

The Most Preferable of E-CRM Values On E- Commerce Sector From The Users Perspective Case Study : Indonesian Market Place

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Abstract

The use of e-commerce in Indonesia continues to increase. One of the things that support this phenomenon is the successful implementation of e-CRM strategies by e-commerce companies. E-CRM is a strategy to manage the relationship between consumers and companies through technological intermediaries. This paper will explain the e-CRM factors that most influence changes in customer behavior in Indonesia in shopping using e-commerce platforms. The research method used is a descriptive analysis based on survey results from 780 e-commerce users spread throughout Indonesia. This study indicates that there are four e-CRM factors that are most desirable and affect the use of e-commerce, namely customization, interactivity, choice, and site security.

Keywords

e-CRM, e-commerce, customization, site security, care, choice

1. Introduction

In today's modern era, internet communication technology (ICT) has become a necessity for society. In Indonesia, the millennial generation is known as heavy smartphone users with an average of 4-6 hours a day (Farmania et al. 2019). The widespread use of ICT technology causes a shift in culture and lifestyle in people who want speed, convenience, and effectiveness in daily activities (Lee et al. 2016).

Changes in people's lifestyles that are all technologically advanced make many businesses today have to be able to adapt to changes in consumer behavior that is digitized. It requires many industries to be able to enter the digital era in the developed business operational systems. In Indonesia, the development of digital startups continues to increase significantly. Based on data by (Kominfo 2015) there are about 7.4 million people shopping online and this number continues to rise every year. This is due to people's increasing use of gadgets and the internet in Indonesia. In addition, the retail value of e-commerce has also increased significantly.

An easy and fast way of shopping is an activity favored by many people in today's era. In order to fulfill the desires and expectations of consumers who want fast and instant things, many companies are setting up buying and selling services quickly through online platforms, which are now often known as e-commerce. E-commerce is a platform that brings together sellers and buyers to conduct buying and selling activities quickly and easily by relying on advances in internet technology (Dan 2014; Hong & Cha 2013).

The E-commerce industry in Indonesia has its regulations, namely Law No. 11 of 2008 concerning Information and Electronic Transactions and Government Regulation No. 82 of 2012 concerning Implementation of Electronic Systems and Transactions regulated by the Ministry of Communication and Information. In addition, e-commerce also has regulations under the auspices of the Ministry of Trade based on Law No. 7 of 2014 concerning Trade and RPP on Electronic Commerce (e-commerce) and the Ministry of Finance based on SE-62/PJ/2013 concerning the Affirmation of Tax Provisions on e-Transactions. Therefore, transactions through e-commerce in Indonesia are legal and safe because the government monitors them.

Indonesia is a large market for the growth of the e-commerce industry. It is evidenced through data by the Ministry of Information and Communication of the Republic of Indonesia in 2019 which states that the growth rate of e-commerce in the country reached 78% and became the country with the highest growth rate, followed by Mexico in second place with a growth rate of 59% and the Philippines. 51% (Farmania et al. 2021). Furthermore, consumers in Indonesia spend an average of up to 3.19 million rupiah annually to make online transactions, and it shows the high interest of the Indonesian people in online shopping in e-commerce.

Therefore, digital businesses in Indonesia continue to improve their operating systems to make it easier for consumers to do shopping activities and increase consumer confidence and loyalty to digital businesses such as e-commerce. One of the leading digital e-commerce operational systems is building a website. The world-wide-web or known as the website can be called the business house of a digital company to operate and develop online sales (WJ Jih, 2011). Through the website, consumers can easily see the features or products sold by online businesses.

Building a good and attractive website is the primary step for e-commerce to attract the attention of consumers. An attractive website is like a store that embellishes its product layout so that it is easy to find and attracts consumers' attention to buy it. It also applies when digital businesses build features on their websites. Features that are attractive and easy to operate can attract consumers to make transactions or purchases immediately.

Therefore, it is essential for digital businesses to build a website operational system that is good and in accordance with the company's target consumers. Building an attractive website can be one way for digital businesses to manage relationships with consumers directly or indirectly. In theory this is called CRM or customer relationship management (Hamid 2005; Raihan, Hamid et al. 2005). CRM by e-commerce is managed digitally through a website to provide the best shopping experience and fulfill customer satisfaction and customer retention. The CRM strategy applied to technology such as the e-commerce platform is called the e-CRM strategy.

