

CHAPTER I

INTRODUCTION

1.1 Research Object Overview

1.1.1 Corporate Profile

OLX.com which used to be tokobagus.com and berniaga.com is the center of online buying and selling in Indonesia. OLX was established since 2003 and under the name TokoBagus, until the year 2014 TokoBagus finally renamed to OLX. OLX by Remco Lupker and Sebastian Arnold Egg. OLX provides media to sell goods and services, not only sell but also as a medium for buyers looking for their needs and wants. Goods can be found on OLX are mobile phones, laptops, computers, home appliances, cars, motorcycles, property, jobs and services.

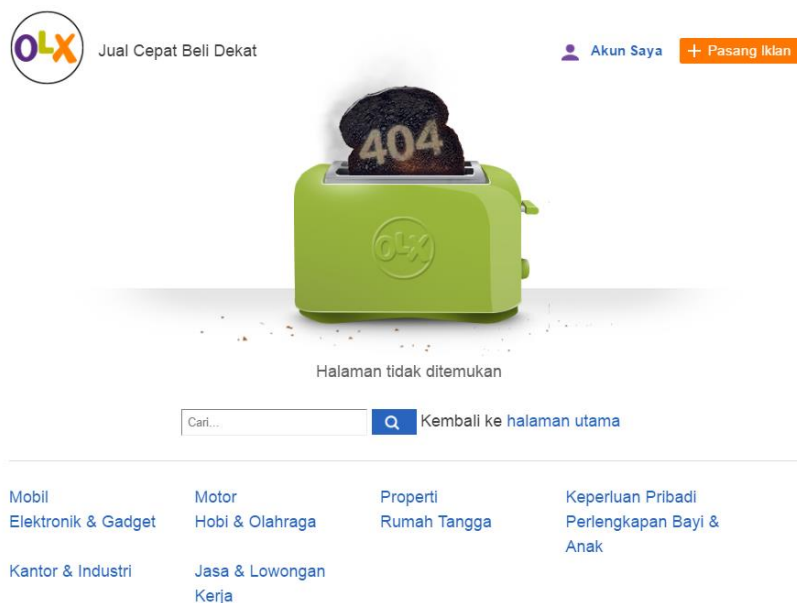


Figure 1. 1 OLX Logo
Source: www.olx.co.id

OLX slogan is " Cara Tepat Jual Cepat ". because with people searching for products and services they need from search engines like google will find ads from OLX.com. OLX.com provides free ad serving service not only in OLX.com.

1.1.2 Vision & Mission of OLX

Vision:

Dominate the market buying and selling online businesses in Indonesia.

Mission:

1. To serve the majority or more than 50% population of Internet users in Indonesia
2. Provide convenience and speed of e-commerce for both sellers and buyers
3. Attract many new users who have never tried before e-commerce
4. Creating a web-based mobile

1.2 Background

The rapid development of information technology is growing faster, and its improve every day. It has an influence on consumer behavior that wants fast and accurate information. Media used to obtain information among them is through newspapers, radio, television, internet, and others. The presence of internet technology that provides unlimited communication benefits make internet users will be easy in enlarging the marketing network of a product. Today the internet is important for business in winning business competition. This is based on the increasing internet users in the world including Indonesia which allows businesses to market and develop their business land. With the public as consumers, consumers can choose the desired goods or services for 24 hours indefinitely and for prospective customers who are quite far from the location, no need to come directly to buy the desired goods, this will save more time and cost.



Figure 1. 2 Digital in Indonesia

Source: <http://wartapena.com/digital-indonesia/>

With better network of internet makes increase the number of internet users, therefore around 265.4 million population Indonesia referred as digital potential market. Because, until now there are about 50% are internet users, 67% are connected to internet through their smartphones and 49% are active social media users and 45% active media mobile social users 2018 in Indonesia. That number was expected to continue to grow. “Have also boosted internet users in Indonesia. Based on data collected We Are Social, there is an increase in Internet users in Indonesia for one year, from January 2015 until January 2016, which is about 15 percent. Increasing the number of Internet users also have an impact on users of social media more and more. Although not as much as the increase in Internet users, active users of social media increased by about 10 percent from January last year” (Liputan6, 2017).



Figure 1. 3 Estimated E-Commerce Sales by Country

Source: <https://buattokoonline.id/data-statistik-mengenai-pertumbuhan-pangsa-pasar-e-commerce-di-indonesia-saat-ini/>

e-commerce is a dynamic set of technologies, applications, and business processes that connect companies, consumers and specific communities through electronic transactions. Based on some definitions of e-commerce can be concluded e-commerce is the activity of buying and selling goods or services through an information network called the Internet (Furkonudin, 2016), The better quality of the internet network in Indonesia as well as the increasing coverage of each network provider becomes one of the reasons the development of online market business or e-commerce, From The following figure 1.3 it shows the estimated the B2C e-commerce sales in some Asian countries. Although the number of sales in Indonesia is still low compared to other countries, but seeing fairly rapid development of Indonesia, did not rule our beloved country will compete with other Asian countries that have been used to generate e-commerce sales over Indonesia (Buat Toko Online, 2016). Measuring the quality of websites made by consumers can help e-commerce companies to perform optimization and web maintenance according to customer needs (Jihan Ulya Alhasanah, 2014). Companies or organizations that have good quality will have competitive advantage. Supporting factors in the field of e-commerce one of which is the website and competitive advantage will be obtained by having a quality website. One way to measure website quality is by WebQual method.

