CHAPTER 1

INTRODUCTION

1.1 Background

The digital revolution has just begun. We live in an information age that is characterized by fast advancement in information and communication technology. One of the prominent examples of this is the Internet, which allows us to connect to a wider network by the web (Sethi & Sarangi, 2017). Internet usage was used by billions of people every day to share ideas, transact, and also connect with family, friends, or with colleagues. With worldwide Internet penetration of nearly 50%, the digital economy is becoming a flagship and creating new market opportunities. With the new technology and all the potential given, society able to predict how the future of the nation will be in the coming years, digital technology will obviously have an impact on the economic growth of a country because of the speed across almost all sectors. We have entered into a new nation concept, a digital nation, where the future will just happen. If we are all involved, value, collaboration and innovation will shape and encourage the transformation of society towards the Digital Indonesia. Digital platforms and technological sophistication increasingly make the community more feel the benefits, thus willing to spend time to interact & transact online. The conventional world will soon be abandoned, since there is indeed a shift in mindsets in society, as they begin to turn to digital both in everyday life and business. Indonesia is one of the world's greatest nations with abundant natural resources, the most fertile agricultural country, the largest maritime country with enormous marine wealth and a small and medium-sized industry that proves to be the nation's economy (Arijono, 2017).

The size of the population is indeed the power of a nation, we may be proud to be the country with the largest number of social media users in the world; Facebook no. 4, but unfortunately still as a consumer, not a manufacturer (2018). According to, Association of Indonesian Internet Network Providers announced that more than half of Indonesia's populations are currently associated with the Internet (2017). This is happening because of the advancement in Internet technology that is accessible to us. Moreover, the advancement of Internet has helped us in everyday life situations such as romance with Tinder and OkCupid, employment with Jobsdb, Jobdstreet, and Linkedin, and shopping with Prelo and Carousell.

Hence, a high penetration of smartphones in Indonesia has resulted in a growing online business platform called e-commerce. E-commerce in Indonesia can be considered quite dominant for the consumer; moreover, Internet access and the increasing penetration of smartphones make it easier for users to do online shopping. The increasing number of online shoppers has now become a new favorable lifestyle to many. One of the main reasons for this is the easy 24-hour access it provides without having to step out of our homes. As a result, this growing trend has allowed local businesses to increase and blossom in the online market. Online shopping provides many benefits for both sellers and buyers; here are some benefits of online shopping according to lifewire.com:

- Convenience: Buying goods in a market or shopping center is often bound by time and distance. Buyers and sellers will only make transactions during opening hours; after that, the transaction cannot be done because the store is closed and we have to wait until the next day. By doing online shopping we do not need to wait for the opening hours, because it can be done anytime and anywhere.

- Price Comparisons: The best price you can get through online shopping, because you can go in and out of one website to another website without hesitation and difficulty; you can compare the price easily.

- Variety of Choices: This advantage is the most prominent thing of online shopping. Not all stores sell goods that suit to our desires, but at online store we are free to explore to find an item that we cannot find in the physical store.

Indonesia's E-commerce industry is projected to be the largest in South East-Asia, with predictions on it's worth about US$ 130 Billions or Rp. 1,7 Trillions in 2020 (Prihadi, 2017). To reach that amount of net worth, the industry will need to gain consumers trust by its authenticity of products and the safety of personal data such as credit card numbers and ID. There are efforts to increase consumer's trust in the e-commerce industries, such as taking innovative steps to simplify buying process and broaden the selection of e-commerce site to increase price range and security details. It is not a secret anymore that e-commerce sites are one of the most widely accessed sites on the net. The e-commerce business has merged in a range of products from beauty, electronics, home supplies, and fashion with price segments from low to luxury goods (Putriansyah, 2016). The way of online shopping is not just limited for new items, but also for secondhand items. Millennials are also considered as an impulsive generation in shopping. According to a survey conducted by Lazada, published in Marketeers.com, as much as 50 percent of millennials who become their respondents spend 10% of their income to shop through online (Perdana, 2017).

The activity of selling and buying secondhand items through online is also a great way for millennials to release their belongings; therefore, they can buy other items. It is also supported by the convenience, easiness, and security offered by online shopping service providers. The growth of sales of secondhand items in the online store continues to increase. In Indonesia, there are some sites secondhand items such as OLX, Carousell, and Prelo. In addition to more environmentally friendly, because it reduces waste, consumers are also given more choices related to the brand and condition of the items that are being sold. The sale of pre-loved items had grown to include fashion items. These fashion items, especially, premium-brand items, will fetch a high price as long as it is still in a good quality and packaged properly. In addition, the outstanding part of second-hand fashion transaction as a way to create a more conserved and conscientious customer (Carrigan *et al.,*2013). Wearing or buying pre-loved items obtained from e-commerce is a normal occurence for most people. Nobody is appaled from the thought of wearing used items anymore. Consumers feel lucky because they are capable to obtain cheap branded goods compared to buying a new item. That is why there are many people looking for used goods on the net, including millennials.

