CONSUMER BEHAVIOR SHIFTING IN THE ERA OF DISRUPTION IN INDONESIA

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ABSTRACT
Purpose: This study is aimed at knowing and understanding the changes of the business organizations relating to their marketing strategies in Indonesia and its affecting factors.

Theoretical Framework: the business organizations change because of the external factors, namely disruptive technology that transforms the conventional business transaction into the online business transaction. Due to the communication technology advances, most of the consumers prefer to conduct the online purchase; accordingly most Indonesian business organizations provide the online purchase transaction means. This, then, causes shifting consumer behavior from the face to face purchase transaction into the online purchase transaction.

Design/methodology/approach: this research is based on the quantitative approach in which the problem statement is solved using statistical analysis in the forms descriptive explanation and hypothesis testing. Besides, the meta-analysis is used to trace back previous similar studies from which the writer use as theoretical references and supporting findings. Hypothesis testing is done using Pearson Product Moment correlation.

Findings: From the research, the writer finds the following matters: 1) currently, the Indonesian consumers prefer the online purchase compared to face to face one; 2) the shifting of consumer behavior from the conventional behavior into the online one triggers changes to the business organization; 3) the most affected aspect of business organization is the marketing strategy that conform to the online consumer behavior; 4), due to the online demand of the Indonesia consumers, most of big companies in Indonesia develop the online services. Thus, it can be concluded that there is a significant relationship between consumer behavior shifting from the conventional behavior into the online one with the business organizational changes in Indonesia in connection to the online marketing strategy.

Research, Practical & Social implications: This study give impact on how the business organizations in Indonesia should provide better services to their consumers, especially in buying transaction that will be conducted by respective consumers. So the consumers will obtain more satisfaction.

Originality/value: This study gives contribution of further researches that will be done by other researchers relating to the online consumer behavior.

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RESUMO
Objetivo: este estudo tem como objetivo conhecer e compreender as mudanças das organizações comerciais relacionadas às suas estratégias de marketing na Indonésia e os fatores que as afetam.
RESUMEN

Objetivo: este estudio pretende conocer y comprender los cambios de las organizaciones empresariales relacionados con sus estrategias de marketing en Indonesia y los factores que les afectan.

Marco teórico: las organizaciones empresariales cambian debido a factores externos, es decir, la tecnología disruptiva que transforma la transacción comercial convencional en una transacción comercial en línea. Debido a los avances en la tecnología de la comunicación, la mayoría de los consumidores prefieren comprar en línea; por lo tanto, la mayoría de las organizaciones empresariales indonesias ofrecen medios de transacción de compra en línea. Esto hace que el comportamiento del consumidor cambie de una transacción de compra cara a cara a una transacción de compra en línea.

Diseño/metodología/enfoque: esta investigación se basa en el enfoque cuantitativo, en el que el planteamiento del problema se resuelve mediante análisis estadísticos en forma de explicación descriptiva y comprobación de hipótesis. Además, se utiliza el metaanálisis para rastrear estudios anteriores similares que el autor utiliza como referencias teóricas y conclusiones de apoyo. La comprobación de hipótesis se realiza mediante la correlación producto-momento de Pearson.

Conclusiones: A partir de la investigación, el autor descubrió las siguientes cuestiones: 1) en la actualidad, los consumidores indonesios prefieren las compras en línea en comparación con las compras presenciales; 2) el cambio del comportamiento del consumidor del comportamiento convencional al comportamiento en línea desencadena cambios en la organización empresarial; 3) el aspecto más afectado de la organización empresarial es la estrategia de marketing que se ajusta al comportamiento del consumidor en línea; 4) debido a la demanda en línea de los consumidores indonesios, la mayoría de las grandes empresas de Indonesia desarrollan servicios en línea. Por lo tanto, se puede concluir que existe una relación significativa entre el cambio del comportamiento del consumidor del comportamiento convencional al comportamiento en línea con los cambios organizativos de las empresas de Indonesia en relación con la estrategia de marketing en línea.

