CHAPTER I

INTRODUCTION

1.1 Research Objective Overview

1.1.1 LAZADA

Operationally launched in March 2012, Lazada is Southeast Asia's number one online shopping and selling destination, with presence in Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. Lazada also has offices in Hong Kong, Korea, United Kingdom and Russia. (Lazada Indonesia, 2014)

Pioneering eCommerce in the region, Lazada provides customers with an effortless shopping experience with mobile and web access, multiple payment methods including cash-on-delivery, extensive customer care and free returns, and retailers with simple and direct access to approximately 550 million consumers in six countries through one retail channel. Lazada features an extensive product offering in categories ranging from consumer electronics to household goods and fashion. (Lazada Indonesia, 2014)

1.1.2 Company Achievements

Table 1.1

Company Achievments

Year	Month	Description
2012	March	Lazada.com launches with operations across Southeast Asia in Indonesia, Malaysia, Philippines, Thailand and Vietnam.
	September	Multinational financial services firm JP Morgan invests in Lazada.

2013	January	A sourcing center opens in Hong Kong to drive cross-border marketplace activities.
	Second half of the year	Lazada Group introduces Marketplace - an online platform that provides brands, distributors and retailers in Southeast Asia a fast and easy access to online commerce.
	June	Lazada.com launches a mobile application for Android devices and its own fleet of riders for product delivery.
	September	LAZADA CROSSBORDER, Hong Kong Launched in September 2013, Lazada International offers sellers from around the world an easy one-stop solution to sell directly into Southeast Asia. Our office in Hong Kong serves as the headquarter where we maintain and develop relationships with our international sellers.
	December	US$200 million investment received, led by multinational general merchandise retailer, Tesco.
2014	January	Lazada.com launches iOS mobile applications for the iPhone and iPad.
	May	Lazada.com launches in Singapore. It now has local operations in six countries across Southeast Asia.
	June	Lazada.com launches new Effortless Shopping positioning with new website, logo and advertising campaign.

	July	Lazada Philippines signs an exclusive partnership with Xiaomi, making the mobile phones available in the country for the first time.
	September	Lazada Indonesia offers 5,000 Xiaomi Redmi 1S phones exclusively for sale, selling out in seven minutes. Lazada Indonesia ranks Number 1 on the Popular Brand Index according to NusaResearch, one of Indonesia's most reputable market research firms. Lazada Thailand launches an official LINE account and acquired a record breaking three million followers in three days.
	October	Lazada.com blazes new trails with a refreshed Lazada Fashion category, and launches a private in-house label, LZD.
	November	Lazada Fashion showcased the LZD Premium Collection at Jakarta Fashion Week 2015. Secured EUR 200 million of funding, led by Singapore-based investment company Temasek Holdings Lazada Group has raised a total of approximately EUR 520 million to date. Lazada Group launches helloPay in Singapore.

	December	The Lazada Online Revolution culminated in Southeast Asia's biggest sale on 12 December with 10 million visits to Lazada's sites and apps in 24 hours.
2015	March	Lazada Group celebrated its third anniversary. Lazada.com reached US$1 billion of annualized GMV regionally in March.

1.1.3 Lazada Indonesia

The success of online trading system (eCommerce) in Indonesia can not be separated from the enthusiasm of the people of Indonesia who crave a practicality in shopping. Lazada.co.id is one of the best online store in Indonesia which comes with a complete product concept and the convenience of delivery order shopping online. Is an amazing journey for Lazada.co.id and the people behind them who make Lazada be great as it is now. (Official Blog Lazada Indonesia, 2015)

Within one year, Lazada.co.id has now become the biggest online store in Indonesia. No wonder that many people dub Lazada.co.id as "The Fastest Growing e-commerce in Indonesia". This timeline below represent the journey of Lazada Indonesia in the early 2012 :

January 2012 - Rocket Internet headquartered in Berlin, Germany set up an office in the capital city of Indonesia, Jakarta. At that time a Rocket Internet newly employs four employees in Lazada. (Official Blog Lazada Indonesia, 2015)

March 15, 2012 - Website Lazada.co.id launched in March 2012, not only in Indonesia but in the Philippines, Thailand, Malaysia, Vietnam. Precisely on March 15 lazada.co.id open to the public, with 4 major categories and 4,000 products listed. (Official Blog Lazada Indonesia, 2015)

