CHAPTER I

INTRODUCTION

1.1 Research Objective Overview

Bukalapak is one of the leading online marketplace and unicorn company in Indonesia owned and run by PT. Bukalapak that focused on consumer-to-consumer (C2C) service that is e-commerce model who facilitated the user for selling and buying online transaction easier and simpler. Bukalapak giving opportunity for small business and brand to expanding online store in Bukalapak. Bukalapak was founded by Achmad Zaky and Nugroho Herucahyono in early 2010 as a digital agency division named Suitmedia. Bukalapak have slogan sell and buy online easier and trusted because Bukalapak giving 100% guarantee refunded for buyer if the goods are not shipped by the seller.Figure 1.1 shown the logo of Bukalapak

Figure 1.1 Company's Logo

Source: *www.bukalapak.com (2018)*

Bukalapak has a well reputation in terms of customer service and easy to access website since established 3 years later. Bukalapak also over time, growing with newest innovations to facilitate Bukalapak users for the transaction.

In 2014, Bukalapak launched a mobile app for Android. The application known as Bukalapak Mobile App. It was created for helping customer shopping via smartphone. Since it was first launched until July 3, 2014, the application has been downloaded by more than 87 thousand users of Bukalapak. Figure 1.2 Below shown the user interface of Bukalapak Mobile App
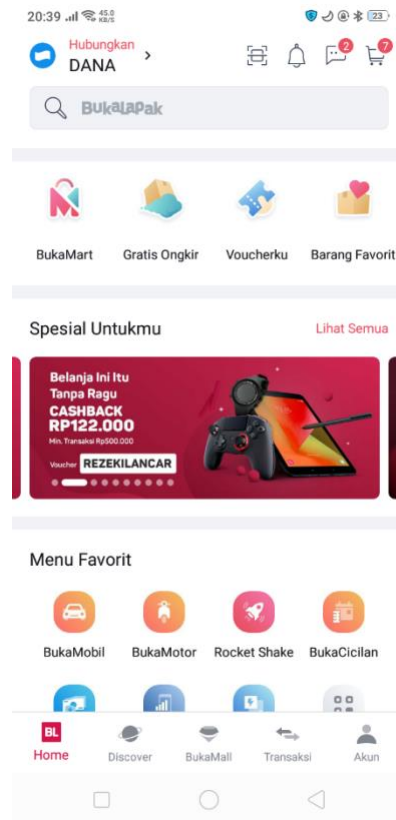

Figure 1.2 BukalapakMobile App User Interface

Source: *www.bukalapak.com (2018)*

Bukalapak announce that the company is became top 4th unicorn company in Indonesia. "Unicorn" statement is came from startup who had valuation more than 1 billion USD or similar with Rp 14.2 trillion. (www.kompas.com, 2018)

Bukalapak enabling people or businesses owners open and manage their online stores easier and simpler. The app also makes it easy for the buyer to searching and access what product they want to buy anywhere and everytime via their smartphone without having come to the offline store and buyer feel more safety for the transaction process because the payment are successful when the goods already sent to the buyer, buyer also able to attract the ordering process. Consumer could have a lot of time to buying their product by using this application on their smartphone.

Based on Similiar Web, the data shown 2.3 million people had downloaded the Bukalapak Mobile App in September 2018. The total number had decreased by 14.36% compared to the previous month August 2018 is 2.7 million user downloads.

Figure 1.8 Number of Downloads of Bukalapak Mobile App

Source: *Similiar Web for Bukalapak Mobile App (2018)*

1.2 Research Background

The world is familiar with the word "internet". The enormous technological advances push the internet to be known by the public. A place that can provide opportunities to exchange information online. The Internet is making new ways for people to communicate and do business. With continuous growth happening, the internet can change the mindset and way of life of the world.

Figure 1.3 Internet User Penetration 2017

Source: *APJII Survey Result (2017)*

Based on survey result by *Asosiasi Penyelenggara Jasa Internet Indonesia*, Indonesia has a total population of 262 million people. From the total population recorded, 54,68% have used the Internet as a medium of information in daily life 143,26 million people are connected to the internet. This penetration of internet usage in Indonesia is a strong proof that the internet has become a part of human life in helping them to gather the information they need quickly and accurately.

