Exploring Online Shopping in Indonesian Context:
Are International Students Satisfied?

Safiullah Junejo

Faculty of Economics and Business, Indonesian International Islamic University
safiullah.junejo@uiii.ac.id

Abstract

This study aimed to analyze international students' perceptions of adopters of online shopping in terms of demographic profile, expectations of online stores, advantages, and problems related to online purchases. Moreover, the reasons for using or avoiding online shopping and the types of preferred online shops were studied. The research provides fascinating insights into online consumer behavior. Qualitative analysis was used to analyze the data. This qualitative study was performed by targeting three specific goals. First, the study's general objective was to examine students' perceptions and the satisfaction strategies for international students' acceptance of online shopping via Indonesian online shops. The findings of this study indicate that most of the respondents perceived online shopping positively, even though most conventional shopping online moderately (as opposed to highly)—the respondents' favorable perception of online shopping via online shops in Indonesia.

Keywords: *Online Shopping, Preferences, Satisfaction, Indonesia.*

Introduction

Online shopping in Indonesia is increasing and becoming more famous among the residents. However, students and workers are interested in shopping online rather than offline, not only residents but also foreigners who live in Indonesia. One reason is the language; when they shop through the offline store, they need help finding things they want. On the other side, buying through online stores such as Shopee, Tokopedia, Bukalapak, etc., makes it much more convenient because some provide the English language to make it easier for foreigners. This study will examine what factors satisfied international students' during online shopping, especially in Indonesia; the factors include low price, promotion, payment method, convenience, and variety of products that will impact purchases on

specific online shops.

Online shopping has become a trend in Indonesia in the last ten years. A large number of internet users in Indonesia indicates the number of online shoppers. 196.71 million People from 266.96 million of Indonesia's population are internet users. 73.7% of Indonesia's population visited online stores (www.apjii.or.id, 2020). The purchasing decision is a consumer action resulting from a series of stages passed earlier to purchase a particular product. A series of steps introduces needs, information search, alternative evaluation, buying decisions, and behavior after purchase (Kotler & Keller, 2012).

The internet, as a way for firms and individuals to conduct business, is one of the most widely used non-store formats. According to Magee (2003), the growth in online shoppers is more significant than in Internet users, indicating that more internet users are becoming comfortable with online shopping. Furthermore, not only does the number of adopters grow, but the volume of their purchases is proportionally increased (Perea Y Monsuwé et al., 2004). The two most commonly cited reasons for online shopping have been convenience and price (Chen & Chang, 2003). Therefore, the potential to purchase without leaving your place significantly interests many consumers. Moreover, using Internet tools for price searching and comparison provides additional advantages in consumers' final decisions, as they can purchase their desired products at the lowest available price (Häubl & Trifts, 2000). On the contrary, privacy and security have been a great concern (Grabner & Kraeuter, 2002), resulting in many people browsing the internet for informational matters than for buying online (Curtis &Slater, 2000).

According to (Olshavsky & Granbois, 1979) and(Lee et al., 2008), the consumer's activity to purchase the product is called a purchase decision. Thus, a purchasing decision is a process consumers make by choosing one of the various options and ending with a confirmed purchase action. The next step is for the consumer to evaluate the purchases and then show the behavior of satisfied or unsatisfied. Companies need to recognize that role because all roles have implications for designing products, determining messages, allocating promotional budget costs, and creating marketing programs that suit buyers (Swastha & Handoko, 2008). (Kotler & Armstrong, 2003) states that culture, social, personal, and psychology are the four factors that influence consumer purchase decision behavior.

Price can indicate product quality(Erickson & Johansson, 1985) (Dodds et al., 1991). Consumers usually identify the price of expensive products as good quality and doubt the low quality of cheap products. When a person is shopping, the first thing that is often noticed is the price, followed by several other factors. Pricing on a product must be suitable and reasonable. The high price offered must pursue the benefits to be received by consumers who consume them. The price is too low or too high will affect consumer purchasing decisions. Too high a price will make consumers switch to other similar products but with lower prices, and vice versa; if the price offered is too low, then the consumer will be unsure of the quality of the product provided, so delay the decision to buy the product.

The previous study was conducted to analyze the decisions, perceptions, and satisfaction of university students in Indonesia, and the author focused on only domestic students (Amanah et al., 2017). That is a huge gap, as this study supports literature about international students' perceptions and satisfaction with shopping online in Indonesia to fill the void.

The paper is organized as follows. The first section presents the literature review regarding consumers' online buying behavior and the factors that encourage or hinder online shopping. The methodology and the results of the research follow this. The last section concludes with the implications of the study, its limitations, and directions for future research.

