

THE FACTORS INFLUENCING CUSTOMER'S INTEREST IN USING E-COMMERCE SERVICES (STUDY CASE TAOBAO, CHINA)

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Abstract: This study aims to understand and analyse the influence of price, delivery service, promotion, ease of use and brand image on customer's interest in using e-commerce services. This study explains the results of the survey, which is managed for online Chinese TaoBao shopping service customers. The research methodology used a survey gathered from Chinese TaoBao users. This study derived the primary data from 100 respondents. The research was conducted simultaneously indicating that Price, Delivery Quality, Promotion, Ease of Use of Applications and Brand Image that have a significant impact on customer's interest in the use of e-commerce services. Partial testing (T Test) shows that Service Delivery, Promotion and Brand Image significantly influence customer's interest, but Price and Ease of use do not significantly affect the customer's interest in using E-commerce services.

Keywords : Price, Delivery Service ,Promotion, Ease-of-use, Brand Image, Interest in Using E-commerce Services

INTRODUCTION

Background

China has been known for having made rapid progress in the field of technology and information. These developments have contributed to economic improvement in their own countries, as well as in other countries located in East Asia, the Middle East and Europe. The Internet is a group of servers or one server connected to the network by means of communication protocols, so that they can be interconnected and share information with each other. The development of Internet also has an impact on the emergence of e-commerce. In addition, e-commerce is defined as a commerce through electronic media which there are seller and buyer sides, but there is no need to meet directly. Importantly, through electronic media or the internet, there is a link and media for communication.

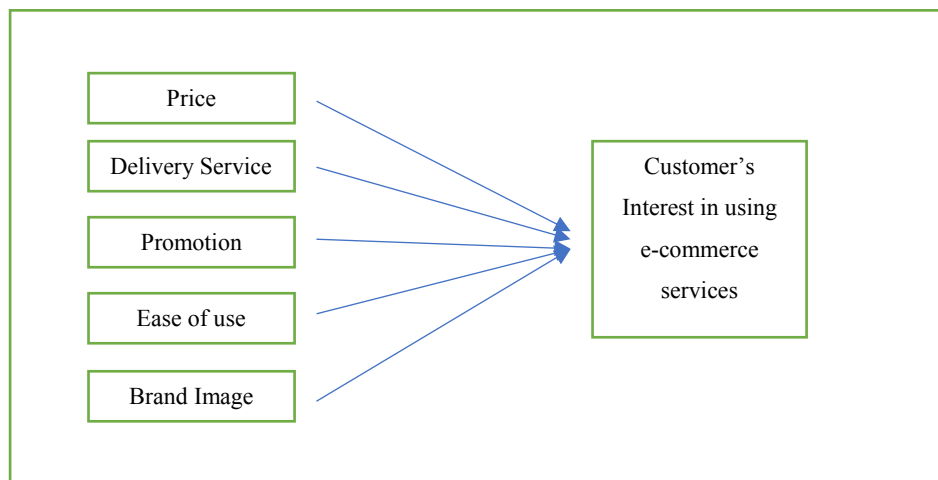
China Internet Network Information Centre (CNNIC) states that active Internet users in China have reached 802 million or 57.7% of the total population. The rapid development of e-commerce technology can help both customers and sellers do business. (Lu, Du, Zhang, Ma, & Le, 2002) say that the evolution of e-commerce will accelerate year after year. Many people feel that they have benefited from the existence of this e-commerce technology so that e-commerce can become a market with a good potential.

Furthermore, Interest is the curiosity of consumers to find out more about a product. Interest in its role can influence consumer repeat purchase decisions and subsequent corporate earnings (Johnson, 2015). TaoBao is an online shopping application that is frequently used in China and Taobao is one of the main C2C markets in China (D. Li, Li, & Lin, 2008). However, due to the rapid development of technology, many competitors have emerged to compete with TaoBao, such as Amazon and E-bay. To deal with this development, TaoBao must provide something superior to

be able to attract customer's interest so that TaoBao can compete and win the e-commerce market. According to (Simarmata, Sitorus, Yuliantini, & Arubusman, 2019), there are several factors which have an impact on customer's interest, namely price, promotion, ease of use and brand image. (Zeithaml, Parasuraman, & Malhotra, 2002) reveals that timely and correct delivery can influence customers to use the services or products again.

The aim of this research is, therefore, to determine the influence of delivery, price, promotion, ease of use and brand image on the customer's interest in using the TaoBao application. The analytical structure for this study is showed below (Figure 1).

Figure 1
Research Paradigm



Literature Review

Price

The prices of online shopping applications must be considered affordable by the customer and appropriate for the services provided. (Stieler & Germelmann, 2016) believe that, in addition to consumer assessments, prices also have a significant impact on consumer's decisions that is in the interest of using online shopping applications. Pricing is referred to as the company's strategy to compete, and the plans that have been made must be consistent with the way which the company wants to determine its position in relation to competition (Simarmata et al., 2019). "Prices can be defined as the combined result of the demand and supply actions of goods and services" as (Bahmani, Harvey, & Hegerty, 2013) put forward this pricing theory. As a result, price is a value that needs to be exchanged for a product or a benefit (Amstörng, 2012).