1.1.1 Digital Platform and Digital Startup in Indonesia

Digital Platform is a new business model based on newer technologies, which includes online advertising platforms, markets, search engines, social media, and many other varieties of technology-based business platforms (2017). E-commerce is a process that comprises of the selling and buying of goods, services and information through Internet networks (Firmansyah, 2009). Indonesia is well known for its highest e-Commerce growth in the world (Abdurrahman, 2017).

There are so many businesses that are moving towards e-Commerce as a mainframe or as a subsidiary business to support their main business. BPS (*Badan Pusat Statistik*) surveyed the growth of e-Commerce industry in Indonesia the last ten years about 17% and the total number of e-Commerce business reached 26,2 million units. There are various types of digital platforms available in Indonesia; among those are: learning, banking, commerce, music, travel, as well as transportation. Competition in the business world is now increasingly tight with the enactment of the ASEAN Economic Community and also the development of technology warmly favored various sectors. Indonesia slowly started toward digital ecosystems in Southeast Asia, along with the growth of e-commerce business, which reached an average of 17% over the last five years (2018).

More emerging new businesses initiated by business drivers, not least in Indonesia; new business is familiarly referred to as a startup. For startups that have a value of more than 1 billion US dollars will be categorized into a unicorn class, there are approximately 225 startups worldwide with unicorn status, 4 of which are from Indonesia (Amindoni, 2018). The four biggest unicorn in Indonesia are Gojek, Traveloka, Tokopedia and Bukalapak. As seen on Figure 1, there are four major unicorn startups in Indonesia with a total estimated value of more than Rp108,3trillion or equivalent of US $7581billion (March 28, 2018).

Valuasi tiap perusahaan
dalam triliun Rupiah

GO-JEK
53

traveloka
26.6

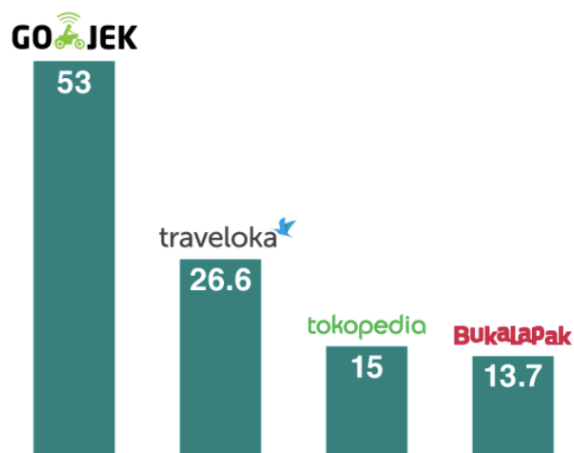tokopedia
15

BukaLaPak
13.7

Figure 1 – Chart of Indonesia's fourth unicorn startup by TribunJabar.id

Startup is now increasingly emerging in Indonesia. Changes in lifestyles of people who want to be easy and fast, bringing the idea of every company moves to create applications that the community needs. The potential of digital business that is now widely cultivated among others e-commerce and online transportation. Last year starts up companies were estimated to have reached 2,000 companies. 2018 is predicted to increase, according to the Center for Human Genetic Research, as reported by Pikiran-Rakyat.com, while by 2020 Indonesia will increase to reach 13,000 start-up companies (2018). With the rapid development of digital technology in the world, the Government through *Badan Koordinasi Penanaman Modal* (BKPM), said investment in the e-Commerce sector would be excellent by 2018. BKPM projecting, e-commerce is believed to grow taller this year following a positive trend that has been achieved in the previous year (Simorangkir, 2018).

1.1.2 Smartphone User in Indonesia

Smartphone is a handheld telephone that has a feature or high-level capability, often in its use resembles a computer, so many people interpret smartphone as a handheld computer that has telephone facility. The features that can be found on smartphones include telephone, messages, Internet, and many more. We can also add other applications into the smartphone as we install the application on the computer (Rasjid, 2010). As seen on Figure 2, is a usage device of the percentage of the adult population that is currently used each kind of device in Indonesia per January 2018. A Smartphone user in Indonesia was placed third with 60%, while television is in the first position as much as 95% and second was placed by mobile phone with 91%. Seen from the data, smartphone users have the potential to continue to grow and slowly beat mobile phone users.
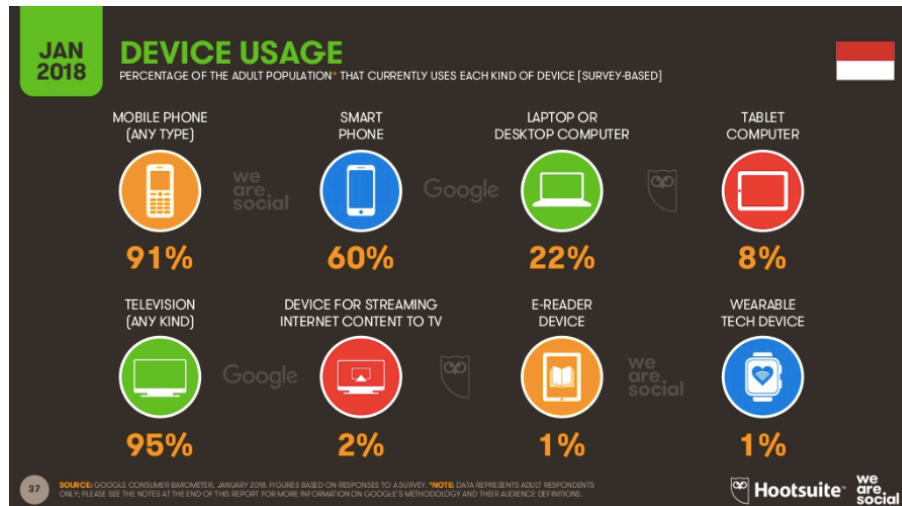

