

Conference Paper

Considering the Influence of Digital Promotion Performed By Go-Jek Indonesia and C2C Marketplaces on Buyers' Purchasing Decision

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Abstract

Ayuwuragil (2018) stated that there are only 3.89 million or about 8 percent of the 59.2 million small and medium enterprises (SMEs) in Indonesia are utilizing the digital platform [4]. This digital platform actually is a golden opportunity for SMEs to develop their businesses. Thus; we need to study whether *GO-JEK Indonesia* and C2C marketplaces have really helped SMEs in promoting which ultimately increase the sales of their products. The purpose of this study is to determine the influence of digital promotion performed by *GO-JEK Indonesia* and C2C marketplaces on product purchasing decision.

It was a quantitative study which took 200 respondents taken by purposive random sampling from 700 students as the population. They were selected if they did purchase at *GO-JEK Indonesia* and C2C marketplaces. The data were collected through questionnaires and documentation, and then, analyzed by descriptive statistics and multiple regressions analysis. The results showed that the regression equation is $Y = 12.470 + 0.553X_1 + 0.272 X_2 + e$. then, it also shows that: 1) partially, digital promotion performed by *GO-JEK Indonesia* gives influence on product purchasing decision for 13.39percent; 2) partially, digital promotion performed by C2C marketplaces gives influence on product purchasing decision for 4.41percent, 3) and simultaneously, digital promotion performed by *GO-JEK Indonesia* and C2C marketplaces gives influence up to 24.5percent. The respondents were students; they said that they purchased more products on GO-FOOD of *GO-JEK Indonesia* than marketplaces. It happens because of their needs and financial capacity.

Keywords: digital promotion, C2C marketplaces, *GO-JEK Indonesia*, buyers' purchase decision

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1. Introduction

Ayuwuragil (2018) stated that there are only 3.89 million or about 8 percent of the 59.2 million small and medium enterprises (SMEs) in Indonesia are utilizing the digital platform [4]. This digital platform actually is a golden opportunity for SMEs to develop their businesses since they can be the promotion media. Based on Journal of Interctive Adversiting that a range of new marketing mediums can be leveraged to keep people tuned in and seamlessly integrate brands into their everyday lives. Accordingly, digital platform adoption by brands will continue to grow along with the diverse set of consumer actions unlocked by the introduction of the platforms themselves. In the coming year, savvy chief marketing officers (CMOs) will use digital platforms in new ways to make their brands integral and integrated parts of customers' everyday lives. As digital adoptions continue to skyrocket with the introduction of new platforms, marketers can no longer view these methods as standalone touch points but instead they must recognize them as seamless engagement opportunities that can keep customers connected to a brand story throughout the day. Ken Martin & Ivan Todorov (2010) steted that to be successful in every digital initiative and strengthen the brand-consumer relationship, CMOs should select digital platforms that deliver high engagement value, connect brands with consumers' social networks, and provide value and relevance in the context of each consumer's location and activity [20].

There were two independent variables of the study; they were *GO-JEK Indonesia's* digital promotion and Marketplaces' digital promotion and one dependent variable; it was Buyers' Purchasing Decision. The objectives of the study is to determine the influence of *GO-JEK Indonesia's* digital promotion and Marketplaces' digital promotion on Buyers' Purchasing Decision. We need to do research on this field since the entrepreneurs are encouraged to promote the products on digital platform as the digital era allows all human activities to be more effective and efficient. Gawer and Cusumano (2002) stated that platforms have emerged as an important concept within industry and the phenomenon has attracted increasing academic interest over recent years [8]. Gawer 2009a stated that as platforms have evolved within industry, three different types have emerged: platforms bounded inside firms; platforms supporting supply chains; and platforms supporting whole industries [9]. Platforms bounded inside firms are typically concerned with enabling key components to be shared amongst a product family in order to achieve speed and flexibility in developing product variety, or mass customisation, at lower costs. Supply chain platforms effectively extend the goals of company specific platforms across a whole supply chain. Finally,

industry platforms consist of networks of organisations which develop and market products that function together in a technical system. Industry platforms represent a looser arrangement than the other platform types, as the organisations involved do not necessarily enter commercial relationships with each other. Thus; we need to study whether *GO-JEK Indonesia* and C2C marketplaces have really helped SMEs in promoting which ultimately increase the sales of their products.

