

CHAPTER I

INTRODUCTION

1.1 Research Background

Online shopping growth in Indonesia is quite rapid, and the lack of crime through the Internet also lead to trust and comfort higher towards online shopping (Online shopping store developments in Indonesia, 2013). People in Indonesia are getting used to Internet use including for shopping.

Survey conducted by Ipsos (an independent market research company that is managed by professional researchers, founded in France now has offices in 84 countries) in year of 2012 showed that 69% of Internet users in Indonesia to search web to find products they want to buy, as well as from the total number of respondents was 48% make purchases online (Ipsos Survey Results and Opportunities for Performers Sell-Buy online, 2012). According Allis Ghim (Director of eBay) that the value of trade via the Internet in Indonesia in 2009 alone has reached US \$ 3.4 billion, or around Rp 35 trillion.

The number of Internet users reached 17 million and the value of e-commerce amounted to 3.4 billion dollars is considered as a potential online market and that number continues to grow in subsequent years (Darmawan and Chandrataruna, 2009). Some of the growth in online transactions the consumer in Indonesia cannot be separated from a variety of devices that support communications technology. The survey results MasterCard in 2013 in 14 markets of Asia and the Pacific at findings that mobile banking applications have level of awareness is highest at 45%, followed by two applications of shopping through social networks by 34%, shopping app for the game (game) by 33% and SMS / MMS payment based of 31% (Joice, 2013). Other findings from the MasterCard survey in 2013 that there has been a significant increase in shopping using smartphone. Indonesia is tops with over half of respondents (54.5%) use their smartphones to shop in the last three months. While the second is for people in China amounted to 54.1% and the public in Thailand by 51% (Joice, 2013).

Data were relatively the same was expressed by Nielsen Online survey results tahun2012 that more than 85% of the world's online population has used the Internet to purchase. In Indonesia, half of the online buyers used Facebook (50%) and social networking Kaskus (49.2%) for the purchase of goods, from fashion products, electronics, books, to household appliances (Setyawati, 2012). Online consumer behavior spending in Indonesia based on the results of Nielsen online survey in 2012, it was found that the product fashion is the most interested in shopping online. The results of a similar survey were also conducted by Compass Research in 2012 that as many as 33.5% of respondents never do online shopping. The goods they buy are the products of fashion or apparel, including accessories and footwear (60.8%). Based on the demographic characteristics of consumers that do online shopping, as many as 53.2% are consumers spending more than Rp 2 million per month. Based on the work turned out by 33.9% of consumers are private sector employees, 19.4% are self-employed, and consumers with schoolchildren / students was 19.9% (Setyawati, 2012) .3 Based on the demographic characteristics of online consumers in Indonesia , found that consumers who shop not just consumers who are already working and earning, however with the status of a student or students were also interested in online shopping and even greater than the percentage of consumers with self-employed work. Based on these findings, it was in the previous year, namely 2010,

Tokopedia.com is one of the online mall in Indonesia that carries the *marketplace* and mall business model online. Tokopedia enables every individual, small shops and brand to open and manage online stores. Since its launch until the end of 2015, basic services Tokopedia can be used by everyone for free.

With the vision of "Building a Better Indonesia through the Internet", Tokopedia has a program to support the perpetrators of Micro, Small and Medium Enterprises (SMEs) and individuals to develop their business by marketing products online.

Tokopedia.com offers millions of products that are divided into 21 major categories, including:

- Clothes
- Fashion & Accessories
- Beauty
- Health
- Household
- Kitchen
- Baby Care
- Mobile & Tablet
- Laptop & Accessories
- Computers & Accessories
- Electronic
- Cameras, Photo & Video
- automotive
- Sport
- Office & Stationery
- Souvenirs, Gifts & Gift
- Toys & Hobbies
- Food & Drink
- Book
- Software
- Movies, Music & Games

Until January 2016, counted for more than 1,200 categories of products are available in Tokopedia.com

(www.Tokopedia.com, retrieved on October 1st 2016)

