

Online Shopping Customer Behavior in Indonesia: a Survey on Accounting Students

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Abstract

The purpose of this study is to explore online shopping behavior in Indonesia. The focus of the study is the behavior of accounting students as they are online shopping customers. Research Methods: The research methodology is carried out using a questionnaire survey distributed among 295 samples. The data obtained were analyzed by using the statistic technique of descriptive analytics. The findings indicate that students often use online shopping through mobile applications to buy products such as fashions and books. Students also use several online shopping applications as a choice. This study also points out that affordable prices, discount, special offers, and special programs for students as well as security guarantees are essential aspects which are expected by students as online shopping customers. This study contributes to tracing online shopping behavior among accounting students and understanding their perceptions of online shopping.

Keywords: online shopping, customer behavior, accounting student

JEL Classification: M15, M30, M31

1. Introduction

Today, the presence of the internet has brought a huge impact on the lives of humanity. The internet carries a part of the information content, that at high speed spread throughout the world, and become one of the best tools for everyone to get a variety of knowledge at home and abroad. On the internet,

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various kinds of media can make it easy for its users to get every information they need, including online shopping.

Online shopping may view as an activity of buying and selling product information through the internet network. In general, in the use of online shopping, there is a change in traditional-based marketing channels towards web-based marketing, known as business to customers (Risanty, Kesuma, Muda, & Maulida, 2020). At the same time, the popularity of mobile devices is increasingly high, with many internet users choosing online from their cellphones or tablets. Therefore, the combination of internet and mobile technology has contributed greatly to the effectiveness and efficiency of the company's operations, especially in the online business (Jain, 2017; Risanty et al., 2020).

Online shopping as a business opportunity, views that the use of technology provides effectiveness and efficiency, including data security, speed of service, and competitive capability (Ahmad, 2002; Bianch & Andrews, 2012; Jadhav & Khanna, 2016). Moreover, several considerations in developing online shopping include the ease and convenience of conducting transactions online, support excellent service, and maintain customer loyalty (Bianch & Andrews, 2012; Risanty et al., 2020). On the other hand, customers have a lot of perceptions in determining which online shopping is chosen as the best provider (Bianch & Andrews, 2012).

Customers' perceptions of online shopping are inseparable from the inherent image, the services provided, the various product variants, and capability of supporting information technology, or a combination of these three factors (Lester, Forman & Lyod, 2005; Seock & Bailey, 2008). The availability of up-to-date information and delivery channels that can be accessed anytime is also an important factor for online shopping providers. It aims to provide excellent service and to continue to exist in the e-commerce market competition by utilizing information technology developments.

Meanwhile, the development of information technology also supports students as one of the active users to access various forms of innovation and changes in the environment through the internet (Xu & Paulins, 2005). The internet provides a lot of facilities that are useful for students to access a variety of information, so they get the convenience of these facilities. The various facilities presented by the internet provide a new approach for students through online shopping. Online shopping for students is one of the facilities presented by the internet that provides various convenience in shopping (Gupta & Bhatnagar, 2017). The convenience presented in online shopping, among others, time efficiency, without

having to face to face, customers can buy the desired item at competitive prices (Seock & Bailey, 2008).

The paper is structured as follows. In the next section, we present a literature review of online shopping and online shopping in Indonesia. Next, we provide the methodological approach followed by result analysis. The next section provides discussions and conclusions. The final section presents limitations and suggestions for future study.

Online Shopping

The conventional business transaction model is different from online shopping, because in conventional business transactions the buyer and seller face to face, while in the online shopping mechanism the buyer and seller do not need to face to face.

Online shopping can be view as users who use communication networks and computer technology in carrying out their business activities. McLeod and Schell (2008) state that a popular view of online shopping is the internet and computer users to buy and sell products. Online shopping is also a process of buying and selling or exchanging products, services or information through a network and computer system mechanism (Sorce, Perotti & Widrick, 2005).

Thus, it can be concluded that the role of the internet in the online shopping system is very important because the system is carried out digitally using computers or mobile technology that is connected to the internet. Computer and mobile technology used for transactions must be able to be used to communicate in buying and selling transactions (Risanty et al., 2020).

According to Sarwono (2012), there are several basic concepts to understand online shopping that need to be known in business developments (conventional and online business approach), namely:

1. Brick and Mortar Organization: a business that is done traditionally by selling products through agents.
2. Virtual Organization: business through the internet or online only.
3. Click and Mortar Organizations: The main business activities are carried out conventionally, while online transactions are carried out only as additional marketing.
4. Electronic Market (E-marketplace): where sellers and buyers can come face to face to transact goods, services, money or information on the online market.

