

CHAPTER I

INTRODUCTION

1.1 Background of Study

Technology in this world is always developing all the time. Every time there are new things that always come and develop. Technology is something that humans really need because technology makes human work easier. Like e-commerce, in the past people to buy goods had to go to the store directly but with e-commerce people could buy goods at their house. E-commerce in general means of selling and buying people on an online scale. Now many offline shops are switching to online because the market is very large and costs are less, because when we open an offline store we will need big costs such as money to buy or rent buildings, hire employees and so on. The level of usage in Indonesia of e-commerce is really high especially when the pandemic situation. Also, many people in Indonesia are already using e-commerce as a means of buying and selling activities. Indonesia itself is also one of the highest countries in using e-commerce, this is evidenced by the many e-commerce places in Indonesia. With the demand of e-commerce that so high, the competition between one e-commerce with other e-commerce will be so tight. They try the best way to attract the customer to buy the product from their platform. Even in the pandemic in 2020, the rate of people that use e-commerce keep increase and people is very comfortable to use

e-commerce. With e-commerce they don't need to meet the buyer directly and the safety of them self already secure too. In e-commerce they can find all the thing that they need from primary need until secondary need with many sellers. Until now the pandemic has already decreased, the use of e-commerce keep increase every year, especially also some of offline store right now integrate their store to the online store. That will make consumer easy to access or make a transaction from home. Even right now the e-commerce also integrates with many Online payment like Ovo, dana, and many more. Actually, before there was an e-commerce, people already tried to sell the product online way on their website or in social media, but there is some problem because the safety from buying in their not accurate. That can be seen that a lot of people fell of the scam or the product that come to their house is not the same with description on their website. So, e-commerce helps them to feel safety, because in e-commerce there is a regulation and review from other customer, that make new customers feel more comfortable buying the product.

In this research paper, the e-commerce that will be analyze is Blibli. Blibli is one of the biggest e-commerce in Indonesia. Blibli is an e-commerce that provides all items from airplane tickets, electricity tokens, everyday items such as soap, dishwasher and many more. Statistically, Blibli is an e-commerce which is in the top 5 ranks in Indonesia along with Tokopedia, Shopee, Bukalapak and Lazada. Blibli really prioritizes the convenience of its users by providing their best products and their best service to keep customers safe and comfortable, they also have 24-hour customer

service, free shipping promos and guarantees for certain products within the specified time period. Blibli also try to reach offline stores to become online stores, for example they partner with some electronic shops. So, the customer can always use Blibli service whether it is offline or online situation. The usage level of Blibli is also very high, namely around 4.3 million users with an average purchase of around IDR 1,028,956. Blibli itself is trying hard to make offline and online stores connected to each other, they have also created a Click & Collect system that allows customers to enjoy buying and selling activities online and offline. This system can also be said to be successful because it allows Blibli to get 160,000 Blibli Partners who are micro-entrepreneurs and grocery stores.

Table 1.1 Background Problem

Variable	Problem 1	Problem 2	Problem 3
Viral Marketing	Common viral marketing	Viral Product marketing need to be improved	The implementation needs to be improved
Online Customer Review	Most of product didn't have review	The review is not detail	Bad review didn't have clarification
Social Media	Content of social media is monotonous	No community Building in social media	Average view, like and share in social media is low

Source: Data Analyzed (2023)

According to Onigbinde & Odunlami (2016) the purchase decision is a decision-making process that can be influenced by consumer behavior. In general, customer purchase decision is a step when the customer decides to buy a product or not after get all the information of product. There are a lot of things that affect a customer purchase decision like price, information, influence and many others. According the Iprice, average number of people that come to Blibli is around 16.3 million still under their competitor like Tokopedia have 157,2 million visitor and Shopee have 132,8 million visitors in 2022. This thing is also one of aspect of purchase decision by customer because customer merely go to place that many people buy on. From this data, it can be concluded that the purchase decision to buy the product from Blibli is lower than Tokopedia and Shopee. The reason why this can happen is because it is still lacking in terms of marketing, this can be proven from the concept of Blibli marketing which is still very common, such as putting up banners on the street or putting up banners at big events. When compared to its competitors, such as Shopee, which makes advertisements with the cast of famous tv dramas by incorporating Shopee's ads into one of tv drama scene, and also Tokopedia, which makes attractive and Unique song as the advertisements. Next in e-commerce the competition is really tight that why the ordinary marketing is not enough, many of Blibli competitor using a Big Viral marketing like Tokopedia do the collaboration with BTS and Black pink. Blibli itself also has tried to do collaboration with famous artist but the one that makes different with Tokopedia is the implementation. When Blibli announce the collaboration they just