Affective states may influence many aspects of consumers' lives, including their attitudes (e.g., Petty, DeSteno, & Rucker, 2001) and consumption behavior (e.g., Han, Lerner, & Keltner, 2007). According to Lerner and Keltner's appraisal-tendency framework (2000, 2001), specific affective states give rise to specific cognitive and motivational processes. These processes account for the influence that affective states have on judgments, behavior, and decision making. For example, sadness is accompanied by appraisals of experiencing loss, while anxiety is accompanied by appraisals of helplessness. These appraisals then lead to action designed to change one's circumstances (Lazarus, 1991; Lerner, Small, & Loewenstein, 2004). This framework can be applied to the influence that affect on consumer behavior. Consumers experience a given affective state, which in turn activates cognitive and motivational processes that result ultimately in various behaviors. Thus, advertisers often include emotionally evocative stimuli in their campaigns to produce affect that elicits particular behaviors (Pavelchak, Antil, &

Munch,1988). Although it is clear that affective states can affect consumer behavior, how to elicit specific states that lead to specific behaviors is less obvious (Roseman, Spindel, & Jose, 1990). *Curiosity* is the motivating state among consumers when a marketer evokes mystery (cf. Menon & Soman, 2002).

Tokopedia.com advertising and promote their website and application in many media such as television, radio, newspaper and e-commerce. In their advertising Tokopedia always mention a tagline that evokes mystery, the tagline is “Sudah cek tokopedia belum ?“ means “Have you check tokopedia yet ?“. This tagline becomes famous among consumer mindset that may lead consumers have a desire to know what things Tokopedia.com wants to offer to them.



Figure 1, source: Tokopedia.com

Tokopedia on its advertisings always encourage consumers to download the application of Tokopedia on Google Play using famous actresses as ambassadors one of them is Chelsea Islan and the tagline “Sudah cek tokopedia belum” on figure 1.

The present study furthers past work by investigating ways in which marketers can elicit this state to affect consumer behavior optimally. *Curiosity*, the desire to know, has been implicated as a motivation relevant to human behavior, and leads individuals to seek methods to solve the arousal it elicits (Loewenstein, 1994). While prior research has often treated curiosity as an inherent trait measured as an individual difference (Baumgartner & Steenkamp, 1996), this research focuses on consumer curiosity as a temporary motivational state. This is an important distinction for firms, because

stimulating a temporary state is possible, while activating a personality trait is not. According to Loewenstein's information gap theory (1994), curiosity is aroused when people become aware of a gap in their knowledge or when they encounter new, inconsistent, or ambiguous stimuli. For example, some advertisements evoke curiosity intentionally by withholding the ad's sponsor until the end of the commercial. These advertisements create an information gap by withholding the identity of the sponsor strategically until the end of the ad. Like these advertisements, mystery products and promotions are novel stimuli that make consumers aware of their knowledge gap, and thus, elicit curiosity. Curiosity is a state of high activation and positive valence that is thought to be accompanied by appraisals of uncertainty, which can then lead to feelings of psychophysiological stimulation (Litman & Spielberger, 2003; Loewenstein, 1994). Not surprisingly, people are motivated to reduce the uncertainty this causes. This reduction is often accomplished by seeking the specific information that can address the lack of knowledge. This research proposes that purchasing a mystery product is a direct method to close this gap.

Babin et al. pointed out that in shopping activities, consumers have two types of perceived value: one is "utilitarian value" in pursuit of results, and the other is "hedonic value" in pursuit of happiness. In other words, consumers view shopping as work or fun. These two aspects can be used to observe consumer shopping behavioral intentions. Sometimes, consumers are not only buying items but also gaining emotional satisfaction from the shopping process, such as fun experiences, amusement, and sensory stimulation. The difference between perceived hedonic value and perceived utilitarian value is that perceived hedonic value is inclined toward subjectivity, which refers to personal feelings and emotional responses in the shopping process, and emphasizes shopping with a cheerful disposition. For example, some consumers enjoy the process of bargaining or are excited by finding cheap products; this is the perceived hedonic value. When information on shopping websites pleases consumers, consumers think that the website is quite good, in turn elevating their perceived hedonic value for this website.