5. Interorganizational Information System: a communication system that allows routine transaction processing and information flow between two or more organizations.
6. Information Systems in Organizations (Intra organizational Information System): a communication system that allows e-commerce activities to run in individual organizations.
7. Intranet: a communication network used between employees to communicate in a business organization to achieve their goals.
8. Extranet: the connection of several intranets to networks that use the internet.
9. Internet: connecting global networks that connect local networks around the world.
10. Business to Business (B2B): refers to transactions between businesses.

Moreover, there are several important elements in online commerce systems (Sarwono, 2012) that need to be considered as follows:

1. Representing the overall image of the company.
2. As a means of offering products to prospective buyers.
3. Able to build good communication relationships with potential buyers and buyers.
4. The system must maintain consumer loyalty.
5. Must be able to outperform competitors in terms of system quality.
6. The system can be reached in various regions.
7. The system can be a promotional tool.
8. The system as a means of exchange for sellers and buyers.
9. The system as a financial transaction between the seller and the buyer.

In its development, the online shopping system can be through the following stages (Sarwono, 2012), namely (1) Identification through planning the system that will be run by the company, (2) Creating the right architecture, (3) Choosing the right development method, (4) Testing and installing the right application to be used, and (5) Perform ongoing maintenance and update the system.

The study of online shopping behavior has become one of the main research agendas in the study of information systems and marketing along with fast-growing e-business. An earlier study in the US by Sorce et al., (2005) finds that younger consumers are looking for more products online than older consumers, however, older consumers are more likely to buy products online than younger consumers. Younger consumers agree that online shopping is more convenient than older consumers.

Another study in the US was conducted by Xu and Paulins (2005). They found that students who frequently browse the internet have a better attitude towards online shopping. Besides, the online shopping experience has been proven to have a significant influence on their attitudes towards online shopping.

Meanwhile, Seock and Bailey (2008) conducted a study on online shopping college students of two eastern US universities. The study indicates that the shopping orientation of students is significantly related to their search for information and purchasing clothing products online. The study also points out seven shopping orientations among students, shopping enjoyment, brand, price, confidence, convenience consciousness, in-home shopping tendency and brand loyalty.

In India, Kiran, Sharma and Mittal (2008) conducted a study on online shopping trends in India. The study points out that at that time the trend was increasing the use of the internet to order tickets, buy books and music. Also, the majority of internet users find information about various products online, only a small percentage prefer to buy online.

In the context of young Chinese customers' online shopping, Mummalaneni and Meng (2009) conducted a study related to online shopping behaviors and service quality perceptions. The study finds that young Chinese online consumers tend to be segmented based on internet capabilities and their perceptions about the various challenges involved in online shopping.

In Indonesia, Novitasani (2014) investigates online shopping behavior among students in urban areas. The study shows that urban culture that is usually synonymous with mall life and hangs out lifestyle, encourages changes in student behavior not only in the way of their fashion style but also in terms of shopping online.

Similarly, according to Murdani's (2016) study which focuses on the lifestyle and behavior of students towards changes in the use of online shopping. The study finds that the lifestyle of students in the urban area has changed as they enter the modern era. Students become very enthusiastic, so that the presence of the latest technology influences the behavior patterns of individuals, especially in a variety of behaviors and lifestyles that have changed them into the present era.

Moreover, Nurhayati (2017) investigates the lifestyle of students towards changes in the use of technology by online shopping. The study finds that the dominant factors in choosing how to shop online, namely the need and prestige factors. In

addition, in shopping online some students are consumptive because they are more likely to consume prestige values.

Online Shopping in Indonesia

Changes in the way of shopping by using an online shop shifted from the initial social interaction when transacting directly using verbal communication. Conversely, if shopping through online shopping the transaction process is only through the internet network without face to face, so there is no bargaining or verbal communication. Online shopping is similar to traditional or modern markets, however, the difference is only in the way of transactions or the buying and selling process using the internet or mobile technology (Risanty et al., 2020). Users of the online shopping service can easily choose the items and prices to be bought. The advantage of online shopping is that the process can be easily done, simply by opening an online shopping web or mobile application with an internet network connection (Lester et al., 2005).

The popularity of online shopping in Indonesia is increasing from time to time. British research institute merchant machine in 2018 released a list of the top ten countries with the fastest-growing e-commerce in the world. According to the study, Indonesia leads the ranks among other countries with a growth of 78% during 2018 (Figure 1) (Widowati, 2019). Moreover, the Global Web Index notes that Indonesia has the highest level of e-commerce users in the world. This report states that 96% of internet users have searched for products or services to buy online. This result is supported by the number of internet users in Indonesia, which is more than 100 million users, which is one of the triggers that encourage the rapid growth of e-commerce.