One of the factor penetration internet growth in Indonesia caused by the easiness to reach the internet which is by mobile phones. No wonder the behavior of most of these people encourages an increase in smartphone penetration in Indonesia.
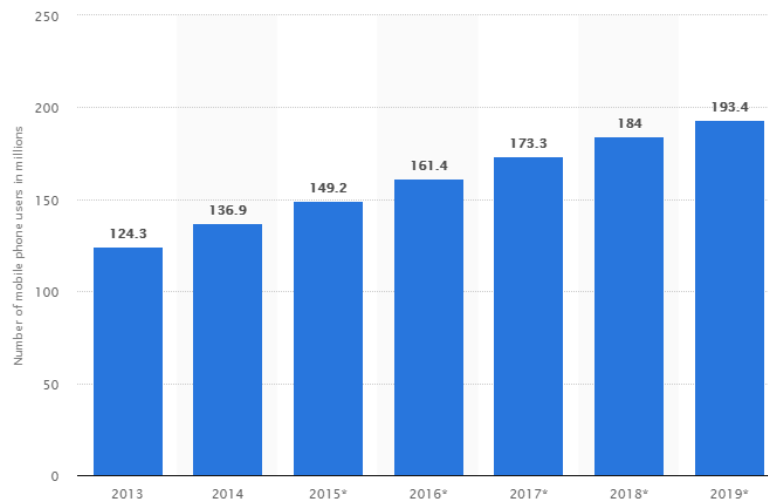
Figure 1.4 Number of mobile phone users in Indonesia from 2013 to 2019 (in millions)

Source: *dazeinfo.com (2018). Modified by author*

A smartphone is a mobile phone with Internet access and PC-like functionality. (Turban, 2015). Head Marketing of Google Indonesia, Veronica Utami, revealed that Indonesia is one of the 21 countries which the total of smartphones user is more than the total of computer user. It is stated that around 30% of smartphone user searching from their device at least once a week. Reported by dazeinfo, the number of mobilephones user in Indonesia is constantly increasing from 124,3 million in 2013 to 193,4 million in 2019

One of the progress of the internet that can be felt is the ability of users to open opportunities in terms of doing business. Someone or even a company is able to exchange information and market its products quickly only with the internet. In this era of globalization that is rife in the use of digital, many aspects in daily life are facilitated by electronic or online system. So that the term e-commerce. E-commerce refers to the use of the Internet and the Web to transact business. The internet has created digital marketplace where millions of people all over the world are able to exchange massive amount of information directly, instantly, and for free. As a result, the internet has

changed the way companies conduct business and increased their global reach (Laudon, 2014).
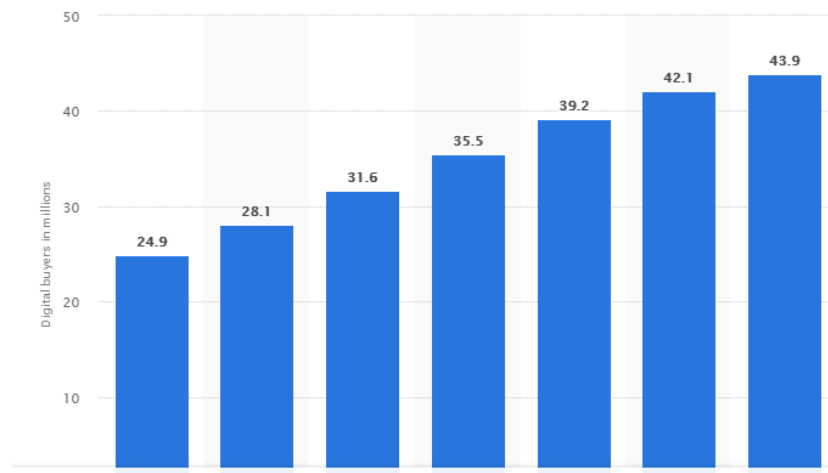

Figure 1.5 Number of digital buyers in Indonesia from 2016 to 2022 (in millions)

Source: *Statista (2018)*

Reported by Statista, this timeline presents a forecast of the number of digital buyers in Indonesia from 2016 to 2022. In 2019, 35.5 million people in Indonesia are expected to buy goods and services online, up from 24.9 million in 2016. Many businesses have websites that allow people to conduct business online. Many people use the internet to get information before making a purchase. This is a way that a customer learns much about their next purchase, before them actually goes out to purchase. According eshopworld, 55% of online shoppers in Indonesia frequently buy via mobile, compared to 46% who buy via desktop (46%) and tablet (40%) shoppers.