Tokopedia.com regularly giving new promotion almost in every month and special national day to giving such a good atmosphere and new excitement every time consumer open Tokopedia. Examples of the promotions are partnership with banks about the payment on figure 2, free shipping on figure 3 and many more promotions that may interest consumers on buying more and feel happy when they open Tokopedia.

tokopedia

BEBAS BELANJA

DISKON RP 100.000 DENGAN KARTU KREDIT

DAPATKAN KODE VOUCHER

BCA BNI BANK BRI OCBC NISP Danamon citi mandiri #RayakanKebebasanmu

CICILAN

0%

CICILAN 0%
hingga 31 Januari 2016

mandiri BCA BNI BANK BRI
UOB HSBC Maybank Standard Chartered ANZ

*Syarat dan ketentuan berlaku

Figure 2, source: Tokopedia.com

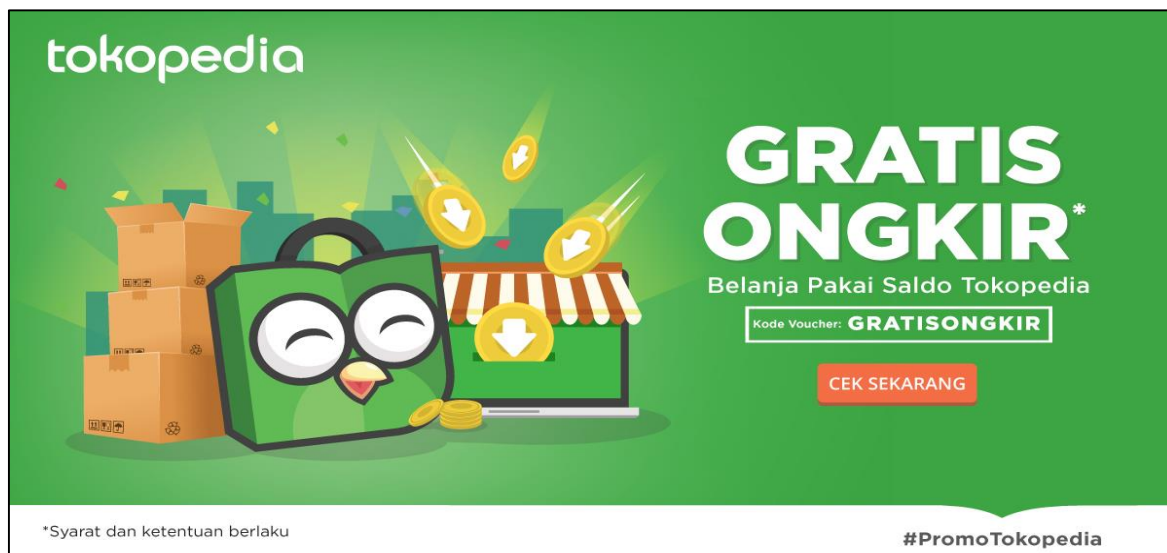


Figure 3, source: Tokopedia.com

Stoel, Wickliffe, and Lee found that the hedonic shopping value positively affects their intention to revisit shopping centers. Sun, Wang, and Peng explored the phenomenon of online work transaction websites; even though the person seeking help only offers very low compensation, why are there still so many people who are willing to offer answers? The result showed that respondents' perceived hedonic value directly affects the continued usage intention, and affects the continued usage intention through satisfaction. In summary, perceived hedonic value is the feeling of enjoyment, happiness, interest, fun, and satisfaction felt by consumers in the process of shopping.

New Technologies impact greatly to the way people live. Some can accept the new way things are being done and some still stick to the traditional ways. Numbers of researches has been done to analyse the factors of why people want to use technology. Davis et al. (1998) introduced a theory that analyse on the readiness of an individual to use technology. This theory is called Technology Acceptance Model (TAM). TAM is derived from Theory of Reasoned Action 6 (TRA) and predicts users acceptance based on the influence of two factors. According to the study of Morris and Dillon (1997) there are two factors that can cause someone wants to use technology, which are Ease of Use and Perceived Usefulness.