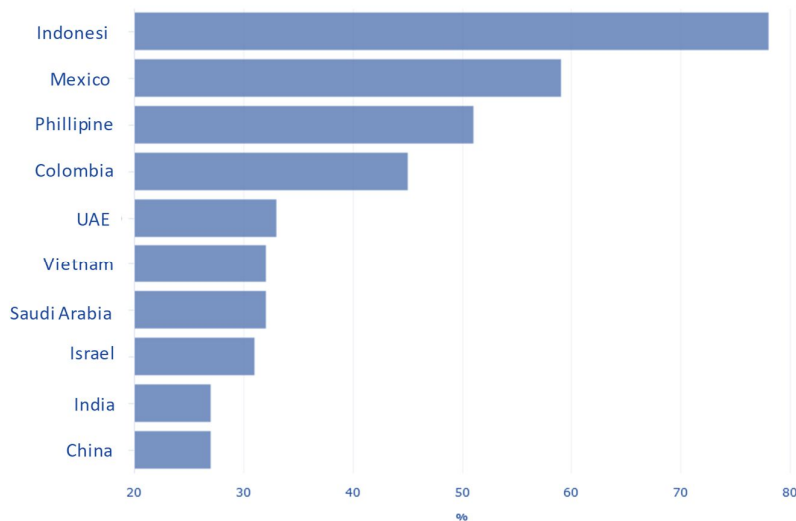


Figure 1. Top Ten Fastest Growing e-Commerce in the World

Source: katadata.com (2019)

According to the Jakpa survey in semester 1 of 2019 that 60.5% of respondents prefer to do online shopping activities rather than visiting the offline store. In addition, respondents prefer to make transactions online due to the quick and efficient, there are many promos and discounts, competitive prices and tend to be even cheaper, and time flexibility shopping. About 91% of total internet users are visits to online retail stores or related sites. 90% of internet users also pay for products or services online In sequence, the majority of internet users make online payments via cellphones and laptops or computers.

In the context of regions in Indonesia, a study of internet penetration & internet user behavior in Indonesia during 2018 was conducted by the Indonesian internet service providers association reports (Figure 2) that Sumatra Utara is the province with the most internet users on Sumatra island (6.3%). (Jayani, 2019). Moreover, the provinces with the next largest contribution to internet use were Lampung (3%), Sumatra Barat (2.6%), Kepulauan Riau (2%), and Aceh (1.5%), Riau (1.3%), Bangka Belitung and Sumatra Selatan (0.9%), and Bengkulu and Jambi (0.6%) (Jayani, 2019).

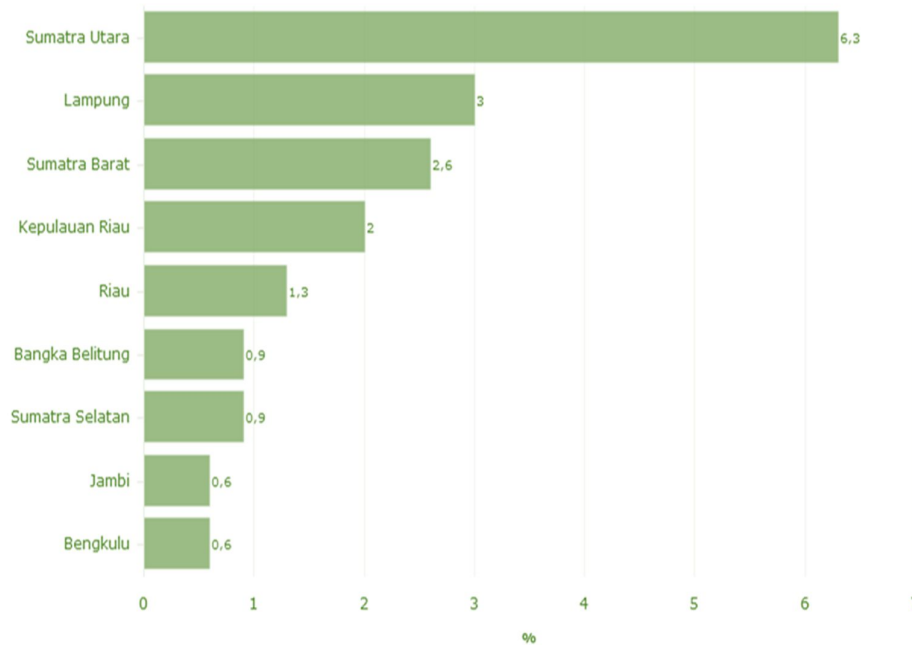


Figure 2. Internet Penetration and Internet User Behavior in Sumatera

Source: www.databoks.com (2019)

Among students, the popularity of online shopping is also increasingly recognized. Many students use online shopping as a flexible shopping alternative. Some students use the online shopping approach as a business practice and as a way to earn income. Thus, for students, the online shopping method will open up many opportunities and benefits that can be used both as learning facilities and business facilities.

