

# Determinants of Millennial Consumer Purchasing Decisions in Bukalapak

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**Abstract**—Internet usage is growing rapidly. The internet has become an important part in business transactions. Millennial consumers, who have since been born "familiar" with the internet, have made ecommerce their favorite activity. Bukalapak as one of the ecommerce has many consumers from this millennial generation. The purpose of these research are: (1) To analysis the influence of web design to purchase decision. (2) To analysis reputation effect to purchase decision. (3) To analysis influence the ease of transaction to purchase decision. The respondents of research are 200 respondents who have transaction using e-commerce of Bukalapak. The research data processed using SEM AMOS. The results of these research are: (1) Web design has positive and significant effect to purchase decision (2) Reputation takes positive and significant effect to purchase decision (3) The ease of transaction influences insignificant negatively to the consumer decision.

**Keywords:** millennial consumers, web design, reputation, ease of transaction, purchase decision

## I. INTRODUCTION

The existence of internet technology and the increase of internet users in the world, trading activities are growing. Many business people who use the internet for promotion and trade, new business in the digital world is called electronic commerce (e-commerce). Electronic commerce (e-commerce) according to Laudon [1] is the use of the internet and the web to transact business. E-Commerce is a dynamic set of technologies, applications and business processes that connect certain companies, consumers and communities through electronic transactions, and trade in goods, services, and information conducted electronically according to David Baum [2].

One type of e-commerce that is growing rapidly in Indonesia is the marketplace. Marketplace is an online place where sellers can create accounts and peddle their merchandise. Bukalapak is one of the leading online marketplaces in Indonesia. Bukalapak is part of the PT Kreatif Media Karya Group. Bukalapak was founded by Achmad Zaky on January 10, 2010 as a digital agency division named Suitmedia based in Jakarta. Bukalapak was a Limited Liability Company (PT) in September 2011. Bukalapak has an easy and reliable online buying and selling slogan because Bukalapak provides a 100% money back guarantee to the buyer if the goods are not sent by

the seller. Bukalapak's vision is to become the number 1 online marketplace in Indonesia. Bukalapak's mission is to Empower SMEs throughout Indonesia [3].

Many factors affect millennial consumers in deciding to buy at Bukalapak or other marketplaces. The purpose of this study was to determine how much influence the web design, reputation and ease of transactions on purchasing decisions of millennial consumers in Bukalapak.

Digital marketing is an effort to promote a brand by using digital media that can reach consumers in a timely, personal, and relevant way. in digital marketing activities there is the term AIDA (Awareness, Interest, Desire, and Action), especially in the process of introducing products or services to the market (consumers).<sup>6</sup> E-Commerce is the delivery of goods, services, information, or payment through a computer network or payment through a computer network or other electronic devices. Electronic commerce (e-commerce) is divided into five types namely: Business-to-Consumer (B2C) E-Commerce, Business-to-Business (B2B) E-Commerce, Consumer-to-Consumer (C2C) E-Commerce, Peers-to-Peer (P2P), Mobile Commerce (M-Commerce).

The decision is the selection of two or more choices [1]. So, in other words, alternative choices must be available when someone makes a decision. Purchasing decisions refer to consumers who have made real product purchases. Purchasing decisions are actions of consumers to buy or not buy a product Consumer purchasing behavior is influenced by cultural factors, social factors, personal factors, psychological [4] Indicators of the purchase decision process, namely: need recognition, information research, alternatives evaluation, purchase decision, post purchase behavior [4].

Design is a planned, artistic, purposeful, and useful form [5]. From a consumer perspective, a website must be designed with all the features to arouse user interest and to increase consumer online visits or purchase intentions. E-commerce website design is a key factor in attracting consumers' attention, so website managers are required to create websites that are attractive and easy for users to understand. Web Design determines the quality and beauty that is very influential on the assessment of visitors about whether a website is good or not. Quality web design indicators are: must be fast, keep visitors

“at home” on the site, have clear goals, be on time, maintain the existence of access, easily accessible, security [6].