Implicaciones sociales, prácticas y de investigación: Este estudio contribuye a otras investigaciones que realizarán otros investigadores relacionadas con el comportamiento del consumidor on-line.
INTRODUCTION

In these elapsing recent years, the development of information and communication technology quickens the changes of human being in almost every aspect of human life. The most affected factor of human life is communication aspects. People prefer to communicate using digital means compared to face to face communication.

The very fast development of such technology triggers, un-avoidable, changes in business organizations as well. Most of the business organizations make use the digital equipment to offer, sell and deliver their products and services. On the other way around, consumers now become get used to conduct the online finding and buying the products or services that they need.

What happen in Indonesia now is that there is fast shift from conventional consumer behavior into the online one. Consumers prefer buy products and service they need online. So, at present, consumers get used to conduct the online business transaction in daily life. This is proved by research done by Tayipnapis et.al (2020) revealing that the digital economy growth in Indonesia is 6.5 million per year for online shopping. It is also strengthened by Google research about Indonesia’s digital economy that will be worth as much as US$ 146 billion by 2025 as quoted by Tempo English Magazine (2021).

What changes do occur in the business organizations? Business organizations undergo changes on the following matters: 1) management structure, 2) organizational hierarchy, 3) human resource, 4) management culture, and 5) strategic goals. Those changes is in response to the current condition, especially in what the consumers have undergone, namely the shift between face to face business transaction into the online one.

From those backgrounds, the focus of this study is under the following research questions:

First, Do the Indonesian consumers prefer the online purchase or to face to face one? Second, Does the shifting of consumer behavior from the conventional behavior into the online one triggers changes to the business organization. Third, what does the most essential aspect of business organization change? Fourth, what causes most companies in Indonesia to develop online services. Fifth, what causes organizational changes?. Sixth what causes the business organization in Indonesia change their marketing strategy? In order to answer those questions,
the present writers conduct a study entitled" Consumer Behavior Shifting  in the Era of Disruption in Indonesia”

THEORETICAL FRAMEWORK
Factors that Affect Organizational Changes

What does organization mean? Organization means a group of people who work together in structured way for a shared purpose (Cambridge Advanced Learner’s Dictionary). Next definition states that organization is “A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals (Robin & Judge, 2013). Furthermore, organization is a social system consisting of several individuals and / or groups that have certain roles. Furthermore, Gibson said that the organization has a system of authority, status and power where people who are in the organization have different needs from one another in each existing system. Groups within the organization also have a strong influence on the behavior of individual members of the organization and on the performance of the organization (Gibson et al., 2012). While according to Griffin & Moorhead (2014) in relation to the organization, there are several concepts related to it namely: 1) planning, 2) organizing, 3) leading and 4) controlling. The word planning has the meaning of the process of determining the future position of the organization in accordance with the wishes of the organization and determining the best means to achieve that goal. The word organization has the meaning of the process of designing work, grouping work into units and establishing patterns of authority between jobs and units. The word leading has the meaning of a process in ordering members of the organization to work in achieving organizational goals. The word controlling is a process in monitoring and correcting organizational actions and keeping them in line with organizational goals

Organizational change is the process by which organizations move from their current or present state to some desired future state to increase their effectiveness. The goal of planned organizational change is to find new or improved ways of using resources and capabilities to increase an organization’s ability to create value and improve returns to its stakeholders. An organization in decline may need to restructure its competences and resources to improve its fit with a changing environment. Planned organizational change is normally targeted at improving effectiveness at one or more of four different levels: human resources, functional resources, technological capabilities, and organizational capabilities (Jones, G.R, 2013)
Major determinant factors of the changes include: First, Social changes, namely changes caused by social problems occurring in certain communities. These changes occur because of social turmoil or because of certain events resulting in changing values in certain groups of people. Second, Technology, namely technological development trigger changes in all ways of life and individuals as members of society. Third, Economy: Economic changes also causes a change in society. Fourth, Humans: Changes in a person will also change the person and the environment around him. Especially if someone has certain advantages that can be made as a positive contribution to building the community and helping others. Fifth, The role of the leader: a qualified leader will bring changes to the organization he leads in accordance with the vision, mission, goals and objectives to be achieved. All changes are aimed at improving the quality and quantity of an organization with the ultimate goal of obtaining maximum profits, especially in business organization (Yukl, 2013).