Figure 2 – Percentage of The Adult Population That Currently Use Each Kind of Device in Indonesia by wearesocial.com

One interesting facts about the development of technology in Indonesia is the number of smartphone usage. The country with the fourth largest population in the world has a high level of smartphone users.

In fact, as of 2015 Indonesia became the third largest smartphone user in the Asia Pacific region, reaching the number 55 million. It is estimated; the number will continue to increase. According to the statement of Vice Chairman of Mobile Phone Association of Indonesia (APSI) Lee Kang Hyun, smartphone usage in Indonesia grows between 30-50% every year (Riri, 2017). The population of Indonesia today reaches 262 million people; more than 50 percent or about 143 million people have connected the Internet network throughout 2017, at least according to the latest report from *Asosiasi Penyelenggara Jasa Internet Indonesia* (APJII) (Bohang, 2018). Based on Figure 3, the data of Internet use in Indonesia per January 2018; there are 124.8 Million a total number of active mobile Internet users and 47% mobile Internet users as a percentage of the population. Based on the data, the number of mobile Internet users will slowly dominate. It is influenced by the convenience having a smartphone, which connected to the Internet network.
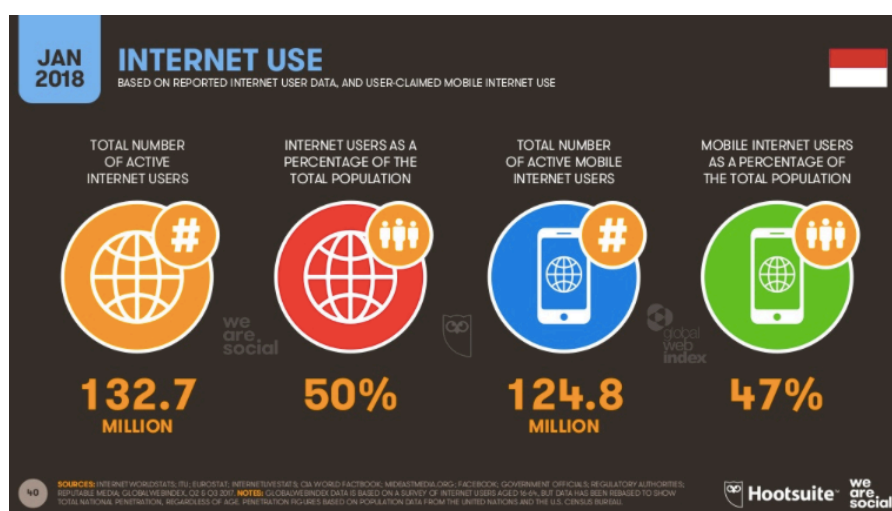

Figure 3 – Internet Use Data in Indonesia by wearesocial.com

1.1.3   E-Commerce in Indonesia

Trading is an activity that has been done since time immemorial. Humans invented trading to make sure that their needs are sufficiently met. Formerly people used the barter system to obtain their needs. Barter is an activity to trade goods and services with other goods or services. These activities are done on the market. Nowadays, people trade by using money and measure the worth of goods by prices. Price is an amount of money that has to be paid to obtain a good or a service. Moreover, in this era, we don't have to bring cash to do a transaction, we just have to use credit cards or e-banking services to trade. Now, we do not have to go to the market to do a transaction, we just have to connect ourselves to the net. Growth of society's interest about online transaction cause business actor to change their strategy. By founding the online trading websites, it's expected to satisfy Indonesian's shopping passion. But, many of them still caught in doubt about scammers, many scammers create false websites to deceive people, and only take profits and don't care about customer's satisfaction. Presence of online trading website is assumed to easify trade in this digital era. Selling or buying second-hand item via Internet is not a new thing. With the current trading site and free advertisement provider, second-hand seller and many people who has unused item to sell theirs on Internet at ease. The plus from selling things on Internet is that you don't need to find the buyer because the buyer will be looking for the item you sell on certain website. E-commerce is a process that comprises of the selling and buying of goods, services and information through Internet networks. (Firmansyah, 2009). There are so many businesses that are moving towards e-commerce as a centralized server or as a backup business to help their fundamental business.

There are surveys from BPS (*Badan Pusat Statistik*) that puts the growth of e-Commerce industry in the last ten years about 17% and the total number of e-Commerce business reached 26,2 million units (Deny, 2016). E-commerce is an electronic based service which deals in buying, selling, marketing and advertising goods and services. E-commerce uses data transfers and automatized data management system. E-commerce can allow shops to carry out their business without having to set up an offline store. We only have to use an internet network to open up a business and to trade our goods and services to our customers. E-commerce can also simplify communication between buyers and sellers. In terms of marketing, it is easier and more affordable because we didn't have to spend a lot of money to promote our businesses. We can easily promote our business using our creative ways on the internet.

