CHAPTER 1
INTRODUCTION

1.1 General Description of Reasearch Object

In Indonesia there are several leading online stores. According to the Iprice Group (2018, October) "IndonesianE-commerce Mapping. There are ranking of each e-commerce brands in Indonesia from 1 until 49. But author just take the top six of e-commerce brands in Indonesia because based on the EcommerceIQ (2018) the biggest online shoping platform are those top six e-commerce brands stated in Iprice Group(2018) The top sex e-commerce are Tokopedia, Bukalapak, Shopee, Lazada, Blibli, and JD.ID.

E-Marketplace	Date Established In Indonesia	CEO	Funding Raised
Blibli	2011	Kusumo Martanto	Over $13M
Bukalapak	2010	Achmad Zaky	Undisclosed
JD.id	2017	Zhang Li	$741M
Lazada	2012	Alessandro Piscini	$4.7B from parent company Alibaba group
Shopee	2015	Chris Feng	(raised $722M) under parent company Sea Limited
Tokopedia	2009	William Tanuwijaya	$1.3B

Sumber: eIQ (Uncovering the Value of Indonesia's Top Online Platforms)

Figure 1.1 The Biggest Indonesian Online Shoping Platform

Source: eIQ (Uncovering The Valur of Indonesian Top Online Platform)

Blibli.com is one of the E-commerce in Indonesia with the concept of online shopping mall-style. With this concept, expecting people in Indonesia who are accustomed to shopping at the mall can find the items they are looking for easily and pleasantly anywhere and anytime. Blibli is the first product of PT Global Digital Niaga which is a digital subsidiary of Djarum which was founded in 2010. Blibli works with world-class provider technology, logistics partners, banking partners and partner merchants with certain standards to create a back-end system that can meet Blibli user needs.

Bukalapak website mention that Bukalapak is one of the leading online marketplaces in Indonesia that provides a means of buying and selling from

consumers to consumers. Everyone can open an online store at Bukalapak and serve buyers from all over Indonesia for unit or lot transactions. Bukalapak has the slogan of buying and selling online easily and reliably because Bukalapak guarantees 100% money back to buyers if the goods are not shipped by Pelapak (seller) .

JD.id is the 'version' of Indonesia from JD.com which is an e-commerce company from China. JD.ID runs two different business models. Most of the products they sell, around ninety percent, are business-to-consumer / B2C products. The rest is a product owned by merchants who work with them (marketplace / C2C).

Lazada Group is a Southeast Asian e-commerce company founded by Rocket Internet in 2012, and owned by Alibaba Group. As of 2014, Lazada Group operated sites in Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam and had raised approximately US$647 million over several investment rounds from its investors such as Tesco, Temasek Holdings, Summit Partners, JPMorgan Chase, Investment AB Kinnevik and Rocket Internet.Its sites launched in March 2012, with a business model of selling inventory to customers from its own warehouses.

Shopee provides an online marketplace platform that bridges sellers and buyers to facilitate online buying and selling transactions through their mobile devices. Shopee itself seems to be an extension of Garena to expand into the e-commerce segment.Indeed, Shopee is not only present in the Indonesian market, but has been present in Malaysia, Singapore and Vietnam. Referring to their Facebook page, Shopee entered the Indonesian market in May 2015.

Tokopedia is an online marketplace that allows individuals and business owners in Indonesia to open and maintain their stores for free. Tokopedia.com is one of the online shopping centers in Indonesia that carries the business marketplace mode

1.2 Background

The Internet user always increase each day in the world. Especially in Indonesia. Indonesian Internet Service Provider Association (APJII) released survey data of Indonesian internet users in 2017 reached 143.26 million of the total population of Indonesia 262 million people.

Figure 1.2 The Growth of Indonesian Internet Users (APJII Survey)

Beside the increasing of the internet user so the use of e-commerce also increase that indicated by the increasing number of online shopping transactions in Indonesia's population. And the percentation of e-commerce user in Indonesia is 32,19% from the data of user of internet 2017. Based on the study initiated by the Association of Indonesian e-Commerce (idEA), Google Indonesia and TNS (Taylor Nelson Sofres), the e-commerce market in Indonesia from only Rp 94.5 trillion in 2013 could got triple increase until Rp 295 trillion in 2016. The penetration of e-commerce in the country is still concentrated in Java. This is reflected in the research results of Katadata Insight Center (KIC), entitled "Indonesia Mapping 2018 e-commerce", which records 75.77% of electronic commerce buyers coming from Java. The second largest consumer came from Sumatra with a share of 13.51% followed by Sulawesi at 3.99% in third place, and the biggest percentation of e-commerce still in Java which is 75.77 % .
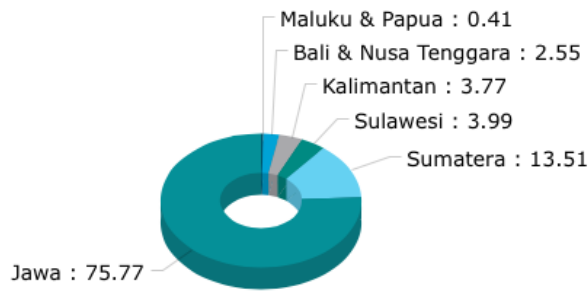
Figure 1.3 E-commerce user percentation in Indonesia