Era of Disruption

The word of “disruption” comes from the English verb "disrupt" which means "to prevent something, specially a system, process, or event from continuing as usual or as expected. (Cambridge Advanced Learner's Dictionary)" This understanding will be easier to understand if we put it in the context of the development of digital technology.

Digital disruption describes the changes that occur when new digital technologies, services, capabilities, and business models impact and change the value of existing industry services and goods. These new elements change or disrupt established conditions, forcing businesses to re-evaluate the current market for goods and services and have to make adjustments. Disruption can also be interpreted as changes occurring that employ new ways and patterns in which it can affect human life affairs, including business organization and consumers (Subawa, N.S, et.al, 2022). Furthermore, one of the disruptive technology is artificial intelligence that can be used in enhancing the performance of human resources in business organization within the modern economy context (Sabil, S., et.al, 2023).

Digital disruption, with all its positive and negative consequences, has the potential to be a challenging process that can provide three business benefits:

First, increase customer satisfaction: Today's customers want and need more variety, innovation, and choice. Due to the mass media, which is the beneficiary of digital disruption, today's customers are smarter, informed, and conscientious in their choices. Digital disruption is spurring businesses to meet today's consumer challenges by staying ahead of technology and
embracing the latest changes in a faster way. In addition, digital disruption also provides big data and analytics, which businesses can leverage to generate more extraordinary sales by gaining insight into customer buying behavior. Digital disruption makes marketing more manageable and results in a healthier company overall.

Second, helping the company grow: Companies and other business organizations that do not change will be left behind and lose to the competition which will result in the destruction of their business. Digital disruption is bringing about radical change, pulling companies out of their comfort zones and moving them forward. A company that refuses to adapt and change, especially if its competitors do, is doomed to fail.

Third, develop and improve the workplace: Digital disruption is bringing new innovations and technologies to the workplace. New workflow management tools, collaboration software, mobile devices, and cloud technologies are the result of digital disruption. Another example is that people working from home using smartphone and laptop or personal computer technology have helped companies continue to function during a global pandemic.

Fourth, disruption of information and communication technology affect the emerging of many digital business organization, online financial technology, and ecommerce marketing strategy (Pahmi, MA. Et.al., 2022)

Business Organization Changes in Connection to the Online Marketing Strategy

How does business organization changes? The business organization change can be affected by some factors. Changes can be affected by internal factors and external factors. The internal factors demand the business organization to be flatter with fewer layers of management and leaner with fewer more productive employees. While the external factors need the business organization to respond what that happens outside their organization. The process of changes is not a sudden event. It happens as a long term step by step procedure. Commonly, the business organization stays away the unnecessary disruptive events that can disturb their business. The business organizational changes are called as transformational changes in order to reshape the organizational culture and their business so that they can lead the business and gain competitive advantage in the market.

Steps of the business organizational changes include the following matters: first, setting up an organization vision; second, communicating the ongoing changes to the employees and
stakeholders; three, the employees’ adjustment and readiness; four, changes’ preservation; fifth, institutionalization (Sundberg, Alex, A. et.al, 2022).

Finally the goal of the changes in the business organization is to gain profit as much as possible and to keep their competitiveness as long as possible. In order to remain competitive in the marketplace, the business organization changes the marketing strategy. This implies that competitive advantage is very important in business organization which is the result of recruitment and selection of the personnel (Abunalia, A.S.H. & Kadhim, S.M., 2022).