Delivery Service

Consumer's focus can shift from price to quality of service and delivery time, which indicates that delivery time can be a measure of service quality (Y. Li, Lin, & Ye, 2014). (Y. Li et al., 2014) argue that the speed of delivery could be used as a competitive advantage for companies. Shipping accuracy and delivery speed are factors that influence the interest of the customers (Zeithaml et al., 2002). Additionally, delivery time

is very important because the quality of the ordered goods will be one of the key factors in the interest of the customers. In fact, it is the range within which consumers order products before reaching customers. Estimated time arrival is usually a benchmark for clients to determine whether a delivery service is successful or not (Sakti, 2018).

Promotion

(Anselmsson, Johansson, & Persson, 2007) contend that promotions made by online shopping companies through internet advertising, or even by word of mouth, have increased the number of online shopping users. Promotional activities must be aligned with marketing planning, which aims at driving the company's progress (Simarmata et al., 2019). Promotion is a practice that reveals the advantages of the product and convinces the target purchaser to purchase it (Kotler and Keller, 2012). As a matter of fact, Promotional efforts function not only as a contact mechanism between businesses and customers, but also as a means of manipulating customers when purchasing or using services according to their needs and wishes (江小, 2018).

Ease of use of application

(Bertagnoli, 2011) states that perceived ease of use leads to the extent that a person believes that using a particular system will be effortless. It applies to the concept of 'ease': freedom from difficulties or efforts. The perception of ease of use affects action. This idea provides a perception of the ease of use of the system. Moreover, the increased usage of information technology indicates that the rate of usage and the degree of contact between the user and the system should be a sign of ease of use. If the system is used more often, it shows that it is easier for users to operate it (Hasgall et al., 2015). Perceived ease of use is the extent to which a person believes that using technology is a simple matter and does not need to make a hard effort on the part of the user (Venkatesh & Davis, 2000).

Brand Image

TaoBao is a well-known brand to online shopping users. The brand is an identity that is easily recognizable and provides customers with certain values and views (Lee, Lee, & Wu, 2011). What is more, brand image is a brand that is always recognized and remembered in the minds of consumers (Sallam, 2016). Brand image can be interpreted as a way of thinking and a consumer's view of the brand (Roy & Banerjee, 2008). (Jacoby, 1971) conducted an experimental research, and it suggests that consumer's opinions on quality, value and uniqueness are significantly influenced by brand image. Brand image also offers opportunities and advantages to increasingly outperform a broad and fierce competition on the market. The brand can be a benchmark for the purchase of customers (Hermens, 1982).

Customers' Interest in using e-commerce services

Public interest in the use of online shopping applications is increasing. In addition, interest is a psychological factor that has a considerable influence on behaviour, and interest is an incentive to guide someone to take action (Vaidyanathan & Aggarwal, 2000). The way to build purchase interest is through promotion, as well as communication that informs prospective buyers about the benefits and provides what the customer wants (Simarmata et al., 2019). Interests can be defined when someone responds well or has feelings about a product or function but has not yet decided to buy

or reuse it (Wittmer & Rowley, 2014). It is also the desire of someone to refer products to others (Augusty, 2002).

RESEARCH METHOD

Quantitative analysis is the method used in this research. The study used the questionnaire as a data collection tool (Crisafuli & Singh, 2016). Quantitative research is a research which emphasizes on measurement and casual analysis between variables. For this reason, researchers collected primary data from a total of 100 respondents and carried out a *purposive sampling*. This study was carried out in the course of 10 days (3 July – 13 July 2020) by Google form. The test was used is the validity and reliability and Multiple Linear Regression.

RESULTS AND DISCUSSION

1. Validity and Reliability Test

The questionnaire is said to be feasible if it meets the test of validity and reliability. The prerequisite to pass the validation check is r value $>$ r table. After validity testing with a significance level of 5% two-tailed test, the result shows that all of the variables are valid with a result of r table $>$ 0.1966.

The reliability test result indicates that the Cronbach's Alpha for Price variable is 0.815, Delivery Service variable is 0.844, Promotion variable is 0.787, Ease of use App variable is 0.930, Brand Image variable is 0.739, and Customers' Interest variable is 0.786. So it can be inferred that all of variables are reliable because it has a Cronbach's Alpha value $>$ 0.07 (Table 1).