Literature Review

Several researchers have carried out studies to examine consumers' online buying behavior. For example, (Bellman et al., 1999) investigated various predictors for whether an individual will purchase online. These authors concluded that demographic variables, such as income, education, and age, have a modest impact on buying online. In contrast, the most important determinant of online shopping was previous behavior, such as earlier online purchases. This is consistent with Forrester Research which proved that demographic factors do not have such a strong influence on technology as the consumers' attitudes do (Modahl, 2000). (Kotler and Armstrong, 2000) pointed out that a person's buying choices are further influenced by four critical psychological factors: motivation, perception, learning, and beliefs and attitude. (Steinfield and Whitten,

1999) The combination of the internet and physical presence provides more opportunities to capture business than the online-only presence because they can offer better pre-purchase and post-sales services to lower consumer transaction costs and build trust in online stores.

Concerning the factors that influence or hinder online shopping, (Ernst & Young, 2000) reported that Internet users purchased online because of good product selection, competitive prices, and ease of use. Still, it was concerned about shipping costs, lack of opportunity to examine the products, and the confidentiality of credit card and personal information. (Kwon & Lee, 2003) explored consumers' concerns about payment security and its relationship to online shopping attitudes and actual purchases. They observed a negative relationship between attitudes toward online shopping and concerns about online payment security. Consumers with a positive attitude seem to be less concerned about payment security.

Similarly, popular literature cited ease of shopping comparison, low prices, timely delivery, convenience, time-saving, low shipping costs, improved customer service, tax-exempt status, and speedy e-mail response as critical reasons for the increase in online shopping (Lorek, 2003; Magee, 2003; Maloy, 2003; Retail Merchandiser, 2003). Furthermore, trust has the best result on CPI, whereas perceived security has the most negligible impact. Additionally, in BRI-associated countries, product presentation influenced CPI in CBEC significantly compared to the previous study. Finally, platform simplicity and service provision have a significant positive impact on CPI.

A consumer approach toward purchasing action is known as shopping orientation (Gehrt et al., 2012). The basic assumption of shopping orientation is that consumers often utilize different approaches to shopping behavior. (Pentina et al., 2011) They stated that sensory, cognitive, pragmatic, and relational online experiences are new experiences of online shopping in the form of interaction or involvement. Furthermore, the online shopping experience is the consumer's involvement with online shops, friends, and other buyers' online shops. (Sabiote et al., 2012) Finally, the study found that the perceived quality of service has an essential role in the consumer purchasing decision.

Many studies on consumer satisfaction have been investigated in various contexts and analysis units (e.g. (Chen & Chang, 2003), (Shim & Drake, 1990),(Shim & Drake, 1990)). Organizational flexibility

and strength can determine consumer satisfaction, creating cognitive legitimacy and eventually ending in the consumer's satisfaction. However, (Shim & Drake, 1990) found that the role of experience support in online shopping, such as sensory, cognitive, pragmatic, and relational, is the new form of online shopping behaviors. Furthermore, (Shim & Drake, 1990) also explained that the consumer's involvement, friends, and other consumers in online shopping have also affected their satisfaction. The study has also revealed the role of mediation from browser satisfaction in improving the selling and service channel of online shopping.

A study in online shopping facilitation has explained that comfort is a concept in the consumer's purchasing (Jiang et al., 2013). However, SERVCON measurement developed in offline shopping does not apply a unique aspect approach to online shopping comfort since online retailers utilize the internet as the shopping platform. Previous works of literature have proven the online service quality concept by identifying some dimensions of service comfort, like unique features with dimensions like facilitation in interactivities usage, information browsing, information in depth, and richness and security (Parasuraman et al., 2005). Unfortunately, though service comfort strategy for the success of online retailers is pivotal, researchers have only given a small portion in their empirical studies, which proved the critical dimension of online shopping comfort and in-depth related features.

From this, the online purchase decision is a buying act by the consumer after going through a selection process that combines knowledge to evaluate two or more alternative behaviors and chooses one of the alternatives which is most robust to personal character, vendor/service, website quality, attitude at the time of purchase, intent in buying online and making decisions (Lee et al., 2008). Online purchases are shopping behavior in online stores (Perea Y Monsuwé et al., 2004). The search and purchase of products are made using the internet.

Quality of service becomes a must for the company. The quality of service owned company can be used as a weapon to win the competition. The company's success in providing quality services can be determined by the approaches developed by (Parasuraman et al., 1985). Quality of service is a measure of how good the level of service the company provides following customer expectations (Lewis & Booms, 1983). Thus, it deals with the dynamic conditions associated

with products, services, people, processes, and environments that meet or exceed expectations (Goetsch & B. Davis, 2002). While the quality of service, according to (Tjiptono, 2011), is the level of excellence expected and control over the status of excellence to meet customer desires.

