

An Analysis of Public's Interest in Using Lazada and Tokopedia *E-commerce* Services

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Abstract:

The purpose of this research is to determine society interest in using e-commerce services of Lazada and Tokopedia. This research uses descriptive qualitative research methods to analyze the society interest in using the service of Lazada and Tokopedia. The results of research by using the Seoquake plugin is Tokopedia have a better rating than Lazada in Indonesian Country. The analysis is based on the views and the service which Tokopedia and Lazada provide, such as visually appealing website design, precise information that is presented, accurate product specifications, product design, user friendly, good services, secure and protected transaction systems, adequate product, a favorable and fast response, and on-time delivery. The conclusion of this research is society's interest in using Lazada and Tokopedia e-commerce services is determined from their features quality, services, and convenience found on search engines.

Keywords: Public's Interest, Lazada, Tokopedia, E-Commerce

1. Background

Indonesia's *e-commerce* business is getting popular among society and interest transactions using its services are increasing. E-commerce is one of the technological and communications revolutions in economics, (Nanehkaran, 2013). This business proved to have immense benefits for society due to its product delivery and services which can be conveyed faster than trading with traditional systems. Around 1970 *e-commerce* business was limited to electronic transactions for delivering business documents, and purchase orders via voicemail. However, due to the development of the *World Wide Web* which starts in 1994, many researchers in technology-based business field began to establish a website based business. *E-commerce* was first created in the United States and in European countries in the 1998.

With the further increasing of convenient internet access, it helps the society to reach *e-commerce*. In Indonesia, *e-commerce* includes Kaskus, Tokopedia, Bhinneka, Jakarta Notebook, and many more. Whereas, overseas, the *e-commerce* business includes Lazada, Amazon and Ebay. Although Lazada is included as overseas *e-commerce* business, it has a local market share in Indonesia, namely www.lazada.co.id. The growth of social media in Indonesia also strongly supports the development of e-commerce sites. Since the user of social media is quite massive, e-commerce companies are vying for buyers and sellers by utilizing advertisements (ads) service which exist in social media in order to attract more

visitors to the site.

E-commerce has several advantages, such as: 1) the store can be accessed by buyers via Smartphone or internet-connected computer, 2) avoid the risks of accidents, 3) the buyers can compare prices with others, 4) the buyers can comprehend the purchased items further due to its apparent specification, 5) 24-hour service. Nonetheless, its shortcomings of *e-commerce*, are as follows: 1) *e-commerce* requires a stable internet connection, 2) worried users due to unaccustomed with the service, 3) incorrect selection of the *e-commerce* can lead to fraud, 4) *e-commerce* payment system is more complicated, 5) specification provided sometimes is not the same as the received goods, 6) it takes time for the goods to arrive to the buyers.

E-commerce can be called a digital store because the goods and the specifications can be viewed through digital devices such as a computer or Smartphone by utilizing an internet connection. Lazada is a pioneering *e-commerce* in several advanced countries throughout the world in which they provide a wide range of products such as, fashion, electronics, children's toys, and sports equipment (www.lazada.co.id). Tokopedia, on the other hand, is an *e-commerce* company which aims to open an online store for its members with easy access for free. Tokopedia experience selling products online so that the seller can provide a shopping experience to buyers (www.tokopedia.com). E-commerce is a sale and purchase goods or services through the Internet, (Awais & Samin, 2011).

A number of aspects that need to be met in the business of *e-commerce* is about costumers protection among other things, such as: 1) *non-monetary transaction*, which is providing compensation/warrant to customers who experience problems with the transaction, 2) *digital content products*, usually digital transactions include terms and conditions so that the terminology presented to consumers can be easily understood, 3) *active costumers*, with expanding the facilities of active costumers by adding a new requirement to ensure an honest and transparent costumers support, 4) *mobile device*, a widely used device which able to support the *e-commerce*, 5) *Privacy and security risks*, in *e-commerce* system should pay attention to every security and personal information of its customers, 6) *Payment protection*, which providing protection of all payment transactions made by costumers regardless the types of payment mechanisms used, 7) *Product Saffety*, sold products must meet necessary security standards which is established by the Country, the (OECD, 2016).