make some ordinary ads and show it in the TV commercial or YouTube ads but Tokopedia implemented the collaboration in different way they do big campaign and many creative events to celebrate the collaboration and that make people talking about the marketing and unconsciously use their platform to do the shopping and decideto purchase the product from the platform. Besides the marketing, the review of the customer is also important, because now days people are very lazy to know and read long information, they mostly like the review from other customer and know how the experience when using the platform. From that review they can decide whether to use it or not. Blibli have provided a place to provide reviews for customers but Blibli is still lacking in terms of marketing it so that reviews about Blibli are very empty, compared to Tokopedia, they really care about the results of reviews from their customers to the point of giving notifications to customers to remind them to give reviews. Review its simple but have a big impact to customer purchase decision

According to Hamdani & Mawardi (2018) viral marketing is a way of market that uses social network to reach the main purpose of marketing goal that comes from the constant communication in big scale. In general, viral marketing is a type of marketing that uses its uniqueness to attract big scale of people. For this case Blibli itself in the aspect of viral marketing is still very lacking because the marketing carried out by Blibli itself is not unique and is still very normal like free delivery, money back guarantee and banner advertising on the street. Other Blibli competitors already use viral marketing to attract their customer by using well-known or viral artist

so that the advertisements go viral. Blibli in the viral marketing also they always put a big banner in the upfront their website of the product that really viral and give a promotion regarding it, this thing is good but can be better because Blibli competitor like Tokopedia or Shopee they do different, they not just put the viral product in the upfront of website but making a story regarding it and share it in all social media. In this viral marketing, Blibli have do some big viral marketing in ads way like make a collaboration with Korea actor, but it does not work very well because compared to their competitor Blibli only do like once in 3 months, but their competitor do it constantly so their brand awareness keep increase in customer mind. The reason why viral marketing is important is because viral marketing is one of thing that will make people buy without thinking about the usefulness of the product. In these day people more likely buy the exposure than buy the product itself. Blibli itself needs to keep update and adapt with the market.

According Asri and Widiartanto (2019) online customer review is the positive or negative reviews by customer about the products already been sold in the online store that been used as an evaluation of information on goods and services. In general, online customer review is a text of the feeling from customer after use or experience the product from pre-purchase until final purchase. Customer review really affects the customer purchase decision because it is an information that contains how the product does after been used and received by the customer. In e-commerce we only can see the picture and information of the product with the tag price of the product, that why the online

customer review is one of the ways that we know that the product is useful, real and needed as the customer wants. Besides that, nowadays people are really lazy to read a long information, just read the review of other customer when buy a product. First, Blibli itself already facilitates the place for customer to give the customer review, but some of the products have already been sold but have no review at all. This thing can make the customer scared to buy the product. It can be seen that Blibli did not really take care of several things because when compared to their competitor like Tokopedia, Tokopedia events give notification reminders to their customer to write the review. Second, in Blibli the review also not detail and some of them just giving the rating in range one until five stars, compare to their competitor like Shopee, they not just give the rating but give the review like the product come as the information that have been write the product detail, the color of the product is good and many else. Also, sometimes with the star rating customer have low trust of the product compared to the written review from the customer. Lastly, online customer review not just come from Blibli platform but also come from online website article and social media platform. The influence power from Blibli platform compared to the online website article and social media platform is very low. The scale that can be reached from social media platform is biggest and also has many ways to give the review like Instagram story and YouTube video. Blibli itself has a really low volume of review in social media especially on their Instagram compared to their competitor, like Tokopedia and Shopee that have their customer give a review of a product after that they buy from Shopee or Tokopedia.