Types of E-commerce:

1. E-commerce business to business (B2B)

B2B is an e-commerce transaction done by two business with an agreement on goods and service tradings. The example of B2B is when two companies have an online trading transaction using credit cards. An example of an e-commerce that serves this feature is Alibaba.

2. E-commerce business to consumer (B2C)

B2C is an e-commerce transaction that has the characteristics of one-way transaction between the producers and the consumers.

In B2C transaction, the producers are the primary active subject of the transaction and the consumers are passive subjects (they just buy the products and don't have any means to give a feedback on their transactions). The examples of digital platforms that serves B2C transactions are MatahariMall.com, Zalora.co.id, etc.

3. E-commerce consumer to business (C2B)

C2B transactions is an e-commerce transactions that is characterized by consumers initiative to inform the producers about what things they need. By giving the details of their needs, producers will try to produce or procure items that is qualified enough to satisfy that particular consumer's needs. One examples that use C2B is priceline.com.

4. E-commerce consumer to consumer (C2C)

C2C is a transaction between consumers to consumers. This is done when a consumer sells their items to other consumers, which are usually used goods or reselling their personal products. The examples of these kind of platforms are OLX.co.id, Prelo and Carousell.

(Nemat, 2011).

E-commerce is a business transaction process using the Internet to easify and help quicken transaction processes. There is a new trading application for secondhand items from Indonesia called Prelo. Prelo is an online marketplace for good quality secondhand application that comes with innovative features in Indonesia.

The company provides a secure online shopping environment, whereas consumers can buy second-hand items. Prelo against piracy by curating all items sold through the platform. Internal teams and company-specific algorithms are able to identify suspicious products by comparing them with other products in the platform based on descriptions, brands, models, and other attributes (Prihadi, 2017). Prelo gives you guaranteed shopping security and money-back guarantee. And there is a new mobile digital platform from Singapore that is already three years pioneering on the burgeoing Indonesian e-commerce market, called Carousell. As it appears on Figure 4 the data of e-commerce activities in past 30 days in Indonesia per January 2018; the percentage of users who made an online purchase via a mobile device has 31%, it shows that people in Indonesia have been using mobile device for online purchasing, and this can help to increase the potential of mobile classified e-commerce in Indonesia.
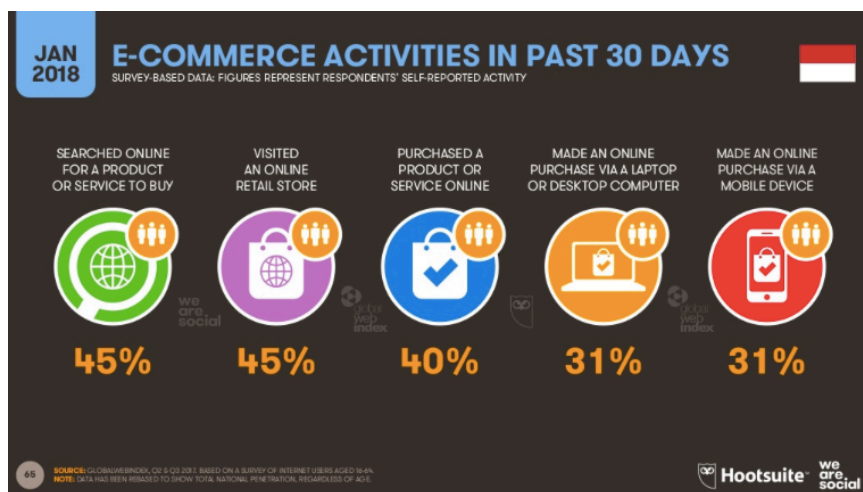

Figure 4 – E-Commerce Activities in Past 30 Days in Indonesia by wearesocial.com

1.1.4   Carousell Indonesia

Carousell is a mobile classifieds application that simplifies e-commerce processes. It simplifies the way toward offering and purchasing by making offering things. It launched in August 2012 in Singapore and as of now usable in various nations, and one of them is Indonesia (Carousell | Press Page, 2017). Carousell has earned its situation as the premier lifestyle and shopping applications in Singapore, Taiwan and Hongkong because it already boasts a total of 41 million products on offer. Carousell has 250 workers internationally, and half of them are engineers. Carousell regularly holds uncommon shopping occasions, for example, the New Year Sale or exceptional shopping promos where the sellers will be included on the promotional page. This encourages potential purchasers to discover the items they want. Launched at 2012, Carousell boosts as the No.1 lifestyle application in application store for 11 months in succession and the No.1 shopping application from June 2014 in Singapore. There are more than 8 million new and pre-loved items from fashion and beauty products to baby and children products traded in Carousell with a proportion of 8 transactions per minute.