March 22 - A week after launch, lazada.co.id get his first customer feedback, who then gave testimony in an interview on their satisfaction shopping at lazada.co.id. (Official Blog Lazada Indonesia, 2015)

April 2012 - With the best service in terms of range of products, services, and complete system including COD payment. Within one month after the launch, the number of lazada.co.id subscribers has reached 1000 subscribers. (Official Blog Lazada Indonesia, 2015)

June 2012 - Many kinds of selling products in lazada.co.id, Making Lazada opening a new office which is warehouse and distribution center, this new office will accommodate each product that appears on the website and set up each customers order carefully so that the possibility of errors will be small. (Official Blog Lazada Indonesia, 2015)

August 2012 – Because of the persistence and hard work of all of the employees, in August lazada.co.id breaks into the top 100 websites in Indonesia. At that time Lazada already has 200 employees'. (Official Blog Lazada Indonesia, 2015)

September 2012 – Because of the rapid development of lazada.co.id accompanied by the antusism of Indonesian society towards online shopping system, in Sepember Lazada.co.id has occupied the top 70 websites in Indonesia. (Official Blog Lazada Indonesia, 2015)

14 September 2012 - JP Morgan Asset Management confirming LAZADA network investment to Southeast Asia. LAZADA Regional CEO Southeast Asia, Maximilian Bittner stated, "We are very honored to welcome JP. Morgan to become our investor and partner of course happy to join the investor with a shared vision and belief in the potential of large areas populated by replicating online shopping behaviors in developed countries. (Official Blog Lazada Indonesia, 2015)

October 8, 2012 – After Lazada launches One Direction's campaign in collaboration with SonyMusic, Lazada.co.id has became a trending topic world wide

number # 2 in the social media Twitter with hastag # Bringmeto1D (Official Blog Lazada Indonesia, 2015)

24 October 2012 - Social media Marketing Team of Lazada cheered by seeing their success over 100,000 "likes" on Facebook page of Lazada.co.id. (Official Blog Lazada Indonesia, 2015)

12 November 2012 - Kinnevik, the investment company of Sweden invest more than USD 40 million. (Official Blog Lazada Indonesia, 2015)

December 2012 - With customers continue to be satisfied with the services and products that were presented, at the end of 2012, Lazada.co.id is positioned on the top 60 websites in Indonesia and got over 220,00 "likes" Facebook. (Official Blog Lazada Indonesia, 2015)

December 5, 2012 - Summit Partners, one of the largest venture capital firms in the world invested 26 million USD in Lazada. (Official Blog Lazada Indonesia, 2015)

December 12, 2012 – Lazada instigates 12:12:12 online revolution. On 12 December 2012 Lazada.co.id present a variety of product choices with huge discounts. Sales were increased rapidly after this campaign. (Official Blog Lazada Indonesia, 2015)

December 31, 2012 - The importance of a User Interface of a website for the customer convenience of shopping makes Lazada launched a website with a new interface, which is more friendly and easy to use by every visitor of lazada.co.id. In this website lazada.co.id has 13 product categories and 25,000 products listed. (Official Blog Lazada Indonesia, 2015)

January 2013 - Tengelmann, strategic retail group from Germany reportedly invested 20 million USD in Lazada. (Official Blog Lazada Indonesia, 2015)

February 2013 – The first TV Advertising of Lazada.co.id premiere in national television. (Official Blog Lazada Indonesia, 2015)

1.1.4 Products and Services

PT. Lazada operates an on-line department store. The company sells electronic products including cellphones, TVs, software, computers, and cameras. (Bloomberg, 2015)

Lazada always continues to increase the variety of products. The table below shows the products offered on the lazada.co.id website :

Table 1.2

Products offered by Lazada.co.id

Floor 1	Household electronics
Floor 2	Health and beauty
Floor3	Computer and Laptop , Electronics , Camera
Floor 4	Fashion Stuff
Floor 5	Household Appliances
Floor 6	Watch and Accessories
Floor 7	Handphone and Tablet
Floor 8	Toys and Baby
Floor 9	Sports and Automotive
Floor 10	Bags Suitcase and Hobbies
Floor 11	Food and Baverages