According to Kotler and Keller (2018) social media is used by consumers to share text, images, sound, video and information with others. In general, social media is a platform that people use to share all of thing in text, video and many ways. In business world social media is one of the things that is really important to promote their business, less cost and have bigger scale. This thing also works in e-commerce, even right now the e-commerce already been integrated to social media. Integrated in here means you can buy e-commerce thing on social media platform now like TikTok or Instagram. Blibli itself in social media can be met in most of all platform like Instagram, YouTube, TikTok and many others. First, from the content in social media make by Blibli, Blibli have many contents that have been made in social media like TikTok or YouTube but the content that is made seems monotonous, which means the results of the video or content on Blibli's social media don't develop like the video that was uploaded this week, uploaded again next week with the same concept. When compared to its competitors, such as Tokopedia, which always uploads unique content, Blibli seems to create content that highlights promotions for Blibli. Next, community building from Blibli in social media also still not good, it can be said by the small amount of people in social media that give a comment in content video of Blibli and it also show there is less interaction between Blibli and their customer. Compared to the Tokopedia, Tokopedia really has a good interaction with their customer or follower, that can be seen by they have community name toppers. Lastly, from the number of follower and average view from in social media from Blibli, it can be said that it is still below of average because average content, post

and video Blibli in social media has low interaction in view, like and share. This shows the social media of Blibli has low interest from customer. This is not good as that will make the brand awareness of Blibli low and the customer purchase decision to Blibli become bad.

In this research, viral marketing, online customer review and social media is the main focus on this research because right now the people more see the product on how other people opinion and the trend on the market. Back then people would focus very focus on the product but now all already change what people or influencer think the product is good, than the product will become the trend without see the price or the visual of the product. This research will focus on The Influence Of Viral Marketing, Online Customer Review, and Social Media on Purchase Decision for Blibli Customer in Medan.

1.2 Problem Limitation

Here the writer must be able to limit the explanation and discussion so as not to run away from the main topic. By being able to limit the explanation, the reader can easily understand the main purpose of the author. The author will only focus on the topic of effect of viral marketing, online consumer review and social media on purchase decision in Blibli Medan. In this research also the limitation for indicators only come from viral marketing according to Kaplan & Haenlein in Carolina (2022), online customer review according Dzulqarnain (2019), social media according Maria (2019)

according , and purchase decision according Sitompul (2019). In addition, the writer also conducts the questionnaire to the customer of Blibli Medan.

1.3 Problem Formulation

Problem formulation that gets for the writer after see the data is divide into 4:

- a. Does viral marketing have a partial influence on purchase decision of customer at Blibli Medan?
- b. Does online customer review can have a partial influence on purchase decision of customer at Blibli Medan?
- c. Does social media can have a partial influence on purchase decision of customer at Blibli Medan?
- d. Do viral marketing, online customer review, and social media have simultaneous influence on Blibli Medan?

1.4 Objective of the research

The objectives of this study or research are:

- a. To analyze the impact of viral marketing has a partial influence on customer purchase decision at Blibli Medan
- b. To analyze the impact of online customer review has a partial influence on customer purchase decision at Blibli Medan

- c. To analyze the impact of social media has a partial influence on customer purchase decision at Blibli Medan
- d. To analyze the impact of viral Marketing, online customer review, and social media have simultaneous influence on purchase decision at Blibli Medan

1.5 Benefit of Research

So, there is some benefit from research the influence of viral marketing, online customer review, and quality of information on customer purchase decision at Blibli Medan divide by two benefits:

1.5.1 Theoretical Benefit

In here theoretical benefit explain about did the viral marketing, online customer review, and quality of information have an influence on customer purchase decision and also in this research is also explain the detail of all variable that will be explain by writer and why these factors are the main important things.

1.5.2 Practical Benefit

The practical benefits of doing the research are:

- a. For company is from this research they can upgrade and add more development to viral marketing, online customer review, and Social Media as a main factor for customer purchase decision
- b. For writer is they can know better of real effect viral marketing, online consumer review, location, social media and purchase decision.

- c. For other researchers, they can know more about big factor that influence customer purchase decision and know the detail meaning of practical on viral marketing, online consumer review, and social media on customer purchase decision

