

Conference Paper

Mapping of Indonesian Consumer Behavior on Social Media – Netnography Study of Online Shopping Behavior on Social Media for Improving MSME in Indonesia

Glorya Agustiniingsih, Wiratri Anindhita, and Melisa Arisanty

Kwik Kian Gie Informatics and Business Institute

Abstract

Usaha Mikro, Kecil, dan Menengah/MSME (Micro, Small, and Medium Enterprises, thereafter called MSMEs) is one of the business sectors playing significant roles in the economic growth of Indonesia. The increase of MSMEs pushes the State Minister for Cooperatives, and Small and Medium Enterprises (SME) to encourage MSME performance by enhancing their quality. One attempt taken is to apply information and communication technology, especially social media, to promote the products. In reality, many MSMEs lack sufficient understanding of social media usage in business. As a result, many MSMEs have difficulties identifying online media consumer behavior in developing their marketing strategies. This research attempts to map consumer behavior in social media and explores how MSMEs can capitalize on the marketing powers of social media. This research uses a netnography method for mapping online consumer behaviour. Primary data are collected from observations of online interaction between consumers and sellers (MSMEs). The results are analyzed using Philip Kotler's Consumer Behavior Model and Kozinet's Online Consumer model.

Corresponding Author: Glorya Agustiniingsih; email: gloria.sitompul@kwikkiangie.ac.id

Received: 09 April 2017

Accepted: 17 May 2017

Published: 12 June 2017

Publishing services provided by Knowledge E

© Glorya Agustiniingsih, Wiratri Anindhita, and Melisa Arisanty. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the ICoSaPS Conference Committee.

 OPEN ACCESS

Keywords: Consumer Behavior, Micro, Small and Medium Enterprises (MSMEs), Social Media

1. Background

The Indonesian government encourages the micro, small and medium enterprise entrepreneurs to extend their marketing activities online enter a global market. The development of Information and Communication Technology (ICT) for MSMEs in today's business competition enables enterprises to use social media for market and brand building. The first step is to plan an effective communication strategy, which requires the identification of consumers using social media because consumer behavior in a virtual world differs from that of the real world.

Understanding consumer behavior has become a fundamental concept in marketing. Without knowing the consumers, marketers cannot recognize their consumers'

needs and wants, and this eventually leads to a gap in brand relationship between the company and its consumers. When the gap widens, it leads to failure of product acquisition. There are at least three things about consumers that marketers should know. Firstly, they should find out what consumers need. Secondly, they should find out what consumer preferences are in social media. Thirdly, they should find out how online purchasing decision process of consumers.

Micro, small and medium enterprises communicate products on social media in the expectation that the products and services offered can attract consumers. Hence, companies need a research to acknowledge consumer behavior and its motivational factors, and the environment where they live. Consumer behavior is also affected by personal, situational, and psychological factors affecting the purchasing decision. Therefore, to push the product into digital market and to pull the consumer to buy it, marketers need to be fully aware of consumer behavior in social media. Once marketers can notice the characteristics of consumers, they can set up brand messages (either product or service messages) to persuade the consumers to purchase products and/or services based on their needs and wants.

2. Method

This qualitative study defers to a netnography research model. The research stage in netnography is similar to traditional ethnography research. The initial stage in netnography begins with determining a research boundary and questions, selecting online communities, conducting participatory observation and analyzing and interpreting the data. Netnography itself is a method for studying cybernetics space (cyberspace). Recently, netnography has become a particular method specifically designed to study the culture of online communities [1].

Primary data were obtained from online observation and content analysis of hyper-text interaction among internet users. Secondary data was obtained from previous research, netnography books and others relevant to consumer behavior and social media. The combination of secondary data and primary data will form a comprehensive analysis related to Indonesia mapping consumer behavior on social media. The object of research and online observation was taken from several social media included Facebook, Instagram, Twitter, YouTube, and other social media to get exhaustive data pertaining to the online activities of internet users.