Most Carousell users spend roughly 21 minutes a day browsing there and it's comparable to their similar activities in Instagram (Iskandar, 2014). Researcher considers Carousell as an exchanging application that uses the idea of long-range informal communication. Users can see the rundown of items that is sold by different users and bargain with the seller directly on the app. The process of trading happens in Carousell from the start to the finish, so there is no need to exchange other contact information. Here are the steps of transaction conduct on Carousell.
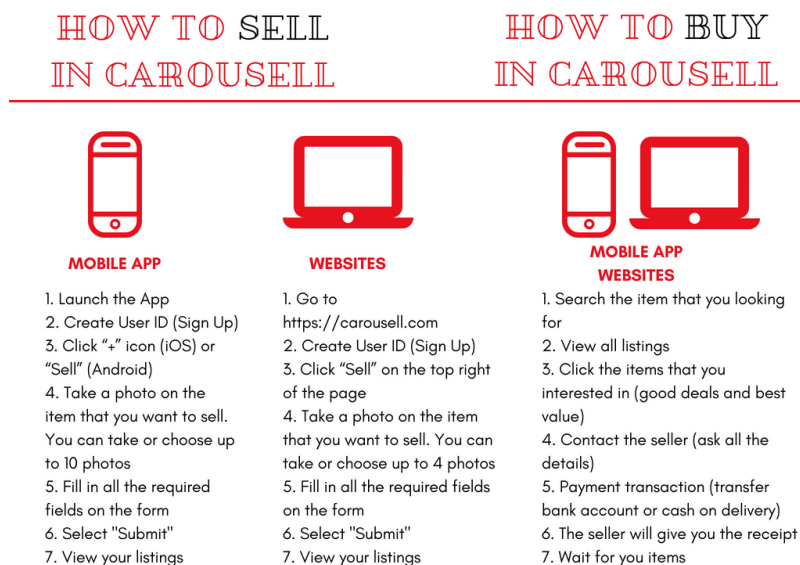
Figure 5 – Trading Sequence on Carousell

"Indonesia is one of the foremost market for Carousell because it has the third largest smartphone user in Asia and one of the best market for smartphone producers in the world." Carousell enters Indonesia by the end of 2014, but at the time it was only doing some digital marketing, no local people have been employed in Carousell Indonesia. Carousell Indonesia started hiring local people around August 2015, previously only a third party or supporter. Then by the end of 2015, Carousell Indonesia has employee from local people. For now, Carousell Indonesia has 7 full-time employees and 4 part-time and intern employees, so in total there are 11 people who works for Carousell Indonesia. Since early 2016, Carousell develops as one of the best shopping applications in the Apple Store and Google Play Store in Indonesia. Also, there are 50% monthly growth of transactions in Indonesia.", said Marcus Tan, Co-Founder Carousell (Syukro, 2017). From this information we can presume that there are upwards of 2.1 million goods have been traded in Carousell until the Q3 of 2017.

Carousell Indonesia has relatively 8.8 million listings with an average of around 100 pre-loved goods registered to the platform within a minute. Most users are people and just a couple of shops offer their pre-loved goods through Carousell (Yusra, 2017). Carousell began to grow as we changed our focus on pre-loved items. We also changed our key communication message from "Pre-loved is the new cool" and now changed to *"sayang dibuang mending jadi uang"*. In Indonesia there are 10,500,000 items and currently sold 2,700,000 (Liwandouw, 2018). Since, Carousell is one of the best shopping applications in the Apple Store and Google Play Store in Indonesia in 2016, then Carousell also focuses their business on pre-loved items, thus researcher chose Carousell as a case study. Carousell's target market also matches with the survey respondent's criteria of the research, millennials aged 18-35 years.

1.2 Pre-loved Items

"Pre-loved items" can be seen as a new vocabulary to define "used goods". These kinds of pre-loved items are assumed to have a higher quality than usual used goods.

It is presumed that pre-loved items are still in a good shape and has a high selling price. Pre-loved items are items that once bought and utilized by somebody, still have a high value. People want to buy pre-loved items because is less expensive than new products, especially if it's limited edition products. There are also other motivations, such as gaining thrills when they are seeking for pre-loved goods, sustainability or looking for vintage goods.

These are the classification of pre-loved goods:

- Items that we have acquired an utilized them a few times

- Items that we have bought however never utilized it

- Gifts from others yet we never utilized it

These three types of items can be considered as pre-loved items. Some consumers consider pre-loved items which are still worthy to use even though it may not be as clean as a new item. There are also consumers who only prefer luxury goods are pre-loved items. According to Arnould and Thompson on Consumer Culture Theory, there are two perceptions on trading pre-loved items; the perspective of disposing of possessions and the perspective of obtaining used possessions. Both of these perspectives are related in the consumption cycle, such as disposing may result in obtaining, which keeps the cycle developing. (Arnould and Thompson, 2005). Alternately, consumption of pre-loved items is often assigned to recycling, the sustainability that generates environmental conscious behavior of a customer's (Guiot dan Roux, 2010, pg. 19). Another concrete example in the case of a luxury bag, which reveals that consumers are interested in buying or even, rent a pre-loved luxury product (Yeoman, 2011); seen that there is changing of behaviors made by the consumer.