E-commerce companies must be able to manage relationships with consumers better than direct business because e-commerce operates digitally, which means there are intermediaries between employees and consumers. Due to digital intermediaries, e-commerce efforts in building CRM must be extra because there is no direct contact between consumers and company employees (Farmania et al. 2021). For this reason, proper e-CRM analysis is needed by e-commerce players in the country by considering how the appearance and service features on the website can directly impact consumer behavior. This study will analyze consumers' most needed e-CRM factors to encourage consumers to use e-commerce.

1.1 Objectives

This research aims to explain the most desired e-CRM values of e-commerce from the user's perspective in Indonesia marketplace. This research also shows us the e-CRM strategy in the context of Business to Customer (B2C) segment. The results of this study describe user's attention in using e-commerce related to e-CRM values

2. Literature Review

2.1 E-Commerce

According to (Kamalul Ariffin, Mohan, & Goh, 2018) e-commerce is an electronic-based interactive business community forum using the internet that provides an electronic market where there are companies that mediate between sellers and buyers. In another definition, e-commerce is one type of electronic business mechanism that focuses on individual business transactions by relying on the sophistication of the internet as a medium for exchanging goods or services that can be business to business (B2B) or business to customer (B2C) (Nosrati et al. 2013). The characteristics of e-commerce (Shankar et al. 2003; Wagner et al. 2019) are as follows:

1. Transactions between two parties, namely the seller and the buyer
2. Place of exchange of goods, services, and information
3. Electronic systems such as the internet, television, and other computer networks

Therefore, the principle of e-commerce is to provide internet-based infrastructure services and technology that can expand business processes to the external environment without facing the problem of limited time and space, which has been a problem in the business and sales world. The various business models of the e-commerce platform include the following:

1. Business to Business (B2B)

This business model is a model between a particular company or business that cooperates or offers its products and services to other companies or businesses by relying on an e-commerce platform as an intermediary medium (Gorla, Chiravuri, & Chinta, 2017; Senn, 2000). A well-known example is the Garuda Indonesia company which develops business to business e-commerce by providing online corporate and online agencies. In both cases the company offers Garuda online sale services for other companies who want to become Garuda Indonesia partners, especially selling airline tickets.

2. Business to Customer (B2C)

Another e-commerce business model is B2C, which is a business activity that involves companies and consumers in the process of gathering product information to physical purchases (Islam & Eva, 2019; Paris, Bahari, & Ihad, 2018). World-famous companies such as Amazon.com are a form of B2C e-commerce where this platform is a provider of online retail products that consumers can buy and receive directly.

3. Business to Government (B2G)

The next e-commerce business model is B2G, which is a way of trading using the internet and technology between the company and the public sector or government, such as in terms of procurement, licensing procedures, other activities involving the government (Dearstyne 2001; Josephson et al. 2019)

4. Customer to Customer (C2C)

The fourth e-commerce business model is C2C, namely trading activities between individuals and the private sector as other consumers where consumers sell products directly to other consumers by relying on e-commerce platforms (Dan 2014)

5. Mobile Commerce (m-commerce)

It is a business model that includes buying, promotional activities and selling products through internet technology using handheld devices or cellphones (Niranjanamurthy et al. 2013). Several industries that use m-commerce such as the financial services industry (Bank), telecommunications, retail services, and information services

This study will discuss e-commerce with the Business to Customer (B2C) business model as a place to do online shopping that brings together sellers and customers.

2.2 E-CRM

Technological advances make it easier for consumers to access various information about products before making a purchase. E-commerce companies engaged in the service industry as a meeting place for sellers and buyers must provide an effective online shopping experience for consumers by building good relationships with consumers. It can be achieved through a customer relationship management (CRM) strategy (Erdil & ztürk 2016). In this type of technology business such as e-commerce, CRM can be achieved through electronic technology built so that the CRM strategy on e-commerce can be achieved through an e-CRM strategy (Romano & Fjermestad 2015).

e-CRM is basically a shift in customer relationship management strategy due to the use of technology that bridges customer and company relationships. e-CRM is a CRM strategy implementation that can reduce communication costs with consumers, reduce operational and administrative costs, and accelerate CRM activities to consumers through implementing technology in more effective business processes (W. Jih 2011).

e-CRM is also an activity to understand customer behavior and ensure increased customer satisfaction while using the products or services offered by the company. E-CRM can also be interpreted as a marketing activity and implemented in the company's information technology applications. Therefore e-CRM basically is a process of identifying, attracting, differentiating, and retaining customers using technology. Therefore, the e-CRM strategy emphasizes the customer as an essential component in the business process (Feinberg 2002).

