumption test was carried out to determine the feasibility of the statements used in the questionnaire and the distribution of the data used, then the data would be analyzed using regression. The results showed that lifestyle, brand ambassadors, online reviews, and trust had an effect on consumer purchasing decisions through e-marketplaces.

Keywords: Brand Ambassador, E-Marketplace, Lifestyle, Online Review, Trust

1. Introduction

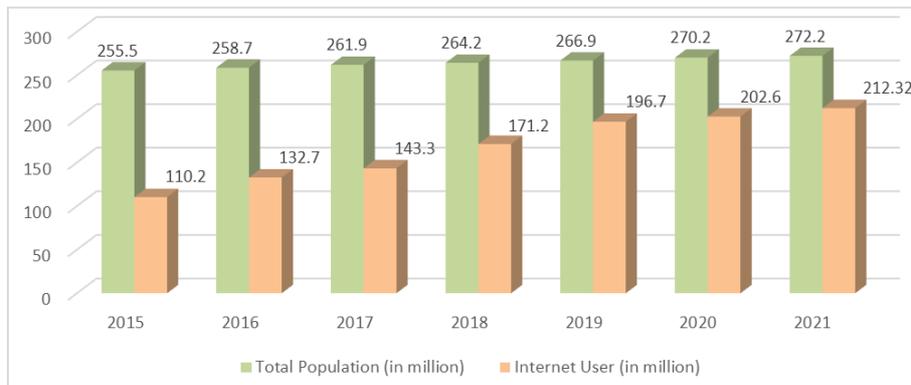
The era of the industrial revolution 4.0 shows the increasingly advanced development of ICT, where ICT combines various data, which is then presented in the form of information to be used as science with the use of modern media and equipment. Advances in ICT also have an impact on people's lives, especially in utilizing the internet [1]. The internet has become part of the lives of most of the world's population, where they use it not only to find information, but also as a place to market products and introduce company brand [2]. The COVID-19 pandemic that has occurred has made more people stay at home, while meeting their daily needs and seeking entertainment is mostly done by using the internet. In 2021, Indonesia is in third place with the most internet users in Asia, as presented in Figure 1.

The high number of internet users in Indonesia and changes in people's lifestyles can be used by companies to promote and sell their products through the internet. People want a modern lifestyle with various conveniences in meeting their needs. This is a consideration for the company to be able to determine the right marketing strategy in order to attract consumers to buy the company's products. Indonesia is a very promising market for every company to sell their products online. The increasing number of populations in Indonesia every year, which is followed by an increase in the number of internet users, opens up great opportunities for companies to sell their products through e-marketplaces by taking advantage of the development of internet users, as presented in Figure 2.



Source: Internetworldstats [3]

Figure 1. Internet User in Asia.



Source: BPS and Dukcapil [4]

Figure 2. Total Population and Internet Users in Indonesia.

The high number of internet users in Indonesia, as well as the increasing number of e-marketplaces selling various types of products, makes Indonesia a target market not only for local products but also for international products. E-marketplace can be one of the company's marketing strategies in selling their products to reach consumers. The trend of spending through e-marketplaces made by consumers is an opportunity for companies to be able to reach a wider market share, due to the high number of gadget use and the tendency to engage in activities in cyberspace [5], so that it can help companies to promote company's products. The high number of e-marketplace users in Indonesia is increasing every year, as shown in Figure 3.

The selection of the right brand ambassador can be an opportunity for the company to promote, so that it can be easily recognized and remembered by consumers. The selected brand ambassador, apart from a good track record, must also be able to represent the products sold by the company, so that consumers believe that the brand ambassador also uses. Consumer's trust in the products sold by the company, as well as a good track record of e-marketplaces that can be seen through reviews provided by consumers can be an added value for companies in attracting consumers to decide to buy company's products on e-marketplace.



Source: BPS [6]

Figure 3. E-Marketplace Users in Indonesia.

2. Literature Review

The company's understanding of consumer behavior and meeting consumer needs is a major concern. An understanding of this will greatly assist the company in understanding the mindset of consumers in choosing various alternative products and brands offered. Purchase decisions for a product made by consumers are consumer behavior that

is influenced by environmental, social, cultural, personal, and psychological factors [7]. Purchasing decisions are behaviors carried out by consumers as the ultimate goal of the company's marketing activities. The importance of convincing consumers through promotions, as well as growing consumer confidence to buy company products so that company goals can be achieved.

Lifestyle shows how people live, how to spend money, and how to allocate time, through measuring activity, interest, opinion (AIO) [8]. Lifestyle in this era of globalization makes everyone prefer to shop through the internet online through e-marketplaces to meet their daily needs [9, 10], because it can provide benefits for consumers where consumers can buy products without having to go to the store where the product is sold [11]. The presence of e-marketplaces can help consumers meet their needs, because consumers can choose e-marketplaces that suit their needs and desired prices, so shopping online through e-marketplaces is not only for high-income people but also for middle-income people.