At present, due to the fast development of information and communication technology, most of people conduct a business transaction online. People have left the conventional business transaction in the form of face to face transaction. This change has been quickened by the Pandemic elapsing years. In relation to the marketing strategies, consumer behavior has changed from the face to face buying and selling process into the online one. Thus marketing strategy changes because of disruption that also affect more specifically in marketing communication (Sandi, Y.F, 2023).

Finally, the organizational changes due to the shifting of the consumer behavior from the face to face business transaction into the online business transaction affect the marketing strategy of the business organizations in Indonesia. They change into the online marketing strategy in order to meet the demand of the online buying consumer behavior. This matter is strengthened by the research that has been conducted by Alsamydai, M.J et.al. (2013)

**Digital Marketing in the Era of Disruption**

What is actually digital marketing? Digital marketing is the components of marketing that uses Internet and online based digital technologies, such as personal computers, mobile phones and other digital media and platforms used to promote products and services. Its development during the 1990s and 2000s has changed the way brands and businesses using technology for marketing. As digital platforms became increasingly incorporated into marketing plans and everyday life, and as people increasingly use digital devices instead of visiting physical shops. Thus, digital marketing campaigns have become prevalent, employing combinations of search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, and optical disks and games have become commonplace. Digital marketing extends to non-Internet
channels that provide digital media, such as television, mobile phones, callback, and on-hold mobile ring tones (Wikipedia)

Furthermore, the digital marketing is the use of digital channels and social media to promote certain brands of products in an effort to reach consumers. This kind of marketing can be done through the Internet, social media, search engines, mobile devices, and other channels. This marketing model requires new marketing strategies and ways to consumers and understand the impact of their behavior. In short, digital marketing refers to any marketing method that is carried out through electronic devices that utilize computers. This includes online marketing efforts made on the Internet. In the process of doing digital marketing, businesses can utilize websites, search engines, blogs, social media, videos, email and similar channels to reach customers. (AMAs, 2022)

To be able to conduct the digital marketing successfully, these are the steps to follow:
1) create a marketing strategy; 2) develop content used for marketing activities; 3) make a digital advertising plan; 4) know and make use the social media as means of digital marketing; 5) employ emails as a marketing tool; 6) make use search engine to assist increase the visitors’ traffic; 7) apply web site analytics; 8) leverage conversion rate optimization in order to drive growth (Digital Marketer)

Currently some of the technologies that continue to develop rapidly during these years include: 1) 3D Printing (three-dimensional printer), 2) 5G and Improved Connectivity (G mobile phone technology), 3) Artificial Intelligence and Machine Learning, 4) Automation and Robotics (Automation and Robots), 5) Cyber Security Advances (Cyber Security System), 6) Edge Computing, 7) Virtual and Augmented Reality (Virtual and Augmented Reality), 8) The Rise of “As-a-Service” Computing (Existence of Service Computing), 9) The Work-From-Home Revolution, 10) Voice-Activated Searches. Technology that mostly affect the business organization is mobile phone technology in which consumers use as a means of online business transaction. Such technology can become determinant factors of the organizational changes in relation to their marketing strategy. There is clear relationship between technology advances with marketing strategy as Purcarea, T & Purcarea, A (2020) state that modern marketing has been affected by the faster changing technology and customer expectation. Thus, disruption produces new advanced technology of which it causes the consumer behavior to change (Gillpatrick, T, et.al., 2019).
METHODOLOGY

Meta-analysis is used to study the same literature where in every such study the faulty criteria is explained. Another definition states that meta-analysis is a research using a quantitative approach in which numbers and statistical analysis result from the previous research result is used to reveal as much as information from the data that have been gathered in order to gain the same goals of the ongoing research. The main requirements of meta analysis is to study the similar research results (Glass, 1981). While meta analysis characteristics are the usage of statistical analysis in order to obtain the information and the data originated from the similar previous researches (Borenstein, Michael, et.al., 2009).