Source: Lazada Indonesia,2015

1.1.5 Social Media of Lazada Indonesia

Social commerce will be the next big thing in electronic commerce, according to Inanc Balci, CEO of Lazada Philippines. Social commerce is a form of electronic commerce which uses social networks to assist in the buying or selling of products. This type of commerce utilizes user ratings, referrals, online communities and social advertising to facilitate online shopping. "We are maintaining our social network platforms and give a lot of importance to them as we target more people to engage in

trade in social media," said Inac Balci, CEO of Lazada Philippines. "We are using them as a better marketing strategy compared with the old method of marketing." Through social media, Lazada, as a company and its product brands with information on discounts, easily becomes widely known to millions of social network followers. (Upgrade Magazine, 2015)

Figure 1.1

Lazada Indonesia's social media

Source: Lazada Indonesia,2015

In other words, social media is one of the strategies used by lazada in marketing their products. Picture above is some of the social medias owned by Lazada Indonesia as their communication channel with the customers:

1.2   Research Background

Indonesia, the fourth most populous country in the world, is emerging as an economic powerhouse. Its consumer base is predicted to rise to 135 million by 2030, making it the third largest consumer base in the world and the seventh largest economy. On top of a budding economy, a variety of push factors such as growing internet penetration, rapid mobile device adoption, increased social media usage and greater spending power by the middle class make Indonesia's eCommerce sector ripe for expansion. The majority of the population is very young - nearly 60% are below 30 years of age, with this age group expected to expand by 2.9 million users a year.

However, like most emerging markets, Indonesia faces challenges with respect to adoption and implementation of new technologies, infrastructure developments and congestion due to rapid urbanization. The Indonesian consumer is also becoming more discerning, looking for more convenient ways to shop and engage with brands in the online space. (SP Commerce, 2015)

1.2.1   Digital Consumption Trends

With its large population, increasing affordability of the internet and usage of mobile devices, Indonesia has the highest percentage of internet users compared to other Southeast Asian countries. As of 2013, there were a total of 74.6 million users in Indonesia with the next country, the Philippines, with about half the number of users (34.8 million). (Tech in Asia, 2015)

Figure 1.2

Internet Users Across Southeast Asia (2013)
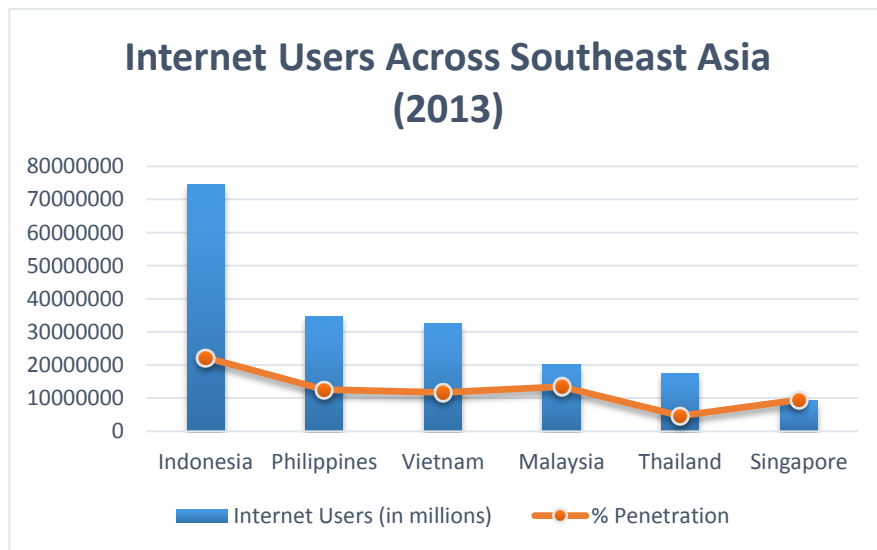
Source : Tech in Asia, 2013

Indonesia's internet user base is slated to have a 20% year-on-year growth until 2016, which will lead to 102.8 million users by then. This is due to the increasing spending power of the middle class. Fierce competition between mobile companies is

also driving mobile phone and subscription plan prices down, making them affordable for more users.(eMarketer, 2015)