Netnography research was conducted on two MSMEs selling fashion products, food products, and cultural products using social media. They are MSMEs having different characteristics but having similarity in the way they sell their products via social media. Firstly, the research would be conducted on "Angel and Devil" brand. "Angel

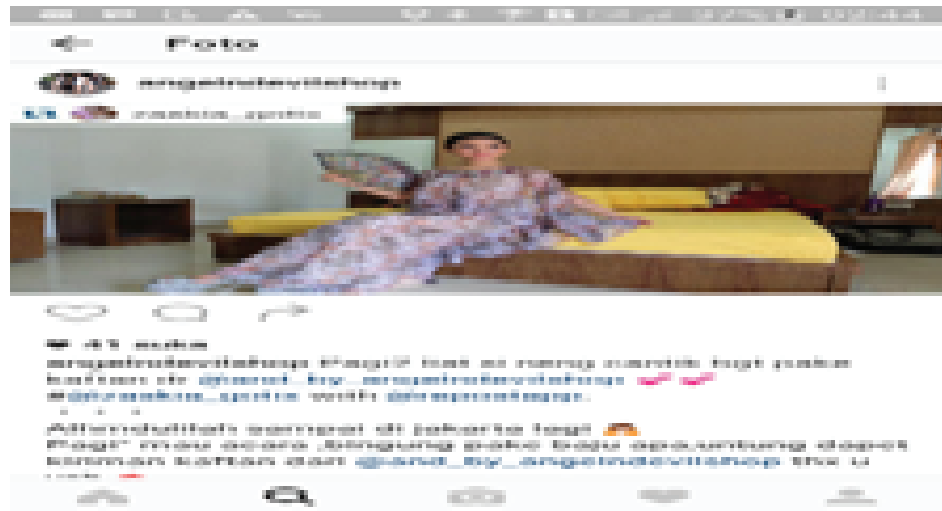


Figure 1: Celebrity endorsement on angel and Devil instagram.

and Devil” is a small business that is engaged in fashion established in 2015. Angel and Devil is selling relatively cheaper products compared with other fashion online shop. Secondly, it studied “Khas Jakarta” brand selling typical products of Jakarta including foods, beverages and souvenirs.

3. Findings and Discussion

3.1. Analysis of Social Media used by MSME “Angel and Devil”

3.1.1. Instagram

“Angel and Devil” regularly updates their post with interesting photos or pictures with high resolution. This online store also performs some interesting sales promotions, using celebrity as a brand endorser, collaboration with *selebgram* and influencer to promote its products. The owner actively carries out marketing communication activities by celebrity endorsement. It can be fully understood since tactic of brand endorsement exerts a significant effect on the enhancement of followers and online buyers.

3.1.2. Twitter

Currently, Angel and Devil is not actively using its Twitter account because there is a shifting trend in social media adoption, especially among youth people. They prefer using Instagram, Line Official, and Snapchat. Therefore, Angel and Devil no longer focuses on their promotion activities via Twitter account.



Figure 2: Homepage of angel and Devil twitter account.



Figure 3: Homepage of AngelInDevil shop II Facebook Fanpage account.

3.1.3. Facebook

Angel and Devil’s Fanpage on Facebook helps consumers to find out the quality and capability of its product and service. Profile Information Section can contain business profile and contact person for product orders. Function of Fanpage on Facebook is nearly same with Instagram, but the difference lies on the use of visual image and caption.

3.1.4. Line Official

‘Angel and Devil’ uses Line Official to target some product and service messages to the consumers and prospect consumers. The messages usually contain sales promotion offering, such as discount and new product message. All messages will be received by those persons adding Angel and Devil into their Line contact list and further it will get

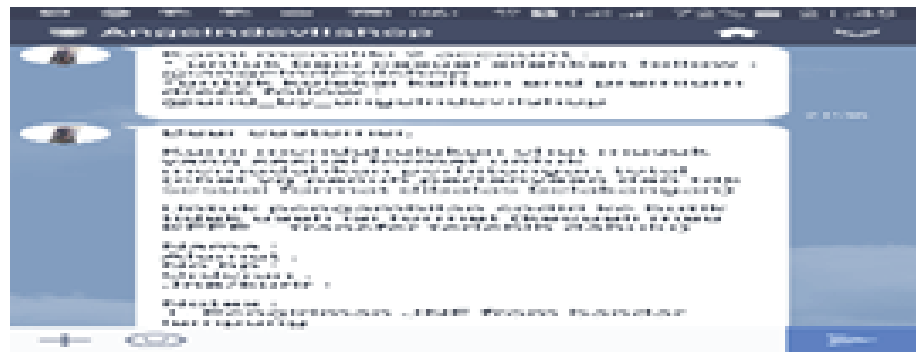


Figure 4: Messaging on official line Angel and Devil.