In the community, higher levels of education are likely to increase the use of the internet. This is based on a study conducted by the Indonesian internet service providers association in 2018 which showed that the penetration of internet usage among the community with masters/Ph.D. education level reached 88.24% (Figure 3) (Pusparisa, 2019). The results indicate the dominance of students in internet penetration compared to other levels of education.

Moreover, respondents with a bachelor's level of education were 79.23%, high school graduates and the equivalent of 70.54%, primary education 25.1%, and other education levels were 5.45% (Pusparisa, 2019). From this result, it can be

concluded that the internet has penetrated entire circles of society, from the highest to the lowest level of education.

The study conducted by the Indonesian internet service providers association in 2018 also notes that the number of internet users reached 143.26 million, which means that the penetration reached 54.68% of the total Indonesian population of 262 million people (Pusparisa, 2019). Meanwhile, based on gender, the majority of internet users are male (51.43%) and the rest were female (Pusparisa, 2019).

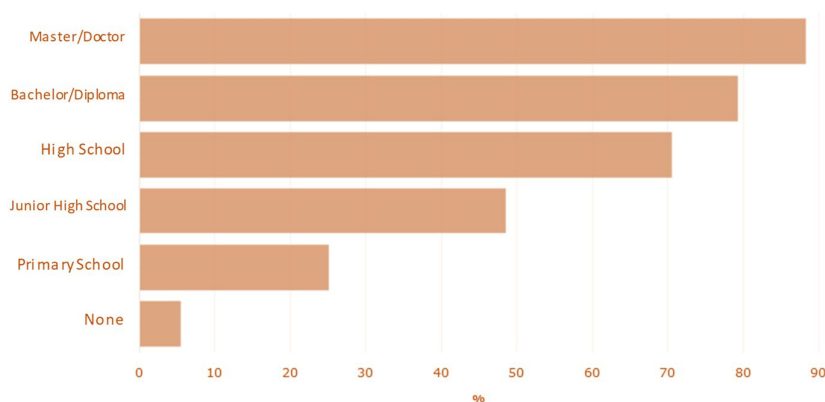


Figure 3. Internet User Based on the Education Level

Source: www.databoks.com (2018)

Research Method

Online shopping customer in the study is undergraduate students of Accounting Department in Universitas Sumatera Utara who use online shopping applications. A cross-sectional design study was conducted by distributing the questionnaire survey which was validated during the pre-test and pilot study. A questionnaire survey was applied due to its convenience and effectiveness to investigate online shopping behavior. We delivered the questionnaires directly among accounting students and collected 500 random samples for data analysis purposes. Among them, several questionnaires were excluded due to incomplete or careless answers that would lead to having a great impact on the estimation method. Finally, 295 samples for data analysis were retained, with a valid response rate of 59%.

Result

Table 1 shows that the majority of respondents in this study were female (190 respondents) and 105 respondents were male.

Table 1. Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage
Male	105	36%
Female	190	64%
Total	295	100%

According to table 2, the majority of students who were respondents in this study were aged between 18 - 20 years old years (51%). 47% of respondents are between 21 - 22 years old and only 2% of respondents above 22 years old.

Table 2. Characteristics of Respondents Based on Age

Age	Frequency	Percentage
18 - 20 Years old	150	51%
21 - 22 Years old	138	47%
Above 22 Years old	7	2%
Total	295	100%

The majority of respondents in this study came from the class of 2017 with 158 students (54% respondents). There are 47 respondents (16%) from the class of 2016. Then from the class of 2018 (15%) and 2019 (15%).

Table 3. Characteristics of Respondents Based on Class

Class	Frequency	Percentage
Class of 2016	47	16%
Class of 2017	158	54%
Class of 2018	45	15%
Class of 2019	45	15%
Total	295	100%

Of the 295 students questioned, 153 (52%) responded they shop below 5 times, while 97 (33%) nodded for shopping between 5-10 times and 45 (15%) students said they shop more than 10 times.

Table 4. Online Purchases

Options	Frequency	Percentage
<5	153	52%
5-10	97	33%
>10	45	15%
Total	295	100%

Based on table 5, 44.41% (131 students) of the respondent saying that they use 1-3 online shopping applications. 37.63% (111 students) respondents said they only use 1 application. And, only 17.97% (53 students) respondents use more than 3 online shopping applications.