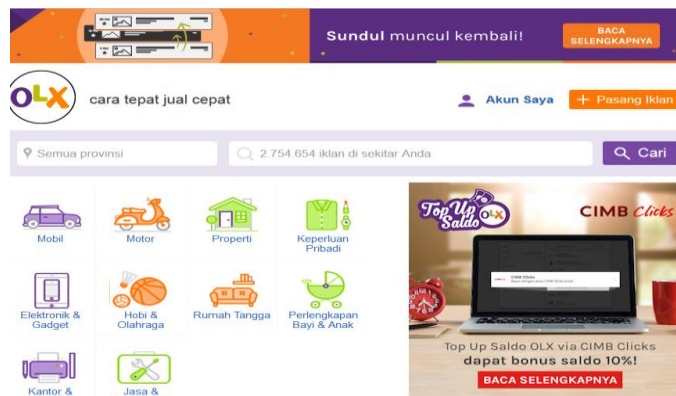


Figure 1. 4 Website OLX

Source: www.olx.co.id

From Figure 1.4 OLX.co.id is declared for people to used for advertising and search goods such as property, automotive things and job. The first way of online marketing is through OLX.co.id, who is not familiar with the brand used goods market place for this. Tokobagus.com first name has now been changed and bigger because of the merger with berniaga.com. Although in that OLX is second stuff, but also a lot of new stuff there and even for a job can publish there.

OLX Indonesia finally going to open the data on sales trends until the strategy was going to do next. Understandably, the company formerly known Tokobagus usually stingy to share information about the company. "It is high time we openly about the data until our next step, although there is nothing we can not express," said CEO of OLX Indonesia, Daniel Tumiwa. Currently, he said, the transaction in the company he leads has reached 5,000 transactions per day with 2.4 billion, accessor traffic per month.

"olx.co.id receives about 171,000 unique visitors and 2,017,800 (11.80 per visitor) page views per day which should earn about \$3,662.91/day from advertising revenue. Estimated site value is \$2,323,521.61. According to Alexa Traffic Rank olx.co.id is ranked number 1,733 in the world and 0.0342% of global Internet users visit it. Site is hosted in Jakarta, 04, 94401, Indonesia and links to network IP address 210.210.179.104. This server supports HTTPS and doesn't support HTTP/2." (<http://olx.co.id.hypestat.com/>, 2017).

Alexa Traffic Ranks

How is this site ranked relative to other sites?



Global Rank ?

1,707 ▲ 48

Rank in Indonesia ?

50

Figure 1. 5 OLX Traffic Rank Based on Visitor

Source: <https://hypestat.com/info/olx.co.id>

From April 2017 until January 2018 conclude that OLX visitor in January 2018 has slightly decrease number or unique visitor, it can be a matter from the quality of OLX website and it can be solved by OLX visitors based on by measuring website quality using webqual 4.0. Web quality measurements on webqual 4.0 done by such web users so the measurements made will help the manager web to adjust web quality according to user perceptions. Webqual 4.0 has several measurable variables are usability, quality information and quality of service interaction. The three variables used on webqual can answer e-commerce company issues in answering the customer's need for a quality website managed enterprise e-commerce (Stuart J. Barnes, 2002)

Webqual is a measurement to measure the quality of a website based on research instruments that can be categorized into four variables: usability, information quality, services interaction and overalls (Furkonudin, 2016).

Based on the explanation above, the author would like to conduct a research which is entitled **“THE INFLUENCE OF WEBSITE QUALITY ON PURCHASE DECISIONS OF OLX.CO.ID WEBSITE VISITOR (CASE STUDY: OLX.CO.ID INDONESIA)”**

1.3 Problem Statement

“Website quality has become one of the strategic issues in communication and transactions with customers” (Anif Kurniawan Nugroho, 2016), there for it is important for organization, especially e-retailing companies to improve the quality of website in order to make consumers do online shopping on the website that has better quality. Of the way to enhance the purchase decision, also to improve the website

Factors supporting e-commerce one of them is the website. Consumers on e-commerce interact with companies using the website. Measuring the quality of the web is made by consumers will help companies to be able to perform maintenance and improvements to the website to improve service to consumers. In this study, the quality of the web is measured by the user, especially by consumers based on the measurement of website quality using WebQual 4.0. Web quality measurements on WebQual 4.0 are performed by the web user so that the measurements made will help web managers to adjust the web quality according to the user's perception. Companies or organizations that have good quality will have competitive advantage.

1.4 Research Question

According to the explanation above, the research questions are formulated as follows :

1. How the quality of OLX website according to OLX website visitors using value analysis ladder ?
2. Does the quality of website (webQual) OLX affect the purchase decisions OLX website visitors partially ?
3. Does the quality of website (webQual) OLX affect the purchase decision OLX website visitors simultaneously ?
4. How the purchase decision of OLX website according to OLX website visitors using value analysis ladder ?

1.5 Research Objective

According to the formulated research questions, the aims of the research are mentioned below :

1. Knowing the quality of OLX website according to OLX website visitors using value analysis ladder.
2. Knowing whether or not the influence of website quality (webQual) on OLX website purchasing decision partially 10.
3. Knowing whether or not the influence of website quality (webQual) on OLX website visitor purchase decision simultaneously.
4. Knowing the purchase Decision of OLX website according to OLX website visitors using value analysis ladder.

1.6 Scope of the Study

This study was made using a sample of people who knows and seek the information of OLX website.

1.7 Significance of the Study

1.7.1 Business Aspect

This research will useful for companies to determine the influence of website quality on purchasing decision to consumers / visitors of OLX.co.id.

1.7.2 Other Aspects

The final report can be used as a reference from observations carried Writer related to website quality on purchasing decision.