The first independent variable is *GO-JEK Indonesia's* digital promotion. Digital platform and promotion is important in digital era. The national online transport service, *GO-JEK Indonesia*, is expected to be a digital platform capable of meeting the needs of the people in Indonesia. According to www.viva.co.id that it makes the digital platform more efficient and effective to meet the needs of the community [25]. Therefore; it is hypothesized that:

H₁ GO-JEK Indonesia's digital promotion significantly influences buyers' purchasing decision.

Kevin Kalangie et.al (2018) stated that people can enjoy many services at Go-Jek Application based information technology in a smartphone [13]. PT.*GO-JEK Indonesia* provides something that's really needed in the society. In the *GO-JEK Indonesia* application there is available a variety of service to offer for consumers and several feature that's already available in Manado that is to order food (GO-FOOD), transportation (Go-Ride for motorcycle and GO-CAR for car), Send goods or things (Go-Send), cashless transaction system (Go-Pay), Buy in a particular shop (Go-Mart). The food entrepreneurs can choose Go-Food as a feature of *GO-JEK Indonesia* as the promotion media. Setyowati (2018) said that it is reported that there are 125 thousand merchants with transactions up to 2.5 times per month for being the Go-Food partner [23]. Go-Food service is directly received a positive response from the culinary entrepreneurs. Even according to information from The *GO-JEK Indonesia* in April 2015, Go-Food service with 15 thousand places to eat from 15 thousand places to eat consists of 23 categories, ranging from street vendors to fancy restaurants. That is, Go-Food is not only reserved for luxury restaurant owners only. According to majalahfranchise.com that one of the essence of Go-Food is to promote the food of SME industry. Go-Food provides features suggest restaurant if there is good food and good quality on the roadside [19].

Furthermore; Agung (2017) stated that the SMEs entrepreneurs may be the partners at some popular C2C marketplaces such as *Tokopedia* and *Bukalapak* because it reaches trillions of rupiah transactions monthly [1]. The second independent variable is Marketplaces' digital promotion.

Based on International Journal of Business, Humanities and Technology about studies the impact of sales promotion on consumers' intention to purchase online in the setting of a consumer-to-consumer (C2C) marketplace. The research is grounded in the theory of Technology Acceptance Model (TAM). They test a number of hypotheses empirically about the relationship between online sales promotion, TAM and C2C online purchasing intention. Richard Ye (2014) stated that the finding of this study suggests that the increasing consumers' perception of ease of use and the decreasing consumer's perceived risk, online sales promotion has a significant impact on their purchasing intention [26]. Thus; it is hypothesized that:

H₂ marketplaces' digital promotion significantly influences buyers' purchasing decision.

The rapid development of infrastructures brings more and more of Indonesia's 260 million inhabitants online. Aseanup (2018) reports that the large demographic of connected Indonesian drives the development of the country's technology companies and ecosystem, particularly the online shopping market [3]. It states that Indonesia's e-commerce has been a potential market which makes local and foreign companies and investors anticipate its digital explosion by launching e-commerce websites, applications and marketplaces. Prasetya (2017) stated that some of them have become very successful, with millions of visitors every month. It can be seen from a lot of visitors in marketplaces, for example the visitors of Lazada are 58,333,000 per month [21].

Kestenbaum (2017) says that an online marketplace is a website or app that facilitates shopping from many different sources. The operator of the marketplace does not own any inventory, their business is to present other people's inventory to a user and facilitate a transaction [14]. Aseanup (2018) reports the current top 10 leaders of e-commerce websites in 2017, they are Tokopedia, Lazada Indonesia, Bukalapak, Blibli, Shopee Indonesia, JD.id, Blanja, Zalora Indonesia, Elevenia, Bhinneka [21].