Figure 1.3

Growth in Indonesia's Internet User

Growth in Indonesia's Internet User

Legend: Internet Users (in Million) — ...% of Penetration
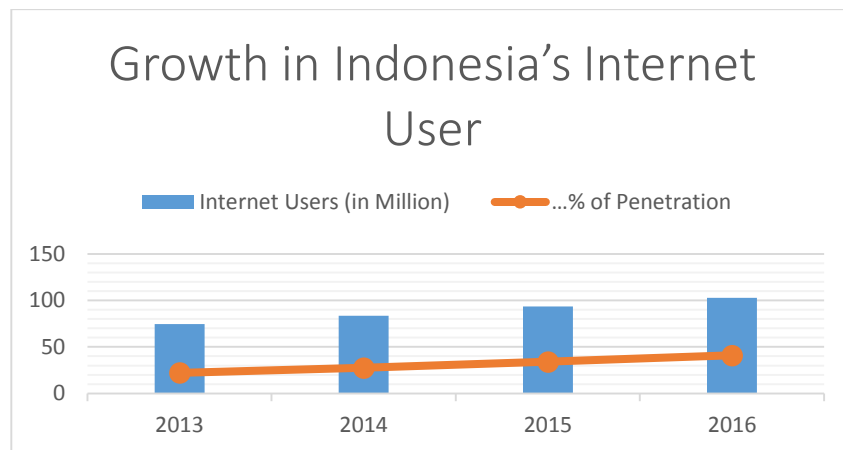
Source : eMarketer, 2015

According to a survey by MarkPlus, the number of Indonesian internet users grew steadily from 42.2 million to 74.6 million from 2010 to 2013. Nitizens who can be define as users who spend more than three hours a day online,have also grown during the same time period from less than 20% to more than 40%. The survey also revealed that almost half of these netizens were under the age of 30 years, while those above the age of 45 years made up 16.7% of netizens in the country. Most netizens access the web via smartphones (86%) and spend between Rp 50,000 (US $5) and Rp 100,000 (US $10) every month for internet access.

Figure 1.4

Growth of Nitizens in Indonesia
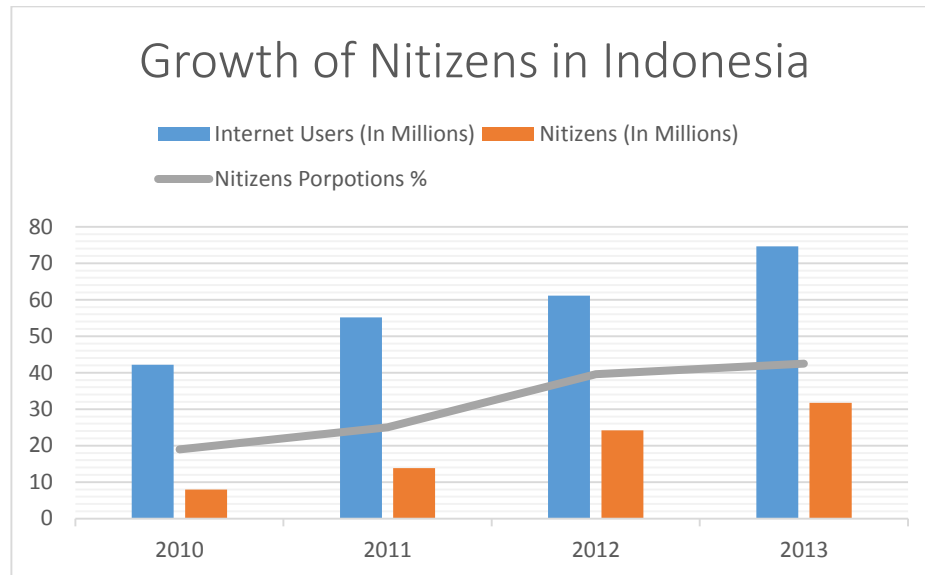
Source : Tech in Asia, 2015

1.2.2   Influence of Social Media

Between January to March 2014, Indonesia's capital, Jakarta, contributed 2.4% of the global total of 10.6 billion Twitter posts, making it the city generating the most tweets in the world. A Google study on Understanding the Mobile Consumer in 2013 also supports that Indonesians are frequent social media users, with 97% visiting social networks and 79% doing so least once a day via their smartphones. Its highly active online social community has gained the city its nickname,"social media capital of the world. (SP Commerce, 2015)

The country's most popular social media platforms are Facebook, Whatsap, Twitter and Google Plus. In early 2013, Indonesia was ranked first worldwide in terms of growth of account owners for Twitter. As of 2014, it has 69 million active Facebook users, making it the fourth largest user in the world. It also had 36% and is also the second largest user app Line as of September 2014, with 30 million active users. With 26.4% of online transactions occurring on social media platforms in 2014, it is evident that this high level of social media activity represents a huge opportunity for global and

regional brands to engage with their customer base and ultimately drive sales in the social space. (SP Commerce, 2015)

Figure 1.5

Top Active Social Platform in Indonesia

Top Active Social Platform in Indonesia

Source : We are Social, 2015

In the figure 1.5 it can be seen that the first place Top active social platforms in Indonesia is Facebook and followed by watsap and twitter in the second and third place.

