



International Journal of Entrepreneurship & Technopreneur



Journal homepage: <https://ojs.unikom.ac.id/index.php/injotech>

Online Shopping Pattern of Bandung Citizens

H S Soegoto

Departemen Magister Manajemen, Universitas Komputer Indonesia, Indonesia

E-mail: herman@unikom.ac.id

ABSTRACTS

The objective of this research is to get an insight into the online shopping pattern of Bandung citizens. Research about the online shopping pattern and the impact on businesses 'with brick and wall' concept especially in Indonesia is very rare. This research also gives a picture of why a lot of shops with brick and wall concept in Bandung have fewer customers and end up with the closing of the store. The data was obtained from 400 respondents from all districts in Bandung city which were taken by proportional random sampling. Bandung citizens already get accustomed to using the online platform for shopping. The main reasons to shop online are because it is easier, cheaper and faster. The platforms that are frequently used for online shopping are e-commerce and social media. According to this research result, it can be seen there has been a movement on the place to shop for Bandung citizens, where previously most of the citizens shop at bricks and wall retailers but now most of them shift to an online platform. Therefore, entrepreneurs need to reevaluate their businesses by taking into consideration the shift in the shopping pattern of Bandung citizens.

ARTICLE INFO

Article History:

Keywords:

*Online platform, shopping,
Bandung citizens, businesses,
shop*

I. INTRODUCTION

Several shopping centers and stores in Indonesia especially in Bandung experience a low number of customers which leads to the closing of the business. However, several malls and shops in Indonesia, especially in Bandung experienced a low number of buyers, hence they decided to close the business, despite this there are still a few malls that can operate properly with a concept that combines recreation and shopping. Developments in the field of information and communication technology are not only changing the way people communicate but also changed people's spending patterns. Indonesia is one of the countries with more than 100 million smartphone users or the fourth-largest smartphone user in the world after China, India, and America (Kominfo, 2018). The development of information technology that is very dynamic influences an organization's business processes (Eatock et.al., 2001). People tend to spend more time every day using smartphones than doing social activities directly (Soegoto, 2019). Currently, consumers have made many purchases of goods or services online. Online shopping is a process of finding and buying goods or services using the internet (Varma et.al., 2014). Internet shopping has been accepted as one of the ways to shop for goods and services (Bourlakis et.al., 2008). Retailer profit margins are declining, and consumers feel more comfortable to shop online because there is more variety of products available (Saha, 2015; Jayalakshmi et.al., 2017). There is an increase in consumers who go for window shopping but then they buy goods online at cheaper prices (Jayalakshmi et.al., 2017).

The development of information technology has been utilized by Bandung

citizens either for communication purposes or for shopping online. Regarding this trend, researchers want to find out how big is the shift in shopping patterns of Bandung citizens who were previously accustomed to 'brick-and-mortar' offline shopping pattern to online shopping pattern, what is frequently bought online or offline now and what are the main considerations when Bandung citizens decided to shop using the online and offline platforms. This also illustrates the reason why some businesses with the concept of 'brick-retailer' in Bandung closed their stores because of the lower of buyers.

2. METHOD

This research used a quantitative method to measure the shopping pattern of Bandung citizens which include the reasons for online shopping, shopping place, how frequent they shop online every months, type of goods that are frequently bought, monthly expenses for online shopping, payment method, goods conditions when delivered/received, and satisfaction level when shopping online. This quantitative method is chosen because measurement using numbers makes it easier to input the data into the computer for calculation, storage, and data processing (Divestopedia et.al., 2016). The data collection method was conducted through a survey of 400 citizens respondent in Bandung which was distributed by proportional random sampling based on the representation of the population in each district.

Bandung City consists of 30 districts with a total population of 2,481,469. Questionnaire to measure the response of 400 respondents were taken by proportional random sampling in May to July 2019. The number of samples used was

calculated using the Slovin formula as follows:

$$n = \frac{N}{1+N \cdot e^2} \dots \text{(Stephanie, 2003);}$$

n = number of samples
 N = total population = 2.481.469
 e = error that can be tolerate = 0.05
 $n = \frac{2.481.469}{1+2.481.469 \cdot 0.05^2} = 399.93$
 = 400

2.1. Respondent Characteristic

Based on the survey results as shown by Table 1, the respondent characteristic based on gender was 50.6% male and 49.4% female. According to the age, the majority of the respondent were around 13-20 years old with 37.7%, 41.2% was between 21-30 years old, 12.3% was between 31-45 years old and 8.8% was above 46 years old.

Table 1. Respondent Characteristic - Gender and Age

	Gender		Age			
	Male	Female	13-20	21-30	31-45	46-60
Total Respondent	192	187	141	154	46	33
Percentage	50.6%	49.4%	37.7%	41.2%	12.3%	8.8%

Most of the respondents as shown in Table 2 consist of 52.8% had a senior high school degree and 35.7% had a bachelor's

degree. For elementary and junior high school respondents only 11.5% of the total respondents.

Table 2. Respondent Education

	Elementary School	Junior High School	Senior High School	Diploma & Under Graduate
Respondent	3	40	198	134
Percentage	0.8 %	10.7%	52.8%	35.7%

The majority of occupation respondent as shown in Table 3, the majority were

private employees (26.8%), entrepreneurs (20%) and students (19.4%).

Table 3. Respondent Occupation

	Student	College Student	PNS & BUMN	Private Employees	Entrepreneur
Respondent	74	107	22	102	76
Percentage	19.4 %	28%	5.8%	26.8 %	20%

3. RESULTS AND DISCUSSION

The majority of income ranges as shown by Table 4 was approximately lower than or equal to three million rupiahs with 84% of respondents. Not all respondents filled in the income section because for elementary, junior high, high school and university students they do not have jobs as a source of income. Respondents who

have not to work yet but filled income questions mostly assume that the allowance given by parents is their income. While those who have income above 3 million rupiahs mostly come from private employees and entrepreneurs 89% of respondents have shopped online.