In e-commerce, the main goal of e-CRM is to ensure that customers get the best experience using e-commerce technology while shopping online or looking for product information. For this reason, several e-CRM values can influence the customer perspective on technology business processes, including customization, contact, interactivity, cultivation, care, community, choice, convenience, security, personalization level, market response interactivity, reward, and online. Community (Farmania et al. 2021; W. Jih 2011). This study will analyze the most influential e-CRM value for customers in Indonesia in using e-commerce

3. Methods

This research method uses descriptive analysis with a quantitative approach. Descriptive analysis is used to explain the phenomenon of the research variable, namely the phenomenon of e-CRM on the use of e-commerce based on the results of a quantitative survey. The survey was conducted using an online questionnaire with a sampling technique using purposive random sampling, which is a random sampling method based on predetermined respondent criteria. The criteria for the respondents of this research are active users of e-commerce in Indonesia who have done online shopping activities in e-commerce during the past month. The statement on the questionnaire contains a statement regarding the e-CRM value indicator according to research (Farmania et al. 2021) and the results of the study will present the most influential e-CRM indicators for consumers in using e-commerce

4. Results and Discussion

This study managed to collect data from 780 respondents who are active users of e-commerce in Indonesia. The research questionnaire contains consumer views on the most influential e-CRM strategy in using the e-commerce in Indonesia. Based on the answers from the 780 respondents, this study found that there are 4 e-CRM values that e-commerce users in Indonesia most consider, namely customization, care, choice, and site security. The explanation of each e-CRM value is as follows:

4.1 Customization

The first e-CRM value that becomes a customer's concern about e-commerce is customization. Customization can be viewed as the customer's perception of a website or app's design and feature that can ease access or use the website. The survey results regarding the first indicator on customization are as follows:

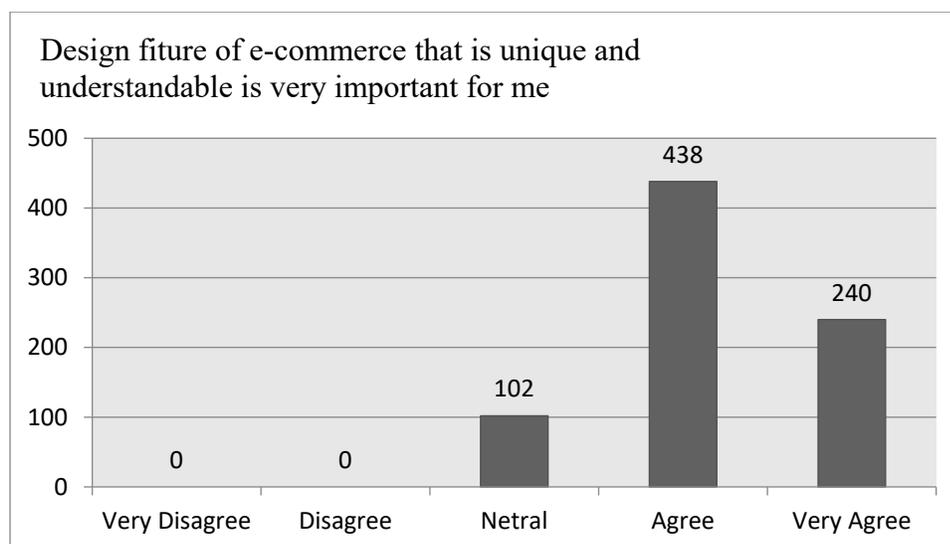


Figure 1. Result of First Indicator of Customization

Based on the survey results above, as many as 438 respondents agreed and 240 others said they strongly agreed that the design of the e-commerce display attracts the user's attention so that users perceive that the e-commerce display is important in the process of using e-commerce. In addition, the results of this survey reveal that the display design of e-commerce features is important because it can make it easier for users to operate e-commerce. It is supported by the survey results on the following two customization indicators:

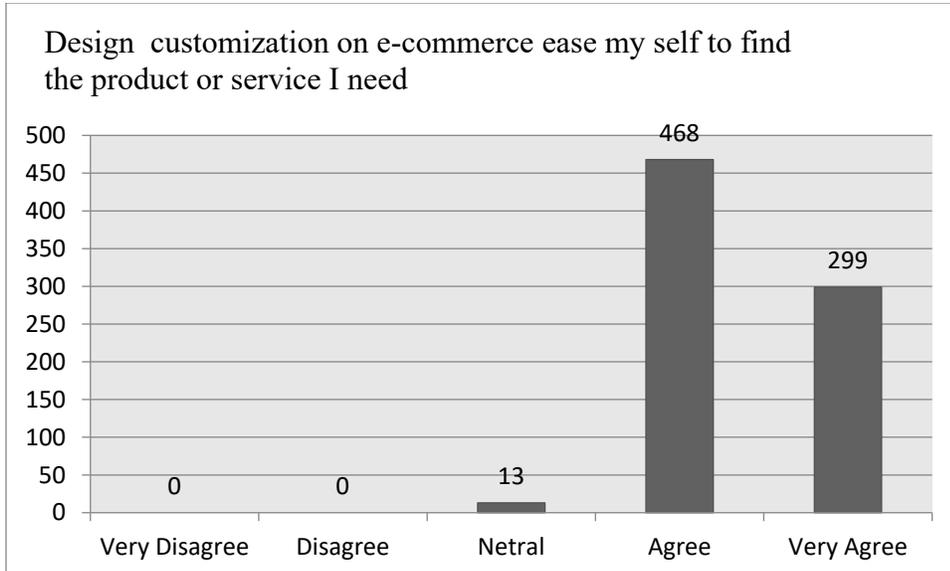


Figure 2. Result of Second Indicator of Customization

Figure 2 above shows that almost all respondents (767 respondents) agree and strongly agree that the design of e-commerce features makes it easier for users to find the products and services needed. It makes customization the most important e-CRM value for users of e-commerce in Indonesia because customization is related to e-commerce display design, therefore a unique and easy-to-understand design can help companies manage e-CRM well for users.

4.2 Care

The next e-CRM value that is the main focus of e-commerce users in Indonesia is care. Care is related to the ability of e-commerce to pay attention to the needs and experiences of users in using e-commerce. The indicators for care are related to the friendliness and speed of customer service or customer support in responding to user messages. The results of this research survey are shown in the following table:

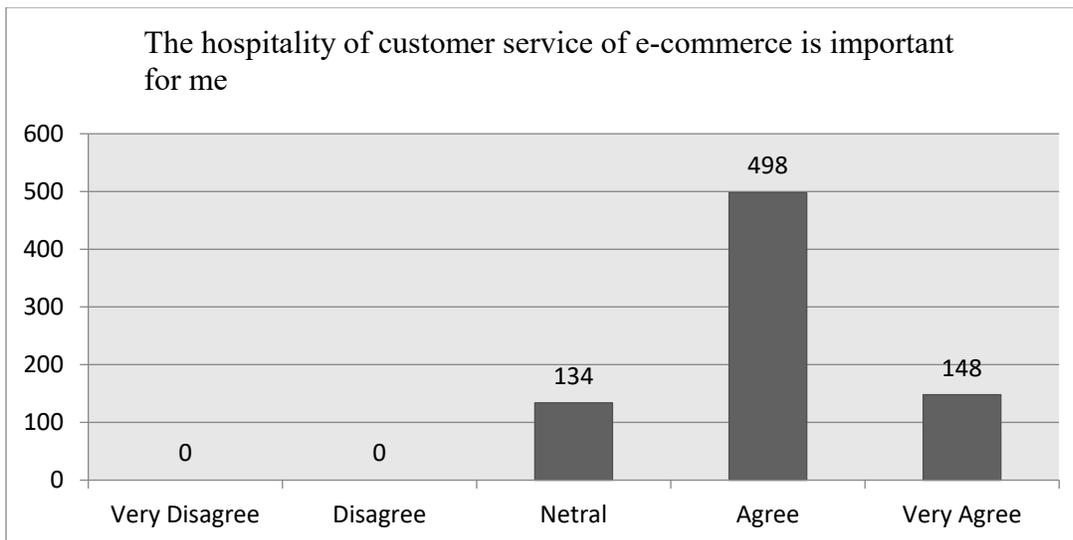


Figure 3. Result of First Indicator of Care

Based on the picture above, most respondents said they agreed that customer service on e-commerce is very friendly in responding to user's questions. The friendliness of customer service is the main factor that users consider in using e-commerce. It can happen because users certainly want clarity and information related to the online shopping process carried out on e-commerce, and when there is a problem with the technology system used by customer care, it becomes a place to ask users questions to find solutions existing problems. For this reason, e-commerce companies need to pay attention to the procedures for the customer care division in responding to users in a friendly and pleasant manner. Not only friendliness, users also pay attention to the speed of customer service in responding to user questions. Here are the survey results:

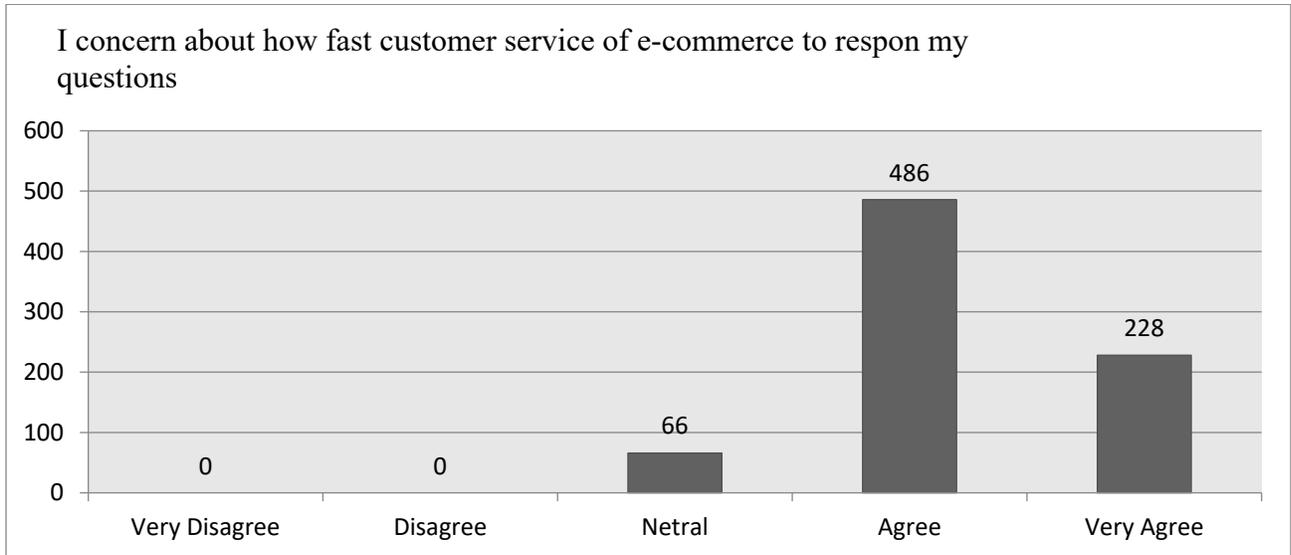


Figure 4. Result of Second Indicator of Care

Based on figure 4 above, 486 respondents agree that the speed of customer service of e-commerce in answering messages or questions is important for users in using e-commerce. While the other 228 respondents answered strongly agree on the statement.

4.3 Choice

The next e-CRM value that has the largest survey results focused on e-commerce users in Indonesia is choice. Choice relates to the choices available in e-commerce, both product choices and store choices. The following are the results of a survey regarding choice:

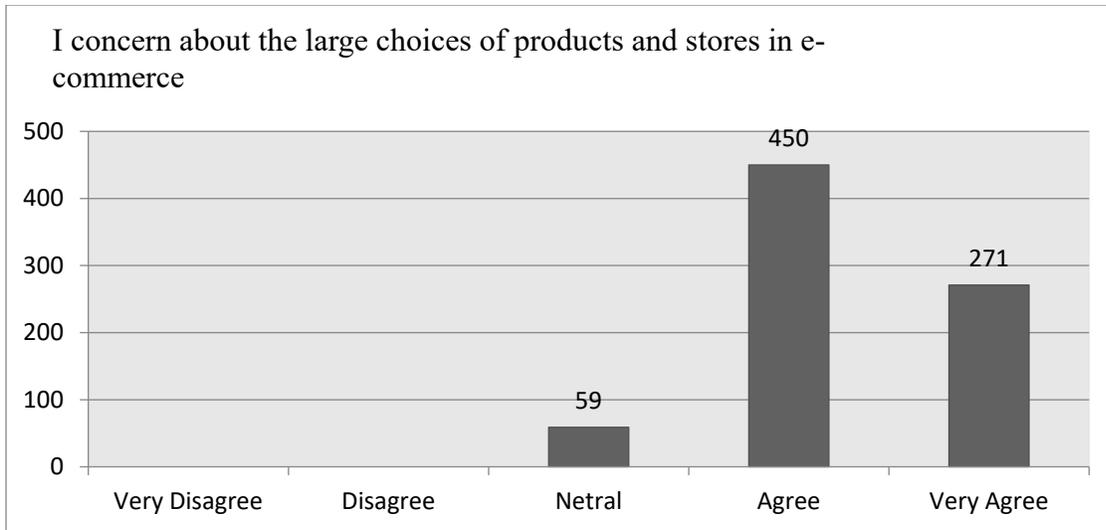


Figure 5. Result of First Indicator of Choice

Based on the survey results above, respondents said that one of the things that makes respondents happy to use e-commerce in shopping is the many and varied choices of products and stores. Based on the data above, 450 respondents agree with user concerns about how large the choices or number of products and stores in e-commerce are, and 271 other respondents strongly agree. It shows that choice becomes the next e-CRM value that supports shopping activities in e-commerce. It shows that the large selection of shops and products is an important thing that users pay attention to in choosing to use e-commerce in shopping. Not only that, a large selection of shops

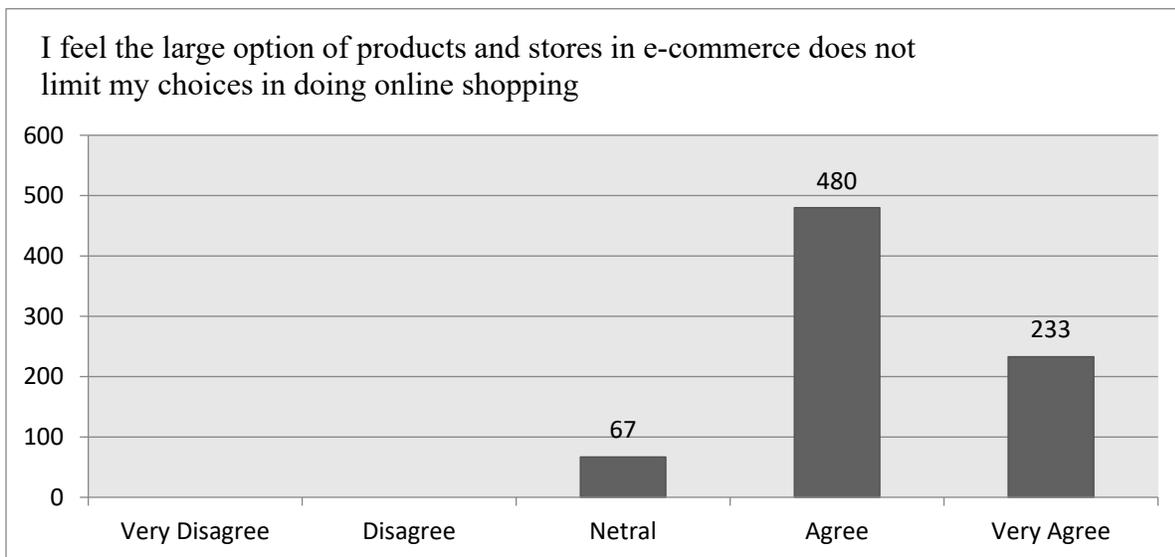


Figure 6. Result of Second Indicator of Choice

Based on the respondents' answers in figure 6 above, as many as 480 respondents agreed and 233 other respondents answered strongly agree that the large selection of products and shops available in e-commerce can make users comfortable and feel not limited in doing online shopping. For this reason, choice becomes the next e-CRM value that users very much consider in using e-commerce. E-commerce that has many suppliers or stores in it will certainly be able to attract users' interest in shopping online at the e-commerce