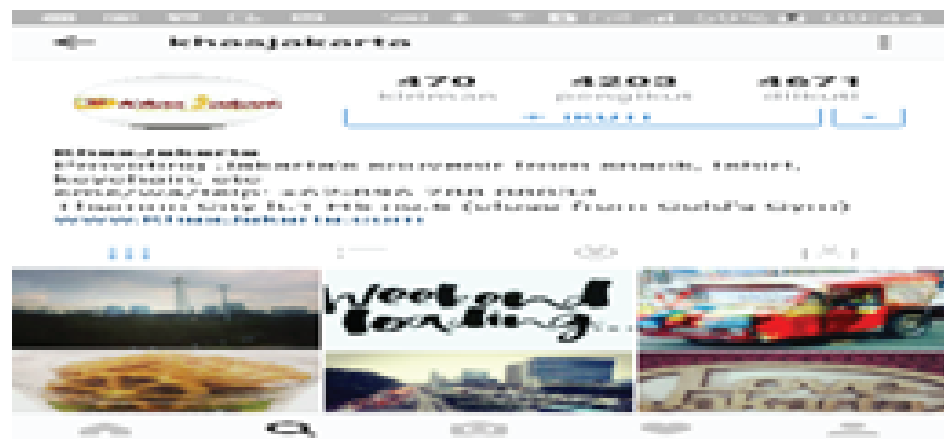


Figure 5: Instagram account homepage of Khas Jakarta.

message blast from its Line Official automatically. The typical messages that spread over Line Official are impersonal and known to all its contacts.

3.2. Analysis of Social Media Used by MSME “Khas Jakarta”

3.2.1. Instagram

The Owner of “Khas Jakarta”, Miss Luky, actively and regularly updates her product images and captions on Instagram. She also posts some pictures of Jakarta and its cultural information. Every picture appearing on Instagram is persuasively written using compulsory hashtag #khasjakarta#jakarta. Other hashtag can also be used and is adjusted with its visual images, like if the visual is about Jakarta culinary products, the hashtag will be as #kulinerjakarta, and #souvenirjakarta#oleholejakarta for Jakarta typical products.

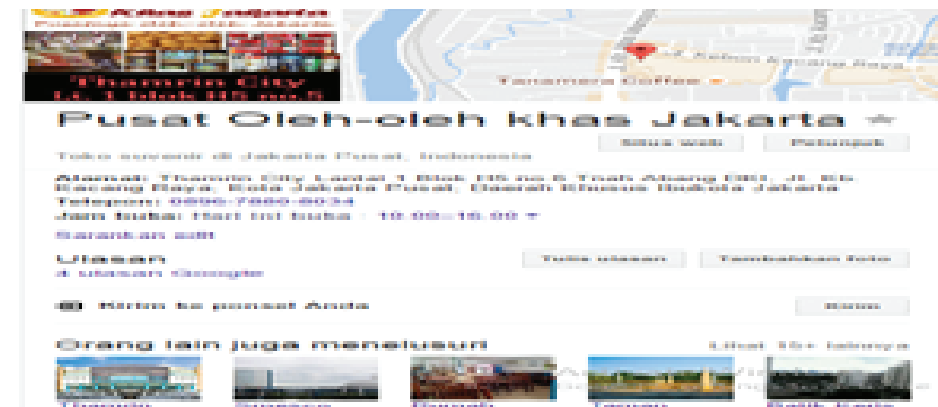


Figure 6: Google+ account homepage of *Khas Jakarta*.



Figure 7: Fanpage home of *Khas Jakarta*.