Based on research conducted by eMarketer in 2013, there were 4.6 million Indonesians shopping online. This is expected to increase to 8.7 million people by 2016. The illustration can be seen in figure below :

Figure 1.6

Growth in number online Shopper in Indonesia

Growth in number online Shopper in Indonesia

| Year	in Millions
2016	8.7
2015	7.4
2014	5.9
2013	4.6

Source : eMarketer,2015

Indonesians are very social creatures and show strong preference for shopping on social channels. On messenger groups such as Blackberry Messenger and Line, Consumers find that they can directly converse with retailers. Lazada.co.id is considered as the e-commerce platform that expand their business to social commerce industry. Eventhought that their operation fully done by their main website or mobile apps, but they add social feature into their commerce website,therefore consumers can share their purchases and product reviews. (SP Commerce, 2015)

Figure 1.7

Preffered eCommerce Channel or Platforms for Online Shopping
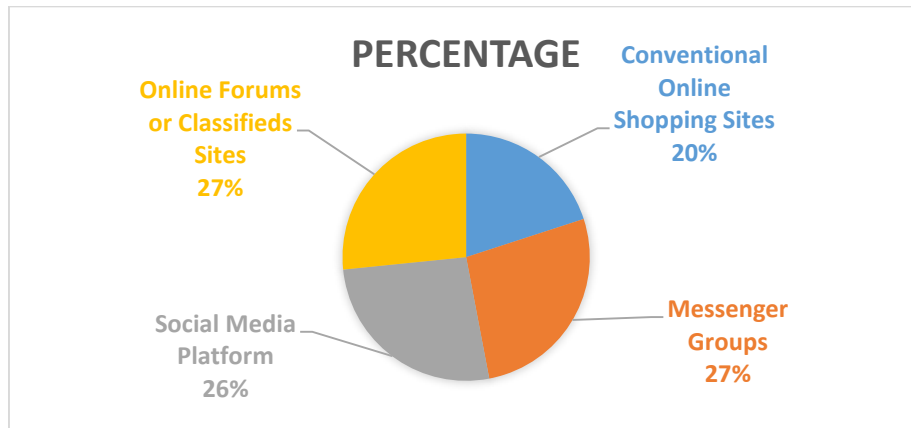
Source : Tech in Asia, 2015

In 2012, a single transaction's average basket size was USD $55, with online shoppers spending an average of USD $256 over the year. With personal spending levels rising by 10% annually alongside rising internet adoption rates, it is clear that online transactions are growing steadily. While the number of customers are large, the most successful online sites are selling products with a value of less than Rp 200,000 (USD $20). Sukamart, an Indonesian online grocery store, says that its average basket size is Rp 300,000 to Rp 500,000 (USD $30 to $50). This compared to the average basket size of USD $94 on asos.com, a popular UK fashion retailer. (SP Commerce, 2015)

According to a 2013 McKinsey survey, Indonesians are risk averse and late adopters of new products and technology, regardless of their social class. This may explain locals' affinity towards cash on delivery payment methods an their preference for channels like forums and social networking sites, which allow for interaction with sellers and other customers, so that they can ask questions and receive recommendations before committing to a purchase. While Indonesians shop across multiple categories, the most popular are clothing and apparel (67.1%), shoes (20.2%) and bags (20%).(SP Commerce, 2015)

Researched conducted by (Statista and APJII,2015) shows that the most popular online Product categories is still apparel products that contributes 67,1 % Lazada as one of the biggest retail online store always concern and active to see the trend in the society. Lazada offered a range of variety products that needed by the people in the country. Now, Lazada has 11 major categories and yet still continously growing.