Furthermore, (Nur Yakin, 2016) did an empirical study that all dimensions of online shopping convenience, e.g., access convenience, information convenience, and transaction convenience, positively affect customer satisfaction during online purchasing. Consumers demand convenience in online transactions (Kin & Farida, 2016). Furthermore, Parisa, 2020 explored that the perceived value is the most influential among the other trust factors. Finally, website quality and design are factors that many online businesses leave out. Still, little do they know that it plays a crucial and significant role in developing the online buying behavior of their customers (Parisa, 2020). In addition, Jie Jian and Ling Lv, 2022 found that trust has the most significant influence on the consumer purchase index, while apparent security has the slightest effect (Jian et al., 2022). Muhammad Asril ARILAH, 2021 presents new research on the favorable impact of e-services quality (website design, responsiveness, dependability, trust, and personalization) on customer perception (Arilaha et al., 2021). According to Muhammad Muflih (2020), motivations favor people's contentment and trust. Furthermore, these psychological attachments influence whether or not people utilize specific e-commerce platforms (Muflih et al., 2020).

Method

This qualitative study was performed by targeting three specific goals. First, the study's general objective was to examine students' perceptions and the satisfaction strategies for international students' acceptance of online shopping via Indonesian online shops. A research population consists of all the possible cases (persons, objects, events) or subjects that constitute a known whole entity that a researcher wants to study (Babbie,2007). This qualitative study's overall population consisted of 60 undergraduate and postgraduate international students from different universities in Indonesia. Participants were 45 males and 15 females 21-40 years old who visited their desired online shops in Indonesia. This qualitative study was conducted to answer fifteen specific research questions through

zoom interviews and fill out a questionnaire through the link by WhatsApp messaging. The general research question was, what was the degree of the difference of influence of satisfaction strategies on students' perception and acceptance of e-shopping via online shops in Indonesia? Research limitations are difficulties and occurrences arising in a study that is out of the researcher's control (Simon and Goes, 2013). Although the scope of this study could be vastly broad when viewed from a general perspective, narrowing the content to the specific issues (phenomena) on which this study is focused has given rise to several limitations of the study, especially concerning the topic of generalization of findings. In this regard, this study has identified eight limitations that could affect the generalizability of its results.

Discussion

Research results show that quite a number of the respondents visited online shops in Indonesia. Similarly, many recently purchased clothing materials and food items from Indonesian online shops, while only a few recently purchased electrical/electronic devices from online stores. However, few often used to buy products online from those e-shops. Since most of the respondents are full-time students and have not had any occupation (job), there may have been some links between the purchasing behavior of the students and their income or scholarship status. Forty-three of the respondents are influenced by the expectation that shopping online would yield remarkable outcomes. According to the survey, forty-two of the respondents are influenced by the anticipation, and they like to recommend to an adopter that shopping online via online shops in Indonesia would be effort-free and easy.

Similarly, ninety-five percent of international students perceived that online shopping is time-saving because, during the busy schedule of classes, they go through online shopping in Indonesia. This indicates that the social relationship between the persons the students regarded with esteem and themselves did not influence their acceptance of e-shopping. Contrary to social influence, sixty percent of the respondents were affected by facilitating conditions (availability of technical help handy, such as an experienced friend, an information technology technician, etc., to guarantee smooth conduct of online shopping) to shop online in

Indonesia. This indicates that many students would prefer to shop online in Indonesia. When they are sure of the availability of someone that would help them in case they are stuck while shopping online. Similar to the result of facilitating conditions, most respondents are influenced by hedonic motivation, "enjoying doing online shopping and being interested" in it to shop online. This indicates that many students enjoy shopping online via Indonesian shops.

Opposing the result of hedonic motivation, most respondents were influenced by the price value "consumer-friendly commodity price" of Indonesian online shops to shop online. Furthermore, forty-two respondents out of sixty respondents prefer to shop from shops (Online Shop in Indonesia); the reason they mentioned that "In Indonesia, most of the online shops are in Bahasa Language, just shop is in English, so it is very convenient to find the product." Similarly, concerning payment medium, 70% of respondents use a Bank card to pay such an amount during shop online; they also believe that in Indonesia, the payment method is straightforward to use anywhere. This indicates that many international students are impressed by the reasonable prices of products tagged in online shops in Indonesia. In addition, most respondents believe delivery charges are cheap and fast. Similarly, the result on product quality indicates that thirty-six of the respondents are influenced by the perception of online shopping because product quality influenced them to purchase products online via online shops in Indonesia.