Although, the definitions of pre-loved items are very broad and not only considered for branded items. Director of Consumer Research, Nielsen Catherine Eddy; approximately 25% of Indonesian purchasers have a tendency to commit more than 10% of their month to monthly income to shop (2010). This propensity can pile up unused items in their home. Thusly, Indonesians complete a garage sale before the ascent of online sales technique. Garage sale is an action of trading pre-love goods in the front yard or the garage of the house. This idea is originated from Louis Hilton, an American businessman.

Hilton thought about selling some ineffective goods in his house and he conceives an idea to sell these goods for a low price and opened a store in his garage (Aminah & Rinasusanti, 2009). Due to the growth of the garage sale activities, some people thought about business opportunities on that activity. They considered garage sales as an effective method of doing businesses on second-hand items and in time these people are termed as second-hand sellers because they sold second-hand items. The term garage sales are used for business of goods that is cheaper than the usual price. Garage sale is the compelling method to offer pre-loved goods in the past, yet with the progression of innovation there are easier digital platform that accommodate pre-loved items trade. According to Femina Magazine surveys on its 100 audiences, 43% purchase pre-loved goods through digital platform, 38% purchase pre-loved goods in the bazaar while 19% purchase pre-loved items in stores (Azizah, 2016).
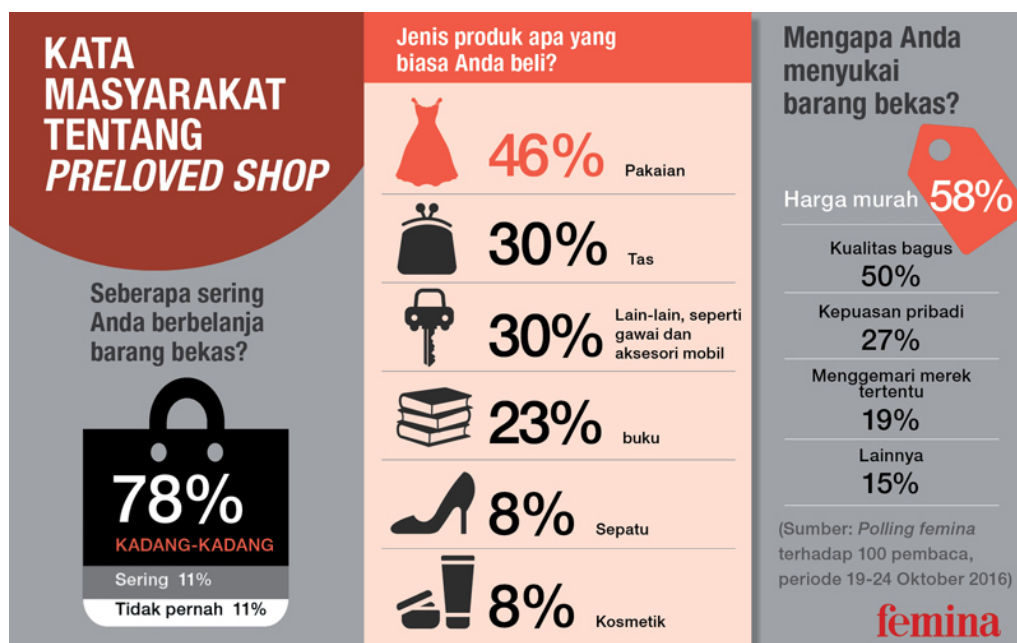

Figure 6 – Polling data about *"Kata Masyarakat Tentang Preloved Shop"* by femina.com

As seen as Figure 5, polling results from Femina Magazine suggest that around 58% of their respondents buy pre-loved or secondhand items because it is cheaper than new goods. 50% of them considered that pre-loved items are still in an adequate quality. 27% of them said that they are purchasing pre-loved goods are for their own pleasure reasons. 19% said they are searching for a few brands and 15% said other answers. Based on this data, we can conclude that consumers realize that pre-loved items can be a cheaper alternative in shopping for goods.

1.3 Consumer Behavior

Consumer behavior is the study of consumers' actions during searching, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs (Sahney). Consumer behavior explains how individuals make decisions to spend their available resources (time, money, effort) on goods that marketers offer for sale. The study of consumer behavior describes what products and brands consumers buy, why they buy them, when they buy them, where they buy them, how often they buy them, how often they use them, how they evaluate them after the purchase, and whether or not they buy them repeatedly (K., 2014). Purchasing decisions from buyers are strongly influenced by the cultural, social, personal and psychological factors of the buyer. Cultural factors provide the broadest and deepest influence on consumer behavior. Companies must know the roles played by the culture, subculture and social class of buyers. Culture is the most basic cause of one's desires and behaviors. Culture is a collection of basic values, perceptions, desires and behaviors learned by a community member from family and other important institutions. Consumer behavior is also influenced by social factors such as family, marital status, occupation, and etc.

A person's behavior is also influenced by many small groups. The definition of a group is two or more people who interact to achieve individual or shared goals. A person's position in each group can be identified in roles and status. Each role carries a status that reflects the respect given by the community. Purchasing decisions are also influenced by personal characteristics such as age, occupation, wealth, lifestyle, and personality. These factors will determine what kinds of goods and services they will need. Lifestyle will also be one of the determining factors of a consumer's buying decision. It does not only reflect a person's interest but also one's social class. Their social class will influence on what they need and want due to their surroundings. Hence, a consumer's environment will also be one of the key understandings to analyze consumer behavior. A consumer's lifestyle can also reflect their personality, which can also be a useful variable in analyzing consumer behavior. Their personality can reflect their product and service selection, hence creating a pattern and an image of their interests and desires. Another factor of a consumer's purchasing decisions is based on their psychological motivation, perception, knowledge, and trust. The consumers' motivation reflects their needs from psychological, biological, or social.