1.2.3 Rapid Economic Growth Has Led to Increased Spending

Figure 1.8

Online Sales vs Retail Sales in Indonesia

Year	Online Sales Estimates (USD)	Retail Sales Estimates (USD)	Online Sales as a Percentage of Retail Sales
2013	1.8 Billion USD	363.42 Billion USD	0.5%
2014	2.6 Billion USD	411.29 Billion USD	0.6%
2015	3.56 Billion USD	473.91 Billion USD	0.7%
2016	4.49 Billion USD	545.07 Billion USD	0.8%

Source : Statista, 2015

In 2013, Indonesia's total GDP was USD $868.3 billion, following an average growth of 5.9% over 2009 to 2013. Growth is expected to continue at an average of 5.8% until 2020, providing a solid foundation for new investments in the country and

increasing the disposable income of the growing middle class. Online spending is predicted to increase by 40% in 2014 and 53% in 2015. (SP Commerce, 2015)

Majority of Indonesia's businesses are small and medium businesses, representing 99% of all businesses in operation . The country's retail sales amounted to USD $411.29 billion in 2014, of which 0.6% (USD $2.6 billion) are online sales . Forecasts for 2015 indicate that online sales in Indonesia will reach USD $3.56 billion. Even though sales through online channels will account for only 0,7% of total retail sales, the figures indicate a significant opportunity. Compared to developed markets like the United States which have eCommerce percentages closer to 5%, Indonesia's online marketplace has plenty of room to grow. (SP Commerce, 2015)

Despite the capital city initially being the driver of eCommerce growth, both Rakuten and Zalora say that as of 2014, 70% of their orders come from rural areas. Indonesia's second- and third-tier cities are growing fast but many still lack shopping malls, presenting a largely untouched segment and an opportunity for online companies to reach customers looking for more convenient shopping solutions where brick-and-mortar stores are not easily accessible. (SP Commerce, 2015)

1.2.4   Key eCommerce Sites
In 2013, Amazon was the most popular B2C site in Indonesia. Despite having no local presence, pricing or logistics support, their breadth of products drew the highest amount of visitors. However, Lazada Indonesia, Rocket Internet's answer to Amazon, made the jump to the top spot in 2014. This comes after their rebranding in 2014 that showed a shift of focus away from consumer electronics to a larger range of lifestyle products. Lazada is also better at serving the local market with native language marketing campaigns, same day delivery and a variety of custom payment revenue. (SP Commerce, 2015)

Badan Pusat Statistik (BPS) with the Association of Indonesian Internet Service Provider (APJII) recorded a growth of Internet users in Indonesia by the end of 2013 has reached 71.19 million people. As the rapid growth of internet users in Indonesia

create new potential market for the company to take advantage of huge numbers of Internet users and the function of it. Indonesian people spent 30 hours online per week (Karimmudin, 2012). (SP Commerce, 2015)

The development of the Internet has influenced the development of the economy. Various sale and purchase transactions can now be done easily with the internet. Transactions via the internet known as e-commerce. The U.S department of Commerce defines e-commerce as "The sales goods and services where an order is placed by the buyer or price and term of sale are negotiated over the internet". Nowadays, e-commerce become popular in global trade and already become the activities spread at a tremendous pace. According to UCLA (University of California, Los Angeles) center for communication policy (2001), online shopping has become the third most popular internet activity, immediately following email using or instant messaging and web browsing. (SP Commerce, 2015)

The number of internet stores, which through e-commerce are able to conduct transactions over the internet, has been steadily increased (Liang and Lai, 2002), while revenues from online shopping exposed considerable growth (Rohm and Swaminathan, 2004). The most common type of e – commerce is Business-to-Customer (B2C) commerce, in which online businesses attempt to reach individual consumers. The B2C involves transaction between business organization and customer over the internet. (SP Commerce, 2015)

TABLE 1.3

B2C e-commerce Sales Worldwide, by Region (In Billion)

Region	2012	2013	2014
North America	$379.8	$431.0	$482.6
Asia Pacific	$301.2	$383.9	$425.2
Western Europe	$277.5	$312.0	$347.4
Central & Eastern Europe	$41.5	$49.5	$58.0

Latin America	$37.6	$48.1	$57.7
Middle east & Africa	$20.6	$27.0	$33.8

Source: e-marketers, 2014

In table 1.2 show the B2C e-commerce sales worldwide. North America has a largest amount sale of B2C e-commerce which is $482.6 billion in 2014. Asia pacific placed second amount of sales of B2C e-commerce which is $425.2 billion and the last placed is Middle East & Africa which are only $33.8 billion. Asia pacific has a potential to do the e-commerce business.