Lazada and Tokopedia are both an *e-commerce* with differences. Lazada provide a variety of products which will be sold to costumers. Meanwhile, Tokopedia is a joint of handful merchants who are listed as members of Tokopedia. Lazada self-proclaimed itself as the most reliable and, the best sale and purchase website in Indonesia. While Tokopedia provides an experience for buyers and sellers to conduct transactions online. Lazada only provides fresh items from their own distributors, while, Tokopedia provide both used goods and fresh items from different stores in Indonesia which is already registered in Tokopedia.

The information available on the home page of *e-commerce* website at Lazada include: download application, become sellers, customer care, track orders, login, register, goods categories, search engine, suggestion box, and at the bottom footer is additional information about Lazada. Whereas the information which available in Tokopedia includes: search engine, assistance, register, sign in, promo, product category, and at the bottom footer is another section which contains additional information about Tokopedia.

From the described statement by the researchers it can be deduce the formulation of the problem, as follows: 1) How was the *e-commerce* website display of Lazada and Tokopedia?, 2) How was the service given by Lazada and Tokopedia?, 3) Is there any relation between the display and the services towards society's interest in utilizing Lazada and Tokopedia *e-commerce* services?.

2. Objectives and Significances:

2.1. Research Purposes

The purpose of this research are as follows.

2.1.1. *Academical Purposes*

- 2.1.1.1 Describing display of *e-commerce* website of Lazada and Tokopedia
- 2.1.1.2 Describing quality of *e-commerce* service of Lazada and Tokopedia
- 2.1.1.3 Comprehending society's interest towards *e-commerce* services viewed by their display and service quality

2.1.2. *Practical Purposes*

- 2.1.2.1. Provide information toward readers regarding the display of Lazada and Tokopedia
- 2.1.2.2. Provide information toward readers regarding the services of Lazada and Tokopedia

2.1.3. *Social Purposes*

- 2.1.3.1. As a reference for society to utilize the *e-commerce* service of Lazada dan Tokopedia
- 2.1.3.2. Introducing *e-commerce* system as an alternative means for shopping to society

2.2. *Research's Advantages*

2.2.1. *Academical Advantages*

- 2.2.1.1. Researchers understand the display of *e-commerce* website of Lazada and Tokopedia
- 2.2.1.2. Researchers understand the quality of *e-commerce* service of Lazada and Tokopedia
- 2.2.1.3. As a reference to conduct further research of the same theme

2.2.2. *Practical Advantages*

- 2.2.2.1. Obtaining information regarding the display of Lazada and Tokopedia
- 2.2.2.2. Obtaining information regarding the services of Lazada and Tokopedia websites

2.2.3. *Social Advantages*

- 2.2.3.1. Assisting society to choose the service of *e-commerce* of Lazada and Tokopedia
- 2.2.3.2. Society are able to comprehend difference in *e-commerce* system of Lazada and Tokopedia

3. *Literature Review:*

Interest is one of a psychological aspect which greatly impact on someone's purchasing decision. It is caused by someone's desire for acquiring goods or services. Interest in purchasing is a form of attitude which possessed by someone toward goods that match with his desired products categories, services, or brands, (Schiffman & Kanuk, 2007). Interest in purchasing is best described as the tendency to purchase products or taking action related to someone's motivation to purchase is measured by the possibilities that costumers make purchases, (Assael, 2004). Society's interest in purchasing is influenced by several factors, among other things, such as: the shopping habits, highly purchasing desire, and product's brands. Interest in purchasing was also influenced by culture, social class, group member, psychological, etc., (Rani, 2014). Thus, interest in purchasing may be defined as a person's desires to obtain the goods/services are realized through action to obtain it.

Citizens, according to Law No. 30 of 2014 on government administration chapter 1 verse 15 "is a civil or legal entities associated with the decision and / or action". Society as a *non-profit* organization that has a presence in the life, expressing social interests and values of their members or others based on ethics,

culture, politics, science, and religion, (World Bank, 2010). Society is a group of people who live in the area to a certain extent that share a similar way of life, (Doda, 2005). The conclusion that can be drawn from some expert opinions on the community is a group of people who live in a country that lives together social relate to each other based on ethics, culture, politics, science and religion.