The phenomenon of influencers or public figures as brand ambassadors of a product and an e-marketplace is a marketing strategy chosen by companies to promote their products which are expected to have a major influence on consumer patterns in consuming products. Brand ambassadors can be one of the determining factors that shape consumer buying interest in a product being promoted [12], in addition, brand ambassadors can be used as a reference for consumer assessment and perception of a brand as a whole [13] through measurement of visibility, credibility, attraction, power. A person who is elected as a brand ambassador is a representative of an organization, institution or company that is considered to best describe the products or services offered by the company. Brand ambassadors form a public image that will represent the company in conveying product or service messages from the company to consumers. The selection of the right brand ambassador will be able to influence consumer buying interest in a product [14].

Online reviews are statements made by consumers about a company's products or services, and are available to the public via the internet. Consumers will observe positive and negative online reviews, positive reviews will lead to a strong purchase [15, 16], but if a large number of negative reviews are formed, negative expectations of the product will be formed [17]. Online review is a form of electronic word of mouth which can be regarded as a new form of marketing communication that can influence and play a role in the consumer purchasing decision process [18]. Online reviews can be used by consumers to collect information about products, so that consumers can obtain information cheaper than using conventional channels [19]. Online review indicators include information about products obtained by consumers, consumers are encouraged to make purchases due to the motivation of others, and obtain recommendations from others [20].

Trust plays an important role in conducting online

transactions through e-commerce, because consumers will not make online purchases if they do not have trust in the seller [21]. Consumers who already have trust will decide to transact online, because consumers believe that sellers and e-marketplaces where they sell company products can be trusted which can be seen through indicators of integrity, reliability, ease of obtaining personal contact, and the physical environment that influences them [22]. The trust given by consumers before making a purchase is a form of integrity, virtue, and competence from the seller to convince consumers that the seller can be trusted [23-26]. The higher the consumer's trust in the company and an e-marketplace, the higher the consumer purchasing decisions for a product [27].

3. Research Methods

The basic theory of this research is a model of consumer behavior [28] which explains that consumer decisions in purchasing goods or services are influenced by marketing stimuli, other stimuli, and consumer characteristics. From the three stimuli, there is a buying process whose stages include problem recognition, information seeking, evaluation, decision making, and after-purchase behavior. The research model used refers to the technology acceptance model (TAM) [29]. TAM explains that a person's behavior in using information technology begins with a perception of the benefits and ease of using information technology.

The questionnaire given to respondents is divided into 2 parts, the first is descriptive information or consumer demographics which contains information about consumers (gender, age, professional education), and consumer statements related to research variables. The Likert scale is used in this study to measure the perceptions, opinions, and attitudes of research respondents towards the phenomenon being studied [30]. Data on respondents are presented in Table 1.

Table 1. Demographic Characteristics of Respondents.

Profile	Characteristic	%
Gender	Male	31
	Female	69
Age	16-20 years old	12
	21-25 years old	19
	26-35 years old	35
	36-45 years old	23
	>45 years old	11
Education	Senior high school	8
	Diploma	13
	Bachelor's degree	46
	Master's degree	24
	Doctor's degree	9
Profession	Freelancer	14
	Private employee	40
	Lecturers	12
	Students	18
	Entrepreneurs	16

4. Result and Discussion

This study aims to examine the effect of lifestyle, brand ambassadors, online reviews, and trust on product purchasing decisions through e-marketplaces using 102 respondents. The initial stage of data processing is to conduct a validity test, to test the items used in the questionnaire. The results of the validity test in this study showed a significant value <0.05 and greater than r table 0.195, this means that all questions used in the questionnaire are valid and can be used in research. Reliability test was conducted to determine the level of consistency of a questionnaire used in the study. The results of the reliability test showed the Cronbach alpha value > 0.60 , this means that the data used in the questionnaire can be trusted. The results of the normality test show a significance value of 0.686 which is > 0.05 , which means that the data in this study are normally distributed, as shown in Table 2.

Table 2. Normality Test.

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		102
Normal Parameters ^{a, b}	Mean	0E-7
	Std. Deviation	2.75620471
Most Extreme Differences	Absolute	.071
	Positive	.054
	Negative	-.071
Kolmogorov-Smirnov Z		.715
Asymp. Sig. (2-tailed)		.686

a. Test distribution is Normal.
 b. Calculated from data.

The next test is to perform multiple linear regression analysis to see the effect of the independent variable on the dependent variable. The results of multiple linear regression are presented in Table 3.

Table 3. T-Test Results (Partial).