TABLE 1.4

B2C e-commerce sales in Asia, by Region

Country	2012	2013	2014
China	93.7%	78.5%	63.8%
Indonesia	85.0%	71.3%	45.15%
India	35.95%	34.9%	31.5%
South Korea	12.7%	9.6%	7.4%
Japan	12.3%	10.2%	7.1%

Source: e-marketer,2015

Table 1.4 shows, China are the first rank of country in B2C sales which is 63.8%, while Indonesia fills the second rank 45.1%. Its means Indonesia is one of the fastest growing country in this sectors, Indonesia has a potential target market for e-commerce, as the result many companies are interested to involve in this sectors.

TABLE 1.5

Popular website e-commerce in Indonesia 2014

Rank	E-commerce	PBI	IR
1	Lazada	29.2	
2	OLX	22.1	47.0%
3	Berniaga	8.9	

4	FJB Kaskus	8.1	
5	Zalora	5.5	
6	Qoo10	3.8	
7	Tokopedia	3.6	
8	Rakuten	2.6	
9	Bhinneka	2.1	
10	Blibli	1.8	
11	Groupon Disdus	1.4	
12	Elevania	1.3	
13	Berrybenka	1.3	
14	Bukalapak	0.6	
15	Livingsocial	0.5	

Source:Tech In Asia, 2015

Table 1.5 shows that according survey conducted by Tech in Asia, the popular website of e-commerce in Indonesia is Lazada with of PBI reached 29.2

1.3 Problem Statement

The most experienced and successful E-commerce companies are beginning to realize that key determinants of success or failure are not merely web presence or low price but delivering on a high quality website. Recent research shows that price and promotion are no longer the main draws for customers to make a decision on a purchase.

More sophisticated online customers would rather pay a higher price to a provider with high quality service (Schneider & Perry, 2000). According to (Schellhese, Hardock,& Ohlwein, 2000) when consumers conduct a purchase across the border, they will have concern as to whether they will receive quality services from a "foreign"E-commerce website. It concludes that attention to quality is of paramount importance for E-commerce success.

Quality has been established as a key factor in ensuring the success of E-commerce in attracting and retaining customers (Stefani, Xenos & Stavrinoudis, 2003) To this end, it is necessary to define what constitutes a high-quality E-commerce website and a methodology for evaluating the quality of E-commerce websites (Burrows, 1999).

One of the advantages of a social commerce business in contrast to a brick-and-mortar company is the low startup cost. This factor has drawn in thousands of entreprenuers, however most of them do not have the right knowledge and resources to run a social commerce company profitably. Using South Korea as an example, it is a country with high internet penetration and have seen high social commerce growth in recent years. As of 2011, there were more than 300 social commerce companies, the market was valued at around US$300 million. Sadly, many were small in size and did not have sufficient resources, leading to issues like poor service, delayed refunds, inaccurate information and fraud. This does not only degrade consumers' trust over time, but further reduce consumers' purchase intention from a particular social commerce site (Kim & Noh, 2012).

Studies were conducted to examine e-commerce and social media from various perspectives. For instance, studies were conducted to verify the social impact theory claims in social media context (Mir & Zaheer, 2012); the influenced and impact of social media in marketing, advertising, branding and public relations (Bernhardt, Mays, & Hall, 2012; Daniasa, Tomita, Stuparu, & Stanciu, 2010; Lipsman, Mudd, Rich, & Bruich, 2012; Yan, 2011); user's willingness to pay on social network sites (Han & Windsor, 2011), implication of social media in sales and revenue (Agnihotri, Kothandaraman, Kashyap, & Singh, 2012; Andzulis, Panagopoulos, & Rapp, 2012); factors influencing user's attitude towards social media marketing (Akar & Topçu, 2011); successful factors of online social networks (Wattanasupachoke, 2011).

In the academic literature, website quality has generally been recognized as a critical factor to drive business online. As such, numerous studies have been devoted

to website quality and evaluations (Bai et al., 2008). However, most of the studies focus on relationship between website quality and customer satisfaction.