E-Commerce is selling using the internet intended for the purpose of sale and purchase transactions globally both goods and services, including services and transaction support, (Gao, 2016). Other opinion stated that *e-commerce* is the sale and purchase of products or services using the Internet and other computer networks, Devendra et. al., in (Gangeshwer, 2013). Other experts argue that *e-commerce* is the exchange of business information using electronic data interchange, electronic mail, electronic bulletin boards, electronic funds transfer, *World Wide Web*, and other network-based technology, (Bhalekar et al, 2015). *E-commerce* as a means of sale and purchase is done by using internet services, (Whitten et al, 2004). *E-commerce* can involve electronic funds transfer, electronic data interchange, automated inventory management systems, automated data collection systems. From the conclusions that have been presented by expert *e-commerce* is a business of sale and purchase goods which are conducted online, whereas the system of sale and purchase is done online through internet connection.

4. Research's Methods:

Descriptive quantitative research aims to provide information about services by e-commerce Lazada and Tokopedia. Qualitative research covers: 1) interviews using a structured questionnaire, 2) direct observation, and 3) case of studies, (Mayoux, 2001). Meanwhile quantitative research takes various assumptions from multiple studies that can deduce the outcome of another analysis, (Hancock et al, 2009). Due to the limitations of research activities, incomplete research data, inadequate variables to be studied qualitative research was chosen, (Yin, 2011). Qualitative research comes from the depth, nuance, context, multidimensional and complexity, (Mason, 2002).

This study uses the theory of the *Unified Theory of Acceptance and Use of Technology* which is a unified theory in the use of technology that has been used widely in information systems, (Venkatesh et al, 2013). Descriptive quantitative research aims to provide information about *e-commerce* services of Lazada and Tokopedia which viewed by the displayed website. The study was not entailed with a hypothesis test due to the researchers in this study conducted a description, record, analyze, and interpret the circumstances that exist so far. The focus on this research is the website display of *e-commerce* of Lazada and Tokopedia. The display is viewed by system quality, service quality, and information quality. In this research, online shopping qualified as *Unified Theory of Acceptance and Use of Technology* criteria theory which has the characteristics as follows: variable service's users, an online shopping service, with mechanisms ability, value, risk, people's views, online shopping traditional barriers, (Lian & Yen, 2014).

5. Discussion and Result:

5.1. Result

The analysis is based on the system suggests to use Seoquake plugin to analyze the website, show that Lazada index on 14 November 2016 by 4.72 million google was ranking in Alexa rank of 666, while Tokopedia index on 14 November 2016 by 7.51 million google was ranking in google Alexa rank of 304. Indexes that affect google and alexa ranking, among other things, are the number of visitors per day, content, back links, and web always update. Tokopedia has a better quality of system than Lazada. Both Tokopedia and Lazada have good quality of service. Services provided Lazada namely customer service and *Jelajahi Lazada*. The services provided meet the needs of service users to make ease in conduct transactions with Lazada. Quality of service in Tokopedia also has good quality draft in Tokopedia which categorized by menu, sell, buy, and assistance. This can make use of the services provided, as more users know what

services are needed. Suppose a user wants to sell the goods, then the user must navigate the Sale menu. If the user wants to buy then explore the buy menu. If users do not find the information it needs no central assistance provided by Tokopedia. In terms of quality of service, it can be concluded that both of them have good quality. Tokopedia is superior but because the service is delivered more specifically to facilitate the goals of users willing to sell goods or buy goods.

Quality information services in Lazada have a fairly complete service. All the information needed can be delivered through the menu provided by Lazada. The displayed information helps the user in making transactions with Lazada. Tokopedia has more detailed information in the purchase and sale of goods. Information submitted in the procurement system helps users in making purchases. On the menu sales information presented to the user is very helpful in selling the goods. Based on the result of the above analysis, both Tokopedia and Lazada have good quality of service information. But in terms of information to sellers to sell, Tokopedia is superior, because Tokopedia has a mix of shops that exist in Indonesia who want to introduce their products online through Tokopedia.

From the analysis conducted by (Sen et al, 2016) showed that Tokopedia has higher popularity than Lazada. Lazada has a high popularity in Thailand, Philippines, and Vietnam. Characteristics of Indonesian people who love bargains and thrift makes Tokopedia main references that are worth visiting. In addition Tokopedia more specific market segments is in Indonesia. The results of the analysis (Sen et al, 2016) can be shown in the Table 1.