The increases of e-commerce industry caused many of market players integrated the marketplace users in Indonesia. Many of e-commerce also created the intense competition. Nowadays each of market players make own strategy marketing to attract consumers, and they have to allocated the source effective and efficiently. That's why those things become more challenging for market players to create different

concept, reliable good service quality for the users about the benefit, safety and convenience.

Figure 1.6 Online Purchased Product Indonesian
Source: *www.wearesocial.com (2018)*

Figure above conducted by we are social in 2018 indicates that the category of online purchased activity, Fashion & Beauty is the most purchased online category in Indonesia, followed by travel & accomodation, toys & hobbies, furniture & appliances, electronics & physical media, video games, food & personal care and digital music.

According to Similiar Web, a website to track traffic statistics of website and application, from the last version November 2nd 2018 Bukalapak Mobile App has an average number of downloads of 2.8 Million users per month. Bukalapak Mobile App application also gets a 4.4 / 5 rating from users whose download applications through Google Play. It made Bukalapak Mobile App get 3rd position of shopping category in Indonesia which defeated by Shopee and Lazada, reported by Similiar Web on 4th

November 2018. This ranking is sorted from all applications in the Shopping category in Indonesia in 2018.

Table 1.1 Ranking Application Indonesia (Category: Shopping)

Rank	Application
1	Shopee
2	Lazada Mobile
3	Bukalapak
4	Tokopedia
5	Akulaku

Source: *Similiar Web for Bukalapak mobile app (2018)*

In this case, Bukalapak needs to compete with another foreigner m-commerce in order to get the first place for Indonesia. Bukalapak needs to know the consumer acceptance of their application, and what courage them to have an intention to use Bukalapak Mobile App. Therefore, the company can determine what features or part they may need to improve by looking towards how it has been accepted by the people.

Many theoretical models have been developed in the research of user acceptance and adoption of new information technology innovation, each with different focuses and tested in different contexts and countries. Venkatesh et. Al (2003) reviewed and sythesized eight theories/models of technology use into single Unified Theory of Acceptance and Use of Technology (UTAUT) model integrate the fragmented theory and research on individual acceptance on information technology into unified theoritical model. In order to make the model more consumers centric, Venkatesh et al. (2012) extended UTAUT to UTAUT2. Hedonic motivation, price value, and habit were added as the new constructs to formulate UTAUT2. The study uses UTAUT2 model as the base model and attempts to analyze the antecedents influencing the usage attitude users towards the mobile shopping apps. The author conducted this research using UTAUT 2 model because it is popularly known as the newest model to observe

technology adoption research since 2012, in the context of consumer studies. Therefore, the author is interested in writing in this study with the title.

"THE USE OF MODIFIED UNIFIED THEORY OF ACCEPTANCE AND USE OF TECHNOLOGY 2 MODEL TO ANALYSE FACTORS INFLUENCING BEHAVIOURAL INTENTIONS (A STUDY ON BUKALAPAK MOBILE APP INDONESIA)"

1.3 Problem statement

The rising of smartphones and Internet user in Indonesia triggers m-commerce growth because of the demand and trend of shopping online are increases. Bukalapak is one of the marketplace that still emerging in Indonesia. Based on SimiliarWeb reported in 2018, Bukalapak still ranked in the 3rd place in Shopping Apps Category and have not been able to compete with foreign m-commerce such as Lazada and Shopee whose placed in 2nd and 1st place respectively. Bukalapak, as one of the Indonesian piece of works, is expected to stand bigger than any other m-commerce in Indonesia. In order to build up the consumer attention to use Bukalapak as their main m-commerce, the company need to know what makes the customer would have an intention to use the application that they have been created.