Table 1
Reliability Test

NO	VARIABLE	CRONBACH'S ALPHA	N OF ITEMS
1	Price	0,815	4
2	Delivery Service	0.844	4
3	Promotion	0.787	4
4	Ease of Use App	0.930	4
5	Brand Image	0.790	4
6	Customers' Interest	0.786	4

Source: Primary data processed in 2020

2. Multiple Linear Regression Analysis

Tabel 2
Multiple Linear Regression Analysis

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.537	1.073		.500	.618
Price	.065	.077	.064	.844	.401
Delivery Service	.383	.089	.366	4.275	.000
Promotion	.122	.048	.187	2.531	.013
Ease of use App	.083	.059	.107	1.412	.161
Brand Image	.322	.071	.310	4.561	.000

a. Dependent Variable: Customer's Interest

Source: Primary data processed in 2020

Based on the results of multiple linear regression analysis processed with SPSS.24, the following calculation result can be obtained:

$$Y = 0.537 + 0.065 X_1 + 0.383 X_2 + 0.122 X_3 + 0.083 X_4 + 0.322 X_5 + \varepsilon$$

3. Hypothesis Testing

1) T Test

Table 3.
T Test

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Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
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Brand Image	.322	.071	.310	4.561	.000

a. Dependent Variable: Customer's Interest

Source: Primary data processed in 2020

H1 Testing

Based on the table above (Table 3), it can be concluded that the Price does not significantly influences Customer's Interest in using e-commerce services which t value shows $0.844 < t \text{ table } 1.98552$. So, it can be summed up that the hypothesis stating that Price has a significant effect on Customer's Interest in using ecommerce services is rejected (H1 rejected).

H2 Testing

Based on the table above (Table 3), it can be concluded that the Delivery Service significantly influences Customer's Interest in using e-commerce services which t value shows $4.275 > t \text{ table } 1.98552$. So, it can be summarized that the hypothesis stating that Delivery Service has a significant effect on Customer's Interest in using ecommerce services is accepted (H2 accepted).

H3 Testing

Based on the table above (Table 3), it can be concluded that the Promotion significantly affects Customer's Interest in using e-commerce services which t value shows $2.531 > t \text{ table } 1.98552$. So, it can be indicated that the hypothesis stating that Promotion has a significant effect on Customer's Interest in using ecommerce services is accepted (H3 accepted).

H4 Testing

Based on the table above (Table 3), it can be concluded that the Ease of use does not significantly have an impact on Customer's Interest in using e-commerce services which t value shows $1.412 < t \text{ table } 1.98552$. So, it can be summed up that the hypothesis stating that Ease of use has a significant effect on Customer's Interest in using ecommerce services is rejected (H4 rejected).

H5 Testing

Based on the table above (Table 3), it can be indicated that the Brand Image significantly influences Customer's Interest in using e-commerce services which t value shows $4.561 > t \text{ table } 1.98552$. So, it can be summarized that the hypothesis stating that Brand Image has a significant effect on Customer's Interest in using ecommerce services is accepted (H5 accepted).

2) F Test

Tabel 4.
Anova Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	413.498	5	82.700	60.444	.000 ^b
	Residual	128.612	94	1.368		
	Total	542.110	99			

a. Dependent Variable: Customer's Interest

a. Dependent Variable: Customer's Interest

b. Predictors: (Constant), Brand Image, Promotion, Price, Ease of use App, Delivery Service

Source : Primary data processed in 2020

H6 Testing

Based on the table above (table 4), Price (X1), Delivery Service (X2), Promotion (X3), Ease of use (X4) and Brand Image (X5) significantly influence Customer's Interest in using e-commerce services where f value shows $60,444 < f_{table} 2.31$. Thus, it is concluded that the hypothesis stating that Price, Delivery Service, Promotion, Ease of Use and Brand Image significantly influence on Customer's Interest in using ecommerce services is accepted (H6 accepted).

After testing the hypothesis in this study, the results point out that Price, Delivery Service (Y. Li et al., 2014), Promotion (Astuti1, 2018), Ease of Use and Brand Image (Oliver, 2013) significantly affect Customer's Interest in using e-commerce services. This shows that each independent variable has an important role to influence the Customer's Interest in using E-commerce Service. Moreover, if TaoBao continues to increase its independent variables at the same time, there will be a significant increase in Customer's Interest. In a partial test, the result illustrates that Delivery Service, Promotion and Brand Image significantly influence Customer's Interest in using e-commerce services, but in this study Price (Deisy, Lapien, & Mandagie, 2018) and Ease of Use (Khotimah & Febriansyah, 2018) do not significantly influence Customer's Interest. In this case, customers are more interested in offered promotions, fast and accurate delivery services, and they use Taobao because of a good corporate brand image and a sense of security.

CONCLUSION

Based on the findings of this research, it can be inferred that Price, Delivery Service, Promotion, Ease of Use and Brand Image significantly influence Customer's Interest in using ecommerce services. TaoBao must pay attention to the prices offered by providing affordable prices for customers. Hence, the customers are increasingly interested in using services or products that are offered. Ease of use is also important to be improved. In addition to that, Taobao can provide innovation by adding English as one of language features so that foreign people can understand it more easily. Taobao needs to maintain a Brand Image by providing satisfactory services that can be achieved through the provision of fast delivery services and the development of Promotions to make it more attractive and innovating. Delivery and Promotion are important and sensitive to customers. Paying attention to these things will give Taobao an opportunity to outperform the market and attract the attention of its customers.

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