Table 1: e-commerce Analysis Table by(Sen et al, 2016)

Top e-tailing Sites by Traffic in the Different Countries						
Rank	Singapore	Indonesia	Malaysia	Thailand	Philippines	Vietnam
1	Qoo10	Bukalapak	Lazada	Ebay	Lazada	Lazada
2	Taobao	Tokopedia	Lelong	Lazada	Metrodeal	Thegiodidong
3	Ebay	Lazada	Taobao	Aliexpress	Ebay	Sendo
4	Lazada	Elevenia	11street	weloveshopping	Zalora	Tiki
5	Zalora	Blibli	Qoo10	Tarad	Ensogo	Cdiscount

The results of the analysis using Seoquake plugin was accessed in Indonesia showed that the indexes Tokopedia have a great google and alexa rank lower than Lazada. This proves that Tokopedia more frequently visited in Indonesia so that google provides a high index. Product search keywords used by the Indonesian people focus more on Tokopedia. Based on research conducted (Seng & Wei, 2015), (Hasan & Abuelbrub, 2011), (Jaiswal et al, 2010), (Huang & Benyoucef, 2013), it can be concluded that the display quality and service has a considerable influence on public's interest in using the service Lazada and Tokopedia ,

5.2. Discussion

5.2.1. Analysis based on layout and service

Analysis based services in this research includes the aspects of information services provider, how to trade, and help center. On its website, Lazada provides customer service that contains assistance center for payment, purchase, shipping, international product policy, and reimbursement procedure. *Jelajahi Lazada* has about Lazada's service menu, affiliate program, career, terms and conditions, privacy policy, press and media, brand list, Lazada Directory, Sell in Lazada, Lazada Security, and Popular Product. Lazada has a very complete menu of services for costumers. The menu is provided for users to understand the contents of Lazada's website. Help Center provides the information needed. The payment menu describes the procedure of the payment. Purchase and Delivery menu explains how to make the purchase and delivery of products.

[illegible]

Figure 2: Tokopedia's services menu

[illegible]

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Analysis of information services on Tokopedia, is more unique because of information provided to users, namely the frequently asked questions. Tokopedia also provides information services in which occurred common questions to the user, therefore users did not need to contact customer service if they have a question that has been often proposed in Tokopedia. Tokopedia is capable in describing complete information's to its users. Any information given gives ease to make purchases and sales in Tokopedia.

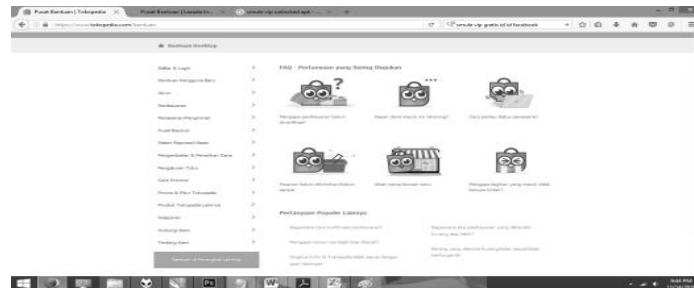


Figure 4: Assisting Desktop in Tokopedia

From the analysis result on the layout and services in Lazada and Tokopedia, both are having an attractive and user friendly layout. Analysis based on system that uses Seoquake can be seen in the Figure 5

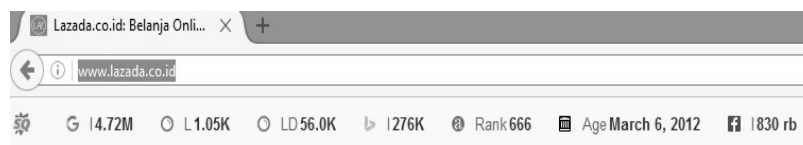


Figure 5: Analysis on Lazada using Seoquake plugin on 14 November 2016



Figure 6: Analysis on Tokopedia using Seoquake plugin on 14 November 2016

The analysis is based on the system suggests the use of Seoquake plugin to analyze the website, shows that Lazada index on 14 November 2016 by 4.72 million Google was ranking in Alexa rank of 666, while Tokopedia index on 14 November 2016 by 7.51 million Google was ranking in Alexa rank of 304. The indexes that affect Google and Alexa rank, among other things, are the number of visitors per day, the content, back links, and regular update on the web. Yet, Lazada has more number of Like in facebook, because Lazada does not only have users in Indonesia but targets global market. Tokopedia has less number of like which is only 212 thousand, due to Tokopedia targets only markets and service users in Indonesia. Based on the above data it can be concluded that the website of Tokopedia has better popularity in Indonesia than Lazada, based on the analysis system. The Value index by google is addressing how often Google crawls the website. More and more visitors, frequently updated content, the number of posts, and backlinks will make the website easier to find. Alexa rank value indicates how well the quality of the web's system. The lower of Alexa rank, the better is the quality of the website, and the website is easier to find.