GO-JEK Indonesia is now popular for millennial generations on students' daily life and they offer many opportunities for business Furthermore; promoting products at digital platform seems to be the keys to promote sustained economic growth. in this digital era,. Therefore; finding the factors to determine buyers' purchasing decision is required. Those two independent variables were expected to increase the sales of a product. And the next hypothesis is:

H₃ *GO-JEK Indonesia's* digital promotion and marketplaces' digital promotion significantly influence buyers' purchasing decision.

2. Methods of the Study

It was a qualitative descriptive analysis. The samples were taken by purposive sampling. Data were collected by questionnaires distributing on Google forms, and interview.

Then, data were analyzed by validity and reliability tests, classical assumption tests, and doubled-linear regression with SPSS 21.

The subjects of the study were Economics Students at Universitas Negeri Semarang. The respondents were 130 students who did transactions on both *GO-JEK Indonesia* and aC2C marketplace.

3. Result

Heale & Twycross (2015) stated that reliability relates to the consistency of a measure [11]. Ghozali (2006) said to be reliable if it has Cronbach' alpha > 0.70 [10].

TABLE 1: Reliability Analisis.

Variable	No. of Items	No. Of the Delete Items	Cronbach's
Digital Promotion by Go-Jek	9	0	0.753
Digital Promotion by Marketplace	9	0	0.776
Purchasing Decision	12	0	0.697

Based on the above table, it shows that Digital Promotion by Go-Jek (X1) has Cronbach for 0.753. Digital Promotion by Marketplace (X2) has Cronbach for 0.776, and Purchasing Decision (Y) has Cronbach for 0.697. It means reliable because the scores were more than 0.70.

4. Regression Analysis among Variables

Based on ANOVA table, it can be seen that $F = 33.243$ with significance $0.000 < 0.05$, it means significant F count. From the results of the analysis can be concluded simultaneously, the variable X1 (Digital Promotion by Go-Jek), X2 (Digital Promotion by C2C Marketplace), influence variable Y (Purchasing Decision).

TABLE 2: Simultaneous Test Result (F test).

		ANOVA				
Model		Sum of Squares	Df	Mean	F	Sig.
1	Regression	982.546	2	491.273	33.243	.000 ^b
	Residual	2911.329	197	14.778		
	Total	3893.875	199			

a. Dependent Variable: Purchasing_Decisions
 b. Predictors: (Constant), Promotion_Marketplace, Promotion_GO-JEK Indonesia

TABLE 3: The Result Analysis of Multiple Linear Regression.

Model		Unstandardized Coefficients		Standardised Coefficients	T	Sig
		B	Std. Error	Beta		
1	(Constant)	12.470	2.818		4.426	.000
	Promotion_GO-JEK Indonesia	.553	.100	.377	5.514	.000
	Promotion_Marketplace	.272	.090	.206	3.007	.003

5. Partial Test (t test)

According to the above table, multiple linear regression analysis was $Y = 12.470 + 0.553X_1 + 0.272X_2$. This means that the constant was 12.470 where digital promotion by Go-Jek (X_1) does give a significant influence to Y because the score was $0.000 < 0.005$. On the other hand, digital promotion by Marketplace (X_2) gives positive influence on social behavior (Y) of $0.003 < 0.005$. And then it was the detailed explanation about the equation:

1. Constant = 12.470, if the constant independent variable was 0 then the average was 12.470.
2. The coefficient of X_1 (Digital Promotion by Go-Jek) = 0.553, that means if the digital promotion by Go-Jek variable increases by 1 point while the need for Digital Promotion by Marketplace variable was 0, it leads to an increase in purchasing decision increase to 0.553.
3. Coefficient X_2 (Digital Promotion by Marketplace) = 0.272, that means an increase in Digital Promotion Marketplace by 1 point while Digital Promotion by Go-Jek was 0, it leads to an increase in Purchasing Decision for 0.272.