Reputation starts from corporate identity as the first point reflected through the company's name (logo). Reputation of being good or bad, strong or weak depends on the quality of strategic thinking and management's commitment to achieving the goals set [7]. The company's reputation is the customer's perception of quality associated with the company's name [8]. Indicators of company reputation are: company competence, company excellence, customer trust in the company, company experience [9]

Transaction is a meeting between two parties (seller and buyer) that is mutually beneficial. Ease of transaction as a level where someone believes that using a system can be used easily to reduce the effort (both time and energy) of a person [10]. Indicators of transaction convenience are: sites are easy to access, sites are easy to learn, sites are easy to use [10].

II. RESEARCH METHOD

The location of this research is in the city of Bogor, which was carried out in January to March 2019. The population of this research is the people of Bogor City who have accessed and made purchases on Bukalapak online shopping sites whose numbers are not identified with certainty. The research sample of 200 respondents. Data were analyzed using Structural Equation Modeling (SEM), which is a multivariate analysis that can analyze the relationship of variables in a complex way to explain thoroughly the relationships between variables in research. There are three exogenous constructs and one endogenous constructs in model.

III. FINDINGS AND DISCUSSION RESEARCH

A. Characteristics of Respondents

Table 1 showed the Frequencies Distribution of Respondents Characteristics.

Characteristics	Frequency	%
<b>GENDERS</b>		
Man	81	40,5
Woman	119	59,5
<b>AGE</b>		
18-25 years old	191	95,5
26-35 years old	9	4,5
36-44 years old	0	0
> 45 years old	0	0
<b>MARRIAGE</b>		
Married	16	8
Single	184	92
<b>EDUCATION LEVEL</b>		
Highschool	135	67,5
Diploma	29	14,5
Bachelor (S1)	36	18
Postgraduate (S2)	0	0
Doctoral (S3)	0	0
<b>JOBS</b>		
Employee	57	28,5
Student	129	64,5
Entrepreneur	14	7
Professional	0	0
<b>SALARY (A MONTH)</b>		
< IDR.1.000.000	78	39
IDR 1.000.000 - Rp. 2.000.000	41	20,5
IDR 2.000.000 - Rp. 3.000.000	30	15
IDR 3.000.000 - Rp. 4.000.000	17	8,5
IDR 4.000.000 - Rp. 5.000.000	18	9
>IDR 5.000.000	16	8
<b>PURPOSE OF PURCHASING</b>		
Re-Sell	9	4,5
Used Alone	191	95,5
<b>INTERNET ACCESS LOCATION</b>		
Campus	52	26
Home	119	59,5
Workplace	29	14,5
<b>TIMES TO ACCESS INTERNET</b>		
Every Months	5	2,5
Every Days	191	95,5
Every Weeks	4	2

Source: Primary Data Processed.

B. Finding

Based on Figure 1 we can see The full model of consumer purchasing decision in Bukalapak and the effect values of latent constructs on Table 2.

TABLE I. FREQUENCY DISTRIBUTION OF RESPONDENTS

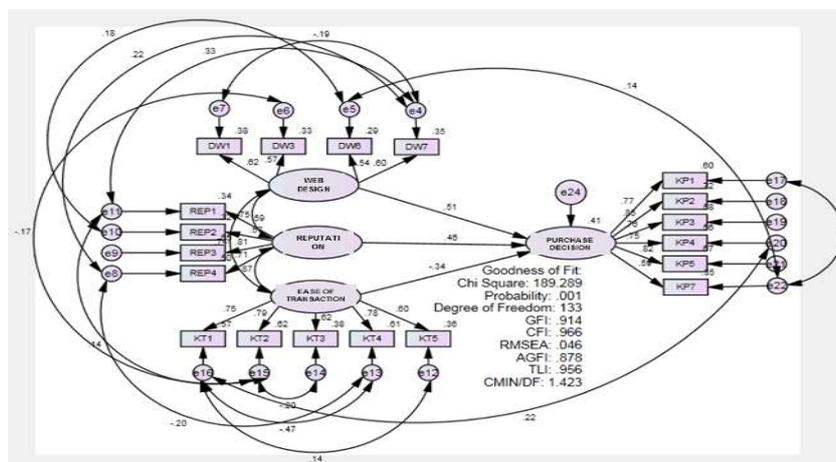


Fig. 1. The full model of consumer purchasing decision in Bukalapak.