3.2.2. Google+

“*Khas Jakarta*” store also has Google+ account named “*Pusat Oleh-Oleh Jakarta*”. Google+ has some features enabling the users to put detailed information about one venue and its reviews. The account of “*Khas Jakarta*” contains basic information about its offline store at Thamrin City 1st floor in Jakarta, its operational hours and contact persons. Google+ helps consumers find the location of “*Khas Jakarta*” offline store easily.

3.2.3. Facebook Fanpage

Fanpage of “*Khas Jakarta*” is categorized into cultural souvenir online store. This fanpage shows more information along with visual images similar to those in Instagram. The owner of *Khas Jakarta*, Miss Lucky, links its instagram official account to Facebook and Twitter account of *Khas Jakarta*, so that it is much easier to post the contents into two others social media.



Figure 8: Twitter account homepage of *Khas Jakarta*.

3.2.4. Twitter

Twitter account of "*Khas Jakarta*" has an updated content similar with its Instagram account because these two accounts are linked to each other, which enables users to post the content on all official social media at once. Therefore, any contents with any hashtags will be automatically published on Twitter account of *Khas Jakarta*.

Based on the analysis of data above, there are five social media used by "Angel and Devil" and "*Khas Jakarta*" which can be categorized into specific tools distinguishing one category of tools from another as stated by Lon Safko and David K. Brake ([5]: 452-655). These also become the main reasons of its general features and functions utilization in social media marketing nowadays.

- a. Social Networks (Facebook and Google+); Facebook can be used in business environments for networking, locating business lead, to promote new product and service. Facebook also becomes an appropriate platform to reach consumers in specific demographic populations.
- b. Microblogging (Twitter); Businesses have begun to use it as a free marketing research service with its compatible applications such as "hashtags" trackers very useful for feedback on products and services. Chris Winfield deems it a "Word of Mouth Engine" for small business to empower better relationship.
- c. Photo (Instagram). As stated by Safko and Brake, just like Flickr and Photobucket, using Instagram to share photos or videos related to business is an excellent way to reach a large audience because its best business-oriented reason for using this kind of tool would be the ability to advertise to over 41 million members and also to gain exposure and passively acquire a customer.

- d. Interpersonal (Line Official). This tool is in the top five most important tools among others in the business that has a strong customer focus. The number one rule of social media strategy is all about enabling conversations among the audience or market.

4. Conclusion

As a result of data reduction, it can be found that "Angel and Devil" and "Khas Jakarta" use all familiar and leading social media as their marketing communication channels. However, only several social media are used actively by the owners: Facebook and Instagram, recently very familiar among consumers, especially youth people. Consequently, the utilization of others social media are only intended to support the primary social media.

The research also inferred similar online behavior of consumer on social media of both MSMEs, categorized into: 1) Creators, consumers actively creating contents to be published and distributed via social media. 2) Visitor, consumers visiting sites to viewing products collections because of their interest and desire. Some consumers can be turned out real customers. 3) Resident, type of consumer who would like to spend their time to be active participants and often purchase repeatedly. 4) Lurkers, the consumers spending their online activities just to look around and having no connection to other consumers.

In addition, the research also shows similar characteristics consumer in both MSMEs, such as:

- a. Having similar interest, for example: consumers of "Angel and Devil" are mostly fashion enthusiasts.
- b. Actively involved in communication interaction (performs intense communication with seller).
- c. Having problems of limited time and distance with shopping activity.

References

- [1] Bowler Jr, G. M. (2010). Netnography: A method specifically designed to study cultures and communities online. *The Qualitative Report*, 15(5), 1270.
- [2] Kozinets. Robert V. 2007. "Tumbuhnya Kekuatan Komunitas Online". Dalam *Mastering Marketing. The Complete MBA Companion in Marketing*, Jakarta, Indeks.
- [3] Kozinets, Robert V. 2009. "Netnography: Doing Ethnographic Research Online". London: Sage.

- [4] Kozinets, Robert V. 2010. "Netnography: the Marketers's Secret Weapon: How Social Media Understand Drives Innovation", http://info.netbase.com/rs/netbase/images/Netnography_WP.pdf, downloaded on April, 20 2014.
- [5] Safko, Lon and David K. Brake. 2009. "The Social Media Bible: Tactics, Tools & Strategies for Business Success". New Jersey: John Wiley & Sons, Inc.