6. Coefficient Determinant Test (R²)

6.1. The result of simultaneous determination coefficient

TABLE 4: The Result of Simultaneous Determination Coefficient.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.502 ^a	.252	.245	3.844

It shows Adjusted R Square value was 0,245. It means that the dependent variable of Purchasing Decision can be explained by the variation of the two independent variables; Digital promotion performed by *GO-JEK Indonesia* and C2C Marketplaces.

6.2. The calculation result coefficient of determination of partial

TABLE 5: The Calculation Result Coefficient of Determination of Partial.

	Model	Correlations			Collinearity Statistic	
		Zero-order	Partial	Part	Tolerance	VIF
1	(constant)					
	Digital_Literacy	.467	.366	.340	.811	1.234
	Online_Transportation	.370	.210	.185	.811	1.234

It means that the influence of digital promotion by Go-Jek (X₁) on Purchasing Decision (Y) was 13.39% and the influence of digital promotion by Marketplace (X₂) on Purchasing Decision (Y) was only 4.41%. then, from the hypotheses, it can be stated that:

H₁ Digital Promotion performed by *GO-JEK Indonesia* significantly influences students' purchasing decision was accepted

H₂ Digital Promotion performed by Marketplace significantly influences students' purchasing decision was accepted

H₃ Digital Promotion performed by Go-Jek and Marketplace significantly influence students' purchasing decision was accepted.

7. Discussion

Marketing as a human activity is directed to satisfy the needs and needs of the exchange process. Kotler and Keller (2007) suggest that marketing is a suite of social interdependencies within which individuals and groups acquire those who own them and who create them, create and sell them freely for exchanging products that are unlawful to others [6].

Meanwhile, according to the American Marketing Association (AMA), which is acquired by Anoraga (2000: 215), marketing is a planning and implementation process of pricing, promotion, and distribution of ideas, goods, and services to create an exchange of satisfactory individual and organizational goals [2].

The definition states that in order to fulfill its wishes, the human being has to do an interaction or the relationship between the science of science and the request or the offer of exchange in exchange for the satisfaction. As a part of marketing, promotion has a vital role. Kotler (2013: 76) defines the promotion is any activity to communicate the merits of the product and to persuade target customers to buy it [15]. Whereas Belch and Belch (2007) defines promotion as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea [5]. Thus; promotion is one of the elements in marketing mix that uses communication or promotion mix to promote ideas and to sell by persuade the target market about the product value from the company and to create exchange through marketing.

Partially, digital promotion performed by *GO-JEK Indonesia* gives influence on product purchasing decision for 13.39percent. It means that the consumers buy and enjoy the products more often on *GO-JEK* application. *GO-JEK Indonesia* conducts many promotions to attract the internet user to use their services. Here they are the strategies:

TABLE 6: Promotions Performed by *GO-JEK Indonesia*.

No.	Strategy	Promotion form
1	Determining the Tariffs	Pricing
2	Selecting the Advertising Media n	Internet, social media, brochures, radio, direct selling, events, media partners, as well as through traditional marketing such as word of mouth publication.
3	Selecting the brand ambassador	

Source: Hardianty Hasbullah, Bandung 2015

Some SMEs at Gunungpati, Semarang where UNNES campus located using Go-food to promote their products are RM. Ratu, Warung Peny Mas Pur, Bakso Bandung Chicken Noodle "Kurnia", Classical Chocolate Gunungpati, and so forth.

Furthermore, the second variable is the promotion of marketplaces. Partially, digital promotion performed by C2C marketplaces gives influence on product purchasing decision for only 4.41percent.

Librianty (2017) states that ilmuOne Data reveals the top 10 online stores in Indonesia consisting of e-Commerce and marketplace that is Lazada, Blibli, *Tokopedia*, Elevania, MatahariMall, *Shopee*, Bukalapak, Zalora, Qoo10, and Blanja [18]. Key findings from this study show Lazada lead e-Commerce with 21.2 million unique visitors, while *Tokopedia* leads the marketplace with a number of 14.4 million. During the first and second quarters, the big five of e-Commerce with the most unique visitors experienced an average growth of 97 percent. The average growth of five marketplaces with the most unique visitors reached 289 percent. *Shopee*, with a growth of 767 percent in half a year, is a major contributing factor. *Shopee* also managed to lead for an average duration per view 16 minutes. While the basketball marketplace has a total digital population of 10.4 million, which is in a position just below the *Shopee*.