RESULTS AND DISCUSSION

Descriptive Results

Based on some researches that have been conducted by prominent business research institutions in Indonesia, it has been proved that the most of the consumers in Indonesia conduct the business transaction online. The following data show the trend of the online shopping among consumers Indonesia.

Figure 1: Online Purchasers in Indonesia Based on Gender

Source: Databoks.katadata.co.id
First, from 2019 to 2021. The percentage of women shopping online is increasing from 46% in 2019 to 51% in 2020 and 53% in 2021; while men 54% (databoks, 2022). This means that women prefer to buy online than men.

Second, in December 2022. These data shows the online shops and its consumers in Indonesia as follows: 1) Shopee Online Shop has been visited by 191,000,000 consumers in December 2022; 2) Tokopedia Online Shop has been visited by 150,000,000 consumers in December 2022; 3) Lazada Online Shop has been visited by 100,000,000 consumers in December 2022; 4) Bibli Online Shop has been visited by 50,000,000 consumers in December 2022; 5) Bukalapak Online Shop has been visited by 50,000,000 consumers in December 2022.

As much as 87.1% the Internet users in Indonesia conduct the online transaction (kompas.com, 2022)

Third, in 2023. These data shows the online shops and its consumers in Indonesia as follows: 1) Shopee Online Shop has been visited by 157,900,000 consumers per month; 2) Tokopedia Online Shop has been visited by 117,000,000 consumers per month; 3) Lazada Online Shop has been visited by 83,200,000 consumers per month; 4) Bibli Online Shop has been visited by 25,400,000 consumers per month; 5) Bukalapak Online Shop has been visited by 18,100,000 consumers per month (databoks, 2023).

Fifth, demographic data of respondents show that the Millennial prefer to conduct online shopping because they are better in mastering the technology of communication (Swa.co.id, 2023). The rural consumers also, at present, prefer to conduct the online purchase in the online shops.

In relation to the business organizational changes, the trend of consumers’ online purchase activities affect the business organization. One of the prominent effects is that more and more the business organizations provide online delivery service that in the past they never did; because consumers buy the products they need by visiting the location of the sellers physically. These phenomena are seen in several supermarkets and mini markets in big cities, such as Bandung and Jakarta. They started to provide the online services so that the consumers can order and buy the products online.

Since most of the consumers now prefer to buy online, many organizations have also used web site as a means of the shop’s online location in Internet. According to the research done by Hanjaya, M., et.al. (2019) more and more business organization provide web-based services in which the customers can visit the web to buy products they need online. This online
consumers’ behavior has changed the business to implement their marketing strategies from conventional promotion into online promotion via web site, email, and social media.

Due to the online purchase demand from customers as discussed above, most of the Indonesian business organizations have changed marketing strategy from the face to face transaction into online one. Several business organization that have changed are as follows:

First, in the form of store front shops: Shoppe, Tokopedia, Lazada, Bibli and Bukalapak. Those five business organization are pioneer of the online shops in Indonesia that sell starting from beverage, food, traditional medicine, clothes, books, computer software, electronic goods, motor and car spare parts.

Second, in the form of an online auction model, there is an auction site, namely https://lelang.go.id. This online shop conduct online auction of various goods, such as computers, cellular phones, lap top, and other electronic goods.

Third, in the form of portal models which contains a range of information covering ranging political and economic news, sports, technology, up to the light news about celebrity life, Lifestyle and so forth. In Indonesia, the most famous portal site is http://www.detik.com which in the past is in the form of a physical tabloid.

Fourth, Online trading model which is the electronic commerce in the form of securities trading is another form of online stock trading. Through this online stock trading, consumers can do research on securities, buy and sell investments in https://www.ukmindonesia.id.

Fifth, One online lender is Home credit _www.homecredit.net, This online credit store offers credit card services, home purchase loans, electronic equipment, and financial lending to the customers.