**TABLE II. THE EFFECT VALUES OF LATENT CONSTRUCTS**

Constructs		Estimate	Critical Ratio (C.R.)	Probability (P)	
Purchasing Decision	<---	Web Design	0.508	2.913	0.004
Purchasing Decision	<---	Reputation	0.464	1.960	0.050
Purchasing Decision	<---	Ease Of Transaction	-0.343	-1.459	0.145

Source: Primary Data Processed.

### C. Discussion

1) *Effect of web design on purchasing decisions:* Based on statistical tests, the first hypothesis that web design has a positive and significant influence on purchasing decisions can be accepted. This is indicated by the t-count value 2.913 greater than 1.96 or P value 0.004 smaller than 0.05.

This is supported by the theory of Carlos [5] that web design greatly influences consumer purchase intentions in making purchasing decisions. Design is a planned, artistic, purposeful, and useful form. From a consumer perspective, a website must be designed with all the features to arouse effectively from users and to increase their online visits or consumer purchase intentions.

The result of this research are also supported by the theory of Robbins [11] states that the web is a visual medium, web pages require presentation and design attention. Graphic designers make decisions about everything they see on a web page, namely graphics, type, color, layout. This study supports the previous research conducted by Tina Martini entitled Analysis of the Effect of Price, Product Quality and Design on Purchasing Decisions of Honda Motorized Skuteromatic Types shows that web design has a positive and significant influence on purchasing decisions.

2) *Effect of reputation on purchasing decisions:* The second hypothesis stating reputation has a positive and significant effect on purchasing decisions can be accepted. This is indicated by the t-count value of 1.960 equal to 1.96 or P value of 0.050 equal to 0.05.

This is supported by the theory of Fombrun [7] which states that reputation starts from corporate identity as the first point reflected through company names (logos) and other displays, for example from annual reports, brochures, product packaging, office interiors, employee uniforms, advertisements, news media, written material, and social audio. Corporate identity is also non-physical, such as corporate values and philosophy, service, work style and communication, both internal and external. The reputation for being good or bad, strong or weak depends on the quality of strategic thinking and management's commitment to achieving the goals set, as well as the existence of skills and energy with all program components to be realized and communicated.

3) *Effect of ease of transaction on purchasing decisions:* The results of this study indicate that the transaction convenience variable has a significant negative effect on purchasing decisions. This is indicated by the t-count value of -1.459 which is smaller than 1.96 or P value of 0.145 greater than 0.05. This is not in accordance with the third hypothesis

which states the ease of the transaction has a positive and significant impact on purchasing decisions. Hypothesis three was rejected based on the results of this study.

However, several other researchers indicated that the transaction ease variable had a positive and significant effect on purchasing decisions as the results of the study, Ainun Fika Budi Aji Saputri entitled The Effect of Safety, Ease, and Performance Risk on Purchasing Decisions online at Tokopedia.com and Benito Adityo entitled Analysis Effect of Trust, Ease and Quality of Information on Purchasing Decisions online on the Kaskus website. So empirically the ease of transaction variable has an influence on purchasing decisions. However, this effect has not been proven by this study due to various causes, including: the quality of respondents' responses which are still not relatively high, multi-perception statements in the questionnaire, lack of respondents, inaccurate determination of respondents.

### IV. CONCLUSIONS

Web design has a positive and significant influence on purchasing decisions. Reputation has a positive and significant influence on purchasing decisions. Ease of Transaction has a significant negative effect on purchasing decisions. Web design is the strongest factor in purchasing decisions.

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