5.2.2. Correlation between layout and service

A study entitled "An Empirical Study on E-commerce Trust of Malaysian Consumers" showed that interest in buying is determined by the trust to the product specifications to 51.1%, and 37.5% on the brand. This

study shows that the better the information that can be obtained by the user can increase interest in buying. Both Lazada and Tokopedia have information that is required by their users, (Seng & Wei, 2015). It can be concluded that from the information service, Lazada and Tokopedia have a good quality of services that can increase the interest of users to perform transactions.

A study titled "Assessing the quality of web sites" mentioned that the quality of e-commerce services was seen from the criteria of quality of appearance, quality of design, quality of organization, and quality of user friendliness, can significantly affect customer behavior and interaction with e-commerce, (Hasan & Abuelbrub, 2011). From the study conducted by Hasan & Abuelrub, it can be concluded that public's interest to use services from Lazada and Tokopedia are influenced by the quality of the display, the quality of design, quality of organization, and quality of user friendliness. The quality of display and design are requirements that must be met in order for user's high interest. The quality of good organization can be shown on the e-commerce service system that is able to minimize or eliminate the problems that arise in the system of e-commerce transactions. Both Lazada and Tokopedia have a good organizational system, which is proven from the service that were always provided right on time, and display that constantly updates so that the website has a market share and extensive users in Indonesia.

A study entitled "Context-general and context-specific determinants of satisfaction and loyalty for online commerce and content sites" showed that the quality of information is a key in influencing user's satisfaction and loyalty to use e-commerce, (Jaiswal et al, 2010). From this study it can be concluded that the quality of information on Lazada and Tokopedia give effect to public's interest to make purchase and selling.

Research on the design elements of website, including the accuracy, timeliness, relevance, information delivery, price information, complete product specifications, and response of service to the users of e-commerce services can determine the interest to conduct transactions, (Huang & Benyoucef, 2013). From these opinions, it can be concluded that Lazada and Tokopedia has good quality of design and delivery of information on target, attracting public's interest to use those services.

A study entitled "E-Commerce and it Impacts on Global Trends and Market" says that e-commerce has impacts on organizations, communities, and customers. These impacts include cost savings, improved efficiency, and global markets. E-commerce is based on data including text, sound, and pictures. Transaction that being conducted covers electronic transactions, direct marketing, and service after the sale, (Shahriari et al, 2015)

6. Conclusion and Suggestions:

6.1. Conclusion

The analysis that based on the system suggests the use of Seoquake plugin to analyze the website, shows that Lazada index on 14 November 2016 by 4.72 million Google was ranking in Alexa rank of 666, while Tokopedia index on 14 November 2016 by 7.51 million Google was ranking in Alexa rank of 304. Indexes that affects google and alexa rank, among other things, are the number of visitors per day, content, backlinks, and web content which is always being updated. A good website is that having a lot of visitors each day. The more visitors who visit the website, the more often the search engines provide index on the website. Tokopedia has a search system with a better quality than Lazada. The quality of design in e-commerce are better specified website design tat visually appealing, the information presented is appropriate, product specifications are accurate, product design, user friendly, good service, transaction systems are secure and protected, the completeness of the product, a good response and quick, and punctual

delivery of goods is crucial public interest to conduct transactions in Lazada and Tokopedia. In Indonesia Tokopedia has higher popularity rather than Lazada.

6.2. Suggestions

For further research, it is expected for the results of the study can be obtained by using quantitative methods and multiply the references from foreign journals and domestic journals in order to obtain more accurate data. Analysis using the same method should be analyzed more in the content of Lazada's and Tokopedia's websites in order to obtain maximum results from the study.

For a person who performs first-time transactions in Lazada or Tokopedia, it is suggested to read the information presented in the website menu, so as to facilitate the transaction to be performed.

For Lazada's and Tokopedia's providers, must improve the display quality and the services provided so that consumers are satisfied and have trust in using e-commerce services.

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