Source: Katadata.com

According to the article from MoneySmart (2017, December 28th) Many people doing business online through the website or social media because it more effective and the most important thing because doing business via online can reduce their operational expense for the marketing .People that doing business through the online business they can market or make a promotion of the product as widely as possible. This opportunity is exploited by the businessmen to be able to compete and develop business in the field of e-commerce. because of this phenomenon more and more new e-commerce entrants are ready to compete in Indonesia by offering convenience and different benefits. However, based on e-commerce mapping data in Indonesia from Iprice Group (2018) Tokopedia, Bukalapak, Shopee, Lazada, Blibli and Jd.id still hold the top rank for e-commerce operating in Indonesia. Based on some previous research mentioned in chapter 2 an important advantage that must be owned by an online store is usability, merchandise assortsment, promotion, service, security,and trust. That have uniqueness to attarct the consumer and will give impact to the customer percetion.

According to Kotler and Keller (2014:172) "Perception is the process by which we choose, organize, and integrate information received to create meaningful meanings from the world" . According to Hawkins and Mothersbaugh (2013:272) "Perception is a process carried out with the expression and attention of consumers to stimuli and ends with consumer interpretation".

To measure people perception the author will use the Multidimensional scalling (perceptual mapping) Multidimensional scaling is a class of procedures

created to represent respondents' perceptions and preferences spatially using visual displays. Spatial maps display respondents' perceptions and preferences regarding different products, services, and brands through various dimensions (Malhotra, 2010: 691).

According to the Perceptual Malhotra (Malhotra, 2010: 350) perceptual mapping in multidimensional scaling is important because it can identify the number and nature of dimensions used by consumers in perceiving brands that are on the market. beside that perceptual mapping can also identify the current brand position on these dimensions. and also this can identify the ideal brand position according to consumers in these dimensions. The reason why in this research is using the perceptual mapping because the author need to identify the number and nature of dimensions used by consumers in perceiving brands that are on the market. And the purpose of this study is to know the e-commerce brands position so using percetual mapping is the best way.

Previous reserach written by Adellia, Prasetio (2016) said that Customer perception was very important because it affects actual customer behavior. And the research also found that Tokopedia and Bukalapak were the most ideal e-commerce marketplace perceived by customers, as well as the two most competitive companies, followed by Elevenia, Qoo10, and Rakuten. This result suggested to improve the quality of the online marketplace website to match customer perceptions.

Based on the things mentioned above, this research entitled Perceptual Mapping Analysis of E-Commerce Based on Customer Perception . (Case Study of Tokopedia, Bukalapak, Shopee, Lazada, Blibli, and JD.ID).

1.3. Problem Statement and Research Question

Based on the background that has been described. The significant growth of the internet users also influence to the growth e-commerce users. Most of people nowadays choose doing transaction by online cause of it give big impact to the time consuming. The increasig of the e-commerce users influence the amount of e-commerce now in Indonesia, more and more new e-commerce entrants claim that they come up with something different and promising good experience to. of course people will choose one of them based on their perception of e-commerce brands. And people can hace their perception because of some factors or attributes such as promotion,

usability and others. So it can be formulated problems related to this research in research question.

1.4. Research Question

Based on the background that has been described, it can be formulated problems related to this research is how the the perceptual mapping of six e-commerce brands based on customer perception in Indonesia based on attributes usability, trust, merchandise assortsment, service, promotion, and security?

1.5. Research Objectives

Based on the background and formulation of the issues that have been raised, the purpose of this study is to know the depiction through the perceptual mapping about customer perception of e-commerce in Indonesia based on usabillity, trust, merchandise assortsment, service, promotion, and security as the attributes.

1.6. Significance of the Study

The benefits that can be obtained from the preparation of this study are as follows:

Practical Benefits

This research can be used by E-commerce company to get some information what things that makes people have good perception of the e-commerce business.

Academic Benefits

This research can be a reference for further research as one of reference in knowing how the perception of e-commerce customers in Indonesia to Indonesian e-commerce based on the several variables or aspects which are usability, trust, merchandise assortment, service, promotion, and security.

1.7. Research Scope

1.7.1 Location and Object of Study

The location of the object study is conducted in Indonesia with the object of study are E-commerce consumers.

1.7.2 Time and Period

The period of this study starts from November 2018 until January 2018.

1.8. Systematics Writing

CHAPTER 1 INTRODUCTION

The introductory chapter contains the background of the problem, problem formulation, research objectives, research benefits and systematic research.

CHAPTER 2. LITERATURE REVIEWS

The literature review chapter contains the theoretical foundations that support research, similar earlier research, the framework of thought and proposed in this study.

CHAPTER 3. RESEARCH METHODS

Chapter of research method contains about research variables used, operational definition, sample determination, type and source of data, data collection methods and analysis methods used in the study.

CHAPTER 4. RESULTS AND DISCUSSION

This chapter explains the analysis of the results of research data that has been collected in perceptual research on e-commerce mapping based on consumer perceptions in Indonesia.

CHAPTER 5. CONCLUSIONS AND SUGGESTIONS

This chapter is the concluding part of this paper. In this chapter contains conclusions and suggestions for the results of research that has been done.