It is important for Bukalapak to be able to maintain the intention of their consumer to use Bukalapak Mobile Application. As previous research has postulated that indicators of technology acceptance, which are; performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, price value and habit has a significant influence on consumer behavior intention. Furthermore, Gender and Educational Level is believed to moderate the relationship between those indicators to consumer behavior intention (Hew et al., 2015).

Regardless of how the system had been developed in the finest way, the consumers demand should have been one of the concerned of the company in order to attract them to use the application. This research is expected to help the company

figured out what factors that might influence the user to use Bukalapak Mobile App. Therefore, the author would like to conduct this research.

1.4 Research Questions

Based on the problem statement, the research questions would be:

1. How big is the consumer's assesment of factor based on the modified UTAUT 2 model towards Behavioural Intention in terms of using Bukalapak Mobile App?

2. How strong is the behavioural intentions of consumer towards Bukalapak Mobile App in Indonesia?

3. Based on the modified UTAUT2 model, which factors (Performance Expectancy, Effort Expectancy, Price Value, Facilitating Conditions, Habit, Social Influence and Hedonic Motivation) influencing customer Behavioural Intention in term of using Bukalapak Mobile App in Indonesia?

4. Does Effort Expectancy positively influence Performance Expetancy of Bukalapak Mobile App in Indonesia?

5. Does Gender and Educational Level differences affect the influence of the modified UTAUT2 model factors towards Behavioural Intention in term of using Bukalapak Mobile App in Indonesia?

1.5 Research Objectives

Based on the research question, the research objectives would be:

1. To analyse consumer's assessment of factors based on the modified UTAUT2 Model towards behavioural intention of using Bukalapak Mobile App.

2. To analyse the behavioural intentions of consumer towards Bukalapak Mobile App in Indonesia

3. To test which factors (Performance Expectancy, Effort Expectancy, Price Value, Facilitating Conditions, Habit, Social Influence and Hedonic Motivation) influencing customer Behavioural Intention in term of using Bukalapak Mobile App in Indonesia

4. To examine Effort Expectancy positively influence Performance Expetancy of Bukalapak Mobile App in Indonesia

5. To test if Gender and Educational Level differences affect the influence of the modified UTAUT2 model factors towards Behavioural Intention in term of using Bukalapak Mobile App in Indonesia

1.6 Significance of study

Research conducted by researchers is expected to provide benefits to various parties in any aspect:

1.6.1 Academic Aspect

The research conducted to bring significant value of applying modified UTAUT 2 model, by examine Influence of Effort Expectancy towards Performance Expectancy. Thus, modified UTAUT 2 model expected to beneficially useful in the presence of literature related to behavioural intention to use Bukalapak Mobile App.

1.6.2 Business Aspect

The result of this research is expected to be useful for an input or recommendation for PT. Bukalapak to improve the implication of Bukalapak mobile app. This study can also be a further insight for industry that play roles

in the field of marketing management which related to shopping digital platform.

1.7 **Scope of Study**

Location: The location of this research conducted in Indonesia, because mostly the user of Bukalapak mobile app come from Indonesia.

Object Study: The object study of this research is consumer who use Bukalapak mobile app.

Time and Period: This study starts from November 2018 – February 2019

1.8 Thesis Structure

A. CHAPTER I INTRODUCTION

The first chapter explains the research object overview, research background, research questions, research objectives, and the significance of the study.

B. CHAPTER II LITERATURE REVIEW AND SCOPE OF RESEARCH

The second chapter contains related theories with this research, previous literature used, research framework, as well as the hypothesis of this research.

C. CHAPTER III RESEARCH METHODOLOGY

The third chapter describes type of the research, types of data, data collection technique, and data analysis technique. It also includes the operational of variables.

D. CHAPTER IV RESEARCH RESULT AND DISCUSSION

The results and discussions of the research are explained in this chapter, the fourth chapter.

E. CHAPTER V CONCLUSION AND SUGGESTION

The fifth chapter contains the conclusion of the results and discussion of the research. It also contains advices and suggestions for those concerned