Bella (2017) stated that the rapid development of Startup from Singapore, *Shopee* recognized Chief Commercial Officer *Shopee*Junjie Zhou in Singapore, cannot be separated from *Shopee* Warranty strategy, Free Shipping, and Cheapest Price Guarantee [6]. Now, *Shopee* is optimistic to grow double digits by adding their business strategy. *Shopee* is now innovating through three new business strategies namely Seller Empowerment, Expand Market Segments, and Official Shops.

Furthermore, Valevi (2017) states that *Tokopedia* is listed as the most extravagant online retailer in doing advertising expenditure, especially advertising on television with the cost of advertising *Tokopedia* reached Rp186, 13 billion with massive promotions successfully turn *Tokopedia* into the top of mind in the e-commerce industry [24]. The samples of SMES which sale the product at *Shopee* are my Rubilicius, Hi Shafiyya, dan My Outfit.

In the *GO-JEK Indonesia* application, there are interesting features such as go ride, GO-CAR, GO-FOOD, GO-SEND, GO-SHOP, GO-MED, GO-MART, GO-PULSA, GO-CLEAN and go box. Based on data from sembung.com, the features most used at *GO-JEK Indonesia* are go ride, GO-CAR, and GO-FOOD. Go ride is a feature provided for users who use motorcycle service. GO-CAR is a service provided in the form of go ride, but using a car. Whereas; GO-FOOD is one of the reliable service of *GO-JEK Indonesia* application, which the users can order the needed food or beverage.

Some respondents state that they are expecting the ease of life on transportation and consumption with go ride and GO-FOOD. Our respondents were students on their 17 to 20 years old with limited financial ability. Therefore; they tend to have cheaper service with maximum benefits.

According Fadila and Lestari (2013: 27) suggests about the definition of consumer motivation is the motivation is the thrust that drives the consumer to a misunderstanding is in order to get the satisfaction. The need is a variable of the consumer's biotivactivity. The so-called emulsive power is a powerful consumer of the deepest consumer of the purchasing decision [7].

The famous theory of human motivation is one of its theoretical causes. According to Kotler and Keller (2009: 178), Abraham Maslow explains that human needs are organized in the hierarchy of the most oppressive to the least pressing, i.e. physiological needs, security needs, social needs, need for appreciation, and self-actualization needs [16]. When a person succeeds in satisfying a critical need it will seek to satisfy the next important need.

Schiffman and Kanuk (2008: 88) argue on the theory that individuals try to meet the needs of the lower before the higher level needs arise [22]. It certainly affects the decision to purchase products for students because GO-FOOD offers their primary needs of food, while C2C marketplaces offer a variety of products and mostly in the form of clothing.

It is not surprising that students prefer to make purchasing decisions on the *GO-JEK Indonesia* compared to C2C marketplaces. The phases of the consumptive purchasing decision are time-consuming: the introduction of the problem, the search for information, the evaluation of the alternative, the buyer's decision and the purchase of the purchase.

Simultaneously, digital promotion performed by *GO-JEK Indonesia* and C2C marketplaces gives influence up to 24.5 percent. It is a significant number since it can increase the sales of a product. And in the future, the influence can be higher since everyone has smartphone and they are active internet users which ease their daily activities just by clicking the applications.

8. Conclusion

It can be concluded that: 1) partially, digital promotion performed by *GO-JEK Indonesia* gives influence on product purchasing decision for 13.39 percent; 2) partially, digital promotion performed by C2C marketplaces gives influence on product purchasing

decision for 4.41percent, 3) and simultaneously, digital promotion performed by *GO-JEK Indonesia* and C2C marketplaces gives influence up to 24.5percent. Thus; it is suggested that SMEs should consider promoting and selling their products at *GO-JEK Indonesia* and C2C marketplaces such as *Tokopedia* or *Shopee* since they significantly help SMEs to increase their sales.

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