According to the survey questionnaire, most international students face sharing locations and feel trouble once delivery men call them through their numbers. However, forty of the respondents were influenced by the perception that the employees of online stores in Indonesia are reliable and trustworthy to the extent that they influenced them to purchase products online via online shops in Indonesia. This indicates that many of the students believed that the employees of the online shops in Indonesia would do things as and when they promised to do them. In addition, most of the respondents quoted that the employees of online stores cared for and had the interest of regulars at heart. This indicates that quite many few of the students believed that employees of the online stores treated customers with care. Furthermore, through interviews and questionnaires, I observed that many international students are satisfied with online shopping in Indonesia.

Furthermore, in comparing with the previous study conducted

to analyze the decisions, perceptions, and satisfaction of university students in Indonesia, the author focused on only domestic students; the author found that service quality, price, and product diversity have an effect on online purchasing decisions from the view this study conducted to find perception and satisfaction of international students in Indonesia (Amanah et al., 2017). As this study supports literature about international students' perceptions and satisfaction with shopping online in Indonesia, I found that most international students positively perceive online shopping, and most of the respondents are satisfied with purchasing online.

Conclusion and Recommendation

The findings of this study indicate that most of the respondents perceived online shopping positively, even though most conventional shopping online moderately (as opposed to highly)—the respondents' favorable perception of online shopping via online shops in Indonesia. Online shops may have translated into a corresponding acceptance level (e.g., high level) if, ceteris paribus, other factors such as access and affordability of internet services, technology usage skills, prior e-shopping experience, trustworthiness, and reliability of online shops, and meager income were addressed.

Although this study has contributed immensely to the e-acceptance, specifically e-shopping literature, there are other realms and facets of the concept which may have fallen under the limitations of this study or that this study did not focus on. Therefore, to obtain more all-inclusive empirical data and findings in this particular purview of research, this study outlined some recommendations (below), which may serve as a guide for future research. Since this study was performed using a qualitative approach, future research should adopt a quantitative approach to analyze the data comprehensively. Furthermore, since the present study investigated students (as its respondents), future research should examine the e-shopping acceptance behavior of other consumers, e.g., working women or home video celebrities. This is expected to provide valuable data on the concept from different groups of online consumers. Following this, this study recommends that future research should investigate the moderating variables' influence. In addition, it is expected that the consumers' demographic characteristics (age, gender) could influence their e-shopping adoption. Finally, future

research should focus on investigating the use of the website to do online shopping.

The References

Amanah, D., Harahap, D. A., & Lisnawati, D. (2017). Exploring Online Purchase Decision Among University Students in Indonesia. *Journal of Humanities and Social Science*, 22(5), 72–77. https://doi.org/10.9790/0837-2212057277

Chen, S. J., & Chang, T. Z. (2003). A descriptive model of online shopping process: Some empirical results. *International Journal of Service Industry Management*, *14*(5), 556–569. https://doi.org/10.1108/09564230310500228

Dodds, W. B., Monroe, K. B., & Grewal, D. (1991). Jurnal Tugas Ind 3. *Journal of Marketing Research*, *XXVIII*(August), 307–319.

Erickson, G. M., & Johansson, J. K. (1985). The Role of Price in Multi-Attribute Product Evaluations. *Journal of Consumer Research*, *12*(2), 195. https://doi.org/10.1086/208508

Grabner, S., & Kraeuter. (2002). The Role of Consumers Trust in Online Shopping. Journal of Business Ethics. *Journal of Business Ethics*, *39*, 43–50.

Häubl, G., & Trifts, V. (2000). Consumer decision making in online shopping environments: The effects of interactive decision aids. *Marketing Science*, *19*(1), 4–21. https://doi.org/10.1287/mksc.19.1.4.15178

Kotler, P., & Keller, K. L. (2012). A framework for marketing. *Sloan Management Review*, *32*, 94–104.

Lee, J., Park, D. H., & Han, I. (2008). The effect of negative online consumer reviews on product attitude: An information processing view. *Electronic Commerce Research and Applications*, *7*(3), 341–352. https://doi.org/10.1016/j.elerap.2007.05.004

Perea Y Monsuwé, T., Dellaert, B. G. C., & De Ruyter, K. (2004). What drives consumers to shop online? A literature review. *International Journal of Service Industry Management*, *15*(1), 102–121. https://doi.org/10.1108/09564230410523358

www.apjii.or.id. (2020). Laporan Survei Internet APJII 2019 – 2020. *Asosiasi Penyelenggara Jasa Internet Indonesia*, *2020*, 1–146.