Despite the exponential growth of social commerce, it is a relatively new area (around 6 years at the time this paper was written). Little studies have been conducted to know the effect Website Quality towards costumer online purchase Intention of social commerce sites in Indonesia. Website Quality dimension according Sam & Tahir (2009) includes : Usability ,Website Design, Information Quality,Trust, Percceived Risk, and Empathy.

Agnihotri et al. (2012) found that many companies were reluctant to adapt to social commerce, due to unproven success metrics and the absence of a clear ROI of embracing social commerce. It is therefore the aim of this study to fill the literature gap while also provide social commerce businesses with a conceptual model to increase purchase intention.The object in this reseach is Lazada Indonesia since Lazada is one of the example of successful ecommerce start-up with a clear value proposition and focused differentiation. It also shows how e-commerce sites can rapidly grow by utilizing social media potentials.

1.4   Research Questions

There is question that have been pull from the introduction. They are:

1. What are the customer perceptions of Lazada Indonesia about the Website Quality dimension ? (Usability,Website Design, Information Quality, Trust, Perceived Risk,and Empathy) ?

2. How is the effect of Usability towards online purchase intention of social commerce site in Lazada Indonesia ?

3. How is the effect of Website Design towards online purchase intention of social commerce site in Lazada Indonesia ?

4. How is the effect of Information Quality towards online purchase intention of social commerce site in Lazada Indonesia ?

5. How is the effect of trust towards online purchase intention of social

commerce site in Lazada Indonesia ?

6. How is the effect of Perceived Risk towards online purchase intention of social commerce site in Lazada Indonesia ?

7. How is the effect of empathy towards online purchase intention of social commerce site in Lazada Indonesia ?

8. How is the effect of Usability,Website Design, Information Quality, Trust, Perceived Risk,and Empathy simultaneously towards online purchase Intention of social commerce site in Lazada Indonesia ?

1.5 Research Purposes

1. To determine the customer perceptions of Lazada Indonesia about the website quality dimension (Usability,Website Design, Information Quality, Trust, Perceived Risk,and Empathy) ?

2. To determine the effect of Usability towards online purchase intention of social commerce site in Lazada Indonesia.

3. To determine the effect of Website Design towards online purchase intention of social commerce site in Lazada Indonesia.

4. To determine the effect of Information Quality towards online purchase intention of social commerce site in Lazada Indonesia

5. To determine the effect of Trust towards online purchase intention of social commerce site in Lazada Indonesia.

6. To determine the effect of Perceived Risk towards online purchase intention of social commerce site in Lazada Indonesia.

7. To determine the effect of Empathy towards online purchase intention of social commerce site in Lazada Indonesia.

8. To determine the effect of Usability,Website Design, Information Quality, Trust, Perceived Risk,and Empathy simultaneously towards online purchase Intention of social commerce site in Lazada Indonesia

1.6   Significance of Study

This research is expected to be useful for any parties who want to use this research. The purposes of this research are:

1.6.1   Academic Aspect :

This results of this research are hopefully can give useful information regarding developing more knowledge in the field of Social-commerce business and academic that is related to the website quality and online purchase intention in social commerce sites.

1.6.2   Business Aspect:

The results of this research are going to be used by e-commerce business especially in Indonesia as well as the media to explore additional knowledge in the field that related to marketing management, especially in social commerce field. In other hands, this research hopefully also can be used as a reference for the company that has to do this research, especially in social-commerce business. This research can be used to improve company knowledge.

1.7   Writting Systematic

The writing structure is written to provide a general overview of about this research. This study is presented into 5 chapter, a part from chapter 1 that already described above, the other chapters are described as follow :

CHAPTER II : LITERATURE REVIEW

This chapter consists of literature review which related to the problem. It includes a description of the theoretical basis that is used as the basis analysis of the research, previous research and framework.

CHAPTER III : RESEARCH METHODOLOGY

This chapter contains of the approaches, the methods, and techniques used to collect and analyze data in order to answer or explain the research problem.

CHAPTER IV : RESULT AND DISCUSSION

This chapter consists of characteristic of respondent, final result of this research and analysis of the data process that has been obtained.

CHAPTER V : CONCLUSIONS AND RECOMMENDATIONS

The final chapter comprises of the conclusions of the whole research data and analysis that will be used as a guideline practical for the company and recommendation for further research in this field.