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.408	3.456		-.118	.906
	Lifestyle	.323	.085	.291	3.788	.000
	Brand Ambassador	.441	.139	.306	3.161	.002
	Online Review	.620	.167	.329	3.704	.000
	Trust	-.014	.099	-.009	-.139	.889

a. Dependent Variable: Purchase Decision

The partial test results in Table 3 show that the lifestyle variable has an influence on consumer purchasing decisions on e-marketplaces. The rapid development of e-marketplaces is due to changes in consumer habits in shopping and meeting their needs, which initially shopped conventionally but now prefer to shop online for convenience and time saving. This change in consumer lifestyle is a form of consumer adaptation to environmental changes that occur, where shopping online to meet needs, as well as staying abreast of trending fashion developments will keep consumers updated. The result of this study is in line with research conducted by previous researchers who stated that online shopping has become a consumer's lifestyle in fulfilling their needs in this era of globalization [9, 10].

Brand ambassadors have an influence on consumer purchasing decisions through e-marketplaces. The selection of the right person by the company to become a brand ambassador representing an e-marketplace will make consumers interested in making purchases on the e-marketplace. The chosen brand ambassador is someone with a good reputation who has the knowledge and ability to introduce their products through e-marketplaces to consumers. This result is in line with previous research which states that the selection of the right brand ambassador will affect consumers' overall consumer judgment to decide on a purchase of a particular brand [12-14] as well as in the selection of e-commerce.

Online review is the variable that gives the most dominant influence on consumer purchasing decisions through

e-marketplaces. Positive reviews given by consumers who are satisfied with the e-marketplace, both in terms of service, guarantee of security in transactions and so on are able to convince other consumers to use the e-marketplace to fulfill their needs. Online reviews also help other consumers in finding information about e-marketplaces that suit consumers' wishes. The result of this study is in line with previous research which states that online reviews play an important role and will lead to consumer purchasing decisions [15, 16, 18].

Consumer's trust to use e-marketplaces in meeting their daily needs is very important. The results show that trust does not affect consumer purchasing decisions through e-marketplaces. This happens because consumers have obtained a lot of information about e-marketplaces, either from friends, family, the environment, or from online reviews that can be easily obtained in this digital era. The availability of information about various e-marketplaces makes it very easy for consumers to choose the right e-marketplace according to their needs, so that trust has been formed before consumers decide to make purchases through e-marketplaces. This result is in line with previous research which states that the trust that has been formed will make consumers decide to transact online through the e-marketplace [22], where the higher the trust, the higher the consumer purchasing decisions [22, 27].

Simultaneous test results show that lifestyle variables, brand ambassadors, online reviews, and trust have an effect on consumer purchasing decisions through e-marketplaces, as presented in Table 4.

Table 4. Simultaneous Test Results.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1150.109	4	287.527	36.350	.000 ^b
	Residual	767.263	97	7.910		
	Total	1917.373	101			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Trust, Brand Ambassador, Lifestyle, Online Review

The results of the coefficient of determination test (R squared) are significant as a contribution to the influence of the independent variable (X) on the dependent variable (Y). The value of the coefficient of determination is useful for

predicting and seeing how big the contribution of the influence given by variable X simultaneously to variable Y is, as presented in Table 5.

Table 5. Results of the Coefficient of Determination.

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774 ^a	.600	.583	2.812

a. Predictors: (Constant), Trust, Brand Ambassador, Lifestyle, Online Review

b. Dependent Variable: Purchase Decision

The results of the coefficient of determination test show a value of 0.600 or 60%, this number means that the variables of lifestyle, brand ambassador, online review, and trust simultaneously affect consumer purchasing decisions through e-marketplaces by 60%, while the remaining 40% is influenced by other variables that were not investigated in this study. The results show that purchases through e-marketplaces are still small, so it is necessary to increase the use of digital platforms in meeting daily needs.

5. Conclusion

The results show that lifestyle, brand ambassadors, online reviews have an effect on purchasing decisions through e-marketplaces, while trust has no effect on purchasing decisions through e-marketplaces. The contribution of lifestyle variables, brand ambassadors, online reviews and trust to purchasing decisions through e-marketplaces is 60%, while the rest is influenced by other variables not included in the model. The results of this study are expected in the future to provide an overview for consumers who want to make purchases through e-marketplaces, and things that need to be considered, so as not to harm consumers in transacting through e-marketplaces. The use of e-marketplaces as a form of technological development in meeting daily needs is expected to provide more convenience and benefits for consumers.

In further research, other internal and external factors can be added, such as culture, loyalty, website performance that will affect consumer behavior in online shopping. Thus, the authors hope to further improve the research and make it more objective and comprehensive.

Acknowledgements

The authors would like to thank Universitas Gunadarma for all the support provided by them for this research. The authors

also thank to colleagues for their ideas, input, comments, and support, and all respondents who have filled out the questionnaire used in this study for their time and support in providing information related to this research.

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