(Guriting and Ndubisi, 2006; Jaruwachirathanakul and Fink, 2005; Eriksson et al., 2005; Laforet and Li, 2005; Polatoglu and Ekin, 2001; Liao and Cheung, 2002). According to them usefulness is the subjective probability that using the technology would improve the way a user could complete a given task. Based on theories in social psychology, such as the theory of reasoned action (TRA) (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975) and the theory of planned behavior (TPB) (Ajzen, 1985), the technology acceptance model (TAM) has been validated as a powerful and parsimonious framework (Davis, 1989; Davis et al., 1989). According to the TAM, perceived usefulness is the degree to which a person believes that using a particular system would enhance his or her job performance. According to Davis et al. (1992), perceived usefulness refers to consumers' perceptions regarding the outcome of the experience. Davis (1993) defined perceived usefulness as the individual's perception that using the new technology will enhance or improve her/his performance. Similarly, Mathwick et al., (2001) defined perceived usefulness as the extent to which a person deems a particular system to boost his or her job performance.

When Tokopedia users can use the applications and website without any problem and less effort to access it they can feel more comfortable for using and tend to enhance the usage of that application. Ease of use makes people easier to use and easier to have knowledge about it. Once they feel it is easy to use and get access, the application becomes more useful, users tend to have more experience and use more

Perceived Usefulness is defined as the degree to which a user believes that using the system will enhance his/her performance. Ease of Usefulness defines as the degree to which the user believes that using the system will be free from effort (Davis et al., 1989). In the study done by Morris and Dillon (1997) both Ease of Usefulness and Perceived Usefulness have significant impact on Attitude Toward Using the System. Attitude Toward Using defines as the feelings of favourableness or unfavourableness toward using the technology (Morris & Dillon, 1997). When users of Tokopedia experience satisfaction when using the application, users will tend to have favourable attitude toward using that technology. On the other hand, when users are not satisfied with the experience

they get when using the application, users will tend to have unfavourable attitude toward using the technology.

The theory of TAM is suitable for studying the relationship between customer's attitude and behavioural intention. Attitude will affect behavioural intention; if a customer's attitude toward accepting application is higher, they will use application more frequently; therefore, customer attitude is also one of the factors that affect using application. A customer's "attitude toward using" and "willingness of using" application should have a significantly positive relationship. Attitude has a significant positive effect on the willingness of using application. When customers sense positive evaluations, they will believe that using application is a good experience and increase their willingness of using them. Thus, it can be concluded that attitude has a positive effect relationship with behavioural intention to use (Tsai, 2012).

Based on the attitude model of Martinez-Lopez et al. (beliefs or Cognition -> Affect -> Behavior – the CAB paradigm), influencing attitude begins with beliefs or perceptions. Chen & Lee proposed that there are three major elements in consumer attitudes toward shopping websites: (1) personal perceptions toward website content; (2) perception of utilitarian shopping value; (3) perception of hedonic shopping value. When consumers have a positive evaluation of the content of shopping websites and hold a high perceived value, they have a positive attitude toward the website, producing intentions to shop there. In other words, there are three factors that affect individual attitudes toward shopping websites: the first is perception toward "website information," and the other two factors implicate perceptions of "shopping values," including utilitarian and hedonic value.

Fishbein & Ajzen pointed out that attitude is one major determinant of an individual's intention to perform a given behavior. From the information-processing perspective, attitudes refer to positive or negative beliefs about matters or behaviors. They reflect individual evaluations of some characteristic of the matters and reveal preference or dislike over matters. Blackwell, Miniard, & Engel suggested that attitude is evaluation

toward people, events, or objects, and can range from highly positive acceptance to highly negative rejection. In other words, individual attitudes toward something implicate personal affective and evaluative traits.

Repurchase intention is a planned behavior that a consumer willing to buy certain product again (Ajzen, 1992). There is a relationship between brand image and repurchase intention. Advisement is a major factor to increase brand image on consumer, for that reason some companies use different kind of advertisement stimuli to capture repurchase intention. Consumers who are influenced by advertisement shift their interests to the other brand which advertises the products (Hashim & Muhammad , 2013). More over consumers who repurchase the brand frequently resist switching to other brand. Jean-Louse (2011) mentioned that consumers intend to repurchase the PLB because they think they have the right price-quality relation. Consumers who are satisfied with the product will have a positive attitude towards the brand and later have impact on repurchase intention. Because there is a relation between attitude and repurchase intention if the consumers have a positive attitude towards the brand it will increase repurchase intention and actual repurchase (Byoungho & Yong, 2005)

1.2 Research problems

1. Is there a significant effect of curiosity on perceived hedonic value towards Tokopedia at Surabaya, Indonesia?
2. Is there a significant effect of curiosity on attitude towards Tokopedia at Surabaya, Indonesia?
3. Is there a significant effect of perceived ease of use on attitude towards Tokopedia at Surabaya, Indonesia?
4. Is there a significant effect of perceived ease of use on perceived usefulness Tokopedia at Surabaya, Indonesia?
5. Is there a significant effect of perceived hedonic value on attitude towards Tokepedia at Surabaya, Indonesia?