1.4 Millennials

Millennials is a term that is coined by Neil Howe and William Strauss in October 2014. They defined that millennials are those who were born in the 1980s and will be approximately in their 20s in the 2000s (Howe & Strauss, 2000). On 2015, the population of millennials has overcome the number of baby boomers population who are aged 51-69 years old. In the estimates released by the US Census Bureau, millennials population has reached 75.4 million while baby boomers population reached 74.9 million (Fry, 2016).

Characteristic of millennials (based on CNN Student Indonesia) are:

- Millennials believes in User Generated Content (UGC) rather than unidirectional information.

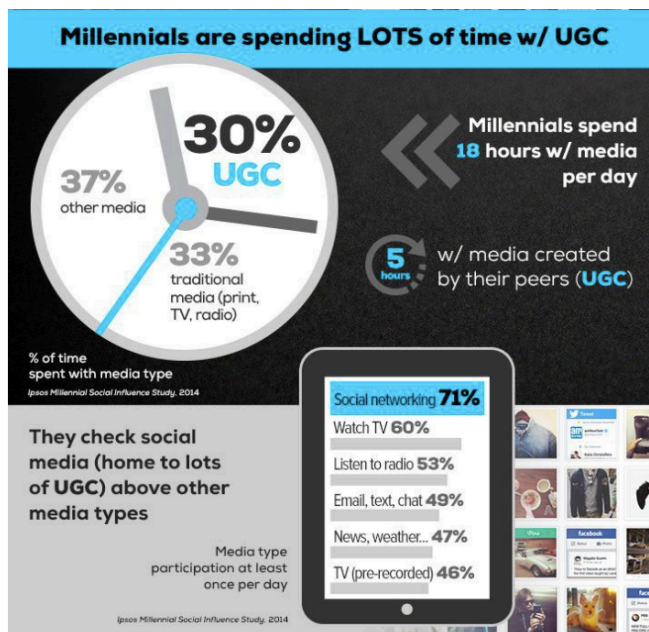 ➢ They trust UGC (user generated content) more than information given by official sources.

Figure 7 – Diagram about "*Millennials are spending lots of time with* UGC"

by Crowdtrap and Ipsos

Based on Figure 6 above, it shows that millennials no longer trust the one-way communication in the media. They trust more on user-generated content (UGC). 5 out of the 18 hours millennials spend on social media are spent on seeing user-generated contents. For example, when a user wants to buy a product, they will not buy it directly just because it sees conventional advertising. Users will likely find out reviews or testimonies done by other Internet users on the Internet. Millennials does not also hesitate to share their good or bad experiences with a brand so others can get information.

- Millennials prefer mobile phones over TV.
  - ➢ The Internet plays a major role in their life more than conventional medias. The generation that was born in the midst of this technological development no longer sees television as their main source of information. Internet is a very important role in the survival of this people. As Prami Rachmiadi, Chief Digital Content Officer in Global Entertainment and Media Outlook: 2017 - 2021, "Millennials will never be able to get out of their phones because the behavior that takes place in today's society is to be the up-to-date. The behavioral shift from Generation X and Generation Y can be seen from how they interpret the Internet function"
- Millennials feel a strong need and desire for social media.
  - ➢ Social media accounts are an extension of their everyday life and their actualization of repressed and unexplained feelings and outbursts regarding their everyday life. It's a fact that 75% of millennials had social media accounts (al., 2010). A face-to-face communication is considered unnecessary for communicating due to the interactive features social media has such as video calls and emojis. Many of the Y Generation that interact and maintain communication through text messaging or also chat with various platforms that are now widely used as an option. Not only a medium for interaction, millennials also make social media as a center of information and the need for self-actualization. Through social media, millennials can express themselves by sharing images, videos, or texts to be seen by others to build a social image.