4.4 Site Security

The next e-CRM value that e-commerce must pay attention to is site security. Based on the survey results, this research found that site security is another major factor for users using certain e-commerce in online shopping. It is as shown in the following figure:

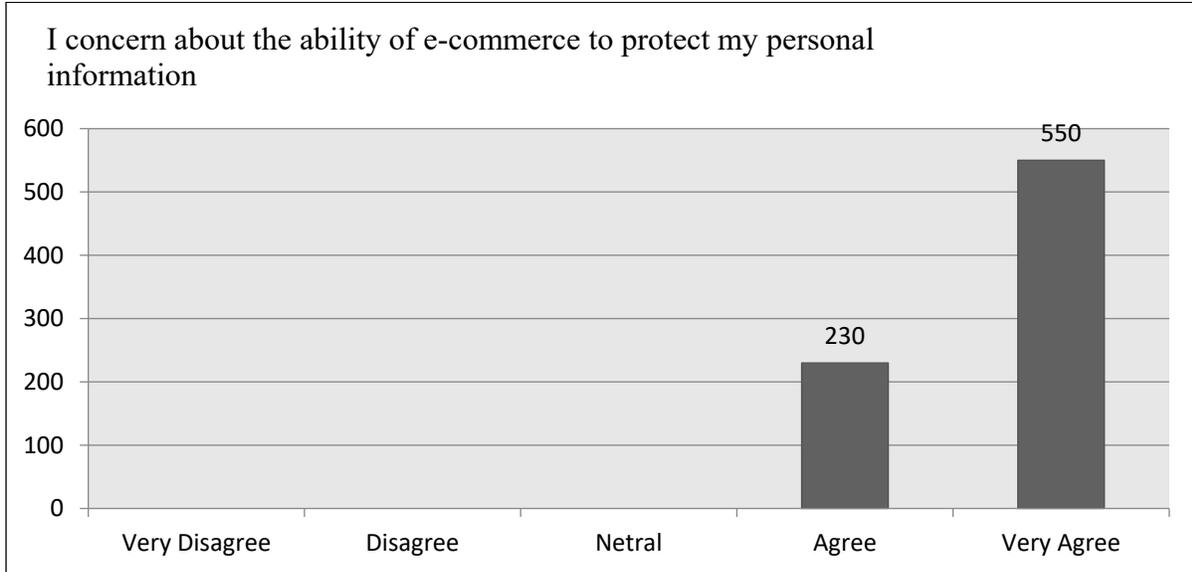


Figure 7. Result of Indicator of Site Security

Based on Figure 7 above, 550 respondents answered strongly agree that the ability of e-commerce to maintain user's personal information is very important and becomes a major concern for users. The remaining 230 respondents answered agree with the statement. It shows that the security of personal information is an important thing that must be maintained by e-commerce companies, both through the security of website and app technology used and the ability of employees to protect users' data.

6. Conclusion

Based on the results of the research above, the conclusions of this study are as follows:

1. Customization is the first important e-CRM factor to be considered by e-commerce businesses. Therefore, user interface (UI) and user experience (UX) designers' ability to design the appearance of e-commerce features is an important point in ensuring the continuity of a good e-CRM strategy in e-commerce.
2. Care is the next e-CRM factor that e-commerce users in Indonesia highly consider. The ability of e-commerce customer service to solve user problems in a friendly and timely manner is an important thing in e-CRM through customer service
3. Choice is the third important e-CRM factor to consider. In Indonesia users of e-commerce in Indonesia believe that the more choices of products and shops available in e-commerce, the more reliable the e-commerce will be and can help users choose the desired product options. Therefore, e-commerce needs to continue to look for new sellers or features of various product variants in order to maintain good relationships with users in using certain e-commerce
4. Site security is the last e-CRM factor that e-commerce users in Indonesia most consider. E-commerce security in maintaining the privacy and user information provided in e-commerce is important in the e-CRM strategy.

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