6. Is there a significant effect of perceived usefulness on attitude perceived usefulness Tokopedia at Surabaya, Indonesia?
7. Is there a significant effect of perceived hedonic value on repurchase intentions towards Tokopedia at Surabaya, Indonesia?
8. Is there a significant effect of attitude on repurchase intentions towards Tokopedia at Surabaya, Indonesia?
9. Is there a significant effect of perceived usefulness on repurchase intentions towards Tokopedia at Surabaya Indonesia?

1.3 Research objectives

1. To determine whether there is a significant effect of curiosity on perceived hedonic value towards Tokopedia at Surabaya, Indonesia.
2. To determine whether there is a significant effect of curiosity on attitude towards Tokopedia at Surabaya, Indonesia.
3. To determine whether there is a significant effect of perceived ease of use on attitude towards Tokopedia at Surabaya, Indonesia
4. To determine whether there is a significant effect of perceived ease of use on perceived usefulness towards Tokopedia at Surabaya, Indonesia
5. To determine whether there is a significant effect of perceived hedonic value on attitude towards Tokopedia at Surabaya, Indonesia.
6. To determine whether there is a significant effect of perceived usefulness on attitude towards Tokopedia at Surabaya, Indonesia.
7. To determine whether there is a significant effect of perceived hedonic value on repurchase intentions towards Tokopedia at Surabaya, Indonesia.
8. To determine whether there is a significant effect of attitude on repurchase intentions towards Tokopedia at Surabaya, Indonesia.
9. To determine whether there is a significant effect of perceived usefulness on repurchase intentions towards Tokopedia at Surabaya, Indonesia.

1.4 Research contributions

1.4.1 Theoretical Advantage

This study made its contribution as a reference in repurchase intentions, by identifying the significant of factors that affect customer decision making in buying products through Tokopedia.com. This study is also reference for further studies related or similar to the field of study.

1.4.2 Empirical Advantages

1. For Tokopedia.com in Surabaya, Indonesia

This result of this study can be used for Tokopedia.com Surabaya regarding repurchase intentions and how to improve their strategies in marketing by learning their customer and how to create a better image to the customer.

2. For the researcher

This study deepens the researcher's knowledge about the repurchase intentions. It gives the researcher a much broader awareness of the intricacy of repurchase intentions and its element to its branding strategy.

1.5 Research Limitations

This study was conducted in order to find out the reason behind repurchase intentions in Tokopedia.com. This research used perceived hedonic value, perceived usefulness, attitude, perceived ease of use, perceived hedonic value and curiosity as the dependent variable. The researcher is limited in the terms of location because the research will be done in Surabaya, Indonesia.

1.6 Research Outline

Researcher outline explain the systematic writing of this study. The outline is divided into five chapters as follow:

Chapter I

This chapter sets up the research problem for the reader. It also provides the background information defining the issue and important terms. It specific the

research objectives explored in greater detail to contribute to understand the research problems.

Chapter II

This chapter summarizes the major studies and finding that have been published on the research topic and how this study contributes or adds to what has already been studied. This chapter also states a clear description of theories that apply to research problem, an explanation of why it is relevant, and how the modelling effort address the hypothesis to be tested.

Chapter III

This chapter explain the detailed technical and specific activities which include the research design, sampling plan instrumentation, social tools and treatment of data.

Chapter VI

This Chapter summarizes about discussion analysis that contains data analysis, descriptive statistic, respondents' characteristic, respondents' response, respondents' explanation, quality test results, normality data evaluation, outliers evaluation, univariate outliers, multivariate outliers, multicollinearity evaluation dan singularity, reliability test, hypothesis testing and discussion

Chapter V

This chapter explain about conclusion, conclusion of hypothesis, conclusion of research problem, relations among variables, implication, theoretical implication, managerial implication, recommendations,