More than 33% of Indonesia's population in 2015 were young people aged 15-34 years, even for urban areas such as DKI Jakarta, the young population can reach more than 40%, they have known as the millennials generation (Ali & Purwandi, 2016). Millennials generation is a generation born between 1981-2000, or who is currently 15 years old to 34 years old. In the year 2020 millennials generation is in the age range of 20 years to 40 years. Age is the productive age that will be the backbone of Indonesian economy. According to *Badan Pusat Statistik* (BPS) data, the number of Indonesian population aged 20 years to 40 years in 2020 is estimated to 83 million people or 34% of the total population of Indonesia, which reached 271 million. Millennials generation is a unique generation, and unlike with other generations. According to previous journal, this is much influenced by the emergence of smartphones, the widespread Internet and the emergence of social media. These three things affect the mindset, values and behaviors adopted. Life millennials generation cannot be separated from technology, especially Internet; entertainment has become a staple for this generation. There is an overview managed by the Association of Indonesian Internet Service Provider close by the Puskakom University of Indonesia, Indonesian Internet users in 2014 exceeded 88.1 million. 49% of them are millennials (Pangerapan, 2015). As seen on Figure 8, of the five generations that applied in the three categories it is seen that millennials exceed every category with high spending. Based on these data, millennials have a high consumptive power, making it easy for them to spend money.
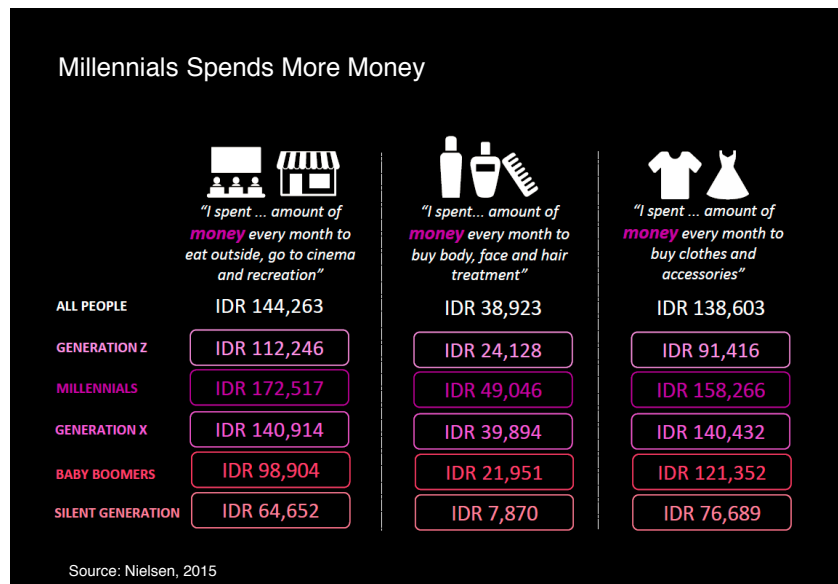
Figure 8 – Millennials Spends More Money by Nielsen

1.5 Problem Statement

The era of technological and information advancement has helped us in everyday situations. One of the developments is e-commerce where consumers can buy and sell products online. E-commerce has been believed to be an efficient solution to fast access shopping; referring to previous data, society has been using mobile devices to open and conduct e-commerce transactions. One of the growing products sold in e-commerce are pre-loved items via a digital platform. Pre-loved goods are offered to consumers to help people to get products in good condition but at much more affordable prices. On the other hand, there are risk of scammers and security that consumers still lack in trust. Hence, this research aims to explain the motivation of people selling and buying pre-loved items. In addition, this research will discuss the significance of Carousell as a digital platform for selling pre-loved items.

1.6 Scope of Research

This research will focus on the motivation of buying and selling pre-loved items through a digital platform by millennials consumers. This research will use a qualitative and quantitative approach by conducting a survey and an in-depth interview for primary data. In addition, the secondary data will obtain from books, journals, and news articles that relating to millennials, digital platform, digital trading, pre-loved items, and consumer behavior for additional information. The survey will take a sample or a representative of the population; the sample selected by millennials, men and women, with the range age of 18 to 35 years old who has Carousell account who live in Indonesia with above 2 million rupiahs disposable income per month. Also, researcher will do an interview with one of the representative from Carousell Indonesia and one of the representative from marketing perspective to supporting the additional data.

1.7 Aims and Benefits

- For future users of digital trading:

  This research will identify the reason implied by millennials in purchasing their pre-loved items through digital platform. By purchasing pre-loved items through digital platform, will be more profitable in terms of a much cheaper with a choice of different types of goods. While by selling pre-loved items through digital platform, it will help in reducing the unused items and will earn extra money and can train the skill in doing business.

- For digital platform management:

  The finding in this research is to give further knowledge and insights on how security details in the e-commerce industry can affect consumer behavior. In addition, this research aims to give more knowledge on how can the e-commerce industry increase consumer's trust and loyalty through security.

1.8 Structure

Chapter 1: Introduction

The first chapter will discuss about the general background of the topic about millennials using e-commerce as a digital platform to sell and buy pre-loved items. This chapter will also discuss about the scope, aims, and benefit of this research.

Chapter 2: Theoretical Foundation

The second chapter will discuss the theoretical framework that will use as a foundation for this research. The theories in this research will also help to limit the scope of research and give guidelines to the collection of primary data.

Chapter 3: Research Methodology

The third chapter will discuss about the research methods used in this paper. This research will use a qualitative and quantitative approach by conducting a survey and an in-depth interview for primary data; the secondary data will obtain from books, journals, and news articles. Furthermore, this chapter will also discuss the sample's specific criteria, number, and paradigm on how this research is viewed.

Chapter 4: Result and Analysis

The fourth chapter will discuss and analyze the findings that are taken from both primary and secondary data. This chapter will also try to correlate the findings collected from in-depth interviews and survey to answer the research questions in this paper.

Chapter 5: Conclusion and Recommendation

The fifth chapter will conclude the findings that are discussed in chapter 4. Furthermore, this chapter will also give out recommendation for the e-commerce industry and future related research.