Table 4. Respondent's income and shopping experience

	Income				Online Shopping	
	< 1 million	1-3 million	4-5 million	> 5 million	Yes/ Has try	No
Respondent	105	137	72	32	327	47
Percentage	30.35%	39.6%	20.8%	9.25%	87.4%	12.6%

With that amount of income, the average expenses for online shopping as shown by Table 5 are under a million with 91% and between 1-3 million with 8.4%. Based on the data in Tables 3 and 4, according to the number of respondents

and the value spent in rupiah, it can be seen that the majority of Bandung citizens shop online every month and spend an average budget of under 1 million rupiahs to shop online.

Table 5. Average Expenses per months for Online Shopping

	< 500 thousand	500 thousand - 1 million	1-3 million	3-4 million	> 5 million
Respondent	176	118	27	2	0
Percentage	54.5 %	36.5 %	8.4%	0.6 %	0%

The majority of respondents shop online as shown in table 6 because it is easier (52.2%), faster (13.8%), cheaper (26.8%) and safer (7.2%). Meanwhile, for offline shopping 16% of respondents claimed it is easier, 25% faster, 14.4% cheaper, 44.6 safer. Based on the results in Tables 5 and 6 it can be concluded that the main consideration of Bandung citizens to shop online is mainly because it is easier and cheaper while shopping offline because they feel it is safer and faster. Research conducted by Chawla et.al. concluded that the tendency of people to shop online is

because of time-saving and more convenience (Chawla et.al., 2015; Yu et.al., 2007). Consideration of price, time-saving and convenience are important factors that influence online purchasing decisions (Bashir, 2013). Trust and convenience have a huge influence on online purchasing decisions (Bashir et.al., 2015). Business people both online or offline need to pay attention to the consideration Bandung citizens who take into account the level of ease, speed, and competitive prices when purchasing goods, by doing this the business can continue to grow.

Table 6. Reasons to Buy Online

	Easier	Faster	Cheaper	Safer
Respondent	216	57	111	30
Percentage	52.2 %	13.8 %	26.8 %	7.2 %

The majority of online shopping media as shown by Table 7, 51.7% of respondents use e-commerce, while social media is 31.8%, forums 9.1%, and websites 7.4%. Based on table 6 it is known that e-

commerce and social media are the favorite media choices for Bandung citizens to shop online. Social media through Facebook and WhatsApp is widely used by the young generation (Bharucha, 2018).

Table 7. Media for Online Shopping

	Social Media	Forum	E-Commerce	Website
Respondent	129	37	210	30
Percentage	31.8 %	9.1 %	51.7 %	7.4 %

Based on data as shown in Table 8, we can see that Bandung citizens usually shop online 1-3 times each month. Those who shop once a month

is 31.9%, 2-3 times is 50%, 4-5 times is 11%, 6-7 times is 1.8%, and who rarely shop online is 5.2%.

Table 8. Online Shopping Frequency Each Months

	Once	2-3 times	4-5 times	6-7 times	Very Unlikely
Respondent	104	163	36	6	7
Percentage	31.9 %	50 %	11 %	1.8%	5.2 %

Based on data as shown in Table 9, the majority of items purchased online are clothes and shoes 43.5%,

followed by electronic goods 28.9%, beauty products 19% while household needs are 8.6%.

Table 9. Type of goods that purchase online

	Electronic Devices	Clothes/Shoes	Household Goods	Skincare Product
Respondent	117	176	35	77
Percentage	28.9 %	43.5 %	8.6 %	19%

Based on data as shown at Table 10, we know that payment methods when shopping online are mostly based on Cash on Delivery (COD), this is closely related to

the level of trust and convenience of consumers to shop for goods online, they prefer goods to arrive first before they paid for it.

Table 10. Payment Method when Shopping Online

	Credit Card	Debit Card	Cash on Delivery	Transfer
Respondent	37	139	157	41

The majority of respondents as shown by Table 11 who stated that respondents are satisfied with shopping online is 51% while 20.8% claimed that they are very satisfied. 26.7% of respondents were quite satisfied, only 1.5% were less satisfied and very dissatisfied. The percentage above shows that the high level of consumer satisfaction will cause the shift of places and shopping methods of Bandung citizens from

offline to online. This is in line with research (Soegoto, 2017) which states that an increase in consumer satisfaction will raise consumer confidence. The desire of consumers to shop through online stores is influenced by the consumer's safety and trust (Whysall, 2000; Constantinides, 2004). When consumers feel safe and their trust in online shopping increases, they will more often use an online platform to shop.

Table 11. Satisfactory Level when Shopping Online

	Very Satisfied	Satisfied	Quite Satisfied	Less Satisfied	Not Satisfied
Respondent	68	166	87	4	1
Percentage	20.8 %	51 %	26.7 %	1.2 %	0.3 %

Currently, the satisfactory level of direct offline shopping is still higher, especially those who are very satisfied compared to those who shop online. But based on the data in Tables 10 and 11 it appears that the

difference is not significant. When the satisfaction level of shopping online increases, it can cause Bandung citizens to shift their preference to the products that can be purchased online.

4. CONCLUSION

The majority of Bandung citizens have shopped online. The declining number of consumers who shop at fix retailers is strongly influenced by the shopping trends of the citizens who are likely to get used to shopping online. When shopping

online people commonly use e-commerce and social media. Consumer considerations when shopping online because it is easier, cheaper, more comfortable and safer. Items purchased online are clothes, shoes and electronic goods. The most preferred payment method when shopping online is by debit card and cash on delivery.

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