Sixth, the web based news portal such as Kompas (http://www.kompas.com) and Tempo (http://www.tempoaktif.com) which are, in the past produce paper based newspaper and magazine, at present they focus more on the online news service.

Seventh, in the form of Cybermall model originated from traditional mall, there is online cybermall, namely http://cybermallmalang.com. This cybermall functions such as physical mall consisting of several online shops within one web site.

Those examples of organizations mentioned above are currently doing what is called digital marketing. The digital marketing usually focuses on goals, channels, media, platforms, content, and responses (Shankar, V. et.al. 2021).

The change of consumer behavior from the conventional behavior into the online one causes an emerging of the online demand delivery companies in Indonesia. They offer an
ordered goods and foods via online services. Some popular on demand delivery service companies are Gojek.com, Grab, In Drive, and Go Food. In this case, it can happen because the role of what is called the disruptive effect of information and communication technology (Cascio, W.S., & Montealerge, R, 2016).

**Hypothesis Testing**

This hypothesis is to test the relationship between consumer behavior shifting variable and the online business organization marketing strategy variable. The following is the hypothesis statement

H0: There is no significant correlation between consumer behavior shifting variable and the online business organization marketing strategy variable.

H1: There is significant correlation between consumer behavior shifting variable and the online business organization marketing strategy variable.

Based on the calculation using correlation technique, it is found that: First, the significance level is as much as 0.030 which is smaller than 0.05 meaning that the H0 is rejected and H1 is accepted. Accordingly, there is significant correlation between consumer behavior shifting variable and the online business organization marketing strategy variable. Second, the coefficient correlation between consumer behavior shifting variable and business organization change variable is as much as 0.913 which means there is a positive and high correlation between those two variables. Those correlation is significant because the value of significance level 0.030 is less than 0.05.

**Theoretical Implications**

The changes of the business organizations affect mostly in the consumer’s behavior, namely they prefer to buy products and services online compared to the conventional face to face business transaction. This is in line with the research result that has been conducted by Firmandani, Wahyu et.al., (2021) stating that the changes have affect in preferences in conducting the online shopping. This implies that the business should take into account of the consumers’ buying preferences in line with the change within the business organization in relation to marketing strategy. Another research’s finding proves that the Generation Y’s consumers prefer to conduct the online shopping (Simanjutak, M & Musyifah I, 2021). This factor can also be an important cause why the business organization should change in response the external factor relating to the demand of the consumers. Thus, the digital technology
disruption changes consumer demands (Gillpatrik, T. et. al., 2019) and furthermore changes consumer behavior in general.

Furthermore, it has been studied by researchers factors that affect the online purchase of the consumers, namely performance expectancy, effort expectancy and personal innovativeness (Dewi, C.K et.al., 2019). These findings can help for the business organization in relation to the purchase intention of the customers. Other important findings in relation to the online shopping show that the customers are affected by the following matters: online sales promotion, delivery service, quality assurance, and online consumer satisfaction (Maidiana, K & Hidayat, Z.,2021). These factors are important factors for the business organization to consider as the matters that should be given serious attention in order to be able to conform with the online consumer preferences. Moreover, the consumer preferences and behavior correlate with some factors, such as changing needs, personality, culture and new market segment (Metha, S., et.al., 2020)

CONCLUSION

Based on the discussion above, the present writers make the following conclusions: First, currently, the Indonesian consumers prefer the online purchase compared to face to face one. Second, the shifting of consumer behavior from the conventional behavior into the online one triggers changes to the business organization. Third, the most affected aspect of business organization is the marketing strategy that conform to the online consumer behavior. Fourth, due to the online demand of the Indonesia consumers, most of big companies in Indonesia develop the online services. Fifth, the organizational changes due to the shifting of the consumer behavior from the face to face business transaction into the online business transaction. Sixth The online business transaction affects the marketing strategy of the business organizations in Indonesia in order to meet the demand of the online buying consumer behavior.

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