

ANALYSIS ON CONSUMER BEHAVIOUR TOWARDS BRAND GROWTH OF TOKOPEDIA DURING COVID-19

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KEYWORDS

COVID-19,
Consumer behaviour,
Tokopedia, e-
commerce trends,
brand growth, digital
platforms, customer
satisfaction,
Indonesia.

ABSTRACT

This research analyses the impact of the consumer behaviour during the COVID-19 pandemic towards the brand growth of Tokopedia, a prominent e-commerce platform in Indonesia. Using the Technology Acceptance Model (TAM) and the Theory of Planned Behaviour (TPB) as theoretical foundations, this study explores how Technological Innovations and Logistical Strategies impact Tokopedia's Brand Growth directly and indirectly through Consumer Behaviour. The findings highlight the critical role of Consumer Behaviour as a key driver in converting technological and logistical advancements into measurable brand growth. This underscores the importance of enhancing consumer trust, satisfaction, and engagement to achieve sustainable e-commerce success. The research provides practical insights into prioritizing consumer-centric strategies in response to shifting shopping behaviours during the pandemic.

1. Introduction

1.1 Tokopedia Company Profile

Established in 2009 by William Tanuwijaya and Leontinus Alpha Edison, Tokopedia is a premier e-commerce platform in Indonesia, providing an extensive array of products and services to millions of customers around the country. Originally established as a marketplace linking vendors and buyers (Tokopedia, n.d.). The brand has evolved into a multifaceted ecosystem encompassing online shopping, digital payments, logistics, and financial services. Subsequent to its 2021 merger with Gojek to become the GoTo Group, Tokopedia augmented its functionalities by integrating e-commerce, ride-hailing, and finance solutions to bolster its influence on Southeast Asia's digital economy. (GoTo Group, 2021).

The platform gained significant momentum during the COVID-19 pandemic (2020-2023) as consumer behaviour shifted towards online shopping. Tokopedia's ability to adapt quickly to changing market demands through innovations such as enhanced app functionality, a wider product catalogue, and reliable customer service reinforced its position as a market leader.

In addition, the company's commitment to sustainability and digital inclusion has further solidified its reputation as a trusted and forward-thinking brand (Tech in Asia, 2022). Currently, Tokopedia offers products and services across various categories such as electronics, fashion, groceries, and digital goods. The platforms also facilitate secure transactions and promote digital innovation to support Indonesia's economic growth (Tokopedia, n.d.)

1.2 Research Background

The e-commerce sector was notably affected by the significant changes in consumer behaviour and market dynamics that the COVID-19 pandemic brought about. The global pandemic necessitated that individuals and businesses adjust to new methods of interaction, purchasing, and transactional activities between 2020 and 2023. Tokopedia, one of Indonesia's foremost e-commerce platforms, emerged as a focal point of this transformation. The importance of digital platforms in guaranteeing access to products and services during periods of restricted mobility and increased health concerns was underscored by the pandemic (Tokopedia, n.d.).

Tokopedia, which is a crucial component of the GoTo Group, experienced exceptional development during the pandemic, which was facilitated by an increased reliance on online shopping. The nationwide purchasing habits and preferences were reshaped by the increasing reliance on e-commerce, which was driven by both necessity and convenience. Research has demonstrated that e-commerce platforms experienced a significant increase in traffic and transaction volumes during this time, and Tokopedia capitalized on its solid framework to satisfy the increased demand (McKinsey & Company, 2021). This change not only affected the general market trends but also served to emphasize the significance of features such as a comprehensive product catalogue, app reliability, and seamless user experiences in maintaining customer loyalty.

The broader trends in digital adoption are closely associated with the evolution of purchasing behaviours during the pandemic. In Indonesia, consumers, particularly millennials and Gen Z, are increasingly seeking platforms that provide convenience, variety, and value. Tokopedia's status as a top-tier online purchasing destination was established by its capacity to satisfy these requirements through the implementation of user-friendly navigation, integrated payment systems, and responsive customer service. This transition was significantly facilitated by the digital literacy of Indonesian consumers, as many of them became more at ease with digital payment methods and e-commerce platforms (Statista, 2023).

Another critical aspect of Tokopedia's expansion during the pandemic was its approach to customer engagement and brand management. The platform's emphasis on community-building initiatives, such as the empowerment of small and medium-sized enterprises (SMEs), resonated with consumers who sought to support local businesses during challenging times.

Tokopedia's expansion of its product offerings and the reinforcement of its brand image as a facilitator of economic resilience and digital inclusivity were both achieved by facilitating the transition of SMEs to online marketplaces (World Bank, 2022).

Furthermore, Tokopedia's capacity to adjust to the swiftly evolving e-commerce environment was significantly influenced by its investment in technology and data-driven strategies. Tokopedia optimized personalized recommendations, inventory management, and customer support through the use of artificial intelligence and machine learning, thereby guaranteeing a seamless user experience. These innovations not only improved operational efficiency but also strengthened customer trust and loyalty (Harvard Business Review, 2022).

Additionally, during the pandemic, Tokopedia investigated how to collaborate with logistics providers to overcome the obstacles of last-mile delivery. Addressing one of the primary

difficulties in online purchasing, this collaboration enabled faster and more reliable shipping options. Tokopedia's logistics upgrades were a competitive advantage in attracting and retaining users, as they prioritized customer satisfaction (Deloitte, 2021).

In conclusion, the COVID-19 pandemic presented Tokopedia with both a challenge and an opportunity to reshape its position in the e-commerce sector of Indonesia. The platform's success during unprecedented times was facilitated by its adaptability, technological advancements, and community-oriented strategies. This research endeavours to offer valuable insights into the changing dynamics of e-commerce in Indonesia and the critical factors that are driving digital transformation by examining the development of Tokopedia and the subsequent changes in consumer behaviour.

1.3 Formulation of The Problem

Based on the research background, the following problem formulations are identified:

1. How has the COVID-19 pandemic influenced consumer shopping behaviour on Tokopedia?
2. In what ways do Tokopedia's technological innovations contribute to its brand growth during the pandemic?
3. How has Tokopedia tackled logistical challenges to improve user satisfaction and build customer loyalty?

2. Literature Review

2.1 Theories Related to Research

2.1.1 Theories of Digital Transformation in E-Commerce

Digital transformation denotes the integration of digital technology throughout all facets of an organization, leading to essential alterations in operations and value provision. The Technology Acceptance Model (TAM) offers a fundamental framework for comprehending the acceptance of novel technologies. The Technology Acceptance Model (TAM) asserts that user acceptance of technology is influenced by two primary factors: perceived usefulness and perceived ease of use. In the realm of e-commerce, platforms such as Tokopedia have integrated these ideas to improve the consumer experience (Davis, 1989).

Throughout the COVID-19 epidemic, Tokopedia employed sophisticated technology, including artificial intelligence (AI) and machine learning (ML), to deliver customized purchasing experiences. The advances encompassed AI-driven product recommendations, user-friendly interfaces, and real-time inventory updates, enhancing usability and perceived value for consumers (Davis, 1989). The epidemic underscored the necessity of integrated digital solutions, as consumers pursued secure and effective substitutes for physical purchasing. According to Jílková and Králová (2021), digital transformation frameworks highlight that the adoption of technology during crises is motivated by the necessity for operational continuity and customer retention.