Table 5. Number of Applications Used

Application	Frequency	Percentage
1	111	37,63%
1-3	131	44,41%
>3	53	17,97%
Total	295	100%

The following table 6 shows that 41% (122 respondents) of students shop less than Rp 100.000. Followed by 40% (119 students) respondents in a range of Rp 100.000-500.000 and only 18% (54 students) respondents shop more than Rp 500.000.

Table 6. Number of Purchases

Purchasing	Frequency	Percentage
<100.000	122	41%
100.000-500.000	119	40%
>500.000	54	18%
Total	295	100%

The majority with 40% said they shop less than a month, while 37% said they shop between 1-2 months. While 22% of respondents shop for more than 2 months.

Table 7. Last Transaction

Last Transactions	Frequency	Percentage
<1 months	119	40%
1-2 months	110	37%
>2 months	66	22%
Total	295	100%

According to table 8, 43% of the students said that they use applications between 1-2 hours, 37% said they use applications for less than 1 hour. While 20% of students use the applications for more than 2 hours.

Table 8. Duration of Application Usage

Duration	Frequency	Percentage
<1 hour	109	37%
1-2 hour	127	43%
>2 hour	59	20%
Total	295	100%

59% (42 students) of the students said that they shop for fashion and accessories, 13% said they buy books. 11% said they shop ticket, while 9% prefer buying the digital products the more. And only 8% buy electronic products.

Table 9. Product Variants

Variance Product	Frequency	Percentage
Books	38	13%
Fashion and accessories	174	59%
Ticketing	32	11%
Digital Product	28	9%
Electronic product	23	8%
Total	295	100%

Out of the leading online shopping application, Tokopedia ranks first taking 52% (153 students) of respondents, followed by Shopee with 26% (76 students) and Bukalapak with 14% (42 students). Others settle with 8% (24 students) of the total respondents

Table 10. Online Shopping Applications

Applications	Frequency	Percentage
Tokopedia	153	52%
Shopee	76	26%
Bukalapak	42	14%
Others	24	8%
Total	295	100%

Conclusion and Discussion

In conclusion, the use of online shopping has opened up new opportunities that enable more comfortable lifestyles today. Online shopping is a rapidly evolving technology. This should be used properly with guaranteed security for transactions, then it will develop into a very competitive and dynamic environment.

Having access to online shopping among students has truly revolutionized and influenced their overall behavior. The results of this study point out that the majority of respondents in this study were female (64%), so this shows that female students were more involved using online shopping among accounting students. The majority of respondents in this study between 18-20 years (51%), at this age the average student already has the ability and more familiar with various online shopping applications. Students from the class of 2017 dominated in the study with 158 students (54%). 52% of students shop between 1-5 times, this shows that students are quite often and actively shop online and this provides a significant opportunity for vendors to provide special offers and programs to attract online shoppers. 44.41% of respondents use 1-3 online shopping applications on their mobile phones, students prefer alternatives to use online shopping applications that provide special promotions and low prices. 41% of students shop around Rp 100.000, there is a demand for products in this price range that are economical and qualitative for them. The majority of students (40%) shop between 1-4 weeks ago. 43% of students use the application between 1-2 hours, on average students quite often browse via online shopping application. Fashion and accessories (59%) became the most favorite product of the students. Nowadays, many fashion products are offered through online shopping applications with special prices, latest models and intended for the students. Tokopedia became a hit among students (52%) followed by Shopee and Bukalapak. Thus, these vendors can create a special set of shopping in the view of students by giving special offers, discounts, and special programs.

Limitation and Suggestion

This study was conducted before the Covid-19 pandemic hit Indonesia, so this study has not measured the circumstances and effects of the pandemic. This study is based on the perception of accounting students at the Universitas Sumatera Utara, so the results of this study cannot be generalized to represent the overall perceptions of students. This study is also limited to the use of questionnaires to a number of students, so their responses are relatively limited. The study has not

included various aspects of security and convenience that need to be considered in the online shopping mechanism.

Therefore, future studies can develop and add the number and variety of respondents. Future studies are also expected to be able to integrate with questionnaires and interview methods in order to get insightful information from each indicator. Subsequent studies can also add various security indicators, especially the security of personal information and payment. The Security of personal information such as passwords, addresses, phone numbers, e-mail, identity numbers to be kept confidential by online shopping vendors. Consumers should be educated and made aware of one aspect of security in using various kinds of online payments both by online shopping vendors and financial institutions.

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